

MTN, PriceCheck partners, heads to Nigeria

Naspers recently signed a branded deal with MTN in South Africa and will look at signing with mobile operators in Nigeria, its other big market. Russell Southwood spoke to Andre de Wet, PriceCheck's CEO.



In South Africa PriceCheck has 1.5 million unique users searching for products on its web and mobile sites (around 35% are on mobile). The site has over 30 million products in 6,000 categories from 400 stores.

The MTN deal is designed to drive mobile traffic to the site: "Our mobile app will be redesigned and co-branded as PriceCheck bought to you by MTN with nine radio buttons. One of these goes direct to MTN so that you can buy airtime and products.

"Less than 1% of retail happens online, yet as much as 40% of the buying decision process starts on mobile. We are now in a position to impact that crucial moment of influence. The future of commerce is on mobile and together with MTN, PriceCheck is closing the loop."

As part of the launch in South Africa, the app will be available across all MTN devices, and in app stores for Android, BlackBerry, Windows and iOS devices. The app will also be pre-loaded to the MTN Steppa device. Since the launch of this operator owned Android (Gingerbread) \$50 smartphone, in excess of 60,000 units have been sold in South Africa.

Basis of the deal

De Wet is not forthcoming with exact numbers but gives the basis of it: "It's a revenue split. They get increased data use and we get more mobile customers. It's a win-win for both of us. The split is not even but it's a split on gross revenues. The expenses are on our side as we are putting a substantial amount of marketing behind it."

In Nigeria, PriceCheck has 200,000-300,000 users a year and has only been in operation for a year: "There we have

double the traffic on mobile to what we have online. There's 1 million products and we've targeted 200 stores, of which 100 have gone live."

"There are different things you won't find in South Africa like groceries and fashion. It makes sense ordering things like groceries online because of the traffic." PriceCheck will be looking for both co-branding deals with operators and pre-loading deals with handset vendors in Nigeria.

PriceCheck's business model

"We send the traffic to the websites providing the products and get a small percentage of the order price. If you pay more, you get a better (listing) position. There's an algorithm that creates rankings based on a number of criteria."

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