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By Carol Wilson PRIMEDIA BUSINESS MAGAZINE

Yahoo says partners approve VOIP offer

Yahoo!'s telco partners in broadband, which include AT&T, BellSouth and Verizon, are "both aware of and involved in" its plans to offer voice over IP, the company said this week. Yahoo!'s VoIP service plans became public Wednesday. The company is adding phone-in and phone-out features to its Yahoo! Messenger service for one cent per minute, prepaid on a credit card.

We have been working with our broadband partners--AT&T, Verizon and BellSouth--and they are aware of this," said Jeff Bonforte, product manager of voice for Yahoo! "They are both aware of and involved in this feature and functionality. They are encouraging Yahoo! to be aggressive and win in this space. Any market share gained by any other company in this space is not to their advantage."

Spokespeople for both AT&T and Verizon said their companies are continuing to explore ways in which they will work with Yahoo!

"We have a good partnership with Yahoo!," an AT&T spokesman said. "As each company introduces new products and services, we look for opportunities to work together in ways that are mutually beneficial."

The new service is much more of a threat to Skype and similar VoIP offerings than it is to Verizon, a spokeswoman said.

"We can leverage our relationship with Yahoo! to the benefit of our customers," she commented. "We work with the best application developers in the business--MSN and Yahoo!--to bring our customers more services, whereas Skype has one service to offer and they are going to be in direct competition with Yahoo!"

For Yahoo!'s part, the partnerships with the Bell companies "become more critical" as voice becomes a bigger piece of the Internet, Bonforte said. "It makes our partnerships tighter."

Yahoo! has been SBC's--and now AT&T's--broadband portal partner for four years and this fall, signed on Verizon and BellSouth as well, providing advanced features and services to their broadband customers.

The new Yahoo! VoIP offering will allow customers to type in a phone number to make a PC-to-PSTN call and will assign phone numbers to enable its customers to receive calls as well. But the company expects most of its customers will not want another phone number, Bonforte said.

“Do you really need another phone number?” he asked. “For a certain number of users, it will make sense. World travelers, for instance, can use a phone-in number that lets family members call them, wherever they are, as if it were a local number. Small businesses can use multiple phone-in numbers to make themselves appear larger. Or families that are divided--some in the U.S., some back home in Vietnam, for example, can use phone numbers to let them stay in touch cheaper.”

Phone numbers will cost \$2.99 a month or \$29.90 a year, he said.

Yahoo! had long been expected to join eBay, AOL, Google and other Internet firms in offering voice service. The company is testing integrated voice messaging but has not yet announced that service, Bonforte said.

The company has been provided PC-to-PC voice calling through Yahoo! Messenger for five years now, Bonforte said.