

# Mobile Telephony: the hard truth of the business

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[Next-Up Organization](#) 20 08 2010

In its latest publication ARCEP-FRANCE (Regulatory Authority Electronic Communications and Postal) mentions a very significant fact: after falling for several years, the volume of minutes used on landline telephones has recently increased spectacularly and now exceeds the minutes used by mobile phones.

The respective figures show traffic of **25.5 billion minutes** for mobile phones, which is the same figure as the first quarter of 2009, thus a stagnation "after years of non-stop expansion". In contrast, during the same period "the total volume of traffic for landline phones reached **30.7 billion minutes** in the first quarter of 2010, a level which it had not reached since almost 10 years ago," declared ARCEP.

Some people explain this by the economic crisis (are parents keeping a closer eye on the phone bills?), others see the dawning realisation that using a mobile phone carries a health risk.

Whatever the reason, against all expectation the landline phone is gaining ground in a surprising way against the mobile.

Paradoxically average yearly revenues remain the same, in spite of the ingenuity and multiplicity of new offers from the phone companies.



An ex-fan of the mobile phone...

The golden age of an investment return in double figures from mobile telephony is now in the past, and the poor return on the mobile videophone (3G, etc.) is a bitter pill for the phone companies. Whether due to the economic climate or not, the PMT (Personal Mobile Television), which the operators were so keen on and was supported by the authorities, backed up by offers from the manufacturers, has turned out to be a flop.

The truth is that there is a widespread falling off of demand, especially in the northern countries, for mobile phone time. Is this a first sign of salvation for the southern European countries?

[\[Report ABI research\]](#)

For the time being the phone companies' revenues are still being boosted in the developing countries, particularly in Africa which is a truly limitless Eldorado, with its favourable geopolitical conditions and a public that has no awareness of any health risks. Considering the poverty in some African countries it's even indecent, yet it is entirely possible that, in the face of [the phone companies' aggressive marketing and business methods](#), the demand for mobile phones will literally explode.

But beware and prepare for tomorrow, for the tide may well turn.