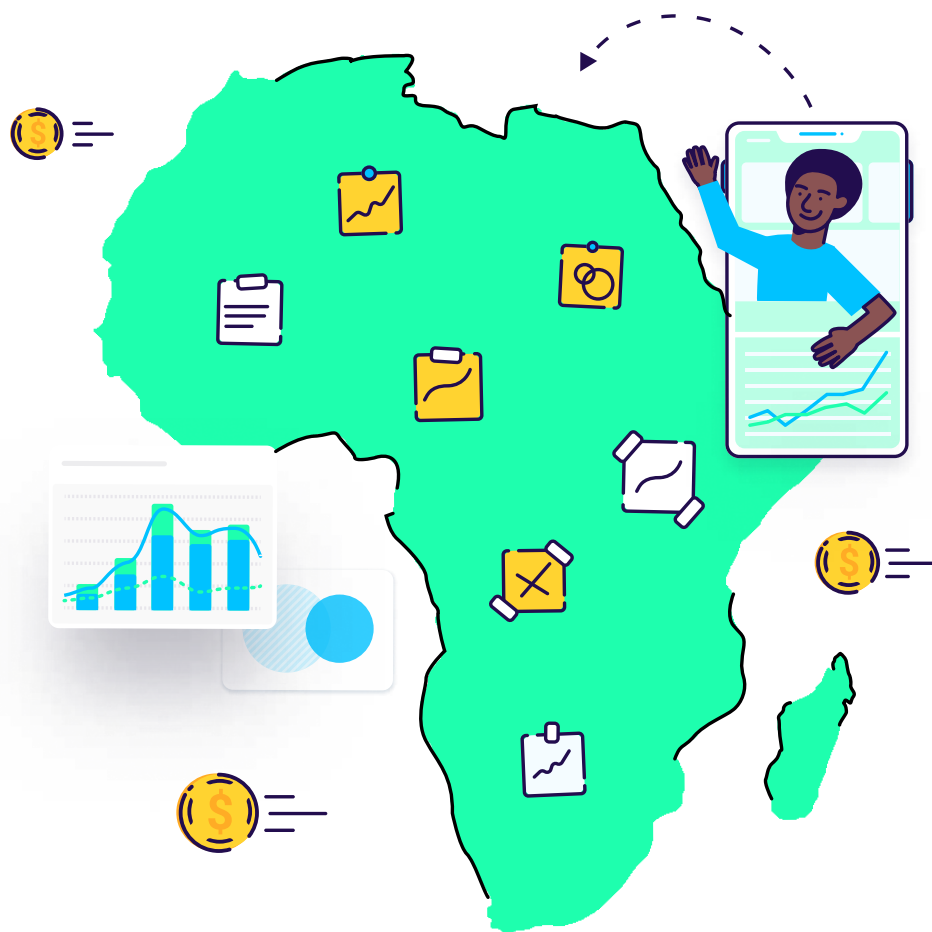# The African mobile apps landscape

(and how to succeed in it)

Executive summary

With 2020 now in the rearview mirror, and the latter half of this year kicking off, we're now able to look back on an unprecedented 12 months across Africa and how it impacted the state of mobile across the continent.

Africa is one of the fastest growing regions in the global app market, with a young, mobile-first population driving a booming app culture. The unique conditions resulting from the COVID-19 pandemic have led to further acceleration of this trend. With lockdown restrictions put in place to combat the spread of COVID, people spent much more time at home and mobile users' screen time rocketed as a result.

This impacted mobile marketing in a number of positive ways. Overall installs grew significantly in 2020, with in-app advertising (IAA) revenue receiving a boost alongside it. Crucially for marketers and developers looking to grow their apps, and even those looking to break into this space, these trends have continued into 2021.

The latter half of 2020 saw much discussion across the mobile industry as to whether the pandemic was ushering in a "new normal", or whether we were looking at a more ephemeral state.

The early signs for 2021 are encouraging for app owners and marketers alike, although it should be noted that the varying responses to the pandemic from different countries led to different effects on the state of mobile in that country. For example, South Africa applied the strictest restrictions out of the countries studied, and saw the highest increase in installs.

