Mobile Web East Africa

Jose Henriques
Executive Head of Internet Services
February 2010



AGENDA

- 1. Internet on PC Africa
- 2. Internet on Mobile Phones Africa
- 3. Mobile Internet in South Africa
- 4. Mobile Internet in Vodacom South Africa





AGENDA

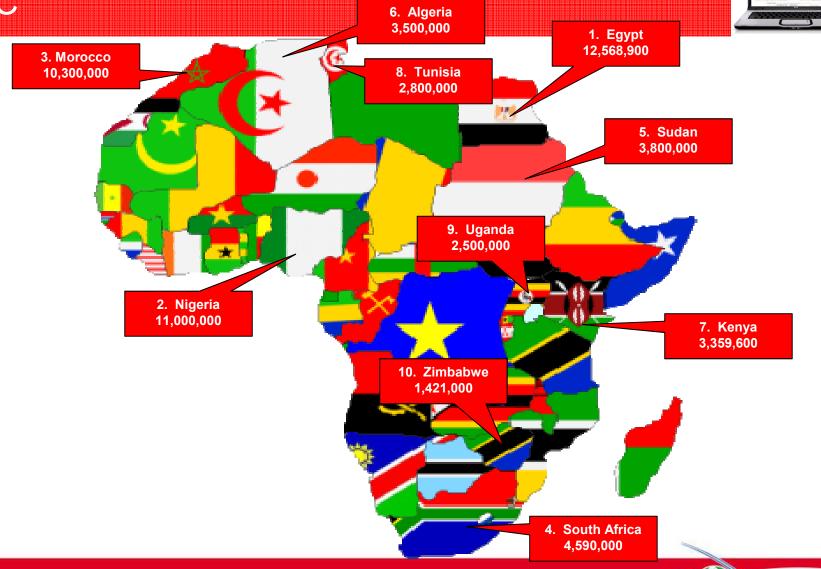
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TOP 10 African Countries: Users accessing Internet via PC 6. Algeria







TOP 10 African Countries: Users accessing Internet via PC



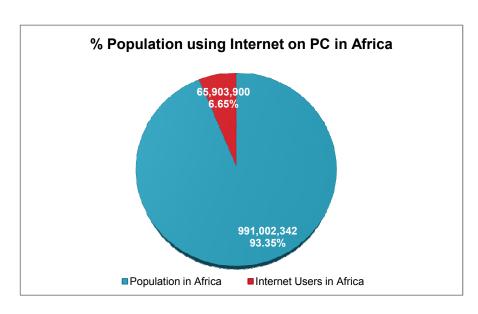
TOP 10 COUNTRIES										
		Mobile Subscribers	Internet Users	9/ Population using	9/ Subscribera					
Country	Population	(June 2009)	(June 2009)	% Population using PC Internet	% Subscribers using PC Internet					
Egypt	78,866,635	47,601,800	12,568,900	15.1%	26.4%					
Nigeria	149,229,090	67,790,400	11,000,000	7.4%	15.4%					
Morocco	31,285,174	23,533,300	10,300,000	31.9%	43.3%					
South Africa	49,052,489	51,467,050	4,590,000	9.2%	8.7%					
Sudan	41,087,825	14,774,880	3,800,000	9.1%	25.5%					
Algeria	34,178,188	28,532,350	3,500,000	10.2%	12.3%					
Kenya	39,002,772	17,931,730	3,359,600	8.4%	18.5%					
Tunisia	10,486,339	8,728,920	2,800,000	26.6%	31.9%					
Uganda	32,369,558	11,115,550	2,500,000	7.5%	22.3%					
Zimbabwe	11,392,629	2,158,800	1,421,000	12.4%	65.8%					
Rest of Africa	514,051,643	141,280,610	10,064,400	1.96%	7%					
TOTAL FOR AFRICA	991,002,342.00	414,915,390.00	65,903,900.00	6.65%	15%					

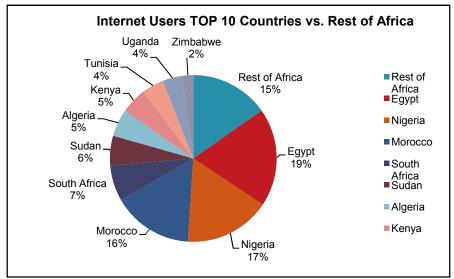


African Countries – PC Internet users vs. population



- \succ 6.65% of the African Population currently uses Internet on PCs
- \succ Top 10 African Countries make up 85% of Internet Users Market in Africa







