

The battle for broadband

The fast-paced telecoms sector is one of the fastest growing industries in South Africa, but even so, we still lag behind the rest of the world in terms of internet penetration, speed and cost.

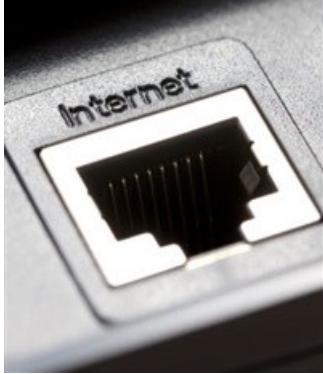


Image: www.freedigitalphotos.net

In recent years, with the arrival of new undersea fibre optic cables piping bandwidth onto local shores, the country has seen rapid growth in both mobile and fixed-line broadband uptake and connectivity, slowly changing this situation.

Today, businesses have a wide range of broadband solutions to choose from. While fixed-line telephony has increasingly been ignored in favour of mobile - consultancy PwC predicts that mobile internet revenue will overtake fixed this year - fixed-line broadband remains the most stable and offers the best performance, says EOH-NS' Stuart Hardy.

"It is not just about quantity and having the most far-reaching network," Hardy points out. "It is about delivering a quality product to customers for whom it is crucial to have access to an excellent, reliable, stable and fast network in order to successfully operate their own businesses. While mobile is a good alternative, it is not yet an ideal business solution."

Mobile is a better fit

One of the reasons for this, he says, is that mobile is a better fit for the consumer market than the business market. "Every time there has been an evolution in cellular technology, corporates have looked at how they could use it. And while it has certainly found its place in terms of mobility of the workforce, it has failed to become the kind of network tool that organisations were hoping it would become."

Hardy adds that the lack of spectrum that is threatening a bandwidth shortage, as well as the high prices of mobile bandwidth, are also responsible for the continuing importance of fixed line connectivity to companies.

"Last year, the Independent Communications Authority of South Africa (ICASA) was embroiled in a legal action that highlighted the fact that there is limited spectrum available for wireless and mobile providers, leading to calls to add licensed spectrum. Additional spectrum has not yet been allocated, however, hindering the growth of the wireless and mobile broadband market," says Hardy.

"ICASA has once again been in the news for a legal battle - this time over its proposed mobile termination rate (MTR) cut. This also served to highlight an issue in the industry, reminding South Africa's mobile network users how high our mobile costs are compared to those in other countries."

He believes that increasing data requirements have pushed out the relevance of mobile in business, which is requiring increasing amounts of high speed, stable bandwidth in order to operate effectively. This is providing new opportunities for providers who have deployed best-of-breed fixed line networks.

"Because revenues have continued to decrease for traditional local and long-distance voice services due to the advent of wireless telephony and VoIP, service providers need to evaluate their approach - and customers need to evaluate the offerings of their service providers. Providing broadband data and voice as well as managed networking services to enterprise customers, in addition to wholesale network capacity, are essential to remaining competitive for service providers, and having access to these are essential to the competitiveness of companies."

And, because broadband access is a mission-critical function of business, the importance of SLAs and backup connections can't be overemphasised, Hardy adds. "Choosing the right (or wrong) technology can affect the bottom line. The wrong solution could result in inflated bills as a consequence of services your company doesn't need, or even lost business if there is no failover. The right solution will be a foundation for the growth of your business."

For more, visit: <https://www.bizcommunity.com>