

# Mobile Marketing Winner\$

Week 16, April 2009

## East Africa COM

**Dear Mobile Marketing Winner\$ Team Member,**

Mobile Marketing Winner\$ are a network of marketing and PR specialists. We are dedicated to educate and coach, consult and support to save you time and money when it comes to engineering your mobile marketing campaign.

The two day East Africa COM mobile conference was held in Nairobi, Kenya recently. Mobile Marketing Winner\$ Team Leader Laretta Ngakane co-chaired the conference. Read her two part report back in our newsletter.

Until next week...

Best wishes,  
Your Mobile Marketing Winner\$ Team

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### Report Back on 2009 East Africa COM (Part 1)

by Mobile Marketing Winner\$ Team Leader [Laretta Ngakane](#)

I am back from a very interesting and eye opening experience in Nairobi, Kenya. As promised, I am here to give you an opinionated feedback on the conference and perhaps a bit of insight on how mobile business is conducted in the East African region.

There are a number of issues that I would like to report on, so this will be a 'two-part' feedback format that will firstly focus on operator related topics.

So, first things first. I touched down in Nairobi and had to visit a local bank to exchange my RSA bought US dollars - my local bank could not sell me Kenyan Shillings directy - for local currency. Traveling from South Africa, I was naturally armed with my passpot and black pen, ready to be "FICA'd" by filling out volumes of forms. This became a defining moment for me as I realised I was no longer in "Kansas". The transaction was simple, I handed in my US bought dollars, the teller behind the glass counter gave me the equivalent in his local currency. No questions asked, no forms to fill out!

The conference kick-started on the 1st of April with over 650 delegates and over forty exhibitors. Although a regional gathering, both delegates and exhibitor profiles included non-regional companies as part of the overall supplier/support services chain.

Day one of the conference opened with the predictable houseeking and politically correct presentations. This included an overview on the East Africa telecommunications eco-system and a "non-biased" presentation poised in promoting healthy competition from the local regulator.

Zain East Africa's Raed Haddadin, Chief Commercial Officer, then took centre stage by sharing an ambitious operator strategy like no other. Although boastful in delivery, Zain presented a rather controversial approach to dominating the global market by becoming a one-stop shop that will cross borders, continents and shores. We are talking about an operator whose tri-fold strategy has been partially realized by moving from being a Middle East outfit to becoming an international network operator with over 60 million subscribers. That may not seem too impressive but add a mobile payment solution and m-commerce operations across borders, then I think I've got your attention.

Zain does not go un-challenged. The aggressive customer uptake of Safaricom's Mpesa payment solution has taken off relatively well in the region. Although focusing primarily on the "un-bankable", Safaricom continues to increase its subscriber base, particularly in Kenya, where they have a strong and ever-growing subscriber base.

Unfortunately, and through personal experience with both Zain and Safaricom, the end user experience is very compromised. Critical of my home based operators, I must admit that they offer a far more reliable service. Not only did I experience frequent call drops, non-connection and over thirty minute customer care phone queuing, I could also not get anyone to simply send me proper local internet settings.

Taking a closer look at how operators are currently functioning, the issue of regulation comes into play. Depending on the level of regulation, networks and banks are now able to use their financial and technological muscles to "assist" governments with their social- and services-access backlog. Surely if you are facing an 80% un-bankable society as is the case in Kenya, solutions such as Safaricom's Mpesa and Zain's Zap help you re-think your regulatory stance. But at what price?

Ironically, I ran into a WiMax operator, Tangerine, at the conference. This is a new technology operator that is looking to service the SMME sector in Nairobi. Launched in December 2008, the operation currently has ten base stations and according to one of its directors, this is a self funded initiative. Of course, Tangerine is not alone in this space, there are other competitors like Tanzanian based operator Zantel. In my opinion, these are secondary operators with less ambitious strategies that seem to focus on the neglected end-user by offering customer relations. However, in light of the regulator position on "healthy" competitions, how can these outfits possibly survive?

This has been my East Africa perspective on mobile operators. Perhaps you are sitting with a different operator issue out there, and either way I would like your feedback. I am most certainly having a re-think on how regulation and disguised monopolies are having an impact on my business functionality, particularly in my over regulated country, South Africa.

I look forward to sharing with you my key learnings on the mobile supplier chain in the East African region in the second part of East Africa Com Report Back. See you next week.

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