

India Telecom News

Tata Communications bets cloud strategy on SMEs

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Amit Sinha Roy, VP of marketing strategy at Tata Communications, told journalists and analysts at NetEvents' Asia Pacific conference in Langkawi, Malaysia, that the conglomerate giant was betting that enough small and medium-sized businesses in Asia would take up the company's cloud offerings to make Tata's investment in new datacentres profitable.



He was speaking to an audience of press, analysts and industry vendors. "Yes I have made a big bet in terms of our investment in infrastructure to deliver cloud. The growth is in smaller enterprises as they do need serious server computing for burst mode requirements, as much as large enterprises with their own datacentres. SMEs want to reduce capex," he said.

Tata has just launched two datacentres, one in Hyderabad and one in Singapore. Interviewed on stage by Informa analyst Camille Mendler, he said the company built two, not too far from each other to bring lower latency, to bring data inc-country,, and to help provide local support. "We have a public cloud strategy for large enterprises but there is a sweet spot in terms of services for SMEs," he said. "Singapore supports surrounding countries, including Malaysia, Hong Kong, Thailand and so on — and they can pay in any currency," he said.

Roy said that addressing SMEs was expensive but worthwhile. "The typical company is one with enough IT maturity to provision a server is our likely target audience," he said. "Mid-sized companies might not have an IT department, and we can offer support and help."

In the Indian market, there are a lot of companies that do development work for other companies, there's a lot of those,"he said. "IT development is their business."

"But will that work outside India?" asked Mendler. "There will be a different customer base in every region – it's media and entertainment in some," said Roy.

"But telecom is a mass production model of digital goods but what you're doing is at odds with that," said Mendler. "Yes, but we have divisions to address different segments," said Roy.

Roy said that customers would experience no switching costs or penalties, so it would be easy for customers to get out of Tata's service.

"Loyalty is earned by giving high quality service at an affordable cost – not being the cheapest with the latest technology in terms of performance reach and uptime – so it's down to customer experience and service level," he said.

Tata will also offer white label services at wholesale prices for third parties to resell, Roy said. "Will it be profitable? We think so," he said.

By Manek Dubash, NetEvents APAC Press Summit

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