Software Advice BuyerView: Business VoIP Report 2015

Insight into today's software buyer

Software Advice™

Abstract

From August 2014 to March 2015, we talked to hundreds of small businesses (companies with annual revenues of $50 million or less) in the market for a business VoIP system. We analyzed 212 of these interactions to determine the popularity of different kinds of VoIP solutions and traditional voice services. We also determined the top reasons behind new business phone system purchases and the top functionality requested by small business buyers.

Key findings:

1. More buyers already use VoIP service (36 percent of our sample) than any other type of voice service (POTS usage is at 24 percent, and PRI usage is at 11 percent).

2. A combined 29 percent of buyers are either using a cloud PBX or on-premise IP PBX, while only 15 percent still rely on some kind of legacy PBX system.

3. Twenty-nine percent of buyers want a system that forwards calls to alternate devices, while 25 percent seek a system with voicemail (25 percent).
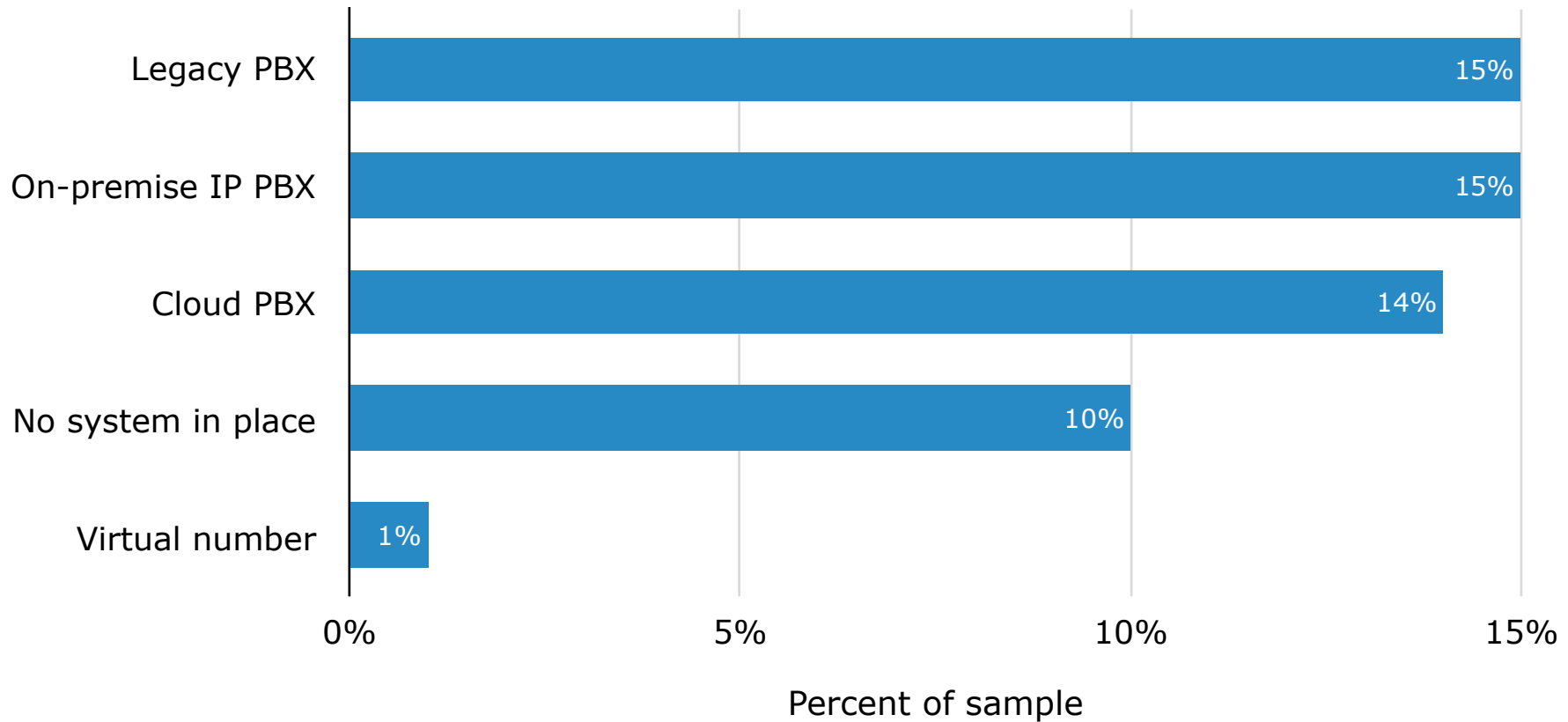
Prospective Buyers Rely on VoIP
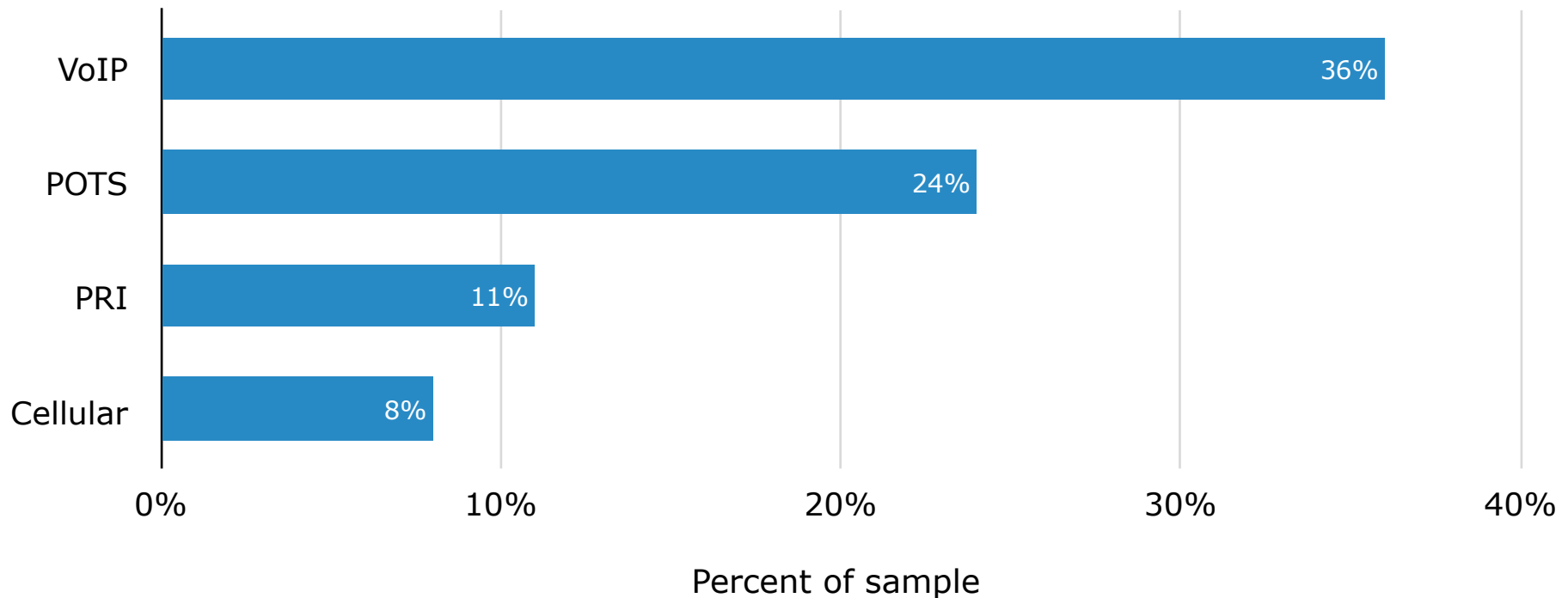
Over a third of the buyers with whom we spoke are already using VoIP, whereas POTS usage is at 24 percent and PRI usage at 11 percent.

