

South Africa primed for the Great Streaming Boom

By [Leslie Adams](#)

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Despite different income brackets, South Africans have always been savvy about getting access to content.



Source: www.unsplash.com

Enter what has been dubbed the Great Streaming Boom; a mass move to video on-demand (VOD) services. And while not exactly catalysed by the pandemic, this shift certainly accelerated during Covid-19, with viewers signing up to VOD bigwigs like Netflix, Showmax and Viu at speeds that rivalled the emergence of new coronavirus cases.

While South Africa is in no way unique in its mushrooming streaming status – which is very much a global phenomenon – certain contextual factors make our market particularly amenable to VOD.

Streaming is one of Covid-19's top beneficiaries

More than two years on from the arrival of the pandemic, we are seeing mass roll-outs of overhead fibre and subsea cables, which will not only improve local internet access, but also the speed and quality.

Google recently launched its Equiano Internet cable in the Western Cape's Melkbosstrand; the highest-capacity internet cable ever landed on African shores, which promises to drive down costs as soon as it comes online.

SA network providers, once criticised for their high data costs, have finally got the memo and launched a wave of affordable, uncapped data packages. Added to this is the long overdue digital television transition, which will improve our viewing experience while making cellular networks better and cheaper.

No more patchy videos or dropped calls; these enhancements will pave the way for a seamless streaming experience.

The pandemic changed our media consumption patterns

During lockdown, our workday changed fundamentally. No longer bound to office hours, night owls were able to work well into the witching hours, while morning birds could kickstart their days before dawn and clock-off early. And waiting for them, whenever they needed a break, was a plethora of streaming services at their disposal.



#BehindtheSelfie: Leslie Adams, sales director at Reach Africa

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Gone were the days when you needed to time dinner around your favourite Sunday night show – now you could watch whatever you wanted, whenever you wanted.

As we enter the era of the hybrid workforce, I believe that consumers have become accustomed to this newfound convenience and flexibility, which is evidenced by the drop in live TV viewership and the growth in the overall VOD category as reflected in TAMS data.

Loadshedding has knocked live TV and spiked streaming

In June, it was reported that Stage 6 loadshedding sent the average live TV viewing time in SA down by 35% year-on-year, simultaneously highlighting that when the lights went out, devices all across the country stayed on; with favourite shows pre-downloaded or streamed using data and routers.

Viu, SA's largest streaming service, reports that more than 50% of its 130 million minutes viewed per month are streamed via 3G; a blow to the argument that the high cost of data prohibits streaming among lower-income audiences. While cost may be a factor that limits the use of data for other purposes, it doesn't seem to stand in the way of South Africans and their entertainment.

South Africans are under financial pressure – an AVOD opportunity

Advertising video on demand (AVOD) is a subcategory of VOD, where viewers are able to access premium broadcast content without paying a subscription fee for the privilege. By way of example, Netflix and Showmax are subscription video on demand (SVOD) services (although both have announced that they are now also exploring advertising-supported offerings); while Viu and eVOD are categorised as AVOD.

AVOD presents a massive opportunity for the local market. In exchange for having free, unlimited access to their favourite shows, viewers need only watch a few ads. And current stats suggest that South Africans are more than comfortable with this, especially if it means lightening their financial load.



Disney+ to be available on Xbox consoles in South Africa

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I believe that there's also something to be said for the perception of value. We are increasingly seeing premium live TV accounts cancelled, with the hefty subscription fee redirected to several streaming service providers instead. Entertainment plays a pivotal role in our lives, and its importance is underscored in our admittedly disloyal viewing habits. Nothing good on Netflix this week? Let's cancel and sign up to Disney + instead! New season of the Handmaid's Tale is on? Better resubscribe to Showmax! And so it continues.

AVOD resonates with our cash-conscious country, which now enjoys a mobile internet user penetration of almost 80%, according to latest figures from Statistics SA. It doesn't ask consumers to prioritise their entertainment spending, but rather allows them to watch their favourite shows whenever they like – all for the price of a few ads.

South Africans will always find a way to extract maximum value at minimal spend. While viewing patterns will continue to evolve over time, you can rest assured that value will always remain a driving force in our market, influencing the way we consume content.

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