Key findings

- Between Q1 2020 and Q1 2021, overall installs increased by 41%
- Non-organic installs increased on Android by 54%, compared to just 19% for iOS
- The first set of restrictions in March 2020 had a huge impact on downloads of gaming apps, which increased by 50% in Q2 2020 compared to Q1, compared to non-gaming apps which only increased by 8%
- 33% of the in-app revenue was generated in Q3 2020
- Between Q2 2020 and Q1 2021 in-app advertising revenue increased by 167%

Introduction

It goes without saying that the pandemic has had a knock-on effect on global economies and a huge number of companies. As the world began to come to terms with the pandemic, industries strived to adapt to the new global conditions – and mobile is one industry that has undoubtedly thrived during this time of reduced human contact. Mobile marketers in Africa were quick to recognise this, and moved to capitalise.

In this report, we examine the state of mobile in Africa throughout 2020, covering the shifts caused by the pandemic right through to Q1 2021. We consider some of the future opportunities for developers and marketers in Africa, as well as guidance on how companies and brands can better understand the app market and make informed marketing decisions.

We look forward to continuing to support mobile marketers in Africa with technology, data and insights so they can succeed in this exciting market.

Daniel Junowicz, RVP EMEA & Strategic Projects, AppsFlyer
Rama Afullo, Apps Lead, Africa, Google

Methodology

AppsFlyer conducted an analysis of 6,000 apps and 2 billion installs across South Africa, Nigeria, and Kenya.

- For analysis related to app installs, the timeframe examined was January 2020 to the end of March 2021.
- For other KPIs, such as in-app revenue and in-app advertising revenue, the timeframe spanned 12 months between April 2020 to the end of March 2021.

Vertical analysis was split between gaming and non-gaming apps.

Data-led insights

# Q1'20 - Q1'21: Overall app installs grow across all verticals

The African mobile app market showed strong growth throughout 2020 and into 2021, with overall app installs increasing by 41%. Broken down by country, Nigeria showed the highest growth, with a 43% uplift, compared to 37% and 29% for South Africa and Kenya, respectively.

Overall app install trend
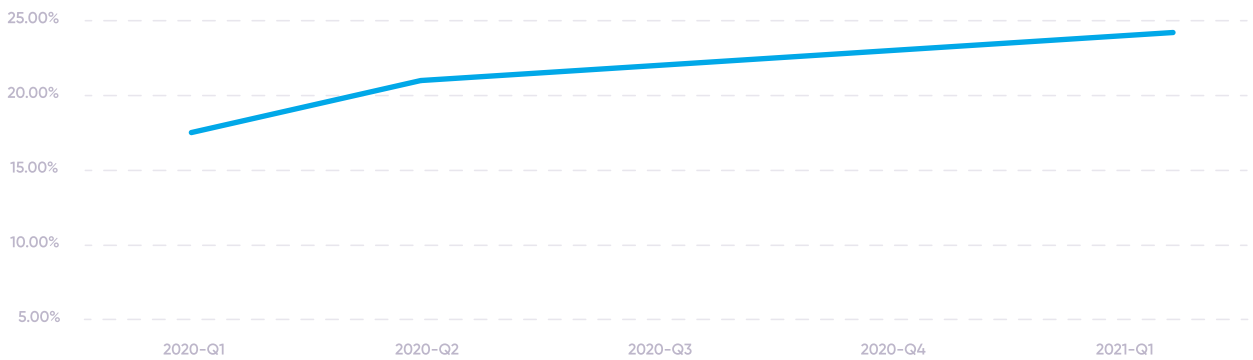
When we look at how different verticals fared over the same period, there were similar levels of growth, with gaming installs increasing by 44% and non-gaming increasing by 40%. However, while the rise of non-gaming apps was more gradual over the year, the first lockdown had a significant impact on gaming apps.

Overall installs by vertical: gaming and non-gaming　　　━ Gaming　　━ Non-Gaming
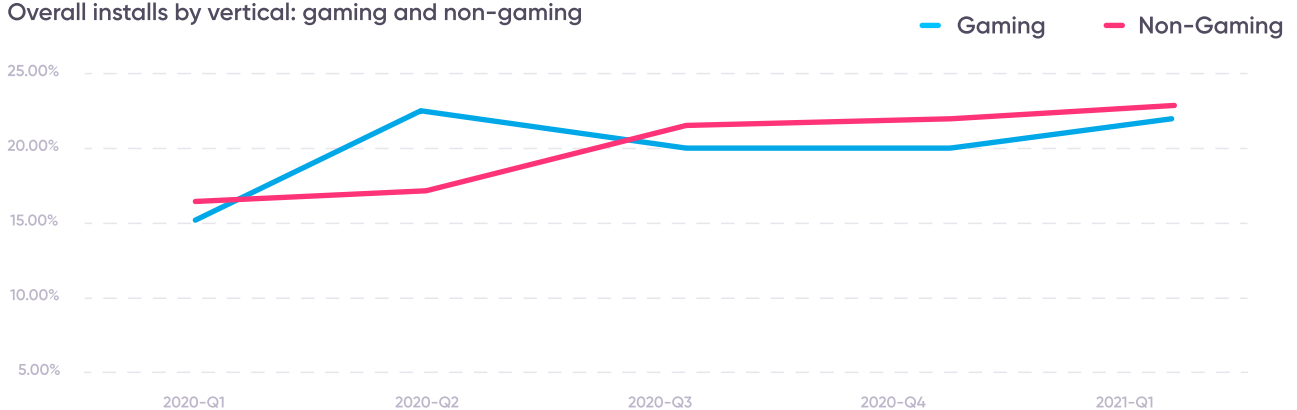
Q2-Q3 2020: Great opportunity on Android, with iOS showing strong growth

