

Wholesale Carrier VoIP Technology Preferences and Buying Factors

A Survey of *Capacity* magazine's
Readership Sponsored by NexTone

Survey Duration: 22 November – 8 December 2006

Publication: July 2007



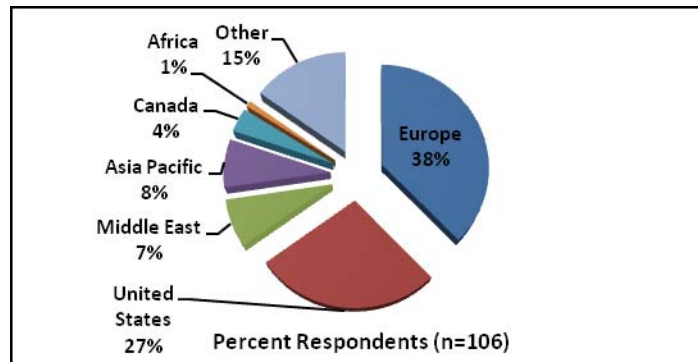
Introduction

In November 2006, *Capacity* magazine conducted a survey to compile information about customer buying factors and preferences for VoIP technology in the wholesale carrier segment. *Capacity* sent its readers a web link to a thirteen-question survey (tools provided by Zap Survey) via e-mail on November 22, 2006. Incentive was provided in the form of a chance to win one of five American Express Gift Cards worth \$100-\$500. The survey, which closed on December 8, 2006, with a total participation of 106 readers, was sponsored by NexTone; the participants, however, were not aware of the sponsorship.

Demographics

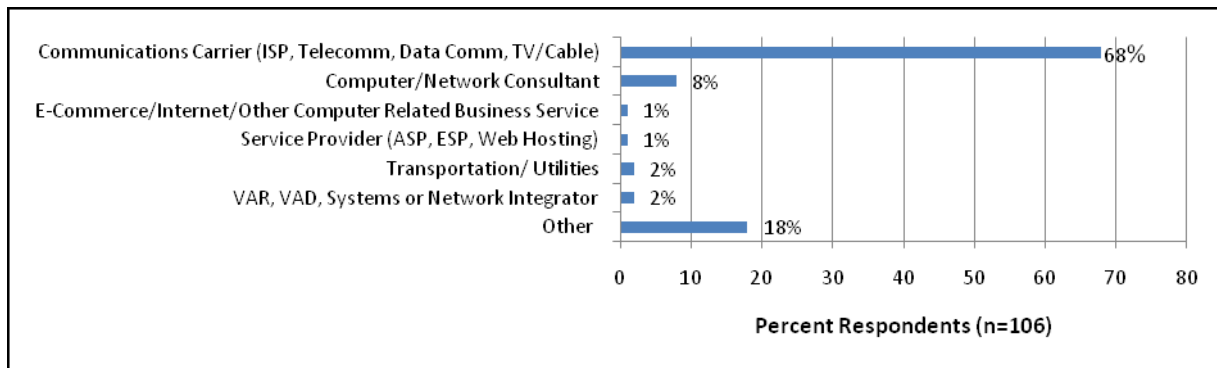
All regions of the globe were represented in the survey participation: 38% from Europe, 27% from the United States, 8% from Asia Pacific, and 7% from the Middle East, as shown in **Figure 1**.

Figure 1: Where are you located?



