

Melon Mobile brings first fully digital eSIM to SA, CEO says innovation not done

 By [Lindsey Schutters](#)

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Last week [Melon Mobile](#) launched two new in-app features that represent digital innovation: Melon eSIM and Family Plans. These products divert from the traditional in-store retail approach, in a bid to give the consumer freedom, control and value through an entirely digital experience. "Melon Mobile's commitment to creating a fully digital experience, now including Family Plans and eSIM technology, ushers in a new era of mobile connectivity, offering a convenient, secure, and fully digital solution to meet the demands of today's tech-savvy consumers," said CEO and founder Calvin Collett in the media statement.



Collett spoke to *Bizcommunity* at [Novacom Africa](#) ahead of the eSIM launch:

Why do you think SA's mobile telcos need disruption?

You've got legacy thinking, legacy systems, legacy everything trying to build digital, new age FMC products. That's your problem. You need to you need digital thinking, digital systems, digital processes to run new age stuff.

So, you've got your your top two, which are big infrastructure players, you've got Cell-C and Telkom as your super MVNOs, and then us. There should be two, three or four of us in that space challenging the big guys, and then you have a healthy market.

On top of that you can have the periphery players like the retail stores, but those are loyalty programmes. So, your Pick n Pay, Pep, Mr. Price or etc, whose end is absolutely not to service the customer or make a good mobile network.

That's why there's a churn – the business model behind the MVNOs as a construct doesn't work when its banks and retailers building telcos instead of telco people. The amount of money one of our major banks has thrown behind their MVNO is madness. They should have stopped a long time ago and said, 'listen, that was a fail' and moved on.

I think the challenge in big corporates often is there's a point to where you said this isn't a good idea we need to stop, or it's the whole sunken cost thing when you carry on. I think that should be outsourced to someone like us as an example, who understands what they're doing. They can come to us and say, 'we'll buy it from you manage it for us,' but separate the two.



Download the
Melon Mobile App
from the Google
Play Store.



Build your own
month to month
plan and register.



Order and/or
activate your new
Melon SIM.

■ ***But didn't we see that with Virgin Mobile many years ago? That didn't work out well for them?***

Look, I think timing is significantly different. At that time, you only had Cell C and the wholesale rates were not great on the back of those deals. The prices are right now, and I think consumers want more.

There also wasn't enough of a differentiation in the product or the pricing in the service, or anything to really make customers want that shift. I think now that you rarely get a person who says 'I just love Vodacom they're amazing' so that's where there's an opportunity now for us to ask other guys out there to look around for better service.

There are niches out there that want to go to a digital only platform. Others can say 'that's not for me'. I think that's the balance you require here.

And if you look internationally, the US is a good market as a proxy, 20% of that market is MVNOs. In South Africa we've seen 4%, but that's still a million SIM cards. We're in a healthy space. So, it's a great timing, the market is ready. The regulations are ready. The networks are ready. It's open market. Timing is the big difference between that and now.



MTN brings eSIM to prepaid customers in South Africa

25 Aug 2023



■ ***Is eSIM really going to gain traction?***

Yes, I think it's a better customer benefit than 5G, and with us it's all self-service. So, if I had a choice when we first launched, and there were enough phones in South Africa, and enough people with eSIM, that would have been our first prize.

There's just not enough right now, but it can grow. Vodacom and MTN have both launched their systems, but both require customers to go in store. That hurts my head, because why do you have an eSIM that you need to go into store? Because then just get a physical SIM.

The whole definition of an eSIM is that I don't need to go in so I don't want to go and store.

I think this is big, it's a new chapter for us. Because now a lot of the guys who wanted to test or were too scared of us, we can be secondary SIM for those guys. We're quite excited for that.



What other innovations are you bringing to mobile networks?

So eSIM is the first step of our integration, then family plans is next; that gives customers the ability to manage multiple lines from a single interface.

And then we're launching business to close out our rigorous technology pipeline that we've had. On the back of that we've got international SIM that we're integrating at the moment

I have a very clear technology and product roadmap that needs to be there. That gives you a full encompassed offering that makes you look at us and say, 'you know what, why should I move here? Because I can simplify things and have five different things in one app, with one single provider'.

ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity

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