

SIP Trunking Explained: How Retailers Stand to Benefit



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During crunch periods like holiday seasons, many businesses — retailers in particular — experience an unusually high volume of calls. SIP trunking can accommodate seasonal spikes in demand, cost-effectively, without continuously over-resourcing a business phone system. But what is SIP trunking? Here is SIP trunking explained: What it is, how it works, and how retailers stand to benefit from it.



SIP trunking explained: A key component of improving communications and improving customer service in retail.

SIP Trunking Explained

So what is SIP trunking? Session Initiation Protocol (SIP) trunking is a technology that shifts phone calls from your traditional phone lines onto your data network. Some may think of SIP trunking as the backbone of modern business phone systems, as it can link legacy phone systems and unified communications systems to the cloud, replacing the PRI trunks that were used until recently.

Businesses can easily update legacy phone systems with SIP trunking to access cloud-hosted voice, video, data, text, and other unified communications. For retailers, SIP offers on-demand scalability and flexibility, helping retail businesses cut down on telecommunications expenses while smoothly navigating peak periods. These are all benefits of SIP trunking that retailers can especially appreciate when grappling with a major uptick in phone calls, such as during the holiday season.

As retailers discover the benefits of SIP trunking for their industry, from attractive cost savings to smooth operational efficiency, they are adopting the technology in greater numbers. According to Transparency Market Research, the retail sector is expected to embrace SIP trunking in the coming years, with SIP use in this industry logging a compound annual growth rate of 20.6 percent between 2016 and 2024.



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The Retailer's Challenge in Handling Peak Calling Periods

It used to be that if you wanted to plan for a spike in calls, you had to purchase and install additional permanent phone lines well in advance, even if your needs were seasonal or temporary. For example, if a store consistently received up to 12 calls at a specific time of day, say at 2 p.m., the business would need 12 standing phone lines available to accommodate each incoming call. If it didn't have enough capacity, some callers might receive a busy signal or simply be unable to connect.

If the retailer purchased those 12 phone lines, its store would be able to handle all the incoming calls, but the vast majority of those lines might go unused outside of that limited peak period, resulting in unnecessary expenses. If there were multiple store locations, the retailer would have to over-resource each of them to solve the problem, greatly diminishing ROI. Thankfully, SIP trunking's peak provisioning feature provides retailers with a better way to handle such capacity-planning requirements, ensuring you never need to wonder if you have sufficient SIP trunks.

SIP's Solution: Peak Provisioning and Centralized Trunking

SIP for retailers allows a business to plan for peak capacity across all of its store locations. Since each store will likely have its own unique peak calling period, the peak capacity needed for all the stores will probably be lower than if the retailer had to individually resource each location.

Even if every store within a retailer's network appears to be deluged with calls at the same time of day, those peak periods might not actually occur simultaneously once time zone differences are accounted for. A modern business phone system that has centralized SIP trunking can take advantage of the time zone differences between various store locations, distributing its peak capacity across multiple time zones as needed. That means significantly less overall capacity may be required, which allows the retailer to seamlessly accommodate peak calling for all of its locations in a more efficient and cost-effective way.

Now, rather than having to individually plan for and over-resource capacity for each store, a retailer can maximize its telecommunications investment in all its stores at once and achieve a far better ROI than it could have just a short while ago.

With the benefits of SIP trunking, retailers can make sure that all their incoming calls connect without a hitch, any time of day, at every store, all while saving money and avoiding costly system upgrades.

Centralizing Voice Features on SIP Trunks

The benefits of SIP trunking don't end there. Retailers that use cloud-based communications systems can leverage this technology to make their communications more efficient and reduce expenses even further. SIP can be used in retail to centralize call handling and voice applications at the SIP trunk, running all voice communications out of a single, dedicated location.

For example, advanced phone system functions like auto-attendants, interactive voice response (IVR) menus, and the call center can all be redirected to handle their calls using SIP trunks instead of the company's main internet link. Calls arrive directly on a retailer's SIP trunks at their data center, initiating an auto-attendant greeting that efficiently directs the customer's call to the right place, reciting a specific store's hours if needed or transferring the call to the accounting team for detailed follow-up.

This reduces a high percentage of calls to stores and eliminates voice traffic on the retailer's wide area network (WAN) or internet connection, resulting in even greater cost savings and improved ROI from the company's telecommunications investment.

SIP Trunking's Attractive Cost Savings

SIP trunking offers attractive cost savings. Companies only pay for the calling capacity they actually need rather than committing to the substantial monthly cost of a traditional PRI circuit, which requires purchasing 23 channels at a time. It's also flexible, able to be used with legacy phone systems and today's unified communications systems. Retailers can leverage the benefits of SIP trunking right away. Rather than having to invest in a brand new phone system and commit to a substantial capital investment, a business can instead add upgraded functionality to its existing phone system using SIP trunks.

Retailers are always looking for ways to better serve their customers, especially during peak periods. With the benefits of SIP trunking, they can make sure that all their incoming calls connect without a hitch, any time of day, at every store, all while saving money and avoiding costly system upgrades.

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