

SMS – VAS USAGE IN INDIA

With the advent of Smartphones, everyone today is talking about Internet on mobiles, 3G speeds etc. However, SMS, a traditional short message service on mobile, even today is pretty much the most frequently used feature after calling or even more than calling.

Majority of Indian population, especially younger crowd, uses SMS more than calling. Even professionals use it for myriad of reasons, including checking bank balances, mobile bills, and status of train/flight etc.

Recent TRAI data shows that Indians are using SMS as an extension of their lives more and more every year, **an average Indian sends 29 SMS per month**. Just multiply that with number of ever growing Mobile subscribers in India and you will have an idea of amount of SMS traffic India generates!

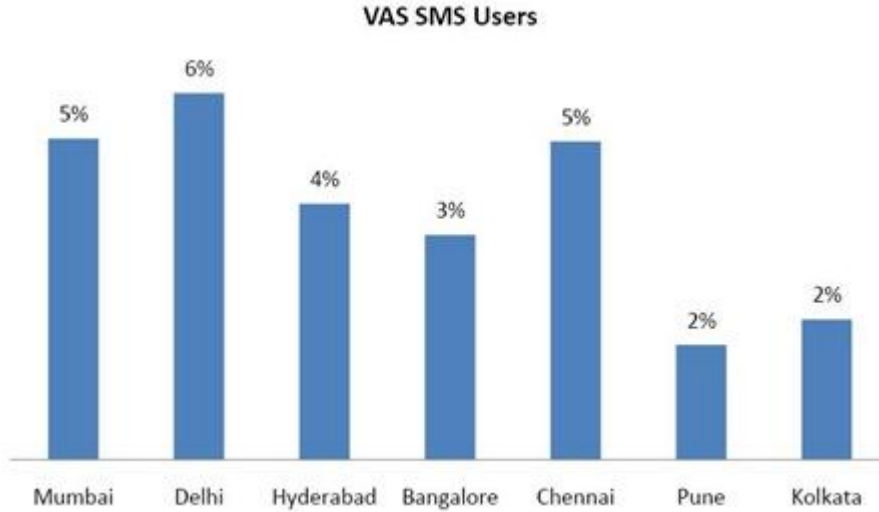
Following report looks at SMS as a value added service , a marketing tool , advertising medium , a mode of getting consumers involved.

SMS VAS in India – Highlights

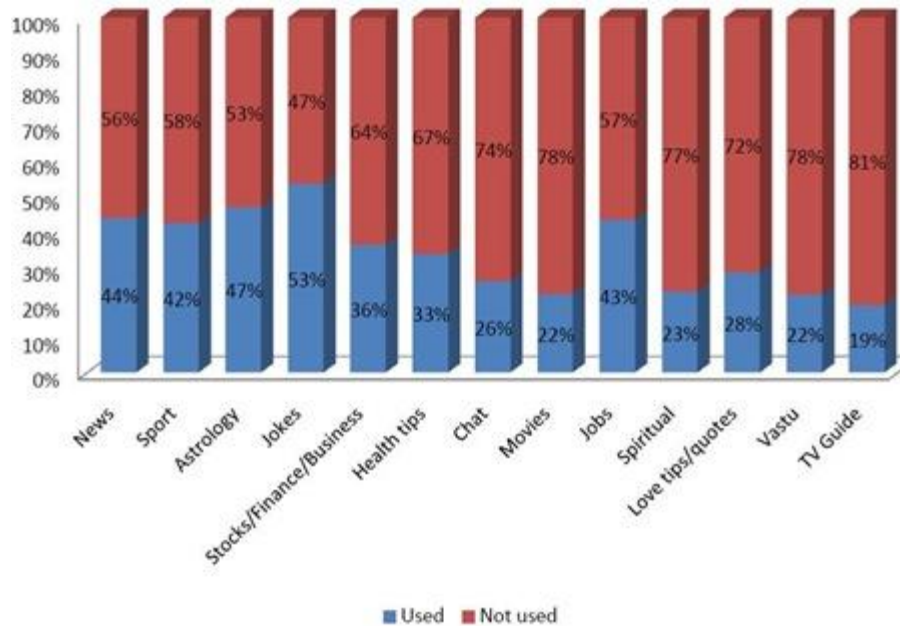
- **SMS VAS is the highest revenue earning Value Added Service** with almost 5% revenue earned by service providers
- **1 in 5 urban Indians have used a SMS based VAS service** either as a one-off or on subscription basis.
- SMS is an effective marketing tool, showing conversion rates a lot higher than other conventional mediums i.e. TV/Radio etc. **1 in 3 Urban Indian has acted in some manner over the SMS** i.e. forwarding to others or enquiring about it.
- SMS, an advertising medium, **has an interaction rate of around 5%**
- 25% Indians have participated in some sort of SMS contest

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Which city uses maximum SMS VAS services?



