

Convergence alters how consumers view content

The pay-television (TV), video on demand (VOD), and internet protocol television (IPTV) services market is growing rapidly as significant internet penetration and smartphone adoption in Africa alter the manner in which consumers view content.



Image by 123RF

Growth will be augmented by the availability of cheaper digital terrestrial television (DTT) services, data-saving video consumption options, and attractively packaged triple-play services. Africa's large population and demographics make it a highly attractive market for new and existing participants.

"It is critical for market participants to gauge viewership trends, price sensitivity, and technical requirements while offering their services," said Frost & Sullivan digital transformation research analyst Deepti Dhinakaran. "In terms of pricing and richness of content, strategic partnerships will be crucial in defining the market leader in the next five years."

As discussed in [Pay TV, Video on Demand, and IPTV Growth Opportunities in Africa](#), a new analysis from Frost & Sullivan's Digital Media Growth Partnership Service program, the market is hindered by:

- Spiralling cost of operations, primarily due to international currency requirements.
- Slow download speed.
- High costs of internet access.

To overcome these challenges, providers are trying to achieve economies of scale by expanding across the continent and partnering with mobile operators.

This will enable subscribers to access content through a small monthly subscription fee while minimising data costs for operators and subscribers.

Innovative pay TV and VOD providers such as StarTimes, MultiChoice, iROKOTv, Ericsson, [Zuku](#), MTN, and [Safaricom](#), are prioritising their content strategy according to the preferences of their subscribers, while offering services across multiple platforms such as websites, mobile apps, and other partner platforms.

“The market shows huge opportunity for ‘value-for-money’ services, especially in South Africa, from providers that offer the right mix of content at a competitive price with a sophisticated, user-friendly interface. Service segments such as triple-play and IPTV services have a high growth potential,” noted Dhinakaran.

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