

Telkom-SABC deal on streaming makes sense

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On the eve of its halfyear earnings, telecommunications provider Telkom has chosen to go head to head with DStv by partnering with the SABC on a videostreaming platform.

In October Telkom said it was taking another stab at video streaming with a new service, TelkomONE, that has a focus on local content.

On Monday, the operator announced a five-year digital carriage partnership that will present TV and radio content from the SABC on one online platform. TelkomONE will stream live SABC's TV channels 1, 2, Sport and Education, as well as all 19 SABC radio stations.

The question now is whether free-to-air TV will be enough to challenge MultiChoice's DStv Now and Showmax, as well as international offerings such as Netflix.

According to data from Digital TV Research, the penetration of streaming players such as Netflix is a mere 4% in Africa against 82% in North America, 69% in Western Europe, 34% in Latin America and 37% in Asian emerging markets.

That said, even in a country where consumers have long complained about the high cost of internet access, local shows garner large viewership online.

A look at SABC 1's Uzalo shows that an average of 100,000 viewers will watch the soapie within days of the broadcaster uploading episodes to YouTube. As long as audiences are engaged and invested in the shows, appetite seems to be there.

The deal makes sense for Telkom to drive traffic on its network, while still making money from non-Telkom customers for the service.

For the SABC, it is long overdue. Content from the national broadcaster has been available online through YouTube and DStv Now, but a partnership with a telco may give it greater room to expand its online offering without incurring the large input costs of developing its own platform. We now wait for e.tv.

FNB has stirred up the race to build "ecosystems" that encourage and enable its millions of clients to safely and securely transact in fields that include buying and selling property and motor vehicles.

The creation of closed-circuit markets by financial institutions has long been considered to be the next step in the evolution of platform banking" — a broad term used to describe the intelligent use of data to serve products and services based on clients' needs.

Some of the new features enabled through FNB's "Nav" (navigate your life) portal will allow clients to buy and sell property either using linked estate agents or privately.

It will also allow FNB homeowners to access home service providers such as plumbers and electricians who are known to the bank.

FNB CEO Jacques Celliers says the innovations are about building marketplaces on trust. Banks by law have to authenticate their clients, and this means that institutions such as FNB can create a meeting point for buyers and sellers in which both parties can be sure that the people they are dealing with are credible, and perhaps even more importantly, qualified. FNB believes it can also bring efficiency to many of these transactions by lowering costs and reducing the time it takes to transfer ownership. If it works, the increase in customer loyalty might be well worth the effort.