Video streaming coming to Africa

By Russell Southwood

16 Jul 2012

LONDON, UK: Video streaming will be the next big wave of online content use in Africa. There are still considerable network challenges but... the level of existing use shows that once these issues are resolved, the volume of users will be in the millions. Russell Southwood spoke to the biggest player in the market, Google's YouTube. Elijah Kitaka explained how it sees the potential of video streaming being realised.

YouTube is available in all African countries but has been localised in a number of African countries including: South Africa, Nigeria, Ghana, Kenya and Uganda. In one West Africa country with a local Google cache server, the amount of traffic through the local IXP is now 800mbs and the majority of it is YouTube use.

So how does a country get to have a localised YouTube site? According to Kitaka: "We need to sign an agreement with a (rights) collection society for authors, publishers and composers. Typically one body plays that role and it deals not just with local rights collection but also works on behalf of global rights holders."

Once that important formality is dealt with, YouTube looks at levels of existing use and the number of potential content publishers to see whether any interest. "There's still a lot of pain on the infrastructure side but this pain should reduce. Access and the cost of access is still really a barrier. But YouTube can play a key role in Africanising the web". Google has installed local cache servers in four countries and neighboring countries can take advantage of their presence.

In addition, the YouTube Feather feature allows users with much lower bandwidth access to watch a lower resolution version, "Feather will make these settings static and deactivate the fancy features. With optimization, a stream should run properly even with low bandwidth."

In terms of content providers, there are three categories that YouTube wants to work with:

1. **Existing African broadcasters**: YouTube can take broadcasters existing content and extend its audience, whether in the country itself or for the diaspora. Kenya's NTV has a live stream of its prime time news programme and also uses YouTube as a platform for catch-up viewers. It has had 10 million views to date. South Africa's SABC also makes use of it in much the same way.

2. **African film and music producers**: Much has now been written about the success of Nollywood Love but there are still film and music producers in other countries who are not yet properly exploiting the potential of online streaming. A typical example of this kind of content producer would be Homeboyz Entertainment Group in Kenya.

3. **New wave user generated content**: This is new African businesses that are beginning to explore business models that will generate real income for them. One example is Kenya's Kulahappy which produces candid camera-style comedy clips. It has been going for just over six months and has generated 2 million views.

What works in content terms is the same as for TV: where it's available, users prefer local content: "80% of what's popular is African content."

So how do views turn into money? "The secret is quite simple. You have to have an audience for the content. Once you've signed up as a Google Ads partner, there are two models: either you earn on a cost per click on adverts served or you get paid a cost per million views.

But how many views do you need before you start seeing real money? This is where Google becomes a little more circumspect. To be fair, the answer is more complicated than a one-liner. You need an audience that is part of a market that is in "high-contention for advertising and has audiences that those advertisers want to reach."

It seems from the very few cases where income figures have been released that that you start to earn real money at between 0.5 million to 1 million views and that it's important to have significant diaspora audiences in the mix. Also in terms of African audiences, there will have to be higher numbers online to see advertising revenue growth.

As almost everything to do with data, Google is maddeningly coy. It will only say that between 2010 and 2011 YouTube use in South Africa grew by 110% and the number of uploads grew by 120%. Nevertheless partner revenues grew by 570%. For the other larger markets, it has to wait 12 months after the launch to get figures out.

Nevertheless, it broke out the socio-demographic results on YouTube users from its Insights Africa survey. Although the sub-sample size is not completely robust, it does give some pointers. The majority of current users are in the 16-34 age group, reflecting the broader trend of technology take-up in Africa. Current male users outnumber female users 2 to 1. But as elsewhere in the developing world, this gender skew is likely to level up once the numbers increase.

Two things need to happen before online streaming becomes more popular.

One, mobile operators need to get their networks up to 3.75G and 4G so that the numbers who can access it goes up. There is an iron rule that no piece of content will ever attract all potential users. Two, African content and owners and producers need to take the plunge and get used to reaching potential audiences.

Source: allAfrica

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