

Which SIP Trunking Is Right For You?

White Paper

The marketplace for SIP trunks is competitive with many providers and a variety of service offerings. According to the [Eastern Management Group, the global SIP trunking market was valued at approximately \\$14.4 billion in 2018 and is projected to grow 7.6% annually through 2020](#). The Eastern Management Group also performed a survey of 3500 IT managers worldwide who noted that the drive to SIP trunks was due to a growing satisfaction in the quality of service offerings as well as a price advantage over traditional networks (TDM).

There are other reasons for the growth in SIP trunks, including telephony providers and phone system vendors moving away from legacy TDM architecture to be all IP. Surveys have found that the total cost of ownership of SIP trunks can be as much as half the cost of legacy phone service. In addition, SIP trunks allow for a host of functionality to be layered on top of it (like Unified Communications and Collaboration).

SIP TRUNKS ARE SOLD IN TWO VERSIONS: RETAIL AND WHOLESALE.

Retail SIP trunks are designed for small to medium-sized businesses that buy from a provider in much the same manner as the business buys other forms of telephony. Wholesale SIP trunks are intended for service providers and large enterprises that consume large amounts of telephony services, like a provider.

WHICH SIP TRUNKING IS RIGHT FOR YOU?

Retail SIP offerings are not for resale and are designed and billed for an end user. By design, this type of SIP trunk is easy to use, often with providers either assisting with the installation or performing the installation themselves.

Unlike traditional telephony services like PRI and POTS, VoIP services do not always ride a dedicated circuit. Retail SIP trunk providers usually provide a level of technical support that wholesale providers do not. Many businesses with legacy PBX systems had a dealer install and maintain the system for them. Larger businesses had a technical person who had PBX skills. Today, many businesses lean on the SIP provider for this support. Check with your SIP provider about the support available for your phone system.

Another aspect to consider is interoperability. Is the SIP trunk interoperable with your phone system? Many phone system vendors, such as Sangoma, have certified that certain models of their phone systems will perform well with certain SIP trunk service offerings (in Sangoma's case, their own). Check with your manufacturer for specifications about the configuration of the SIP trunk that you will need for your phone system model.

ARE YOU LOOKING FOR SMS CAPABILITY?

Retail SIP trunks from providers like Sangoma have an option for SMS and MMS capability on your business phone numbers (or DIDs). In today's small business world, having a text-capable line is advantageous as more and more customers prefer text and messaging over voice calls.

Although faxing isn't as popular as it was ten years ago, some industries – medical and real estate to name two – still rely on faxing. Retail SIP trunks allow for flexibility – even fax capability. FAXStation from Sangoma is an example of a reliable service that is tied to Sangoma's SIPStation retail SIP trunking offer.



A key consideration for VoIP in general is pricing. Are you looking for flat rate pricing (a set price per month regardless of minutes used) or a metered pricing model that depends on usage and location (similar to the traditional pricing model for local and long distance from the 1970s)? Many buyers prefer a flat rate to avoid surprises.

There are some retail SIP trunk buyers who prefer usage-based billing, but fraud is a concern for them, especially on international dialing. One way to alleviate that worry is to not activate international dialing (unless you need to). Another way is to use a provider that has fraud detection and protection tools, like Sangoma.

THAT MEANS ONE LESS WORRY FOR THE BUSINESS.

In wholesale offerings, the SIP trunking is bare bones without an option for installation. A wholesale provider, like VoIP Innovations, will provide the configuration data that you will need to set it up, but it will be a self-installation.

Another difference in wholesale is that standard features for a telephone number (DID) are extra. That means that e911, CNAME and such are billed extra. In a retail offering, assuming there is one physical address, they are bundled.

There are thousands of government entities - federal, state, and local – that impose taxes and fees on telecommunications services. Both retail and wholesale providers are obligated to collect taxes and fees (state and federal). Wholesale buyers have the option to provide documentation of tax exemption.

SUMMARY

Businesses tend to buy retail SIP trunking in large part because they prefer to buy a service that resembles traditional telephony with its cost predictability, fraud protection, level of customer service, and feature availability. Typically, wholesale buyers of SIP trunking fall into two categories: businesses like service providers who are looking to repackage those services for resale or large organizations who have large telecom needs and an internal department to handle them.

To accommodate the needs of all organizations, Sangoma offers both [retail SIP trunking](#) and [wholesale SIP trunking](#).