

What the Nigeria PR report tells us about doing business in Nigeria

By [Gbenga Joseph Sogbaike](#)

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A couple of weeks ago, the Nigeria PR Report 2016 was released. While a lot has been said about the content of the report, one cannot argue with its findings especially as it concerns running a business in Nigeria.



Gbenga Joseph Sogbaike

The report does a tidy job of laying out the trends, challenges and prospects of the Nigerian market by using its nascent PR industry as a case in point. In the remainder of this article, I shall be talking more specifically about how entrepreneurs, new and established brands, as well as potential investors can make well-informed business decisions based on the data and insights in the report.

Go digital or go home

Perhaps the most instructive insight gleaned from the report is that more and more businesses are going digital. According to the report, this “is driven in part by the growing number of connected consumers, the expansion of mobile telephony and higher rate of mobile broadband adoption”.

Still in doubt? Here are a few stats to buttress that:

- 91.8 million Nigerians (47.9% of the total population) are online as at December 2016 (*Nigerian Communications Commission*).
- Nigeria is No. 7 on the list of countries with most internet users ahead of Britain and Germany. (*Internet Live Stats*).
- Between 2011 and 2016, smartphone users in Nigeria increased from 4 million to 15.5 million (*Internet Live Stats*).
- Mobile accounts for 76% of internet traffic in Nigeria (*Twinpine Mobile Trends Report 2016*).

So what does this mean for businesses in Nigeria? Two things:

1. Many of your existing and potential customers are moving online. Hence it is important for you as a business to go where your audience is and engage with them with the right messaging. You cannot afford to continue to do business the old way. Go ahead and offer your services, products and even customer support online. With the ability to directly engage with your customers, you can collect real time data and gain valuable insights that will help you serve them better.

2. If you're a marketing agency, this is the time to include digital marketing and social media management in your offerings. According to the Nigeria PR Report 2016, "...digital/social media marketing is the most offered service. Over 75% of respondents confirm digital marketing as a priority for clients".

The report further ascribed client's preference for digital/social media marketing over traditional media to "...the ease of measuring digital results...calculating reach, impressions and engagement of social media and online platforms is very possible and the numbers are considered more accurate than that of traditional media".

So, if you're going to succeed in the Nigerian business environment in the 21st century, you either go digital or you can as well close shop.

Even in Nigeria, the Customer is ALWAYS right

You've probably heard this a million times. You may even have barked it out a couple of times to your staff or over the phone to a customer care agent. But don't take it for granted because even in Nigeria, as peculiar as we may think we are, that statement is a Biblical truth.

Businesses thrive because of customers. Unless you have a sales funnel that consistently fetches you paying customers, your business may shut down before it even gets started. In Nigeria, customers are the body, life and soul of your business.

Three things stand out in this regard:

1. Clients are very conservative with their budgets

The Report seem to confirm what we already know about client behavior in Nigeria. Someone once remarked that a typical Nigerian client gives you "a bungalow budget to implement a skyscraper project."

According to the report, the biggest threat to PR practice in Nigeria (and by extension, other industries) is "...the clients' unwillingness to commit sufficient funds to projects..."

Takeaway: Prepare to improvise and deliver great work on very small budgets if you want to succeed in business in Nigeria.

2. Retainership arrangements are rare.

According to the report, it would appear that clients in this part of the world are more favorably disposed to project-based contracts and very few are willing to commit to long-term relationships, that is retainership.

The report succinctly puts it thus: "More than half of PR agencies surveyed (54.72%) manage less than 10 active clients, with only 24.53% confirming that they have over 20 active clients. Agency respondents note that project-based jobs surpass retainership arrangements."

Takeaway: Nigerian clients prefer project-based contracts, but don't be too shy to push for retainership. Your success rate here will likely depend on a number of factors including good client relationship, quality work and a unique value

proposition.

3. Go where the money is

Depending on your industry, the big money spenders in Nigeria are in Banking and Telecommunication. For the PR industry, the report indicated that "...Banking and Finance proved to be the predominant income source for the PR industry in 2016, closely followed by Marketing & Communications sectors. However, FMCGs, telecommunication companies and government (public sector) are ranked high in terms of remuneration."

Takeaway: find the biggest spending clients in the industry you serve and offer them the kind of value they will not easily find elsewhere. While it is tempting to go after everyone, you will do better if you concentrate a lot more on your ideal clients, who in this case, are those willing to offer the biggest buck for a bang (sorry I tweaked that)!

Running a business in Nigeria is not a walk in the park, but with valuable information and the application of same, your entrepreneurial journey will not be a travel through the wilderness either.

Businesses in Nigeria face untypical challenges like epileptic power supply, and are also not immune to regular problems of finding quality people to help grow their companies.

The Nigeria PR Report 2016 revealed that recruitment is a major challenge for companies with more than 26% of respondents admitting that "...recruitment of quality PR staff is the greatest factor decimating any gains made by Nigeria's PR industry."

So there you have it. If you provide marketing and advertising services or run a business in Nigeria, these four key insights will certainly help you a better-informed decision in your business.

ABOUT THE AUTHOR

Gbenga Joseph Sogbaike is based in Nigeria and is the founder of Time&Ink Creative Digital Agency. He helps budding entrepreneurs and growth companies significantly improve their business outcomes through effective content marketing.

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