Mobility 2009 reveals SA's cellular gap

The South African cellular market reached a milestone of 50-million connections at the end of 2008 - but only 68% of these represented individual users. This is according to World Wide Worx 2009 annual Mobility study, released yesterday 2 July 2009.

This is the first key finding from preliminary research conducted by World Wide Worx for its 2009 annual Mobility study, backed by First National Bank (FNB), a leader in cellphone banking in Africa, and Research In Motion (RIM), the developer of the BlackBerry solution.

Their sponsorship will make it possible to uncover the most significant trends shaping smartphone usage, mobile technology, mobile commerce, the mobile Internet and cellphone banking in South Africa. The Mobility project is respected in the mobile industry for its in-depth research into mobile trends across the corporate, SME and consumer sectors.

"The research will assist in amplifying investment opportunities in the technology, says Len Pienaar, CEO, FNB`s Mobile and Transact Solutions.

"In South Africa, cellphones have become the most easily accessible and convenient way of offering services to remote areas, and an understanding of cellphone usage and trends is necessary to leverage the technology effectively.

"The findings of the preliminary research for the annual Mobility survey confirm that South Africa's cellular market continues to enjoy robust growth, even with market penetration at around 100%," says Deon Liebenberg, regional director for sub-Sahara Africa at RIM.

Applications growing

"Our own experience reflects that it is not only the number of cellular connections that is growing, but also the applications for which subscribers are using their smartphones. Mobility is changing people's personal and business lives by allowing them to stay in touch with information, applications and other people wherever they are."

Preliminary research for Mobility 2009 was based on analysis of government and institutional data, as well as personal interviews with key role players in the cellular sector, including network operators and wireless application service providers.

The research shows that the average number of SIM connections, or active cellphone accounts, per cellphone user in South Africa began to grow steadily after pre-paid accounts were introduced in 1996. It grew from an average of 1 SIM card per phone user in 1997 to 1.2 per user in 2003 and to 1.47 per user at the end of 2008. The gap between users and

connections is expected to continue to grow as both consumers and businesses find more innovative approaches to cellphone usage.

"This gives the impression that every South African has a cellphone, but that is obviously not possible," says World Wide Worx MD Arthur Goldstuck, who is leading the Mobility 2009 project. "It's become clear that many pre-paid users have a SIM card for each major network, to avoid incurring the interconnection fee charged for calls between networks. The low cost of new SIM cards - as little as 50c for a starter pack - also gives anyone the ability to have more than one number."

Cellphone functionality grows

The interconnect fee adds R1.25 to the cost of every call, and has prompted new approaches to cellphone usage in South Africa. Mobility 2009 will also reveal further innovative approaches taken by both consumers and business users to make their cellular lives more effective.

"Cellphone functionality has progressively grown beyond the traditional voice and SMS. With the growing trend towards cellphone banking, mobile media, mobile marketing and mobile internet access. In-depth understanding of consumer perceptions and trends is critical in addressing the needs of the consumer," says Pienaar.

"RIM looks forward to seeing further findings from Mobility 2009. The research should paint an interesting picture of how people and businesses in South Africa are using their smartphones to be more productive and efficient," says Liebenberg. "It will be particularly interesting to see what the latest trends in the mobile Internet space are. We believe that there is a massive opportunity to bring mobile Internet services to more of the country's people through affordable pre-paid services."

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