World Growth of the PC Internet Market 2000 to 2009 by Regions



Region	Population	PC Internet Users 31 Dec 2000	PC Internet Users June 2009	% Population accessing Internet via PC	Users Growth 2000 to 2009	% of Global PC Internet Users
Middle East	202,687,005	3,284,800	47,964,146	23.70%	1360.20%	2.90%
Africa	991,002,342	4,514,400	65,903,900	6.70%	1359.90%	3.90%
Latin America	586,662,468	18,068,919	175,834,439	30%	873.10%	10.50%
Asia	3,808,070,503	114,304,000	704,213,930	18.50%	516.10%	42.20%
Europe	803,850,858	105,096,093	402,380,474	50.10%	282.90%	24.20%
Australia	34,700,201	7,620,480	20,838,019	60.10%	173.40%	1.20%
North America	340,831,831	108,096,800	251,735,500	73.90%	132.90%	15.10%
WORLD TOTAL	6,767,805,208.00	360,985,492.00	1,668,870,408.00	24.70%	362.30%	100.00%



Africa in the World of PC Internet



Africa makes up:

- > 15% of the World's Population
- >3.9% of the World's PC Internet Users
- Africa's PC Internet Users has increased by 1,359.9% from 2000 to 2009 comparing to the Rest of the World's 349.7%
- \triangleright Africa's PC Internet market is the 2^{nd} Fastest Growing market, on Population vs. Users
- \triangleright Middle East is the fastest Growing market $\sim 1,360.2\%$



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Global Mobile Handset Browsing



- \triangleright Handset browsing represent the largest mobile media category = 61% of total consumers and advertisers
- Worldwide end user spending on mobile internet access is estimated to rise by 26% from \$32.5 Billion in 2009 to \$41 Billion by end 2013
- There are just over 500 Million users of mobile internet services worldwide equating to 15% cellular user penetration
- End of 2008 there were 92.5 Million mobile social networking users globally -3% of mobile subscriber base
- > By 2013, it is estimated to be between 641.6 Million and 873.1 Million



Mobile Internet in Africa



- Almost 33% of the population of Africa have access to a mobile phone, up from just 2% at the beginning of the year 2000
- \triangleright South Africa accounted for over 50% of the continent's mobile subscribers in 2000

But...

- \triangleright By 2007 85% were in other African countries
- Mobile penetration in sub-Saharan Africa (including South Africa) was approximately 24.4% in 2007, and is forecast to increase to 34.5% by 2012
- Mobile internet is the next big driver for internet access & data consumption in emerging markets
- GPRS, EDGE and 3G networks that have been deployed are experiencing strong take up in African markets as MNOs pursue additional revenue streams
- Overall, the number of mobile operators in Africa deploying data technology went from 4 in 2003 to 106 by the end of 2007 (GMSA)

Source: Informa Telecoms



African Nations push rural mobile and Internet connectivity



- Primary access point for Internet will for the majority be the mobile device and not the PC
- **Zambia**, Rwanda, Kenya and Nigeria are making a determined push for rural mobile-phone and Internet connectivity
- This will enable rural business communities to get market information on mobile phones and sell products online
- Zambian government has set aside \$10 Million for cellphone connectivity throughout the country
- Nigerian government is expected to spend over \$150 Million on the National Rural Telephone Project
- Kenyan government has also set aside \$ 210 Million for mobile computers.



What's needed to get the Internet to everyone in Africa



The Services MUST:

Give access to t

DATA PRICING

rnet sites.

- Be cost effective.
- Work on basically any phone and phone anavating anatoms
- Internet sites multiple them readable a

SETTINGS CONFIGURED

ata capacity need, makes

- Give a decent u
- Provide a general Internet service platform than can migrate the vast user base from just using sms to take advantage of the full internet.

CONTENT ADAPTATION

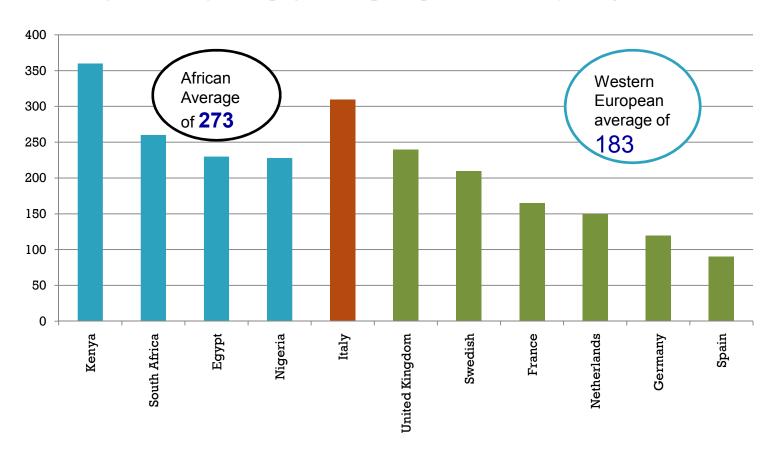




Usage of mobile Internet services in Africa is because the availability of fixed line alternatives is limited



Figure: Average Web page views per Opera Mini user, January 2009



Source: Analysys Mason Limited, Jan 2009



THE ECONOMIST





How a luxury item became a tool of global development

The Economist When the property of the proper

Post-paid to Prepaid.

