

Fring VoIP for the iPhone: Why should you care?

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Chicago (IL) - Fring is the first company that is offering an all-in-one solution to combine major IM and VoIP services into a single and free iPhone application. Fring as well as the expected Apple iChat VoIP/videoconferencing solution are just a taste of upcoming always-on communication solutions for the phone iPhone and other networked devices that will make more and more use of Wi-Fi and, in the not too distant future, WiMax. But we wonder: Why should we care about tools such as Fring, especially if Apple is working on its own VoIP iPhone application?

Israel-based Fring actually has come up with a very unique and remarkable application. It is still in an early-beta phase, but we already have a good idea how Fring for iPhone can unite all of your contacts from Windows Live Messenger, Skype, Google Talk, ICQ, Twitter and Yahoo! Messenger within a single, unified interface: You can chat with online buddies no matter what IM service they use, which makes this software tremendously useful to all who rely on IM all the time. However, most of the interest in Fring comes from the support VoIP calls over the phone's Wi-Fi connection. You can make free VoIP calls to other Fring users in over 180 countries - as well as to Skype, Windows Live Messenger, Google Talk, ICQ and SIP users.

Early user reports indicate that Fring is still covered with bugs and audio delays spoil the overall experience. But remember, the applications is an early beta. It is scheduled for a June release and, by then, it could be working just like your Skype does today.

We probably need to mention that simple VoIP capability for the iPhone isn't entirely new. But there hasn't been exactly a wave of software announcements either: Apple said it won't place restrictions on Wi-Fi connectivity, but there are still only a few VoIP apps that are actually web services running in Safari, such as Jajah and IM+ for Skype. And as exciting as Fring may be, it is background that may stop working every time Apple updates the iPhone software, at least in the application's current state.

But we see a much more serious problem for Fring. It certainly could become a killer application, but the software collides with Apple's own plans to bring a unified VoIP and videoconferencing solution to the iPhone. And do such apps collide with carriers? Of course. For example, since Fring operates on VoIP, you will need to use Wi-Fi to make a Skype call since Apple will not let you place a VoIP call using the cellular network. But you will be able to use a Wi-Fi or 3G network to send and receive instant messages to online buddies. The fact that there is now a third-party solution to make VoIP calls and send/receive IM messages over Wi-Fi and a cellular network is a big deal for the iPhone, indeed.

What has been in the way of a VoIP application on the iPhone is Apple's exclusive five-year agreement with AT&T. Apple prohibits VoIP calls through mobile network so that it does not compete with its partner AT&T on its own network. Apple simply can't cut AT&T short off revenue that the carrier makes when you text or call someone. Another example is Wi-Fi iTunes Store app that works over Wi-Fi, but not over the mobile network. Since AT&T sells songs to customers over the air, it doesn't want iTunes as a competitor, at least not on its own network.

Such limitations have been common in mobile industry for years. The scenario, however, may be changing: AT&T is aggressively moving to Wi-Fi and is leveraging its hotspots as a marketing tool to sell its DSL broadband service. The company is offering hotspot access already for \$5 per month for DSL subscribers and indicated that specific packages will actually get free Wi-Fi thrown in. Less Wi-Fi restrictions would support Apple's own VoIP strategy and make third party VoIP apps much more functional and attractive, while AT&T could be actually cashing in on this feature.

There is another implication of Fring and especially one you should care about. Fring is the first application that actually connects iPhone users with each other - other through a simply phone call or a text message. It is a new phase of cellphone-based social networking that is likely to gain much more traction with the 3G iPhone and Apple as well as third applications that we could be seeing to surface this year. Interestingly, social networking is one of the major selling points of Intel's Mobile Internet Device platform ("The best Internet experience in your pocket"). In our mind, Fring is pioneering

this application field with the first true social networking application that you carry with you all the time. Keep an eye on this one. This will be big, if all the marketing folks for portable devices are right.