

Is it time for South Africans to switch the channel from DStv?

By [Anton Gillis](#)

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Last year, I penned an op-ed, DStv doesn't care about tourism recovery, which detailed the frustrations that I, and others in the tourism industry, have with DStv. In summary, the amounts charged by the satellite operator for the limited bouquets available to hoteliers can end up costing hundreds of thousands of Rands a year. For independent hoteliers especially, it's always been a painful yet bearable expense. But as the tourism industry, brought to its knees by the Covid-19 pandemic and further exacerbated by the country's crippling energy crisis, looks to achieve some kind of recovery, it's become increasingly untenable.



Source: Glenn Carstens-Peters via [Unsplash](#)

Recent headlines have covered the announcement of Multichoice's price increases for this year - a decision that has been met with much pushback from consumers who continue to battle with the cost of living increases.

Additionally, it remains important to discuss how DStv's reluctance to find an effective billing solution for the hospitality industry threatens not only the sector's recovery but the South African economy. This is because prior to the pandemic, tourism in South Africa alone had generated approximately 740,000 direct jobs and close to 3 million jobs indirectly.

The sector furthermore accounted for 7.1% of Africa's GDP, contributing \$169bn to the continent's economy. The World Travel and Tourism Council estimated that 100 million tourism-related jobs had been lost globally, including nearly eight million in Africa, due to the Covid-19 crisis. To get back to those numbers and maybe even unlock the full potential many have always said it has, everyone needs to be willing to work with the industry to ensure that it has the best possible recovery.

In an apparent, but misguided, bid to deal with some of those frustrations, DStv and the Federated Hospitality Association of South Africa (Fedhasa) [inked a deal](#) last December that purports to give members substantial savings on their DStv contracts. While the agreement does at least show engagement between DStv and the industry, it's far from the salve that

we are looking for from Multichoice.

In essence, the agreement sees hotels and guest lodges saving anywhere from around R1,400 (for the smallest accommodation providers on the most basic packages) to just under R70,000 for 200-room establishments on the most advanced packages. Given that a typical 100-room hotel on the most common hospitality package will end up spending R468,000 a year on DStv, that's hardly a significant saving, whichever way you slice it.

If South African accommodation providers are to stick with the satellite TV provider, it is imperative that we see a shift from its current lax and reactive approach to a more proactive, collaborative and solutions-driven approach to what is becoming an increasingly fraught situation. To date, DStv has been less than willing to come to the table, despite our many attempts to resolve the matter. They have, instead, repeatedly put the ball in our court. Our expertise is not in providing a satellite service, but rather in providing exceptional hospitality service. We implore DStv to adopt a similar customer-centric approach and demonstrate a more dedicated effort to resolve the matter.

Rebuilding tourism, fighting inflation

In order to understand why the situation needs addressing, it's worth reiterating just how damaging the past couple of years have been to the tourism and hospitality industry. As recently as 2019, tourism accounted for [6.4% of South Africa's GDP](#). Thanks to the Covid-19 pandemic, its associated lockdowns, and travel bans that number fell to 3.2% in 2021.

While there have been [some recovery](#), most notably in the domestic tourism sector, international visitors still aren't arriving in South Africa in [anything like the numbers](#) they were prior to the pandemic. That recovery may happen in time. After all, South Africa only scrapped the last of its Covid-19 restrictions in June 2022 and China, one of the country's biggest tourism sources, is only starting to scrap its restrictions now. In other words, it's going to take some time before the industry gets back to pre-pandemic levels and it needs all the support it can get until it gets there.

Further hampering the sector's recovery is the rampant inflation that's gripped almost every country on Earth over the past few months. In South Africa, consumer prices are [nearly 7%](#), with food (13,4%) having witnessed a record-high increase.

As hoteliers, we've felt those increases particularly hard. More importantly, however, our staff are feeling them even more. As the industry rebuilds, we owe it to our employees (who themselves faced incredible uncertainty at the height of the pandemic) to help them deal with those increased costs as best we can.

I'd rather not have to make the choice between paying my staff a little more than paying my DStv bill.

Meet us in the middle

I know I'm not the only one facing this dilemma. I've spoken to many others in the industry who feel the same way. I'd also rather not have to ditch DStv for a competitor. It's a South African company that employs large numbers of people. I want to support it.

But in order for that to happen, the company has to meet us halfway. Remember, we provide DStv with the kind of lucrative advertising audience that its salespeople actively seek out. It's also a service whose parent organisation, Multichoice, saw [record profits in 2021](#). It can, I think, afford to give a little more to an industry which has always been loyal to it.

It's also important to remember that market research shows that guests are just as (if not more) happy to use smart TVs and streaming services when staying at hotels and other establishments. In my opinion, DStv does not understand how big a threat that is in the hospitality sector. There may, of course, be some technical issues that need to be sorted out for the switch to happen but those can be overcome over time.

Remember, there are around 70,000 hotel rooms in South Africa. While that's a small fraction of DStv's overall subscriber base, it would still send a big message if a substantial number of those rooms were switched over to the competition.

I'm not going to pretend I have an obvious solution, but getting into a room and engaging in an honest and transparent conversation would be a good place to start.

Just the start

There are a couple of other "DStvs" that I want to have this conversation with. The satellite service is just one of many that seem to take their hospitality customers for granted. These issues are big enough to warrant the time they get and I will keep pursuing them.

South Africa needs tourism to thrive. In 2019, the industry employed nearly [3 million South Africans](#). That was nearly one in 2022 South Africans. It can get back to those numbers and maybe even unlock the full potential many have always said it has. But that can only happen if everyone is willing to work with the industry to ensure that it has the best possible recovery. Without this, it may be time for South Africans to switch the channel from DStv.

ABOUT THE AUTHOR

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