



The 1st Myth of Satellite Service

Proof that **Myth #1 - SATELLITE IS EXPENSIVE** - is busted!

The satellite industry is very familiar with the 3 myths of satellite services: - You know, that satellite is expensive, slow and it has a latency problem. This is generally the default starting point in any solution discussion when satellite is proposed. In this series of Info Posts we are going to provide actual market references to prove these myths as outdated and no longer applicable to the current satellite technologies available in the market today.

Myth #1: SATELLITE IS EXPENSIVE

Since different services provides different value propositions, we have to firstly realise that any discussion about cost is a relative discussion. For example, how will you quantify the benefit of 99,95% service uptime into a services subscription rate discussion. However, for this example we are going to work on direct cost metrics and will not include difficult to quantify metrics such as the benefit to business due to reliable access services.

Use Case #1: Twoobii as the low-cost option for Retail

Point-of-sale and back-up service for the retail market is a strong value proposition for the Twoobii service and when we look at the detail metrics it is clear why satellite is actually the low-cost option. This example clearly demonstrates the value of Twoobii multicasting as a cost saving feature.

In this case we have used the standard Twoobii list pricing for the equipment and services bundles and typical LTE service rates of R150,000 for 3 TB. Data update bundles of 20GB per month applicable to services such as Windows updates, corporate data base updates to each terminal etc.

Cost Element	Twoobii	LTE
Implementation	R18 816	R750
Rate per GB	R64	R50
Data update per month	20GB	20 GB
Number of retail business	100	100

Accumulated Cost per Quarter

