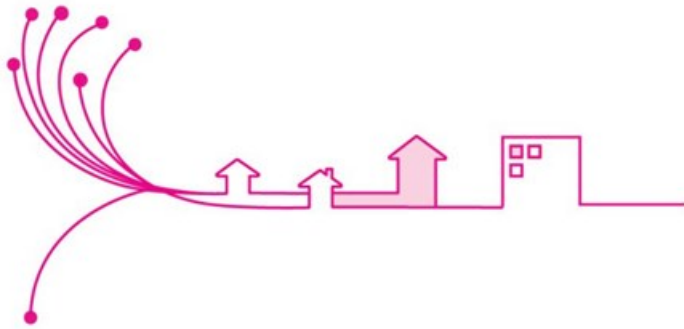


Vumatel explains planned R89/month fibre internet in Alexandra

By  Hadlee Simons

12 Sep 2017

Fibre provider Vumatel made headlines in local tech publications last week when it revealed plans to deliver 100Mbps fibre internet to residents of Alexandra for just R89 a month.



The move elicited scepticism from some, especially when you consider that fibre internet in wealthier suburbs has a much higher price.

Vumatel marketing head Kirsten Eddey told Memeburn that it indeed started at R89 a month for “up to 100Mbps”. So how did the provider come up with the concept?

“With the recent surge in ‘data must fall’ conversations, we decided to look at how we could contribute to the movement. We realised that technology, and access to the internet, is exacerbating inequality by creating a digital divide. We decided we wanted to tackle this problem head on and came up with the idea to bring affordable abundant internet access to Alexandra,” Eddey explained.



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How exactly is Vumatel pulling this off, both financially and technically? Truth be told, the company is keeping its cards extremely close to its chest.

“We have created a sustainable standalone business model to make this work. We are not yet ready to share the details with our competitors, but we have put a lot of effort into working out a sustainable, revenue-generating business model that is beneficial to the consumer and Vumatel,” the representative answered.

“There has been some disbelief expressed in the market thus far and fears that the project is being cross subsidised. This is not the case, the Alex Project and business model stand on their own.”

The representative did, however, confirm that it was indeed fibre “straight” to the home rather than a wireless last mile. “We will use an aerial deployment method (like telephone poles) rather than a trenched method,” Eddey explained.



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What kind of experience will users get though?

“There is no fair usage policy, however, the line will have a contention ratio of 20:1. This means that the 100Mbps line speed can be shared across 20 connections. If everyone is using the line at the same time, they will each experience approximately 5Mbps speeds. If only one person is using the line, they should experience speeds up to 100Mbps,” Eddey elaborated.

By comparison, Vumatel’s existing fibre products are uncontended, according to the marketing head.

Eddey adds that the project will “only kick off the project properly in October/November”.

Where to next then?

“The project in Alexandra is a pilot to see if we can make the model work. Should the pilot be successful, we will roll out to as many townships in the metropolitan areas as possible. It is likely that we will start to expand to more townships in Johannesburg like Diepsloot and Tembisa. We hope to impact approximately 10 million people over the next three years,” the representative answered.

ABOUT HADLEE SIMONS

Hadlee Simons is an editor at Memeburn. Terrible puns make Hadlee difficult to work with, but he brings almost seven years of tech journalism experience to the table. When he's not at work or watching motorsport, he's in the foetal position on a jiu jitsu mat.

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