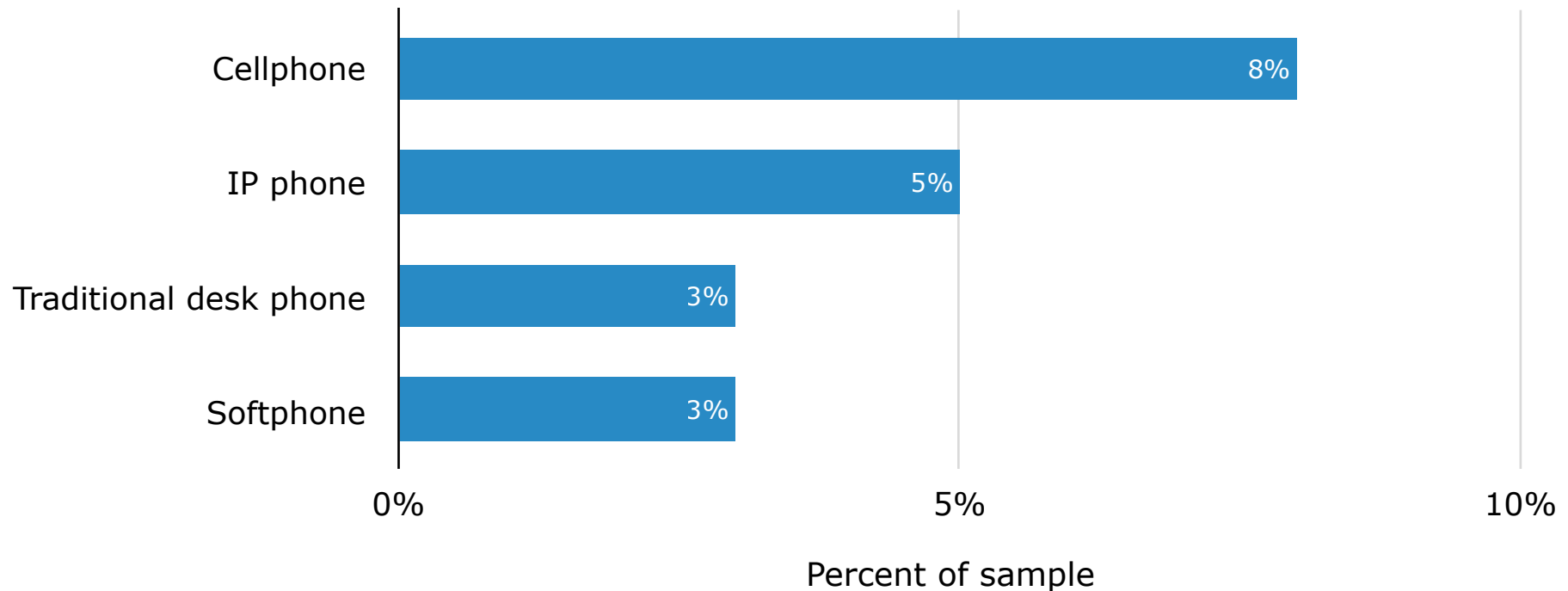# Cloud PBXs and IP PBXs More Popular Than Legacy Systems

Percent of sample

N = 212

29 percent of the buyers in our sample are already using some kind of VoIP system, whereas only 15 percent still rely on a legacy system.

