



[Advanced Search](#) [Feedback](#) [Preferences](#) **POWERED BY**
CurrentCOMPETE

Tata Communications Enriches Global Dedicated Ethernet Product Basket



COMING SOON!
Current Analysis
CurrentCOMPETE 3.0
[Click Here for a Preview](#)

[Summary](#) | [Perspective](#) | [Positives and Concerns](#) | [Recommended Actions](#) [Standard View](#) | [Exec View](#) | [Sales View](#)

Type:	Competitive Intelligence Report	Current Perspective:	Positive
Analyst:	J. Stradling	Vendor Importance:	Moderate
Report Date:	August 04, 2008	Market Impact:	Moderate
Module:	Business Telecom Services - Europe - Pan-European		

Related Intelligence

- [Latest Intelligence Reports](#)

Market Assessments

- [Ethernet Services](#)

■ Summary

Event Summary

[View Press Release](#)

July 31, 2008 -- Tata Communications announced two new services in its global Ethernet range: namely 'Dedicated Point to Multipoint Ethernet' and 'Dedicated Multipoint Ethernet.' Tata Communications offers global enterprises and other telecom companies (i.e., wholesale) three different service options across India and to major business centres in Asia, North America, Europe and Africa. Locations in the Middle East are to be added to this global footprint in the near term.

Analytical Summary

- **Current Perspective:** Positive on Tata Communications' global Ethernet WAN range expansion, because the carrier is marketing a relevant MEF-certified range to challenge other global telecom service providers. Few Europe-based carriers are able to match Tata Communications' current message of any-to-any E-LAN on a global scale connecting major business centres in Europe, Asia, Africa, and North America.
- **Vendor Importance:** Moderate to Tata Communications, because this move is in line with its natural Ethernet product evolution roadmap. The carrier announced new reach for its EPL product to Australia during August 2007, and it is clear that during the last 12 months additional network development has been on-going, resulting in

this announcement to inform the market of the latest developments and new offerings.

- **Market Impact:** Moderate on the global carrier Ethernet services market, because Tata Communications is a major player and it now has a wider Ethernet service range over a significant geographical footprint, with particular strengths in India. However, in Europe, the impact is reduced due to the operator's somewhat minor on-net reach, lack of marketing momentum, and smaller on-the-ground sales and support presence compared with more established European telecom companies.

Target Markets

Global 2000, Global Carriers, Large Enterprises, Small to Medium Enterprises

[Back to Top](#)

■ **Perspective**

Current Perspective Positive

We are taking a positive stance on the new product additions to Tata Communications' global Ethernet portfolio, namely dedicated versions of point-to-multipoint and any-to-any Ethernet, because most competitors are still only capable of basic point-to-point Ethernet on a long-haul pan-European and global basis. Thus, Tata Communications is moving early to capture the attention of the market with a modern carrier Ethernet range that is also certified by the MEF (i.e., 9 & 14 accreditation).

Tata Communications announced 'Dedicated Point to Multipoint Ethernet' and 'Dedicated Multipoint Ethernet,' available to multinationals and other carriers in Asia, Europe, North America and Africa. Locations in the Middle East are to be added to this global footprint in the near term. The Dedicated Point to Multipoint Ethernet service is a hub-and-spoke network architecture, whilst Dedicated Multipoint Ethernet is an any-to-any full-mesh network architecture. Both new services are MEF 9 & 14-certified, support MAC address forwarding, offer private dedicated networks per customer and are supported with customer premises-to-customer premises SLAs. The carrier continues to expand its coverage and aims to cover 31 countries by year-end 2008.

This initiative builds on Tata Communications' (then VSNL International) announcement on July 31, 2007 concerning the extension its global Ethernet private line (EPL) service into Australia. At that time, the former VSNL was communicating that this offer allows Australia-based companies to connect to 120 cities in India, as well as 20 major business destinations throughout Asia, Europe and North America. Thus, today Tata Communications offers EPL plus the two new E-Line and E-LAN solutions, giving customers a broad choice.

