

Africa Location-Based Service - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Africa location-based services market size is expected to grow from USD 0.26 billion in 2024 to USD 0.45 billion by 2029, at a CAGR of 11.68% during the forecast period (2024-2029).

Key Highlights

- The Africa location-based services market is largely driven by the increasing focus on mapping and navigation location-based advertising coupled with the high proliferation of smartphones and emerging use cases of Location-based services (LBS) due to the high penetration the high penetration of social media and location-based app adoption.
- LBS have significantly emerged over the past few years across the region. It is growingly being used to locate individuals in an area, locate the nearest restaurant, or advertise deals to nearby shoppers. Further, the growth in smartphone, social media, and Internet penetration in countries like South Africa and Nigeria has propelled the adoption of location-based services.
- The growing digital transformation of end-user industries across the region, coupled with the advancements in location services hardware and software, is propelling the growth of the Africa location-based services market. Further, the market is witnessing significant demand for outdoor location-based services in the transportation and logistics sector, with the retail industry actively using indoor location-based services for location-based advertising. Such factors positively influence the demand for location-based services in the region.
- Moreover, the accessibility of global positioning system (GPS) technology coupled with the growing need for business analytics using geo-data in various end-user industries ranging from retail to banking, financial services, and insurance (BFSI) is analyzed to drive the market growth, as location-based services can provide and evaluate real-time location-data, thus raising the need for an analytical solution. Such developments are analyzed to offer significant growth opportunities for location-based services market vendors to expand their location-based hardware, software, and service offerings in the African region.
- Further, the rise of online retail in South Africa has fuelled the demand for accurate, timely deliveries, and with heightened

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customer expectations, making successful first-time deliveries has become pivotal in shaping consumers' perceptions of businesses. This has increased the demand for location-based services in the logistics and retail business to provide accurate and timely deliveries.

-The post-COVID-19 market scenario of the Africa location-based services market is expected to witness growth return and is anticipated to endure throughout the forecast period. The enhanced digital transformation in the region continues to enhance and drive the adoption of overall location-based services across various industries, thereby supporting the post-COVID recovery of the market.

Africa Location-Based Service Market Trends

Location-based Advertising is Analyzed to Grow at a Significant Rate

- Location data is becoming an increasingly vital asset across various industries, where consumers are reached out based on location data to create personalized advertising. For instance, geofencing is emerging as a popular marketing strategy in the retail industry to drive customer loyalty through mobile apps. Businesses can present promotions and advertisements based on where their consumers are geographically located.
- Further, with the rapid digitalization across various industries and increasing smartphone penetration in African countries such as Nigeria and South Africa, businesses recognize the value of location-based services to advance their advertising strategy and reach out to customers more effectively. Further, with location-based services, consumers can receive real-time push notifications, alerts, and emails at the right time, thus driving the adoption among end-user industries.
- For instance, according to the data from GSMA Intelligence, there were 112.7 million cellular mobile connections in South Africa at the start of 2023. GSMA Intelligence's numbers show that mobile connections in South Africa were equivalent to 187.4% of the total population in January 2023. The number of mobile connections in South Africa increased by 4.0 million (+3.7%) between 2022 and 2023. Such factors further propel the growth of location-based advertising in the region.
- Furthermore, location-based advertising is becoming increasingly influential throughout a consumer's journey, from purchase to engagement and retention, thus acting as a driving factor for adopting location-based advertising in various retail and automobile industries. The retail segment is analyzed to hold a significant share in location-based advertising, with retailers across the African region using location-based advertising to better leverage their wireless networks to engage with always-connected customers and improve customer experience to strengthen the retail brand and improve ROI.

South Africa is Anticipated to Hold Significant Market Share

- South Africa's location-based services market has been analyzed to gain significant traction in the past few years owing to the growing demand for location-based services among various end-user industries coupled with a significant presence of major market vendors in the country. In addition, location-based services are gaining traction for navigation, personal safety, and entertainment applications across the country.
- The use of social networking sites such as Facebook, Twitter, and Instagram on mobile platforms is increasing rapidly across the country. Simultaneously, the use of location-based service applications on smartphones is also witnessing significant growth. Therefore, most location-based service providers are developing applications integrating location-enabled search with social networking sites.
- Further, the high penetration of social media platforms in the country further offers growth in demand for location-based services for social networking and entertainment segments. For instance, according to the data from NapoleonCat, as of May 2023, Facebook was the most popular social media platform in South Africa, with 30.7 million users. Moreover, Messenger and LinkedIn

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followed with almost 27.4 million and 11.58 million users, respectively.

- Moreover, the transportation and logistics sector is analyzed to boost the adoption of location-based services in the country over the forecast period. Using location-based services that monitor the movement of commuters, vehicles, and service seekers can provide better locations and accurate estimated arrival times in real time. Along with the significant efforts made by South Africa to attain smooth transportation goals coupled with boosting the logistics sector, this is anticipated to develop a substantial market base.

Africa Location-Based Service Industry Overview

The competitive landscape of the African location-based Services Market exhibits moderate consolidation, with a handful of market vendors holding significant market share. Furthermore, market players are increasingly focusing on delivering innovative solutions to a wide range of industries and actively engaging in numerous collaborations and acquisitions to strengthen their market presence.

In September 2022, Inpixon, a prominent Indoor Intelligence company, announced a strategic partnership with Schauenburg Systems, an original equipment manufacturer (OEM) specializing in mine safety systems and equipment. This collaboration is aimed at marketing Inpixon's cutting-edge real-time location technologies to mining companies in South Africa. Under this agreement, the companies will work together to promote the sales of Inpixon's nanoLOC chips and other core technologies, which provide essential features such as collision avoidance, real-time tracking, and proximity applications tailored for the mining industry.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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