

1 billion

GSM customers can't be wrong

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Standardisation

One of the key factors responsible for the global success of GSM technology has been the standard's commitment to openness and interoperability. What this means in simple terms is there are no hidden costs such as intellectual property rights, royalties, etc and the standard is developed on an open platform, which was equally accessible to all market participants. **An open standard means that the equipment, the networks and the handsets can be manufactured by any vendor or equipment supplier and be used seamlessly across networks.**

Contrast this to other technologies that have been developed on proprietary standards - in such cases, once the consumer

GSM - Key Success Factors

The immense global scale of GSM adoption has created a global eco-system employing many hundreds of thousands of people in network operations

chooses a particular service provider, it is not very easy for him to switch service providers. This restriction both stifles competition as well as limits innovation, thus giving the open GSM standard an unbeatable edge over other technologies

Economies of Scale

By virtue of the fact that GSM has em-

braced an **open standards philosophy with no hidden costs and is catering to a billion strong subscriber market, GSM has the advantage of unprecedented economies of scale that are simply not available to any other standard.**

Global Roaming

People want to take their phone with

them when they travel. And they want all the facilities, which they have at home to follow them wherever they go. **Global roaming is one of the most outstanding features of GSM. With a GSM phone, a subscriber can travel to any part of the world where there is another GSM network and not lose a single call, a single message, a single file / data transfer.**

Global roaming is at the core of the GSM philosophy, which envisioned that a single standard would provide the consumer with seamless and standardised connectivity, irrespective of national boundaries. This ability to roam, that is to be able to use one's mobile on any other GSM network in the world, is the raison d'être of GSM - the very core of this technology.

TECHNOLOGY INNOVATIONS

SMS - The Killer App

Short message services (SMS) are a GSM innovation, conceived originally as a paging mechanism to notify users of voicemail messages.

However the amazing adoption of this service as a key communication tool and its phenomenal growth even took the industry by surprise. SMS now represents a substantial part of overall GSM traffic and **nearly one billion messages are sent globally every day.**

While basic person-to-person messaging makes up the bulk of SMS messages, new innovative mobile information services such as news, stock prices, sport, weather, horoscopes, jokes and downloading of ring-tones are evolving rapidly. Downloadable ring-tones, are worth a special mention. What started out as a novelty, now accounts for 10 per cent of all music sold in the world.

SIMply Amazing

This Subscriber Identity Module (SIM) is a trump card in the unparalleled success of GSM. The SIM is an ordinary smart card that can be inserted in any GSM handset.

The SIM simply de-links the subscriber's identity from the mobile handset thus making roaming on GSM very simple. **A subscriber can change handsets, service providers, roam in other networks both nationally and internationally merely by moving the SIM from one handset to another.**

The SIM is programmed with a secret code used by operators to identify the phone and with a PIN (Personal Identity Number), which is used by the subscriber. One the PIN has been activated; the subscriber cannot use the phone without entering the correct PIN. Such high levels of security also make the GSM phone an ideal terminal for handling payment information.

Other technologies are working on developing a SIM, but it was GSM that pioneered this development and has reaped the advantages of this innovation.

The Prepaid Revolution

First introduced in Portugal in 1995, prepaid services were an instant hit with consumers. Initially introduced as an alternative for the 'credit challenged', i.e. customers whose credit worthiness would not otherwise entitle them to take a postpaid subscription, the success of prepaid too, has been unprecedented. Used for various reasons - the freedom to use a mobile phone without rate plans or simply as a billing option, **the number of pre-paid users far exceed the number of postpaid customers in most countries.**

The handset based prepaid approach using the SIM card is a feature unique to GSM. This allows service providers to quickly execute applications coded in the SIM, to quickly inform the customer of his account balance and in the event that the SIM is lost or stolen, to rapidly block the SIM from the network.

Although prepaid is not unique to GSM, its authentication procedures and openness and the sheer convenience of having a transferable SIM card have facilitated its rapid introduction and uptake and given it an undoubted competitive edge over other technologies.

The Social Impact

Probably no single telecommunications system in recent history has had as profound an impact on global society as the GSM mobile phone

THE French call it 'le portable', or 'le G', which stands for GSM. In German it is 'the handy'. The Finns have adopted the term 'kanny', which stemmed from a brand name, but also refers to an extension of the hand. In Spanish it is 'el movil'; in Greek it is called 'keeneeto' which means moveable or mobility; Americans still call it a 'cell phone'. In Thailand it is a 'moto'. In Japan it is 'keitai denwa', a carried telephone, or simply 'keitai'. In China it is 'sho ji', or 'hand machine'.

Whatever it is called, and wherever it is used, this simple, accessible technology has changed the way in which individuals conduct their everyday lives. Many have formed a deep personal attachment to



encrusted designs for women, to graffiti splattered faceplates for teenagers.

Owners are increasingly customising their phones' sounds, turning mobile phones into an avenue for self-expression. Programming of melodies of the latest hit songs, in place of a standard ring tone, has become very popular. Newer mobile phones are being equipped with an ever-blossoming multitude of functions and attention-grabbing sounds and designs.

