

MEDIA RELEASE

BULKSMS.COM

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SMS continues as biggest messaging revenue earner for operators

SMS revenues have continued to grow year-on-year and are providing mobile network operators with their most significant messaging revenue earnings. The result is that analysts have had to admit that their predictions on the demise of SMS have been premature.

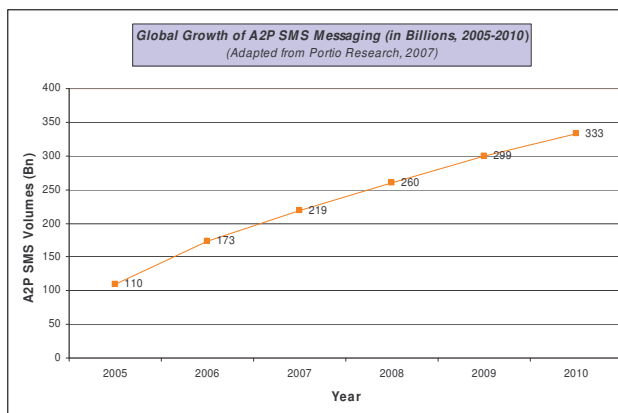
This is the word from the Global Messaging 2007, the fourth annual mobile messaging industry congress, held in this year in Monte Carlo. The major industry event ran from 5 to 6 June 2007 and included delegates and speakers from 32 countries.

Pamela Clark Dickson, editor of *Mobile Messaging Analyst* published by Informa Telecoms and Media, noted at the event that messaging revenues are estimated to be nearing US\$ 80 billion worldwide. SMS messaging was seen to be responsible for US\$ 60 billion of this revenue.

“Predicting the demise of SMS has become like chasing a rainbow. Each year it moves further into the future,” said Dr Pieter E. Streicher. Dr Streicher attended the Global Messaging 2007 in his capacity as managing director of BulkSMS.com, a wireless application service provider.

Mobile messaging technologies include MMS (multimedia services), mobile email, MIM (mobile instant messaging, such as MXit) and SMS (short message service).

Mobile messaging can be further categorised as P2P (person-to-person) or A2P (application-to-person) messaging, the latter largely describing business communications via SMS or mobile email while SMS, MMS and MIM account for P2P messaging. According to the [Portio Research](#) report, “Mobile Messaging Futures 2006 – 2012” (2007), the growth trend in SMS volumes in the A2P market is clearly evident.



Current global predictions for the growth of SMS messaging volumes by 2010 range from 2.316 trillion by Gartner, to 2.827 trillion by Ovum, and 3.173 trillion by Portio Research. These figures are all up from 1.056 trillion SMS's reported for 2005 by Portio Research.

According to Dr Streicher, “Metcalfe’s law states that the usefulness of a network is equal to the square of the users. This was seen with SMS where interoperability between the four mobile network operators in the United Kingdom in 1999 resulted in a ten-fold increase in SMS volumes.”

Speaking at Global Messaging 2007, John Delaney, principal analyst in Ovum's Consumer Group, put forward several reasons for why SMS is leading mobile messaging volumes:

- Simplicity – any can use SMS,
- Ubiquity – everyone can send and receive SMS's (there over 2 billion people, or nearly a third of the global population, who use cell phones today),
- Awareness – everyone knows they can send and receive SMS's,

- Critical mass – you can assume anyone will receive your SMS and know how to read it,
- Reliability – this has not always been the case, but SMS has become very reliable.

South Africa is currently has the highest volumes of business related A2P messaging (relative to P2P messaging) in the world. It is the only country where all of the major banks have adopted SMS messaging. Gabi Porter, product manager: messaging at Vodacom, related to delegates at the congress that business related A2P messaging is an important revenue stream for Vodacom.

“The use of SMS by governments, businesses and organisations is only just starting on a global scale and is growing rapidly. SMS messaging is used for disaster alerts, employee notifications, as well CRM and ERP communications. The fact that SMS has stayed with us for the last fifteen years means that it is likely to remain a key communications tool in the future. The ‘permanence’ of SMS justifies integrating SMS into business software and budgeting for SMS as part of a company’s IT spend,” said Dr Streicher.

A key industry trend reiterated at Global Messaging 2007 was that in the mature markets, mobile networks are starting to acknowledge the important role of wireless applications service providers (WASPs) and aggregators in growing the A2P market. In the experience of mobile operators, the higher percentage paid out to WASPs, the more revenue the mobile operator makes from messaging. Mobile operators in the United Kingdom currently offer the highest payouts in the global messaging market.

“The message from Global Messaging 2007 is that companies such as BulkSMS.com are playing an important part in driving SMS messaging revenues by providing businesses with user-friendly technology solutions to meet their business communication requirements,” said Dr Streicher.

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About BulkSMS.com

BulkSMS.com is a leading wireless application service provider offering bulk SMS solutions to the businesses, organisations, schools and individuals in South African, United Kingdom, European, and USA. Bulksms.com is a Cape Town (South Africa) based company and has been in operation since 2000.

BulkSMS.com offers bulk SMS messaging, subscription and premium rate solutions to meet the needs of business, public benefit organisations and individuals. Bulksms.com provides messaging services via the Internet, email and Bulksms.com Desktop Messenger, its desktop SMS application. BulkSMS.com is able to offer clients with white label messaging solutions and supports the integration of messaging systems with a client’s applications using an e-API. Bulksms.com also offers the WAP Content Platform which provides the platform to host and access mobile content.

BulkSMS.com is a member of the:

- Wireless Application Service Provider Association (WASPA)
- Wireless World Forum (W2F)
- 160 Characters



Dr Pieter E. Streicher, the managing director of BulkSMS.com, also sits on the management committee of the Wireless Application Service Provider Association (WASPA).

For more information about BulkSMS.com’s services visit www.bulksms.com, email: service@bulksms.com or contact the company on tel: 021-409 7815.

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