2004 SIMalliance Market Status and 2005 Outlook

During SIM 2005 in Amsterdam, Philippe Vallée, Chairman of the Board, SIMalliance, presented the 2004 SIMalliance market status and outlook for 2005.

SIM Market Trends

Firstly, the main SIM market trend was around the deployment of SIM card applications facilitated by larger memory capacities. They are used for customer data and operator specific applications. For instance, Information On Demand, gaming, SMS and chat, promoted operators' brands while operator-centric applications such as roaming and reload, ensured cost reductions and generated new revenue streams. In order to promote such applications, many operators adopted a more segmented approach targeting end-users according to their age, business activity, and personal profile.

Secondly, the industry saw an increase in the size of phone books and the arrival of multimedia cards offering secure storage for content and html web servers, generating more traffic and increasing customer loyalty. Moreover, handsets became increasingly personalized which simplified logistics and reduced costs. Last but not least was the emergence of improved interoperability with a clear migration to Java & S@T technologies.

The SIMalliance contribution

In 2004, SIMalliance efforts focused on promoting large memory SIM cards, collating best of breed applications and building use cases. The SIMalliance introduced SIM Sentry - a SIM application storing licenses for mobile games and other handset applications as well as a mechanism to securely administer these licenses and store relevant information (ID, credit, levels, etc). Moreover, the SIMalliance played a leading role in the creation of the SIM Handset Interoperability Working Group, with three level labels initiative (Silver, Gold & Platinium) to categorize handsets. This has been presented for the first time during an event co-organized with ETSI on November 2004.

Key figures of the 2004 SIM market

In 2004, members of SIMalliance worldwide provided 890 million SIM cards with Europe (EMEA) still representing the largest market share (45%). The Americas showed continuous growth (16% of market share) and Asia saw a massive increase (38% of market share).

Regarding the product mix evolution, the SIM industry widely migrated to larger memory cards (64K & more), from 13% in 2003 up to 29% market share in 2004. With the migration to Java, Java SIM cards 2.1.1 & more amounted to 42% in 2004 compared to 24% in 2003. Finally, dynamic menu servers grew faster than any other technology, with S@T representing 9% of TAM (Total Available Market).

2005 outlook and top priorities

During the first half of 2005, the SIMalliance intends to get the support from Operators endorsing tests suites SIM Handset Interoperability Working Group has defined. This will allow to categorize handsets with labels in a list that will be published.

At the same time, the SIMalliance will implement a S@T certification program designed to test the whole chain from S@TML to the delivery of the handset to the end-user.

About SIMalliance.
SIMalliance is a non-profit organization of leading SIM manufacturers (Axalto, Gemplus, Giesecke & Devrient, Oberthur Card Systems, ORGA Kartensysteme, Prism, Sagem, ST Incard and Xponcard) created to promote the benefits of SIM cards and SIM-based services and to provide open and interoperable solutions for mobile service deployment.

SIMalliance:

- Acts as an incubator for SIM card enhancements to be proposed to standardization bodies and industry forum
- Boosts adoption of innovative and interoperable SIM card-centric solutions
- Works towards complete interoperability between all the components of the mobile services environment (cards, platforms, handsets, applications)
- Promotes key functionalities and best usages of the SIM that help operators increase their ARPU, reduce costs and personalize their services offered.

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