

CONSUMERLAB



# INTERNET GOES MOBILE



Regional report  
South Africa

An Ericsson ConsumerLab Insight Summary Report  
April 2015

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## METHODOLOGY

The data presented in this report was gathered from a total of 1,500 face-to-face interviews conducted across 10 South African metropolitan areas between February 6 and March 15, 2014. These were: Johannesburg, Pretoria, Polokwane, Potchefstroom, Cape Town, Port Elizabeth, Bloemfontein, Kimberley, Secunda and Durban.

The interviews were conducted with respondents aged between 15–69 and belonging to socioeconomic classes (SECs) A-D. Overall, the data represents 25 million people living in South Africa, and 52 percent of the population.



## THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at: [www.ericsson.com/consumerlab](http://www.ericsson.com/consumerlab)

# FROM DUSK 'TIL DAWN

The modern consumer expects to be able to keep conversations going with family and friends in different places, get the best online deals and offers, and stay informed and connected at all times. People are used to being connected to meet personal and professional needs, irrespective of location.

Therefore, the ability to access relevant information at any given time and in any given place has become integral for consumers across the globe. As this study shows, South Africa is no different, with its growing economy and population that is eager to explore new ways of doing business.



Exploring new ways of doing

## BUSINESS



## KEY FINDINGS

**South Africans show a high need for connectedness and indulge in different online activities on their mobile devices**

- > 61 percent of consumers want to remain connected online with other internet users, even when they are socializing with friends and family face-to-face
- > Among smartphone users, 83 percent use them to access the internet on a daily basis

**Consumers in South Africa show an inclination to adopt the latest devices and lead a completely connected lifestyle**

- > Almost 70 percent of consumers make calls when they are inside, compared to 30 percent when outside
- > 47 percent of internet users would like to have connected homes, while 42 percent have an interest in connected cars

**Consumers are continuously seeking to remain engaged online by improving their internet experience**

- > Among consumers who use both Wi-Fi and mobile broadband (MBB) connections, 55 percent switch between Wi-Fi and mobile broadband connections in the pursuit of better speed, reliability and coverage
- > 42 percent of 2G customers want to upgrade to 3G or 4G, while 22 percent of 3G customers want to upgrade to 4G

**Satisfaction among consumers is high on parameters related to reliability of connection, range of price plans and charging accuracy**

- > Consumers in metros are more satisfied than the consumers in non-metros by a small margin
- > Less than one-third of consumers are satisfied with customer care for billing-related issues