- Lower prices brought mobile phones within reach of the wealthiest people in the developing world
- Prepaid billing systems are a must in African countries as it is mostly a cash society

Luxury to commodity

- The cost of handsets had to come down, especially for the prepaid market, and it came down from around \$250 in 1997 to just \$20 today
- Some of the village-phone operators now makes more money from selling airtime than phone calls

Calling for growth

Does the spread of mobile phones promote economic growth? Yes!

- Mobile phones unlocked entrepreneurship
- \succ These micro-entrepreneurs account for 90% of all business in Africa.
- During a spike in food prices in 2005 grain was 4.5% lower in markets with mobile coverage.

Source: The Economist, 26th September 2009



Beyond Voice



"There is a big shift from holding a phone against your ear to holding it in your hand"...David Edelstein, Grameen Foundation.

- Some of the services that are available on Mobile devices in Africa are Agricultural, market and health information
- TradeNet links buyers and sellers of agricultural products in nine African countries
- Mobile phones are also used to improve health services, e.g. by sending text messages to HIV patients to remind them to take their medication
- Camera-phones are used to send pictures to remote specialist for diagnosis

Source: The Economist, 26th September 2009



The Evolution



- It is estimated that within the next decade everyone who wants to own a mobile phone will own one.
- The next step will be to ensure that everyone who wants to can use the mobile technology and have access to the internet.
- Mobile phones are the advance guard for mobile-broadband networks that will extend access to the whole of mankind.
- Mobile phones provide immediate economic benefits this will help parents to afford to educate their children.
- A series of new cables is in the works to improve Africa's connectivity with the rest of the world, increasing capacity and reducing the cost of internet access.
- \triangleright The goal is to come up with a mobile-data device that will cost between US \$ 60-80

Source: The Economist, 26th September 2009



- Top 12 countries in Africa using Opera Mini:
 - South Africa, Nigeria, Egypt, Kenya, Libya, Zambia, Tanzania, Cote d'Ivoire, Mozambique,
 Namibia, Ghana and Gabon Only 4 of these countries are on the Top 10 Internet on PC list
 - \triangleright Pages viewed increased by 422% from April 2008 April 2009
 - \triangleright Libya grew with 4,155% and Nigeria with 2,353% from April 2008 April 2009
 - \triangleright Google is the #1 or #2 in each of the Top 12 African countries
 - \triangleright Facebook is #1 is in the Top 3 of 9 out of 12 countries
 - Nokia, Sony Ericsson and Samsung handsets are dominant in Africa's Mobile Web market

Source: Opera Software



Country	Page Views/User	Data (MB)/User	Data (kB)?Page
Russia	416	7.47	19.39
Indonesia	366	4.17	11.66
China	277	2.17	9.99
Ukraine	582	10.18	17.91
India	384	7.70	20.55
South Africa	237	4.79	20.73
United States	198	6.20	32.07
United Kingdom	217	4.83	22.77
Nigeria	313	3.98	13.00
Poland	172	5.29	31.57

Source: Opera Software



Opera Mini – Top 12 African Countries and Top 3 Sites

Opera Mini™

# in Africa based on users	Country	Pages view per user	Page view growth since April 2008	Unique-user growth since April 2008	#1 Site	# 2 Site	# 3 Site
1	South Africa	237	173.2%	68.9%	facebook.com	google.com	wikipedia.org
2	Nigeria	313	7904.7%	2352.9%	google.com	yahoo.com	facebook.com
3	Egypt	243	732.5%	382.6%	google.com	facebook.com	yahoo.com
4	Kenya	372	572.6%	146.4%	facebook.com	google.com	yahoo.com
5	Libya	345	16,256.9%	4,155.1%	google.com	yahoo.com	facebook.com
6	Zambia	313	375.0%	129.2%	google.com	facebook.com	yahoo.com
7	Tanzania	217	111.4%	30.0%	google.com	yahoo.com	facebook.com
8	Cote d'Ivoire	347	545.6%	167.6%	google.com	yahoo.com	lequipe.fr
9	Mozambique	148	171.7%	57.1%	google.com	hi5.com	waptrick.com
10	Namibia	236	289.6%	91.3%	facebook.com	google.com	yahoo.com
11	Ghana	225	184.5%	62.6%	facebook.com	google.com	yahoo.com
12	Gabon	268	243.2%	51.1%	google.com	yahoo.fr	hi5.com