Android's [larger market share](#) within Sub-Saharan Africa has seen advertisers spend more budget on the platform. Non-organic installs increased on the platform by 54%, compared to 19% for iOS.

Non-organic install trend: Android and iOS
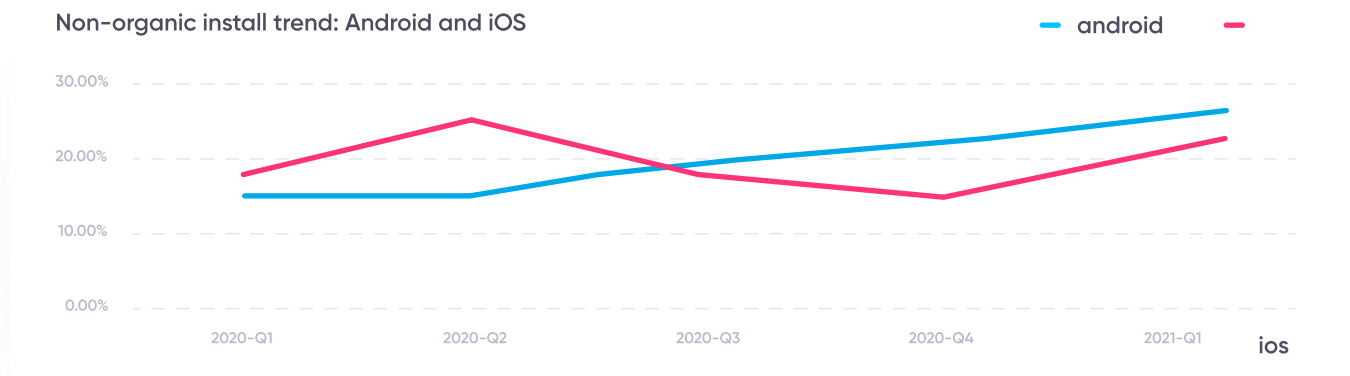
The Cost Per Install (CPI) on iOS also increased by a significant 21% between Q2 and Q3 2020, which meant iOS app developers were getting fewer installs for the same budget. The numbers indicate that towards the end of the year and into 2021, there was no change in non-organic installs on iOS compared to 40% on Android.

