chapter 9 Value Added Services

James Williams,
Mobile Ecosystem Forum

Talk to the average person on the street about the world of telecommunications and it's highly likely you'll find their eyes glazing over within a few seconds. But take away their mobile phones, laptops, tablets, games consoles, access to mobile gaming, messaging, payments, internet access etc. - I think you catch my drift – and you'll soon grab their attention. It's telecommunications that powers so many things we rely on in our daily lives, yet most don't give it a second thought, taking them completely for granted. And like most things you take for granted, you only miss them when they're gone. Global spending on telecommunication services is now getting on for US$1.5 trillion so it's a vast business too.

Value added services (VAS) across Africa is a huge and expanding component part of telecoms spend. It would be remiss not to tackle the issue of the definition of what VAS actually is. VAS is a popular telecommunications industry term for non-core services, or, in short, all services beyond standard voice calls and fax transmissions. The original value-added service was voicemail and in swift succession, when it went truly mainstream, came SMS text messaging as a method of voicemail notification. SMS then spread rapidly into the world of person-to-person (P2P) communications and the rest is history. But today say 'VAS' and you'll find it actually encompasses a whole lot more.

VAS today has grown to encompass mobile, expanding to include e-commerce, mobile money, entertainment in so many guises, sports, chat apps, mobile advertising and far more. The global mobile value-added services market is expected to grow more than 50% from its current value of US$800 billion within only the next four years but as an industry we have a lot to do to ensure that Africa can claim its rightful share of this growth, having a chance to keep pace with faster growing regions beyond.

Africa is a young continent with 24% of Africans belonging to the 18–24-year-old demographic. This is nothing new; Africa has been the fastest-growing continent by population since 1967, a trend set to continue for many years to come.

Projections from the UN see sub-Saharan Africa alone contributing more than 50% of the global population increase anticipated through 2050. This means there is a huge and growing potential market of consumers ready and willing to consume the myriad of services available to them via mobile channels. Yet this amazing opportunity could be missed if the basics are not covered. And by basics, I mean connectivity.

When it comes to the internet (the backbone of the major part of the VAS world), Africa lags and is the least connected continent. Less than 30% of the population in sub-Saharan Africa is connected to the mobile internet and this region makes up around 40% of the world's uncovered population. Digital services being at the heart of so much as already noted, there needs to be a real urgency to bring unconnected communities online, in particular vulnerable groups. The problem is not one-dimensional only and needs to be tackled in a variety of coordinated ways.

If somebody is not using the internet, it's a logical step to think this would primarily be down to there simply being no coverage for them to access, but three-quarters of the digital divide is not a coverage issue. The digital divide is far from being only a connectivity or technology issue. The elephant in the room is rather the much bigger 'usage gap' with more than 3 billion people living in areas covered by 3G+ networks but who are not using internet services. Barely one in four people in Africa have access to the internet each day. As in so many areas of our lives, the primary reason for not using services within our 'physical' reach is affordability.

The GSMA's latest Intelligence's report showed mobile phone subscribers stood at 46% in sub-Saharan Africa, while smartphone adoption was at 64%. The increase in smartphone customers globally is driving the growth of the mobile value-added services market and whilst there has been a surge in their usage during the COVID-19 pandemic, there is plenty of headroom for their penetration growth across Africa. There has been real innovation by manufacturers to design a new generation of ultra-low-cost devices, costing US$30 or less and such efforts need to continue. Not wishing to gloss over the fact that that is undoubtedly still a lot of money for so many, the REAL issue is the cost of the actual mobile data, internet. One guess as to which area of the world has the highest mobile data cost. You guessed it - sub-Saharan Africa...

Internet access is increasingly (and perhaps justifiably) being viewed by so many as a basic right, but the high price of data is fast becoming a hot issue that can no longer be ignored. Factors driving high pricing are admittedly many but in order to ensure services that have the power to truly transform people's lives for the better can truly be used by the masses, policymakers have to make it worthwhile for telecoms companies to cut prices – whether it's by reducing licence fees and/or allowing them to reduce costs by using government-funded infrastructure, no stone should be left unturned. Policymakers need to become enablers.

Of course, a lack of content in local languages and digital skills and literacy are also factors that cannot be ignored – there aren't many continents on which 2,000 languages are spoken! However, closing the 'coverage gap' is above all an economic challenge. Resolve the challenges and the economic opportunities (as well as education, career and so many more areas) are practically limitless. Now is the time all stakeholders across the mobile industry truly need to come together to ensure the area of VAS becomes the financial powerhouse for Africa it rightfully should. Beyond the amazing areas of mobile money and mobile payment in which Africa truly excels, leading the world, the continent should not be left out and left behind. ■

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Oliver Bruff,
research analyst, Analysys Mason

Opportunities for operators

The results of an Analysys Mason consumer survey in 2022 highlighted opportunities for MNOs from mobile handset trends.

Handset shipments in developed markets are expected to plateau in the long term with devices being kept for longer, likely because recent innovations in technology have not led to radically different features that would incentivise consumers to upgrade their existing handsets. Moreover, global chipset shortages have caused smartphone prices to rise, which may have led consumers to delay replacing their mobile phones.

Additionally, the penetration of mobile handsets is so high in developed markets that most purchases are made to replace existing handsets. Indeed, 99%, 97% and 98% of respondents in Europe, developed Asia Pacific and the USA, respectively, reported owning a smartphone in 2021. Growth in the total volume of handset shipments in these countries will likely fall as consumers upgrade their handsets less frequently.

Operators looking for growth could expand their handset distribution activities into countries with low smartphone penetration, such as those in sub-Saharan Africa (SSA). Analysys Mason expects that the smartphone share of mobile connections in SSA will grow rapidly from 45.9% in 2020 to 72% in 2026.

Affordability is major barrier to smartphone penetration in SSA because many consumers are unable to meet the high upfront costs. Survey respondents in Nigeria and Kenya are more likely to own handsets from low-cost Chinese brands than respondents in Europe and the USA. As such, operators can facilitate growth in the take-up of smartphones in SSA by improving affordability. Some operators have already done so, including Orange, which has launched the Sanza Touch with an upfront cost of US$32. Many African MNOs also offer smartphone financing plans that allow consumers to pay in instalments. Examples include Safaricom's Lipa Mdogo Mdogo plan in Kenya and MTN's Pay Mpola Mpola in Uganda.

Business messaging is another revenue growth opportunity for telecoms operators in the Middle East and Africa (MEA) because most application-to-person (A2P) messaging currently relies on SMS. However, consumers are increasingly using IP-based messaging to communicate with brands. 26% of the respondents to Analysys Mason's consumer survey in MEA use social media or OTT apps as a customer service channel, compared to 12% for SMS. This migration to digital channels will start to erode the value of the A2P market as more OTT players like Meta look to monetise their messaging platforms and ecosystems. Operators should update their messaging propositions to remain relevant and should consider extending their mobile messaging and wallet platforms to support digital business-to-consumer (B2C) communications.

Businesses worldwide rely on messaging solutions to communicate directly with their customer bases. Sending messages via SMS, apps, websites, OTT communications and social media services is an efficient means of confirming transactions, communicating promotions, and resolving customer service enquiries. The A2P messaging market will continue to grow strongly in terms of traffic and business spending in all regions worldwide between now and 2025.

