NEW RESEARCH SHOWS 2013 AS THE YEAR WHEN THE AMOUNT OF INTERNET BASED MOBILE MESSAGES EQUALS SMS

GigaOM Research and tyntec study highlights that users will send nearly 10 trillion SMS and IP-messages during 2013

San Francisco, Calif, January 23, 2013— tyntec, a mobile interaction specialist, today released the results of a study conducted in association with GigaOM Research, naming 2013 as the year IP-based mobile messaging will equal the popularity and ubiquity of SMS. The research shows that nearly 10 trillion SMS and IP mobile messages will be sent in 2013, predicting parity for the first time. This follows a year of significant adoption in consumer-based Internet mobile messaging, driven in part by the global uptake of OTT (over the top) technologies such as WhatsApp and Facebook Chat.

The research, which can be **downloaded here**, shows that this trend is set to continue, with the number of IP-based messaging subscribers already surpassing SMS user numbers in 2012, and 1.8 billion users sending 15 trillion messages per year by 2016.

As users continue to migrate to lower cost messaging services for person-to-person (P2P) communication, they are forced to switch between IP-based messaging and SMS due to the lack of interoperability and inconsistent delivery associated with IP-based messaging. The report also shows that despite the popularity of newer IP-based messaging services, SMS will continue to grow by 5 percent CAGR until 2016. This growth is due in part to Internet companies, social networks and enterprises continuing to take advantage of SMS's ubiquity, interoperability and global reach for Application-to-Person (A2P) messaging. For example, Google relies on SMS in emerging markets to deliver emails and verify authentication. Similarly, mobile money applications use SMS to post transactions and social networking sites such as Facebook and Twitter, also use SMS to publish updates.

The report concludes that the growth of IP-based messaging and SMS solutions have ultimately reached an impasse and will be forced to converge as end-users continue to demand more streamlined messaging. GigaOm Research suggests that virtual phone numbers are a promising solution to the fragmentation, as these provide a universal identifier to seamlessly converge the two technologies.

Virtual phone numbers offer interoperability to IP-based messaging services enabling users to transmit and receive messages regardless of the delivery mechanism. For example, a WhatsApp user would traditionally have to close the app and send a message via SMS to a non-WhatsApp user. By utilizing virtual phone numbers, messages would be sent seamlessly between devices without the user having to worry about choosing the appropriate delivery technology (e.g. SMS, WhatsApp, iMessage) and consumers would benefit from a smoother and more satisfying user experience. Similarly, carriers can take advantage of the shifting market by actively promoting virtual phone numbers to OTT players. This would both enable and promote seamless global communication while providing carriers with an entry point to the OTT / cloud telephony market. This convergence of messaging technologies allows OTT players and carriers to leverage each other's strengths in the value chain, providing enhanced scalability, delivery and innovative interfaces for end users while mobile operators gain additional international, rich SMS and voice traffic revenues from the OTT and web 2.0 markets.

"The rapid uptake and flexibility of IP technology and the reliability and ubiquity of SMS messaging will keep these technologies both competitive and complimentary," said Peter Crocker, GigaOm Research analyst, founder and principal analyst at Smith's Point Analytics. "However, the advent of IP and new players is also creating fragmentation which is bad news for operators, Internet companies and users alike. Converged messaging through virtual phone numbers seems to be a natural way to address this problem because they provide a unique identity to enable interoperability and global reach for all parties."

"While IP-based messaging services such as WhatsApp are grabbing all the headlines because of their growth, it's important to remember that they share the same core purpose of SMS, convenient and reliable end-user communication," said Thorsten Trapp, Co-founder and CTO of tyntec. "By integrating the IP and mobile SMS world, companies can drive revenues and increase demographic and geographic reach quickly and simply. This is why virtual numbers will be so important in 2013 and beyond."

About tyntec

tyntec is a mobile interaction specialist, enabling businesses to integrate mobile services for a wide range of uses – from mission-critical applications to internet services. We reduce the complexity involved in accessing the closed and complex telecoms world by providing a high quality, easy-to-integrate and global offering using universal services such as SMS, voice and numbers. Our products serve a broad range of business requirements are all backed up by an advanced and reliable infrastructure. Founded in 2002, and with more than 150 staff in five offices around the globe, tyntec works with 500+ businesses including mobile service providers, enterprises and internet companies. tyntec is a global mobile interaction service provider, offering high-quality mobile messaging and information services to mobile network operators, enterprises, mobile service providers and internet companies.

Press contacts

Barokas PR
Morgan Bradley
+1 206 264 8220
tyntec@barokas.com

tyntec PR
Alex Handcock
+49 89 202 451 246
handcock@tyntec.com