

Africa leads global SMS trends

African companies are leading the way in developing innovative uses of SMS messaging. This is the latest word from the Global Messaging 2008 conference, held in Cannes, France, on 8 - 9 May 2008. "Delegates at the conference were surprised by the number of innovative ways that SMS messaging is already being used in Africa, especially for banking services, person-to-person messaging and local economic development," said Dr Pieter Streicher, MD of BulkSMS.com, who attended this fifth annual conference.

"South Africa, for instance, has some widely used messaging services that are almost unheard of in the rest of the world," Streicher added.

The popular "Call Me" person-to-person data service, according Andries Human, senior system planner at MTN, averages more than 13 million messages a day on the MTN network alone. The 'Call Me' service uses USSD and SMS technologies.

SMS banking services

The use of SMS for banking services provides another example of African innovation. While the rest of the world is only starting to explore the use of SMS messaging for banking, MTN already has six years experience in the sector and has learnt many lessons during its early years in SMS banking. MTN found solutions to fraud problems, such as SIM swap, before international experts even identified these threats.

In the rest of Africa, where fixed line networks are poor, farmers now receive financial returns of up to 40% more for their produce as a result of pricing transparency facilitated by SMS messaging. SMS communications also enable young people in rural areas to find jobs in cities. Previously, responding to job adverts in the newspapers was futile as by the time a person has travelled to the city the vacancy had been filled.

"These changes in access to information via SMS messaging go far to contribute to local economic development in African countries and are as revolutionary as the introduction of roads, railways and ports in linking Africa to the global economy," said Streicher.

A2P growth predicted

Global data revenues exceeded US\$156 854 million in 2007, according to a March 2008 World Cellular Data Metrics report by Informa Telecoms and Media. Nevertheless, key industry growth indicators show that while SMS messaging continues to grow, with 3 trillion messages expected to be sent in 2012, premium rate SMS messaging is showing signs of stagnating in many markets.

Many speakers at Global Messaging 2008 pointed out that the current and future growth of SMS messaging is in standard rate application-to-person (A2P) messaging market. According to British Telecom, by 2014 in the UK more than 30% of SMS messages received will not be from friends but rather business or interest group related A2P messages.

The early adopters of A2P messaging for notifications and customer service facilitation include the financial services sector, transportation and healthcare. In the UK, Ofcom (which is better known for issuing massive fines when premium rate messaging is abused) recently released promising reports on how SMS messaging can benefit the healthcare and transport sectors.

“Benefits are clear”

According to Streicher, “Although the benefits are clear, and compelling case studies exist, the adoption of A2P messaging by large enterprises is a long process. It takes time to integrate messaging solutions into legacy software systems. This is steadily happening though, and as this conference has shown, each year there are more and more presentations reporting on the successful use of SMS messaging within the enterprise sector.”

A consequence of this trend towards the adoption of SMS messaging by large enterprises is that pressure is being put on network operators to offer better service level agreements. While a typical response of a network operator to a consumer regarding the non-delivery of a message would be “send it again”, this is not acceptable for enterprises where a lost message could have serious operational consequences.

“Coming away from the Global Messaging 2008 conference I am encouraged to see how a maturing messaging industry remains open to innovation and growth opportunities both in terms of markets in developing countries and the uptake of A2P messaging for enterprises,” said Streicher.

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