

# Light at the end of the Telkom tunnel?

 By [Chris Mberdyk](#)

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Could it be that a glimmer of light has appeared at the end of the Telkom tunnel with the decision to cut its data tariffs? Certainly, this is good news for South African consumers who are still paying far over the relative odds for their internet access.

And even better news was that the biggest private sector player, MWEB, immediately responded with a price cut of its own.

One has to wonder of course, whether this is all a result of the appointment to the board late last year, of a group of highly experienced captains of industry?

## New lease on life?

Long having been criticised for holding South Africa back from the modern telecoms era, the bumbling Telkom suddenly seems to have been given a new lease of life and a merciful release from the scourges of cadre-deployment.

When the new board was announced, it did look as though it was made up of an Absa old boy's club led by a man who has made a commercial success out of gambling.

But, that would be overly cynical, quite apart from which there is nothing wrong in my book about having as many ex-Absa executives as one could muster because from a commercial, branding and marketing point of view Absa remains one of South Africa's great case histories of commercial success.

## Heavy hitters

Former Absa deputy chief executive Louis von Zenger and Santie Botha, former executive director at Absa and at MTN Group, joined Dr Clive Finn, the former GM of Cisco South Africa, Khanyisile Kweyama and executive director of Anglo American and Fagmeedah Petersen a trustee of the Government Employee Pension Fund and investment specialist.

New chairman, Jabu Mabuza, certainly knows his way around the commercial block and from what I can remember having worked with him some years ago, he is a good listener and a diplomat - two essential qualities of an effective chairman.

But, even with all this business acumen and a combination of glowing track records, much will depend on how well the new Telkom leadership can steer this fairly untypical business ship.

I would guess that if profit and shareholder value were the only criteria, decisions would be a lot easier to make.

## **Seasoned marketer**

Particularly from the point of view that Telkom now has seasoned marketers on board, not least of all, Santie Botha. I am in no doubt whatsoever that the almost immediate success of ABSA shortly after it was formed was due to the bank having the foresight to put a seasoned marketer on their board. The ABSA brand launch remains one of South Africa's great business achievements.

Botha also has an intimate knowledge of the telecoms market and during her time at MTN she certainly learned a lot about how to make big profits.

But, the problem in South Africa is that Telkom is at the centre of the country's internet development.

Lately, South Africa has slipped behind many African states and modest developing countries around the globe simply because for many years Telkom stubbornly refused to back down from its stick-in-the-mud stance in terms of the development, cost and speed of bandwidth.

It is also safe to say that right now, the big cell phone networks are equally obstructive in terms of helping South Africa catch up with the rest of the world, with continuing high costs of voice and data services.

## **But, back to Telkom**

Its current advertising is misleading, particularly from the point of view that it promotes a 512kbs download speed as broadband.

In Japan the USA and just about the whole of Europe, broadband is considered to be at least 20Mbps and upward.

So, the new order at Telkom has an added responsibility and that is to help steer the country towards full internet connectivity for all at speeds that create satisfaction and not frustration.

So, brave steps will need to be taken by dismantling all the baggage that remains within Telkom - both real and perceived - that has been stifling competition and industry development. Equally brave steps will be needed by the board to guard against undue interference, delaying tactics and bureaucracy by government.

It has to be said however, that Telkom has come a long way in many aspects of its business since those dark days of shoddy service, excruciatingly slow delivery and haughty corporate attitudes.

## **Improvements**

For example, in my neck of the woods, Telkom technical service vans are ever-present and callouts are quick with technicians being a lot more accommodating and service orientated.

The Telkom shops seems to be delivering on their mandate of giving customers somewhere that they can physically go to and speak to someone.

Sure, there are still some very rusty copper wires around but at least there have been promises to upgrade, speed up and improve.

The new board is not going to find turning Telkom around an easy task but it now has the benefit of some excellent business and marketing brains. I just hope that the executive listens. And that government keeps its nose out.

What used to be a dank, dark cave has actually transformed into a tunnel with a light at the end. That's something at least.

## ABOUT CHRIS MOERDYK

Apart from being a corporate marketing analyst, advisor and media commentator, Chris Moerdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on [moerdyk@gmail.com](mailto:moerdyk@gmail.com) and follow him on Twitter at [@chrismoerdyk](https://twitter.com/chrismoerdyk).

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