

CALL ME ANYTIME



PHOTO ILLUSTRATION/MIKE BARRETT

BY PATRICK MANGION
Staff Writer

When the cellphone became available to Canadian consumers 20 years ago, limited service, a steep price tag and its unappealing size conspired to make the device anything but a must-have technology.

Fast forward to the 21st century and the now ubiquitous cellphone has become an all-encompassing device, complete with camera, MP3 player and video games.

When you consider half of all Canadians, or some 15 million of us, use a cellphone and most will trade it in less than two years after purchasing it, you can see how wide a footprint the little handheld devices have left on our society.

With the Canada Wireless Telecommunications Association celebrating the 20th anniversary of the first cellphone call earlier this summer, consumers shouldn't expect its popularity to wane any time soon, association president Peter Barnes said.

"We expect growth to continue at 12 to 15 per cent over the next

few years," Mr. Barnes said, adding adaptability and affordability have fueled cellphone growth of late.

"When cellphones first launched, a standard phone, the size of a construction brick, would cost thousands and calls were 50 cents a minute," he said.

Compare that to today, where no fewer than five cellphone companies are battling for customers and consumers are being offered free phones and service for pennies per minute.

"Volume increased by dropping the price," Mr. Barnes said.

The rampant growth in the industry has come with the inevitable problems.

While technology has created vast networks for widespread cellular service, combined with pint-sized handsets, there is an underlying dissatisfaction among Canadian cellphone users.

The latest salvo being lobbied at the wireless industry follows news last week that it will take years, rather than months, before mobile phone users are able to keep their phone number when switching service providers.

It's the feeling of being held

WIRELESS WATCH

Today, half of Canadians are mobile phone customers.

Canadians use more than 1.7 million wireless devices daily, including phones, pagers and satellite phones.

Canada's wireless carriers offer coverage to more than 95 per cent of Canadians.

On average, most of us update our cellphone with a newer model every 18 months.

According to the Statistics Canada survey of household spending, 54 per cent of Canadian households had at least one cellphone in 2003.

Wireless revenues in Canada totalled \$8.2 billion in 2003, an increase of nearly 8 per cent from 2002.

More than 2.7 million text messages are sent by Canadians daily and;

Of all phone connection, 41 per cent are now wireless in Canada.

— The Canada Wireless Telecommunications Association

business and their customer base. But they have it backwards."

Adding to the problem is the disposability of cellphones.

Ten to 20 years ago, consumers were more reluctant to part with their phones.

Today, according to the association, the average cellphone customer will upgrade to a newer model every 18 months.

That's made possible by providers offering customers a free or cut-rate phone when signing long-term contracts, Mr. Barnes said.

"I think most people recognize handset prices are heavily subsidized by the service provider," he added.

The deals, which include a free phone, are particularly appealing to young people, a demographic aggressively targeted by Canada's major industry players, Bell, Rogers, Telus and Virgin.

For 22-year-old student Ellen Opok, signing a two-year contract seems to have been a mistake in hindsight.

"I needed a phone. But when you want to change the plan, it's difficult. You have to sign on for another two years. It should only be six months," she said.

For Consumer Council of Canada executive director Michael Lio, it all adds up to a not so rosy image for the cellphone industry.

"There's a lot of pent up angst and annoyance," Mr. Lio said.

"There's no stellar player in the cellphone field," he added, pointing to exorbitant roaming charges as another common complaint.

But a competitive marketplace should continue to push prices lower for consumers without compromising improved technology and added features in the future, Mr. Barnes said.

