

MwareTV on how to build successful value-added services with operators while democratising content in Africa

Frans Blommestein and Cees van Versendaal of MwareTV, in a conversation with Akim Benamara, sharing the ins and outs of the OTT/IPTV industry in Africa and bringing the FIFA World Cup to their clients.



INTERVIEW BY:

Akim Benamara

Founder of TechAfrica News



Good to see you at the very first edition of MWC Africa. Why did you decide to participate, and what will you be showcasing?

Frans Blommestein:

The African market has experienced tremendous growth in recent years, with mobile operators investing heavily in 5G, 4G and fibre-to-the-home networks. The operators are now looking to offer value-added services to their networks, to generate a return on their investment in the infrastructure and increase the data traffic across their networks.

We have had discussions with operators to understand their requirements and learn more about how we could deliver a solution that would be appealing to their subscribers. From the outset we knew that we could not compete with DStv as this was just too expensive, so we

created a \$3 - \$5 product that would appeal to 10% - 20% of our subscribers offering a higher average revenue per user.

Mobile World Congress Africa provided us with the opportunity to highlight our OTT/IPTV platform and to demonstrate how easy it is to implement across an operators' network, with no technical expertise required and at very minimal cost. The response has been overwhelming and we are in the process of closing deals, which we look forward to announcing soon.

Cees van Versendaal: We had an excellent experience at MWC Barcelona earlier this year and the market growth in Africa has been exponential, so it was an easy decision for us to exhibit at MWC Africa to demonstrate to the market the capabilities of our platform. There was a real buzz on the show floor and the follow-up conversations we are having has confirmed that this was a very worthwhile investment.

We've learned that Africa has a huge connectivity and technology gap. Would you say that you have had a good experience in terms of rolling out and sharing local content?

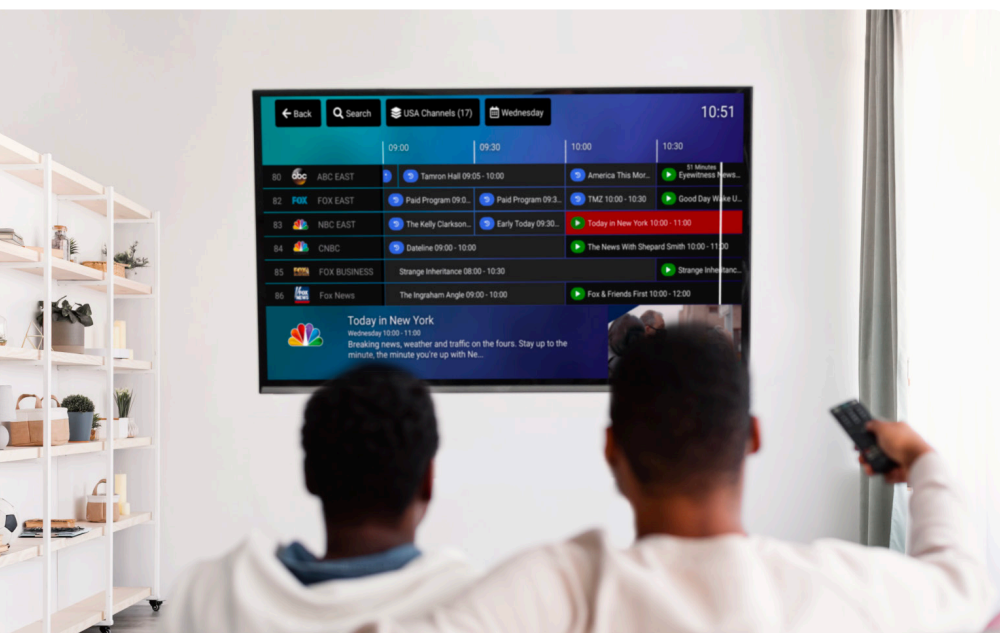
Frans Blommestein: Yes absolutely! We currently offer approximately 100 international African channels. We have been

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CHIEF COMMERCIAL OFFICER



subscriber because they get high-quality content for a relatively low price, for us to expand our platform across new territories, and for the operator to see an ROI on their data network. These collaborations result not only in making sports events more accessible to more countries and regions, but also much more affordable for the majority.

So does this mean I can have paid-to-go ticket for the FIFA World Cup if I'm with one of the operators?

Frans Blommestein: Exactly. The operators that are offering World Cup coverage to their subscribers can also offer other sports content. So there will be four sports channels offering different sporting events. Therefore the operator is not limited to just the World Cup, they can also access coverage of all of the available large events and competitions across Europe.

doing this for a long time now, so it is easy for us to do, we simply install an encoder at the regional location and then collect their local channels. For example, in Tanzania there are around 25 free-to-air channels, and in Ethiopia about 70. What we then do is bring those channels onto the Internet, so we are not limiting it to terrestrial or satellite but also the Internet. Operators also have the opportunity to add their own content to our platform.

