

HOSTAFRICA SMB Insights Lab

Nigeria Country Insights

HOSTAFRICA in collaboration with

EBS Universität für Wirtschaft und Recht

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Nigerian Market Overview / Who are our Customers?



Overview about the survey objectives and geographical response distribution

Key Characteristics

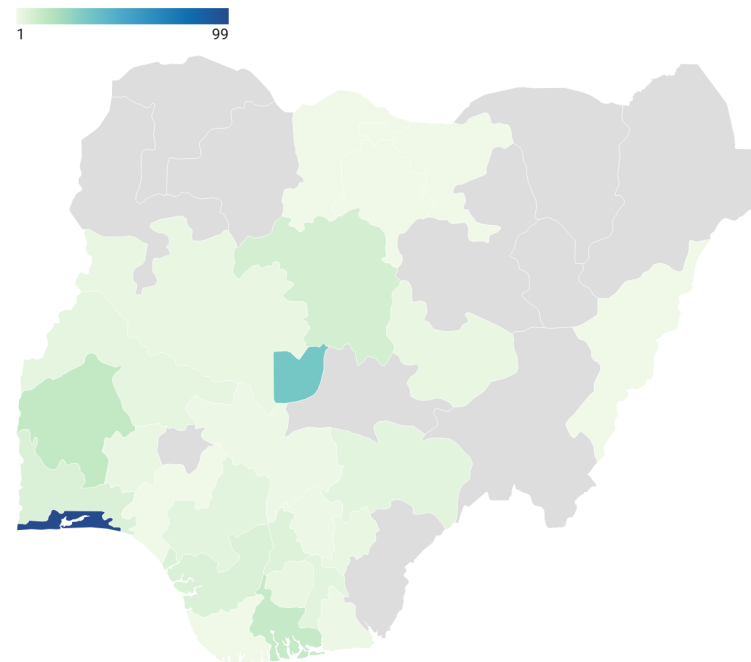
Survey Sample N=247

43%
of customers are
located in Lagos

15%
of customers are located
in Federal Capital Territory

6%
of customers are
located in Oyo

Nigeria SMME Distribution



Study Objective



Aim:

To provide a representative
view about the Nigerian market
and the business needs for
companies within it



Methodology:

We distributed a survey among
central customer basis to
evaluate their business
characteristics

Understanding HOSTAFRICAS customers' core business activities



What best describes what you do?