Mobile Devices Are Important Endpoints For VoIP Users

Cellphone: 8%

IP phone: 5%

Traditional desk phone: 3%

Softphone: 3%

Percent of sample

N = 212

Our sample relies more heavily on mobile devices than on other kinds of phone system endpoints such as softphones and traditional desk phones.
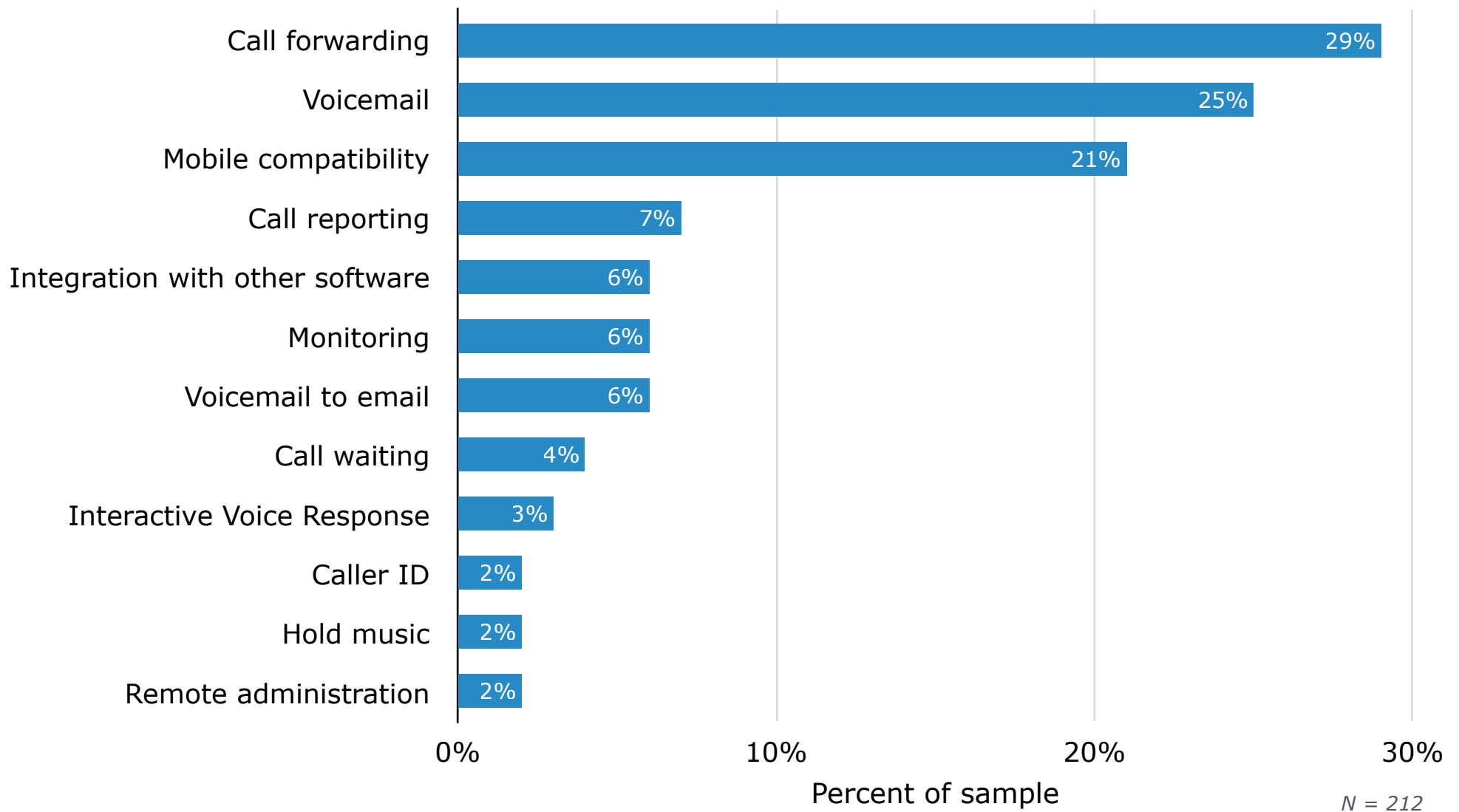
Small Businesses Rely on Auto Attendants and ACD
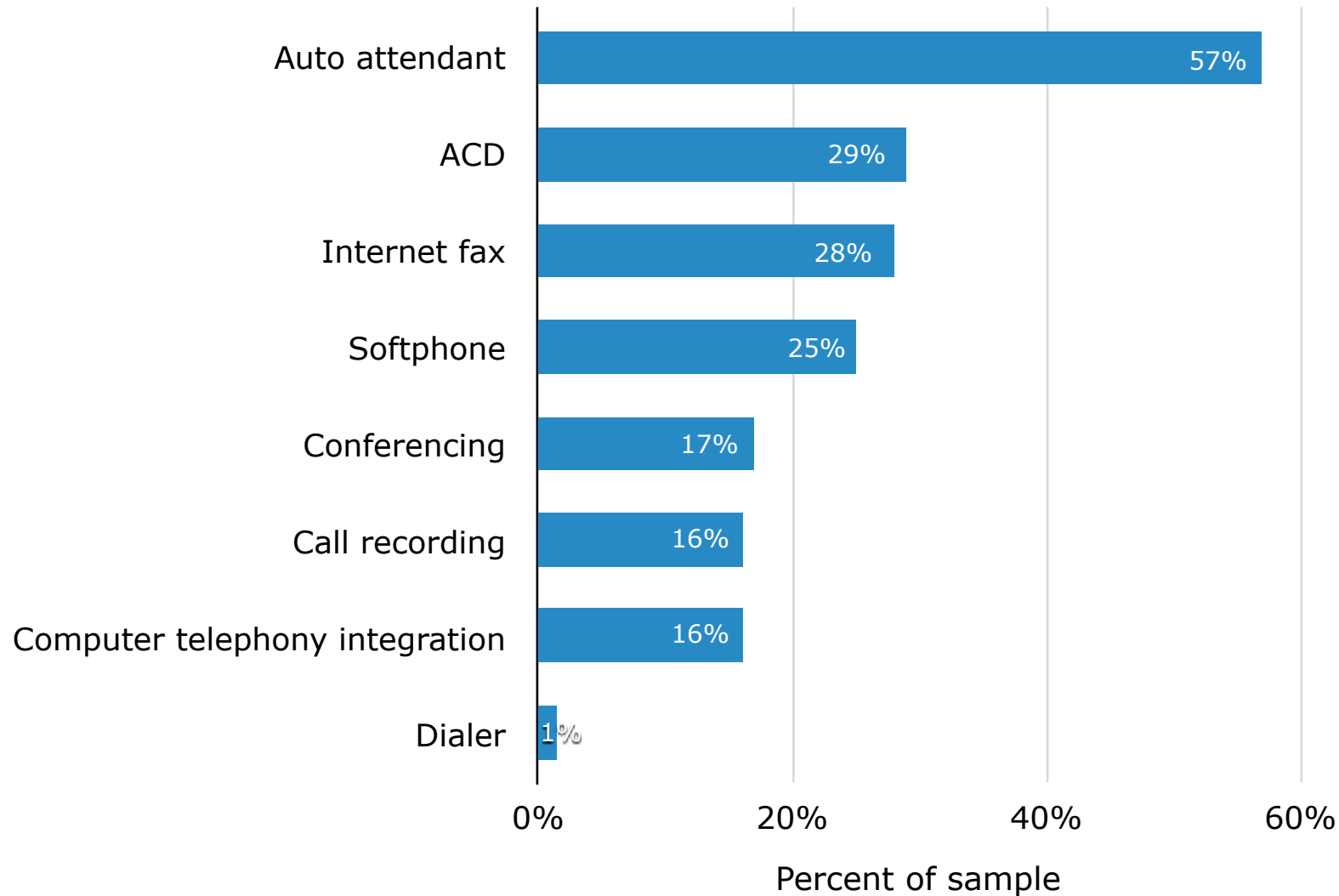
Auto attendants and ACD applications must be included in phone system suites for many of our buyers to consider a purchase.