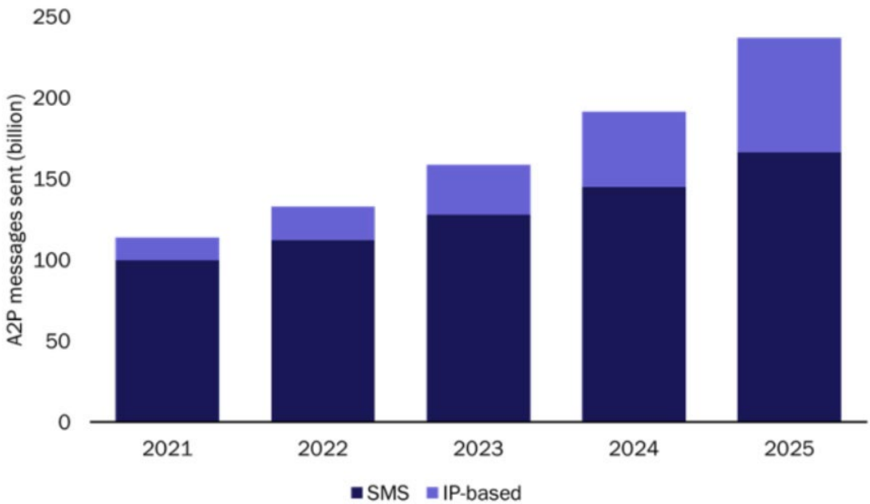
SMS is the main channel for A2P messaging in MEA thanks to its universal handset support and the widespread adoption of mobile money services that use SMS for notifications, authentication, and authorisation. SMS will remain a key channel in terms of traffic and businesses' A2P spending until at least 2025. However, SMS's share of A2P traffic will fall from 88% in 2021 to 70% in 2025 as the use of OTT IP-based messaging (including operator IP messaging using technologies such as rich communication services (RCS)) grows.

Consumers' rapid adoption of digital channels will increase OTT players' share of both business A2P spending and consumer spending on OTT services (through cross-selling of other services such as e-commerce). The migration towards high-volume, low-cost, IP-based services will also contribute to the erosion of the value of A2P SMS messaging. Operators must evolve their core offerings to protect their share of the increasingly competitive business messaging market.

The rich features of social and chat apps, such as the ability to send images and videos, are used by an increasing number of businesses to communicate with their customers. Major social and chat players (such as Meta, Snapchat and TikTok) are also using their large user bases to find new ways in which to monetise their services. For example, they have been providing tools that enable businesses to establish direct relationships with their clients and are offering APIs to integrate businesses' back-end IT systems.

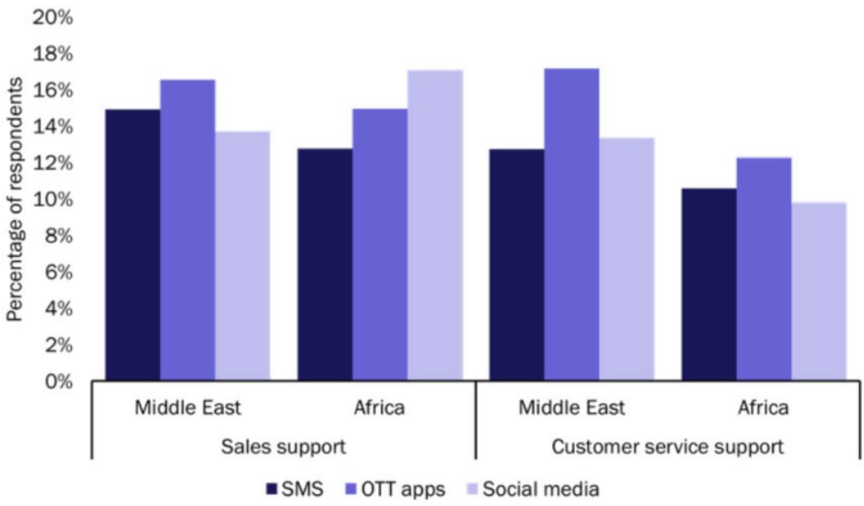
Consumers are also increasingly using digital channels to communicate with brands and government services. This has been driven

A2P messages sent per year, by channel, MEA, 2021–2025



Source: Analysys Mason, 2022

Preferred channel for sales and customer service support, by region, MEA, 2021



Source: Analysys Mason, 2022

by the increased penetration of smartphones and businesses' adoption of multi-channel messaging solutions.

Almost all the survey respondents of smartphone users in MEA (conducted between September and October 2021) use OTT apps, and on average, they use more than 2.5 such apps each. The percentage of respondents that used OTT apps and social media to learn about products and promotions and to access customer service in 2021 was also higher than the proportion that used SMS. Conversely, SMS was the main channel for support with both sales and customer service in the 2020 edition of our survey.

Operators will benefit from the growth in A2P SMS traffic in the next five years. However, they must be proactive to avoid missing out on the growth in the adoption of digital channels for B2C communications. There are two main approaches that they can take to enrich their A2P propositions.

Enhance the messaging experience: Operators can enhance the messaging experience by developing a native mobile messaging application using technologies such as rich communication services (RCS). A few operators in MEA, including 9Mobile, MTN (Nigeria), Orange and Vodacom, have been deploying RCS since 2019. However, OTT alternatives currently have the lead in terms of penetration, and it is unclear how long it will take for RCS to be accessible via a sufficiently large base of smartphones to be competitive.

Build on the success of existing applications. Operators that have developed their own self-care or messaging apps or have deployed an app-based mobile financial service should consider adding A2P messaging features. Operators can differentiate from global OTT platform providers by supporting local languages and dialects, and by working more closely with local content developers and businesses. For example, MTN deployed the Ayoba messaging app in 20 countries in MEA and had 10 million active users by the end of 2021. The app supports gaming, music, entertainment, news, payments, and money transfers (through MTN's MoMo mobile wallet). MTN has also provided open APIs and two developer portals (one for Ayoba and one for MoMo) to enable merchants to create their own sales channels.

SMS will continue to dominate the B2C messaging market in MEA for the next five years, but operators that wish to capitalise on the long-term revenue growth opportunity from A2P messaging should look beyond SMS. They should consider developing digital alternatives to compete with the major OTT players and should create opportunities for new partnerships with local brands and marketing agencies.

Amy Saunders,
editor, African Wireless Communications Yearbook

Mobile money: a key differentiator

Value added services (VAS) have exploded in recent years, with popularity growing on a truly global scale. StrategyR has forecast that the global mobile VAS (MVAS) market could reach US$1.1 trillion as soon as 2026, expanding at a compound annual growth rate (CAGR) of 13.3% from US$723.4 billion in 2022. As global mobile voice revenues continue to decrease, telco operators are opting for new revenue streams to bolster their business model. Incorporating VAS into their offerings, telcos stand to benefit from:

- Increased demand for core services
- Higher profit margins by expanding time and data spent
- Enhanced customer experience, growing loyalty and reducing churn
- Differentiation from competitors
- Growing average revenue per user (ARPU) by gaining more revenue streams for their customers,
- benefits include enhanced convenience, personalisation, and greater digital inclusion and connectivity. What's not to love?

In the current market, VAS include e-commerce, entertainment, mobile advertising, location-based services, mobile email, sports, chat apps, SMS and MMS, etc.; however, it's the mobile money segment that is truly leading the pack.

Mobile money services

It's easy to see why mobile money has been so popular. Convenience has a major role to play for users across the world, and the COVID-19 pandemic further accelerated the trend for cashless payments.

The GSMA reported that the volume of global mobile money accounts grew by 12.7% year on year (yoy) to 1.21 billion in 2021. Account activity grew too; more than 300 million monthly active accounts exist, and for the first time, the global value of daily transactions exceeded US$2 billion. In total, more than US$1 trillion was processed for the entirety of 2021.

While proving popular the world over, the mobile money market has boomed across Africa, with 70% or US$701.4 billion of the global market value concentrated across the continent in 2021. The African marketplace is uniquely well-suited for mobile money advancement. With such a significant amount of the population unbanked or underbanked – only around 50% of adult Nigerians have their own bank account – but with comparatively high mobile phone ownership rates, mobile money service providers have been able to fill this gap, enabling widespread financial inclusion for the first time.

Indeed, the GSMA reported that sub-Saharan African transactional volumes grew by 23% yoy to 36.6 billion, transaction values grew by 40% yoy to US$697.7 billion, and the number of active accounts grew by 12% yoy to 183 million. Meanwhile, in the Middle East and North Africa, transactional volumes grew by 74% yoy to 242 million, transaction values grew by 49% yoy to US$13.7 billion, and the number of active accounts grew by 68% to 5 million.

