

Vodacom to expand video service in Africa

Vodacom planned to expand its video-on-demand (VOD) service Video Play, which has attracted 80,000 users in SA, to the rest of the continent, CEO Shameel Joosub said.



Image by 123RF

Launched in August 2015, the VOD service offers a variety of e.tv and SABC TV programmes, for which customers pay R5 for a 30-minute show. It plans to have two VOD platforms, for the high end and low end of the market.

Vodacom is also in discussions to add more local and international video content. The company's strategy is centred around deploying superfast wireless and fixed-line networks that will enable value added digital services such as VOD and music streaming.

Vodacom also sees new revenue streams in areas such as the internet of things, and fibre to the home and business.

The group is spending about R9 billion in SA on its network in 2016. As a result, Vodacom has seen a significant rise in data consumption helped by, among other things, the migration of customers to better packages and the uptake of its branded low-cost devices. The migration from 2G to 3G network had resulted in a tenfold rise in data consumption, said Joosub.

"Usage is exploding and we are investing heavily in making the network faster to enable these types of services (video on

demand and music streaming)," said Joosub.

The group has not given up on financial services following the demise of its M-Pesa service in SA. Joosub said the company would launch app-based financial services-related solutions. This would enable mobile users to conduct financial services-related transactions including payments.

To further stimulate data take-up, Joosub said Vodacom constantly reviewed its prices, and during the quarter to June, effective price per megabyte declined by 16%. This was largely driven by customers who were choosing voice and data bundles suitable for their needs.

Vodacom offers a variety of bundle options and some are personalised based on customer's usage. "For us, our success has always been based on the quality of our network to make sure we have the best network in the country," said Joosub.

"We also create capacity for our network, hence we can bring prices down through bundles, which are becoming more and more important for us." For example, a prepaid customer can choose a time-based voice bundle for use to another Vodacom customer or to other networks.

Mobile network operators are increasingly competing on customised products for subscribers instead of strict service pricing, according to a report by Research ICT Africa (RIA), released last Tuesday. The research found the cheapest products on the market were not simply based on the tariff or once-off cost, but rather on product features that seem designed for different customer needs based on validity, volume and price.

"New pricing strategies and products available on the market have clearly moved away from a singular tariff or price for services," RIA researcher Chenai Chair stated in the report.

For a customer to get the best product, they need to determine what it is they value and what works best for them from the options that service providers are pushing.

Source: [*Business Day*](#).

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