

Nigeria Mobile White Paper 2019

Nigerian Facts

Country's Economy Showed Positive Growth

Nigeria's GDP growth leapfrogged from 0.8% in 2017 to **1.9% at the end of 2018**. However, the growth, although significant, was below the projected 2.3%, majorly due to variations in prices of crude oil and its output. The economic growth, for the first time, was hinged on **non-oil sectors such as Agriculture, Information and Communications Technology, Manufacturing, and Transport Storage**. It is worth mentioning that the non-oil sector grew by 2%, the highest growth rate recorded since the economic recession in 2016. The Information and Communications Technology sector, which subsumed the digital economy, **grew from its negative growth of 1% in 2017 to become the second fastest growing sector with a growth rate of 9.7% in 2018**.

The country's **economy continues to be driven by a few sectors**, similar to the trend in pre-recession era, and growth is also largely slanted to a few sub-sectors. This explains why **the uneven distribution of all the sectors' contributions to the GDP is largely responsible for the disconnect between GDP and unemployment over the years in the country**.

While unemployment is yet to be nipped in the bud, the country's population still rose to **198 million at the end of 2018, a 2.6% increase** over 2017.

Mobile Market Trends

Nigeria: Only Country in Africa to Contribute to 700 Million New Global Subscribers by 2025

Telecommunications and Information Services, a sub-sector of the Information Communications Technology, contributed 77% of the entire sector's contribution to the GDP. Overall, the **mobile telecommunications sub-sector contributed 7.4% to the country's total GDP in 2018**, compared to 5.5% in 2017. Currently, **44 percent of mobile subscribers in Nigeria are using 3G technology and 4 percent are using 4G technology**, as compared to over 18 percent 4G penetration in South Africa and 16 percent in Angola.

Nigeria's mobile broadband penetration is **forecast to rise to 55 per cent of the population by 2025**, with **70 per cent having 3G connectivity** and **17 per cent having access to 4G networks**. **5G network** with the 26 GHz, 38 GHz and 42 GHz spectrum bands **will be rolled out by 2020**.

Some 700 million new mobile subscribers from various countries across the world will push the total number of global mobile subscribers to 6 billion between now and 2025. Nigeria has been identified among these countries, with others being India, China, Pakistan, Indonesia, USA, and Brazil. It is predicted that Nigeria will **contribute 4% of the estimated 700 million new global mobile subscribers**, making it the only country in Africa marked with a significant contribution to increasing mobile penetration in the world. By this quota, it is expected that **28 million new mobile subscribers will emerge from Nigeria between 2019 and 2025**, that is, an average of 7 million new mobile subscribers annually, if the country is to meet its quota.

Lower Price Point Smartphones Still Leading the Pack

Asian brands have consistently enjoyed massive patronage because of their Africa-specific strategy of introducing lower price point smartphones into the Nigerian market. In 2018, **Fero, Samsung, Nokia, Infinix, and Tecno remained the customers' favourites and the top selling mobile brands on Jumia**. It is interesting that a one time king of mobile phone, Nokia is gradually returning to the limelight, riding on its durability claim. Infinix continues to lead the pack, year on year.

The average price of smartphones continues on a downward trajectory, **as it dipped to US\$ 95 in 2018**, from **US\$ 117 in 2016**, and **US\$ 216 in 2014**. This development is laudable as again, the major driver of this trend is attributed to the influx of Asian brands specifically targeted for the Nigerian market.

M-Commerce & the Nigerian Consumer

Internet Connectivity Still on the Rise

Across the globe in 2018, there were **over 5 billion unique mobile subscribers**, and **60% of the connection was through smartphones**. **Internet users peaked at 3.6 billion**, that is, almost half of the world population had mobile internet access. In Nigeria, **there were over 172 million mobile subscribers**, accounting to a penetration rate of **87% of the population**. This figure represented a **6.4% growth increase**, compared to 162 million subscribers in 2017.

Over 112 million Nigerians had access to the internet in 2018, representing **56% of the population**. This accounted for an **increase of 14.32% year-on-year** from 2017. The availability of lower price point phones still remains the major driver of smartphone penetration. At the end of 2018, **there were over 36 million smartphone users, representing a penetration of 18.37%**. While the number of smartphone users might have increased year-on-year, its penetration is still very insignificant.

Internet connectivity and the availability of affordable smartphones continue to drive an increasing uptake of social media networks. The number of active social media users rose from 17 million in 2017 to **24 million at the end of 2018**. This represents a **12% penetration of the country's population**.

In 2018, Chrome continued to lead the pack among the 4 major browsers Jumia customers use to access the website, **taking up 43%**. The reason for this is simple: Chrome has higher system requirements, which **make customers' browsing experience faster**. **18% of Jumia customers** accessing the website did so via **Android Webview**. **Opera Mini** on the other hand, 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; and **took up 16%**. Other browsers used, **accounted for 23%**.

Notably, **57% of Jumia customers** visited the website via **mobile web, 28% via the mobile App** and 15% via the Desktop in 2018. There is however, an increasing migration from shopping on the mobile web to the Jumia App. This shift, although gradual, is attributed to the fact that the App consumes less data, is more convenient and more affordable due to the frequent discounts offered. It is a commendable development, and a higher conversion is expected in 2019.

Nigeria's largest commercial city, **Lagos, had the highest number of mobile phone orders in 2018, followed by Abuja, Rivers (Port Harcourt), Edo, and Delta**. The mobile phone category still remains one of the top selling categories on the Jumia website.

Sources: We Are Social. GSMA. Jumia Business Intelligence. NESG Group. NCC. Data Reportal

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