Source: Opera Software



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Internet Users



South Africa

- ➤ 4.5 Million users are accessing the Internet via PCs.
- $\succ \pm 9.8 \ \mathrm{Million}$ users are accessing the Internet from their Mobile Devices.
- > The expectation is to have 15 Million mobile internet users in South Africa by 2013

South Africa Mobile Internet Users - Forecast

Handset based Mobile internet users (mil)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	5 Year CAGR
	0.0	0.0	0.1	0.3	8.0	1.6	2.6	5.4	10.1	12.9	14.3	15.7	16.9	25.7%
WAP Installed Base (millions of units)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	5 Year CAGR
	0.3	0.7	1.9	3.8	7.8	13.0	19.2	26.1	33.5	40.6	47.5	54.0	60.3	18.2%

Source: StrategyAnaly



Smartphones in South Africa

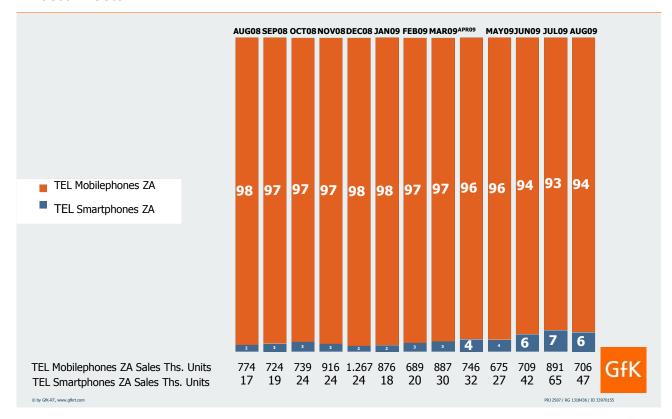


GfK Retail and Technology

9/2009

MOBILE PHONES, SMARTPHONES

Sales Units % AUG08 - AUG09 South Africa



Source: © by GfK-RT, www.gfkrt.com



Smartphones in South Africa - Prepaid vs. Postpaid

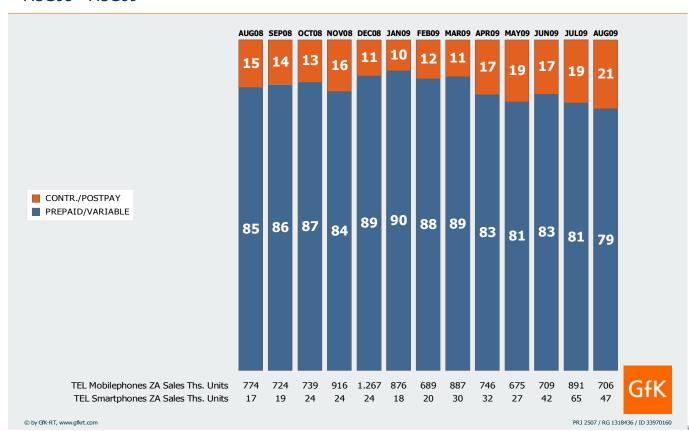


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Sales Units % South Africa AUG08 - AUG09

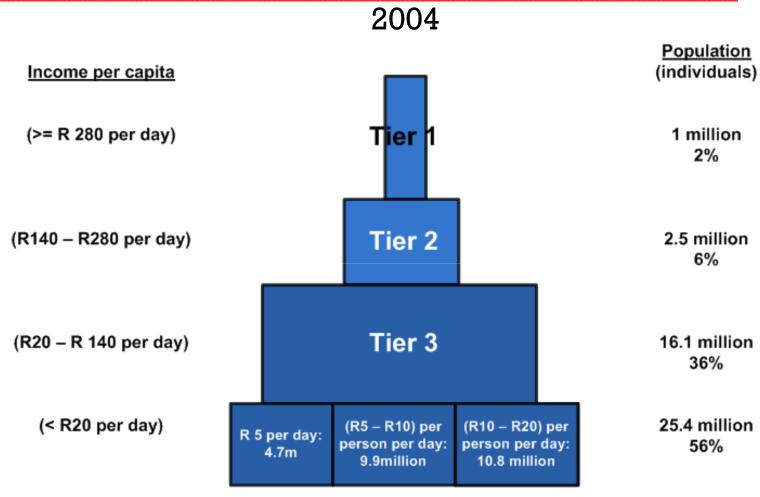


Source: © by GfK-RT, www.gfkrt.com



Income Tier – the number of extreme poor people has declined considerably since 2004