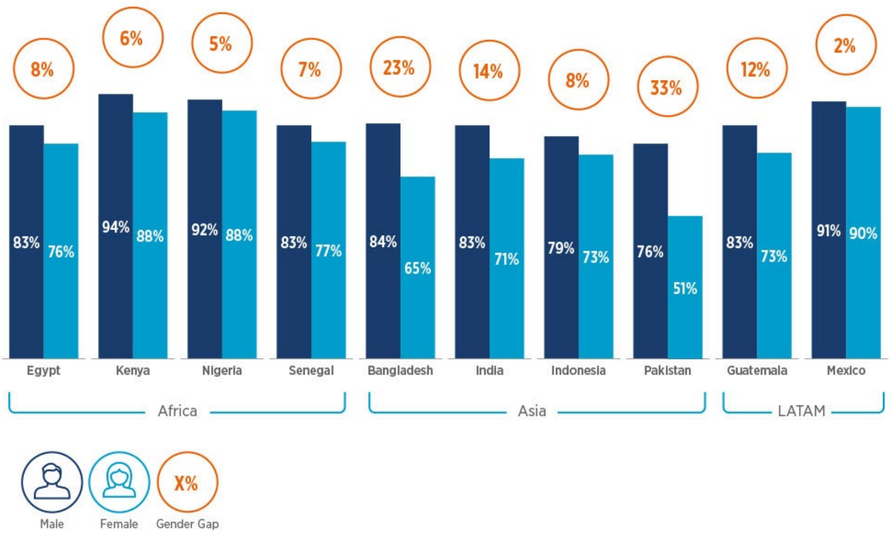
Financial inclusion for all

Throughout the world, women still have less access to both traditional money and mobile money services than men. Potential reasons include not owning a mobile phone, not knowing about mobile money, and lower literacy, digital and financial skills. However, women stand to benefit from mobile money disproportionately, since they often face barriers to using traditional financial services – cultural, lower wages, family responsibilities – that men do not.

As per the GSMA State of the Industry Report on Mobile Money 2022, mobile money has greatly helped women and their families in LMICs since the start of the COVID-19 pandemic. Women have been able to establish microbusinesses, receive emergency funds, send funds to relatives, etc. Indeed, making sure that women have equal access to mobile money as men will assist in the expansion of the

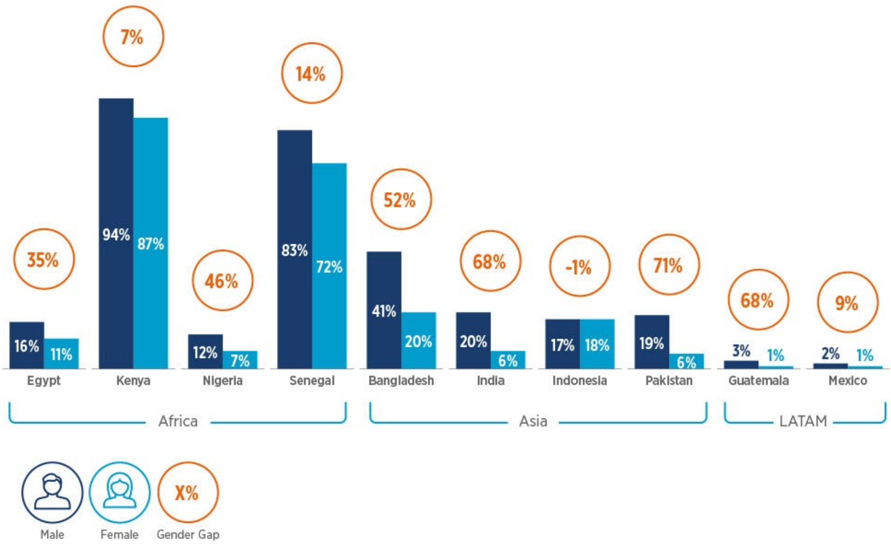
Male and female mobile ownership, by country[66]

Percentage of total adult population



Male and female mobile money account ownership, by country[72]

Percentage of total adult population



mobile money VAS, contribute to the economy, and help meet Sustainable Development Goal (SDG) 5 – but more on this later.

Recognising the opportunity, 26 MNOs across Africa, Asia and Latin America have made formal commitments to reduce the gender gap in their mobile money customer base since 2016 as part of the GSMA Connected Women Commitment Initiative.

Of the four African nations included, the GSMA reports that Nigeria had the largest gender gap in mobile money adoption at 46%, followed by Egypt at 35%, Senegal at 14% and Kenya at 7%. However, it should be noted that those two countries with higher gender gaps also have low rates of mobile money adoption: 12% for men and 7% for women in Nigeria, and 16% of men and 11% of women in Egypt; compared with 83% for men and 72% for women in Senegal, and 94% of men and 87% of women in Kenya.

Beyond the gender gap, mobile money services have also proven popular amongst groups with literacy challenges. The GSMA states that for a 30-day period, 71% of adults in Senegal had used mobile money services, but almost half self-reported either great difficulties reading and writing or a complete inability to do either. Clearly, those mobile money services designed clearly and simply with lower literacy and/or digital skills in mind have ample opportunity to expand their market reach.

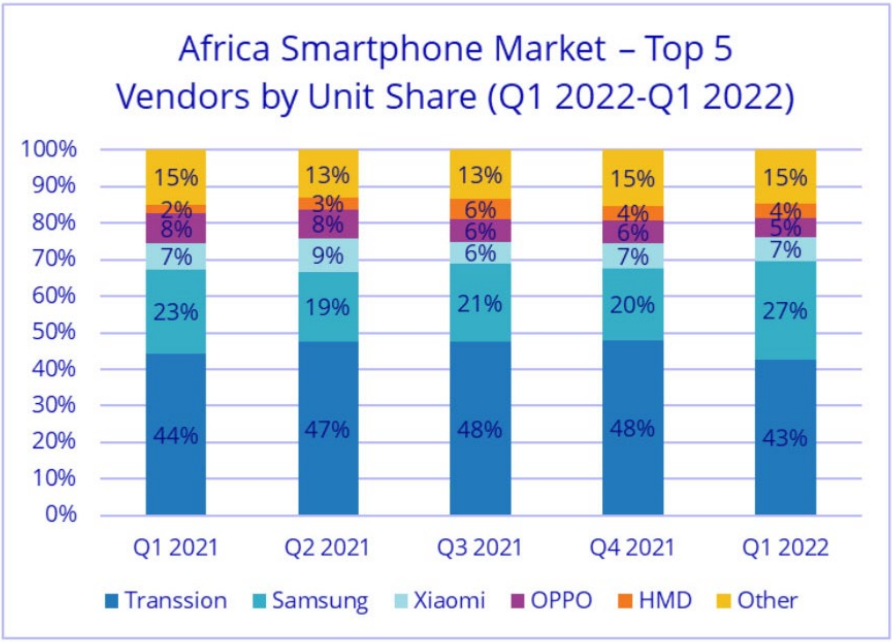
Mobile phone adoption

Mobile phone ownership has a key impact on VAS uptake in Africa, and of course the world at large. No phone = no VAS, and definitely no mobile money.

Ownership rates vary widely across the continent with variations in affordability, literacy and skills, and even within countries between men and women. Across LMICs, women are 7% less likely than men to own a mobile phone. The gender gap is, according to the GSMA, 8% in Egypt, 7% in Senegal, 6% in Kenya and 5% in Nigeria, however, these gaps are from mobile mature markets, where mobile phone ownership averages at 80% or more.

With the uncertainty experienced across the world this year, supply chains and logistical challenges have resulted in a 15.7% yoy decline to 19.7 million smartphone shipments across Africa for the first quarter of 2022, the third consecutive quarter drop, as reported by the Quarterly Global Mobile Phone Tracker report from the International Data Corporation (IDC). Other contributing factors included concerns about inflation, economic instability, rising costs of components and transportation, and lockdowns in China.

