

# Prepaid TV proves successful

Following its launch in mid-August 2012, the [TopTV](#) Prepaid payment voucher is proving to be quite popular. To date, it has sold close on 70,000 vouchers on consignment to various distribution partners and has been activating more than 500 prepaid vouchers daily in recent weeks.



"Considering that the majority of national retailers will only start selling the vouchers in late November and the high number of repeat purchases, it is clear that the best is yet to come," commented Eddie Mbalo, interim CEO of TopTV.

"The recent successful launch of the prepaid product as part of our ubiquitous payment platform was a first for pay-tv in the country and is already making a significant impact in promoting access to pay-tv for South Africans. Based on this success, we are in the process of launching a number of exciting complementary products over the next few months, as our presence is secured in more major retailers countrywide.

## Convenience, instant access

"We believe the product's take-up and popularity is due to its ease of use, convenience and instant access to the station's programmes across more than 60 channels, once activated. This includes the exclusive first-run of the current most popular TV show in the US, The Walking Dead - Season 3 and the launch of a variety of original content, local productions that have been received very positively by the market."

Prepaid is fast proving to be a preferred and popular payment option, as customers are able to bypass lengthy bank queues or utilise their precious airtime to contact the call centre to pay their monthly subscription or be connected.

"Most significantly though, we are able to grow the business without increasing the administrative burden - that's important, because it allows us to contain costs. We believe that we have now found the right business model: one based on flexibility and that understands the current realities of doing business in South Africa, where many South Africans are unbanked and financially excluded."

## Reconnecting old customers

One of the strategic objectives in launching TopTV Prepaid was to entice lapsed or dormant subscribers to reconnect to the

service. With more than 400,000 decoders installed in households, but only on average 150,000 active paying subscribers each month, the company decided to target this section of the market first and it seems the strategy is working.

Of the thousands of prepaid vouchers that have been sold and activated to date, almost 65% of these have been activated by customers whose subscription had either lapsed or been disconnected.

"Some interesting stats are emerging regarding who our prepaid customers are and their subscription history. Of the current activations, 26% are new, first-time subscribers who have signed up to the service within the past three months, since prepaid was launched. Another 26% originally subscribed to the service when it launched in May 2010," stated Kgomotso Lekola, interim COO of TopTV.

"A further 23% of current active subscribers, who were paying previously via debit order, Easy Pay or cash each month, have also opted for the convenience of the prepaid system. From these figures, it is interesting to follow the sales trends that are emerging - and to note that we are delivering on one of our strategic objectives: to lure lapsed subscribers back to the station."

Prepaid is currently available in two package and payment options - Variety at R109 for 30 days once activated and Ultimate at R279 for 30 days. A voucher is redeemable at any time during a three-year period but once activated is only valid for a 30-day period. If a second voucher is activated before the 30-day period is up on the first voucher, the subscriber will not forfeit any viewing days. The second voucher will only kick in once the 30 days on the first voucher has been utilised.

"We are satisfied with the way in which the concept of prepaid for pay-tv has taken off and is performing in our market. As an innovator in the pay-tv segment of the industry, the company is cognisant of its subscribers' needs and what works for them to simplify their lives. Prepaid works for them," Lekola concluded.

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