Which is the most popular SMS VAS service in India?



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Jokes is the most popular SMS VAS service with 53% of Indian mobile users subscribing to it. Astrology is second most popular SMS VAS service (47%) followed by News alerts (44%) and Jobs (43%).

To me, sports SMS VAS service is a big surprise with around 42% people subscribing to it – or may be not – I think 99% of this would be cricket updates.

Which gender uses which SMS VAS services and for what?

SMS VAS Services	Male	Female	Male - Index	Female - Index
SMS VAS Subscribers	52.1%	47.9%	100	100
News	60.7%	39.3%	117	82
Sport	63.4%	36.6%	122	76
Astrology	49.7%	50.3%	95	105
Jokes	52.4%	47.6%	101	99
Stocks/Finance/Business	63.0%	37.0%	121	77
Health tips	54.5%	45.5%	105	95
Chat	57.8%	42.2%	111	88
Movies	53.3%	46.7%	102	97
Jobs	52.8%	47.2%	101	99
Spiritual	47.9%	52.1%	92	109
Love tips/quotes	61.9%	38.1%	119	80

Males are generally more active users of SMS VAS services compared to their counterparts. While males are more interested in getting sports updates (63%) females are interested in spiritual (52.1%) and astrology (50.3%) quotes.

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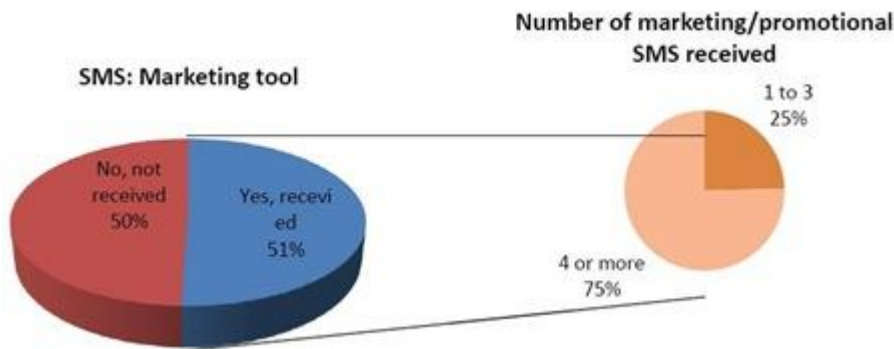
Age wise Distribution of SMS VAS services

SMS Services	18 to 24 Years	25 to 34 Years	35 to 44 Years	45 to 54 Years	55 Years or More
News alerts	44.7%	35.8%	50.2%	51.9%	46.1%
Sport	43.2%	41.7%	38.2%	42.7%	46.4%
Astrology	42.9%	42.3%	49.4%	62.4%	55.2%
Jokes	56.2%	52.8%	62.7%	43.1%	33.2%
Stocks/Finance/Business	29.0%	35.1%	43.1%	32.7%	56.7%
Health tips	32.5%	32.8%	36.4%	31.9%	33.9%
Chat	31.3%	28.6%	21.6%	24.2%	2.4%
Movies (e.g.bollywood)	31.3%	25.4%	13.6%	10.8%	3.7%
Jobs	46.2%	43.3%	34.4%	41.0%	49.7%
Spiritual	21.6%	24.9%	18.1%	25.5%	26.8%
Love tips/quotes	36.3%	32.3%	18.3%	28.3%	0.5%
Vastu	23.3%	23.3%	17.3%	23.6%	20.5%
TV Guide	16.6%	15.5%	22.8%	23.8%	29.5%

This is an interesting chart. Jokes are popular amongst people between 18 to 44 years of age.

Astrology is more popular in 45yrs to 54 yrs age group while 56.7% of people with age 55 yrs. and more subscribe to stocks/finance & business.

How is SMS as a Marketing Tool?



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SMS is increasingly being viewed by India Inc. as a source of getting in touch with their customers. This is evident from the fact that every second urban Indian acknowledged receiving marketing/promotional SMS on their phone in quarter ending May 2009.

What do companies market to subscribers via SMS?