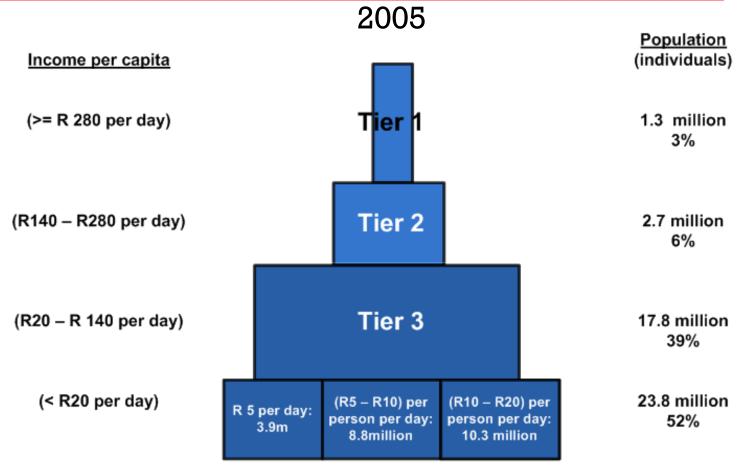


Source: AMPS 2008 RA – Household, Eighty20 analysis



Income Tier – The South African economic pyramid: Individuals



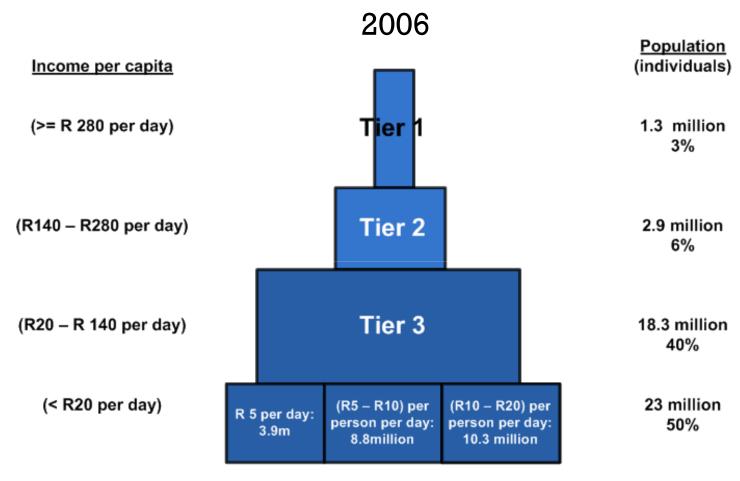


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Income Tier – The South African economic pyramid: Individuals



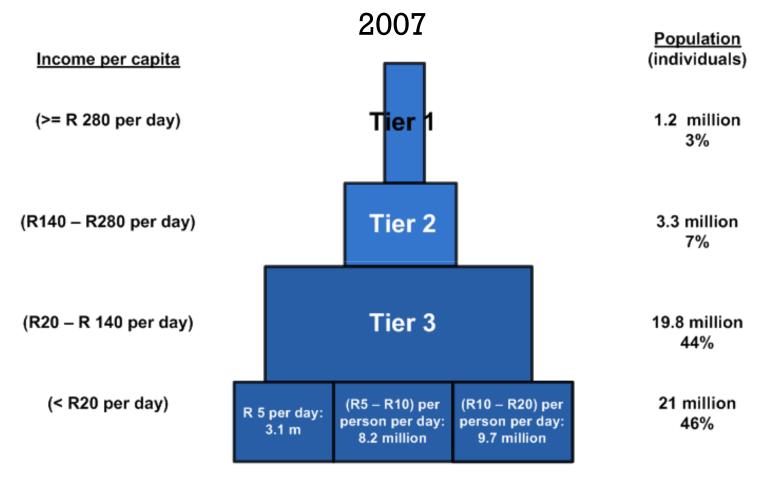


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Income Tier – The South African economic pyramid: Individuals



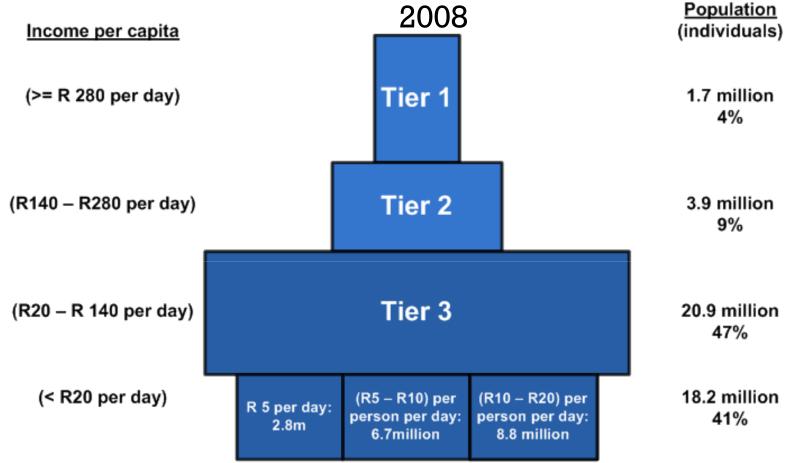


Source: AMPS 2008 RA – Household, Eighty20 analysis



Income Tier – Almost 3 Million South Africans live on less than R5 per day. 18 Million live on less than R20 per day.





