

# GETTING THE MESSAGE

Operators need to realise that text is here to stay, says Geoff Vincent.

Text is booming. Messages sent at New Year 2003 were 59% up on a year ago (and would have been even greater, if demand had not exceeded the networks' capacity to supply). More people in Europe now use text than email.

Text is serious. The most important events in people's lives – births, marriages, relationships, breakups – are now signalled by text message. And now war. From an interactive debate we ran for Granada TV on war with Iraq:

*Listen to ur nation Mr Blair they r the people that count...*

*I dont want them to. But we always seem to back down*

A lot can be said – and done – in just 160 characters. Paying London's new congestion charge by text is only the start: with appropriate network intelligence to back it up, text can be used for transactions and purchasing, making life simpler and more convenient for users.

Some analysts predict that text will peak in 2003, then decline as users switch to MMS and other services. Experience contradicts this: text is barely getting into its

stride. Picture messaging is useful, but it meets a different kind of need. (How do you send a picture that says "Meet me at the Royal Oak 8.30; Gina will be there"?)

Attempts to graft a desktop PC-style interface onto a mobile phone

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**'LISTEN 2 UR CUSTOMERS MR TELCO THEY R THE PEOPLE THAT COUNT'**

failed. Most people, it turns out, don't want a desktop in their pocket. Text, on the other hand, works. It's easy, immediate, and you can do it while walking down the street, with at least half your mind on other things. And text can be used to control,

authorise, purchase, order and direct, as well as communicate. After all, text is simply written speech.

One in ten of the world's population already has what it takes to send and receive text messages, and more and more of them are choosing to use it. All in all, text – perhaps the most powerful tool mankind has ever invented – is the most likely starting point for the rich variety of next generation services that have been widely predicted.

So are operators now taking text seriously – despite the fact that its success caught them completely unawares? If we didn't see it coming, at least let's recognise it and capitalise on its success.

Profit margins on SMS are reportedly 95%. Here is a cash cow, a small proportion of which could reasonably be invested to ensure a continuous supply of jam tomorrow, rather than simply dropped into the bottomless pit of 3G debt. But what is needed is not even investment: just sound strategic decisions that will support the development of text, and text-based services.

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How do you stimulate demand for new services? Ask NTT DoCoMo. Take one example: its i-mode service charges a reasonable 9% commission for collecting payment from subscribers for the premium third party content it delivers. As a result, hundreds of third party providers were stimulated to create new services using i-mode. DoCoMo could have taken more, but if they had i-mode would now be a forgotten experiment, not a service used daily by 30 million Japanese. And DoCoMo's profits would be many billions lighter.

In the UK and elsewhere, the commission charged for delivering premium SMS content is closer to 50%. Is it surprising that premium services in Europe have failed to take off? There are hundreds of text services waiting in the wings that would be unleashed by a simple change in pricing policy.

Telecommunications operators – with some honourable exceptions – were never noted in the past for listening to customers, or for their strategic vision. Is it too

late to prove that things are different now? The message coming through loud and clear is this: LISTEN TO UR CUSTOMERS MR TELCO THEY R THE PEOPLE THAT COUNT. TXT IS SERIOUS. R U?

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