

RESEARCH SURVEY REPORT

CONNECTED CONSUMER SURVEY 2017: OTT AND DIGITAL ECONOMY SERVICES IN SUB-SAHARAN AFRICA

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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 the Sub-Saharan Africa (SSA) region. In particular, it focuses on respondents' usage of over-the-top (OTT) communications and digital economy services. The survey was conducted in association with On Device Research.

The research was conducted from August to October 2017. 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 3000 respondents in the region.

KEY QUESTIONS ANSWERED IN THIS REPORT

- Which OTT communications apps are used most in SSA?
- How do SSA consumers balance OTT communications with traditional services?
- What are the main payment mechanisms for ecommerce in SSA?
- Which organisations are consumers in SSA most willing to trust with their personal data?
- What are the trends in operator-led mobile money service usage in SSA?

GEOGRAPHICAL COVERAGE



WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, and the changing role of operators as communications and digital service providers.
- 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 in mobile communications, ecommerce, payments and identity management.
- Equipment/device manufacturers and software providers that want to identify end user trends in service and device usage and help their operator customers to better address market opportunities in mobile services and services related to ecommerce and payments.

Facebook-owned services dominate the OTT communication market, and are progressively eroding the user base of other apps

98% of smartphone users reported using OTT communication apps. As in the other regions surveyed, Facebook-owned services (Facebook Messenger and WhatsApp) are consolidating their dominance of the OTT market: 92% of respondents reported being active on Facebook Messenger or WhatsApp; this is an increase in penetration of 2pp compared to the results from 2016.¹ The overall sample penetration of Facebook Messenger has grown by 6pp since 2016, driven by respondents aged 35+ (+9pp).

Telegram and WhatsCall² are the services with the greatest penetration growth. Telegram has built a solid user base in Kenya, where a large number of third parties offer B2C services on its open platform, and it has registered a 18pp increase in penetration. WhatsCall penetration has grown by 4pp and 9pp in Nigeria and South Africa, respectively, since 2016, becoming the most adopted service after Facebook-owned services in both countries. WeChat is present in the region through operator partnerships in Nigeria and South Africa.

Nigeria is one of the few markets where BBM holds a market share, but compared to the 2016 results, it registered an 18pp decline in penetration. imo, Skype and Viber occupy niches in all the markets surveyed, but they are also being squeezed by Facebook-owned services in core markets: the penetration of imo and Viber decreased by 10pp and 9pp, respectively, in Kenya, while that of Skype went down by 7pp in South Africa.

¹ 2016 n=3000.

Figure 1: Penetration of selected communications apps, by country³

			
WhatsApp	89%	88%	90%
Facebook Messenger	60%	63%	57%
WhatsCall	-	32%	31%
Skype	17%	19%	16%
imo	12%	23%	5%
FaceTime	7%	12%	13%
BBM	4%	22%	6%
Telegram	27%	-	-
Viber	8%	9%	4%
LINE	7%	6%	4%
Other	11%	15%	10%
None	2%	3%	2%

Source: Analysys Mason

² WhatsCall is an OTT communication app that offers messaging, free VoIP calls, paid-for voice calls to landline numbers and other communication and social networking functions.

³ Question: "Which of the following apps do you use for communicating with your friends and family on your mobile phone?"; n=3000.

Banks and Google (plus Facebook in Nigeria) are the key competitors to operators in terms of capturing consumers' trust