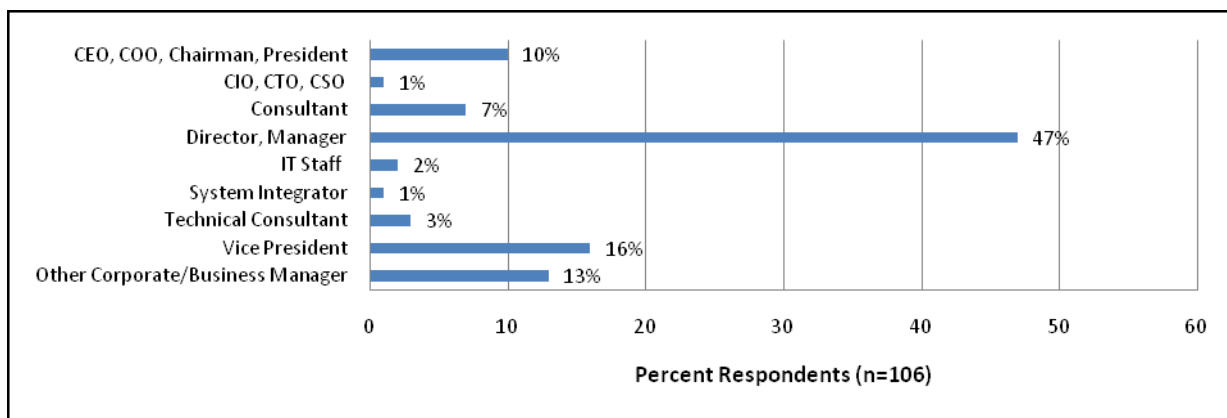
The majority of respondents (68%) worked for communications carriers specializing in ISP, telecommunications, data communications or TV/Cable services. Apart from this trend, the only other significant group (8%) was involved in computer and network consulting, as seen in **Figure 2**.

Figure 2: What is your business or industry sector?



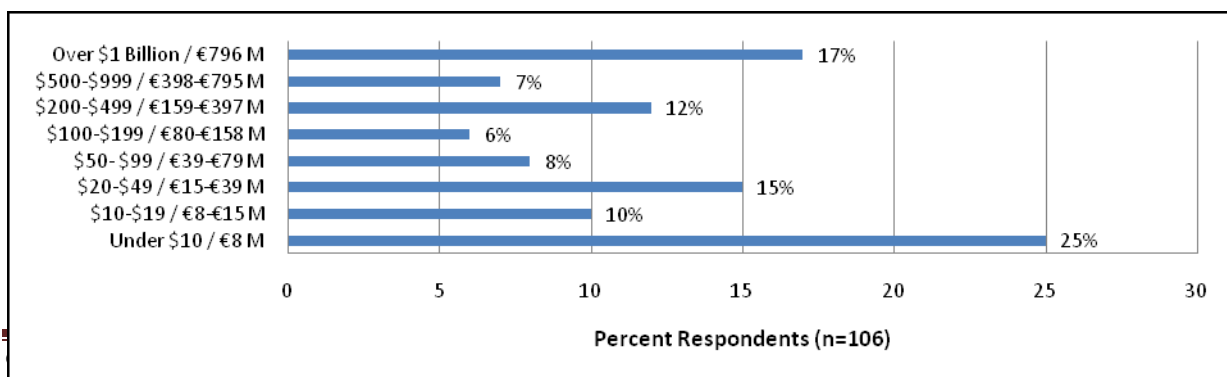
Within these sectors, participants primarily held managerial and executive titles, with 47% identified as directors and managers, 16% identified as vice presidents and 10% in the role of CEO, COO, Chairman or President. See **Figure 3** for the full results of survey participants' positions.

Figure 3: What best describes your title?