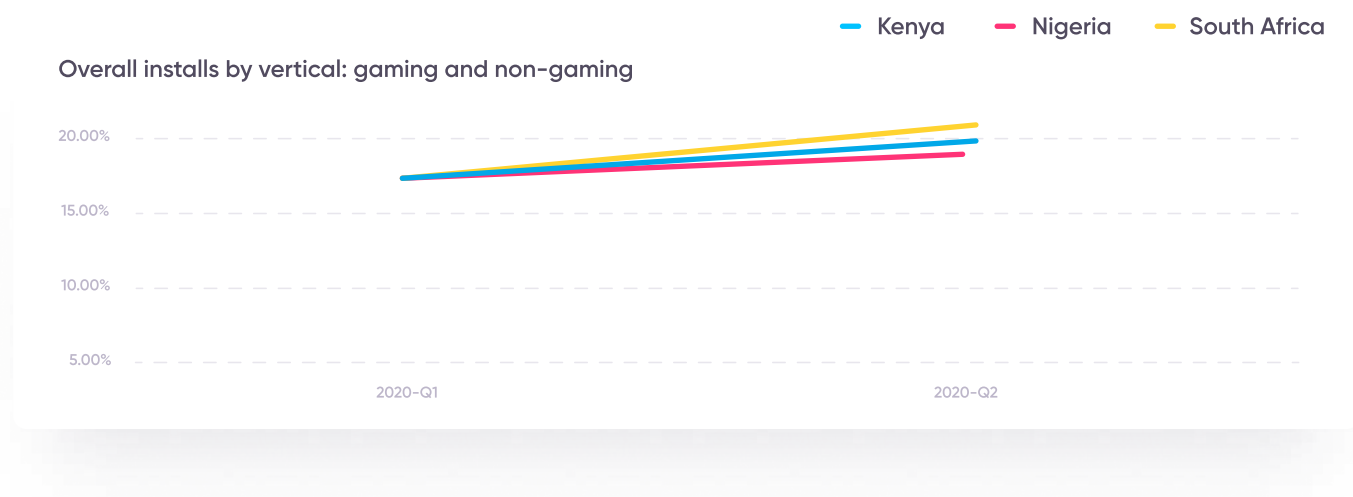**AppsFlyer top tip**: Have a good native app for both Android and iOS and run paid marketing on both platforms to increase user acquisition. Measuring and analysing the performance of campaigns will ensure any investment is informed and worthwhile.
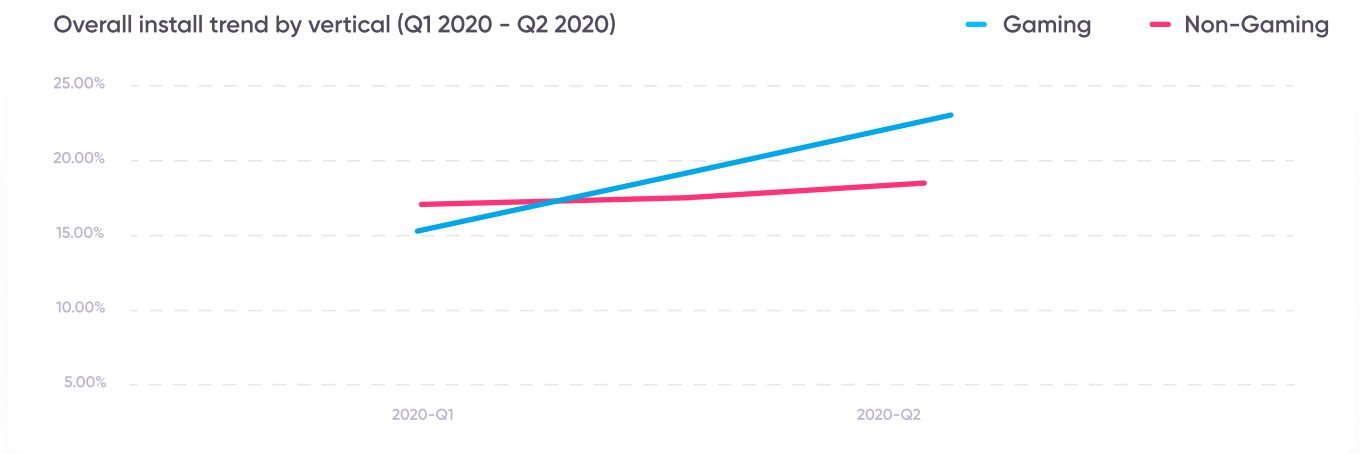
Q1 v. Q2 2020: The impact of COVID

It's impossible to look at the state of mobile in Africa over the last year without examining the impact of the COVID-19 pandemic. In order to understand the effect of these first lockdown measures on mobile, we compared activity in Q1 2020, before the restrictions, with Q2 2020.

With people spending more time at home, it's not surprising to see overall app installs increase by 20%. On a country level, South Africans were quick to take to their mobile devices as the first lockdown hit, with installs increasing by 17%. The situation was more muted in Nigeria and Kenya, with increases of 2% and 9% respectively. These differences are likely due to the varying levels of restrictions exercised by the three countries, with South Africa facing the strictest.

Overall installs by vertical: gaming and non-gaming

Legend: Kenya — Nigeria — South Africa

Y-axis: 20.00%, 15.00%, 10.00%, 5.00%
X-axis: 2020-Q1, 2020-Q2

Gaming apps in particular showed strong performance during these early months of the pandemic, with installs increasing by 50% across all three countries. In addition, non-organic gaming installs increased by 56% during this time, likely because gaming marketers were increasing paid acquisition activity in response to consumers spending more time at home playing games on their phones. In comparison, non-gaming apps only increased by 8% in the same time period, and non-organic installs fell by 17% suggesting that marketers across these other verticals were restricting their advertising spend amid the uncertainty.

