

The impact of data deflation on fibre for business

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With South Africa joining many other countries around the world shutting down in efforts to combat the spread of the Covid-19 pandemic, the focus has turned to digital solutions to help people get on with their daily lives as best as possible.



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Considering that fibre to the business (FTTB) pricing is now more affordable than DSL, it makes sense to investigate going this route for companies across industry sectors.

Digital engagement is only going to increase as a result of this week's government announcements as more companies are looking at ways to empower people to work remotely. Even those in the services sector will need to consider providing customers with more value-adds as the economic impact of what is happening will be far-reaching.

Of course, this means that people will need to be incredibly disciplined to work remotely. But even though many home users in major suburban areas have installed fibre, in most instances, this has been geared for a download-first experience. Things like movie and music streaming are all designed to have fast download speeds with not many giving any thought to creating symmetry with uploads.

As home offices will grow during this period more attention must be paid to configuring fibre to upload large work files and be conducive to video conferencing. This will see the focus turn to the unlimited upscalability of fibre that delivers a 'cleaner' internet experience as opposed to ADSL.

Cost market

Prior to recent developments, a fibre link from Vox that used to cost business R6,000 is now less than R900 in certain precincts. This has been designed to make high-speed connectivity accessible to companies of all sizes. Unfortunately, not many small business owners are aware of the price shift and understand what this data deflation means for them.

It is especially in a retail environment where it is difficult to get in touch with business owners as opposed to customer-facing staff and explain the advantages of going the fibre route. Even though these store environments have been looking at enhancing the customer experience, it has not been that much of a strategic focus. But what is happening now means more shop owners will have to look at creating a rich customer experience to truly differentiate themselves.

For example, a hair salon might not even have considered offering WiFi to customers leaving them to rely on their own mobile data to while the time away while having their hair done. By installing fibre, the salon can radically transform how people engage during their time thereby having high-speed, high-quality, and free WiFi available to them.

At a time of crisis, customer experience will be everything. So much so that people will pay more for things if they feel they are treated with significant value-adds. Fibre can therefore radically transform the customer journey in this regard.

Economic impact

Even so, many underestimate the financial impact Covid-19 will have on the country. Currently, consumers are mainly buying food and toilet paper as opposed to new cars and hi-fi systems. Pharmaceutical companies are making money as people turn to vitamins while plastic bags to store the goods in are also hot property.

The rest of the market is taking a backseat with restaurants especially hard hit. This negative impact on the economy could potentially lead to bad debt as spending patterns shift. The knock-on effect will likely be job losses and an increase in crime.

Fibre provides a counter-balance to this. Contrary to perceptions that it is expensive, it has become affordable to all market segments especially when compared to slower, less reliant ADSL offerings. But even at a lower price point, it unlocks numerous business opportunities. For example, being able to more effectively access the cloud, use converged communication, collaborate with people anywhere in the world, and of course, uncapped voice termination to name but a few.

Unlike wireless services, fibre is not contended. In other words, users have a dedicated connection for themselves and do not have to share bandwidth with anyone else in the neighbourhood or office block. It also scales far more easily than any other technology so businesses can easily upgrade their connectivity as required. This all contributes to an improved customer experience for businesses who provide access as part of their value adds.

But one of the fundamental advantages of having access to more affordable fibre is that companies can eliminate the risk of being reliant on one link to access all their converged communications. At such a low price point, they can easily de-risk themselves and adopt a far more effective, redundant strategy.

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