The biggest quarterly decline was reported for Egypt, where shipments fell by 43.2% yoy. The government moved to introduce new import regulations including a new 10% customs charge on mobile phones. In Nigeria, shipments fell by 19.6% yoy. Two countries reported increased shipment volumes, namely South Africa and Kenya, at 3.7% and 4.5% yoy respectively, however, this comes off the back of a very low base in the first quarter of 2021 when they were severely impacted



Source: IDC, 2022

by stock shortages.

Despite the challenging conditions, smartphone vendor rankings remained more or less stable, indicating that the issues facing the segment are vendor neutral. Affordability, however, has taken a hit, with the share of smartphones priced at less than US$100 falling from 45.4% in the fourth quarter of 2021 to 37.2% in the first quarter of 2022, a pretty shocking fall in just a few months. Meanwhile, the share of smartphones priced at US$100-200 grew from 35.7% to 41.4% during the same quarters. Additionally, the share of 5G enabled smartphones shipped in the first quarter of 2022 grew to 5.6% from 4.3% in the fourth quarter of 2021.

Mobile money: addressing the Sustainable Development Goals

Established in 2015 by the United Nations General Assembly, with achievement planned for 2030, the Sustainable Development Goals (SDGs) comprise 17 global goals to act as a 'shared blueprint for peace and prosperity for people and the planet, now and in the future.'

According to ITU's Global Connectivity Report 2022, mobile money is making great strides in addressing many of the sustainable development goals throughout Africa and indeed the world:

SDG 1: No poverty. In Burkina Faso, mobile money users are three times more likely to save for emergencies, shielding them from economic shocks, while in Uganda, mobile money helped small businesses to save and make payments, benefiting owners and workers.

SDG 2: Zero hunger. Mobile money can help farmers increase productivity by demonstrating creditworthiness to buy equipment and can help to reduce food insecurity by providing financial services used to purchase food.

SDG 3: Good health and wellbeing. Mobile money allows individuals to save for health emergencies, purchase health insurance, and pay bills, enabling increased access to health services.

SDG 4: Quality education. Mobile money helps households to manage their savings for education and make school payments efficiently, also lowering cost for providers. It can additionally lower the cost and risks of schools making payments to teachers.

SDG 5: Gender equality. Mobile money empowers women by giving them control over their money and reducing cash insecurity. In Côte d'Ivoire, men are twice as likely to have a traditional bank account as women, but there is no such gap with mobile money accounts. Mobile money also helps women to get credit to start businesses.

SDG 6: Clean water and sanitation. Pay as you go (PAYG) solutions enable users with mobile money accounts to pay for water, including a loan for their initial water connection, allowing users to pay in small instalments and have access to services.

SDG 7: Affordable and clean energy. PAYG solar panels enable the use of mobile money to pay for electricity in small amounts, when it is needed, and purchase the solar panel over time, enabling children to study and businesses to operate after dark.

SDG 8: Decent work and economic growth. In addition to using mobile money for payments, individuals earn income by becoming mobile money agents – there were 7.7 million in 2019. Small businesses use mobile money to receive payments efficiently and safely from their customers and pay their vendors, increasing their revenues.

SDG 10: Reduced inequalities. Financial remittances are important for migrants and their families, and the cost of sending them is significantly lower using mobile money. The average cost is below the 3% target of SDG 10.C. These remittances contribute to progress across many of the SDGs with increased income and resources.

SDG 11: Sustainable cities and communities. Mobile money enables easy access to public transportation and enables payments for ride-sharing platforms to lower the cost of commuting.

SDG 16: Peace, justice and strong institutions. Mobile money transfers help reduce fraud and theft. When the Afghan National Police began to be paid with M-PESA instead of cash, salaries increased up to a third for some officers, while payments to ghost workers were stopped.

The availability and convenience offered by mobile money technology renders it a fantastic platform for achieving the SDGs.

Mobile money fraud

Today there exist more than 173 mobile money services in Africa, and with a now trillion-dollar industry, it's no surprise that bad actors have come onto the scene. Mobile money fraud is estimated to cost US$4 billion in Africa alone. According to Evina, 51% of transactions were identified as suspect in Kenya, 30% in South Africa, and 10% in Cameroon.

Mobile money fraud is growing faster even than the number of new transactions each year. In 2020, Uganda experienced a US$3.2 billion loss to hackers using more than 2,000 SIM cards; however, this pales in comparison to the US$53 million loss by MTN Nigeria's new MoMo Payment Service Bank back in May, wherein some 700,000 unauthorised transfers to 8,000 accounts in 18 Nigerian banks were recorded.

Fraud is one of the biggest limiting factors when it comes to mobile money adoption. It's a tough environment to secure due to a complex ecosystem; each operator has their own network, which means that weak ID verification systems, inadequate security resources, poor training, poor customer awareness and limited access to best in practise fraud detection tools can be magnified, opening the door to bad actors. Phishing, vishing, SMiShing, clickjacking, malicious apps, identity theft, PIN sharing and agent-driven fraud are all very real challenges faced by providers and customers right now.

It's not all bad news though. Impartial organisations and associations, service providers, MNOs, traditional financial institutions, and government/policy makers are cracking down hard across the continent, tightening security measures to prevent cybercrime in mobile money transactions. Progress will be slow in the face of ever-evolving threats, and will require a multi-pronged, holistic approach, however, such measures are necessary to ensure the continued adoption of mobile money services continent-wide, aiding financial inclusion and improving quality of life.

A mobile future

The benefits of mobile money are extensive, holding the possibility of transformed lives across the continent. Financial inclusion for the vulnerable, including women, stands to have a major impact on continent-wide economies.

Going forwards, service providers can be expected to provide more inclusivity for the underserved, while focusing on tightening up their security to protect both themselves, and their customers. Retaining consumer confidence is essential for the future of both mobile money and MNOs offering such services, for that trust will spread beyond mobile money services to the core mobile network itself. ■

Mo Firouzabadian,
CEO of Lifecycle Software and Vas-X

The digitalisation journey in Africa is making strong advancements, and the telecom sector is no exception. 2022 has been a particularly good year for us at Lifecycle Software and VAS-X, as we have been looking at how recharge distribution and recharge selling can be improved.

You can essentially buy telco credit and store it in a wallet that can then be used to resell credit to customers. This allows us to open lots of channels of distribution and is proving to be a big success for us in the African market.

The biggest challenge we have been facing is in relation to locating and onboarding talent. There is an incredible opportunity in Africa, especially in some markets, but the volume of the talent pool is not keeping pace with the size of this opportunity. There are companies willing to keep their workforce in Africa, but sometimes that's difficult to do. A central part of this issue is the 'brain drain.' There are very qualified people, whether they are from Algeria, South Africa, etc., who want to move to places like Canada, the US, the UK, and Europe. We must find ways to create competitive and rewarding conditions for companies and employees to remain in the region.

The digitalisation of economic sectors is starting a new growth era, and in the telecommunications sector, this is particularly evident. There are African-founded companies that have a deep understanding of local markets that can bring niche propositions to the African market. We see more and more of our customers using that telecom relationship as a billing channel to monetise other services.

Cloud has long been a trend in telecoms, and this year we saw cloud computing come to Africa. There have been big investments made by cloud vendors into building data centres in South Africa, for example. This is supporting better connectivity, supported by undersea cables that run down the west coast of Africa and connect the continent to the rest of the world. Cloud vendors have put data centres next to those key points of presence. It's a significant infrastructure improvement and opens new doors in telecommunications.

The impact of digital transformation on telecoms has resulted in a general trend towards modernising the billing stack on operators. To respond to the market's needs, operators must become more customer centric, digital, and move to cloud-based software stacks.

Moreover, there is a willingness from governments and regulators to open countries to MVNOs. Doing so will create more competition that will drive down prices, introduce value for customers, and increase the quality of service.