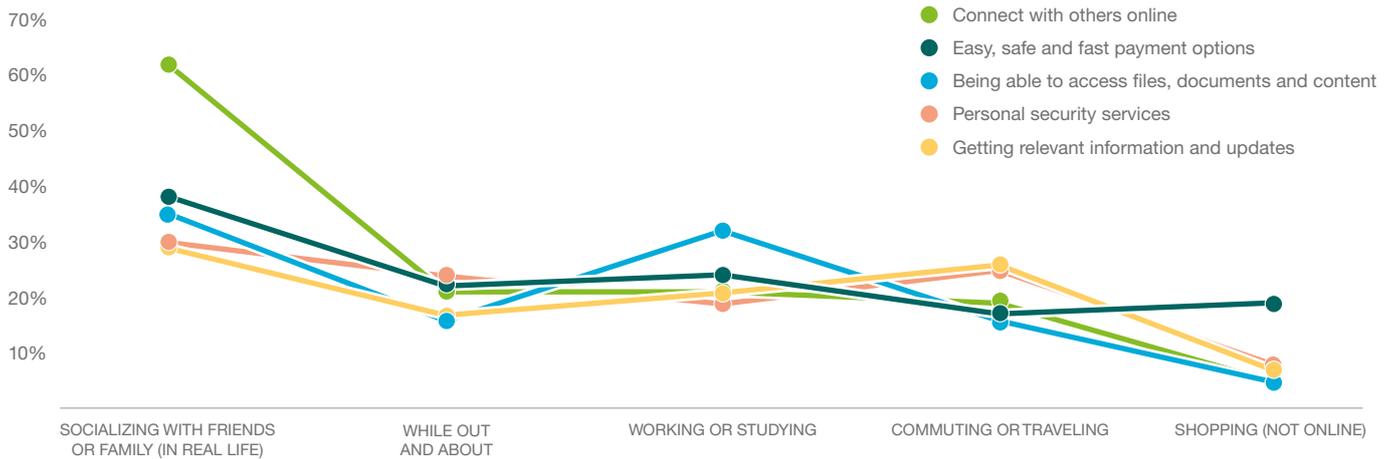


# COMPREHENSIVE CONNECTIVITY

People want to get online at their convenience. Figure 1 shows that South Africans expect to get online irrespective of where they are – be it for connecting with others, doing online shopping, or accessing

files and documents. Besides being able to access convenient services, internet users also need safe and easy payment options.

Figure 1: Services consumers want to engage in on their mobile devices in different situations



Source: Ericsson ConsumerLab, Internet goes mobile, South Africa 2015  
Base: Internet users who use a mobile phone or tablet

## Patterns of usage

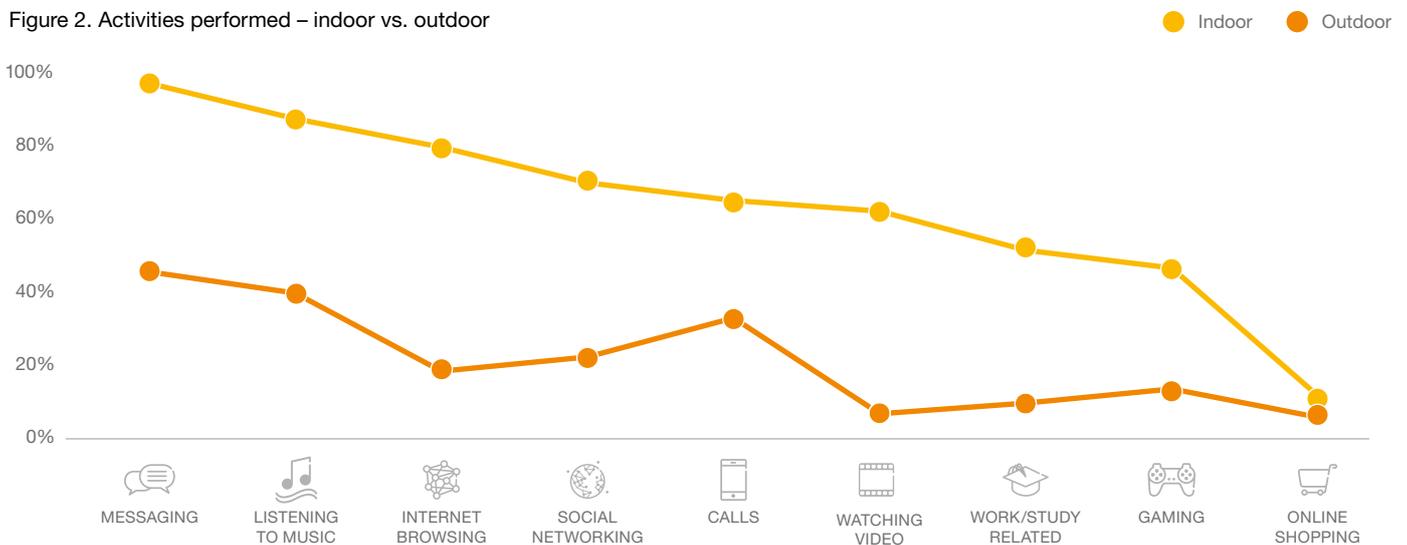
The desire to engage in online activities is also reflected in the way consumers use their devices when indoors or outdoors. Messaging, listening to music, browsing and social networking are among the top activities performed on any device, irrespective of location.

same when outdoors. The need to remain connected is high across locations. Making calls is the third most performed activity outdoors, with 31 percent of consumers doing so.

Figure 2 shows that 97 percent of consumers engage in messaging when indoors and around 44 percent do the

These behaviors support the finding that South Africans expect their devices to keep them updated and connected while on-the-go.

