



# DIGITAL TRANSFORMATION; IMPLICATION FOR NIGERIAN ECONOMIC

OCTOBER 2017



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THE AGE OF DIGITAL

# WE ARE DIGITAL NATIVES NOW

4 / 5

persons now experience a lifestyle network effect, where an individual's benefit from a range of online services increases as more people use them.

46%

of teens today spend an hour or more on YouTube every day.

59%

of total video viewing time is spent on mobile screens for streaming natives

86%

say they would use personalized digital commuting services if they were available



# COMPANIES BORN DIGITALLY CHANGE CUSTOMER EXPECTATIONS



To get a  
specific  
problem solved

To buy services  
and products in  
new ways

To get new  
products &  
innovations  
faster



Customers expect...

To get  
interfaces they  
fall in love with

To experience  
an engaging  
customer  
journey

To get to new  
services based  
on big data

# A NEW KIND OF CONSUMER THRIVING ON DIGITAL INTERACTIONS



80%

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Of U.S. consumers regularly buy products through digital channels.

42%

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of in-store shoppers search for information online while in-store, a truly omni-channel behavior

75%

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Of consumers say they will stop doing business with a company following a bad experience

53%

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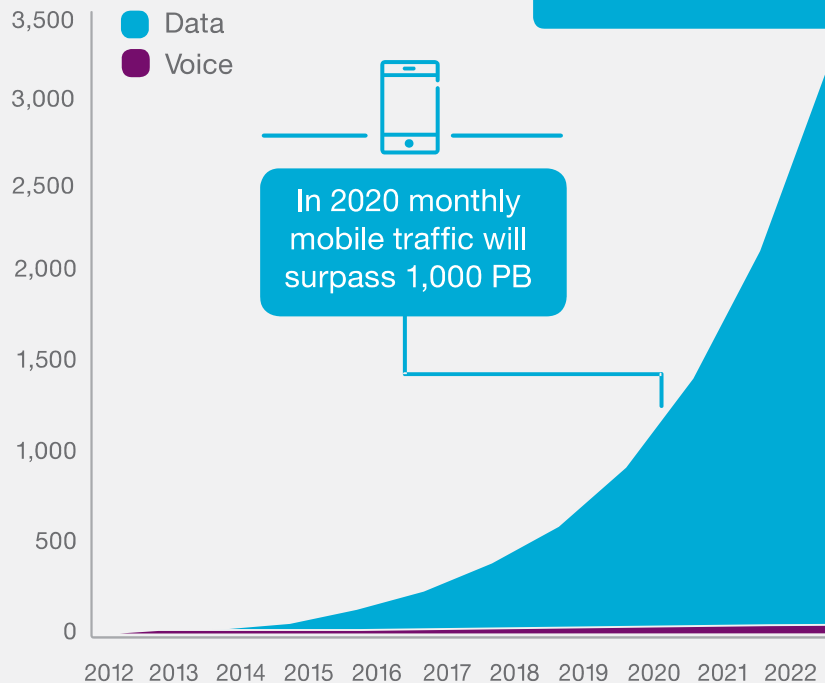
average growth of retail sales made on a smartphone in 2015



