

Virtual telcos break network operators' stranglehold over business

By [Dave Meintjies](#)

1 Sep 2014

If you're a South African business there's every chance that you're stuck in a dysfunctional relationship with your telco.



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To begin with, you're probably tied up in a 12- or 24-month contract. You're most likely paying unfair and inflexible rates, and you're reduced to hoping that your provider will always have a good day at the office, because your business depends on it.

In short, you don't have much choice in the quality of service or price you get, and you can't get out of your situation that easily.

Why, you ask, can't telco contracts be month to month? Surely that would cancel any misgivings anyone could have about price. And what if you could have other networks to fall back on when your provider goes down?

A new breed of providers

Ask no more, because a new breed of providers offers exactly that. Identifying as 'virtual telcos', these players offer hosted enterprise voice switching as a service, operating at a layer above the physical network.

'Virtual' is a bit of an overused term, so a quick elucidation may be useful. Note, firstly, that I don't say 'virtual operator' or 'virtual network', because the emphasis is on getting away from one network. Lack of choice is the bedrock of exploitative arrangements.

Virtual telcos are converged (voice-over-IP) providers that maintain relationships with multiple networks concurrently and

maximise an abstract service architecture by terminating voice calls on a choice of networks within best-in-class, multiple-redundant data centres.

The choice of network is based on a combination of factors, including least cost and the customer's network preference, and the focus at all times is on the best possible call quality at any given time.

Quality of service

Service assurance is built into the equation at every turn, for example in replicating the hosting infrastructure, network, power and solution footprint of the data centre, and quality of service is engineered into the access and core network layers.

The price benefit, moreover, goes beyond the least-cost routing inherent to VoIP.

More than ever, telcos are relying on volumes to shore up flagging margins as VoIP providers are beginning to eat their lunch. This means large customers are the only ones that may get price breaks. Virtual telcos are breaking this stranglehold over the market, freeing customers from volume commitments and allowing the same great price for customers of all sizes.

In fact, customers can build 'zero rated' communities - organisations on the same network (by virtue of being customers of the same virtual telco) that can make free calls among themselves.

In contrast to the virtual telco, a physical operator offers its service over one network, sacrificing multiple physical and logical route redundancies and only catering for the telco's environment.

In effect, the arrival of the virtual telco has created a 'spot market', a radical departure from the contract market of yore. And that is a great thing for customer choice.

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