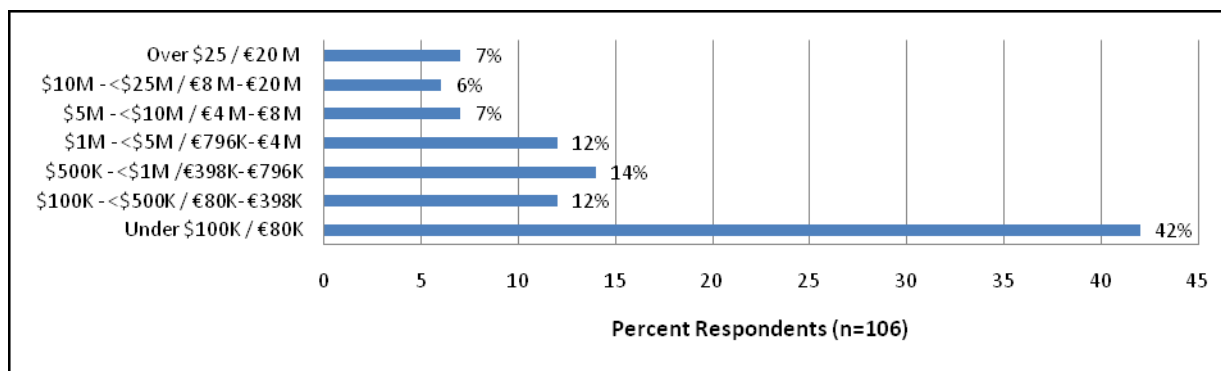
The annual sales volumes for respondents' companies were spread evenly across a range of under \$10/€8M to over \$1B/€796M, as shown in **Figure 4**.

Figure 4: Approximately what is your annual sales volume?



The companies' expected 2007 spending on VoIP-related products/services did not follow the same curve as annual sales. As displayed in **Figure 5**, 80% of the respondents' companies planned to spend under \$5 million, and only a handful of ambitious companies expected to spend over \$25 million.

Figure 5: Approximately what is your projected spending in the next 12 months on VoIP related products/services?



Results

To better understand the process customers use when seeking VoIP solutions, *Capacity* asked respondents to choose the two most important buying factors for three product/solution categories: VoIP Network Peering, IP Multimedia Services, and Subscriber VoIP Services.

As the results displayed in **Figures 6-8** suggest, reliability, cost, performance, manageability and interoperability appear to be the most important buying factors for VoIP products and solutions across the board. Also consistently, the respondents ranked market leadership as the least important factor when choosing IP products and solutions.

Figure 6: Please check what you consider the 2 most important buying factors for VoIP Network Peering

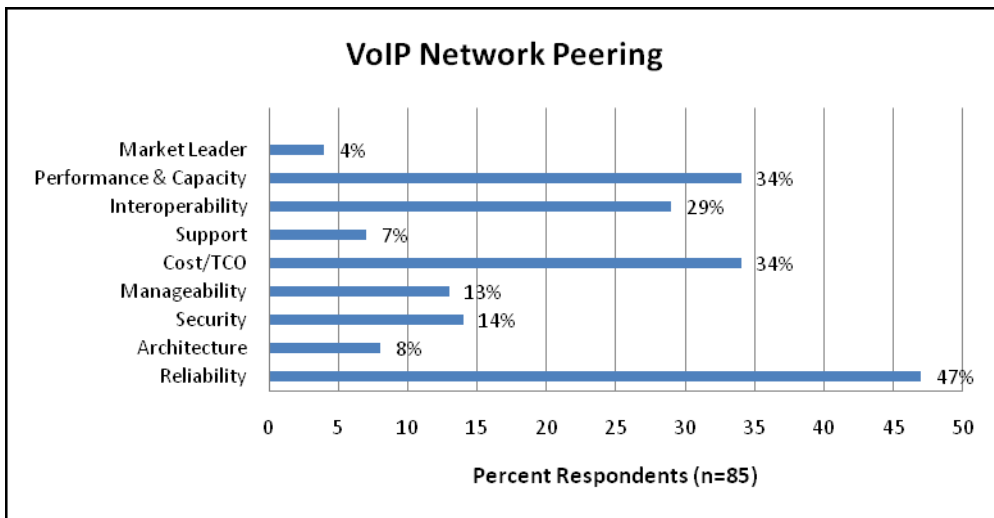


Figure 7: Please check what you consider the 2 most important buying factors for IP Multimedia Services

