

Quality of service a challenge in Ghana ICT market

According to the International Data Corporation (IDC) Ghana ICT Market Overview for 2017, businesses that can guarantee excellent QoS will emerge as the preferred mobile providers for both consumer and enterprise services.



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While the Ghanaian ICT market is more mature in comparison to other West African countries, quality of service (QoS) remains a challenge, with telcos and internet service providers (ISPs) struggling to offer seamless connectivity of voice and data services.

Oluwole Babatope, senior research analyst for Telecommunications and IoT at IDC West Africa, says they expect more consolidation in the market as struggling telcos and ISPs seek partnerships to drive stronger competition.

“In the short to medium term, mobile money services will be key to growing the customer base. We expect that multimedia and triple-play services will lead customer retention and acquisition strategies, especially as fibre connectivity improves nationwide,” he says. “Managed services are expected to grow, driven by requirements to reduce in-house data centre infrastructure costs.”

Babatope says machine-to-machine adoption is still limited to just a few Ghanaian cities. “Telcos should invest in creating awareness of the technology’s capability to help reduce costs, increase efficiency, and improve productivity. Case studies of successful local implementations should be highlighted.”

He adds that those telcos who offer value propositions that solve business challenges rather than merely implementing the latest technology will see far greater success.

The Ghanaian cloud and managed services market is still in its infancy, offering growth opportunities for providers. “Those providers that can make the necessary investments to educate customers about the benefits of these services, based on strong value propositions, stand to harness the most opportunities in the market,” he says.

SME segment

As is the case in most African countries, the SME segment has long been neglected by telcos and service providers due to their limited budgets, internal IT capabilities and their tendency to seek a quick return on investment.

“Despite these limitations, the SME market holds a big, uncharted opportunity for telcos,” says Babatope. “It is, therefore, imperative for telcos to form partnerships with SMEs across verticals, gain an understanding of their business needs, and offer customised solutions within SME budget ranges. SMEs typically have short sale cycles and require support during and after sales.”

The growth of mobile money transactions in Ghana will continue, but the trend is expected to extend beyond consumer to consumer (C2C) and, going forward, include business-to-business (B2B) and cross-border remittances. “Telcos need to specifically target SMEs and propose B2B payments for services. As mobile money matures, telcos, in partnership with Nigerian banks, will be well positioned to carry out cross-border remittances,” he says.

Ghana’s new government has shown considerable willingness to improve and expand ICT infrastructure in the country. “Ongoing government projects require investments in infrastructure, network and systems integration, data centres, custom software development and support services,” says Babatope.

“Concerns relating to bureaucracy and, more specifically, delayed vendor payments, mean that partnership with the government should be structured for long-term benefits, rather than short-term gains.”

IDC believes the Tigo-Airtel merger signals a trend and will be the first of many consolidations as service providers jockey to survive. “Differentiation will be key to remain competitive and for the enterprise market segment a vertical-driven approach will be the game-changer,” he says. “Telcos, ISPs and IT service providers should develop a clear understanding of client requirements and create tailor-made solutions if they want to remain ahead of their competitors.”

This IDC Market Perspective examines telecoms and IT services in Ghana. It analyses the consumer and enterprise markets and provides insights into trends, the competitive landscape, drivers, inhibitors, and opportunities. It also offers strategic guidance for telcos and other services providers specific to the Ghanaian market.

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