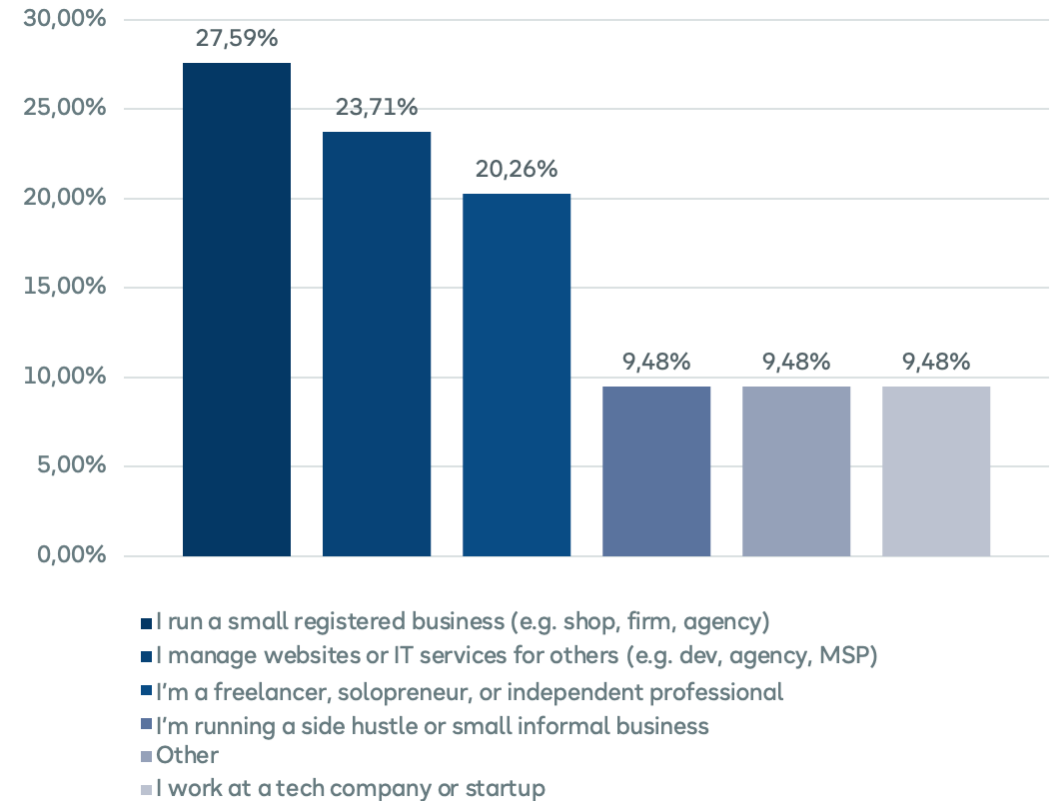
Reported Business Activity

Small registered businesses form the largest group at 27,59%, showing their strong presence in Nigeria's customer base.

Website managers and IT service providers follow at 23,71%, indicating a sizable service-oriented segment.

Freelancers and independent professionals account for 20,26% of respondents.

Side hustles, tech employees, and other categories each make up 9,48%, reflecting a diverse mix of informal and emerging professional roles.



Distinguishing solo operators from SMEs and larger tech teams



How many people are involved in your business or project (including you)?

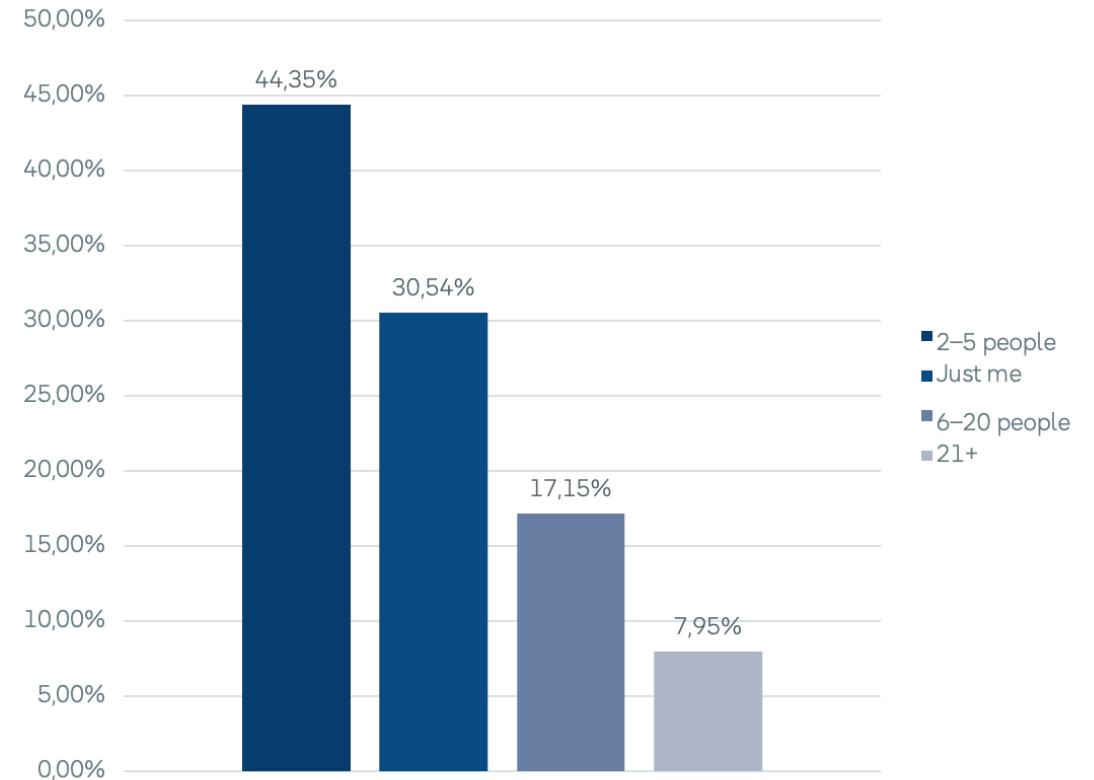
Company Characteristics

Most respondents (44,35%) work in teams of 2–5 people, making small groups the dominant structure in Nigeria's business landscape.