# MOBILE TRAFFIC GROWTH

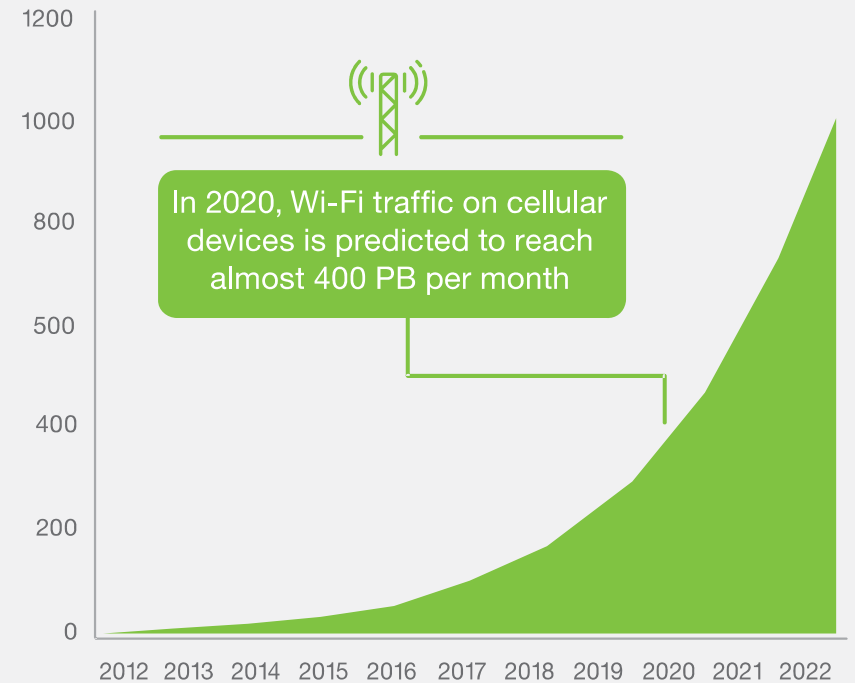


Monthly mobile traffic in Sub-Saharan Africa (PetaByte)



Mobile data traffic volume will increase more than ten-fold between 2016 and 2022

Monthly Wi-Fi traffic on cellular devices in Sub-Saharan Africa (PetaByte)

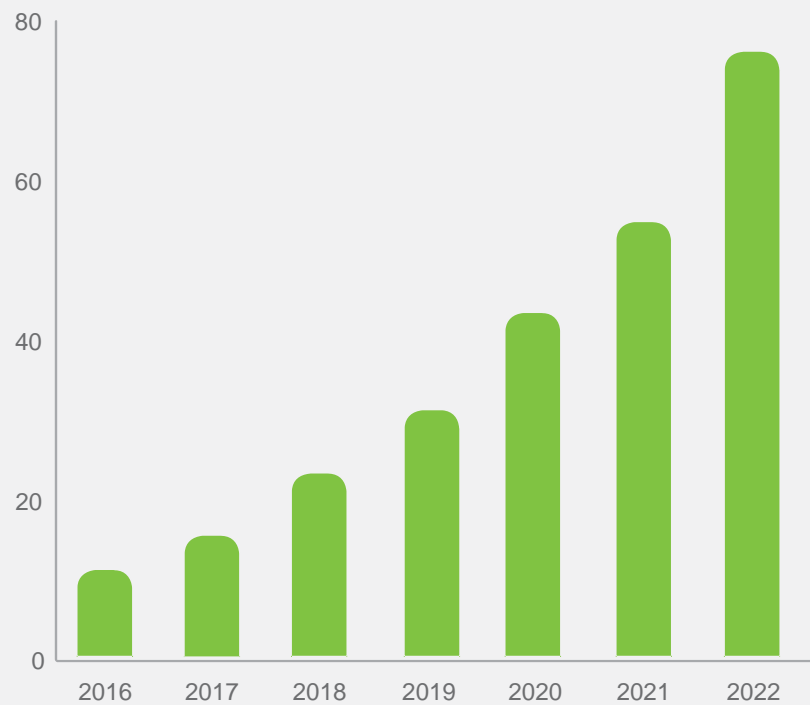




IOT IS AN IMPORTANT AREA  
IN DIGITAL TRANSFORMATION

# INTERNET OF THINGS

Cellular IoT connections in Sub-Saharan Africa (million)



38%

Between 2016 and 2022 cellular IoT connections are expected to grow at a CAGR of around 38 percent

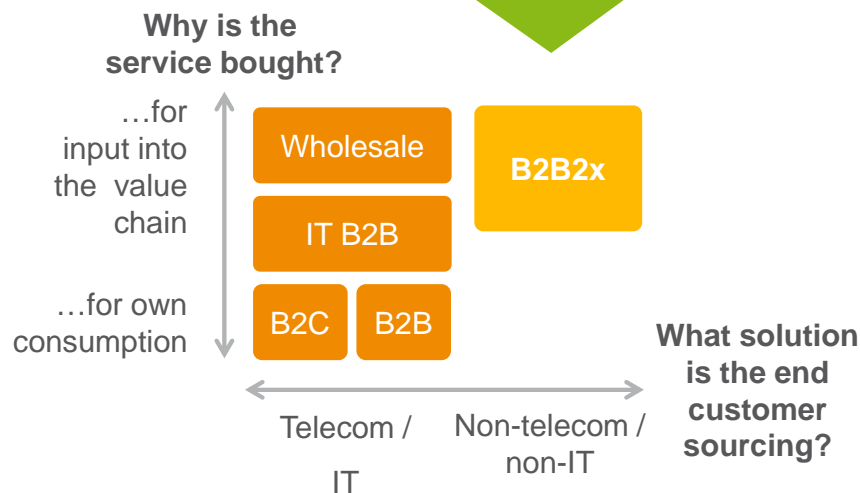




# DIGITIZATION GENERATES OPPORTUNITIES



B2B2x solutions can be defined by the **usage pattern of the organizational customer\*** and the **sourcing pattern of the end customer**



