



IS CLOSER CLOSE ENOUGH?

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A review of the new calling plan from Telkom for residential customers

As you are probably aware from their aggressive marketing campaign, Telkom have recently introduced a multitude of new calling plans and special packages. The fixed line operator's marketing department has been working overtime and we have been bombarded with enticing names like SupremeCall, XtraTime, InfnitCall and Closer. Is this simply a move to counter increasing competition from the mobile operators as well as expected competition from the second network operator (SNO), or to confuse the consumer into paying more for his calls? Let's take a look.

BACKGROUND

Current Telkom charges on its standard calling plan are as follows:

Monthly line rental R99.92
 Monthly Call Answer R9.85

Call charges	Standard		Callmore	
	Local	National	Local	National
Min charge	59.4c	72c	59.4c	72c
Per minute	38c	72c	16c	36c

Callmore Time is from 19:00 - 07:00 Monday to Friday and 19:00 Friday to 07:00 Monday.
 Standard Time from 07:00 - 19:00 weekdays

GENERAL FEATURES OF CLOSER

As per the Telkom website the Closer calling plan is on trial (whatever that means) for the next 6 months and therefore is not tied to any term contract.

- Allows for per second billing after a fixed minimum call charge
- Allows for low cost or "free" callmore time local & national calls
- No activation or installation charges

The Closer calling plan comes in 3 flavours:

	Monthly	Call Costs	
		Standard	Callmore
Option 1	R120.00	68c per minute, calls billed per second with a minimum charge of 68c per call	Unlimited calls at R1.40 per call, up to an hour per call, after which normal rates apply
Option 2	R145.00	68c per minute, calls billed per second with a minimum charge of 68c per call	Unlimited calls at no charge, up to an hour per call, after which normal rates apply
Option 3	R300.00	1 000 inclusive minutes per month, after which normal rates apply. Minutes are not transferable from month to month.	Unlimited calls at no charge, up to an hour per call, after which normal rates apply

The monthly fee includes line rental and call answer.

RESTRICTIONS

- It is important to note that the calling plan only applies to local and national Telkom numbers, **not** to cellular calls, international calls and internet calls (calls to your ISP)
- Available for standard analogue lines and ISDN2a **not** ADSL
- Applies per line, so if you rent multiple lines you would need to decide for each line
- If you have one of the following packages, you do not qualify for Closer:
 - PrepaidFone
 - WorldCall
 - XtraTime
 - SilverLine
 - InfnitCall
 - Customers connected to manual exchanges

RECOMMENDATION

The caveat which applies to Options 1 and 2 (and 3 when your bundled minutes are exhausted) is that with the minimum call charge of 68c vs 59.4c on a normal calling plan, and the effective rate of 1.13c / second vs 0.63c / second, local calls will be significantly more expensive. It only becomes cheaper during callmore time on local calls of 9 minutes or longer and national calls of 4 minutes or longer.

Options 1 & 2

Unless you hardly ever use your Telkom phone for national calls during standard time and would like to use it extensively during callmore time and you do not have unutilised free minutes on any of your household mobile packages, these options do not make much sense.

Option 3

If your current Telkom Bill exceeds R300 **excluding** calls to your ISP, mobile and international numbers, and you do not use significantly more than 1000 minutes a month during standard time and you do not have unutilised free minutes on any of your household mobile packages then Option 3 will save you money.

Internet calls

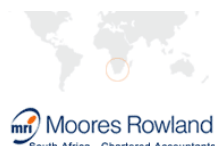
If you are still using a 56K dial up connection to the internet it would be worthwhile to investigate the Surfmore packages which are bundled hours for a fixed fee which works out to less than the normal call rates.

REFERENCE

Call comparison table showing cost of calls:

Call rates	Normal				Closer 1				Closer 2				Closer 3				
	Standard		Callmore		Standard		Callmore		Standard		Callmore		Standard		Callmore		
	Local	National	Local	National	Local	National	Local	National	Local	National	Local	National	Local	National	Local	National	
Minimum cost c	59.4	72	59.4	72	68	68	68	68	68	68	0	0	0	0	0	0	
Cost per minute c	38	72	16	36	68	68	68	68	68	68	0	0	15.5	15.5	0	0	
Call durations seconds:	30	59.4	72.0	59.4	72.0	68.0	68.0	68.0	68.0	68.0	68.0	-	-	7.8	7.8	-	-
	45	59.4	72.0	59.4	72.0	68.0	68.0	68.0	68.0	68.0	68.0	-	-	11.6	11.6	-	-
	60	59.4	72.0	59.4	72.0	68.0	68.0	68.0	68.0	68.0	68.0	-	-	15.5	15.5	-	-
	90	59.4	108.0	59.4	72.0	102.0	102.0	102.0	102.0	102.0	102.0	-	-	23.3	23.3	-	-
	120	76.0	144.0	59.4	72.0	136.0	136.0	136.0	136.0	136.0	136.0	-	-	31.0	31.0	-	-
	150	95.0	180.0	59.4	90.0	170.0	170.0	140.0	140.0	170.0	170.0	-	-	38.8	38.8	-	-
	180	114.0	216.0	59.4	108.0	204.0	204.0	140.0	140.0	204.0	204.0	-	-	46.5	46.5	-	-
	210	133.0	252.0	59.4	126.0	238.0	238.0	140.0	140.0	238.0	238.0	-	-	54.3	54.3	-	-
	240	152.0	288.0	64.0	144.0	272.0	272.0	140.0	140.0	272.0	272.0	-	-	62.0	62.0	-	-
	300	190.0	360.0	80.0	180.0	340.0	340.0	140.0	140.0	340.0	340.0	-	-	77.5	77.5	-	-
	360	228.0	432.0	96.0	216.0	408.0	408.0	140.0	140.0	408.0	408.0	-	-	93.0	93.0	-	-
	420	266.0	504.0	112.0	252.0	476.0	476.0	140.0	140.0	476.0	476.0	-	-	108.5	108.5	-	-
	480	304.0	576.0	128.0	288.0	544.0	544.0	140.0	140.0	544.0	544.0	-	-	124.0	124.0	-	-
	540	342.0	648.0	144.0	324.0	612.0	612.0	140.0	140.0	612.0	612.0	-	-	139.5	139.5	-	-
	600	380.0	720.0	160.0	360.0	680.0	680.0	140.0	140.0	680.0	680.0	-	-	155.0	155.0	-	-
	1800	1 140.0	2 160.0	480.0	1 080.0	2 040.0	2 040.0	140.0	140.0	2 040.0	2 040.0	-	-	465.0	465.0	-	-

Also see the online calculator at <http://www.grandtrunk.za.org/calculator/>



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