Overall install trend by vertical (Q1 2020 - Q2 2020)

Gaming — Non-Gaming —

25.00%	
20.00%	
15.00%	
10.00%	
5.00%	

2020-Q1   2020-Q2

A survey conducted by Google and Savanta into consumers' mobile gaming habits as a result of COVID-19 showed increases in mobile game playing time, session time, and in-game purchases. As gamers are rewarded for watching advertising, through extra moves, power ups or other rewards, they are generally receptive to in-game advertising, which presents an opportunity for marketers.

AppsFlyer top tip: Add paid media into your marketing strategy. Many brands, especially those on a budget, rely on owned channels or other creative strategies such as influencer marketing and giveaways to drive user acquisition. But it's clear that paid campaigns can have a significant impact on overall installs, as seen with gaming apps at the beginning of the pandemic, presenting a compelling case for other verticals to follow suit.

Q3'20: 33% of 2020's in-app purchasing revenue was generated in Q3 2020

Moving on from Q1 and Q2 2020 and into Q3, in-app purchasing (IAP) revenue numbers soared between July and September, with a 136% increase compared to the previous three months, with the average share of paying users increasing by 20%.

**Overall install trend by vertical (Q1 2020 - Q2 2020)**
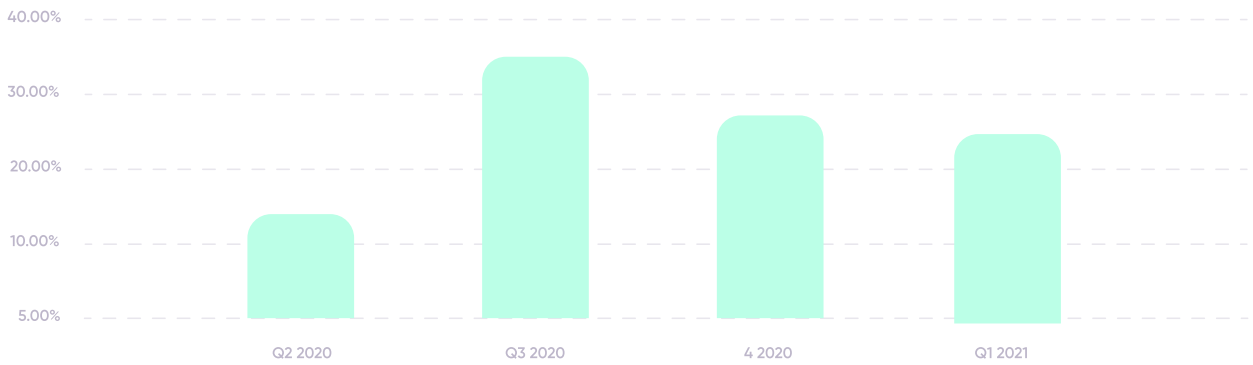
This accounts for a third of the year's total revenue, highlighting just how much African consumers were spending within mobile apps, from retail purchases to gaming upgrades. It appears that the spike in installs throughout Q2 – driven by the COVID-19 pandemic – led to an increase in paying users in Q3.

South Africa led the way with a massive 213% uplift in IAP revenue, with Nigeria and Kenya also showing significant increases of 141% and 74% in the same time frame, respectively

Most of this uplift in IAP revenue came from non-gaming apps, which climbed 172% in Q3, and commanded a 35% share of all non-gaming IAP revenue throughout the year.

