

Business jumps on text-messaging wave

Wireless carriers see huge jump in digital notes as cellphone use increases

By James Bow
Business Edge

Once the territory of teenagers, text messaging is becoming a major means of communications in Canada, and a tool used by business.

As cellphone use increases, users are opting to stay in touch with short digital notes rather than lengthy or disruptive phone calls.

And all this growth, which has occurred in the past five years, can be attributed to a decision by the wireless phone carriers to work together.

"Prior to April 2002, text messaging was pretty much non-existent in Canada," says Marc Choma, director of communications for the Canadian Wireless Telecommunications Association (CWTA).

"You couldn't send messages to friends and relatives on other service providers, so there really wasn't much of a pickup, even though the rest of the world was seeing a lot of growth, because everybody was on the same standard."

So the carriers got together to introduce intercarrier text messaging.

"When that happened," says Choma, "we expected to see a rise in text messaging, but we didn't expect the rate it grew."

The CWTA notes that cellphones are among the fastest-growing consumer products in history. In 2006, the number of Canadians with cellphones increased from 16.8 million to 18.5 million, a penetration rate of 58 per cent. But growth of text messaging has exceeded even the growth of cellphone use.

In 2006, Canadians sent 4.3 billion text messages to each other. In the month of March alone, there were 272 million text messages, compared to 10 million in March 2001. In December 2006, that number was 560 million.

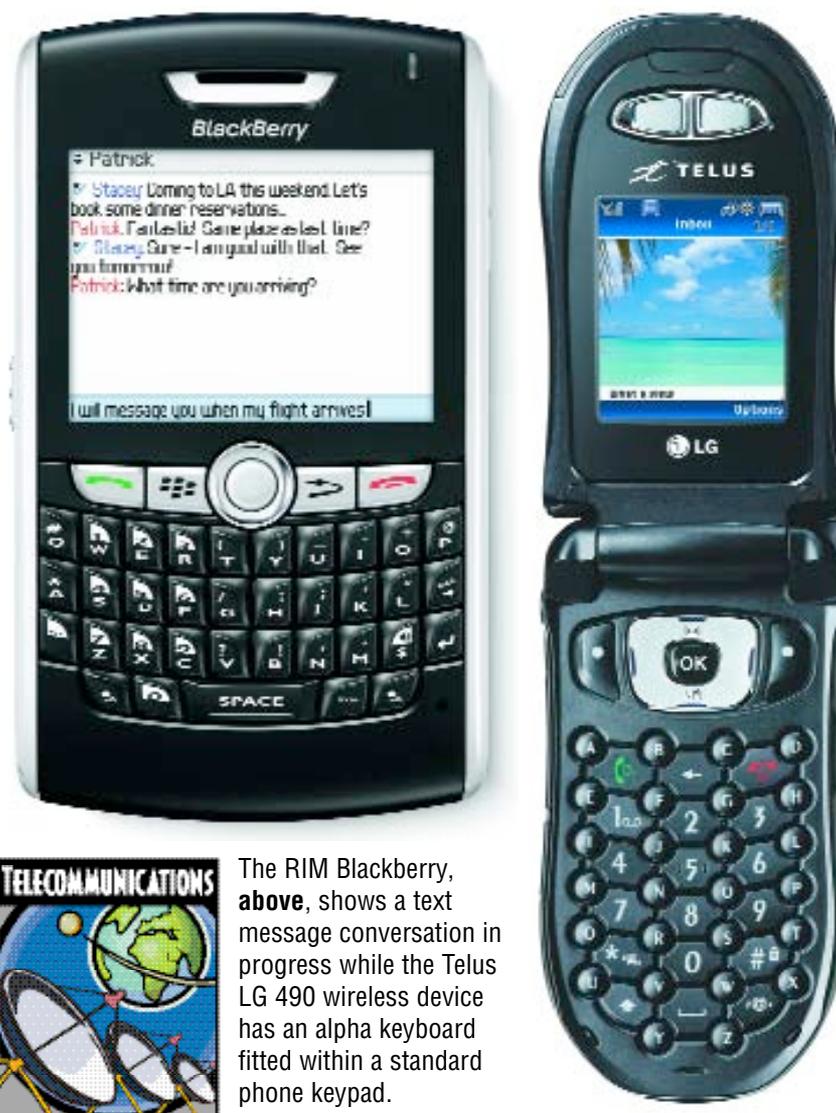
The number of text messages has doubled each year between 2002 and 2005, but it tripled between 2005 and 2006, according to statistics from the CWTA.

Text messaging, also known as SMS for short message service, is often seen as a social toy for young adults, but use of SMS is increasing in all age groups.

The CWTA notes that, between 2001 and 2005, cellphone use among those 55 and older has doubled.

Families are making use of the service to stay in touch quickly and easily, and businesspeople find that it can be more effective than leaving voicemail while on the go.

