BIZCOMMUNITY

Marketing bandwidth in the Nigerian telco

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“Shift happens” is the two-word phrase that fully captures the Nigerian GSM turf, especially with the astounding leap from the pre-2001 pent-up demand to becoming one of the fastest growing markets in the world. The teledensity ratio experienced an astronomical leap from 0.73% to 35% mid-2008. It is easier to get a SIM in Lagos than a sachet of water.

This may sound like an exaggeration but this is the irony of a market that has experienced more of a big-bang revolution than a progressive step-by-step evolution. Analysts were shocked that their best forecasting models failed to fully capture the opportunity in the then untapped Nigerian market. The Vodafone Group is the worst hit as it failed to anticipate the profundity of the Nigerian market and this explains its permanent loss of its regional leadership and its aggressive quest to stage a comeback.

The Nigerian market has been described as a byzantine maze that demands some illogical inspiration and magical energy to navigate through. This is nothing less than the truth. With a total subscriber base of 49,606.659 million at the end of June 2008, Nigeria remains Africa's largest telecoms market.

The market, though very young has caught the KGOY (Kids Getting Older Younger) bug with very quick adoption of trends that are exclusively associated with matured markets. From per second billing to 3.5G deployment to number portability, the evolution of MVNOs (mobile virtual network operators) seems closer than expected.

This fast-paced market lifecycle with significant penetration into the market has instantiated a chain reaction of ferocious competition, industry fragmentation, struggle for share, possible entry of niche players etc. The market equilibrium is also shifting away from being supply-driven with the struggle over the “leftover segment” raging.

Brands positioned for the future

These peculiarities of the market have largely influenced marketing and brand communication terrain. It has been a dusty terrain of substance and style mixed with saturated engagement spaces and has always been a nightmare for the strategic and creative mind to decipher between the reality and the mirage.

The biggest of issues is the amazing competitive “speed of light” reaction time that often threatens innovative leadership that comes with brilliant speed-to-market. MTN's launch of 3.5G was almost equalled by Glo. It's so difficult for any service provider to claim leadership in the duo 2-SIM-in-one phone for GSM/CDMA because four players had launched within a two week interval to the chagrin of the very confused market who were still trying to grasp the critical question of “what is in it for me?”

As the market transits to stable growth, Nigerian telecommunications will remain bullish for some time to come and the winner will be the consumers who will be better empowered to determine how they want to be served. It's the new era of customised offerings on easy-to-use, accessible and more reliable platforms.

From a branding point of view, the market has witnessed very strong and differentiated badge brands built on compelling emotional propositions. MTN is noted for its aspirational imagery and internationality while Glo owns local affinity and patriotism as key association triggers. The old Econet Wireless customer focus as “friendly” remains the strongest brand equity inherited by Celtel.

Marketing success in Nigeria has also made the players admirable success stories for global leverage. Bharti Airtel and Reliance Telecoms are ready to stake all to be part of the MTN world. Zain's acquisition of Celtel is the largest corporate transaction of African assets as well as being the Middle East's largest private sector transaction in the telecommunications industry. Glo's growing regional presence in Ghana/Benin is a commendable phenomenon as well as Starcomm's entry into the Nigerian stock exchange as the first telco to go public.

The other notable marketing development has been the several name changes. Telkom Multilink's marriage, the new Z-path of Celtel becoming Zain and Reltel Wireless changing to ZoomMobile will continue to create opportunity for brand rejuvenation.

Beyond the various cosmetic marketing efforts is the urgent need to upscale offerings with workable platforms that truly support the everyday demands of the consumers. This demands a focused transition to a lifestyle platform for deeper consumer connection both in product development and proposition projections. Lifestyle content, context and convergence offerings will enable a new paradigm of "anytime, anywhere, any device" information exchange and access. This tripartite base will allow a multitude of lifestyle enhancement services such as person-to-person, person-to-content, and content-to-person.

Growing consumer trends like rotational churn, dual SIM on one device and discerning consumption patterns will create intellectual demand for business survival and be a true test of any player's marketing prowess. Issues of long-term and sustainable lock-in strategy will be critical to securing a significant consumer lifetime value.

The bandwidth of the market remains inexhaustible, but the caveat is that the consumer is not just a statistic but a bundle of emotions that needs to be treated well.

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