

Portable Phone Fad Gathers Pace

By Ato Ekusa

Portable cellular telephones are becoming so popular in Japan that the morning edition of a national newspaper recently carried the following cartoon:

One evening a smart young salaried worker sporting designer clothes is riding home from work on a packed commuter train. He is standing, holding onto a strap and swaying with the rest of the passengers. Suddenly, the bag that is hanging from his shoulder lets out a ringing sound. Aroused from his reverie, the man, who works as a foreign exchange dealer at a bank, opens his bag, takes out a receiver, and places it against his ear. It is a telephone call from a subordinate at the man's bank asking for instructions. "The Singapore market is still open, isn't it?" says the man on the train. "Let's purchase 20 big ones [\$20 million] there." The other passengers gaze at him with a mixture of awe and respect. Crowned by a halo, the bag carrying the portable telephone appears quite majestic.

After a while, the man's telephone rings again. When he takes out the receiver, the other passengers in unison prick up their ears. "Okay, I've got it," says the man into his receiver. "You want me to drop into the supermarket in front of the station and buy three pieces of cooked fish for dinner." On the other end is his wife, telling him to do some shopping. The other passengers look dumbfounded.

Over the last couple of years portable telephones have spread in Japan like wildfire. According to the Ministry of Posts and Telecommunications, the number of portable telephones registered in Japan at the end of March 1990 was 489,600, a whopping 102% increase over the March 1989 figure of 246,800. Of the total, Nippon Telegraph and Telephone Corp. (NTT) accounted for 378,400 (up from 139,800 in March 1989), the Tokyo-based Nippon Idou Tsushin Corp. for 47,900 (up from 43,700), the Osaka-based Kansai Cellular Telephone Co. for 47,600,

Chugoku Cellular Telephone Co. for 6,100 and Kyushu Cellular Telephone Co. for 9,600. (The latter three companies began operations in 1989.)

Portable telephones had a rather anti-social beginning in Japan, being used initially by mobsters who found them convenient for calling the troops together for a show of muscle. Members of gangs also thought it looked good to sit in the first-class compartment of a Shinkansen bullet train and talk with their headquarters by portable phone, even though they had nothing special to communicate.

The next to use portable telephones were the presidents of private companies, and now the executives of all respectable corporations carry one about with them. Hence the emergence, as illustrated in the cartoon, of young working husbands who receive shopping requests from their wives on their way home from the office.

Behind the sudden surge in popularity of portable telephones lies the Ministry of Posts and Telecommunications' turnaround on administrative policy. In 1985 the ministry liberalized Japan's electronic communications business, which until then had been monopolized by Nippon Telegraph and Telephone Public Corp. As a result, several cellular phone companies sprang into existence, beginning with Nippon Idou Tsushin, covering the Chubu region and eastern Japan, in 1988 and Kansai Cellular Telephone, covering western Japan, in the summer of 1989. To compete with the newly privatized NTT, these fledgling companies offered a range of services to attract customers, including the elimination of deposit money and the scaling down of call charges.

The ministry provided another boost to the number of portable phone users by increasing its allocation of frequencies for such devices and thereby widening the areas in which they can be used.

Yet another step forward came with the introduction of the U.S. firm Motorola Inc.'s cellular-phone technology into Japan by the three Cellular Telephone



The portable cellular telephone can be seen just about anywhere these days.

companies covering western Japan. Motorola's tiny cellular phone, which can fit into a shirt pocket, has attracted much attention and provided a further stimulus to the market.

Not all is rosy for the portable telephone, however. There have been complaints that people using such phones on the train in complete disregard of others are a nuisance and are creating a new form of noise pollution. In addition, portable phones are so widespread now that when a user passes from one area to another, the conversation sometimes gets cut off. Moreover, because portable telephones use radio waves, they can easily be bugged, so subscribers have to rely on ordinary phones for important calls anyway.

Cellular phones for cars have become such a fad that telephone companies, especially in Nagoya, find it difficult to keep up with demand. Nagoya lies in the Chubu region, where Toyota Motor Corp. has its headquarters, and the ratio of automobile ownership is high there. Unable to obtain the real thing, frustrated young drivers reportedly make do with attaching imitation antennas to their cars. With enthusiasm like that, the portable telephone market looks likely to keep on ringing.

Ato Ekusa is a free-lance reporter based in Tokyo.