BIZCOMMUNITY

Key trends shaping telecoms of the future

By Eckart Zollner

8 Feb 2016

The telecoms industry is currently one of the leading growth sectors in the global economy for a number of different reasons, including the emergence of telecommunications as one of the most important components of business, social, cultural and political activity.

Researchers forecast that by 2020, the number of mobile users will reach six billion and the number of people accessing the internet will reach 4.7 billion. The average person in 2020 will live in a web of 200 to 300 contacts, maintained daily through a variety of channels.

Several key trends are shaping the telecoms industry of the future, for the most part centred on rapid growth of data traffic as opposed to traditional voice communications. The insatiable demand for faster, better quality data connections, along with advanced telecoms technologies, will see optical solutions come to the fore, as fibre and high speed wireless becomes the de facto connectivity standard.

New software and application providers will continue to be building customer communities on the back of telecommunication networks. Resulting from increased deregulation and liberalisation, consumer choice means that loyalties to providers is no longer governed just by the provisioning of communication services, but by the benefits to the consumer over these networks and the convenience and cost savings that are being offered. Consumers are utilising multiple providers governed by the application that they invoke, by their geographic location and by the content that is being consumed.

Increased competition

Business models will continue to change and new service models will continue to evolve. Increased competition and pressure on revenue means that network operators are offering new services and over the top content (OTT) providers have to become involved in investments with network infrastructure in order to distribute their services effectively to larger volumes of global consumers.

The lines between network operators and service providers will continue to blur. As more and more services migrate on to digital delivery platforms, such providers will become a new source of telecommunication revenue in order to sell their products to their clients.

The opportunity for network and service providers stems from the change that more and more of our daily life will be influenced by the manner in which we interact with the digital environment for all our professional and private needs. More and more time will be spent interacting with machines as opposed to humans.

Companies that figure out how to monetise their business models behind all these increased interactions and transactions will become far more successful than companies holding on to traditional business and service models.

Shift of focus

All of these developments stem from the shift of focus away from owning infrastructure or software to owning, understanding and servicing the customer. By virtue of the fact that licensing and technology in a deregulated market have become available to almost anyone, this very same technology is no longer a competitive advantage but a necessary enabling platform to build digital services and capture the maximum amount of wallet share from the customer.

What all of this means for business and consumers is an always on and always connected environment. Connected amongst people, amongst businesses, as well as connected to our homes, our cars, our machines and our data stores. Constant surveillance by data analytics, by closed circuit cameras and by social networks. Large amounts of data being gathered and analysed about our life, our habits, our businesses and our behaviour.

Analysis of all the data will be used to become more efficient, targeted and more effective when selling services and solutions. One thing all of these trends have in common is that they are driven by data.

The need for faster, more affordable, more available data is driving the increasing deployment of fibre and high speed wireless in South Africa. This journey has been a long time coming, beginning with inter-continental connections and then moving on to local long haul city-to-city and metros. All of the megatrends of today, from connected cities, businesses and homes to mobility and the IoT, require high bandwidth availability and security, low latency and strict synchronisation.

Significant opportunity

In Africa, we have a significant opportunity to leverage technological advances, as we do not have massive capital investment into legacy infrastructure. This will enable the market to leapfrog previous industry leaders. However, in order to achieve this, industry players, including operators and ICT providers, need to think outside of the box.

South Africa has already shown its ability to innovate in the 1990s with the invention of prepaid cellular services, which have since spread to the rest of the world. A similar spirit of innovation and inspiration will be needed to bring telecoms up to speed and beyond international standards by 2020.

ABOUT ECKART ZOLLNER

Head of New Business Development at New Telco SA

- What 4IR means in the context of South Africa - 20 Aug 2019
- The year IoT comes into its own - 27 Feb 2017
- Microwave technology - improved and useful - 4 Nov 2016
- Connectivity is key to building a progressive nation - 7 Oct 2016
- Effective carrier communities are key to digital equality - 8 Mar 2016

View my profile and articles...