In-app purchasing revenue by vertical: Q2 2020 - Q1 2021　　　━ Gaming　　━ Non-Gaming
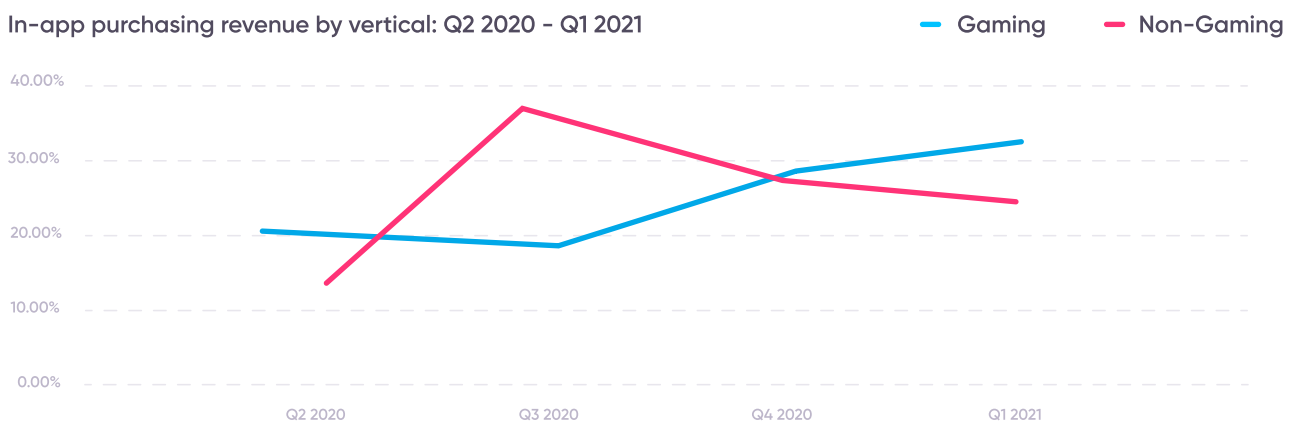

AppsFlyer top tip: Consider a remarketing strategy to increase in-app purchasing revenue. In addition to user acquisition, app marketers should also focus on re-engaging existing customers that are either dormant, or have a high likelihood of completing purchases — in e-commerce for example.

Q1'20 v. Q1'21: In-app advertising (IAA) revenue has shown a significant increase year-on-year

Finally, as we've seen, 2020's unique conditions saw Africans spend more time on their smartphones than ever before, with app downloads increasing as a result. It's no coincidence that in-app advertising revenue rose too, with Q1 2021 seeing a 167% rise in IAA revenue in comparison to Q2 2020.

IAA revenue: Q2 2020 - Q1 2021
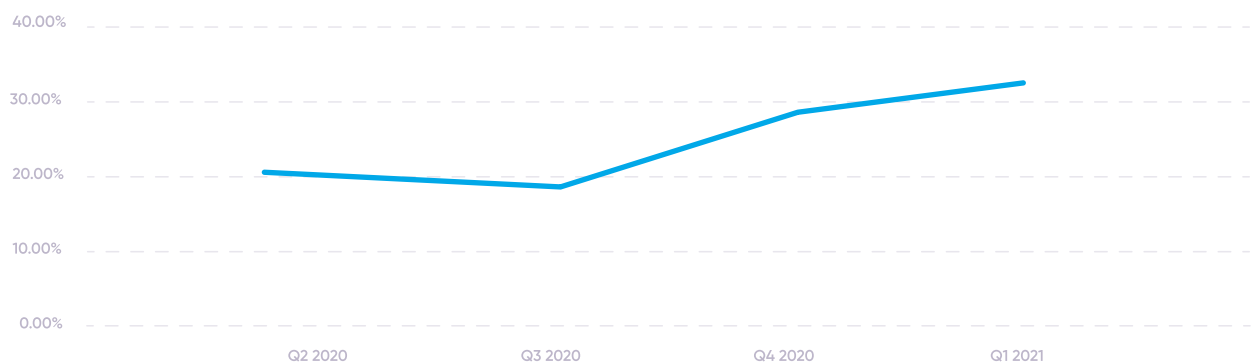
AppsFlyer top tip: Measure. In-app advertising is an important and growing revenue stream for mobile app businesses, so being able to attribute this revenue to specific user acquisition marketing campaigns is critical. Marketiers want to target users from channels, networks, or campaigns that have shown they deliver users who monetise well with ads. Without this ability, marketers are optimising their campaigns with limited insights into one of their primary revenue streams.