Small Businesses Need Flexible Forwarding to Mobile Devices

Feature	Percent of sample
Call forwarding	29%
Voicemail	25%
Mobile compatibility	21%
Call reporting	7%
Integration with other software	6%
Monitoring	6%
Voicemail to email	6%
Call waiting	4%
Interactive Voice Response	3%
Caller ID	2%
Hold music	2%
Remote administration	2%

Percent of sample

N = 212

Call forwarding is the most popular feature among the buyers in our sample, with many buyers specifically requesting forwarding to mobile devices.

Buyers Replacing Aging Systems and Systems That Don't Scale

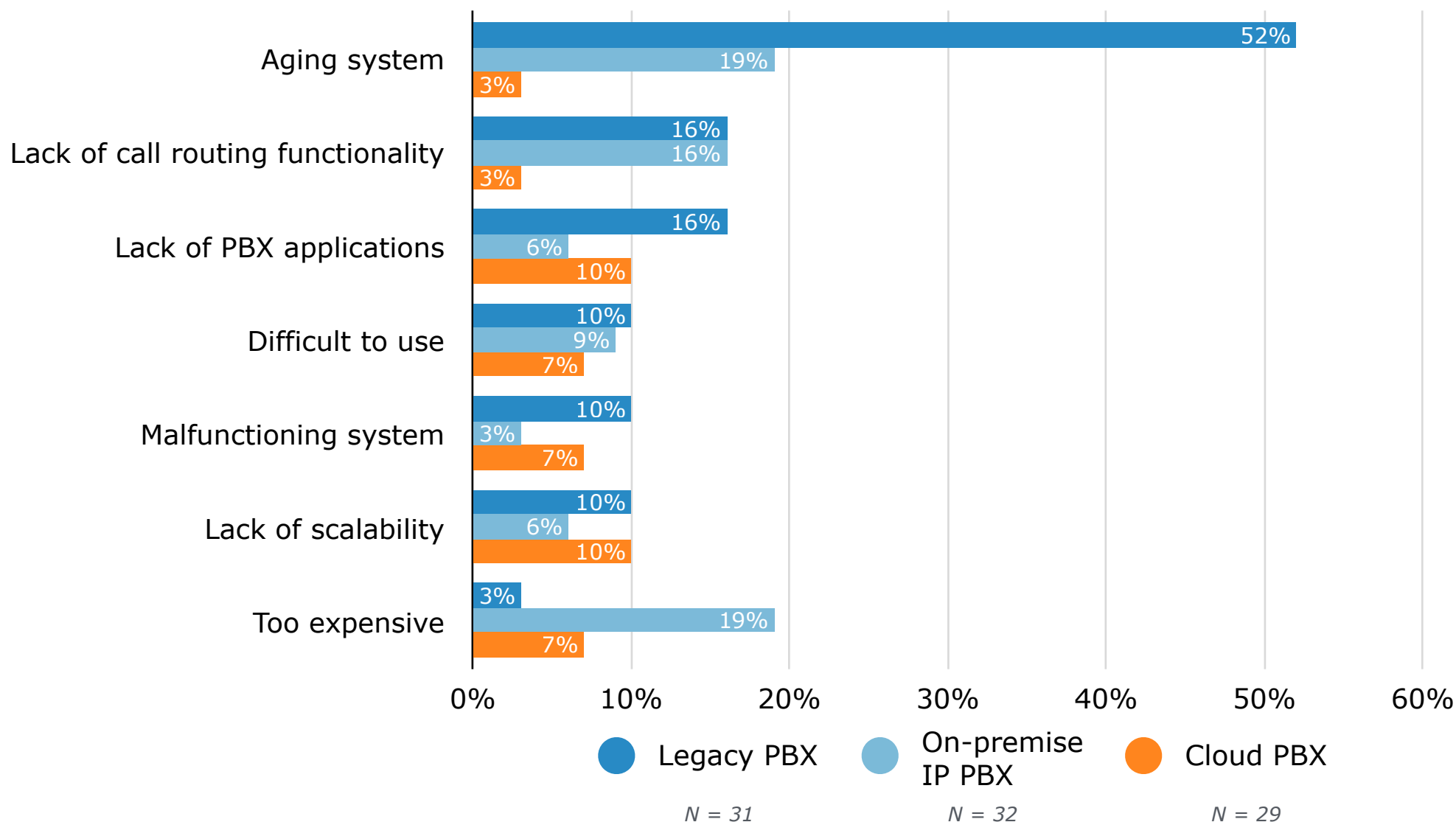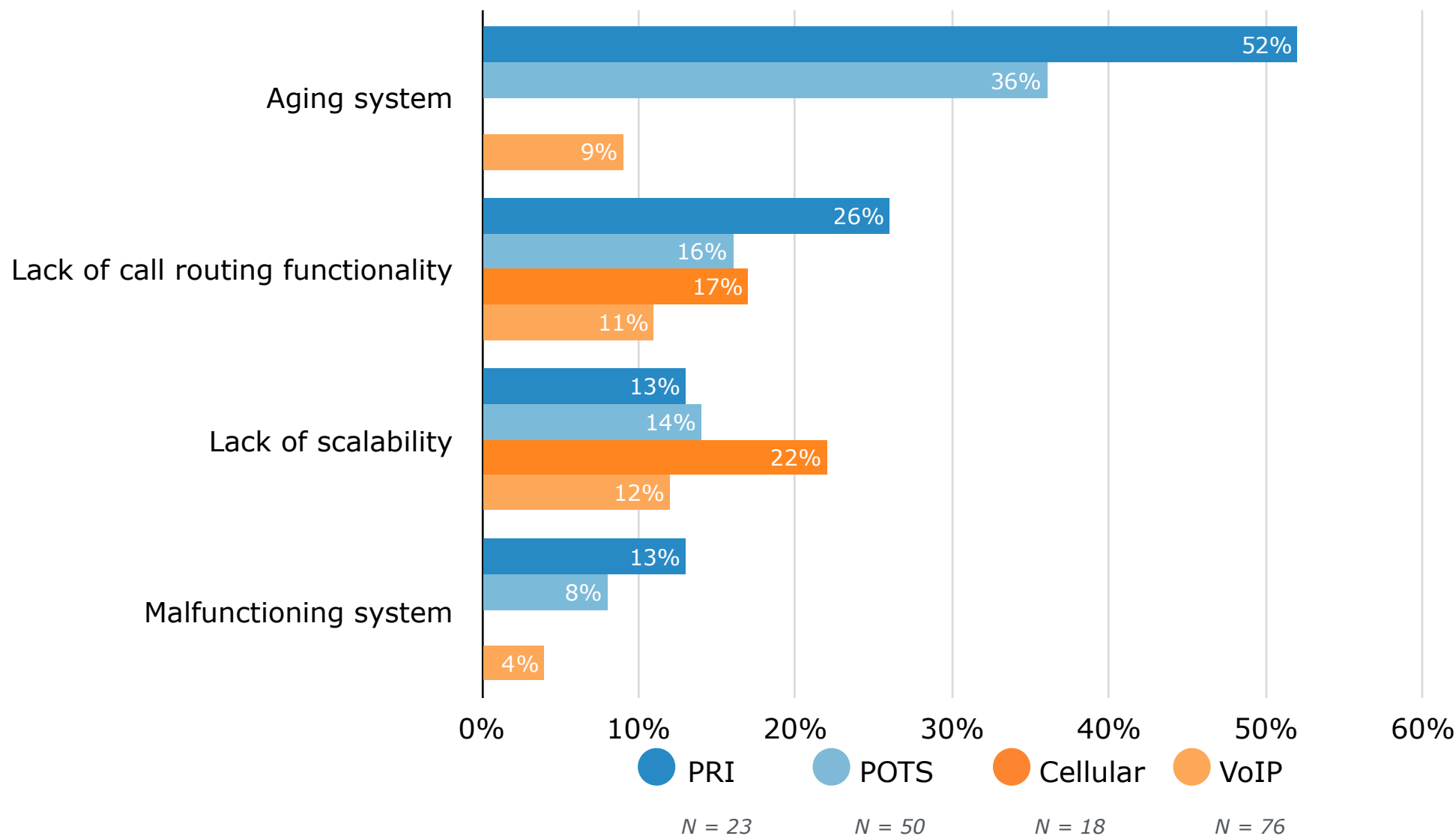| Category	Percent
Lack of scalability	15%
Aging system	14%
Lack of PBX applications	13%
Lack of call routing functionality	9%
Current system too expensive	9%
Current system difficult to use	7%
Lack of centralized setup	7%
Support issues	7%
Quality issues	6%
Uptime issues	6%
Malfunctioning system	5%
Integration issues	2%

