

COMMUNICATIONS FOR ALL



Bridging the digital divide – the gap between rich and poor nations, between those who have a wealth of information and communication technologies (ICT) to hand, and those who have nothing – is possible. Mobile communications can create value and increase quality of life, and will play an instrumental role in bridging this gap. This is the essence of Ericsson's vision to be the prime driver in an all-communicating world, and the basis for our “Communications for All” strategy for emerging markets.

Subscriber penetration continues to soar in emerging markets. Already there are more than 2 billion mobile subscribers, and the predictions are to reach 4 billion within a few more years. While these subscribers might spend less on a per user basis, the collective purchasing power of these new subscribers will be enormous.

New approaches to services and solutions

It is possible today to provide low-cost and sustainable telephony access to people living in underdeveloped areas, improving the quality of life by contributing to

social and economic development. Ericsson is working actively to make communication affordable for all in emerging markets. To achieve this, Ericsson has defined and developed a number of services and solutions that lower the entry hurdles for operators entering these new markets. Just a few examples are presented here:

- infrastructure solutions designed to optimize total cost of ownership
- a simple & cost-effective end user application
- a study to understand what drives the need for end user services and applications in Tanzania.

Mobile communication offers real benefits

Access to mobile communication saves time and money. In some areas of the world, it is necessary to travel many kilometers in rough terrain, only to discover that the person, goods or services being sought are not available. A quick phone call or SMS could eliminate such wasted trips. As bank facilities are not accessible to everyone in emerging markets, money transfers could instead be made via mobile phone.

Mobile phones can play a key role in bridging the digital divide. They do not rely on a consistent electrical supply and, unlike computers, can be used by people who cannot read or write.

More familiar than computers

Ericsson, together with the United Nations Development Program (UNDP) Grow Sustainable Business Program and the Swedish International Development Agency (SIDA), has been working to promote access to mobile communications in rural areas of Tanzania. This work included a survey that assessed the demand, willingness and ability of the local population to pay for ICT. The survey confirmed a number of assumptions:

- 95% of respondents knew about mobile phones
- 49% had used a mobile phone
- 67% did not know what a computer was
- 3% had used a computer

Mobile communication offers a wealth of opportunities for end users, from improved healthcare, security and better access to education, to farther-reaching personal communication and access to information and entertainment. Yet the conventional thinking of telecommunication operators is that sparsely populated and poor areas are a gamble on return on investment, and often, just too much of a risk. Great opportunities for the end user, and for the operator, are thus being missed.

By using the latest and most cost-effective technology, operators can be confident of their ability to meet user expectations while satisfying their own requirements for total cost of ownership. For example, Ericsson has developed new features for GSM/EDGE, as part of its Expander program, which specifically address the challenge of providing optimized radio coverage in regions where none exists today. This is a solution designed to optimize total cost of ownership, primarily by reducing the number of radio base

station sites, yet with the capability to expand capacity significantly in response to future traffic growth. Expander has been sold in a number of markets, including Uganda, Tanzania, Sri Lanka, Australia, and Brazil, to name a few.

Another example of the successful and inexpensive adaptation of existing technologies to suit local market needs can be found in BubbleTalk, a voice-centric short messaging service. BubbleTalk is a service that has been hosted by Ericsson, for example in its regional hosting center in Singapore. The service helps to reduce total cost of ownership for the operators as there are no investment costs for the operator – the business model is based on revenue share. BubbleTalk can be used on any handset and can be brought to market in a month. It allows the user to send short voice messages with the minimum of key presses. The receiver of a message can listen to it for free, which also lowers usage barriers. BubbleTalk makes messages more personal and less cumbersome, and overcame the restrictions of whatever alphabet a keypad might have. On the first day of launch, BubbleTalk logged 80,000 messages; today, it is available to some 20 million subscribers.

The world's most popular network

In addition, the success of GSM networks across the world brings economies of scale. This makes it much easier and more economical to create infrastructures for use in emerging markets with their lower spending users.

Communication for All is not the answer to all of humanity's problems, but it does offer a step towards a better quality of life for a significant part of the global population.