Other trends in Africa: a summary
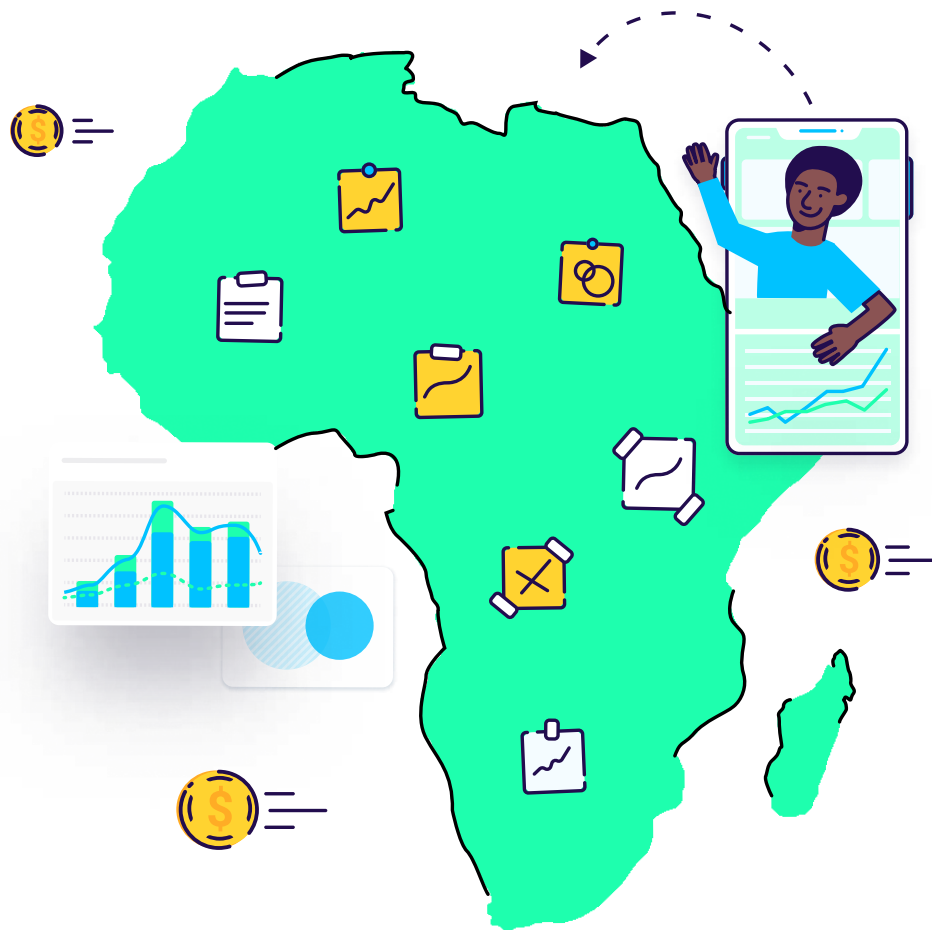
Africa has one of the fastest digital adoption rates in the world, making the African app market primed for success now and into the future. Here are some of the other trends that are impacting the state of mobile in the continent.

Nimble start-up apps finding their feet in the African market

Start-up culture is prominent across a diverse range of industries in Africa, and the app market is no exception. Nigeria leads the way in terms of volume of start-ups, while South African companies, home to an established venture capital network, raked in the highest amount of funding in 2020.

Not only is entrepreneurship thriving across the continent, but these start-up apps — unburdened by legacy infrastructure of technology — were able to navigate and respond to the challenges presented by the pandemic.

For example, as new consumer needs emerged, particularly around remote access to services, nimble apps were able to respond and adapt quickly to meet customer expectations during challenging times. This included launching new products, re-thinking business models and revenue streams, or partnering with other organisations.

Fintech apps fill a huge need in society

Africa combines a mobile-first population with large sections of society who are inadequately served by traditional financial institutions; those unable to open bank accounts, or face other barriers that prevent them accessing financial services.

This has opened the door for agile fintech and finance apps to provide services that have been readily adopted by the African market, with investment growing significantly in the sector in 2020.

The COVID pandemic has led to even further growth as the need to reduce social contact has led to even more users adopting digital solutions for their financial needs. South Africa and Nigeria saw year-on-year growth in finance app installs by 116% and 60% respectively.

The rise of super apps

Super apps are on the rise in Africa; "all-in-one" apps that offer users a range of functions such as banking, messaging, shopping, and ride-hailing. It's a model that emerged in Asia in the shape of apps like WeChat and Alipay, and has now taken root in Africa.

To an extent, the rise of super apps in Africa owes much to the same conditions that have led to a surge in fintech apps: systemic underbanking across the continent. Super apps remove some of the barriers that these users face, as well as providing a level of customer insight and experience that traditional banks cannot.

Device limitations are also a factor in Africa. For users whose smartphones can only store a limited number of apps, they will be naturally drawn to apps who can fulfil a wide variety of lifestyle functions.

Data and connectivity challenges

Although the African app market has grown significantly, the continent's population still faces challenges over connectivity. At the end of 2019, before the start of the COVID-19 pandemic, mobile internet adoption in Sub-Saharan Africa stood at 26% – significantly below the global average of 49%.