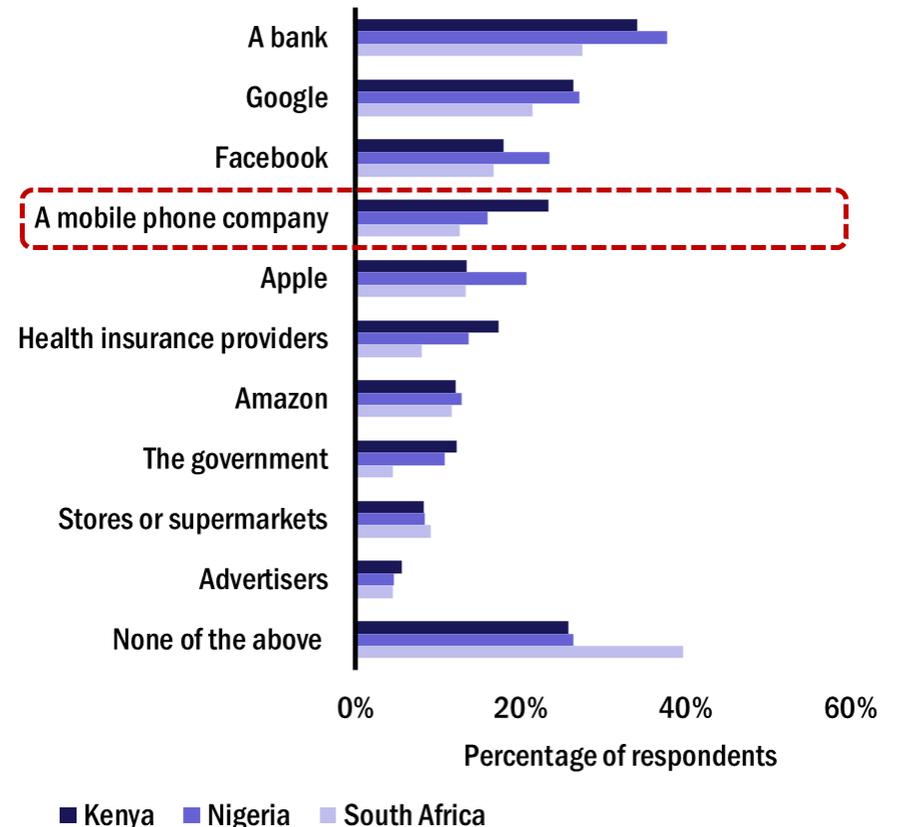
A third of respondents in SSA were willing to trust their banks with private data, while a quarter trusted Google. In contrast, 17% of respondents said that they would share private data with their mobile operators, which was lower than in our previous survey.

Mobile operators in SSA continue to face challenges in fostering customers' trust. This puts operators at a disadvantage against other types of organisations for exploiting the kind of data that makes high-value digital services possible. Banks and global technology players are the main contenders that operators face in gaining consumers' trust. Banks were trusted by 38% of survey participants in Nigeria and 43% in Kenya, but only 27% in South Africa.

Google achieved its best results in Nigeria (27% of respondents would share data with Google) and Kenya (26%). The proportion of respondents who would share data with Google was comparatively lower in South Africa (21%).

Trust attitudes towards Facebook varied between countries. 23% of respondents in Kenya would trust the social network with their private data, compared with 18% and 17% in Kenya and South Africa, respectively. Gender differences were also noticeable: on average, 23% of males said that they would trust Facebook with personal data, compared to 15% of female participants. Chinese players Alibaba and Tencent were also listed as options, yet no respondents in SSA selected them.

Figure 13: Willingness to share personal data, by organisation and country¹



Source: Analysys Mason

¹ Question: "Which of the following organisations would you be comfortable sharing your private data with in exchange for some sort of benefit such as a product or service discount? Please select all that apply."; n=3000.