Looking ahead: As mentioned, the digitisation process in Africa is experiencing a real boost. The rise of a digital economy is going to transform societies and enhance connectivity between people, societies, governments, and organisations. In that regard, the cloud is a big move and it's positive to see cloud vendors establishing data centres across the continent. In the telecommunications area, African operators can explore new ways of monetising their networks and leverage local talent to build digital services. It's an exciting time and we foresee a lot of innovation in the sector.

Shanks Kulam,
co-founder, x-Mobility

We all know the value of advertising revenues, especially from the world's biggest companies. We also know about the increasing African consumer buying power. Global brands and advertising agencies are constantly looking for ways to bring those two together – creating relevant, targeted ads that will reach out (and persuade) African consumers. We also know that almost any statistic we hear about SMS tells us that over 90% of messages are opened almost immediately.

Greater advertising in Africa will not only benefit the brands but would also bring wider economic growth to the region. A fairer distribution of global advertising spend would not only see African revenues increase but would also give Africa greater prominence in the minds of brands and advertisers. It would also provide additional support and an economic boost to the region's fastest growing economies.

"Greater advertising in Africa will not only benefit the brands but would also bring wider economic growth to the region."

Ideally for the brands these ads will be highly targeted, highly relevant and reach individuals on a one-to-one basis to showcase their products and services.

All this potential revenue and growth is controlled by the African mobile network operators (MNOs) and the wider telecoms sector in the region. We know that for advertisers the goal is for highly targeted and personalised advertising – nothing is more personalised and targeted than communicating with consumers through their mobile phone.

SMS is a more immediate, direct, personalised and ultimately a more opened form of communications than email or any other type of messaging. The power of SMS is huge – and therefore unbelievably valuable. Even when the messages are automated or created by algorithms, the response is very strong. But only if they are local numbers - that open rate, engagement and ultimately value to the advertiser is not going to come from messages sent from a US or UK number, or a number withheld. Global brands can only build local relationships with local numbers.

The time is right for African MNOs to fully open their number ranges to the global providers so that they can attract global advertisers. ■

Looking ahead: The first and most obvious benefit for MNOs is an increase in revenue and most importantly, creating an ongoing revenue stream. Not only will there be termination fees when the numbers are used for messages (or even for voice), but this model usually includes regular monthly payments of the numbers being used. For any MNO with surplus numbers in their number range (and that is nearly all of them), this is a terrific opportunity to extract revenue from that surplus.

To access that revenue MNOs must make their numbers available to the global aggregators who deal with the global brands and can make the global sales. This is not something that they can do alone, they need an aggregator with the reach and experience – for example x-Mobility has already enabled over 1 million UK numbers for the global market.

Teniola Stuffman,
executive director, business development and marketing, VAS2Nets Technologies

The global market for mobile VAS and payment is experiencing growth on the back of increasing demand for customized services, increasing smartphone ownership, expanding digital media, rising demand for entertainment services and ease of payment. Particularly for VAS2Nets, interoperability of the payment channels and consumers' appetite added to the general cause of the growth pattern.

Despite economic activities decline and the challenging business environment during the second quarter of 2022, the mobile VAS and payment sector still observed appreciable growth in revenue. The direct cost-to-income ratio was at a peak in the quarter one, averagely at 99% year on year, due to the global market challenges. The trend subsided in quarter two, easing the pressure on operating expenses.

The mobile VAS market in Nigeria alone had an estimated value of US$453 million in 2021, and the projection surpasses US$1.6 billion by 2027. The mobile payment market was estimated at US$500 million in 2021 and should reach US$1.2 billion by 2025. However, the market remains crowded. The competition is intense, with more than 100 players operating in Nigeria and over 500 active operators across Africa. Financial inclusion brings about the fast-paced adoption we are experiencing.

"Despite economic activities decline and the challenging business environment during the second quarter of 2022, the mobile VAS and payment sector still observed appreciable growth in revenue."

VAS2Nets is a mobile VAS and payment operator that facilitates content across all telco subscribers and payments across B2B. VAS2Nets acquired a microfinance banking license in 2021 and a payment solution and service provider license (PSSP) to enable digital banking with the goal of more retail penetration within the VAS and payment sector. The company differentiates itself as a wireless application and infrastructure, payment and service provider for telecoms, financial institutions, health, agriculture, transport, government, and other sectors with a unique goal to provide an end-to-end platform for the consumer.

The business space is highly innovative and driven by a huge market base. VAS2Nets has harnessed an open innovation strategy that allows it to grow faster. Harnessing some of the principles of open innovation that helped Amazon achieve dominance on the e-commerce platform, VAS2Nets aims to gain prominence in the mobile subscription space.

For instance, Nike shoes are no longer just for running; they've connected mobile devices. They host analytics in the cloud, and suddenly, their customers no longer have a simple product, but instead an entire ecosystem. In this social community, they can log runs, join teams, engage in challenges, and start to create more value on top of the core product. The VAS rendered in this case is dependent on data and the network.

VAS2Nets has its core products and services but, most importantly, aggregates content, product and services for different providers worldwide, which is a sustainable strategy for the organization. Ensuring the aggregating platform is unique enough to attract innovation from content, solution and service providers has made VAS2Nets what it is today. VAS2Nets has many innovators beyond Africa's shores, rendering services for the African market through its platform.

60% of adults with wallet accounts leverage digital services. In Nigeria, 47 million adults are banked, 14 million are actively targeted within the informal sector, and 38 million are financially excluded. The market still has access gaps, particularly among women and rural locations; the goal is to provide solutions and services that will thin out the gap.

The growing demand for customized services is anticipated to have a positive influence on service providers particularly in the education, advertisement, IT and telecommunications sectors. Mobile VAS are expected to expand significantly across all industrial verticals due to increasing ownership of smartphones.

With the increase in the number of devices capable of supporting digital media along with increased internet speed, consumers can now access media content of their choice from anywhere. Rising demand for gaming services on mobiles devices is expected to boost revenue growth in the market between 2021 and 2030.

The mobile telecommunications industry in sub-Saharan Africa is being shaped by key trends:

- Growth in the adoption rate of 4G, which is estimated to reach 28% in 2025
- Open RAN testing and deployment
- Increasing shift in consumer preference towards digital platforms evidenced by the presence of over 1,200 digital platforms on the continent ■

Looking ahead: Growth in digital banking in Africa will peak in South Africa, Nigeria, Egypt, Angola & Morocco, driven by major critical success factors like mobile, pricing, convenience, efficiency etc.

Banking as a Service (BaaS) will continue to show significant growth with an increasing number of non-bank players entering the sector, extensively leveraging mobile VAS and technology, and more content aggregation partnerships to aid financial inclusion. VAS2Nets will continue to harness an open innovation strategy that allows it to grow more quickly within the VAS and payment space. VAS2Nets will prioritize its environmental sustainability goals because therein lies its sustainability.

It continues to build its reputation and trust with the regulators and stakeholders, increase energy efficiency, improve diversity and inclusion, and improve rural mobile service and financial inclusion.

The vision is to provide an ecosystem channel that cuts across all African countries without any barriers; provide services without telecom bearers by leveraging all channels for content and payment purpose, e.g., USSD channel, SMS, RCS, WAP, IVR, and shortcodes; content aggregation platform as a service via OTT; unique solutions for clients; and payment services for both formal and informal sectors.

One of the most exciting ways that VAS2Nets platforms will pursue growth and trajectory activity is to have fine-grade data that can be observed as innovators act and operate on its platform. If innovators prove that the VAS2Nets platform is core and central to their mission and objectives, as a result of the platform enhancing the appeal to end users, VAS2Nets will pursue a merger or acquisition in the future.

Werner Lindemann,
enterprise sales senior vice president for growth markets, Clickatell

As we entered 2022, the world was collectively holding its breath, hoping that we could finally put the COVID-19 pandemic behind us. After the initial rush to roll out digital channels to serve customers remotely, many of the early digital adopters began building long-term business cases around newer technologies, and we saw chat applications and commerce in particular move from pandemic saviour to business staple.