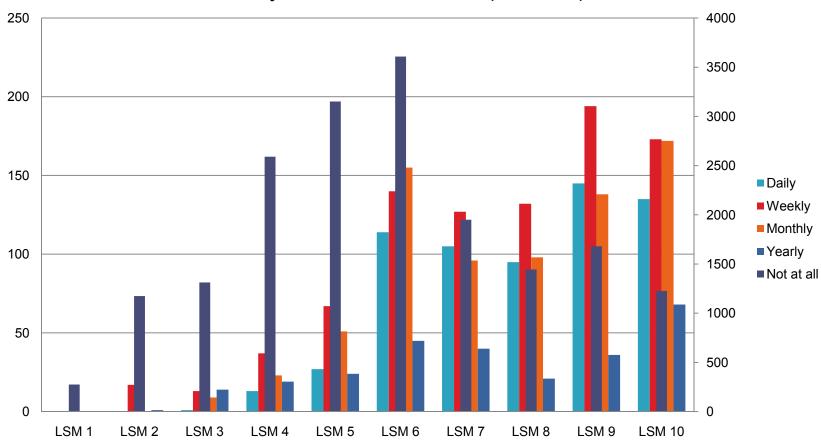
Source: AMPS 2008 RA – Household, Eighty20 analysis



Internet usage in South Africa on Mobile Devices



Internet usage on cellular phones in South Africa July 2007 – June 2008 (in 1'000)



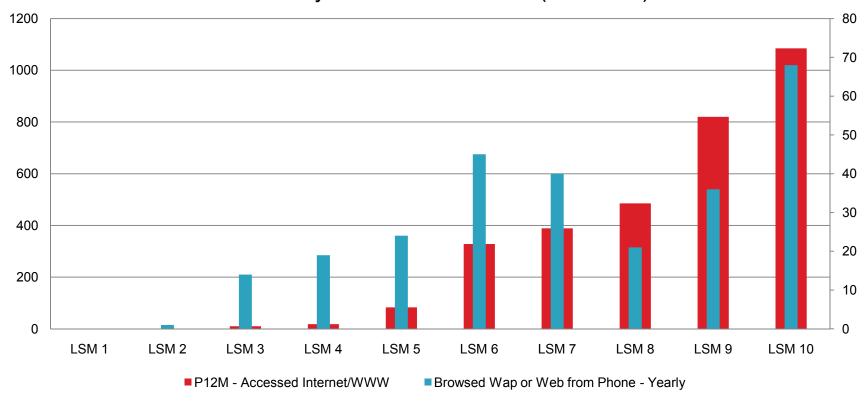
Source: AMPS 2008 Main Branded BA (Jul 2007-Jun 2008)



Internet usage in South Africa on Mobile Devices



Internet access and Internet usage on cellular phones in South Africa July 2007 – June 2008 (in 1000's)



Source: AMPS 2008 Main Branded BA (Jul 2007-Jun 2008)



