

ISPs must embrace brand building, not just technology

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Africa has the fastest growing internet penetration in the world. In South Africa, internet usage grew by 13% between 2001 and 2008, from 3.5-million to 5.1-million users (www.internetworldstats.com). South African businesses, families and individuals have acknowledged the necessity and convenience of the internet. Unsurprisingly, in line with this demand, there have been several new ISP entrants and the market is fast becoming saturated.

And in such a market, brand building becomes critical.

To date, there are 13 large ISP providers, 15 medium and more than 100 small or emerging providers offering diversified packages and multiple means of connection, from mobile and 3G/HSDPA. Internet consumers are now not only spoilt for choice - in recent years, they've also become increasingly savvy about new media. They now feel fully empowered to ask the questions that can either make or break any business: "Why should I buy your product?" and "What makes it different from all the others on offer?".

Undeniably, in any technologically-driven industry, innovation is crucial. This is particularly evident during the industry infancy stage when infrastructure is limited and often expensive. Then, small technological advances can result in massive advances in terms of accessibility and benefit to consumers.

As the market starts to mature however, the pace increases at which competitors can copy existing innovations or even leap frog right over you by entering with new technology. This results in previous USPs such as affordability, speed, coverage and even new product development becoming points of parity commonly known as "passport factors". When this happens, consumers move beyond functionality and look for packages that offer long-term value and brands that offer quality service.

A case in point is the mobile network operators who evolved their positioning beyond simply size, connection, price and coverage, spending millions on brand building among different target segments. Now ISPs need to do the same.

Overlaying consumer life stage, lifestyles and mindsets upon current access and usage segmentation will result in a segmentation model that will enable ISPs to incorporate a more emotive element into their positioning. From this, relevant value-based packages can be developed. This is a necessary step in continuing to build brand equity, which is a key success factor of any retention strategy in a market where functional USPs are difficult to hold on to for any significant period of time.

This is not to say that up until now ISPs have not employed effective positioning and communication strategies. Several examples of emotive advertising exist, such as the Polka launch campaign and MWEB's recent "Lost" campaign, among others.

But great advertising is not enough to maintain loyalty in the long term. Going forward, ISPs need to be sure that they incorporate a relevant and, more importantly, a **sustainable** USP into their positioning to effectively differentiate themselves in the minds of consumers.

This will not be an easy task for some, but it is certainly a necessary one.

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