Cees van Versendaal: Along with local content, we have also partnered with other companies to offer our subscribers even more extensive video libraries. We categorise the content according to the different interests per country, so we are able to provide the content on our platform that is generated to regional interests.

We met last year and this year at the MWC Barcelona. What success stories can you share with us now?

Frans Blommestein: We have already signed an agreement to offer World Cup coverage exclusively for Sub-Saharan French-speaking countries. Our platform now includes a number of New World TV channels, including the World Cup, Euro 2024 and the Olympic Games. So we can now offer a great deal of high-quality content for a relatively low price.

You mentioned that a FIFA World Cup is starting soon, and you secured the rights together as a content partner. Is anything we would like to add to this collaboration?

Frans Blommestein: As part of our collaboration with New World TV, there are more content owners who see the opportunity with OTT, so we are holding many conversations to discuss how they can get involved with the technology. It's a win-win for everybody –it's a win for the

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You mentioned that the Olympics is also on the schedule.

Frans Blommestein: Yes! New World TV have secured exclusive rights for coverage of the Olympics for Sub-Saharan French-speaking countries. It's an exciting partnership with New World TV and we have plans to expand their content offering to include areas outside of French-speaking countries.

How important is the implementation period for telecom? How quickly can you help them to go to market with their solution?

Frans Blommestein: It's extremely important for them to be able to launch a service quickly, so as soon as they agree to work with us we commence immediately. When both parties collaborate and move fast to enable the integration we can usually complete the project in as little as four to six weeks.

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We have a solution that you can advertise around those streams with banners, ticker tapes, and everything that's already in our system for free. However, the market is still developing for advertisement options in Africa, so this may all change.

FRANS BLOMMESTEIN
CHIEF COMMERCIAL OFFICER



TV made simple

One platform where it all comes together

Cees van Versendaal: Besides the technical aspect, we see that this is probably the first type of service where they have to market content. Traditionally they just sell data packages, and everybody wants access to the internet so it's an easy sell. Offering value-added-services is a completely new territory for them. You have to advise them on what content to offer and what content is needed, as well as offer guidance on how to properly market the service to their subscribers. So the technology is already there and established, the real factor in making a service a success is down to how it is marketed to their audience to get subscribers.

But they have vast experience, and you can support them on that road, isn't that right?

Frans Blommestein: Once we start any implementation, we

immediately look to engage with the marketing team because, quite often in our experience, they wait until the service is in place before they start to think about their go-to-market strategy. By which time, they have lost three months' worth of subscriber revenue. It's simply not a case of just selling the technology, it's about selling content.

From the content owners' perspective, how is partnering with MwareTV bringing value to them?

Frans Blommestein: They can do that in a couple of ways. They can partner with us because we don't charge for that, or they can do it on the Cost Per Subscriber base, so they will charge the operators that are using our platform to access to the content available.

They can also do it with advertisements. Advertisements are still difficult in the African

market. If you look at the cost per mille, the ratio that is used for generating advertising revenue in the US can be \$15-20 a year. I think you would be happy if you could make one for \$2, and that's a little bit too low to cover the cost of integrating advertisements into your streams. We have a solution that you can advertise around those streams with banners, ticker tapes, and everything that's already in our system for free. However, the market is still developing for advertisement options in Africa, so this may all change.

How do you see the future of IPTV in Africa?

Frans Blommestein: I think that IPTV and OTT will only continue to grow further, and this is down to the low subscription fee. If you look to cover about 10-20% of the market that can afford to pay a subscription fee of around \$3 - \$5 every month or every day

relatively, it's clear to see that this is a huge opportunity.

Cees van Versendaal: In addition to that, the networks have capacity without usage. This is why they need and want to offer value-added services in order to start seeing a return on investment across their networks and also their business. We understand that the technology can be complex to offer this type of service, but that's where MwareTV comes in as we can take care of that, so all the operator needs to focus on is the marketing.

So does that mean you can help the operators who want to enter this sphere to grow with the market together with you instead of having this unrealistic view of charging \$20 per month for something that no one can afford?

Frans Blommestein: We act towards those operators and approach them by charging a small initial fee just to configure the system and publish the apps. Then we grow with them, so their upfront costs are minimal. It's not a shared revenue model, but a cost per subscriber model, so we simply take a fee for each subscriber they have. It's a real partnership as essentially, their success is our success.



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