

2go big in Nigeria

When enterprising Wits University computer science students Alan Wolff and Ashley Peter decided in 2006 to come up with a cellphone-based website to organise their class schedules, they did not imagine it would lead a few years later to them founding a company, called 2go, which now runs the largest instant message service in Nigeria.

It all started on campus, when they were trying to set up a site to inform students which lecture was taking place at what venue and whether there were any late class cancellations.

After some months trying to make the scheduling site work, students' need to interact with each other led the pair in a new direction. As Wolff puts it: "We thought it would be nice to have the students chat to each other."

Soon the chatting part became the only thing they concentrated on as they saw the potential for it to replace the traditional form of mobile texting, the Short Message Service (SMS). Whereas an SMS would cost as much as 80c, their service would set its users back only 1c. Most of the messages are free and the only ones they charge for are those sent in their chat rooms.

2go is similar to rival Mxit, but where Mxit with its 50m users has a largely SA following, 2go's 21m user base is mostly in Nigeria. Peter and Wolff say this arose partly by design and partly through luck. The idea was to roll out the service in a developing country with a large population, high cellphone penetration and high charges for SMS messages.

Nigeria met all the criteria. But when they wanted to set up shop they found to their surprise that their 2go service had already spread to that country. It turned out that some Nigerians living in SA liked it so much, they introduced it to their compatriots back home.

The five-year-old firm has chalked up notable successes. The service transmits 1bn messages a month and has signed up 21m users, of which about 9m are active users in Nigeria and 1,5m in SA. The company is also looking at expanding into Brazil and Ghana.

Peter and Wolff know they have to work hard because several rival platforms, such as Blackberry's BBM and WhatsApp, are also in this space.

They say they are keeping ahead by putting a lot of effort into developing the service for the less sophisticated phones that are widely available in developing countries.

The biggest change was bringing in Marc Herson as a director of 2go. Herson is a former partner at venture capital firm Hasso Plattner Ventures Africa, who has extensive experience mentoring startup businesses.

They also moved the business to Cape Town because they say there is an emerging culture of support for start-up technology businesses.

Source: *Financial Mail* via I-Net Bridge

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