

# Internet calls on the rise in S'pore

Users drawn by cheaper rates; trend eating into telcos' voice and SMS businesses

■ BY TAN WEIZHEN

MORE mobile users here are saying goodbye to traditional phone call charges and saying hello instead to Internet telephony applications on their smartphones, which can slash their monthly phone bills.

Gaining a stronger following are services like Hoiio and Nimbuzz, which use mobile Voice over Internet Protocol (VoIP) technology or callback technology to make cheap or free calls both locally and overseas.

It is not just for voice calls, however. Applications such as WhatsApp on the iPhone have also popped up, allowing users to send an SMS or MMS message to WhatsApp users in other countries for free.

This trend is eating into telecommunications companies' core voice and SMS businesses, forcing them to rejig their strategies and come up with their own VoIP mobile services.

Home-grown service Hoiio has seen a threefold leap in Singapore users, reaching more than 20,000 since it launched in 2008. Similarly, Nimbuzz, based in the Netherlands, has strengthened its locally based users by 400 per cent in the past two years.

Local telco StarHub, which has similar services like Pfingo Bounce and Pfingo Talk, noted a 25 per cent rise in customers year-on-year, and a more than 100 per cent increase in traffic.

VoIP calls are significantly cheaper than standard calls, cutting rates by more than half. For instance, calls made using Hoiio are charged at 3.8 cents a minute, four times cheaper than the 16 cents a minute that is charged by telcos.

International calls can also cost almost seven times less. For example, an IDD call made on a mobile phone line to the United States costs 31.05 cents per minute. Hoiio charges a fraction of that at 4.5 cents per minute.

Additionally, better data speeds and user-friendly integration – such as the application linking with the contact numbers in the phone – means users here are spending a fair amount of time on them.

Mobile phone users consume up to about 300 to 500 minutes per month per user, including local, IDD and roaming minutes, said Hoiio.

Mr Soh Siow Meng, a freelance telecommunications consultant, said: "VoIP has already made international calls very affordable, and it will make mobile calls more affordable as mobile broadband services become more prevalent and stable."

He added that with more services which make use of mobile Internet, telcos will increasingly go down the mobile Internet route to offset the loss of revenue to their voice services.

According to a StarHub spokesman, "Many mobile operators in mature markets are increasingly facing flat growth in traditional voice revenue. We wanted to create new revenue streams to tap global markets, with focus on convergence opportunities primarily in the mobile and Internet services."

This means mobile users can use their phones more, but pay less.

Indonesian Donny Permana, who does not have a fixed phone line and calls his parents in Indonesia, has seen his mobile phone bill go down to \$40 from \$80 a month since switching to Hoiio.

"It is user friendly and hassle free...with this, I don't have to rush to buy (phone) cards, and it is cheaper," said the 27-year-old engineer.

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## Voice services here

ALTERNATIVE voice services popular with mobile phone users here.

### ■ Hoiio

**How it works:** Its callback feature converts outgoing calls to incoming ones, which are free for local calls. Once it is installed, users can make calls as per normal – via the contacts list or keypad.

**Cost:** 3.8 cents a minute for calls, 8.8 cents per SMS to any country.

**To use:** Download from website or from app stores such as the iPhone or Android Marketplace.

### ■ Pfingo Bounce and Talk by StarHub

**How it works:** Pfingo Bounce works on the same callback feature as Hoiio, while Talk uses your mobile data to make calls.

**Cost:** Free for the basic version, pay if you want more features. IDD rates are at 2 cents a minute. 10 cents per SMS to any country.

### ■ Nimbuzz

**How it works:** It offers free calls to other Nimbuzz users by using your mobile data connection. A plus: You can connect to your MSN, Facebook and Google chat friends also.

**Cost:** Free, but pay for its premium plan which allows calls to non-Nimbuzz users and international calls at low rates.

**To use:** Key in your mobile phone number on its website and a download link will be sent to you via text message.

All applications can only be downloaded on smartphones such as the iPhone, Blackberry or any phone working on Windows Mobile.