This naturally presents challenges to user acquisition and retention, with data showing that only 12% of consumers open an installed app after 3 days. Again, this is a contributing factor to the rise of super apps. The apps that provide the most value to users (through a multiservice offering) are more likely to be retained on their devices.

Retention trend by country
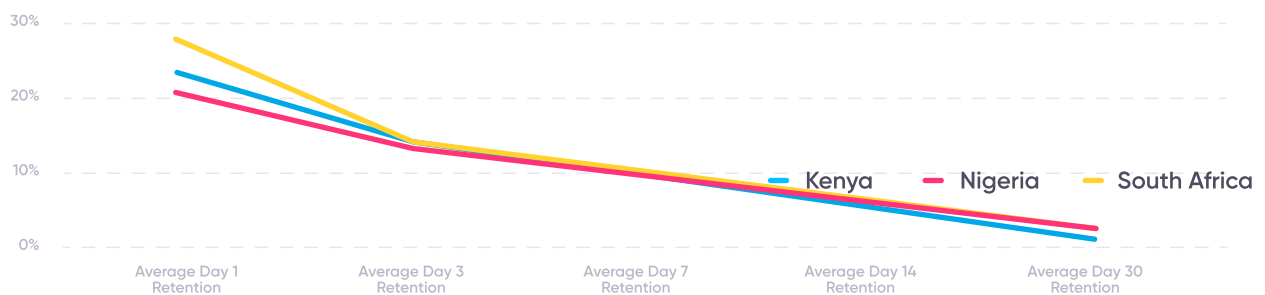
Key digital transformation tips from Google on marketing in Africa

As we move into a post-COVID world, the effects of [app digital marketing transformation](#) (app DMT) should be embraced as digital penetration increases in Africa. To really make the most of these opportunities, we recommend that both gaming and non-gaming (hybrid) customers follow these recommendations to move from nascent (where most African app marketers currently are) to multi-moment (the final stage of app DMT) in your app maturity journey:

1. **Nascent: Ready your app for app marketing, and implement durable measurement foundations**
   - Create an engaging and user friendly app experience
   - Ensure your app is discoverable and ready for download
   - Implement app measurement foundations to enable your team to measure how users engage with your app

2. **Emerging: Grow your user base and drive installs**
   - Understand the role and potential impact of app marketing
   - [Promote your app at scale](#)
   - Measure the impact of app marketing on incremental installs

3. **Connected: Understand customer journeys and generate high value in-app actions**
   - Measure user actions across devices to understand the impact on most valuable user cohorts
   - Drive high quality in-app actions to optimise to higher value ROI
   - [Re-engage with your customers](#)

4. **Multi-Moment: Drive customer value and continue improving user experience**
   - Increase engagement through personalisation
   - Bid to more valuable app users
   - Measure and optimise user experience across all touchpoints

The desired outcome will be an app that is user friendly, available for download, and ready for promotion with marketing activity. You should enable your team to measure how users engage with the app, how they install the app, and you may then optimise towards the best ROI for customer acquisition.

Product and marketing teams should work in unison to optimise for higher value metrics, using custom lifetime value (LTV) models, while web and app data should be fully integrated to understand cross-platform customer journey.

Final thoughts on the state of mobile in Africa

AppsFlyer | Google

Daniel Junowicz, RVP EMEA & Strategic Projects, AppsFlyer:

"Like the global app market as a whole, mobile in Africa saw significant growth in 2020 that carried forward into 2021. Installs – especially non-organic installs, driven by marketing activities – grew by a large margin, with the COVID-19 pandemic accelerating the trend even further. As Africans spent more time with their smartphones, they were increasingly likely to spend money in apps, indicating just how important mobile can be for driving revenue.

These trends are only going to continue, and being able to make data-driven decisions about what campaigns are working and where to invest money will be key for any marketer looking to succeed in this thriving landscape."

Rama Afullo, Apps Lead for Africa, Google:

"While mobile in Africa grows, it remains a continent of opportunity for marketers and developers. Agile startups, such as those in the fintech sector, have been able to thrive amid unprecedented conditions, and even compete with all-in-one super apps that are traditionally dominant on African mobile devices. These opportunities will only expand further as mobile connectivity improves in the coming years.

For marketers, there's no one-size-fits-all strategy when it comes to marketing an app in Africa. It's often about trial and error to find out what works best for your app and industry. However, by following some of these best practices, keeping on top of industry developments, looking at what other successful apps have done, and keeping customers at the heart of everything, African mobile marketers will be positioned for success."

AppsFlyer | Google