The Next 4 Billion Web Users

As low cost smartphones are launched and the cost of data traffic is decreasing 4 billion people are becoming potential customers for app and web developers.

Surely it is impossible to develop web-based business models targeting the BOP? Not for long. In October Google and Huawei launched the first $100 smartphone with a touch screen. The phone is developed specifically for the African market and utilizes Google’s open source mobile operating system Android, making full internet browsing simple.

Google and Huawei launch of a low-cost smartphone indicates the start of a drive towards low cost smartphones targeting low income consumers in frontier markets.

First cell phones, now smartphones?
During the last decade mobile penetration has reached 53% in Africa, which means there are more than 500 million users. The rapid spread of cell phones has in many ways changed the life for poor people in frontier markets. With the even more far reaching opportunities enabled by smartphones, low cost smartphones have the potential to duplicate the success of the cell phone within this decade.

A laptop at a fraction of the price
Increasing access to sophisticated smartphones implies that low income consumer will be able to perform basic IT tasks at a fraction of the price of a laptop. Besides basic IT tasks, the device can run applications that are customized to the need of low-income consumers. Even though the new smartphones are sold at a fraction of a laptop, the price remains well above the current average price of $10-$15 per handset price in Africa. However, analysts expect low cost smartphones to reach a price of $50 soon.

Rapidly developing market
An example of the novel approaches seen is iCow, a voice-based mobile application that helps farmers track the estrus stages of their cows. The application enables farmers to better manage breeding periods as well as monitor cow nutrition leading up to the calving day. In order words, enabling access to smartphones and apps truly has the potential to create value for people living at the BOP. For further inspiration visit afriapps.com that showcase apps from and for Africa

Your opportunities
As both prices and data cost is set to decrease at a dramatic pace, the BOP segment has the potential to become a market for Danish ICT companies. Overall simple IT tools, apps, websites, and other business models utilizing access to the internet are interesting areas to look at. The problem is not the array of opportunities, it will be to narrow the scope and identify which problem your app should address and how to develop a profitable business model.