- › The end-customer (“x”) is sourcing a **non-ICT solution**, in which the Telco’s solution is embedded/integrated
- › Customer **lacks the necessary expertise** for integration utilization of the provided solution
- › B2B2x opportunity **requires further engagement** than provision of connectivity and uniform enablement platforms
- › **B2B2x** constitutes ICT services, which are sourced as value-adding inputs and integrated into the value proposition of a non-ICT solution

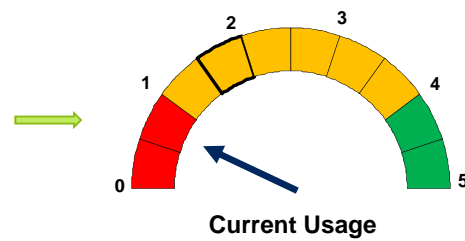
Source: Arthur D. Little research

Note: \*Telco customers in B2B2x may be organizations beyond other businesses, i.e. governments or NGO's, while the end customer (“x”) in B2B2x can be another business, government, NGO or consumer/household.

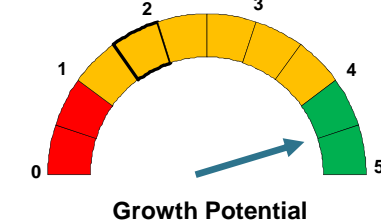
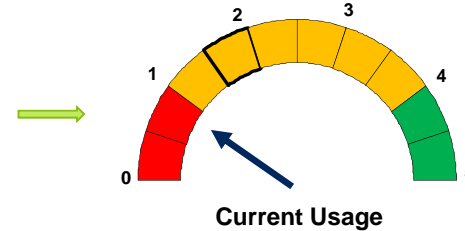
# KEY IOT OPPORTUNITIES IN NIGERIA



