

Telkom expanding lead in contract price plans' consumer value

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🕒 Created: Wednesday, 26 November 2014 06:13

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By Gugu Lourie

Telkom is expanding its lead over competing mobile operators in terms of providing the most consumer value for contract plans in South Africa, a new study published by US-based telecommunications research firm Tarifica

claims to show.

Cell C rated second best, winning three of the 10 price segments. MTN and Virgin Mobile were each able to earn just one “Top Value Plan” while Vodacom, after offering the top overall SIM Only plan in the market a mere two months ago, was shut out entirely.

The results are based on value as measured by the Tarifica Score, the firm’s proprietary algorithm that comprehensively weighs every feature of a mobile plan (including usage allotments, geographic coverage, data speeds, value added features and promotional elements) against the plan’s total costs in order to determine its precise consumer value relative to all other offers in the market. Scores range from 0 (worst) to 100 (best).

“The addition of unlimited on-net data to Telkom’s SmartPlan 100, 200 and 500 plans with the purchase of a phone considerably enhanced the already solid consumer value of these offers. There simply is no similarly priced alternative in South Africa that includes the volume of allowances available with these plans. Given that Telkom already had the top Tarifica Scores in September, this new promotion served to further expand the operator’s lead,” said Melissa Mascarenhas, Tarifica’s South Africa analyst.

The research firm added that Telkom’s high Tarifica Scores were driven by the company’s relatively low prices and the generous data allowances included with many of its plans. Moreover, Telkom’s plans frequently included attractive additional features, such as access to the company’s Wi-Fi network. “This combination of attractive included features and generous data allowances at competitive prices translated into Telkom being the leader in

October in providing the best consumer value in the South African mobile market."

While Vodacom failed to capture the top value plan position in any price segment in October, said Tarifica. In general, Vodacom's plans ranked near the middle of the pack in terms of consumer value. The operator's country-leading download speeds were, for the most part, counterbalanced by its relatively high prices.

MTN was the winner in just one price segment – SIM-only plans that cost in excess of R1000 per month. MTN's relatively poor performance was primarily due to the fact that its plans cost more per service than similar plans from competitors. For example, for SIM-only plans, MTN's MyMTN Choice 350 costs R400 per month and comes with 350 minutes and no SMS or data.

Cell C scored relatively well, offering the top plans in three market segments (between R101 and R300 and R301 and R500 for SIM-only plans, and in the R101 to R300 'with phone' category). The telecoms research firm said the primary element keeping Cell C's plans from being competitive in more market segments was the operator's average download speeds which were the slowest in the country.

"In today's mobile marketplace, consumers are flooded with hundreds of plan variations and constantly shifting promotions and deals—the majority of which come with different costs and services and access networks of differing strengths. When making a decision that will likely impact them for up to two years, consumers can use Tarifica Scores to cut through the clutter and identify those plans in every market segment that offer the best value for the money," said Tarifica program manager, Will Watts.

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