

For local SMEs to thrive #DataMustFall

Despite recent intervention from the Competition Commission, South Africa still has some of the most expensive mobile data rates on the continent. In fact, from lowest to highest data tariffs, Research ICT Africa's Retail African Mobile Pricing (RAMP) Index ranked South Africa 33rd out of 46 African countries this year.



Jeremy Lang, regional general manager at Business Partners Limited

Jeremy Lang, regional general manager at Business Partners Limited, says that this high cost of data continues to hamper the profitability and productivity of many local small and medium-sized enterprises (SMEs).

“ While this is a well-established constraint for South African SMEs, it became particularly apparent over the recent COVID-19 lockdown, when internet connectivity emerged as an indispensable business tool. ”

Depending on the nature of the business, Lang explains that online digital technology can play a vital role in increasing turnover, capacity and scalability; while reducing operating costs and turnaround times. “In addition to these operational benefits, the adoption of digital technology ensures that a business remains relevant among its competitors.”

These digital technology innovations, however, generally require a stable and reliable internet connection, he notes. “From cloud services and online tools, to mobile payment software and social media marketing – all of these require internet connectivity to function.”

Growth of digital-based businesses

Lang adds that the market for digital-based businesses has also seen great development in recent years. “A recent Statistics South Africa (StatsSA) report shows that over 36 million South Africans out of 59 million now use the internet – and the majority of these people consume content on mobile devices.

“Evidence of this growth in mobile connectivity adoption is supported by recent data from Pepkor, which shows that over 10-million handsets have already been sold in Pep stores this year, and 5.5million of those were smartphones.

“This all suggests that the environment is ripe for innovative digital businesses with a strong online presence,” he states. “However, in order to nurture this market and enable new digital businesses to emerge and take advantage of it, the internet needs to be accessible by everybody – not only those who can afford it.”

For this to happen, Lang is calling for a renewed promise from South Africa’s government to decrease the cost of data, in partnership with the big telcos. “Having a strong digital presence and being able to actively engage in real-time is a requirement today for every business to be truly competitive.

“On the communication infrastructure front, government needs to make good on their promise to bring the cost of data down to much more equitable levels, as quickly as possible. If this can happen, together with more investment in wider fibre reach, access to the digital economy will improve, offering limitless opportunities to those businesses who are able to adapt,” Lang concludes.

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