

# BlackBerrys form 70% of Vodacom's smartphone sales

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Mobile operator Vodacom says that BlackBerry handsets accounted for 70% of its smartphone sales in the June quarter.

Addressing questions in the company's results presentation on Thursday, Vodacom chief financial officer Rob Shuter said of the BlackBerry sales: "They really are a big factor in our lives." He added that of the top 10 selling smartphones, the 8520 model was number one. "They really are selling very well for us."

Active smartphones on the Vodacom network increased during the quarter by more than 406,000 to 3.7 million.

Overall, smartphone penetration in SA is at about 16%, and growing at an alarming rate. Research group World Wide Worx has predicted that, by 2015, half the phones shipped in SA would be smartphones.

Vodacom Group said on Thursday that it had lifted revenue by 8.1% and pointed to a healthy rise in customers in the June quarter, although the group's average revenue per user waned 4.7%.

The group reported revenue of 15.569 billion rand in a trading statement for the quarter to June, up 8.1% from 14.41 billion rand previously.

SA delivered a robust performance, with service revenue growing 5% to 11.558 billion rand, mainly due to the strong data growth, it said. Revenue increased 7.7% to 13.54 billion rand, outpacing service revenue growth, largely due to a 28% increase in equipment revenue.

Customers in SA increased 19.7% to 27.7 million, adding 1.2 million in the quarter, coupled with a 16.3% year-on-year increase in average minutes of use.

Data revenue increased 35.4% to 1.856 billion rand and active data customers grew 37.7% to 9.6 million.

Vodacom said that it had registered 96.6% of its customer base for the Regulation of Interception of Communications and Provision of Communication-Related Information Act (Rica) by June 30.

The group said that about 953,000 customers did not register and "we were obliged to lock their SIMs". As at July 11, about 205,000 of these customers had registered and their service has since been reactivated.

Pieter Uys, Vodacom Group CEO, said: "This quarter started on a high note, with our team delivering a really well-executed

brand refresh. Internally we used the opportunity to signal a new direction and culture, involving all our employees in how we approach our vision of making every customer smile.

"Not everything went our way this quarter. We unfortunately experienced some outages in our South African network. While the financial impact was minimal, the negative impact on the customer experience was not acceptable," said Uys.

"We have subsequently installed more fibre capacity and upgraded certain software to avoid future disruptions. Our number one priority over the coming months is to ensure that our customers get the best possible network experience," he said.

"We continued to make substantial investments in the network, to enhance quality and support the growth in data traffic, adding 107 3G base stations in the quarter," Uys concluded.

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