

MTN pleads 'guilty'

Pay as you sneer as MTN tries to cow Cell C.



Sarcasm was the word of the day when cellular giant MTN admitted its "guilt" to Cell C in the form of three full-page adverts in the Sunday Times yesterday.

"We're guilty," reads the boldly written advert on a yellow page two. It continues on page three: "Dear Cell C. You are right."

The advert, which continues on page nine, is a rebuttal by the network provider following Cell C's stab at MTN over its court case with the Independent Communications Authority of South Africa (Icasa).

The Advertising Standards Authority this month ordered Cell C to remove a radio advert in which it accused "one of South Africa's biggest and most profitable cellular companies" of not wanting to comply with Icasas regulation to lower its interconnection rates.

MTN filed papers against the regulator at the Johannesburg High Court arguing against Icasas levels of "asymmetry", which means MTN and Vodacom pay more than smaller players such as Telkom Mobile and Cell C.

MTN also lodged three complaints against Cell C with the authority in the first week of March over the radio advert.

In the advert yesterday, MTN told Cell C: "You said that we are making billions, and that is correct. We are also guilty of investing 83% of those billions back into South Africa ..."

"We're guilty of not wanting to fight with you, because there are millions of South Africans that we'd rather fight for. We believe they deserve better."

Ads highlight industry structure's flaws

Communications industry analyst Arthur Goldstuck said the adverts were not only an amusing diversion from the real issues facing consumers, but ironically also highlighted flaws in the industry's structure.

"Any company can point fingers for not doing the same as themselves, but that just opens the door to their own faults being publicised," said Goldstuck.

"MTN have always been slowest to respond to price adjustments, Cell C has the least reliable network. Their campaigns indirectly remind us of this."

But he commended Icasa's aggressive approach on pricing.

"But it has to be careful about worsening structural flaws in the industry and pay attention to the ceiling cost of mobile data, seeing that the major networks are not," Goldstuck said.

Source: The Times, via I-Net Bridge

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