"It's popular because it's inexpensive and not intrusive," says Choma. "If you don't need to talk to someone, disrupting people around you, or if you can't reach an individual by phone because of timezone differences, you can still get off a simple message. And a lot of



The RIM BlackBerry, **above**, shows a text message conversation in progress while the Telus LG 490 wireless device has an alpha keyboard fitted within a standard phone keypad.

TEXT MESSAGING

In 2001, the Malaysian government decreed that Islamic traditional divorce (saying "I divorce you" three times in a row) was not valid if sent by text message. In 2003, a Malaysian court ruled that under Sharia law, a man could divorce his wife by text message, so long as the message was clear and unequivocal.

The Guinness Book of World Records maintains an entry for fastest text messaging, requiring contestants to type "The razor-toothed piranhas of the genera Serrasalmus and Pygocentrus are the most ferocious freshwater fish in the world. In reality they seldom attack a human." Ms. Ang Chuang Yang of Singapore holds this record, keying in this message and sending it in 41.52 seconds.

Source: BBC News, Reuters

people think that it's a lot of fun."

Telus spokeswoman Julie Smithers agrees. "It's a convenient way for staying in touch with business associates. It's a great way to stay in touch when you're on the go.

"Text messaging is an important part of our business and it's growing in leaps and bounds," she adds. "In Q4 2006, our cellphones saw their average revenue per unit per subscriber increase by \$2 to \$64.50. The data component of that revenue increased by 94 per cent."

The growth of wireless has led Canada's carriers to invest more than a billion dollars in mobile phone infrastructure each year.

"In terms of infrastructure and bandwidth, we do have dedicated network elements to manage traffic," says Smithers.

The industry employs nearly 25,000 Canadians in highly skilled positions. The CWTA notes that demand for wireless communications specialists is so great, Canada's colleges and universities are creating programs geared to the wireless industry.

Even Research In Motion has added text messaging on its BlackBerry smartphones, despite the fact that its users can send and receive full e-mails.

It introduced its first SMS-capable handset in March 2002, just in time for the introduction of intercarrier text messaging.

"We see text messaging as being complementary to what the BlackBerry offers, which is why SMS functionality has been included in every handset since the BlackBerry 5810," says Andrew Bocking, senior product manager of handheld software at Research In Motion.

"It's worth noting that text messaging can also mean instant messaging (IM)," he adds, "which is fully supported on the BlackBerry platform for corporations (running Enterprise IM) and individuals who might want to use Yahoo! Messenger or GoogleTalk on a BlackBerry handset.

"The IM experience on a BlackBerry handset is very similar to what users would experience on their desktop computers."

But Bocking notes that RIM's e-mails are more than simple text messages.

"Text messaging evolved on the original GSM (global system for mobile communications) cellular networks long before there was a packet data capability (called GPRS) that would allow things like e-mail and web browsing," says Bocking. "SMS is a very limited technology that allows users to send very short text messages – typically less than 160 characters per message.

"GPRS, and its successor EDGE, build upon the GSM infrastructure but the technology is very different," he adds.

"Although BlackBerry handsets include SMS functionality, the BlackBerry solution, which includes the 'push' e-mail capability that the platform is best known for, makes use of GPRS/EDGE connectivity."

After five years of remarkable growth in text messaging, Choma notes that other potential business applications are growing, including an application known as short codes.

"There are millions of those messages going on all the time," says Choma, "and these are in addition to the numbers of text messages sent by Canadians from one phone to another."

Short codes allow text messaging users to interact with businesses and other organizations.

Instead of typing in lengthy messages to a phone number, short code users can instead send a five- or six-digit code to access a particular service.

This can include getting directions to a restaurant, request songs from a radio station, or obtaining traffic and weather reports.

Smithers expects further innovations to enhance the growth of text messaging in Canada.

"Our major innovation was Fastap – a full alpha keyboard placed around the traditional keypad," says Smithers. "It makes text messaging simpler, and we've seen an increase in the number of text messages sent by these units compared to traditional models."

Smithers does not see RIM's BlackBerry as being a threat to Telus's text-messaging services.

"There's room for everything in the marketplace," says Smithers. "Full-length e-mail and text messaging both have their place.

"The growth of data use in general has been quite impressive."

While the growth of Canadian text messaging is already impressive, Choma sees an even brighter future. Canada is still playing catchup compared to other countries.

The United Kingdom, for instance, sent Canada's 2006 number of text messages, 4.3 billion, in just the month of December.

"When you're looking at text messaging," says Choma, "and you see some of the numbers coming out from Europe and Asia, the sky is the limit."

Web Watch: Canadian Wireless Telecommunications Association: www.cwta.ca
TXT.ca (Canada's Text Messaging Resource Centre): www.txt.ca
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