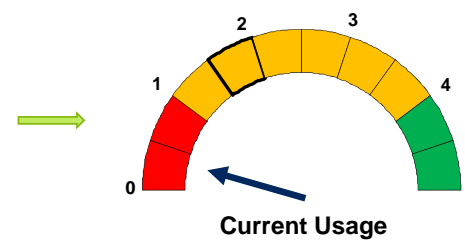
## Agriculture



## Energy

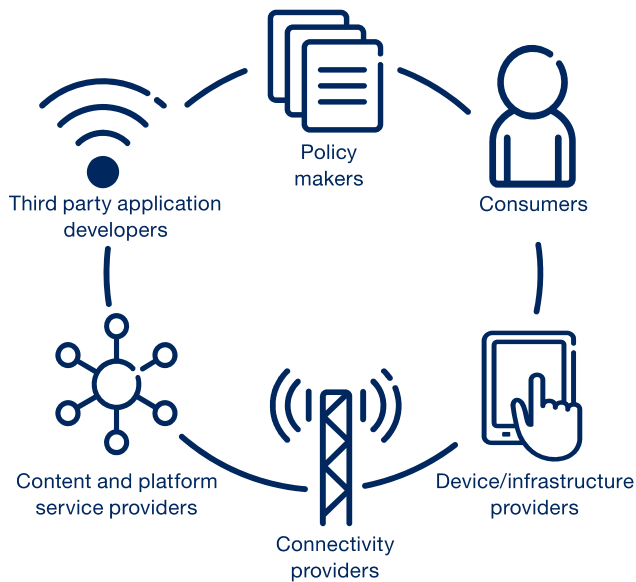


## Smart Building



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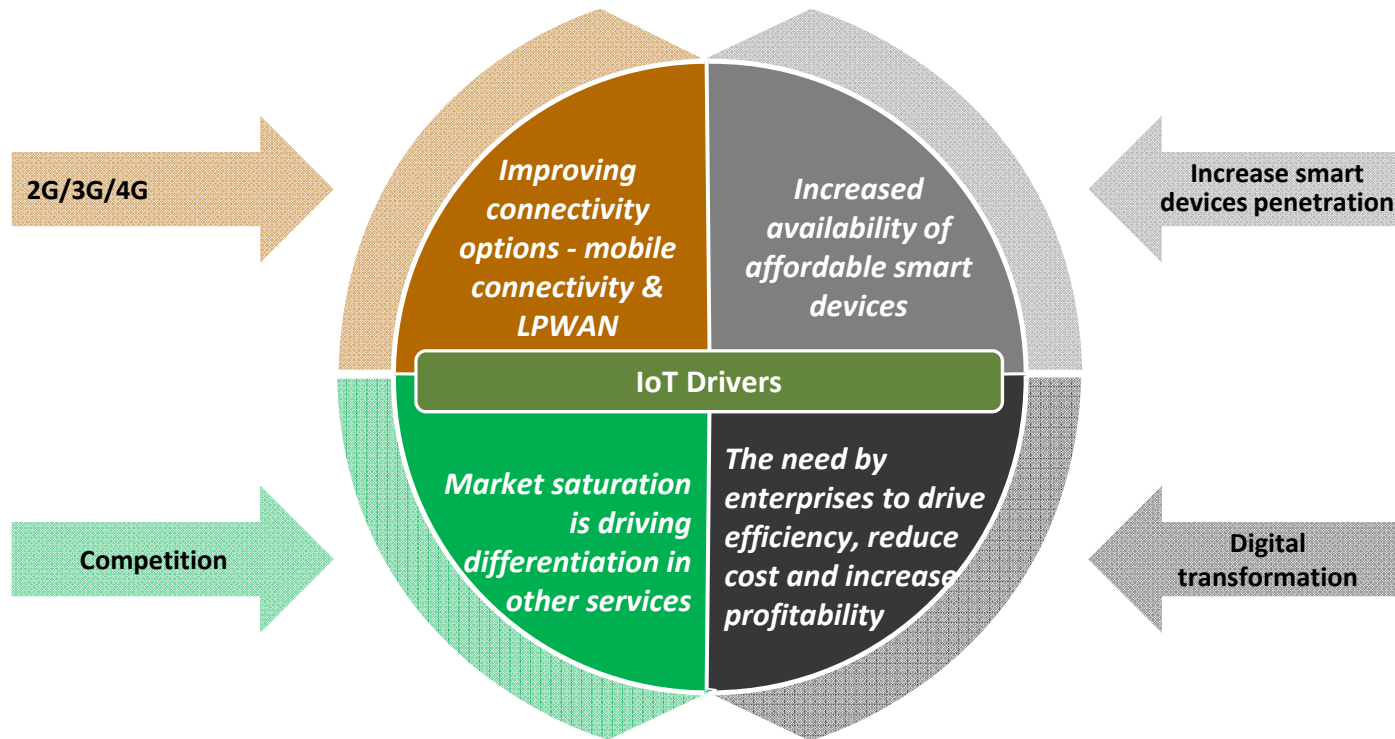
# UNLOCKING POTENTIAL OF IOT IN AFRICA



The true potential of  
IoT will emerge when  
data sharing across  
industries and borders  
starts to take place



