

Diversification strategies create opportunities for ICT in SA

An increase in affordability of internet and telephony services, as well as a growing adoption of the latest technology business models by companies, is attracting significant investment into the South African ICT industry.



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Aggressive service diversification, along with strategic partnerships and acquisitions, are altering the industry landscape, compelling market participants to gauge market trends and growth opportunities before designing their services.

“ICT companies are creating new revenue streams through the offer of software-defined data centres, flash storage, cloud-based mobile apps, non-core outsourcing and business intelligence,” said Frost & Sullivan Digital Transformation senior research analyst Deepti Dhinakaran.

“This culture of innovation is impelling startups to establish themselves in the ICT industry, while the enthusiastic adoption of end-to-end IoT solutions has encouraged telecommunications providers to introduce mobile app-based services. Successful mobile apps, such as ride-hailing and mCommerce, are accelerating the overall revenue growth of the industry,” continues Dhinakaran.

South Africa ICT Outlook 2017 forecast

The South Africa ICT Outlook 2017 study from Frost & Sullivan’s [IT Services & Applications](#) Growth Partnership Service program, forecasts the country’s ICT industry revenues and contributions from the key sectors of telecommunications, broadcasting, data centre, cloud, IT and business process management (BPM).

It also analyses the role of startups, key mega trends, and strategic imperatives for current and potential market participants.

Additional factors accelerating change

Additional factors accelerating change in the South African ICT industry include:

- maturing 3G technology and ubiquity of 4G networks;

- increasing demand for video-on-demand (VOD) services; availability of affordable digital terrestrial television (DTT) services;
- demand for platform as a service (PaaS); and
- higher relevance of cloud, big data, analytics and internet of things (IoT).

“The convergence across telecommunications and entertainment markets, combined with the growing uptake of managed services, software-defined wide-area network technology, and consultation-driven BPM service delivery models will propel market growth,” noted Dhinakaran.

“In the managed services segment, there will be greater demand for network and application security services due to the need to improve compliance and security efficiencies,” he concluded.

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