The Emerging Markets Reality



Services

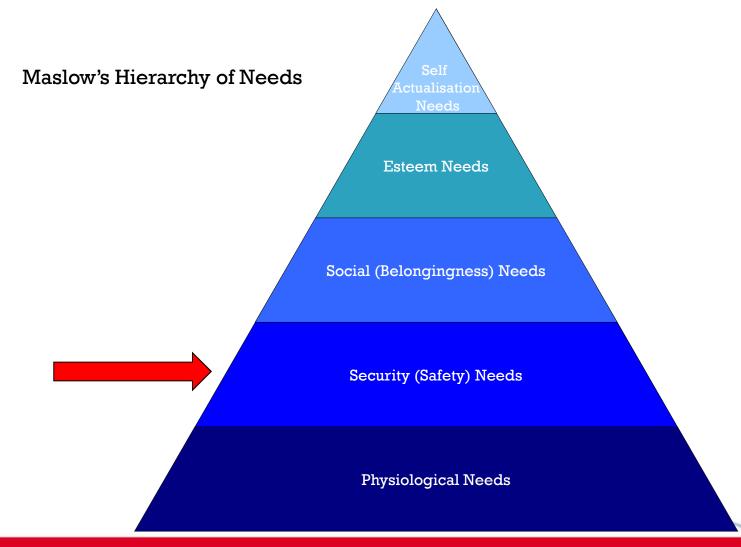
Devices

Networks



Driving Mobile Internet Penetration







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Mobile Internet





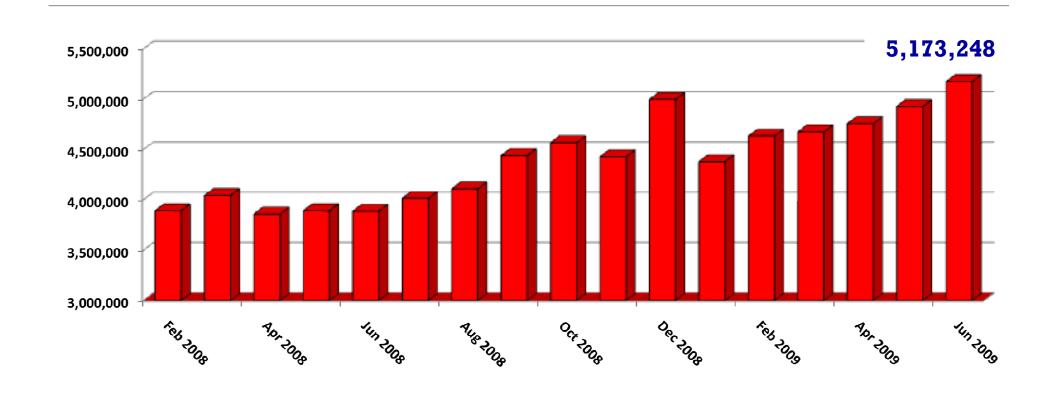






Mobile Internet User Base

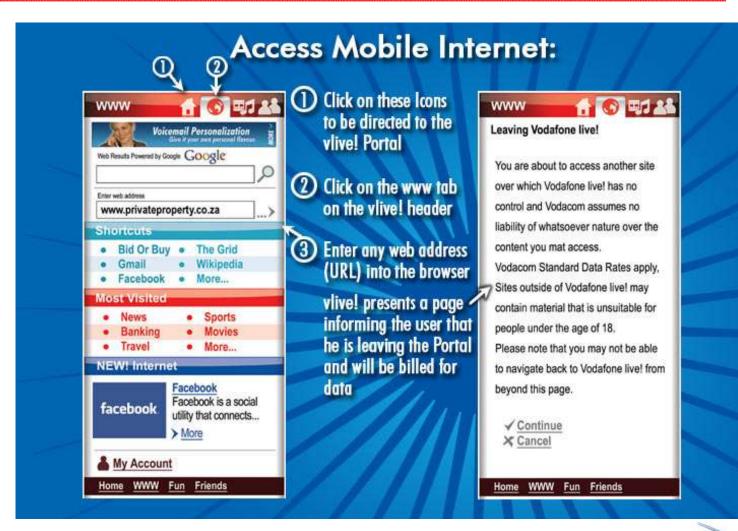






Vodafone live! Mobile Portal

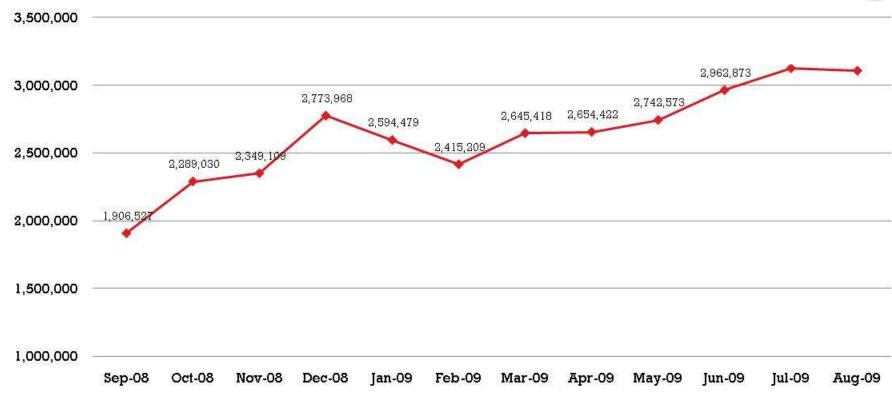






Vodafone live Customer Base

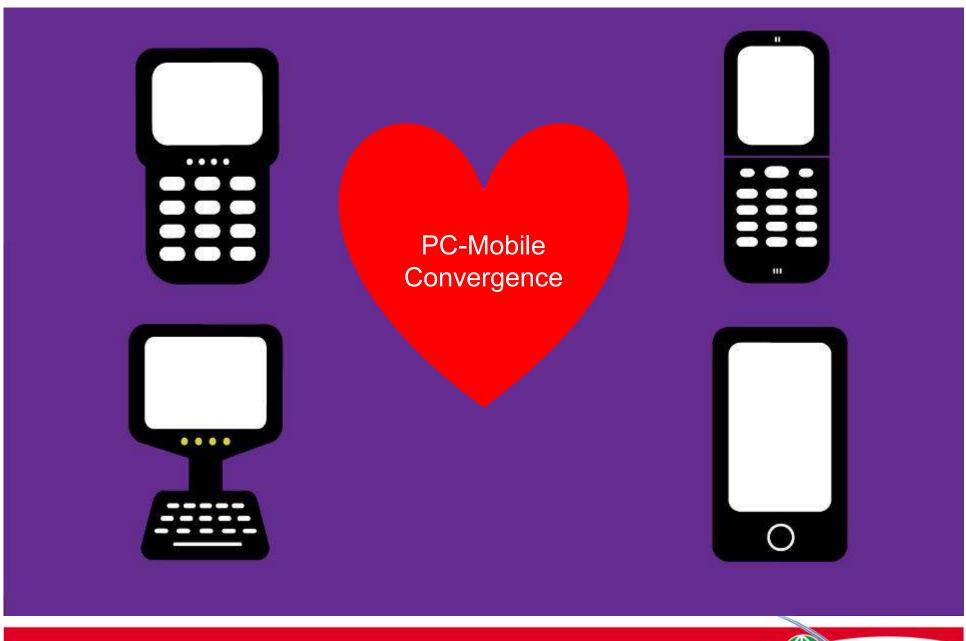




Monthly Unique Users are measured as unique MSISDNs (cellphone numbers)

3 Million users monthly and growing







PC-Mobile: Web Convergence

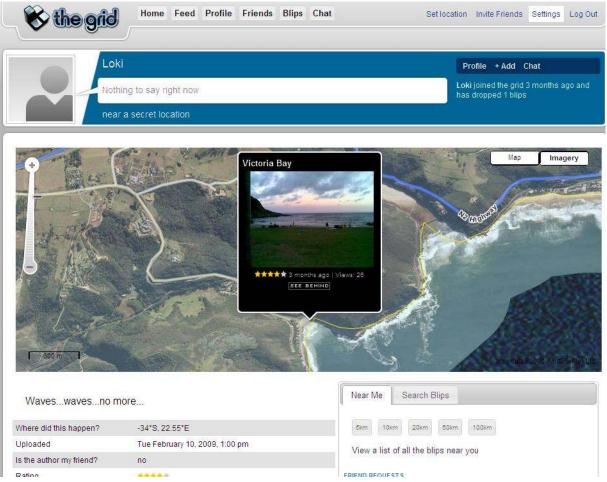




http://myweb.vodafone.com



The Crid



www.onthegrid.com





Mobile Web Africa: Web and Mobile sites





Mobile Web Africa

Harnessing the potential of the internet and applications on mobile devices South Africa

13-14 Oct 2009 Johannesburg South Africa

Home

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LIVE Agenda + News

Who You Will Meet

Mobile Web Africa

The Key Themes

Roundtable Format

Pricing Structure

Why Attend?

Speaker Faculty

Start-

ups/Developers

Event Sponsors

Event Supporters

Media & Blogs

The Venue

Coverage of one of the most important technological advances 21st century and the exceptionally interactive roundtable format pr make Mobile Web Africa one of the leading events of 2009 in A

"We asked Matthew Dawes to put together the mobile conference that peop about until the next year and if you look at the speaker line-up he has done exactly that. I have been involved from the concept-on-a-napl this event and its going to be seminal."

Mr Vincent Maher, Portfolio Manager: Social Media, Vodacom

...BREAKING NEWS...BREAKING NEWS...BREAKING NEWS...BREAKING NE

...6th October 2009: THE EVENT HAS NOW OFFICIALLY SOLD OUT, however, p the Get In Contact page to be first in line for any cancellations or alternative the mailing list for 2010...

...4th October 2009: Due to cancellations there are still 3 tickets availa

...2nd October 2009: Multimedia Solutions officially launch the mobile web si www.mobwebafrica.mobi if you're viewing this on your mobile!...

"I must say the agenda looks action packed and this promises to be a killer of am excited to be a part of Mobile Web Africa" Mr Elan Lohmann, General Manager - Online, Avusa Media

"The social impact of computing remains largely in the future when connec devices with sensors capture information about each of us and every encound Mobile Web Africa conference will gather leading participants in this massive transformation"

Dr Marc Smith, Leader, Connected Action Consulting Group

Mobile Web Africa Platinum Sponsor:



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