

CONSUMERLAB



# INTERNET GOES MOBILE

Country report Nigeria

An Ericsson Consumer Insight Summary Report  
April 2015

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## METHODOLOGY

This study analyzes evolving consumer expectations and requirements for mobile broadband and other changing services in Nigeria. We aim to highlight the underlying desires of consumers when it comes to these services as well as their perceptions of their current operators and services.

The report makes use of data compiled through a total of 1,653 face-to-face interviews with Nigerians between the ages of 15-69. The research sample represents 30 million people between social economic classes (SECs) A-D in metropolitan areas, representing about 40 percent of Nigeria's urban population. These interviews were selected by random sampling and conducted across the country in Lagos, Kano, Ibadan, Kaduna, Port Harcourt, Enugu and Abuja.



## THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at: [www.ericsson.com/consumerlab](http://www.ericsson.com/consumerlab)

# FROM DUSK 'TIL DAWN



From the marketplace to the boardroom, from schools to households, the free flow of ideas and information shapes our lives and our everyday decisions. Having access to relevant information at any time and location has become integral for consumers across the globe. Nigeria is no different, with its growing economy and a population that is eager to explore new ways of performing different activities.



Exploring new ways of doing  
**BUSINESS**

## KEY FINDINGS

### Users expect good service, wherever they are

- > Irrespective of their location, users want to remain connected with messaging and calling, updated with browsing and social networking and have access to entertainment (mainly music)
- > 45 percent of those who send messages regularly use internet based instant messaging services

### Mobile phones have the highest device share of internet services

- > 84 percent of smartphones are connected to the internet
- > 82 percent of mobile phone users access the internet with their device on a daily basis. 45 percent of PC users and 44 percent of tablet users do the same

### Widespread usage of mobile broadband (MBB) services

- > Many more use mobile broadband across devices (laptops, mobile phones and tablets) than Wi-Fi
- > More than 95 percent of mobile broadband users access mobile broadband on smartphones

### The availability of good network and voice quality drives up consumer satisfaction

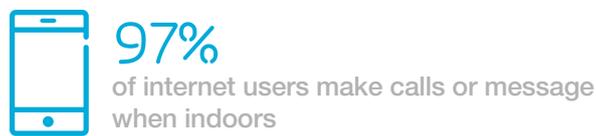
- > 56 percent of mobile phone users are satisfied with data speed and voice connection quality
- > Over 50 percent of those who switch between Wi-Fi and mobile broadband do so due to changing locations or the availability of connections



# LOCATION EQUATION

Irrespective of where they are, people want to have access to information at their convenience. Figure 1 highlights the expectations of Nigerians to be informed about things that affect them or are connected to their lives in some manner.

Around 66 percent of the working population in Nigeria rated the need to remain updated as important, while 45 percent rated the need to remain accessible as important. Our research shows that these needs are felt more strongly among the young working population (15–29 years old) compared to other sections of the population.



## Patterns of usage

To fulfill the need to remain updated and accessible, consumers perform different activities on their devices. Messaging, making calls, browsing and social networking are among the top activities performed on any device, irrespective of location. Figure 2 shows that when indoors, 97 percent of internet users make calls and send messages. While the percentages drop for activities performed outdoors, calls and messaging remain the top actions with 54 percent of internet users making calls and 37 percent sending messages.



