

ISP wholesaler sees integrators as key market

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Integrators and IT solution providers adopting value-added services to support their product portfolios are one of the key emerging markets for the virtual ISP model, one wholesaler has claimed.

ispOne director, Chris Monching, said there were many large integrators wanting to operate as ISPs to round out their overall services solutions.

"Internet services are becoming redundant; there are no true applications for them. Instead, Internet services are now a value-add," he said.

"They [IT services companies] are looking to incorporate Internet services with the integrated services and support they now offer."

Monching pointed to the recent trend of bundling Internet and telephony services as an example of Internet provisioning becoming a secondary product.

Formerly called the Data Consulting Group, ispOne offers a selection of Internet services product, ranging from consumer dial-up and broadband connectivity to business-grade virtual private networks, under a virtual ISP (VISP) wholesale model. The group maintains a supply agreement with Telstra Wholesale for its residential Internet products, as well as partners with Optus for business-grade services.

The company boasts more than 40 wholesale ISP customers across all major cities in Australia, each maintaining 50-5000 users.

ispOne's VISP partner model was designed to give smaller players the opportunity to access Internet services without having to undergo the rigours of qualifying directly for Telstra Wholesale's channel programs, managing director, Zac Swindells said.

"DSL is a high-volume, low-margin business," he said. "And it is notoriously competitive in the residential broadband space. As a result, ISPs are not getting the volumes they anticipated, and support costs are going through the roof."

In addition, a lot of those running small ISPs lack the skills to do so from an administration point of view, he said.

Swindells said ispOne had developed its own Web-based billing system, which its wholesale partners can rebrand and use to bill their end users. The company also offers a Web-based provisioning sys-

tem, allowing its customers to view the progress of their services orders with the network provider. According to Swindells, its wholesale customers are billed for the network access and bandwidth they use.

While residential ISPs continue to flourish, sales of its business-grade services have been increasing, particularly those relating to virtual private network provisioning, he said. Currently, sales of business versus residential products sit at 30/70.

Although the group had previously maintained a direct sales presence, Swindells said the company was now fully focused on its wholesale channel.

“Direct business has never been a real sales facet for us,” he said.