Use of video and music streaming platforms on the rise as consumers look to save money

Close to R500 million subscription, gift card purchases from Netflix, Showmax and Spotify

19 February 2020 - The use of video and music streaming services is rising significantly as South African consumers continue to look for ways to be entertained at a fraction of the usual cost.

FNB has revealed that in the last 12 months to January 2020, its customers have paid close to R500 million in subscription and gift card purchases from Netflix, Showmax and Spotify. Typically, subscription fees to such services can range from approximately R59 to R170 per month. The Bank says it recorded a consistent month-on-month increase in the number of customers who use these services.

Chief Executive of FNB Retail, Raj Makanjee says, “the increasing use of content-on-demand platforms is not surprising as consumers are constantly looking for ways to stretch every Rand and manage their money a lot better. Our Retail transactional activity shows that over 60% of subscriptions are by our Premium* accountholders who earn a minimum monthly gross income of R25 000.”

“The flexibility of content-on-demand platforms allows families to customise their own experience and playlists, with the convenience to consume content as and when they want to. In some cases, families can create secondary profiles for various family members. This can be of great convenience and a cost saving for families that have children in varsities or other parts of the country,” says Makanjee.

Chief Executive of FNB Consumer, Christoph Nieuwoudt says, “beyond flexibility and convenience, access to affordable data and smart technology is a contributing factor to consumer uptake. In 2019, we introduced free telco services for customers who use FNB Connect. This contributes to helping customers save, not only on telco, but in other areas of their lives which are impacted by access to affordable telco services. In the long run, we will continue to invest in our platform to help customers improve the way they manage their money.”

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