Product/Services	Urban India
Downloads for ringtones, wallpapers, games	36.9%
Entertainment products like movies, music	36.3%
Financial products like banking, investments, loans	33.6%
Offers to participate in a contest or game	31.1%
Other product(s) and/or service(s)	28.3%
Consumer electronics	21.0%
Travel products like airline tickets, railway tickets, hotels	20.6%
Food service like restaurants, coffee shops, fast food	17.3%
Vehicles like cars, scooters, bikes	14.1%

SMS as a marketing tool is most frequently used (37%) to attract customers in buying ringtones, wallpapers & games.

Second most popular where SMS is used for marketing are entertainment products (36.3%) followed by financial products (33.6%)

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How effective is SMS as a Marketing Tool?



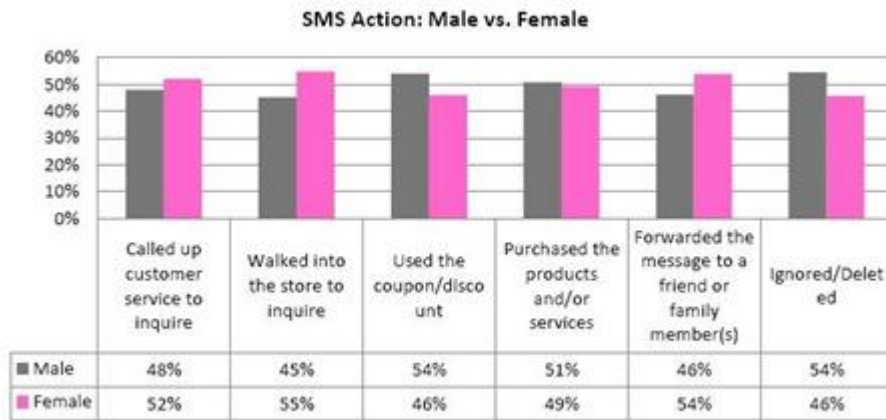
1 in 3 (approx. 32%) of Urban Indians who receive a marketing/promotional SMS took some action, while 2 out of 3 deleted or ignore the message completely.

Calling up to enquire (if number available) followed by **forwarding message to others** are the two most commonly cited actions taken on receipt of marketing/promotional SMS.

11% also indicated they made a purchase on the basis of information received via SMS.

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Gender Wise SMS marketing Effectiveness



Females are less likely to ignore and/or delete the message compared to males and are more likely to enquire further i.e. by calling up customer service or walking into the store.

However, males are more involved when it comes to using the coupons/discounts offered in SMS.

Age Wise SMS marketing Effectiveness



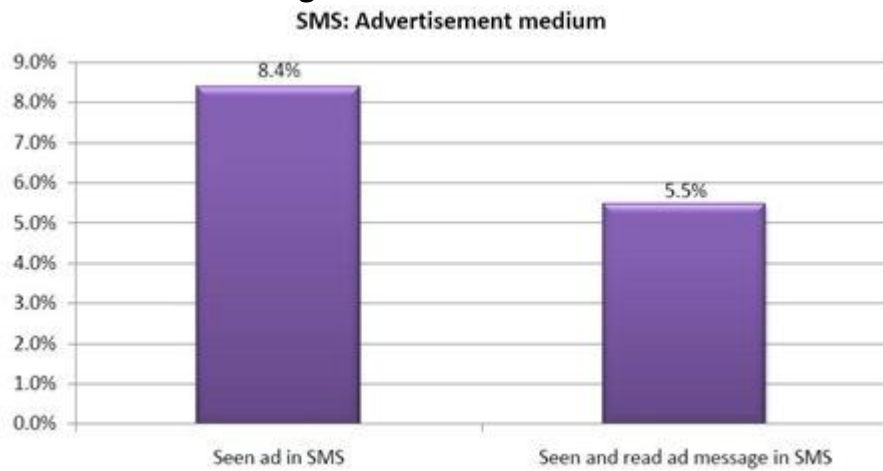
SMS marketing is most effective to people aged between 35 to 44 years old as more than 33.5% of them made a purchase of product or service based on the SMS marketing !

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SMS as an Advertising Medium



8.4% of the urban Indians, approx 22 million have seen an ad in a SMS they have received, while 65% of those who have seen have also read the advertisement message.

Such high level of awareness indicates the importance of this medium for advertising.

Other Usages of SMS in India

- 2% of urban Indians, approx 6 million have used SMS to get directions
- 7% have used SMS to get reminders for upcoming bill payments
- SMS was used as a tool for getting in touch with population by almost all national and regional political parties in recently concluded federal elections.
- 10% of urban Indians received SMS message(s) from one or more political parties.

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