Solo operators represent 30,54%, showing that individual entrepreneurs still make up a substantial share.

Medium-sized teams (6–20 people) account for 17,15%, indicating a smaller but meaningful SME presence.

Only 7,95% operate within larger organizations (21+ people), highlighting that Nigeria's customer base is primarily small-scale and entrepreneurial.



Revealing whether Customers are End-Users or Service Providers



Which of the following best describes your main goals with our services?

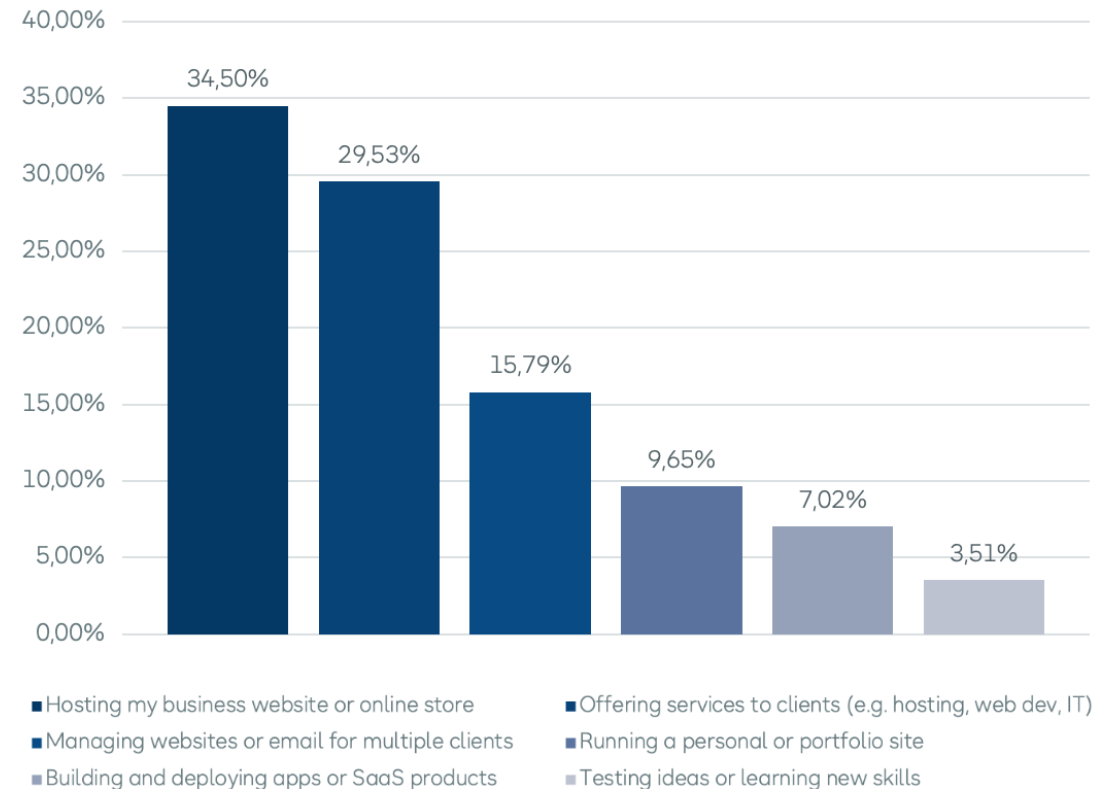
Characteristics

34,50% use HOSTAFRICA to host their business website or online store, making end-user hosting the leading goal.

29,53% offer services to clients (such as hosting, web development, or IT), highlighting a strong service-provider segment.

15,79% manage websites or email for multiple clients, showing a notable presence of agencies and IT managers.

Smaller groups focus on **running personal or portfolio sites (9,65%)**, building **SaaS products (7,02%)**, or **testing ideas and learning new skills (3,51%)**.