However, on the negative side, Tata Communications has lower operational presence in Europe compared to many competitors, and it will find competition very intense from a number of Europe-based carriers that are aggressively pursuing

carrier Ethernet, such as COLT and Interoute. Meanwhile, local incumbents will stress ownership of local tails, such as KPN, Telefonica and Orange Business Services, as essential for delivering quality and control. In the area of SLAs, supporting guarantees across Europe remains a very challenging area due to the diverse nature of each individual country in terms of the evolution of the regulatory environments and migration of ATM/frame relay networks to next-generation IP/MPLS and Ethernet. This brings into question whether Tata Communications can genuinely stand by its SLAs end-to-end down to the CPE level – or whether the company is offering the guarantee with the aim of absorbing any network issues by compensating customers, which might not appeal to clients with mission-critical needs.

The impact of this event on the global market is significant, because very few players are talking about long-haul any-to-any on an international scale. Thus, Tata Communications is making an early move, and this puts new pressure on vendors that have been talking about grand Ethernet expansion plans, but have yet to come up with any concrete initiatives such as this one.

[Back to Top](#)

■ Positives and Concerns

Competitive Positives

- This event draws attention from multinationals and other carriers to Tata Communications' compelling Ethernet range. Few operators can offer any-to-any dedicated Ethernet on any grand scale at the international level, and the carrier can claim a unique selling point with its new point-to-multipoint and any-to-any services extending to Asia, Europe, Africa and North America.
- Tata Communications is now offering all options as far as MEF-defined Ethernet services go, with E-Line (point-to-point and point-to-multipoint) and E-LAN (multipoint-to-multipoint) flavours within its product menu listing. Giving customers ample choice helps to capture business and is a potential point of differentiation from competitors that have less choice on their stalls (and in particular cannot offer E-LAN).
- In terms of product feature set and customer benefits, Tata Communications' new services support MAC address forwarding for aiding scalability and adding new sites, private dedicated networks per customer and SLAs that extend end-to-end to the customer premises equipment (CPE) level. Finally, 'Dedicated Point to Multipoint Ethernet' and 'Dedicated Multipoint Ethernet' are each MEF-9 and MEF-14 certified.
- Tata Communications owns 200,000 km of submarine cable globally and it is investing in more cables such as TGN-Intra Asia, TGN Eurasia, I-ME-WE and SEACOM. Tata's submarine cable network and expansion plans allow the carrier to have adequate bandwidth to offer its Ethernet services cost-effectively.

- Being an incumbent operator in India, Tata Communications offers extensive coverage across the country. Its Ethernet services are available in major cities including many Tier 2 and Tier 3 cities. This is an important attribute for customers with multiple sites in India, and it takes advantage of the globalization trend that is seeing many multinationals look to place various operations in India.

Competitive Concerns

- Tata Communications' network granularity within Europe is weaker than several leading incumbents and alternative carriers, including, for example, Orange Business Services, BT Global Services and COLT. Major telcos targeting Europe-based multinationals can offer more compelling pan-European capabilities due to ownership of more on-net assets and larger-scale customer technical support.
- It will be a challenge for Tata Communications to offer end-to-end service guarantees down to the CPE level throughout a dense pan-European footprint due to the largely varying infrastructures and regulatory environments in place country by country. Whilst this might also be true for Europe-based incumbents, such as BT and France Telecom, at least such competitors can take advantage of local-tail ownership domestically and greater experience in partnering with other European providers to offer cross-border Ethernet services.
- Several carriers are on track at least in terms of marketing messages in the area of VPLS-enabled any-to-any Ethernet, including AT&T's OPT-E-WAN that is rolling out globally, Verizon Business' CPA strategy and SingTel's current capability of VPLS to 38 major cities in 16 countries worldwide. Therefore, the competitive landscape remains a crowded one and Tata Communications may find its success closely linked to geo-specific strengths, whilst other carriers can play on their own unique geographic strengths to win deals.
- Tata faces strong competition in Europe and does not have the local resources in terms of headcount, customer service and support and account management to do effective combat on a country-by-country basis against, for example, COLT, BT Global Services, Telefonica, Orange Business Services, KPN and Belgacom.