Percent of sample

N = 212
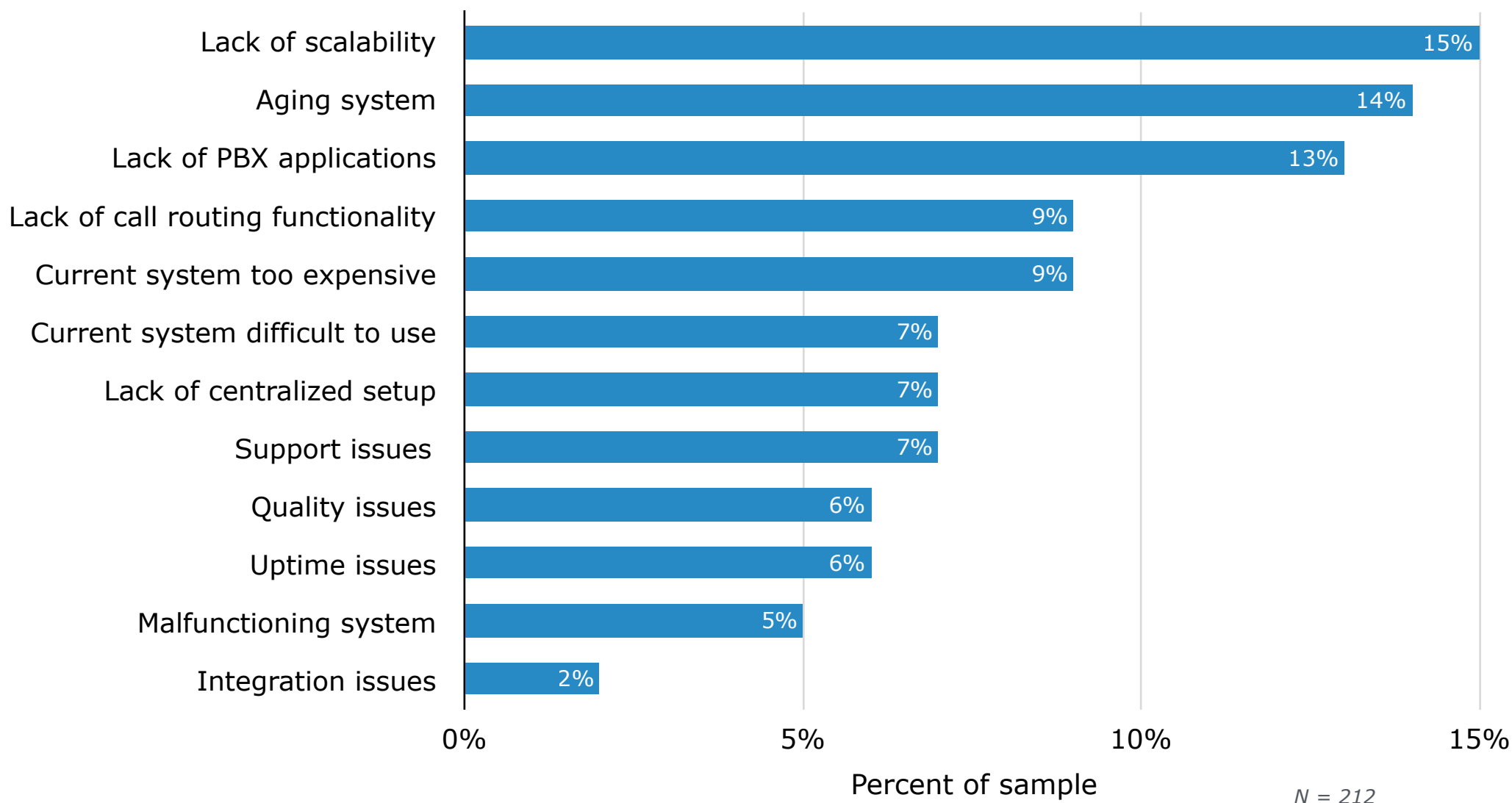
The top purchase drivers among buyers in our sample are end-of-life issues with aging systems and problems with scaling phone systems to accommodate growth.

