

Mobile penetration in Africa reaches 80%

LAGOS, Nigeria - There are 960 million mobile subscriptions across Africa - an 80% penetration rate among the continent's population. Internet penetration is at 18% with 216 million internet users, according to the latest Jumia mobile trend report for Africa.



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The 2017 edition of the African Mobile Trends Paper is the third white paper presentation from Jumia delving into mobile trends across Africa and specifically Nigeria. The study takes a look at the how the market has democratised mobile internet use, the consumer behaviours driving increased smartphone adoption and the role of mobile brands, mobile operators and m-commerce in creating a synergy of an enhanced customer experience.

This year's Mobile Africa Study was carried out in 15 African countries which generate more than 80% of Africa's GDP: Algeria, Nigeria, Morocco, Tunisia, Egypt, Mozambique, Ghana, Ivory Coast, Cameroon, Rwanda, Uganda, Tanzania, Kenya and Senegal.

Africa mobile, internet penetration

There are 960 million mobile subscriptions across Africa - an 80% penetration rate among the continent's population. Internet penetration is at 18% with 216 million internet users. While Nigeria's internet penetration is much higher at 53%, its mobile subscription is similar to Africa's at 81% penetration (150 million mobile subscriptions).

Like last year, it is presumed that the unique subscription rate is lower as each subscriber owns an average of two sim cards.

Nigeria: a mobile first nation

As predicted in 2016, Nigeria continues its trajectory down the increasingly widening highway that is the mobile internet. With a current internet penetration rate of 53% (97.2 million users) Nigeria has a much higher penetration rate than across Africa (18%).

About 71% of website visitors on Jumia use their mobile phones. This is in comparison to 53% of Jumia African customers. One of the main vehicles of this mobile trajectory is the increasing adoption of the smartphone device by consumers.

As predicted in the Jumia 2016 report, smartphone adoption continues to rise in Nigeria. The mobile phone category continues to be the most popular among Nigerian shoppers on Jumia, both in terms of the number of items sold, and in terms of revenue generated. The sales of smartphones jumped up by 394% between 2014 and 2016, mostly driven by an increasing range of smartphones price points.

eCommerce and the diversification of smartphones

The average price for a smartphone on Jumia is \$117, down from \$216 in 2014. Correlating with this is a drop in the share of sales of basic feature phones from 6% in 2015 to 4% in 2016, even as the share of smartphones on the website increased.

In 2016 Chinese mobile brands held dominance and played a major role in introducing smartphones with lower price points. Infinix, Innjoo, Tecno, Samsung and Yezz are the top five smartphone brands in terms of sales on Jumia.

Infinix continues to be Africa's top smartphone brand across Jumia's 15 markets. One of their entry level smartphones, the Infinix Hot4Lite was one of the best-selling phones across several African markets including Nigeria.

High data costs and lower performance smartphones

Currently, one out of two mobile visitors in Nigeria are coming from the Jumia mobile app

The increased access and affordability of low specification smartphones has also revealed a need for the mobile ecosystem to respond with data-efficient browsers and mobile apps that are optimised for performance and an easy user experience.

Looking at the mobile internet browsers that customers use to access Jumia, 50% of customers in Africa come onto Jumia's mobile site with Google Chrome. In Nigeria that number is just 28%. Instead, the Opera mini browser is much more popular, with 41% of the mobile traffic to Jumia Nigeria coming from Opera mini.

One reason for this could be that countries with higher levels of income have been found to have more users accessing the internet with heavier browsers like chrome – which typically have higher system requirements.

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Opera mini is a lighter browser in terms of data usage and is popular among new mobile internet users who have lower incomes and can't afford costly internet data packs. A recent report from Opera determined the savings on mobile data

costs for Opera mini users in Nigeria has amounted to about \$198 million (N39.5 billion) over a 10-month period, due to its data compression technology. This is a clear example of the ripple effect that customer enjoy when a slight change is introduced by one of the digital ecosystem players.

For Jumia, an immediate key priority is to enhance the desktop user experience (which accounts for almost 30% of Jumia's traffic and almost 40% of orders placed), by delivering a progressive web application that bridges the gap between conventional web pages and native mobile applications. This is to give customers a faster web and desktop experience that includes functionalities like push notifications and the ability to browse while offline.

mCommerce - beyond browsing on mobile

The trend since 2013 was for people to use their mobile phones to browse and look up products and then purchase them on their desktop. Now customers are checking out and paying for orders from the mobile app or the mobile friendly version of the website. This is a trend we foresee growing in the future based on the current figures.

Mobile customers (both those who use the Jumia app and those who browse from mobile browsers) account for 63% of all orders on Jumia Nigeria. Across the 15 markets where the study was carried out, that figure is at 47%.

With a whopping 2,236,000 Jumia app downloads from 2015 to 2016 (a 128% increase), Jumia app users form a significant portion of the mobile traffic on Jumia Nigeria. Currently, one out of two mobile visitors in Nigeria are coming from the Jumia mobile app.

The highest conversion rate recorded in the last year has been on the app. That is the number of completed orders in relation to the number of visitors is higher on the mobile app than on the mobile or desktop versions of the website. This could be driven by the fact that the app is exclusively designed for mobile and therefore has a faster and better shopping experience for users.

Hence, the priority for mcommerce for the next few years is to continually democratise the usage of the app and incentivise an increase in usage by maintaining a better browsing experience and lower data consumption.

Strategic collaborations

Strategic collaborations with phone operators and data providers are also a key factor for enhancing customer experience. For example, the zero data usage (free browsing) offered to MTN sim card owners when they browse on both the Jumia mobile site and the app will remain a key feature and value-added service for Jumia customers.

Nigeria's mobile trends for 2017 are positive with a steady growth of smartphones adoption and diversity. These increased offerings deliver more value for customers and cheaper access to internet connectivity.

As smartphone brands and mobile operators continue to invest in research and development and innovative data packages, and ecommerce providers invest in customer service, logistics and marketing over the next few years, Jumia's outlook is for an even more synergised digital ecosystem over the next few years.