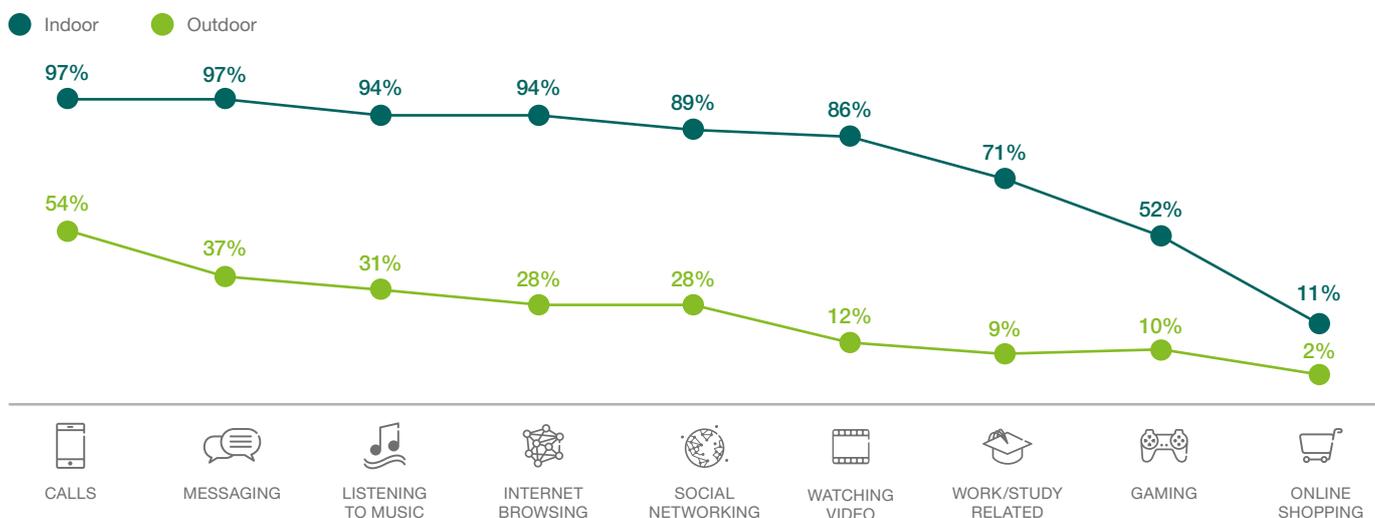
Figure 1. Consumer connectivity needs



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Working population

On average, the messages sent via the internet outnumber the calls made. Of all consumers making calls on a daily basis, only 4 percent of consumers make Voice over IP (VoIP) calls. However, among consumers sending or receiving messages daily, over 45 percent use the internet for messaging via instant messaging services.

Figure 2. Activities performed weekly – indoor vs. outdoor



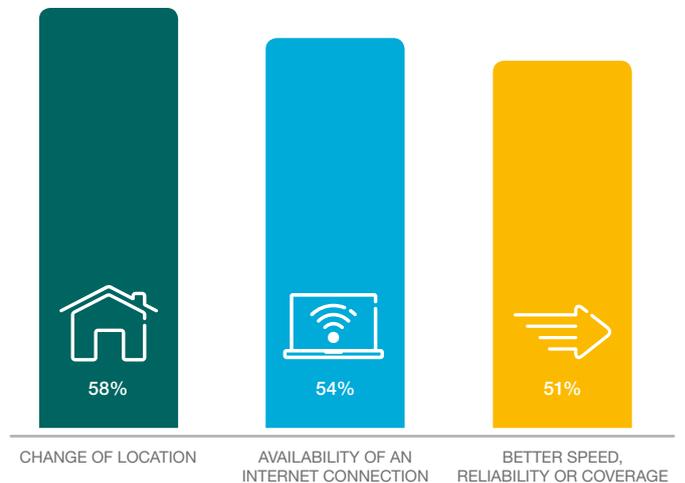
Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Internet users on any device

# CONNECTIVITY CALCULATIONS

Wanting to remain updated and connected is a strong motivator for consumers when opting for internet services. Having access to internet services enables Nigerians to lead a more socially-connected life. The pursuit of better access often makes consumers switch connections, for instance, from fixed broadband (Wi-Fi) to mobile broadband (MBB) or the other way around.

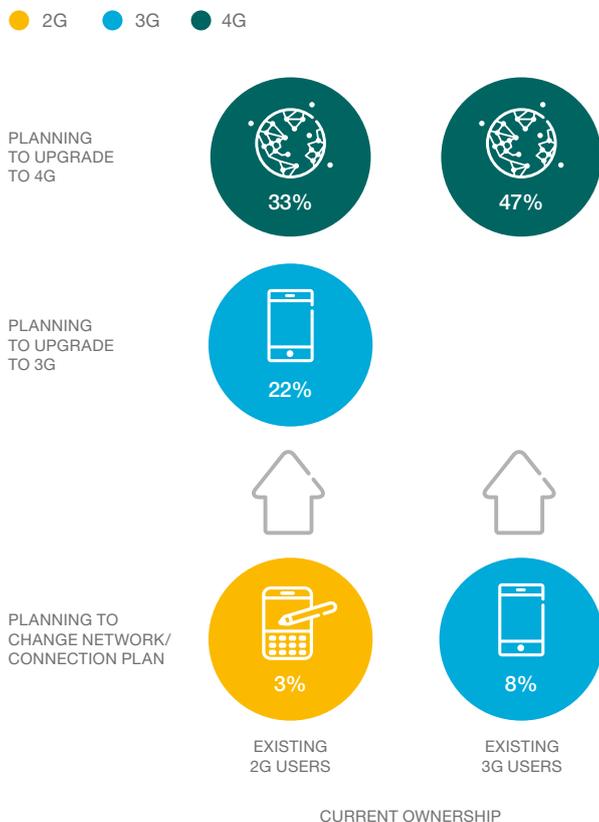
The most common reason given by consumers when switching connections concerns changes of location, with around 58 percent citing this as the primary factor affecting their decision (Figure 3). The other determining factors include the availability of internet connection (54 percent) and better speed or reliability (51 percent). If Nigerian consumers are provided with consistently good quality connections at all times, irrespective of location, they are likely to spend more time online and remain connected, unaffected by geographically imposed barriers.

