

Text for Service

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TURN a page in any newspaper or magazine and there will be advertisements offering SMS-based services and they can range from information on the stock market to what the future holds.

All it involves is sending a text message from your phone and almost instantaneously you will be told which stocks are doing well or what the day has in store for you.

SMS-based services not only have come a long way but they have also become a lucrative business.

"I'm sure there is an SMS-based service for everyone because it is such a lucrative business today," said Lester Neil Francis, group chief operations officer for AKN Messaging Technologies Sdn Bhd.

Whether the services matter to both you and me is very subjective, said Francis.

"It's all based on the end user and their perception on what they deem useful for their everyday life," he said.

For instance, a football enthusiast may find real-time soccer alerts useful and gaming enthusiasts would rather have the results sent to them than to have to peruse the newspaper for the winning numbers.

"Supply follows demand. The numerous advertisements is proof enough that there is a demand for such services," said Janice Chong, industry manager for Frost and Sullivan's ICT practice section.

She said the younger crowd - those below the age of 30 - usually goes for entertainment services such as chatting, horoscopes and music downloads.

"It's entertaining and at the same time, they get to expand their network of friends," said Chong.

A businessman, on the other hand, would not be interested in any of these services, she said.

"They usually go for services such as stock market updates or mobile commerce that is more of use to their businesses," Chong said.

Caveat emptor

As so many other services today, consumers have to practice caution before subscribing.

Because the advertisements highlight services instead of the terms and conditions, most of the time

users are duped because they don't bother looking at the fine print.

Francis said that content providers know most subscribers are youths who do not take the time to read the fine print because they are more interested in the services.

"Also, a lot of SMS content providers are looking to make a quick buck especially these past few years," he said.

In July last year, Federation of Malaysian Consumer Association (Fomca) said it received about 3,000 complaints from consumers who claimed that they were duped by irresponsible service providers.

They alleged that they were charged for services that they did not subscribe to but Fomca's investigation revealed that the users had signed up for the service once and were bound by the terms and conditions to keep receiving more messages.

Fomca said that a lot of companies resorted to the same practise - once users sign up, they will be roped into a "club" and new content will be sent to them at a charge of RM1 per SMS from then on.

Also, by the time most user realised their mistakes, they would have lost a few ringgit already.

New Guidelines

In August last year, Malaysian Communications and Multimedia Commission (MCMC) introduced guidelines for content providers.

Unfortunately, although there was a reduction in the number of complaints received, the guidelines were still not strict enough to stop some content providers.

The guidelines required content providers to include the price in each text message so that subscribers know exactly how much they are being charged.

And the content providers also have to send reminders to users about their subscription.

However, it was difficult to monitor whether the content providers were complying with the guidelines, said Francis.

"For example, it was difficult to tell whether reminders were sent because we wouldn't know unless we subscribed to the service," he said.

Another problem with the original guidelines was the lack of penalties, he added.

So, the guidelines were revised and penalties were introduced to deter irresponsible content providers.

"Errant content providers can be fined or have their licenses terminated under the new guidelines,"

he said.

To protect consumers from irresponsible content providers, the telcos and service providers have to keep working with MCMC to improve the guidelines, said Francis.