While the public display and musical capabilities of mobile phones have become a valued means of self-expression, it is the functional aspects and ability to enhance social communications that has had the most profound impact. In a role we may choose to define as the personal communicator, GSM has made its presence felt in almost every region of the world. It has changed the nature of communications, allowing not only voice, but textual modes, opening new creative forms of expression. GSM's rapid spread and vast reach has brought the mobile phone straight into the hands of unprecedented numbers and varieties of individuals throughout the world. It has also found its way into several regions and communities who have found themselves, more often than not, excluded from the world of telecommunications and is now helping to shape that emerging world.

Source: GSM White Paper Brilliant Past, Bright Future, Deutsche Bank AG, 2004

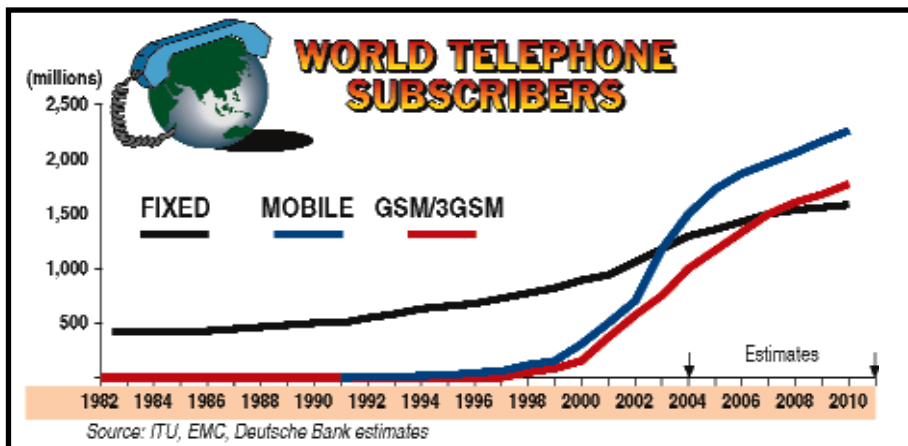
their handset; and it has become a technology that people have become dependent on - perhaps obsessively so.

Almost no other item is carried everywhere by people in quite the same way as a mobile phone. It is far easier to make a fashion statement with a gadget that accompanies you on every social activity, than, say, with a flat screen television or hi-fi system, which sits at home.

Today, people can choose between various models to match changing usage needs,

differing lifestyles and individual preferences. In this regard no other mobile platform can boast as wide a variety or more configurable range of mobile devices as GSM. So important is the aspect of personalisation that manufacturers are beginning to recognise that consumers often care a good deal more about the image or fascia of their mobile phone than they do about its functionality.

Today, mobile phones are customised around popular fashion themes from jewel-



'The success of GSM is unparalleled in the modern-day world'

"Imagine a world without wires; a seamless, limitless world, of verbal and visual communications."

THE GSM (Global System for Mobile) industry worldwide is dedicated to turning this vision into reality by promoting and driving the global platform for GSM mobile communications.

In February 2004 the GSM world-wide subscriber base crossed the one billion milestone, which means that today one in every six people on the planet has a GSM phone. This remarkable achievement comes just 12 years after the first GSM network was launched.

GSM is one of the technological success stories of our age, ranking proudly alongside other wonders of the modern era such as mass air travel, television and Internet - in

fact, more people now have GSM phones than are online globally.

But the success of GSM does not lie in numbers alone, it lies in its power to reach people; to change, enhance and even save lives. The GSM system has enabled people to cut loose and communicate easily and quickly on one number, almost anywhere in the world.

The immense global scale of GSM adoption has created a global eco-system employing many hundreds of thousands of people. This scale is achieved through com-

mon standardisation of GSM as an open system that uniquely delivers massive volume, value and variety of compatible products and services to consumers everywhere. It's a feat that is virtually unparalleled in the modern-day world.

Now, as the GSM family develops and evolves to offer advanced high-speed digital mobile multimedia services such as GPRS, EDGE and 3GSM, we are driving forward our vision of a seamless, limitless, wireless world of verbal and visual communications.



ROB CONWAY
CEO, GSM Association

Indian mobile subscriber base will reach 500 million by 2010

COAI (Cellular Operators Association of India) is the apex industry association for all the private GSM operators in India. COAI is dedicated to the advancement of modern communication through the establishment of a world-class cellular infrastructure and to delivering the benefits of affordable mobile communication services to the people of India.

COAI provides a forum for discussion and exchange of ideas between service providers, policy makers, regulators, technologists etc, who share a common interest in the development of GSM telephony in the country.

COAI also interacts with other industry bodies, consumer associations as well as the media to ensure that the

issues pertaining to the GSM industry are discussed, understood and debated on a wider platform with the objective of presenting an industry consensus view to the government on crucial issues relating to the growth and development of the Indian GSM industry.



DILIP MODI
Chairman, COAI



T V RAMACHANDRAN
Director General, COAI

Indian GSM service providers are presently operating in 73 networks covering almost 2000 cities and towns and thousands of villages, serving over 26 million subscribers

The advantages of 'anytime-anywhere' access to world class services coupled with the improved affordability of service, is increasingly making the mobile the preferred communication tool of the masses. In fact, it is expected that the mobile-fixed crossover in India will take place in 2004.

The global mobile subscriber base is expected to cross 1.5 billion in 2004 and reach 2.3 billion by 2010. India is expected to contribute significantly to the above growth and it is estimated that the total number of mobile subscribers in India alone would be in the region of around 500 million by 2010.



Not just technology, a complete communications system