Figure 3. Reasons for switching connections



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: People who use Wi-Fi and MBB and switch connections

Figure 4. Planning to upgrade

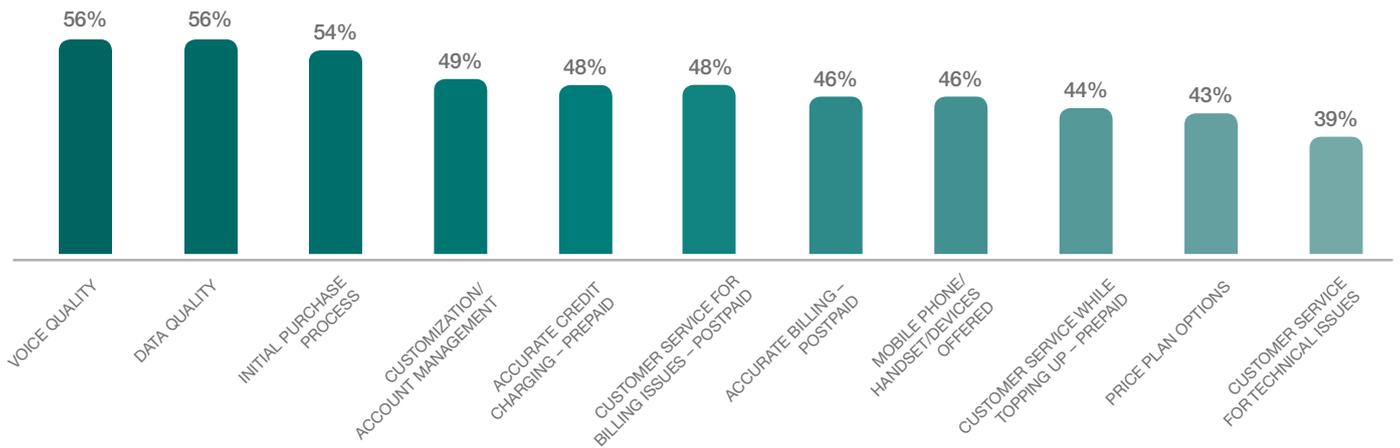


Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Users of respective generations of mobile broadband

Having established the observation that better speed and reliability are a major reason for switching connections, this study finds that once consumers are exposed to a good connectivity experience and better speeds, they are more likely to want to upgrade or improve on it. As Figure 4 shows, while only 33 percent of 2G consumers want to upgrade to 4G, 47 percent of 3G users want to do the same.



Figure 5. Overall satisfaction with operators



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Mobile phone users

### Operator satisfaction

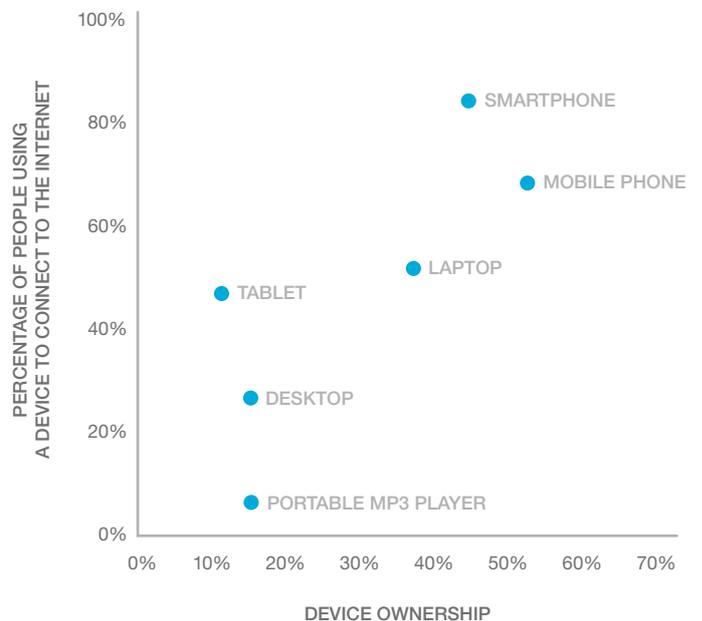
Considering how much consumers value being able to connect to the internet, the demand for quality data services and network connections is high. Figure 5 shows that most mobile phone users in Nigeria are satisfied with parameters of operator services such as quality of network coverage (data and voice), initial purchase process and account management.

These parameters reflect the demands of mobile phone users in Nigeria. To ensure higher loyalty and lower churn, operators have to ensure that customers remain satisfied, especially around factors related to internet services (data) and network quality.



