



Fact Sheet

Skype - free or cheap Internet Telephony

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www.skype.com

Many individuals and small businesses have started to use “Skype” - but what are the benefits? Our E-Business Advisers discuss this free downloadable software:

1. What is “Skype”?

Skype is a software-based free VoIP (Voice over Internet Protocol) system that covers both PC to PC (free) and PC to phone (low cost) calls. They are based worldwide, with an HQ in Tallinn, Estonia.

The founders of the firm have an impressive and innovative track record in successful Internet applications. Since the software was created, they have had well over 100 Million free downloads from their web site - both private individuals and small firms.

The software is easy to install, straightforward and intuitive to work, and will work with most software and hardware firewalls without complicated setup. As the calls are also encrypted, they cannot be eavesdropped.

Unlike many VoIP applications, the software is also available for Windows (2000 or XP), Apple Mac, Linux and Windows Pocket PC operating systems.

It is also possible to conference call, transfer files to the person you are calling, and “chat” in a similar manner to MSN Messenger, all for free.

2. How do they make money then?

With Skype, calls PC to PC are free. Calls from a PC to an ordinary telephone in many major destinations worldwide (e.g. USA, Germany, Australia etc) are charged at approximately 1.2 pence per minute - higher charges are applied to other destinations.

Other services from Skype that are chargeable include the ability for callers to leave voicemails. You can also have up to 10 fixed telephone numbers in different places around the world that ordinary telephone users can dial at local rates.

For example, a firm could have a New York number that a US caller rings - but your VoIP phone in the UK rings. The US caller pays a local call charge. This could provide a means of establishing a low cost presence in a marketplace for UK businesses - but there is obviously the issue of time differences!

3. Useful links:

www.voip.org.uk - a UK Resource for Internet Telephony

www.skype.com - the Skype web site where you can download Skype software

Also - see the Fact Sheet on “Cheap Internet Telephony - VoIP”

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