Buyers With Legacy PBXs Have End–Of–Life System Problems

Legend:
- Legacy PBX
- On-premise IP PBX
- Cloud PBX

Category	Legacy PBX	On-premise IP PBX	Cloud PBX
Aging system	52%	19%	3%
Lack of call routing functionality	16%	16%	3%
Lack of PBX applications	16%	6%	10%
Difficult to use	10%	9%	7%
Malfunctioning system	10%	3%	7%
Lack of scalability	10%	6%	10%
Too expensive	3%	19%	7%

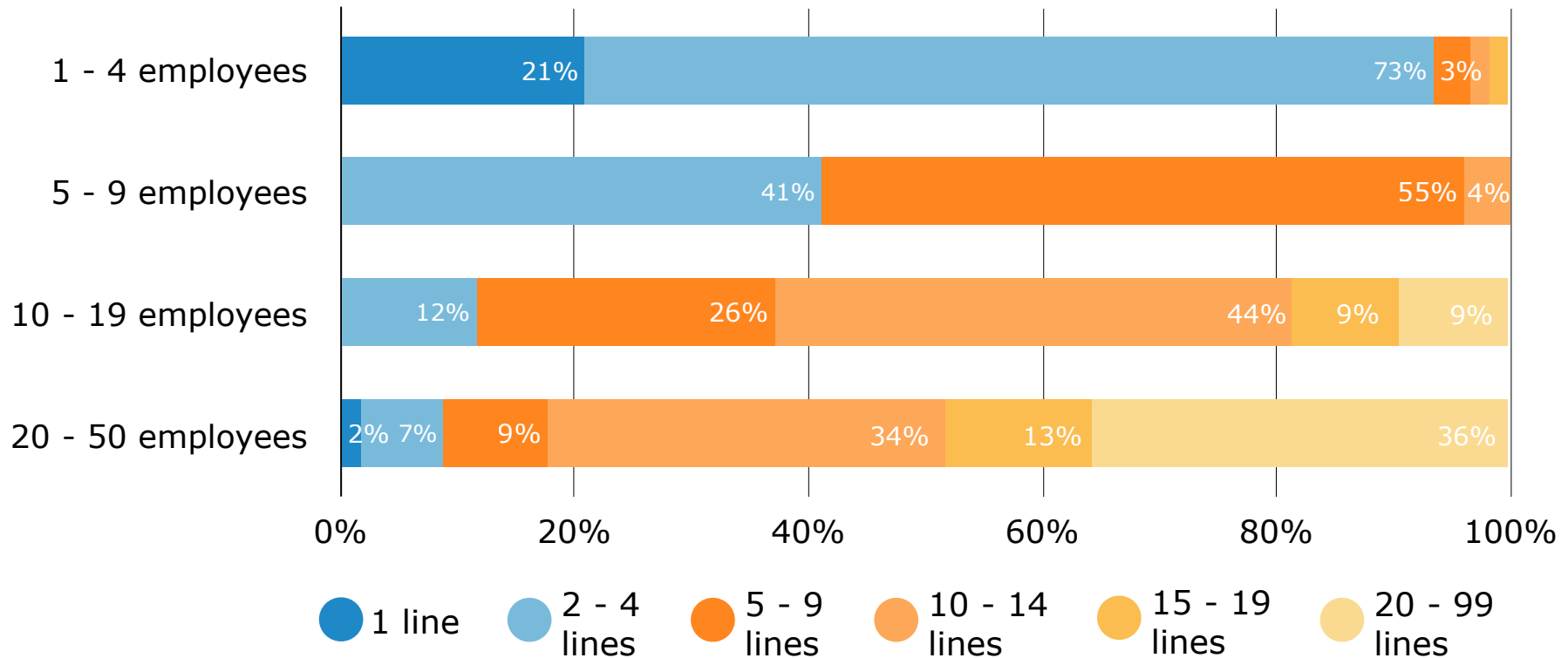N = 31   N = 32   N = 29

The vast majority of respondents with legacy PBX systems cite end-of-life issues with their systems as a major purchase driver.

Businesses Relying on Cell Phones Can't Scale their Solutions

Aging system
- PRI: 52%
- POTS: 36%
- VoIP: 9%

Lack of call routing functionality
- PRI: 26%
- POTS: 16%
- Cellular: 17%
- VoIP: 11%

Lack of scalability
- PRI: 13%
- POTS: 14%
- Cellular: 22%
- VoIP: 12%

Malfunctioning system
- PRI: 13%
- POTS: 8%
- VoIP: 4%

Legend: PRI, POTS, Cellular, VoIP

N = 23   N = 50   N = 18   N = 76

Problems with phone system scalability are especially common among those buyers who currently rely on cell phones for business communications.

