

Orange may expand services in Africa

By [Thabiso Mochiko](#)

18 Jan 2013

French group Orange Telecommunications could launch a mobile virtual network operator (MVNO) service in SA as part of its aggressive plans to enter the lucrative local market, it said this week.

A MVNO operator piggybacks on another company's wireless network to provide services.

Orange, owned by France Telecom, has been operating in SA for more than 10 years through subsidiary Orange Business Services, which provides technology services to corporate clients.

But the company intends to enter the mobile services market and is using its sponsorship of Africa's biggest football tournament, the African Cup of Nations, to announce several initiatives in the market.

It has launched a new subsidiary called Orange Horizons that seeks new business opportunities in countries where the group is not already represented as a mass-market telecommunications provider.

It will roll out its programmes in phases starting with the launch of online stores selling telecommunications-related equipment or airtime, the introduce flexible travel solutions, or launch its MVNO activity, the company said.

Sébastien Crozier, managing director of Orange Horizons, said this week that although the South African market was mature, the country still had huge growth potential given that data prices were still so high.

He said Orange was looking at ways to offer its customers, especially travellers, value added services related to data.

The local cellphone market is dominated by MTN and Vodacom.

Orange may introduce multi-country travel solutions - data using WiFi (short range wireless network technology) or voice over Internet protocol - aimed at professionals or tourists coming from countries in which Orange is already present.

Spiwe Chireka, a telecommunications analyst at International Data Corporation, said Cell C would be the immediate option for MVNO partnership as the company already had an existing policy to work with and support MVNOs while 8ta would be more of an acquisition candidate especially with speculation around the split of Telkom in the future.

Crozier did not rule out acquisitions in the future but said it was too early to discuss this as the company had chosen "a light (expansion) model."

Chireka said there was room for MVNOs in SA.

"In the past the MVNOs did not differentiate themselves in any way and you will find that these operators came in as a "me too" type providers," Chireka said.

"The key to an MVNO is not to be a jack-of-all-trades but to focus rather on a niche market offering a niche product," she said.

For more, visit: <https://www.bizcommunity.com>