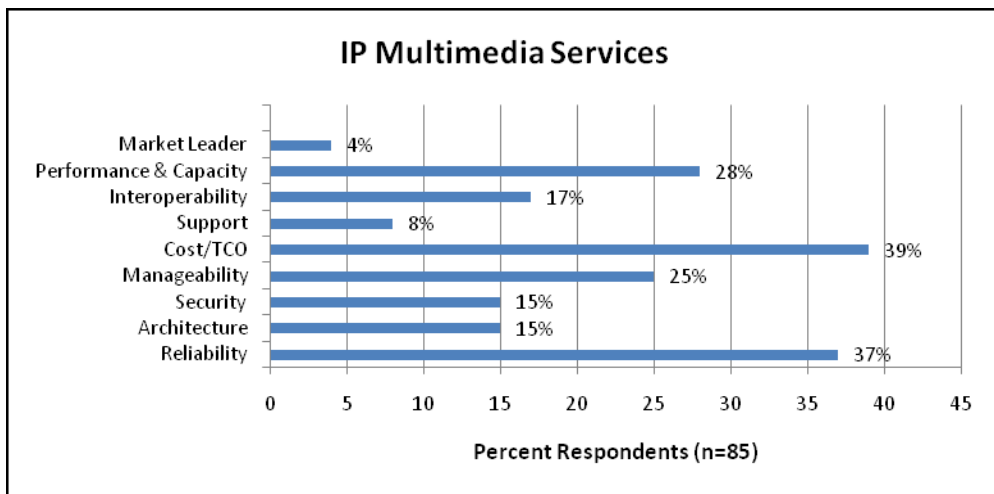
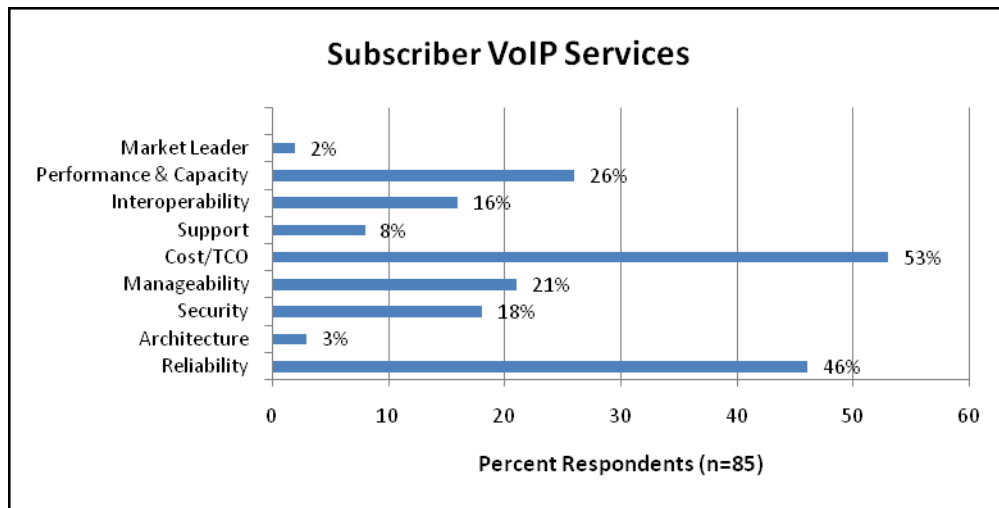
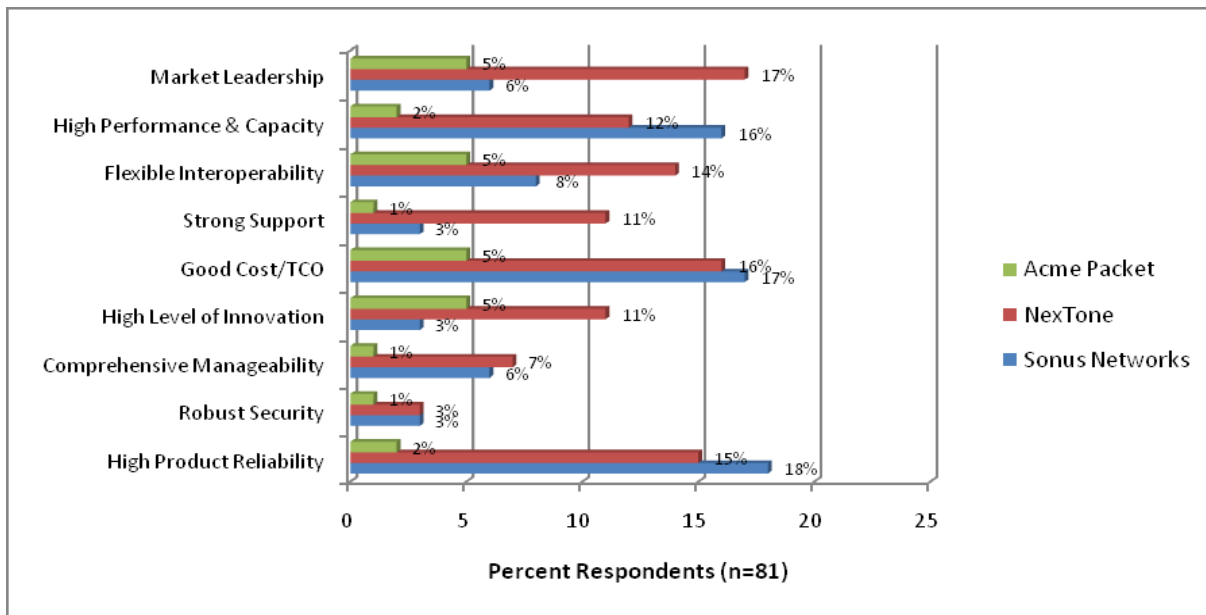