Overall, Nigerians want a more connected life. Nigerian consumers are replacing their devices, such as mobile phones and desktops with smart devices like smartphones and laptops, which have a higher proportion of internet connectivity. Smartphones are among the most owned devices, and 84 percent of them are connected to the internet (Figure 6).

Figure 6. Connectedness of devices



Note: Smartphones and mobile phones are presented at an individual level while the rest of the device penetration data is at a household level

Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: All

# SERVICE AND DEVICE PICKS

Mobile phones by far remain the most popular device to access the internet and use content services. This is also evident from Figure 7a, where mobile phones are seen as the device most used to connect to the internet on a daily basis.

Also, the significant use of mobile broadband on mobile phones, PCs and tablets provides consumers with more mobility, further allowing them to remain connected and updated wherever they are (Figure 7b).

Internet users in Nigeria mostly perform online activities on their mobile phones. 94 percent of consumers use social network sites and 93 percent browse the internet on their mobile phones. The usage of online activities on laptops and tablets is lower than on mobile phones. Only 44 percent of consumers use social network sites and 50 percent browse internet on their PCs.

Figure 7a. Daily users of internet

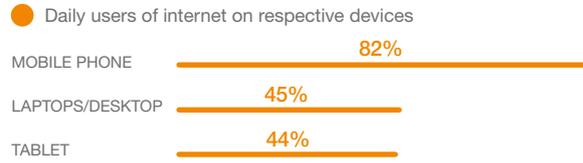
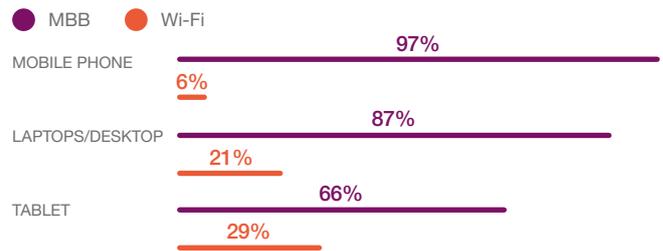
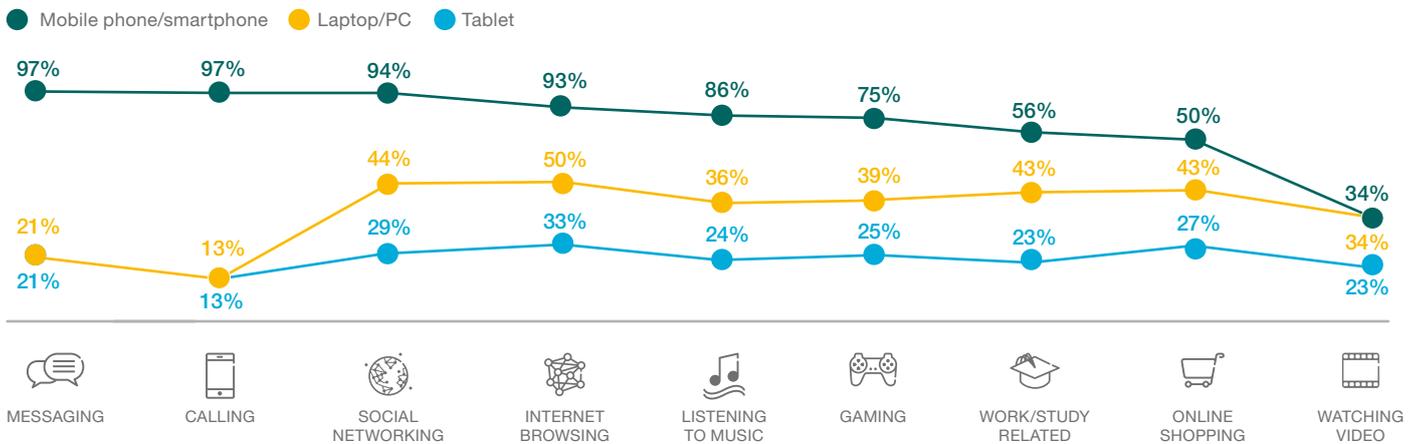


Figure 7b. Devices and connection types



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Internet users on respective devices

Figure 8. Online activities across different locations



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Internet users

This study also shows that Nigerians are interested in a greatly connected future. Some of the future technologies and services that Nigerians are interested in include connected homes and cars, social discovery, multi screening and P2P sharing.

As Figure 9 shows, close to 70 percent of consumers are interested in having homes and cars that are connected to internet. The high level of interest in staying connected constantly highlights the fact that Nigerian consumers would like to lead a more networked life.

Figure 9. Levels of interest in future services



Source: Ericsson ConsumerLab, Internet goes mobile, Nigeria 2015  
Base: Internet users

Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, business and society to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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