During 2022, our teams identified three key trends. First, we saw chat commerce become mainstream for customer experience for businesses across industries. While CIOs and chief digital officers were dabbling with chat technology in previous years, 2022 saw chief marketing officers (CMOs) and heads of customer experience fully grasping the business benefits of chat commerce as a powerful complementary channel in their omnichannel strategies and acting on the opportunity.

For many CMOs, this year was when the penny truly dropped that this advanced business messaging channel could drive revenue generating engagements and transactions with consumers. We have seen a big demand for our new Chat 2 Pay solution that enables merchants to securely accept payments in chat messaging, with 93% of conversations transpiring on Clickatell's Chat Commerce Platform ending in a transaction.

Thirdly, we saw companies turn to chat to deflect traffic from their traditional call centres. This was spurred on by the need to minimise staff in call centres during COVID-19, and companies quickly realised that consumers preferred self-help channels over call centres.

One of the reasons why companies were encouraged to advance their chat aspirations this year was the very solid data coming out of existing deployments.

The most obvious measurable benefit of using chat is the convenience factor. Studies by eConsultancy show that 79% of consumers preferred chat over other channels (e.g., call centres and apps) because of its convenience and efficiencies. Our own experience with clients has backed this up. We have seen campaigns where customers respond to just 3% of messages coming through an email or SMS, while WhatsApp campaigns have had response rates of above 30% (and in some instances as high as 65%). This is because they know it is less likely to be spam. What's more, we know that when customers are satisfied, they are less likely to switch to a competitor, and so the reduction in churn comes as an additional benefit.

When it comes to cost, we have seen chat channels this year coming in three to four times cheaper than traditional call centres, allowing companies to confidently scale down their labour-intensive operations. In addition, the use of automation is having a revolutionary impact on support teams, cutting down on repeat tasks, like password resets, that are an easily avoidable cost.

More than just cost savings, chat deployments have a big impact on billing opportunities with one customer making 100% more revenue by shifting sales from channels like USSD onto WhatsApp.

There is a great case for chat deployment in every sector, but 2022 saw real growth in a few key industries.

Work we have done with African insurtech, aYo Holdings (a subsidiary of MTN), is just one of the deployments this year that highlights the opportunity chat commerce delivers when it comes to driving business and better serving

"Trying to find a balance between workers who had fully embraced the benefits of remote working, with the need to ensure teams had adequate face-to-face time has been a real challenge."

customers. aYo's new chat channel allows their customers to submit relevant claim documents and access content like FAQs, videos, voice notes, and brochures, using WhatsApp. In the next phase of development customers will be able to sign up for cover and even submit claims.

This is the sort of automation and self-help option that companies are looking for, and we have seen particular interest from the healthcare, travel and hospitality industries as well as the retail sector.

It continues to be our passion to find solutions that improve people's lives throughout the continent, and it was a big highlight this year when we were recognised for our innovation and contribution to growth in the Nigerian ICT industry by Nigeria Communications Week.

Unfortunately, every year brings its unique challenges. The legacy of COVID-19 left many business leaders scratching their heads when it came to hybrid work policies. Trying to find a balance between workers who had fully embraced the benefits of remote working, with the need to ensure teams had adequate face-to-face time has been a real challenge.

Added to this, many sectors, including ours, have been forced to get creative when it comes to attracting and retaining skills. Time and again we have had customers about to greenlight a new project, only to find they don't have adequate internal skills to manage the new deployment going forward. To help address the issue we have beefed up our own project implementation capability and this has helped us position us and our customers for future success. ■

Looking ahead: As the world settles down into its post-pandemic new normal, we believe companies will find new use cases for chat to augment their omni-channel strategies. This will largely be driven by the consumer, as evidenced by research from PwC, which shows that customers don't only value speed, convenience, as well as helpful and friendly service; they are prepared to pay up to a 16% premium for businesses that can provide these.

Companies must respond to these preferences and, for those that do, real revenue wins await. Juniper Research predicts sales made via conversational commerce channels (like chatbots, digital voice assistants, and messaging), will grow sevenfold, from US$41 billion in 2021 to US$290 billion by 2025.

Serving your customers where they are is especially important for African businesses. They must shift their delivery to ensure they are catering to a predominantly younger demographic, who see chat as their ubiquitous means of connecting with each other, and increasingly with their favourite brands.

Clickatell is responding to this surge in interest. We had a very successful funding round in 2022, raising US$91m in an oversubscribed Series-C funding. This will be used to fuel expansion and accelerate product innovation. We can expect many companies to lean on technology to help combat the challenges of inflation in the coming year. Fortunately, we have used much of 2022 building both our global skills as well as our growth capital and we are confident we, and our partners, are set for excellent growth in 2023.

Zoran Lazarevi,
chief technology officer, Ericsson Middle East & Africa

Since the onset of the pandemic, public-private partnerships and regional government initiatives that foster digital development have kept the spark of digitalization alive in Africa. The region's digital transformation momentum is stronger than ever before.

The digital revolution holds great promise for large-scale socioeconomic advancement to keep Africa well equipped to thrive in the digital economy. African leaders work towards ambitious objectives for inclusive and sustainable socioeconomic development set in the African Union's Agenda 2063.

The African Union Commission, its member states and development partners recognize the critical role digital technologies play in these objectives. Since 2022 they've been working to achieve the benefits of the pan-African Digital Transformation Strategy across a variety of sectors like agriculture, education, and health. Ericsson contributes to this with its technology expertise and market intelligence for the development of sector-specific strategies.

A member of the Smart Africa Alliance, Ericsson has contributed to continental flagship projects like Africa's Smart Broadband Access 2025 roadmap and will continue supporting this type of joint public and private sectors effort to deliver the benefits of digital transformation.

The capabilities and services this revolution is enabling are enhancing society and improving livelihoods. Mobile financial services hold tremendous significance in Africa as they generate financial resilience and facilitate higher savings for households. As they electronically record all transactions, they not only improve payment security, investments, and other financial services, but also facilitate transparency and foster the formalization of the economy. In the long term, mobile financial services can also reduce poverty and increase financial independence.

Digital technologies will soon transform the continent's industrial control and automation systems, planning and design processes, and field devices. The deployment of automated, cloud-based solutions at factories will help manufacturers streamline process flow, access helpful analytics, improve decision-making capabilities, and avoid costly rework and downtime. It will also simplify performance monitoring, enable detailed digital product representations, and will help manufacturers deliver to markets faster.

We strongly believe ICT is the catalyst for digital transformation, with mobile networks like 4G and 5G being crucial in increasing Africa's economic competitiveness globally. Being enablers of digital technology, cellular networks are at the core of Africa's digital transformation as they propel technological adoption. In the case of mobile financial services in sub-Saharan Africa, our 'Mobile Financial Services on the Rise' report showed that nearly 70% agree that faster transactions would encourage them to use mobile financial services.

We have been working relentlessly with our regional partners to deploy enhanced networks and bolster digital infrastructure. In Mozambique, we worked with TMCEL to upgrade their mobile financial services service through our Ericsson Wallet Platform, which is set to broaden the financial transaction community and financially empower residents. We have also partnered with MTN and Orange Middle East and Africa to offer mobile financial services across the continent to accelerate financial inclusion, an important driver for attaining social inclusion by offering the possibility to bring millions into the formal economy, boosting individual livelihoods and transforming economies.

We collaborated with Econet earlier this year to launch 5G in Harare, Zimbabwe, opening numerous opportunities for consumers and businesses and broadening access to financial inclusion in urban and rural areas. We also marked a significant milestone towards 5G introduction in Angola by completing a 5G data call in the country, showcasing the potential 5G will have in bridging the digital divide.

