

In just 25 years, the mobile phone has transformed the way we communicate.

Richard Wray, 1 January, 2010

1 In the early hours of New Year's Day, 1985, Michael Harrison phoned his father, Sir Ernest, to wish him a happy new year. There may appear to be nothing remarkable about this but Sir Ernest was chairman of Racal Electronics, the owner of Vodafone, and his son was making the first-ever mobile phone call in the UK.

2 Later that morning, comedian Ernie Wise made a very public mobile phone call from St Katherine's Dock, east London, to announce that Vodafone was now open for business. A few days later, its sole rival, Cellnet, a joint venture between BT and Securicor, was also up and running.

3 At the time, mobile phones were barely portable, weighing almost a kilogram, costing several thousand pounds and, in some cases, provided little more than 20 minutes talktime. The networks themselves were small; Vodafone had just a dozen masts covering London and the area west of London, while Cellnet launched with a single mast, stuck on the BT Tower. Neither company had any idea of the huge potential of wireless communications and the dramatic impact that mobile phones would have on society over the next quarter century.

4 "We projected there would only be about a million ever sold and we would get about 35% of the market and BT projected there would be about half a million and they would get about 80% of the market," remembers Sir Christopher Gent, former Vodafone chief executive, who was at St Katherine's Dock a quarter of a century ago. "In the first year, we sold about 15,000 to 20,000 phones. The hand portable Motorola was about £3,000 but most of the phones we sold were car phones from companies such as Panasonic and Nokia."

5 Hardly anyone believed there would come a day when mobile phones were so popular that there would be more phones in the UK than there are people. "Within both BT and Securicor, the view was [mobile communications] were not for the mass market," according to Mike Short, chief technology officer of Cellnet's successor, Telefonica O2 Europe, who was with BT when Cellnet was founded. "That was also the view in Racal Vodafone. Some of us who were more active in the day-to-day business, certainly from 1986 to 1987 onwards, could see a much bigger potential than that but we never expected it would be as large as it has become."

6 For the first decade the predictions that mobile communications would not be mass market seemed correct. But in 1999 one mobile phone was sold in the UK every four seconds, and by 2004, there were more mobile phones in the UK than people.

7. The boom was a consequence of increased competition – which pushed prices lower and created innovations in the way that mobiles were sold, which helped put them within the reach of the mass market – and the move to digital technology.

8. In 1986, Vodafone overtook Cellnet, and BT was so annoyed that they did something which was to fundamentally change the way that mobile phones were sold in the UK. "Once we had got market share advantage over Cellnet they were desperate to get it back and they started subsidizing handsets and bringing down the price of phones," Sir Christopher recalls. Ever since then, the mobile phone networks have subsidized the price of a phone, hoping to recoup its cost over the lifetime of a customer's contract. Cellnet also changed its prices, reducing its monthly access charge – the equivalent of line rental – and relying instead on actual call charges. It also introduced local call tariffs.

9. But there was still a fundamental block to mobile phones going mass market: not enough capacity. "But when digital came along, that really opened up the market," said Sir Christopher.

10. When the government introduced more competition, companies started cutting prices to attract more customers, leading to some of the cut-throat competition in the market today. The campaign, "The future's bright, the future's Orange", created by Wolff Olins, and the introduction of such novelties as per second and itemized billing helped give Orange a strong position in the market. When it launched in 1999, Virgin Mobile – the world's first "virtual operator" that leased network space from rivals – had a big success with the idea of pre-pay phones.

11. The way that handsets themselves were marketed was also changing and it was Finland's Nokia, which had been fighting hard with Motorola and Ericsson for dominance of the market, who made the leap from phones as technology to phones as fashion items with the Nokia 3210 device.

12. "The Nokia 3210 is iconic because it is the first phone that deliberately did not display any sort of external aerial," explains Linge. "In the late 1990s Nokia realized that the mobile phone was a fashion item: so it introduced interchangeable covers allowing you to customize and personalize your handset."

13. Having seen mobile phone penetration soar above 100% in 2004, the industry has spent the later part of the past decade trying to persuade people to do more with their phones than just call and text, culminating in the fight between the iPhone and a succession of touch screen rivals – including Google's Nexus One.

14. John Cunliffe, chief technology officer at Ericsson in north-west Europe, believes the next wave of growth for mobile telephony will come not from persuading more people to get a phone – because many already have one – but connecting machines to wireless networks. Everything from vehicle fleets and smart electric and water meters to people’s fridge freezers will one day be able to communicate.

15. “At the moment there are 4.5 billion devices worldwide; at Ericsson we see this reaching 50 billion devices by 2020,” reckons Cunliffe. “This is all about machine-to-machine communication, touching all aspects of our lives.”

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1. Key words

Write the words from the article into the gaps. The paragraph numbers and the numbers of letters will help you find the right words.

1. Something that is _____ is easy to carry or move, so that you can use it in different places. (eight letters, para 3)
2. _____ are tall metal structures used for broadcasting radio and television, and telephone signals. (five letters, para 3)
3. started selling a new product or service to the public _____ (eight letters, para 3)
4. the possibility to develop or achieve something in the future _____ (nine letters, para 3)
5. calculated how big something would become in the future using information that was available at the time _____ (nine letters, para 4)
6. A _____ is a sudden increase in the popularity of something. (four letters, para 7)
7. in a very important or basic way _____ (13 letters, para 8)
8. paying some of the cost of goods or services so that they can be sold to other people at a lower price _____ (11 letters, para 8)
9. to get back money that you have invested or lost _____ (six letters, para 8)
10. new and unusual things _____ (nine letters, para 10)
11. had a legal agreement in which money was paid so they could use a building, land or equipment belonging to them for a specific period of time _____ (six letters, para 10)
12. a situation in which one person or thing has more influence or power than any other _____ (nine letters, para 11)
13. very famous and well known, and believed to represent a particular idea _____ (six letters, para 12)
14. happening or existing as the final result of a process or situation _____ (11 letters, para 13)
15. machines or pieces of equipment that do particular things _____ (seven letters, para 15)

2. Comprehension: Find the information

Write your answers to the questions in note form.

1. When was the first-ever mobile phone call in the UK made, who made it, and who did he call?

2. Who were the first two mobile phone providers in the UK? Who did they belong to at that time?

3. What did BT and Vodafone project the future sales of mobile phones would be 25 years ago?

4. In 1985, which kind of mobile phone was most often sold and which companies produced these phones?

5. Which two factors brought about a significant boom in the sales of mobile phones?

6. What did providers Orange and Virgin introduce to make them stand out from their competitors?

7. What two features did Nokia introduce to make their handsets become iconic?

8. According to the chief technology officer at Ericsson, what will be an important future development in mobile telephony?

3. Language: Collocations

Match the words in mobile phone A with the words in mobile phone B to make collocations from the article.

A

1. network
2. joint
3. mass
4. cut-throat
5. local call
6. pre-pay
7. fashion
8. itemized
9. market
10. wireless

B

- a. tariff
- b. item
- c. phones
- d. space
- e. market
- f. share
- g. billing
- h. competition
- i. network
- j. venture

4. Discussion

Do you have a mobile phone?

Did you have a mobile phone five / 10 / 15 years ago?

Do you know anyone between the ages of 18 and 60 who does not have a mobile phone?

How many people in your class do you think have more than one mobile phone?

How many mobile phones are there in your household?

Compare the mobile phone you have now to the very first one you had.

What additional features does your current phone have?

How has the design changed?

What else is different?

What do you think mobile phones will be able to do in the future?