



Wireless Instant Messaging: Propelling SMS and Desktop IM to the Next Level

Rysavy Research is the principal author of this report, published by Datacomm Research October 17, 2003.

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Wireless Instant Messaging Will Lift SMS to New Heights

From Simple SMS to Presence- and Location-Enhanced Real-Time Messaging

October 27, 2003 - Chesterfield, Missouri – Wireless Instant Messaging will enable mobile phone operators to transform short message service (SMS) into a more powerful service integrating presence, location, sophisticated user preferences, and multiple media. That is one of the conclusions of the new 54-page report, *Wireless Instant Messaging: Propelling SMS and Desktop IM to the Next Level*, released today by Datacomm Research Company.

"Wireless instant messaging presents significant consumer and enterprise opportunities for mobile phone operators," said Peter Rysavy, President of Rysavy Research and the report's author. "A large share of SMS traffic will migrate to feature-rich wireless instant messaging," he added.

"This report makes sense out of the burgeoning instant messaging market, and explains how wireless will spur interoperability between proprietary systems—leading to the widespread adoption of standards," said Ira Brodsky, President of Datacomm Research Company.

Wireless Instant Messaging: Propelling SMS and Desktop IM to the Next Level is the result of numerous interviews with leading operators, software developers, and IM experts. The report includes sections on Technology Considerations, The Future of Messaging, and Threats, Opportunities & Strategies. More than 50 vendors are profiled.

Rysavy Research provides clients details and insight into wireless networking, assisting them in defining strategic directions, conducting market research, and deploying wireless applications. More information is available from the firm's Web site at www.rysavy.com. *Wireless Instant Messaging: Propelling SMS and Desktop IM to the Next Level* is the latest in Datacomm Research's CompetitiveEdge™ family of reports and is available for \$995.00 (PDF version). The price includes one hour of follow-on consultation. The report may be ordered online at the firm's secure website www.datacommresearch.com. Visa, MasterCard, and American Express accepted. Orders may also be faxed to (314) 514-9793, phoned to

(314) 514-9750, or mailed to Datacomm Research Company, 14318 Millbriar Circle ,
Chesterfield, Missouri 63017.

Additional conclusions found in *Wireless Instant Messaging: Propelling SMS and Desktop IM to the Next Level* :

1. Mobile operators are wise to invest in wireless instant messaging. Operators can obtain far higher revenue per megabyte from messaging services than from generic IP services. Today, operators collect approximately 100 times as much revenue/MB from short message service as they do from IP transport services.
2. Instant messaging is on the verge of widespread acceptance as a business productivity enhancement tool. As enterprises deploy IM systems, they will want to extend them to mobile users.
3. The dominant instant messaging systems today are based on proprietary protocols with no interoperability between service providers. However, standards-based solutions will be essential for interoperability between mobile phone operators, Internet-based IM service providers and enterprise systems, as well as to integrate presence and location.
4. Most wireless IM solutions have been awkward, using either SMS with obtuse session-control messages or WAP minibrowsers. Needed are easy to use local clients that can access multiple services (e.g., enterprise and consumer). Fortunately, the increasing processing power of mobile devices (including Java and BREW support) and standards efforts (e.g., Wireless Village) tend to favor the local client approach.
5. Successful IM services will ultimately be based on presence-enabled address books. Address books will automatically show the availability of people, perhaps including their location, and will give users means to define communications preferences, e.g., text while in a meeting, location information only when working, and push-to-talk with family members or select friends.

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Published Q4, 2003. 54 pages. 9 tables & figures.

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INTRODUCTION

KEY CONCLUSIONS

INSTANT MESSAGING MARKET TODAY

Overview

Enterprise versus Consumer Messaging

Wireless IM Drivers

Wireless IM Ecosystem

WIRELESS INSTANT MESSAGING ISSUES

Lack of Integration

Difficult to Use

Lack of Interoperability

TECHNOLOGY CONSIDERATIONS

Cellular Network Capabilities

Wireless LAN Technology

Internet Multimedia

Presence

Location-Based Services

Security Considerations

Instant Messaging Standards

- Session Initiation Protocol (SIP)
- Instant Messaging and Presence Protocol (IMPP)
- SIP for Instant Messaging and Presence Leveraging Extensions (SIMPLE)
- Extensible Messaging and Presence Protocol (XMPP)
- Wireless Village
- Presence & Availability Management (PAM) Working Group

THE FUTURE OF MESSAGING

- Interoperable Services
- Standards Based
- Presence-Enabled Address Book
- Automated Operation Based on Profiles
- Smart Clients

THREATS, OPPORTUNITIES AND STRATEGIES

- Cellular Operator Strategies
- Service Provider Strategies
- Device Vendor Strategies
- Infrastructure Vendor Strategies
- Software Vendor Strategies

VENDOR AND OPERATOR PROFILES

- Cellular Operators
 - AT&T Wireless
 - Cingular Wireless
 - Nextel
 - Sprint PCS
 - T-Mobile
 - Verizon Wireless

IM Service Providers

- AOL
- ICQ
- MSN
- Yahoo

Device, Infrastructure and Software Vendors

- ActiveBuddy, Inc.
- Agile Mobile
- Akonix Systems, Inc.
- All Instant, Inc.
- Antepo
- Apple
- Applied Messaging Corp.
- Bantu, Inc.
- BEA Systems
- Black Octopus
- Cerulean Studios
- Comverse (Odigo)
- Danger, Inc.
- Dynamicsoft
- Ecrio Inc.
- FaceTime Communications
- Fastmobile
- Followap
- General Wireless
- Good Technology
- Groove Networks Inc.

Hotsip
IBM
Ikimbo
Infinite Agent
Invertix Corp.
Jabber, Inc.
MessageVine
Microsoft (Enterprise and MSN)
MobileIM
NMS Communications (MessageMachines)
One Voice Technologies
OpenWave
OZ Communications
PeopleSoft
Research in Motion
Ruksun Software Technologies
Salesnet
Simplewire, Inc.
Telecommunication Systems
The Messaging Architects
Vayusphere

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