

# Data: The new frontier

## Telecoms invest in the latest broadband network to attract customers, grow revenue

By Isaac Khisa

**A**s the smart phone android technology continues to pervade the population thus giving consumers other options for phone usage other than simple voice and text messaging, telecom operators are also being forced to think harder and in an increasingly more sophisticated manner.

Indeed, data is becoming the real frontier for telecom companies as consumers look for cheaper means of communication especially using over-the-top social media platforms such as WhatsApp, Messenger, Facebook and Tweeter in the delivery of audio, video, and other media content over the Internet. The customer is winning as data prices are falling as operators compete to maintain or

grow their market share and as consumers demand more for less by moving between network operators in search of better (faster) options at affordable prices.

Almost all telecom operators have embarked on investing in their new network-Long Evolution Network- also known as the 4G broadband network to improve its capacity, quality, and widen its geographical areas to maintain the existing clients and attract new ones. The telecoms are also looking at new innovations to hook customers onto their networks. The LTE network is the latest mobile broadband technology that enables improved speeds making users to stream clear, crisp video, and download songs and apps instantly. The big boys - MTN Uganda, Smile Telecom, Africell and Vodafone - are apparently designing plans to invest in the latest 4G network on the back of heightened competition in the telecom sector in the country, pulling down the profitability of profits especially in the voice calls. For instance, in August this year, MTN Uganda said in spite of gaining a 7.2% increase in subscribers to 11.1 million during the half year performance, it was hit by a 12.8% decline in incoming voice revenue as a result of the One Network Area, leading to mere 2.6% growth in total revenue. The company's

### Data prices (Shs)

DATA VOLUME	SMILE	MTN	VODAFONE	AFRICELL	AIRTEL	UTL
1GB	32,000	35,000	-	34,500	35,000	28,000
1.5GB	40,000	-	-	44,500	45,000	-
2GB	-	50,000	49,000	49,850	50,000	-
3GB	75,000	78,000	-	89,000	75,000	65,000
5GB	90,000	117,000	99,000	89,000	90,000	100,000
10GB	145,000	162,000	124,000	160,000	125,000	115,000
20GB	250,000	-	-	300,000	-	-
50GB	530,000	455,000	-	-	450,000	-
100GB	1,020,000	650,000	-	900,000	-	-

in Kampala and Entebbe.

MTN Uganda CEO Brian Gouddie says the telecom operator invested Shs 171 billion in 2014 in improving its services, 35% directly to building network capacity. This year, the operator investment expenditure is expected to reach Shs 85 billion. "Mobile users do like to download videos and music; play games, share photos, and streaming sports content, all on their mobile phones. Now, this is the best broadband network for them as it has a speed of up to 100mps, which is almost triple the speed of the existing mobile connections in the country," said Gouddie. Gouddie said the company has more than 75 4G network sites, in addition to the already-existing coverage of 1,492 2G sites and 591 3G network sites.

Smile Telecoms Holdings Ltd, which owns and operates mobile wireless 4G broadband networks in Uganda, Tanzania and Nigeria, has raised Shs 1.326 trillion of debt and equity financing to fund its network expansions. Though the firm

remained tightlipped on the timelines for investments, some of the funds will be used to expand Smile's existing 4G mobile broadband network and services, currently limited within Kampala and Entebbe.

Beatrice Kiraso, the chairperson, Smile Uganda, said the firm's objective is to become the broadband provider of choice for super-fast data and clear voice in each of its markets because the "availability of a reliable high-speed, broadband internet service in the country will help businesses and individuals become more productive and efficient, and this in itself is an economic enabler." Similarly, Africell has lined Shs 127.12 billion, which it acquired from the International Finance Corporation, to support expansion and upgrade of mobile networks in

Uganda, as well as Gambia, the DR and Sierra Leone where it has operations.

Muhammed Ghadder, the CEO of Africell Uganda told The Independent that they are making big plans on expanding their 4G network across the country. "We are still budgeting for our planned expansions next year, though we have long-term plans to serve our customers better," Ghadder said.

Vodafone Uganda, like its counterpart Africell and Smile Telecom, with its 4G network covering Kampala and Entebbe plans to roll out countrywide in the coming months in a phased approach. "Our primary focus is to ensure that the customer experience in the areas where we already have coverage is good. In addition to this, is the expansion of our distribution network to ensure that our products and services are readily accessible to our consumers," said Jackie Namara, the marketing boss at Vodafone Uganda. Currently, the total number of internet users Uganda is estimated at just over 6.8 million of which about 3.4 million are mobile data subscribers while the rest are fixed users. But compared with the voice penetration of 53%, data penetration is still very low at just 25%, according to data from the Uganda Communications Commission. 

