

Emerging Revenue Model Structure for Mobile Industry: The Case for Traditional and OTT Service Providers in Sub-Sahara

Unathi Mahola, Louwrence Erasmus

Abstract

With the emergence of internet-based service providers, known as Over-the-top (OTT), the business landscape has changed massively, hence the current traditional service provider's business models are transforming. The question treated in this paper is: "What are the emerging or revised revenue models that an operator must adopt to deal with OTT service providers in Sub-Saharan Africa?" Utilization of literature reviews around organization business models, revenue models, and value networks components, a conceptual framework is presented which includes price, payment, offering, services and the market structures as part of the components of the framework. Two rounds of Delphi studies were conducted to evaluate the proposed framework. The conclusion is that network operators can no longer ignore the presence of OTT. There is a change in dominance of the revenue model between the existing and impending revenue models due to OTT presence, with advertisements and revenue-share agreements possibly being the revenue models in future. This is a shift from the current transactions- and subscription-based revenue models used by operators. Furthermore, donations and commissions-based models remain to be the least applied mobile operator revenue models.