Understanding the Industry Context to refine the Segmentation



What best describes the type of business or project you're working on?

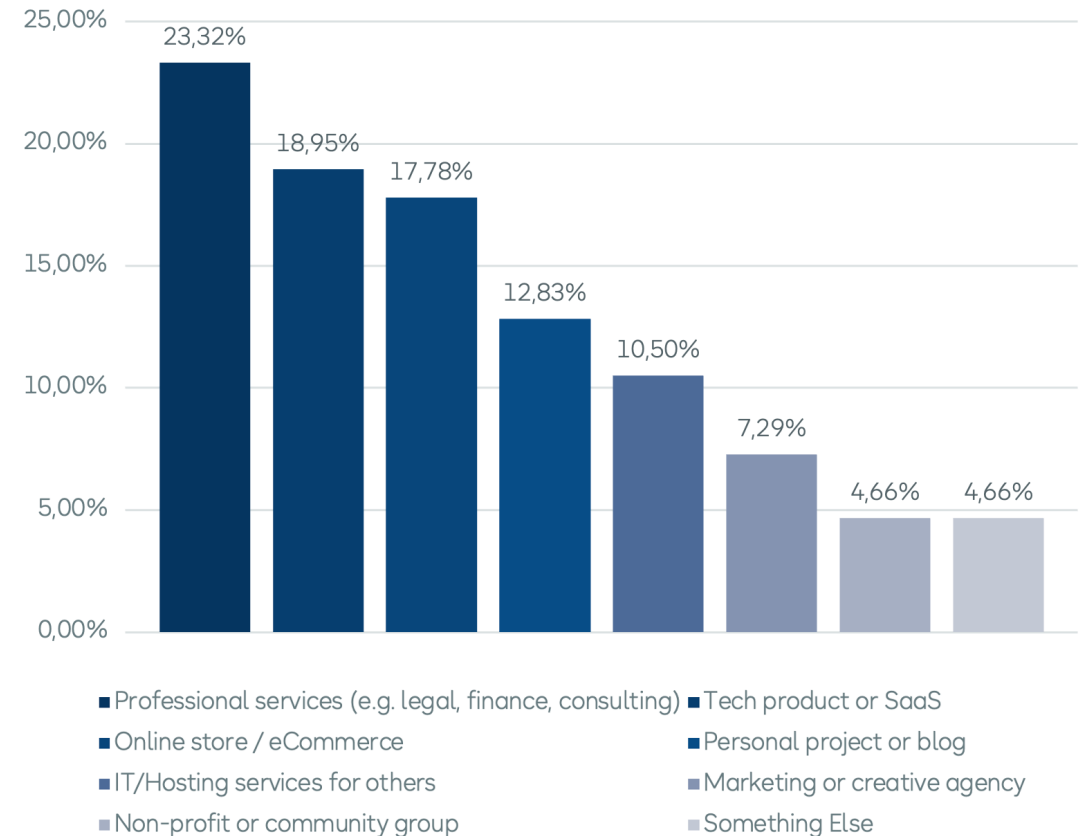
Characteristics

Professional services lead at 23,32%, making legal, finance, and consulting-oriented businesses the most common segment.

18,95% run tech products or SaaS projects, indicating a meaningful presence of Nigeria's growing tech ecosystem.

17,78% operate online stores or eCommerce businesses, showing strong entrepreneurial activity in digital retail.

Smaller but notable groups include **personal projects or blogs (12,83%)**, those in **IT/hosting services (10,50%)**, **marketing or creative work (7,29%)**, and non-profits or other activities ($\approx 4,66\%$).



Clearly identifying Resellers and MSPs among Customers



Do you resell hosting or offer services using our infrastructure?

