

Global SMS traffic to reach 8.7 trillion in 2015

LONDON, UK: According to the latest forecasts from Informa Telecoms & Media, SMS will remain a significant source of revenues and traffic for mobile operators on a global basis until at least 2015. The company reckons SMS traffic growth will be driven by enterprise, emerging markets and social networks.



Global SMS revenues are forecast to rise to US\$136.9 billion (about R980 billion) in 2015 from US\$105.5 billion (about R738 billion) in 2010, while global SMS traffic is expected to increase to 8.7 trillion messages in 2015 from 5 trillion messages in 2010.

"Mobile operators are spending heavily on rollouts of LTE and other high-speed mobile data networks, leaving relatively little in the budget for messaging services, however SMS remains a core service for mobile users and continues to account for the vast majority, 80% in 2010, of their data-and-messaging revenues," comments Pamela Clark-Dickson, senior analyst at Informa Telecoms & Media and author of the recent Mobile Messaging research (informatm.com/mobmessaging).

"SMS will continue to be the most popular form of messaging for a number of reasons: universal access and interoperability across devices and mobile operator networks, ease of use, reliability, and low cost. "

Growing use, more sophisticated use

Although traditionally used primarily by consumers, SMS is increasingly being used by government departments, banks and financial institutions, brands, retailers and transport providers, among others, for increasingly sophisticated purposes. SMS is used not just to deliver alerts, information services or mobile marketing campaigns; it is used to deliver appointment reminders, tickets, coupons, banking and payments, and loyalty programs, among others.

SMS is also becoming increasingly popular in emerging markets, in particular for the delivery of a range of financial services to mobile users who would otherwise not have access to banking products, for information services, and for other types of messaging services, including e-mail and instant messaging.

Widespread applications in health field

Indeed, the types of information services that are being delivered by SMS in emerging markets in Africa and other regions are playing a vital role in improving the economic and social well-being of mobile users and their families in these markets. For example, farmers can use SMS to receive weather reports, crop prices and information about fertilizers, and in so doing hopefully increase their crop yield and allow them to get the best possible price for their harvest. Meanwhile clinics can harness SMS to manage their stocks of medication better or to allow patients to check whether their medicines are fake, which will ultimately help reduce the spread of diseases such as malaria and HIV.

Far broader audience

"The fact that SMS is the universal data communications channel on the mobile device is also a huge benefit for businesses and government departments in developed markets and, more recently, for social networks like Facebook and Twitter. By enabling SMS updates or alerts for their services, social networks, businesses and government departments can reach all mobile users, and not just the segment of users that owns a smartphone," adds Clark-Dickson.

SMS will remain a key mobile messaging medium over the coming years, but growth in SMS revenues is slowing or falling, particularly in developed markets, and mobile operators may lose a significant cash cow if they do not act to introduce or enable the introduction of new and innovative SMS-based services.

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