Figure 2. Activities performed – indoor vs. outdoor



Source: Ericsson ConsumerLab, Internet goes mobile, South Africa 2015  
Base: Internet users using any device

# CONNECTIVITY CALCULATIONS

Wanting to remain updated and connected is also a strong motivator for consumers when opting for particular internet services over others. Accessible internet services enable the local population to lead a more connected life.

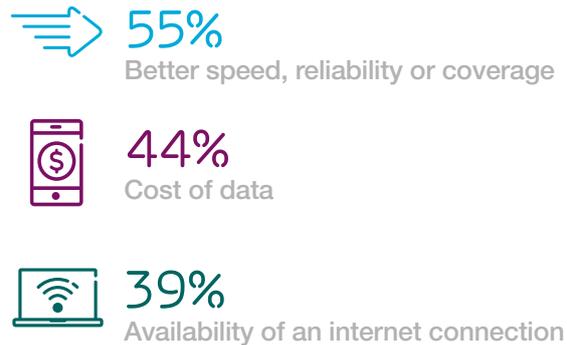
The pursuit of this lifestyle often makes consumers switch connections, for instance from fixed broadband (Wi-Fi) to mobile broadband or the other way around.

Among users of both Wi-Fi and mobile broadband who switch connections, 55 percent state that the reason for doing so is to get better speed, reliability or coverage.

Other determining factors include the cost of data (44 percent) and the availability of an internet connection (39 percent). If internet users are provided with consistently good quality connections at all times for a reasonable price, they are likely to spend more time online and remain connected, unaffected by their location.

Considering the interest among consumers, there is huge scope for the growth of mobile broadband in South Africa. One of the major reasons cited by consumers pertains to better speed or reliability.

Figure 3. Reasons for switching connections



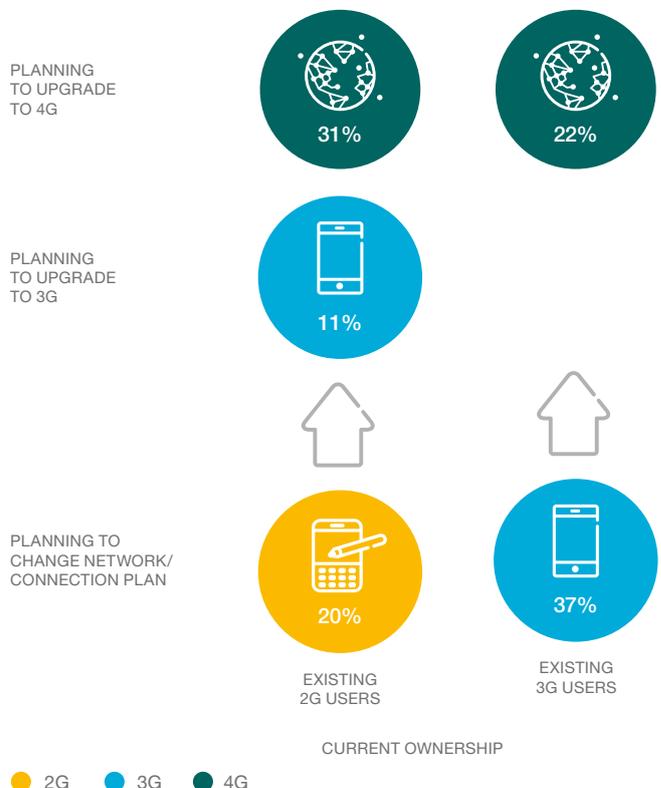
Source: Ericsson ConsumerLab, Internet goes mobile , South Africa 2015  
Base: People who use both Wi-Fi and MBB and switch connections



This study finds that once consumers are exposed to good connectivity experiences and better speeds, they are more likely to want to upgrade or improve on it.

As Figure 4 shows, only 11 percent of 2G users want to upgrade to 3G, whereas 22 percent of 3G users want to upgrade to 4G. Similarly, while 20 percent of 2G consumers want to improve upon their existing plans, 37 percent of 3G consumers want a better connection.

