About this report

This report focuses on aspects of Analysys Mason’s Connected Consumer Survey that relate to the behaviour, preferences and plans of smartphone users in Sub-Saharan Africa (SSA). In particular, it focuses on respondents’ usage of mobile services and devices.

The survey was conducted in association with On Device Research between August and September 2019. The survey groups were chosen to be representative of the mobile-internet-using population in the region. We set quotas on age, gender and geographical spread to that effect. There were a minimum of 1000 respondents per country, and 3000 in the region.

KEY QUESTIONS ANSWERED IN THIS REPORT

- How well do operators perform as smartphone sales channels, and how does their performance relate to consumers’ choice of tariffs?
- What are the mobile data usage patterns among respondents, and how does data pricing affect these patterns?
- What impact does 4G have on mobile users’ spend and engagement with their smartphones?
- What is the level of awareness of 5G technology, and to what extent are customers willing to pay for the new 5G use cases?

WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, the role of operators as smartphone distribution channels and the impact of differing approaches to pricing in the market.
- Market intelligence and research executives in service providers that are responsible for understanding end-user trends and supporting business units in identifying and addressing new opportunities.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to improve their ability to address market opportunities.

GEOGRAPHICAL COVERAGE

Sub-Saharan Africa (SSA):
- Kenya
- Nigeria
- South Africa
Connected Consumer Survey 2019: mobile services and devices in Sub-Saharan Africa

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The data market in SSA continues to offer better revenue opportunities for operators than more-mature data markets

Our survey results show that spending typically increases with data usage, even for higher data tiers.

The mobile data market is still growing in SSA, meaning that operators are generally able to achieve higher marginal returns for increased usage, unlike in more-mature markets.

- Spending increases in line with usage in Kenya. For Safaricom, this may be due to its new ‘All-in-One’ monthly bundles that include 5–50GB of data, its zero-rated bundles for YouTube and WhatsApp (also offered by Airtel) or its high overage rates.¹

- There is a steep increase in the average spending for users on higher data tiers in Nigeria. For example, customers that use more than 30GB per month spend, on average, nearly twice as much as respondents using 5–10GB per month. This could be linked to MTN’s decision in July 2019 to lower its prices for entry-level data bundles and offer 100% bonus data for 4 months for new customers.

- Operators in South Africa have efficiently exploited the growing appetite for data services. However, spending drops for those using 30GB of data or more per month, showing the limitations of a volume-based pricing approach. Operators should consider alternatives such as app-based bundles with large data allowances to improve margins.

¹ Safaricom charges between KES1.50 and KES3.50 per MB depending on the plan, compared to Airtel, which reduced its out-of-bundle rate from KES4.30 to KES0.20 per MB in 2019.

² Please refer to the appendix for sample sizes and relevant survey questions.
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About the author

Karim Yaici (Senior Analyst) leads Analysys Mason’s *The Middle East and Africa* regional research programme. His primary areas of specialisation include operators’ digital strategies, new telecoms opportunities and challenges, and consumer trends in growth markets. Prior to joining Analysys Mason, Karim was an associate analyst at Ovum, where he authored reports on mobile accessories and mobile applications. Prior to that, he worked as a research engineer at the Institute for Communication Systems and Vodafone. Karim holds an MSc in Information Systems Management from the University of Southampton and a PhD in human–computer interaction from the University of Surrey.
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- Large Enterprise Voice and Data Connectivity
- Large Enterprise Emerging Service Opportunities
- SME Strategies
- IoT and M2M Services
- IoT Platforms and Technology

SMB ICT channels and forecasts programmes
- Managed Service Provider Strategies
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- Postal sector

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