

Mobile Marketing Winner\$

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Mobile Marketing and the African opportunity

Dear Mobile Marketing Winner\$ Team Member,

Mobile Marketing Winner\$ are a network of marketing and PR specialists. We are dedicated to educate and coach, consult and support to save you time and money when it comes to engineering your mobile marketing campaign.

Africa is often criticised for this and that shortcoming, and the result is more often than not a high risk profile with limited investments. But visionary entrepreneurs have always benefited from the opportunities that Africa offers.

Today we give you a broad overview of why we believe that Africa is the next Eldorado for mobile marketing.

P.S. Watch out for the launch of our mobi mall on myMOBworld.mobi (accessible world wide on your cell phone or computer from 1 May 2009)!

Until next week...

Best wishes,
Your Mobile Marketing Winner\$ Team

Mobile Marketing - and the African opportunity

by Mobile Marketing Winner\$ Team Leader [Alexander Gregori](#)

When it comes to opportunities in African markets the general official attitude persistent among governments, corporates and investors is one of doom and gloom. Unstable political and economic conditions, military coups, corruption and poverty, paired with vast country spaces and small populations (compared to for example India or China) are often used as arguments against taking Africa seriously.

However, the reality is that while, generally speaking, many of the criticisms are based on real challenges facing Africa, its markets do offer exciting opportunities. This is especially true for an emerging industry such as mobile. The presence of a few "traditional" companies such as Vodafone, MTN and Zain, either as direct players or as majority shareholders in various mobile ventures across Africa, as well as the push of new players like Obopay and AdMob into the market attests to this claim.

Africa offers a number of attributes that are particularly conducive to its attractiveness for the mobile industry. Firstly, and maybe most importantly, African countries suffer from a lack in the number of fixed telecommunication lines, often controlled by monopolies. This not only manifests itself in a very small number of people who actually own a fixed telephone connection, it also results in high fixed line telecommunication costs, bad service and slow connection speeds. This affects business opportunities negatively. The growth in the number of computer internet users is slow, e-commerce has not taken off as it did on other continents.

Secondly, a large number of Africans are "unbankable" in terms of internationally accepted banking standards. This is coupled with wide open spaces, inhabited by rural communities who don't even have access to a bank because there are no branches or ATM's. Consequently, business in Africa is done largely on a cash basis.

On the other hand the mobile phone penetration among the African populace is extremely high, in some countries over 100% of the actual population. This also translates into real numbers. For example in South Africa over 40 million people own a cell phone, in Nigeria it is over 60 million and even in Zimbabwe, a country suffering from devastating socio-political and economic conditions, every citizen owns at least one mobile phone. Countries with "below par" mobile phone penetration such as Kenya (40%) are catching up fast and report exponential growth in mobile phone ownership.

What's more, over 90% of these phones are WAP enabled, and while this technical feature has not yet been widely exploited commercially, most African countries stand ready with GPRS and 3G technologies. As so often is the case, it is not the forward thinking planning of executives that defines market developments, but rather the markets themselves. For example, according to studies by Vodafone and Nielsen Netratings, released towards the end of 2008, twice as many South Africans access the internet via their mobile phones (10 million) than via their computers (5 million). South African networks and mobile phone manufacturers have responded to this growing number of mobile internet users with advertising that focuses on offering easy to use, cheap data plans for both prepaid- and contract customers.

It is significant to note that the antiquated billing of internet connections by the time spent online from the early days of analog modem dial ups has never even entered the African mobile internet market. Rather, users pay for the actual data transfer only. And with only about US\$ 0.02 for 1MB of data traffic, the rates are much cheaper compared to e.g. the UK, USA and Europe. Furthermore, operators are making their money mostly "upfront", one of the positive spin offs of the cash based business model.

Given the above scenario, it is not surprising to note that Africa is not only ready for mobile, but ideally positioned to benefit from the mobile technology explosion. This is true for companies who wish to enter the market to generate profits as well as for the African population, which can improve its lifestyle by leapfrogging many developed countries with the use of mobile applications.

The stage is set. It now remains up to the entrepreneurial spirit to create and offer the right services and applications, and forward thinking companies would be well advised to keep in mind Steve Jobs' insight that "you cannot always wait for the customer to tell you what he wants." Interestingly, it is often smaller, agile service providers instead of the slow moving, established ad agencies, who can help companies to develop a sustainable, long term mobile marketing strategy that fits in seamlessly with their existing marketing efforts.

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