Figure 4. Planning to upgrade



Source: Ericsson ConsumerLab, Internet goes mobile , South Africa 2015  
Base: Users of respective generations of mobile broadband

**22%**  
Of 3G users want to upgrade to 4G

# OPERATOR SATISFACTION

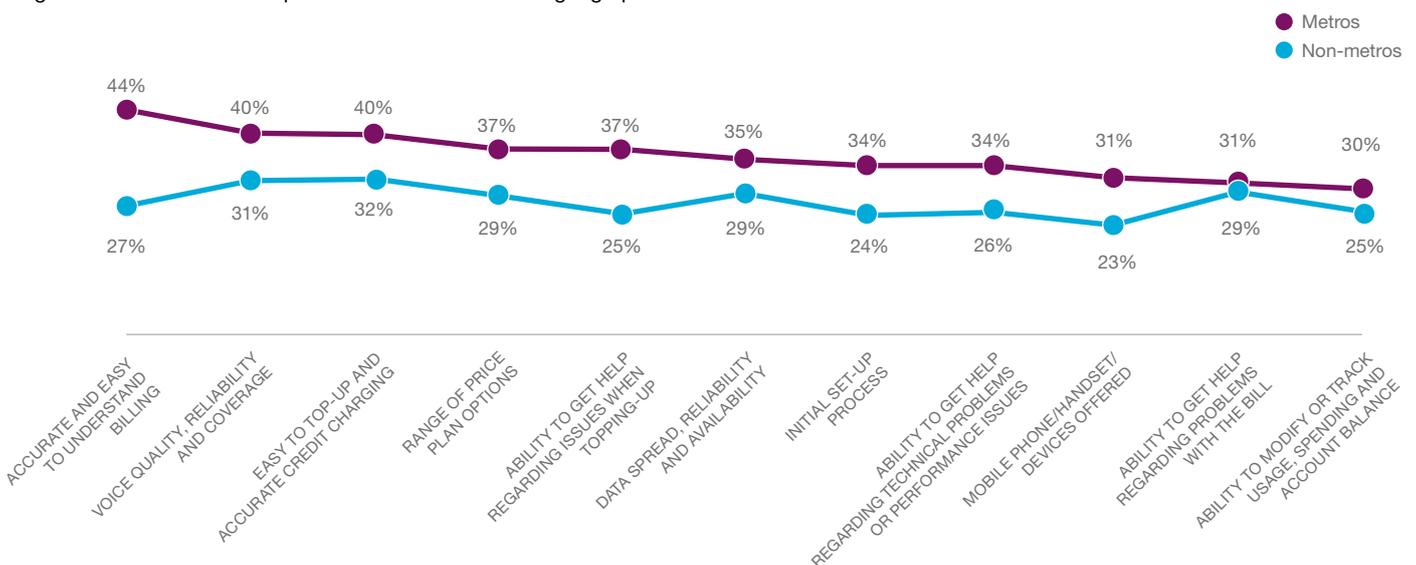


Considering how much consumers value being able to access the internet, the demand for quality data services and network connections is high. But there is a clear difference in satisfaction levels for operator services in metropolitan (metros) and non-metropolitan (non-metros) areas. Mobile phone users in metros are more satisfied across different parameters of operator services compared to users in non-metros.

This could be a result of operators paying more attention to consumers in metros than their counterparts in non-metros.

Expectations of internet services differ among consumers in South Africa. Factors around reliability of connection, range of price plans and transparency (accurate credit charging) are important to consumers. To ensure higher loyalty and lower churn, operators need to address these issues.