Open collaborations are a key contributor to accelerating the utility and impact of mobile technology. For example, we publish Mobile Money Application Programming Interfaces that allow third parties to create additional value-added financial solutions enabled by Ericsson Wallet Platform. Through Ericsson Together Apart Hackathons in countries such as Egypt and Nigeria, and global Ericsson Innovation Awards, we encourage technology-driven solutions that create tomorrow's solutions from today's challenges.

To prolong momentum of digital adoption, reduce the connectivity gap, and ensure the strong social impact of connectivity and digitalization, a strong ecosystem of partnerships and collaboration is crucial. Governments and communication service providers must strengthen coordination frameworks, align policies and sector regulations, and scale up investments and resource allocation to achieve effective digital transformation. We have been working with the African Telecommunications Union on spectrum recommendations that focus on transforming Africa into a knowledge economy.

While 4G rollout enabled major progress towards wider access to broadband, 5G is now offering new opportunities for fibre-like speed and sector-specific applications. Many African governments are taking steps towards enabling mobile operators to start implementing 5G. Key is for them to grant operators access to large enough (at least 100MHz) and continuous blocks of frequencies (between 1GHz and 6GHz) that can achieve the expected performances. As these amounts are bigger than before, government pricing of these spectrum resources will have a direct impact onto the significant investments required to upgrade mobile networks and the affordability of services. This foundation will need to be supplemented by additional frequencies which travel further (those below 1GHz) also used by 2G, 3G and 4G to reach out more efficiently less populated areas. Much higher frequencies will also be needed for later steps of 5G rollouts. ■

Looking ahead: Ericsson is committed to innovating its 5G solutions to help regional telecom operators leverage 5G to enable new capabilities that create sustainable growth opportunities for individuals and businesses.

With digital skills being a ladder to opportunities, Ericson has been running its flagship educational initiative 'Connect to Learn' across Africa to empower teachers, students, and schools to deliver a quality 21st-century education and provide young people with digital skills. Moreover, with connectivity being the key to better digital skills and educational outcomes, Ericsson has been working with UNICEF and the International Telecommunication Union (ITU) on the Giga initiative to bridge the digital divide.

Realizing a world where limitless connectivity improves lives, redefines businesses, and pioneers a sustainable future is central to Ericsson's 2030 ambition. In the coming years, Ericsson remains committed to aiding in the deployment of next-generation networks and infrastructure that address the continent's unique challenges, bridge the digital divide and further the economic development of Africa.

Renaud Ganascia,
sales director for Africa, Digital Virgo

Over the last year, Digital Virgo has expanded its operations in French and English speaking Africa answering key challenges of mobile operators and merchants by implementing powerful monetization ecosystems.

The reach of carrier billing and mobile money has grown, addressing a larger range of services that are constantly evolving. We know that alternative payment methods are essential to address Africa, and that the key is to add expertise such as local adaptation, user acquisition and international settlement. Digital Virgo's goal is to continually grow and expand in Africa, seizing on the opportunity to make local and international key partnerships and offer solutions, through mobile payments and content distribution.

Global strategy is key and local teams are essential. Our teams truly understand what merchants and mobile operators need to integrate or deploy locally to be relevant according to the specificities of a territory. Our motto of “Think Global, Act Local” sets the standard for how we handle all our partner and client challenges. There is no one size fits all solution, especially for a continent that boasts over 1 billion people with an 85% mobile connection rate.

> “Our motto of “Think Global, Act Local” sets the standard for how we handle all our partner and client challenges. There is no one size fits all solution, especially for a continent that boasts over 1 billion people with an 85% mobile connection rate.”

We are also very concerned by customer satisfaction, offering a secured and efficient user journey and a universal access to payment. In the post pandemic climate, digital payments are the preferred method due to its fast, secure method and global reach. Digital Virgo has prioritized offering telcos an innovative technological solution that can position them at the centre of a digital convergence and connecting them with merchants to expand their business aligning with consumer demands. Our solutions are supporting the growth of these companies in Africa by expanding payment solutions for digital services to increase cross-border expansion and engagement.

Alternative payment methods such as mobile money are key to reaching many that have been neglected by the financial sector. Connecting mobile operators and merchants is the target to providing an avenue for growth that allows them to reach new customers, retain current users and grow their revenue.

Over the last year our teams in Africa reached new heights with their partnerships. The award-winning success case with YouScribe, which provides access to digital content through the largest on-line library to mobile devices, proves that expansion in Africa is a growth lever for companies.

Using an integrated mobile payment, YouScribe is now available in 10 African countries including Burkina Faso, Mali, and South Africa. YouScribe is continuing to grow with four other African countries expected to access it in 2022. In just one year, YouScribe has gained more than 650,000 subscribers, 50% growth. Our team also integrated more than 150 local editors to deliver relevant local content to subscribers.

One of the biggest growths has been in gaming and the eSports industry. An industry which provided Euro€2.53 billion in revenue this year from mobile gaming alone, with an expected growth of more than 32% in 2025. This industry is supported by a community of over 233 million players with a growth expectation of more than 26% by 2025. Africa is becoming a dominant force in this sector, with Egypt and Nigeria leading the way.

Digital Virgo is also celebrating its recent partnership with Etisalat Misr, the Egyptian Telecom company and its new eSports platform. Egypt is currently one of the African countries with the highest revenue in mobile gaming. To leverage this, Digital Virgo Egypt created strategic partnerships with Anubis Gaming, World Champion Egyptian eSports team and GB Arena, the top eSports tournament creators in Egypt. This was crucial to working with Etisalat as our team brought the best local talent that Egypt has to offer.

We have also worked with leading global games developer, Garena, to expand its mobile battle royale game, Free Fire, to inwi, Maroc Telecom and Orange subscribers in Morocco.

“Alternative payment methods such as mobile money are key to reaching many that have been neglected by the financial sector. Connecting mobile operators and merchants is the target to providing an avenue for growth that allows them to reach new customers, retain current users and grow their revenue.”

Digital Virgo has been able to show the strength of direct carrier billing when reaching mobile gaming audiences to telecom companies as well as merchants. Mobile payments have been at the heart of an internationalization strategy to a continent that has over 1 billion mobile connections.

Through maintaining and developing our leading position in the carrier billing ecosystem, our local teams have been able to create opportunities and revenue for our clients. Africa continually provides opportunities for growth. ■

Looking ahead: The mobile payment ecosystem is continuing to experience a revolution thanks to the rapid changes over the last few years. Digital Virgo has kept its finger on the pulse of Africa and has worked hard to create partnerships to deliver innovative solutions.

As the world looks to Africa, the explosion of ecommerce and international transactions offer massive growth potential. Digital Virgo is looking to the future for payment solutions that can flourish with the ever-changing ecosystems in Africa. The game changing mobile money can provide the next step in this journey to expand into new markets in a secure way. This positions telcos as a key player in the payment ecosystem. It has already been used for cross-border payments including developing businesses and paying bills according to a recent GMSA report. Digital wallets are already setting the standard for financial inclusion in Africa and its effect continues to grow exponentially in the post COVID-19 era. This payment method can open doors for many that have been left out of traditional financial ecosystems.

Wayne Nelson-Esch,
Africa regional director of operations, Avatar World Group

The African audience has become more mature and more demanding. We have improved and enlarged our entertainment offering by providing top class services, with localized content, renowned brands, and artists.

Users are becoming more precise in their choices of content and entertainment, and to be attractive for them, our services must be comparable to other OTTs and SVODs in Africa. Users are a lot more powerful now and they know it. More content, better streaming, more titles, local coverage; they are raising the bar for content service providers.

We have tried to address these audiences by looking into their interests and building services that provide content which meets their needs and expectations. An example of this has been the launch of two of our premium digital content services in partnership with MTN South Africa, In Concert and MTN FC. Both were launched to create unique and bespoke localized content over and above the international content offering.

This has created a value proposition to MTN's customers that they can only experience and enjoy on these platforms. The services have specific catalogues of South African and African content as well as curators from South Africa that allow the service to have a local approach, with local culture as a driver for the services.

