Internet Cafe/Callshop Business Model

problem

Company XYZ operates several Internet Café and is currently exploring low cost alternatives for generating incremental revenues. After conducting extensive SWOT analysis, the company finds that it can leverage on its existing Internet infrastructure and start offering VoIP telephony services from its Internet Café. From the company standpoint, that business is attractive as it is easy to enter and requires only modest equipment investments.

Offering VoIP telephony services through Internet Café/CallShops is a business model particularly appealing to service providers located in countries with few telecommunications providers operating under heavy regulation. Consumers in those countries typically do not have access to low cost long distance and international telephony services. Therefore owners of Internet Café/CallShops can capitalize on the VoIP technology and offer competitively priced calling services to any part of the world.

Before moving forward with the business, the management of XYZ conducts research of alternative Internet Café/CallShop solutions. The research reveals that a good Internet Café/CallShop solution should be easy to deploy and manage, should be compatible with a broad range of VoIP equipment and should be scalable to accommodate future business expansion. Such solution should also offer advanced billing functionality to accommodate different business models and rating plans.
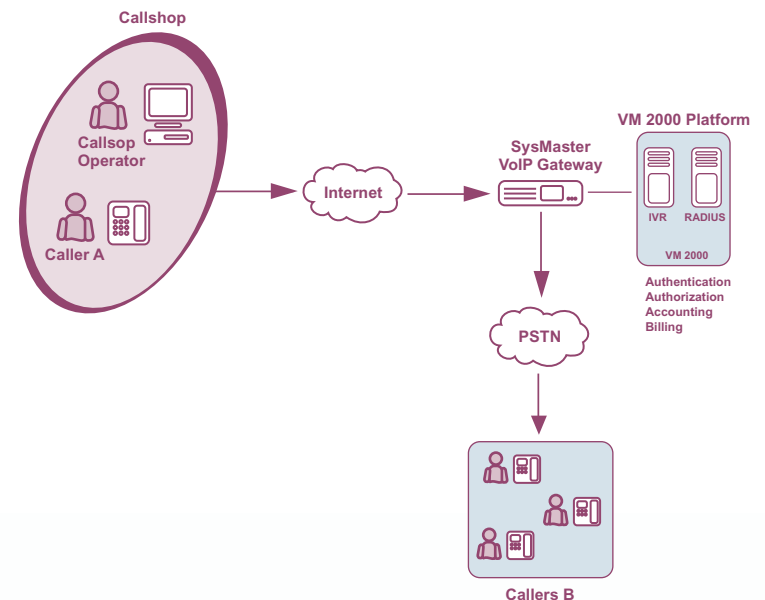
solution

As Internet Café/CallShop solutions are based on VoIP technology their implementation could present significant challenges, especially to businesses without prior VoIP experience. As the technology is relatively new, few users are familiar with its lingo and system configuration is often the most difficult and time consuming part of any VoIP implementation. Also, equipment incompatibility issues often present serious problems and could lead to additional deployment delays and lost revenues. Service providers can easily address such implementation issues by purchasing a turnkey solution from reputable VoIP equipment manufacturer.

SysMaster, the global leader in turnkey VoIP equipment solutions, can offer XYZ an affordable, reliable and highly scalable Internet Café/CallShop solution that meets company specific needs. SysMaster's solution offers advanced billing functionality with multiple billing models and flexible rating to meet company-specific needs. The solution can typically be deployed in less than a week and is extremely easy to operate even by users with limited VoIP knowledge.

A typical SysMaster Internet Café/CallShop solution has the following requirements:

1 VoiceMaster Billing Server.

2 SysMaster VoIP Gateway(s).

3 Optional Modules for the Billing Server and the Gateway(s).

4 Remote Installation and Technical Support.

5 High Speed Internet Access.

6 Contracts with VoIP Carriers for Call Termination.

SysMaster can provide items 1 through 4 while the service provider is responsible for items 5 and 6. Figure 1 below shows the SysMaster Internet Café/CallShop solution architecture.

Internet Cafe/CallShop Bussiness Model

solution features

- Four Layer Billing Structure
- Managed Service Support
- Unlimited Routes
- Peak Time On/Off Billing
- Advanced Rate Switching
- FlagFall and Progressive Billing
- Intuitive and user-friendly GUI interface

how does the solution work?

Prepaid Module

1. Customer visits the Internet Café/CallShop
2. Customer pre-pays the operator for the call
3. The operator activates a telephone booth
4. Customer goes to the telephone booth and dials a destination number
5. Based on the destination number, the gateway searches its routing table to determine the appropriate call termination provider
6. The gateway sends call setup request to the call termination provider 's gateway
7. During conversation the gateway converts voice to IP packets and routes them to the call termination provider's gateway and vice versa
8. The billing server monitors the prepaid balance dynamically and disconnects the call if the balance is depleted
9. Upon call completion the billing system records the CDR and makes it available for subsequent reporting, monitoring or analysis

Postpaid Module

1. Customer visits the Internet Café/CallShop
2. Customer chooses a vacant telephone booth and dials a destination number
3. Based on the destination number, the gateway searches its routing table to determine the appropriate call termination provider
4. The gateway sends call setup request to the call termination provider's gateway
5. During conversation the gateway converts voice to IP packets and routes them to the call termination provider's gateway and vice versa
6. Upon call completion the billing system records the CDR and makes it available to the operator for billing, reporting and monitoring purposes
7. The operator generates invoice for the call and collects payment from the customer

benefits

Turnkey Solution

SysMaster offers a truly turnkey Internet Café/CallShop solution. SysMaster provides all equipment elements as well as remote installation and technical support. The service provider secures high speed Internet access and signs contracts with VoIP carriers for call termination.

High Scalability

SysMaster is probably the only VoIP equipment manufacturer that fully supports the grow-as-you-go concept. SysMaster's equipment can easily scale from 1 to 20 T1 lines per softswitch (24 to 480 PSTN lines) or from 48 to 1920 VoIP channels and from 500 to over 20,000 concurrent calls per billing server. The company offers VoIP equipment in five capacity tiers that cover the needs of the whole spectrum of Internet Café/CallShop service providers.

Rapid deployment

SysMaster's Internet Café/CallShop solution is characterized with very aggressive deployment schedule. In general, service providers can have a running solution in less than a week provided that they have made arrangements for high speed Internet access and have established contracts for call termination with VoIP carriers. Because of the integrated nature of the solution, there are no equipment incompatibility issues to be solved which are often the reason for extended deployment periods.

High Affordability

SysMaster's Internet Café/CallShop solution is highly affordable for both new entrants and existing providers who what to expand their businesses. In fact, it is the solution with the best features/cost ratio in the industry. SysMaster's equipment is offered in five capacity tiers where each higher tier doubles the capacity of the previous one. This way, wholesale billing providers can upgrade their equipment in incremental steps without overspending for capacity that they don't immediately need.

Fast ROI

Because of its high affordability, fast deployment, and scalability, SysMaster's Internet Café/CallShop solution is characterized with fast return on investment. Depending on the difference between rates that the provider charges his customers per minute, termination costs, and capacity utilization, providers can typically recoup equipment investment in less than three months (see ROI brochures for