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Mobility 2012

The Mobile Consumer in South Africa 2012

Executive Summary

The Mobility 2012 project comprises two reports, namely *The Mobile Consumer in SA 2012*, comprising cellphone usage and banking trends, and *The Mobile Internet in SA 2012*, exploring online and data trends. It is based on face-to-face interviews with a nationally representative sample of South African adult cellphone users living in cities and towns, conducted in June 2012.

Smartphones change shape of cellphone banking

The shape of cellphone banking is changing rapidly, as the capabilities of phones themselves change, according to *The Mobile Consumer in SA 2012* report, part of the Mobility 2012 research study, conducted by World Wide Worx with the backing of First National Bank. The study shows that, while most cellphone banking is still conducted via text messages, more than a third of customers of these services are now also using phone browsers for their banking.

Only 5% of cellphone bankers exclusively use phone browsers for the purpose, but a further 36% use the browsers as well as text-based services like USSD and SMS.

“The growing sophistication of phones – both feature and smartphones – is resulting in new options and opportunities for customers of cellphone banking,” says Ravesh Ramlakan, CEO, FNB Cellphone Banking. “The customer is driving the pace of innovation in banking, and our job is to be available to them where they want to transact.”

The single most popular transactional service in cellphone banking remains airtime purchases, with 74% of customers using it for this purpose, and only 15% paying accounts via their phones. Phone-based purchases via the phone of physical products that are delivered to the buyer are made by only 4% of urban cellphone users, but by no rural users whatsoever.

“A big opportunity still lies dormant in mobile commerce,” says Arthur Goldstuck, managing director of World Wide Worx. “But virtual business will always need infrastructure, and that remains the barrier to cellphone purchases of physical product.”

The urban-rural divide

Along with airtime purchases, remaining the core of mobile commerce, more than half of cellphone banking customers also transfer airtime, with rural users (69%) far more likely to do so than urban users (51%). The same gap exists in mobile purchases of pre-paid electricity, with 33% of rural cellphone banking users and only 21% of urban users doing so via their phones. The pattern is repeated in sending money to other individuals via cellphone banking: 44% rural, 34% urban.

“The popularity of money and airtime transfers via cellphone banking is one of the clues to why stand-alone mobile money transfer services have not taken off in South Africa,” says Goldstuck. “There simply is no desperate need for them, as there is in other African countries.”

The urban-rural divide also reveals itself in other areas, most notably in the proportion of pre-paid users. While 80% of urban users have pre-paid accounts, the proportion of rural pre-paid users is 94%. The average phone spend of contract users is R387 per month, more than double that of rural users, who spend on average R165 a month.

“This highlights the priority that needs to be placed on providing services that both simplify the lives of all, and reduce their costs of using financial services,” says Ramlakan. “While cellphone banking brings convenience and savings to urban customers, it can change the lives of rural users.”

Methodology

The Mobility 2012 research was conducted through face-to-face in-home interviews with 1200 South Africans across all age demographics from 16 up, and in all metropolitan and rural areas. It excluded deep-rural population, and represents approximately 18-million South Africans.

Contents

Contents include:

Network usage, SIM ownership and Spending patterns

Current handset usage, including:

- Brand

- Reason for choice of current handset

- Number of phones owned

- Phone features have, used, and intend to use

Future handset usage, including

- Brand

- Timeframe

- Brand momentum

Cellphone likes and dislikes

Spam attitudes

Cellphone banking, including

- Market share

- Satisfaction

- Cellphone vs Internet banking

Cellphone spend

Mobile money transfer

Obtaining the report

The full report will be available for purchase from World Wide Worx at a cost of R13 000 (single site license) excluding VAT from World Wide Worx.

The report for *The Mobile Internet in SA 2012* phase of the research is also available at a cost of R13 000 (single site license) excluding VAT.

To place an order, either request an order form to be mailed electronically, or send company name and address, VAT registration number, and name and e-mail address of person ordering and person who should be billed, to World Wide Worx by e-mail on info@theworx.biz or by fax on +27 11 782 7063.

Please include a purchase order number where required.

Students who wish to obtain access to the research should enquire through the libraries of acquisition departments of their universities or learning institutions.