[Back to Top](#)

Recommended Actions

Recommended Vendor Actions

- Tata Communications needs to beef up its local presence in Europe if it is to be taken more seriously by multinationals based in the EU. Customers might be concerned that the carrier has rather thin on-the-ground resources to offer comprehensive support, both technical and sales.
- In terms of sales messages, Tata Communications can challenge customers to identify which other carriers are offering any-to-any Ethernet on a global scale including MEF certification. This is an area that Tata Communications can truly claim differentiation from other suppliers.

- Tata Communications needs to continue expanding its Ethernet-enabled PoPs penetration in Europe in order to offer greater quality and network control. The carrier can also present to prospects a list of Tier 1 partners offering Ethernet tails and core network hand-off points to prove that its SLAs are meaningful right down to the CPE level for an end-to-end guarantee.

Recommended Competitor Actions

- Large-scale pan-European service providers, such as BT Global Services and Orange Business Services, should underscore their domestic operational and network assets throughout Europe to prove to clients their stronger capabilities for supporting customers and better network granularity for improved SLA metrics compared to Tata Communications. Such operators should be quick to point out that Tata Communications does not have matching European feet on the ground to offer close on-site customer support and support in the local language.
- Carriers such as BT Global Services, Cable & Wireless, and Orange Business Services should consider offering long haul switched Ethernet services to Asia-Pacific. Such telcos need to have a flexible approach to deploying Ethernet-enabled infrastructure in this region, as well as a focus on developing strong NNI-to-NNI partners for a global Ethernet WAN footprint.
- It has been some time since AT&T and Verizon Business updated the market on the progress of their carrier Ethernet and multi-service platform deployments. AT&T needs to confirm where it stands in releasing OPT-E-WAN onto the pan-European market, while Verizon Business can confirm whether its Ethernet virtual private LAN (EVPL) product will indeed be available in 16 European countries by year-end 2008.

Recommended End User / Customer Actions

- Customers with global data WAN needs should certainly be looking at Tata Communications' Ethernet portfolio to take advantage of the flexibility and cost-effectiveness of this emerging technology. However, in many cases, choice of a vendor is likely to depend on specific geographical strengths and local support capabilities; therefore, a number of other carriers should be considered, such as Verizon Business, Orange Business Services, Cable & Wireless and BT Global Services.
- Multinationals looking for extensive links into India should certainly consider Tata Communications as a possible supplier of Ethernet services due to the carrier's network reach to 120 cities in this country. If the requirement calls for extensive pan-European connectivity, then one of the Europe-based service providers might be a better choice, as Tata Communications' on-net reach and local client support capabilities are not as extensive compared to several of its rivals, including BT Global Services, Verizon Business, Orange Business Services, COLT and Interoute.

- Wholesale customers looking for coverage into Asia on a wholesale basis should be in negotiations with Tata Communications for developing mutually beneficial Ethernet NNI-to-NNI procedures. The carrier may be a good partner for bridging long-haul Ethernet connections from Europe into Asia and vice-versa.
- Customers should examine Tata Communications' end-to-end SLAs down to CPE level, because in some cases, the carrier will have very little control of last-mile Ethernet access up to the point where the Ethernet frames switch onto its core network. The operator should be questioned as to the level of real guarantees possible over such off-net sections of the network in cases of mission-critical requirements.

[Back to Top](#)

[My Analysis](#) | [Intelligence Reports](#) | [Companies](#) | [Markets](#) | [Products](#) | [RSS](#) | [Log Off](#)

All materials Copyright 1997-2008 Current Analysis, Inc. Reproduction or distribution prohibited without express written consent. [Full Copyright Information](#)

