

Aggressive Pricing Strategies Afforded by Scalable Hosted Messaging Solutions Enable Operators to Invite Messaging Growth to the Caribbean

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Throughout the world, Short Message Service (SMS) and Multimedia Message Service (MMS) have proven to be lucrative solutions for mobile operators. Both messaging volume and the number of applications that rely on SMS and MMS for delivery have grown rapidly, and the trend is expected to continue into the foreseeable future.

As the Caribbean market becomes increasingly more competitive, operators that partner with a messaging service provider that offers flexible deployment options and creative business models will become market leaders by differentiating their services and launching aggressive messaging promotions. Operators can achieve revenue without assuming the full risk of a legacy turnkey messaging platform deployment.

As mobile penetration numbers in the Caribbean reach 100 percent or above, according to Business News Americas, operators can take advantage of untapped mobile messaging potential by implementing hosted solutions that will enable them to capture this new market potential as it evolves. A valued hosted service partner shares the risk, enabling the operator to increase revenue while minimizing CAPEX and OPEX.

If the Caribbean market follows worldwide messaging trends, SMS and MMS represent a substantial opportunity for operators. At the end of 2010, annual worldwide SMS traffic volumes reached 5 trillion messages, and that number is expected to increase to 8.7 trillion messages in 2015, according to Informa Telecoms & Media. In fact, Pyramid Research reported that the Caribbean will continue to be among the fastest growing mobile markets in the world through 2013.

Taking into consideration the number of tourists who visit the region and roam on Caribbean operators' networks, the scalability available in a hosted solution becomes critical to meet temporary capacity demands and capitalize on these lucrative messaging surges. This scalability also ensures that operators can meet future organic messaging growth.

It is imperative that operators position themselves to manage growth in not only SMS, but MMS as well. Working with a hosted messaging vendor that offers bundled solutions provides the greatest opportunity for success due to the ability to offer more consistent and attractive pricing to subscribers.

The introduction of more advanced handsets, competitive pricing plans and factors such as improved interoperability will undoubtedly contribute to the growth of MMS. In 2009, the industry began to see an overall increase in MMS traffic, including picture and video messaging. Worldwide, picture messages reached more than 93 billion in 2009, and that number is projected to grow to nearly 158 billion in 2015, according to Ovum.

Just as newer handsets have played a major role in MMS growth thus far, the predictions of smartphone adoption ensure continuing MMS market potential. In-Stat predicts that global unit shipments of smartphones will reach 850 million by 2015.

Additionally, Caribbean operators can expect increased messaging volumes as a result of mobile marketing and other applications that rely heavily on SMS and MMS for delivery. In Puerto Rico, for example, Pyramid Research analyst Eulalia Marin-Sorribes said "applications such as mobile banking and mobile advertising could become rich revenue lines for local companies in the near future."

If the Caribbean market continues to follow the path of worldwide mobile messaging trends, it's imperative that operators partner with a messaging service provider that offers proven business models. With their service providers' strategy guidance, operators will be well positioned to capitalize on both existing and new market potential, thereby inviting continued messaging growth in the Caribbean.