# TRENDS DRIVING IOT OPPORTUNITIES

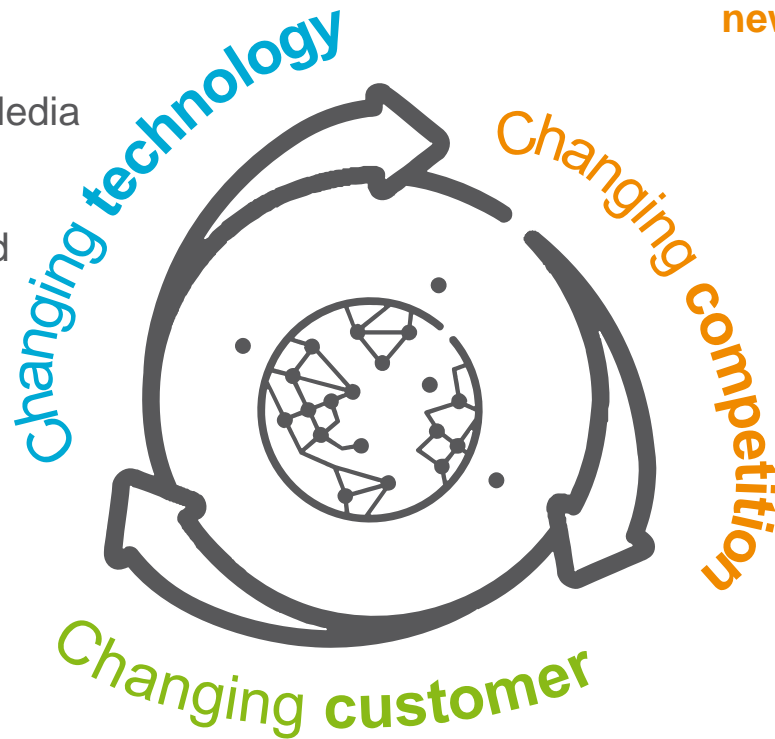




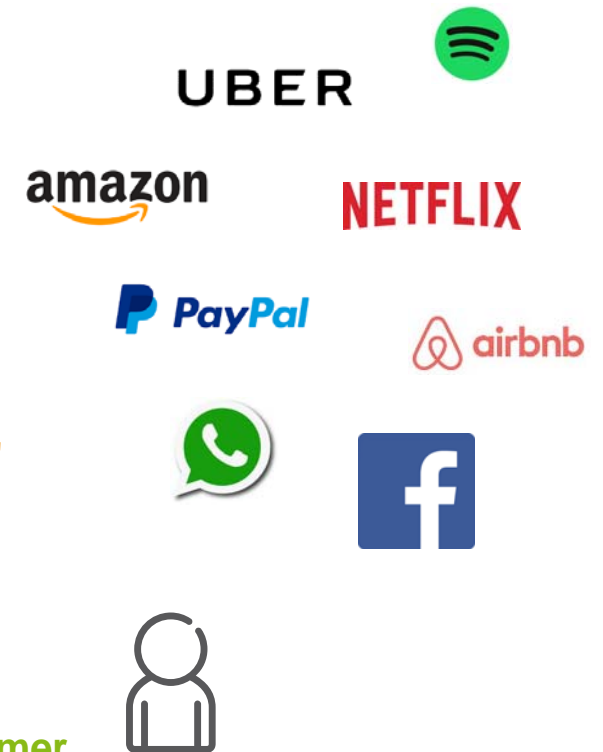
# THREE PRIMARY DRIVERS TO DIGITAL TRANSFORMATION



## The 3<sup>rd</sup> ICT platform



All industries being disrupted by new players



Companies born digitally have changed customer expectations – The GAFA experience\*



WHAT DOES DIGITAL  
TRANSFORMATION  
MEAN TO YOU?

# THREE MAJOR AREAS OF TRANSFORMATION – THE ERICSSON VIEW



## Digital Engagement



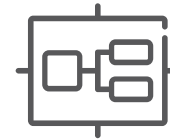
Interact consistently with customers and partners through all channels

## Digital Services



Innovate to launch new offerings and business models with 3<sup>rd</sup> parties

## Digital Operations



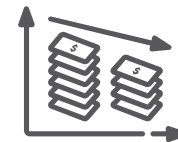
Respond quickly with real time processes and technology



Leverage data to understand and capture the business



Become service provider for the digital society (IoT, Cloud)



Reduce cost through automation and consolidation

DRIVE REVENUE GROWTH

REDUCE OPERATIONAL COST

MEET CUSTOMER DEMAND

# DIGITAL TRANSFORMATION.....NEXT STEPS



Break from tradition	Replace traditional approaches to delivering citizen-centric services with innovative solutions powered by technologies such as cloud computing. This will enable governments to not only streamline their processes and service delivery, but enhance data collection and analytics
Include all stakeholders	Strategies and policies for future skills and jobs will remain key in transforming lives, generating prosperity and promoting social inclusion
Provide affordable internet access	Needs to make data more affordable and available to everyone. More purposeful implementation of the Nigerian National Broadband Plan to increase broadband penetration.
Create a new playing field for business models	As we move into the new revolution, a business-friendly environment and culture of entrepreneurship will be key. It needs to enable the growth of businesses that are creators of technology, not only consumers of it
Collaborate to innovate and Partnerships	As Nigerian continues to aim for economic growth, there is a need to adapt and drive digital transformation across all segments of society in collaboration with key partners will determine its competitiveness.

Source: World economic forum



# IN SUMMARY



Approx. **105%** Total Mobile Penetration by 2022



**13x** data traffic growth between 2016 - 2022



**1.5x** total mobile subscription growth between 2016 – 2022



Mobile subscriptions on smartphones **78%** of total subscriptions by 2022



LTE subscriptions will grow **18 fold** in the 6 years to 2022



IoT connections will rise by **38%** annually between 2016 - 2022

# ERICSSON'S DIGITAL TRANSFORMATION PRINCIPLES



Target a  
unique digital  
position



Design  
magical  
experiences



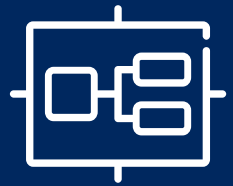
Engage with  
digital services  
ecosystem



Create  
services at  
digital speed



Operate a  
digital  
organization



Evolve  
technology into  
digital



**ERICSSON**