

Jumia identifies five trends in Ghanaian mobile industry

Jumia's recent *Ghana Mobile Report* highlights some key elements in the country's mobile industry as well as a few challenges and ways to solve them.



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Ghana is one of Africa's largest mobile markets, with about 34.57 million subscribers and a penetration rate of 119%. The number of subscribers has increased over the years with many Ghanaians now owning more than one device.



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14 Mar 2018



Based on the report, the company has identified the top five trends in the Ghanaian mobile industry:

1. **Internet penetration:** With 10.11 million active internet users in Ghana, nearly $\frac{1}{3}$ of the country's population have access to the internet. An internet penetration rate of 35% is also remarkable considering the overall penetration rate in Africa stands at 34%.

Moreover, with a social media population of five million people and a penetration rate of 17%, Ghana is clearly on the

path to a massive social media revolution. Many more people have access to and are using the internet now as opposed to a year ago.

2. **Cheaper smartphones over the years:** With evolving technologies, one would have expected a massive increase in prices of smartphones but feedback from customers have shown that the quality and technological advancements are just not enough. Price really matters and over the years, average prices of smartphones in Ghana, and indeed Africa as a whole, have reduced.

In 2014, the average price of a smartphone on Jumia was \$219. This was very expensive and resulted in limited access to smartphones. That figure over the years has dropped to \$65 in 2017, making smartphones more affordable. In Africa, the story hasn't been different. From an average price of \$165 in 2014, we are now looking at an average price of \$96 in 2017. This has helped increase smartphone usage and mobile penetration on the continent.

3. **Smartphone sales:** Smartphones are reportedly the best selling items on Jumia today and the story is not much different from many other marketplaces. This is evident by the increase in sales of over 70% from 2016 to 2017. The company estimates that Africa will have 720 million smartphones by the year 2020. This is a great prospect as it will help increase smartphone usage and penetration.

Last year, smartphone adoption in Africa stood at 44% and this figure is expected to rise to 55% by 2020. This is beneficial for manufacturers, retailers, and customers alike.

4. **Gender and devices used for purchasing orders:** Men constitute 55% of the total number of customers who buy online while 44% are women. Although previous surveys indicate that there are more women on the internet in recent times, the men are still ahead on this statistic.

This connotes an improvement as the gap between male and female online shoppers closes.

Africa has over 70% mobile connections and, in Ghana, different devices are used to order phones. Naturally, the larger population will use their phones and it is not surprising that 70% of all orders came from smartphones in 2017. 27% also placed their orders on desktops, while only 3% used tablets.

5. **Preferred payment methods:** In 2017, over 1.3 million mobile payment transactions were done in Ghana. This is remarkable because it negates the general fear of people making payments online. Mobile payments constitute 20% of payments done on Jumia, while cash on delivery stands at 75%.

This, however, goes a long way to prove that there is still more work to be done to build the trust of customers. This will enable them to do more prepayments. Bank transfers stand at 5% which is also a massive boost for the cashless business advocates. It's safe, fast and very convenient.



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