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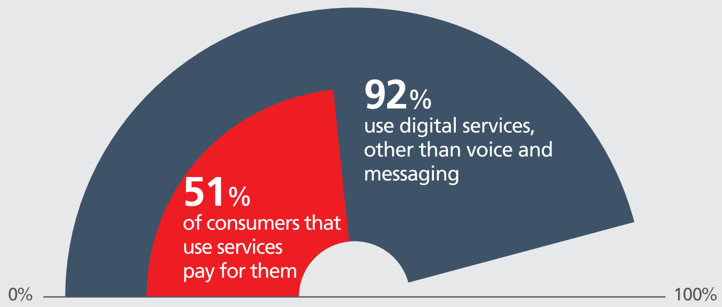
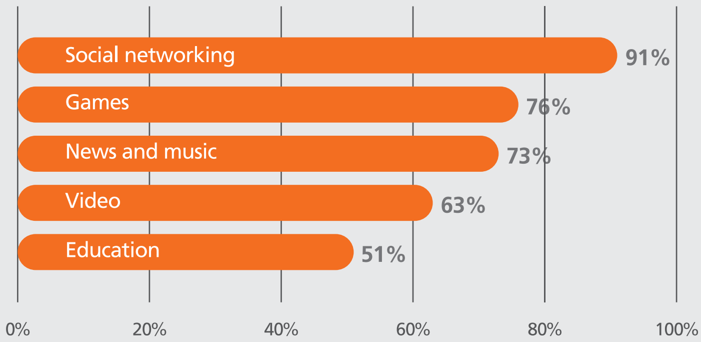
Digital Services in Emerging Markets: The Untapped Opportunity for Mobile Operators

A thriving digital services market

Consumption and spend on digital services is proliferating



Frequency of daily use is accelerating



Mobile operators possess unique assets

Digital services are a point of differentiation for operators

72%
of consumers rank digital services as either extremely important or very important in their decision to stay with an operator

Operators enjoy high brand equity in the digital economy

62%
of consumers trust mobile operators more than any other provider in the delivery of digital content services

Operator backed billing methods are key for digital services

64%
use carrier billing or operator mobile money services to pay for digital services

Mobile operators need to improve their position in the digital services market

Only 12%
of consumers view operators as their main provider of digital services

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Understand the pain points of consumers in emerging markets

Relevant content

Consumers find digital services offered not enticing enough

30% say mobile operator digital services are **unappealing** and/or **lack local content**

Marketing

Consumers are in the dark and mistargeted

Only **34%** are aware that a wide range of **digital services** are available from mobile operators

47% say they receive **too many messages**, and **1 in 4** say messages are **unsolicited** or not personalised enough

24% say they **do not receive** adequate **rewards** for using digital services

Affordability

Consumers encounter affordability challenges

$

37% of consumers say services are **expensive** to use and/or **consume a lot of data**

User experience

Consumers face multiple user experience issues

34% say **slow/unreliable data networks** are a challenge for consuming digital services

18% say **services don't work** well on their device

26% would prefer a **simpler** and **faster registration process**

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Take action to seize the digital opportunity in emerging markets

Focus on the most relevant services

Relevant content

61% are concerned about **security threats** on their mobile device

38% would purchase **games** from mobile operators (if available)

29% would buy **education services** via mobile

Step up your marketing game, both on awareness & acquisition

Marketing

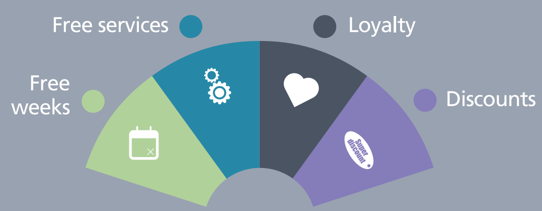
Through **multi-channel campaigns...**

Consumers find out about operator digital services via

- Mobile operator channels **53%**
- Social network channels **53%**
- Other digital channels **31%**

...and **smart promotional mechanics**

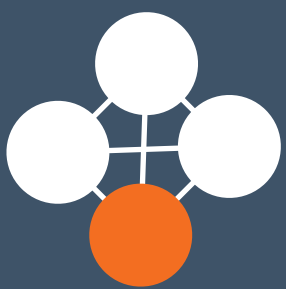
32% would consume more digital services if the right promo mix were in place



Address price sensitivities

Affordability

On the bundling of services front...



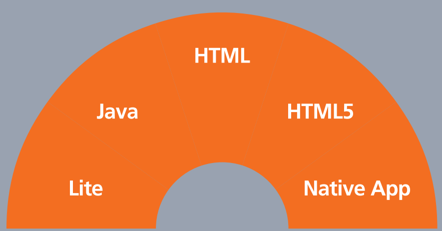
28% say **bundling of services** would encourage greater usage of digital services

...and on the data front

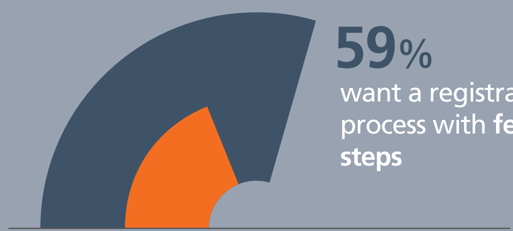
30% would use digital services if they didn't burn their **data allowance**

Optimise the user experience at every step

User experience



29% want services to be **compatible** with their device



59% want a registration process with **fewer steps**

38% want payment details to be **automatically filled**

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Methodology

The study was led by Ovum, on behalf of Upstream, and included a mobile survey of 4,000 consumers in Brazil, Egypt, Indonesia, Nigeria and South Africa. The research was conducted between 15th January and 5th February 2017.

About Ovum

Ovum is a leading global technology research and advisory firm. Through its 180 analysts worldwide it offers expert analysis and strategic insight across the IT, telecoms, and media industries. Founded in 1985, Ovum has one of the most experienced analyst teams in the industry and is a respected source of guidance for technology business leaders, CIOs, vendors, service providers, and regulators looking for comprehensive, accurate and insightful market data, research and consulting. With 23 offices across six continents, Ovum offers a truly global perspective on technology and media markets and provides thousands of clients with insight including workflow tools, forecasts, surveys, market assessments, technology audits and opinion. In 2012, Ovum was jointly named Global Analyst Firm of the Year by the IIAR.

For more details on Ovum and how we can help your company identify future trends and opportunities, please contact us at **enquiries@ovum.com** or visit **www.ovum.com**. To hear more from our analyst team join our Analyst Community group on LinkedIn **www.ovum.com/linkedin** and follow us on Twitter **www.twitter.com/Ovum**

About Upstream

Upstream is a leading mobile commerce platform, accelerating m-commerce in high growth markets. Our software and infrastructure platform already enables 1.2 billion people to effortlessly receive and pay for the most relevant and affordable digital subscription services on their mobile devices. We have 80 million paying subscribers in 45+ countries, making purchases worth $237 million in 2016 alone and growing rapidly. For mobile operators, we are a strong partner that leverages their assets to become key players in the mobile commerce space. For developers, publishers and service providers, we offer a shortcut to the next 3 billion consumers.

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