Figure 5. Satisfaction with operators' services based on geographical classifications

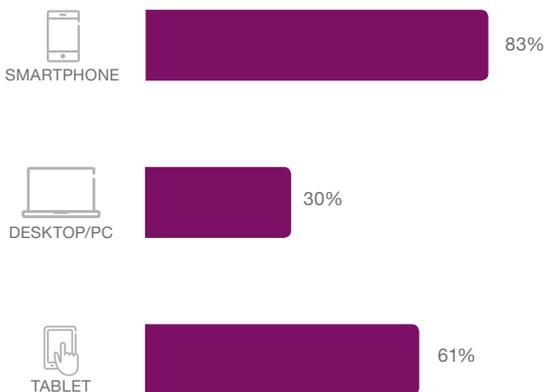


Source: Ericsson ConsumerLab, Internet goes mobile , South Africa 2015  
 Base: Mobile phone users  
 Note: Metros = big cities. Non-metros = others

# SERVICE AND DEVICE PICKS

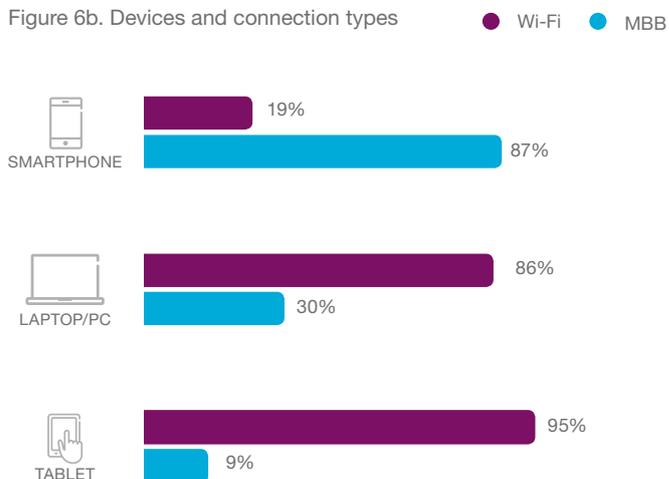
Figure 6. Online activities across different locations

Figure 6a. Proportion of people accessing internet on the devices daily



Source: Ericsson ConsumerLab, Internet goes mobile, South Africa 2015  
Base: People who own respective devices

Figure 6b. Devices and connection types



Source: Ericsson ConsumerLab, Internet goes mobile, South Africa 2015  
Base: Internet users

South Africans are moving towards leading a more connected life, accessing the internet much more frequently on their devices.

Smartphones are among the most owned devices with the highest connectivity. 83 percent of smartphone users in South Africa use their device to access the internet and content services on a daily basis. Among PC users, only 30 percent access the internet on a daily basis.

Moreover, smartphones are driving the usage of mobile broadband higher, with 87 percent of smartphone users connecting this way. Internet connections on desktops and laptops are still Wi-Fi driven, with only 30 percent and 9 percent of users accessing the internet through mobile broadband, respectively.

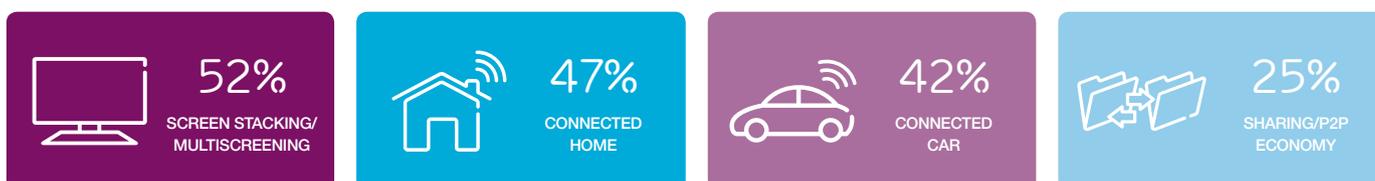
## Future take up

Like their global counterparts, South Africans show a great inclination to adopt the latest devices and remain highly connected, giving them the much-needed freedom to access online services at their convenience, irrespective of location.

The growing demand for a connected lifestyle among South African consumers is confirmed by this study, which shows some of the future aspects of the lifestyle that South Africans are interested in. Figure 7 shows that close to 52 percent of internet users in South Africa are interested in multiscreen usage, 47 percent in the connected home concept and 42 percent in having connected cars.

This interest in leading a more connected life demonstrates the desire of South Africans to stay on the cutting-edge of technological advancements.

Figure 7. Interest in leading a connected lifestyle



Source: Ericsson ConsumerLab, Internet goes mobile, South Africa 2015 Base: Internet users

Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, business and society to fulfill their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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