Small Businesses Provisioning Fewer Lines Than Employees

1 - 4 employees: 21% | 73% 3%

5 - 9 employees: 41% | 55% 4%

10 - 19 employees: 12% | 26% | 44% | 9% | 9%

20 - 50 employees: 2% 7% | 9% | 34% | 13% | 36%

0% 20% 40% 60% 80% 100%

● 1 line ● 2 - 4 lines ● 5 - 9 lines ● 10 - 14 lines ● 15 - 19 lines ● 20 - 99 lines

N = 212

SIP trunking allows organizations to provision capacity for simultaneous calls more flexibly, thus allowing businesses to use fewer lines than employees.
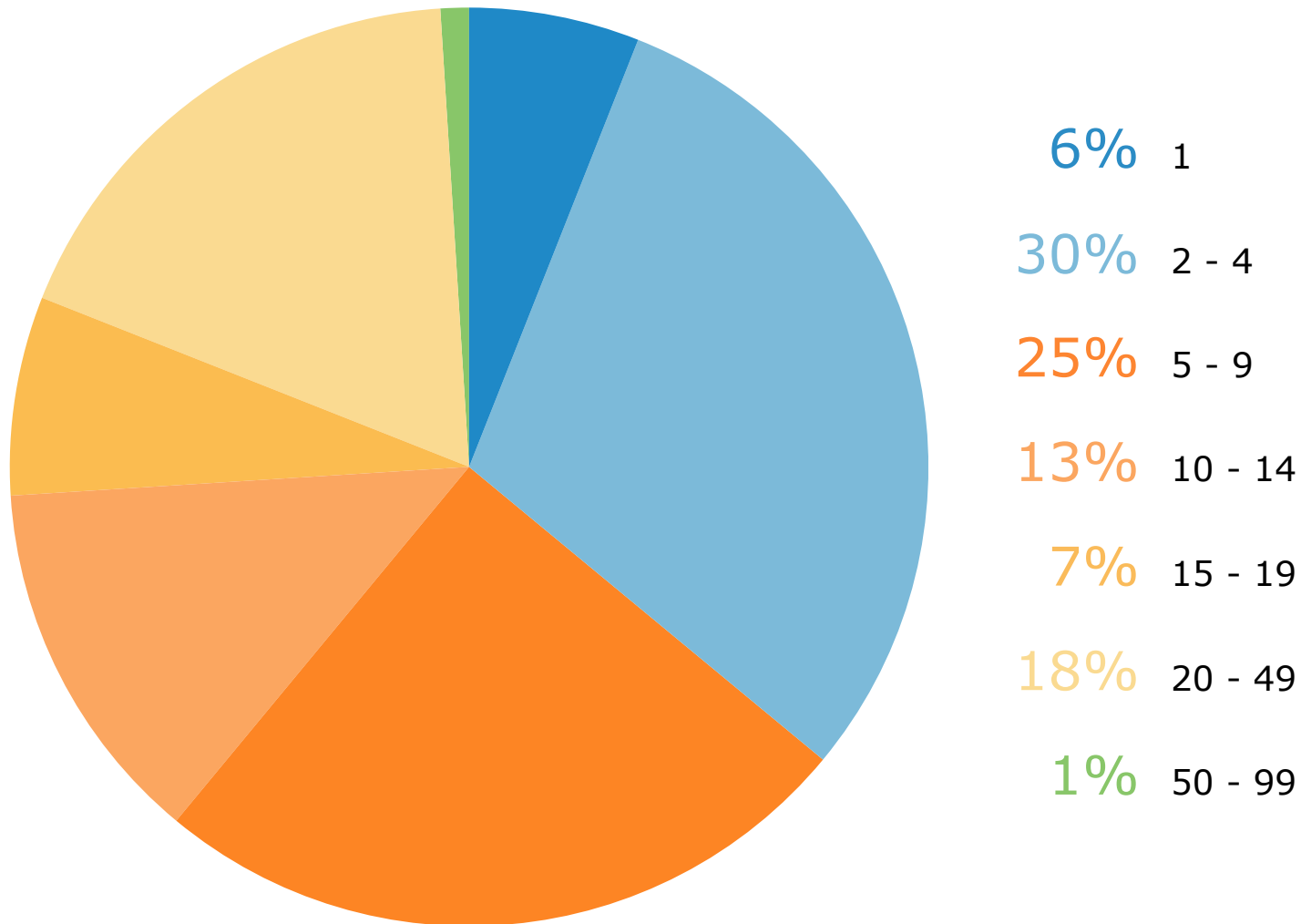
Size of Small Business VoIP Buyers' Organizations