Figure 8: Please check what you consider the 2 most important buying factors for Subscriber VoIP Services



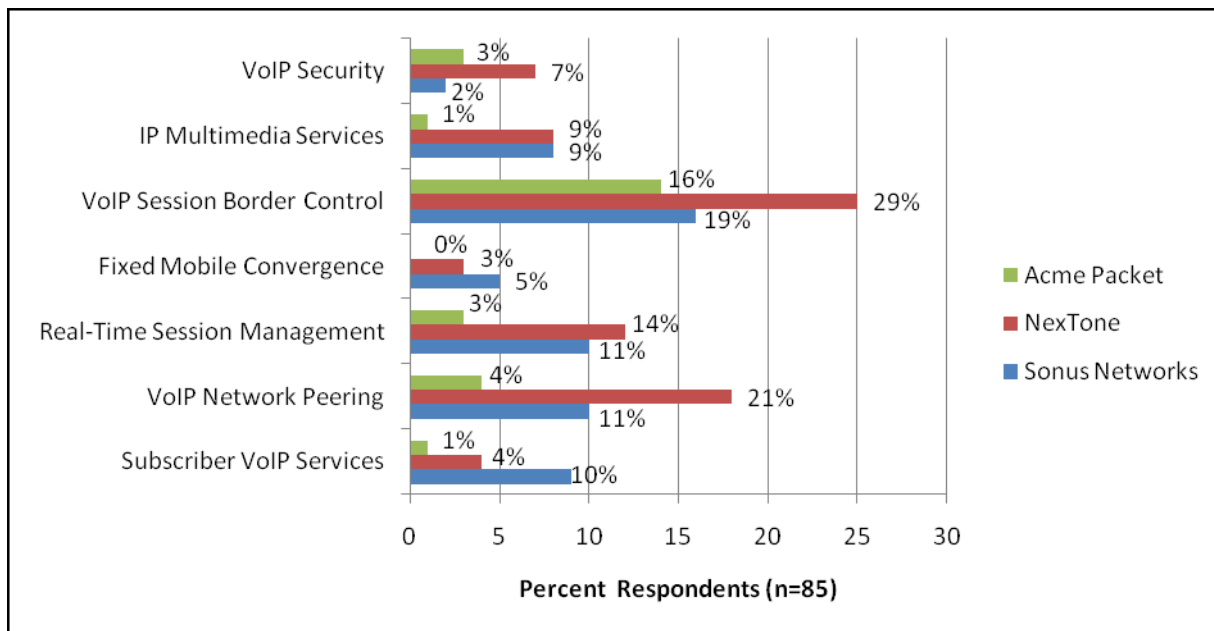
The following question asked respondents to measure the success of Acme Packet, NexTone and Sonus Networks in each of these categories. The results are displayed in **Figure 9**. It is worth noting that most respondents did not feel they knew enough about each company to comment, with 87% noting they were too unfamiliar with Acme Packet to rank them, 63% noting the same for Sonus Networks and 60% for NexTone.

