

RIP SMS



Nathan Pearce, 2013-16-05

[Informa](#) recently reported that the number of messages sent using free chat apps like 'WhatsApp' has overtaken the number of traditional paid-for SMS messages sent. The [BBC](#) revealed that according to Ovum, more than £15bn of SMS revenue was lost in 2012 due to popularity of chat apps. When you bear in mind that the Apple app store only opened in 2008 and that WhatsApp only launched in 2009, this is quite incredible.

Free apps aren't just muscling in on the messaging territory of mobile service providers; WhatsApp is now rumoured to be considering a [voice chat function](#). If we can text and make calls for free on the go, what does the future have in store for mobile service providers? It seems likely that free messaging apps will follow in Skype's footsteps by making traditionally paid-for services free for all. As communication apps continue to take their piece of the pie, mobile service providers will need to look for alternative opportunities to generate revenue.

In addition to the revelation that free texts are overtaking their paid-for equivalents, this quarter has also [revealed another first](#). This is the first time that smartphones have outnumbered basic phones in terms of worldwide shipments (in a total market of 418.6 million devices, 216.2 (51.6%) were smartphones).

With smartphones becoming more and more prolific, apps are becoming an increasingly important part of our lives. And with communication services available free of charge, why would we choose to pay for our messages and calls, if we didn't need to?

Service providers need to find alternative ways to make revenue; rather than calls and texts, they should shift their focus to data. Securing and managing the data on our mobile devices is likely to become more of a priority as the uptake of smartphones and tablets continues to skyrocket.

Context is something that has come up in several of our blog posts and this is one incident where it plays a truly crucial role. In order to remain competitive in this changing market, mobile service providers need to understand context; offering intelligence that allows them to deliver the right data to the right user at the right time, quickly and securely. Understanding what kind of data it is, who is accessing it, from which network, and from which device is key to its secure delivery. Once they understand that, mobile operators can build new products and services in order to keep their customers happy.

While we may have a long way to go before the SMS is obsolete, any mobile service provider that chooses to ignore the threat posed by the arrival of free chat apps is going to get left behind. Apps and free chat apps in particular are about making data and communication accessible to all. Understanding context will empower service providers to build new revenue streams and secure an advantage over the competition.

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