7%   1

22% 2 - 4

24% 5 - 9

10% 10 - 14

10% 15 - 19

26% 20 - 49
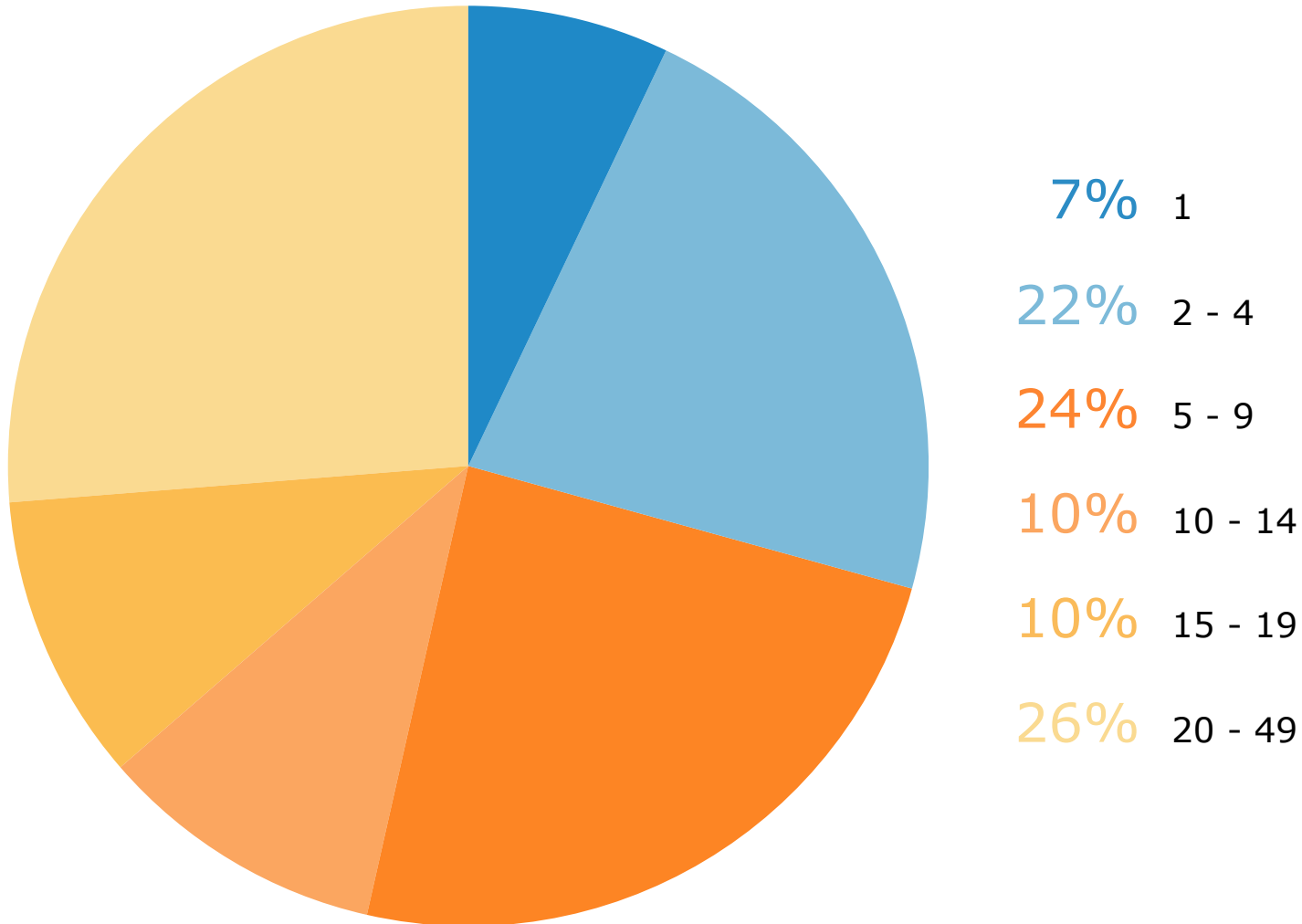
N = 212

Most of the buyers we spoke with work at organizations with fewer than 20 employees.

Number of Phones that Small Business Buyers are Currently Using

6% 1

30% 2 - 4

25% 5 - 9

13% 10 - 14

7% 15 - 19

18% 20 - 49

1% 50 - 99

N = 212

Most small-business buyers are looking for a system that supports 2 - 14 phones.

Industry Segments of Small Business VoIP Buyers

33%	Professional services	6%	Transportation
10%	Health care	5%	Insurance
8%	Retail	4%	Finance
8%	Legal	4%	Hospitality
6%	Contact center	3%	Nonprofit
6%	Manufacturing	8%	Other

N = 212
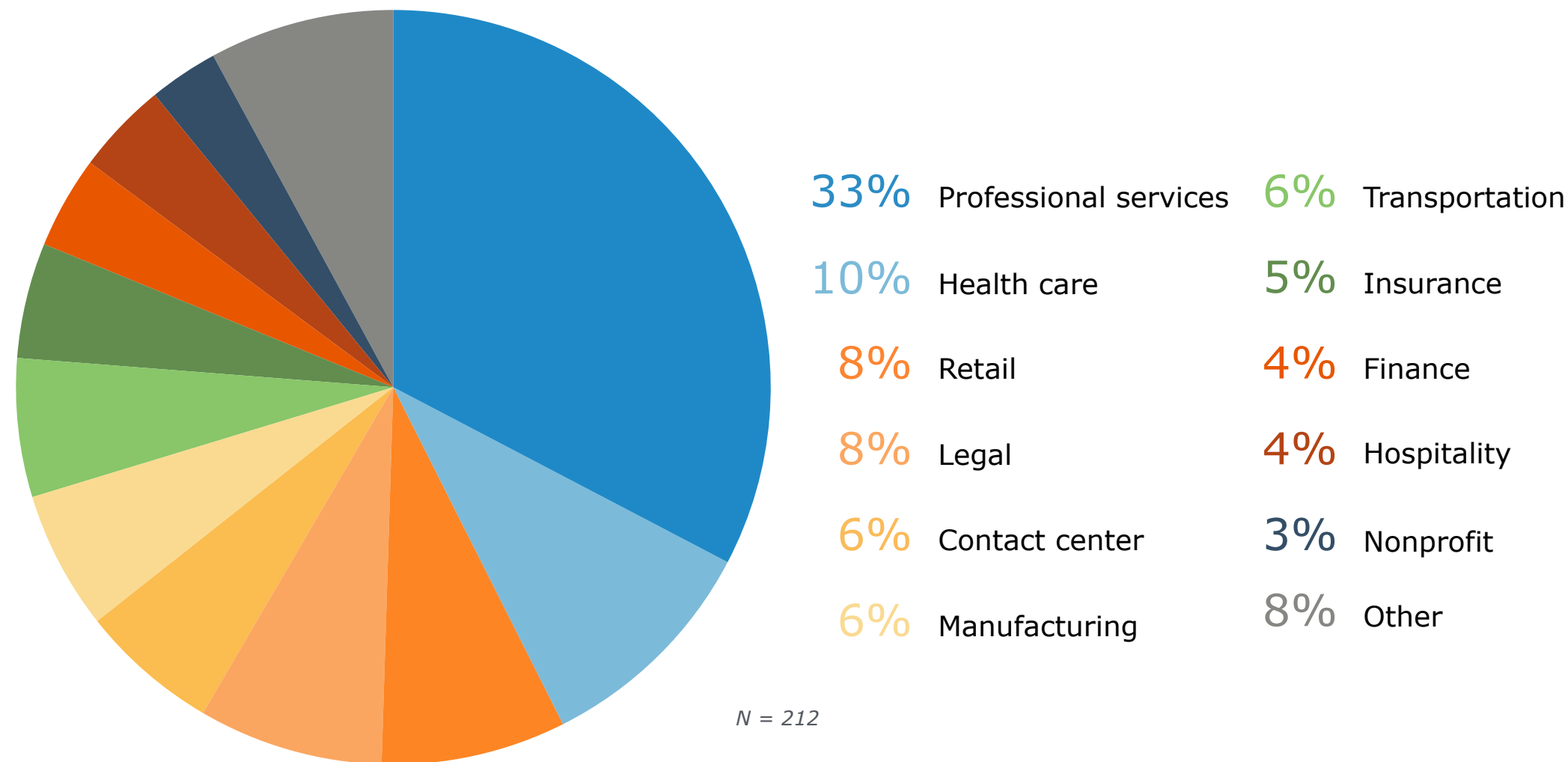
VoIP systems are especially popular among buyers in professional services and health care.

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