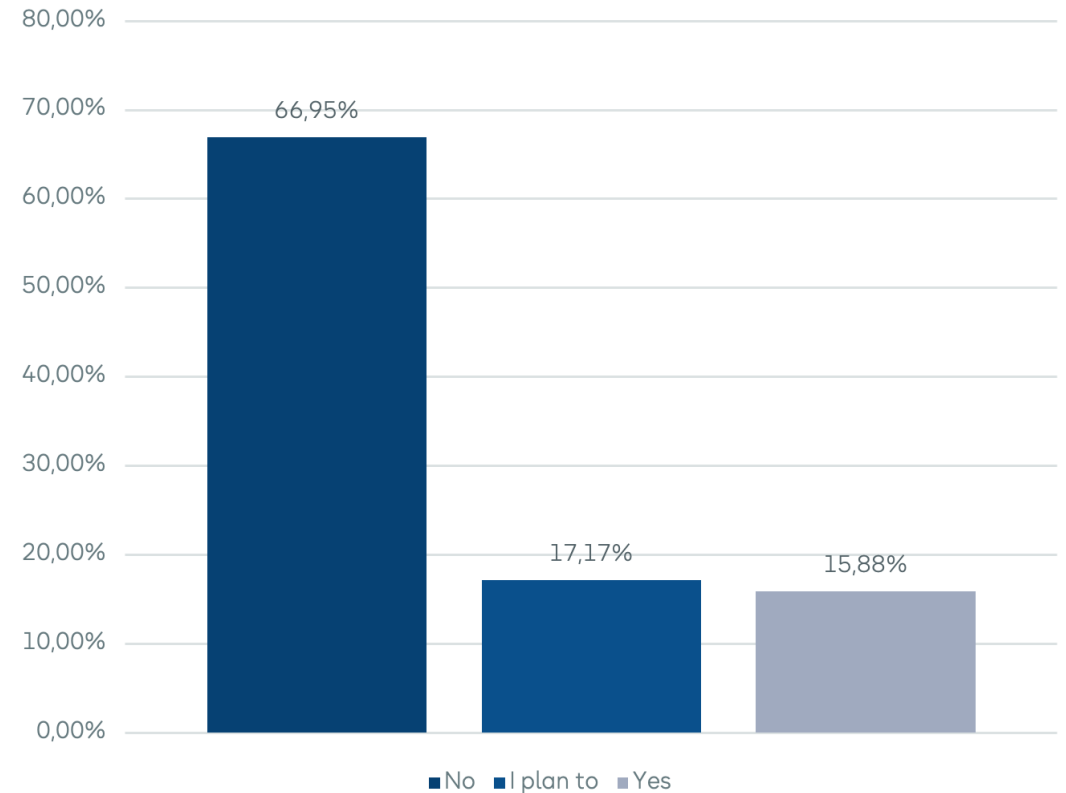
Characteristics

66,95% do not resell hosting or offer services using HOSTAFRICA's infrastructure, indicating most customers act as end-users.

17,17% plan to start reselling or offering services, showing a notable pipeline of potential MSPs.

15,88% already operate as resellers or service providers, forming a meaningful secondary segment.

This distribution suggests a predominantly end-user market, with a growing opportunity to support aspiring resellers.



Deep Dive: Hosting Business Customer Segmentation



Out of all questions, we derived a customer segmentation including four significantly different segments

<u>Segment 1:</u> Self-Hosted Small Registered Businesses	<u>Segment 2:</u> Small Web Agencies & Service Providers	<u>Segment 3:</u> Mixed Corporate & Individual Use-Cases	<u>Segment 4:</u> Solo IT Freelancers & Micro Service Providers
65 participants (26,32%)	53 participants (21,46%)	104 participants (42,11%)	25 participants (10,12%)
92,3% Hosting business website or online store 73,8% run a small registered business 1,5% Reselling Mostly 2-5 people businesses Implications: • No reselling business and low client service behavior • Focused on the presentation of own business activities and the respective online sales	90,6% Offering services to clients 84,9% Managing multiple client services and sites 35,9% Reselling Implications: • This is a true agency / web-service segment • They actively manage multiple client websites and show the highest commercial potential	36,5% Hosting business website 25,0% Offering service to clients 9,6% Reselling Completely mixed business types, near even distribution Implications: • No single dominant motive -> middle segment • Emphasizing ease of use, reliability, and email hosting to meet needs	84,0% Offering service to clients 48,0% Hosting services for others 40% Plan to be a reseller Mostly single-person operators Implications: • They have little technical requirements but need assistance on managing client sites • Strong potential for specific reselling plans

In case of further questions feel free to contact us



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