

Connection Telecom predicts capture 30% of the hosted business VoIP market

Connection Telecom plans to take on rampant business demand for Voice over IP by focusing equally on channel partnerships and growing its private and public hosted client base. The company spoke about its strategies before the year in which research firm BMI-T predicts that the market will grow from R84 million to R128 million (year-on-year growth of 53%).



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The report (South African PBX and Emerging Voice Market Report - 2013) predicts continued runaway growth for the next four years until 2017, when the market will be worth R405 million - an estimated compound annual growth rate of 148%.

"On the evidence of such strong underlying market growth, we are taking a bullish view of our own growth potential," said Connection Telecom's MD, Dave Meintjes.

"Our plans for taking up a significant share of the growth will be to keep it as simple as possible, to continue delivering a service that brings reliable, quality VoIP to market with the maturity of a prominent, established market player. And this means continuing to focus on all parts of our business equally."

Three legs

Meintjes said that the business is built on three legs, each of which the company devotes roughly one-third of its energies to.

On the one hand, it delivers its services directly to customers - private and public. On the other, it uses reseller partners to reach customers indirectly.

Its private hosted clients, including the likes of First National Bank and Old Mutual, prefer to own the data centre infrastructure that hosts their PBXs, as well as the networks over which their VoIP packets are transported, for a quality-

assured, secure service.

Rob Lith, Connection Telecom's business development director, explained that the locale is irrelevant. "Whether hosted on-site or off-site, the service and underlying systems are virtualised so that the service is always available and scales to demand."

A public hosted service

For companies that want business-grade VoIP quality, but do not have an enterprise-grade ICT budget, Connection Telecom offers a public hosted service out of its dual data centres in Samrand and Isando, bolstered with multiple redundancy and quality-of-service measures.

Lith said that smaller customers with multiple offices can benefit greatly from zero-rated calls between branches and within the Connection Telecom customer community, while being assured of an excellent service that far exceeds ICASA's minimum standards and the performance record of the mobile networks.

Lastly, and most excitingly in the near term, the company has multiple "white label" channel arrangements, in terms of which players like xdsl and Vox resell its services as their own.

Meintjes said that the company is looking to firm up a number of these partnerships, to leverage complementary skills already operating in tandem. "We're looking for customer servicing capability that is less arm's length," he said.

With an announcement imminent, the company predicts it can capture 30% of the hosted business VoIP market.

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