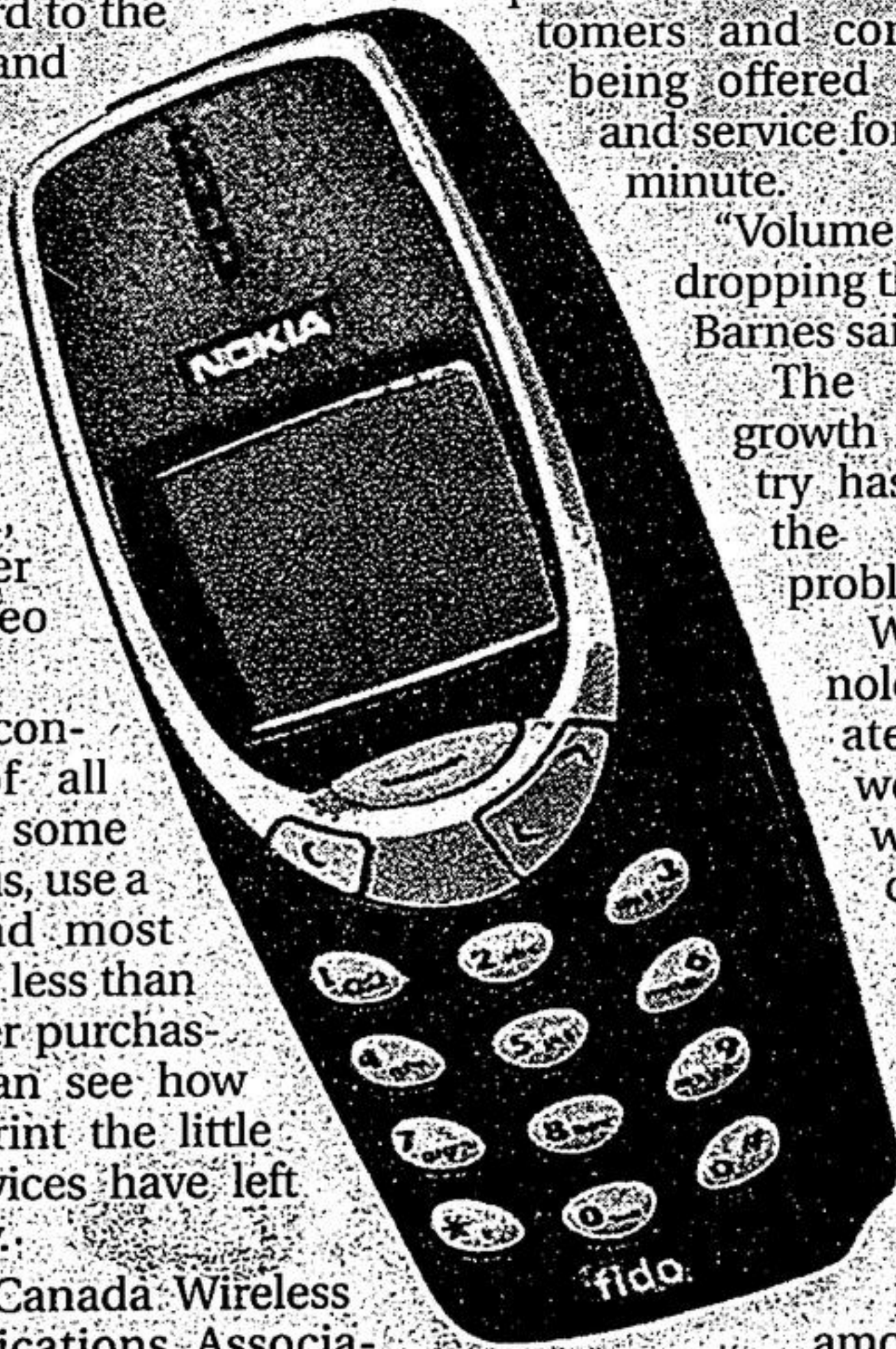
So what is the next technological marvel?

With camera and video game-equipped cellphones encouraging our insatiable appetite for all things cellular, it would seem cellphone makers have their sights set squarely on TV as the next domain.

It's slowly being introduced in the marketplace now, but Mr. Barnes figures two years from now, streaming video and real-time TV will be the norm.

With the return of hockey, the timing couldn't be better, he said.

"Now that we have hockey again, you will be able to view clips of a Leafs goal moments after it happens."



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