

Video on Demand to drive requirement for carrier neutral POPs in Africa

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Video on Demand (VoD), the ability to access specific video content at a convenient time and place on a convenient device through the internet, has previously been an unfeasible technology in much of Africa as it requires large amounts of affordable, available and reliable bandwidth in order to operate.

However, as infrastructure has been improved, we are starting to see increased uptake of VoD across the corporate, educational and even entertainment sectors. While this is currently only available to a small portion of the populations of Africa, we can expect this technology to grow within the next three to five years. Operators looking to leverage the new model of converged content delivery, including VoD, will need to gear their infrastructure to handle the increased traffic volumes. As VoD content is time and lag sensitive, operators making use of carrier neutral co-location points will benefit greatly from the ability to distribute traffic further and more efficiently, extending the number of potential subscribers and increasing potential revenue pools.

Driving entertainment content

VoD has many applications, from driving entertainment content across the continent to delivering educational services and solutions. Entertainment is, however, the biggest market for this technology, and is one in which many operators are looking to play as they embraced converged content distribution. That said, video entertainment content is costly, and must reach the highest possible number of subscribers. The growth of mobility in Southern Africa and extending into the continent provides fuel for this fire.

Currently, the uptake of VoD in South Africa and the rest of Africa is slow because bandwidth, while it has seen improvement, remains expensive and is not accessible to the vast majority of the population. According to Statistics South Africa, there are around 10 million TVs in South Africa. However, according to the African mobile observatory report, there are approximately 59 million cell phones already in the market. It is predicted that in two years' time, about half the number of these cell phones will have been replaced by smartphones that can stream video content. In addition, tablets and laptops are also being used increasingly to access video content on demand. A few early adopting players have launched services, but content selection is limited. This is all set to change however, as fibre infrastructure to both business and homes is increasingly rolled out and mobile infrastructure improves with technologies such as LTE.

Operators in the future will benefit from selling a number of converged services to customers, including VoD, driving new models of commercialisation. Operators need to leverage these new opportunities for additional revenue streams, as the market moves away from providing single services towards combination packages including voice, video, data, Internet, cloud services and more. This requirement in turn is driving the need for carrier neutral Points of Presence (PoPs) in Africa.

Multiple applications

PoPs have multiple applications in the VoD space. Firstly, the longer the distance between the server of the content and the consumer, the more expensive the data transport costs and the more delays and latency experienced. Quality degrades when content needs to be run through multiple delivery hops. As a result, in order to deliver cost effective and latency-free content, operators will need to cache and store content at a number of locations to deliver acceptable quality of service. Creating a network of national and regional nodes for the storage and serving of content will help operators to reach the maximum possible target market from a single location, and PoPs, with their carrier neutral access to different networks as well as data centre capability, are ideally poised to fulfil this role. In addition, carrier neutral hubs can also enable operators

to offer bundled services including data, cloud storage, hosting services and more.

When it comes to gearing for VoD, operators need to ensure that networks can safely and securely deliver content to subscribers, with guaranteed quality of service, customer authentication and digital rights management to prevent content piracy. In terms of traffic, operators must ensure that all network paths have been designed to cater to increased volumes, again ensuring quality of service. VoD is the future of content distribution and present an opportunity for operators to expand their service offering and leverage new revenue models. Making use of carrier neutral co-location hubs and PoPs will assist operators to ensure the necessary quality of service on content as well as enabling them to offer a variety of value added bundled services to customers.

ABOUT ECKART ZOLLNER

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