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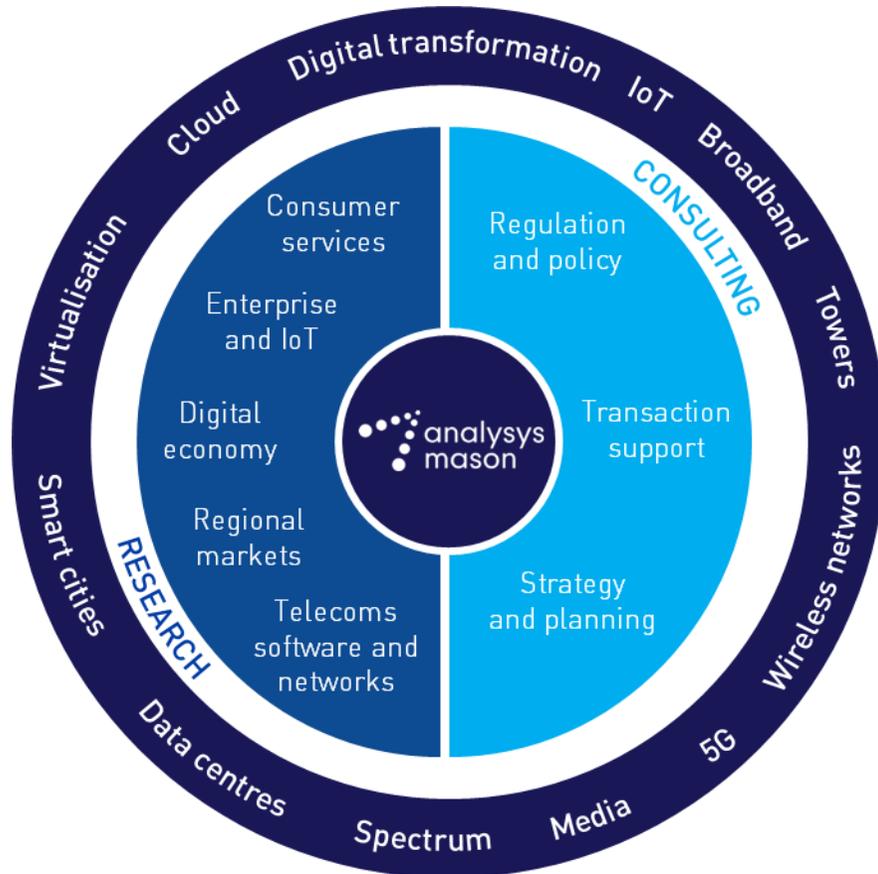
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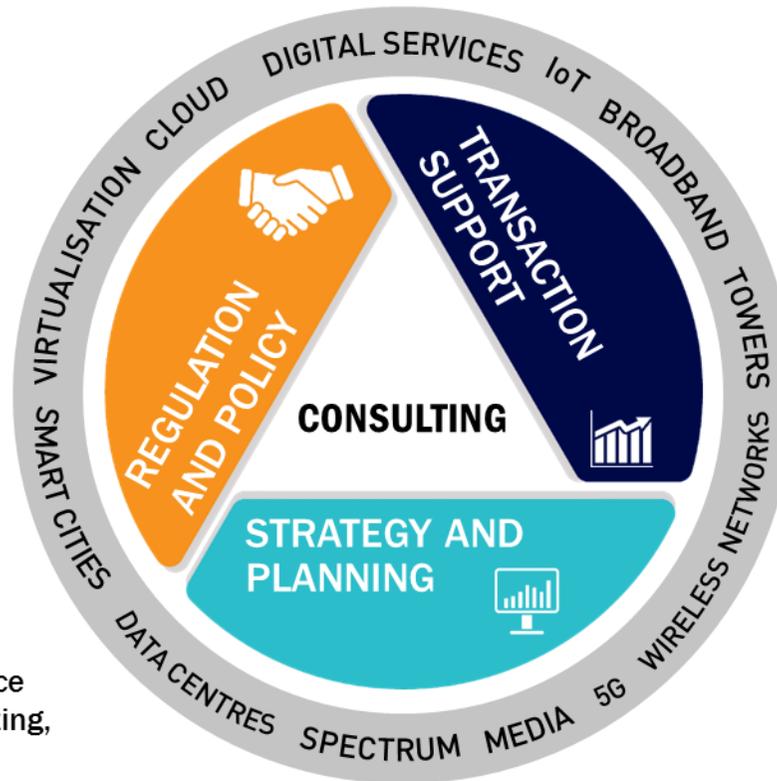


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PUBLISHED BY ANALYSYS MASON LIMITED IN APRIL 2018

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