The commitment to creating bespoke and unique content is a long term undertaking but the value proposition over time is what has made us and will continue to make us one of the leading digital services companies on the continent. We believe that investing in local culture will be a key element to driving successful value-added services.

Africa's video-on-demand subscriptions are expected to reach over 5 million by the end of 2021, and the figure is expected to triple to 15 million by 2026 according to Digital TV Research.

Since launching our African business in South Africa in 2016, we have focused on building world class digital content and entertainment services and products. We recognise that the future of digital entertainment will be in creating unique and bespoke services that create value and entertainment. ■

"Creating bespoke and unique content is a long term and challenging undertaking but the value proposition over time is what has made us one of the leading digital services companies on the continent"

Looking ahead: The digital landscape is changing rapidly. As it changes, we need to adapt and continue to be at the forefront of innovation, technology, and content. A prime example of this has been the growth of our cloud gaming service through AWG Games which has started to gain momentum as mobile operators start to roll out 5G. We see better and more specific content and service offering to each audience, with more local content, and a better user experience and user engagement. Traditional content offering appears to be over, and only those companies with premium services, and who are willing to go the extra mile, will be able to continue a growth trend.

Kim Buller,
president/CFO, Alchemy Telco

If you're in any doubt that Africa is a mobile-first continent, just look around you. Everyone is using a handset. And why wouldn't they? Nearly everything gets easier when you do it by phone.

Text messaging has been particularly transformational. SMS is the most personal and immediate communications channel ever invented. The African people understand this. Do African enterprises? Have they grasped the opportunity to 'talk' to – and hear back from – their customers in real time?

Yes, some have. But plenty more have yet to see the light. And we should know. Alchemy is a Gambia-based mobile intermediary dedicated to enterprise mobile communications. Since 2015, we've been working with companies and government departments across Gambia, Senegal and Sierra Leone. We've helped them to set up and run their own A2P (application to person) messaging activity as an alternative to email, TV, radio and, well, doing nothing at all.

"Text messaging has been particularly transformational. SMS is the most personal and immediate communications channel ever invented. The African people understand this. Do African enterprises? Have they grasped the opportunity to 'talk' to – and hear back from – their customers in real time?"

You might think that switching to SMS would be an obvious strategy. TV and radio work well for big generic campaigns but are utterly ill-suited for targeted messages or service alerts. Email is better at customer care. But it is limited by reach. Millions of West Africans cannot access the internet.

That leaves SMS. It's the perfect medium for notifications and alerts because it goes direct to the pocket of the customer. Industry data suggests 96% of texts are read. And, just as important, SMS is asynchronous. Recipients can store a text and reply to it later. That is a major advantage over voice, which is more intrusive and demands an immediate response.

These benefits explain why businesses all over the world are embracing messaging. The global numbers are pretty staggering. According to Mobilesquared, enterprises are on target to send 2.8 trillion A2P SMS messages this year – an average of 25.1 received per subscriber per month.

Analysts expect this activity to grow fast over the next decade – not least because MNOs and aggregators are now adding rich messaging (WhatsApp, RCS, Apple Messages for Business etc.) into the mix. In fact, Markets and Markets predicts the global A2P messaging market will grow from US$6.1 billion in 2022 to US$72.8 billion by 2025.

We are confident that African businesses can benefit enormously from this boom. The source of our confidence is personal experience. Before we launched into mobile messaging, we were in the wholesale cashew nut business. We learned on the job that SMS was easily the best way to update on customers on fast-moving prices and availability. We even developed our own technical platform on which to manage our own text traffic. It proved transformational. Eventually, we realised this could work for other companies. We pivoted the whole business to A2P mobile messaging.

It hasn't been plain sailing. Our first task was to get regulatory approval from Gambia's Public Utilities Regulatory Authority (PURA) to operate as a mobile intermediary. Even with this in place, we then had to convince the region's telcos to allow us to connect to their SMS systems.

Next, we had to persuade enterprises to try mobile as a customer care channel. While a certain amount of technical work is needed to connect a business to our automated messaging systems, the biggest barrier has been cultural. Quite simply, few businesses want to be first to try something new – even when it offers as many benefits as enterprise SMS.

For this reason, we have concentrated our efforts on one sector in particular: financial services. Happily, this has been a great success. In Gambia, just 30% of people are banked.

And yet a huge number of citizens still need to collect funds from financial institutions and money transfer services every day. The remittance business is huge, thanks to the large cohort of Africans sending money home from overseas. Typically, local banks will distribute these funds via agents and shops near to where people live. But they face the challenge of how to alert these recipients that there is money waiting for them. Needless to say, text solves this.

With an SMS, a bank or credit union can tell a customer that he or she has outstanding funds. It can give the name of the sender and supply a code that the recipient can take to an agent to release the cash. Thereafter, the bank can update the customer with his or her remaining balance.

Today, we are working with companies such as Trust Bank, Standard Chartered, GT Bank, Prime Insurance, BSIC Bank and Bloom Bank. We currently send around 500,000 messages a month on behalf of these enterprises, and the volumes are expanding all the time.

Looking ahead: Quite simply, text-based customer care makes everyone's lives easier. For banks and credit unions, it speeds up the time and cost of distributing funds and information. For 'ordinary' Africans it dismantles the obstacles that otherwise prevent them from redeeming their money.

The benefits speak for themselves. It's why we believe we can quickly scale from 500,000 to 1.5 million messages a month. Firstly, there are more banks/credit unions we can target. Second, there are further services we can facilitate for our existing clients. Two-factor authentication is one promising area, for example. Here, we automate the sending of a one-time passcode to the mobile, which helps to identify and approve the recipient. We can also do more to generate automated notifications for the smaller number of customers in the region that have a smartphone and bank by app.

While enterprise SMS is a key focus for us now, we are also aware of the potential of IP voice calling. We have the systems in place to help Gambian enterprises switch from limited physical 'on-premise' phone systems to cloud-based platforms. This allows for features such as IVR, remote working, customer information displays, call record keeping and more. We believe it can transform the ability of government departments in particular to serve the public with timely and accurate information. We still face some technical and regulatory hurdles here. But once we overcome them, we are confident that turning voice services into software will become a powerful agent of progress for enterprises across west Africa.

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Advantage 360 is a leading supplier of Convergent Telecom OSS/BSS solutions world-wide. Leveraging more than 25 years of experience, we provide a completely integrated platform with robust features supporting service provider's billing and operational requirements.

Our products consist of core modules that include Point of Sale, Inventory, Locations, Employees, Service Fulfillment, CRM, Accounting, Collections, Provisioning, Mediation, Online/Offline Rating, Convergent Billing & Invoicing, Self-Care, open APIs, and much more with support for GSM, CDMA, 4G, LTE, 5G, VoLTE, TAP, CIBER, NRTRDE, Interconnect, Wholesale, ILEC, CLEC, Long Distance, POTS, Centrex, PRI, BRI, Special Circuits, DSL, CATV, FTTx, Broadband, VoIP, IPTV, PPV, VOD, Home Automation, and much more.

Our products support limitless language, currency, and taxing requirements in addition to integration with various 3rd parties for ERP Systems, Workforce Management, Plant Management, Fiber Asset Management, Address Validation, Credit Scoring, Taxing, Toll Destinations, Currency Conversions, Payment Gateway & ACH Bank Debit, Document Presentation, AppleCare Warranty, POS Hardware, and much more.

BICS

Get In Touch - BICS

As a leading international communications enabler, BICS is at the heart of the communications ecosystem. We enable people, applications and things to connect, wherever they are. We are a global provider of international voice, messaging, mobile data, cloud communications and IoT services. Our solutions, delivered seamlessly and securely, are essential for supporting today's data-hungry consumers and digitally driven enterprises. Headquartered in Brussels, with a strong presence in Africa, Americas, Asia, Europe and Middle East, BICS powers the global communications that connect the world.

Roaming

Global IoT

Business Analytics

Fraud & Security