Figure 9: Check all positive attributes that you feel apply to each company listed below.



As a measure of the respondents' familiarity with the products and services offered by Acme Packet, NexTone, and Sonus Networks, respondents were asked to match each company with a number of product/solution categories. The results of their responses are listed in **Figure 10**.

Figure 10: Please select the appropriate Product/Solution Categories for each company. (Check all that apply.)



Finally, respondents were asked to rank each company and each company’s products/solutions based on their feelings towards them. As illustrated in **Figures 11 and 12**, this market segment demonstrates a distinct preference for NexTone both in terms of the products and solutions they offer and in terms of their views on the companies overall.

Figure 11: Please rate each company based on your feelings towards them

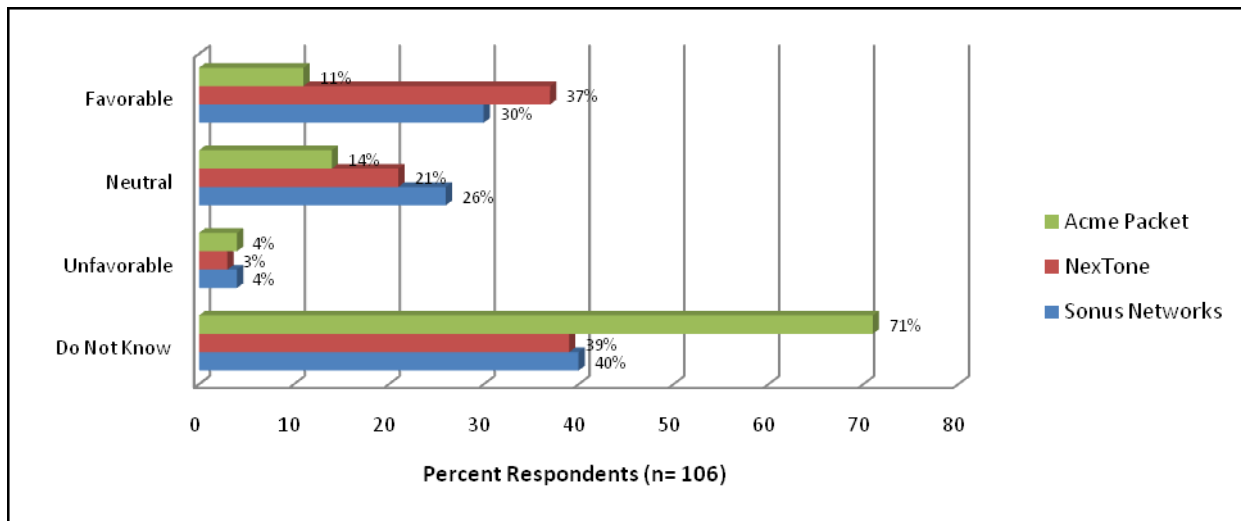


Figure 12: Please rate each company’s Products/Solutions based on your feelings towards the Products/Solutions

