

Why should brands use RCS?

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About Mobilesquared

Leading analysts in Business Messaging

We provide definitive data and expert insight

We work with the leading mobile and tech companies across the mobile ecosystem, from regulators, mobile operators, service providers, brands, agencies, start-ups ... to understand mobile and engagement.

We do this through extensive research, deep analysis based on years of experience, and forecasting market opportunities based on actionable numbers.

Accurate data. No hype.



A high-resolution image of Earth from space, showing the African continent and parts of South America and Europe. The Earth's blue oceans and white clouds are prominent against the black background of space filled with stars.

Mobilesquared forecasts cover 650 mobile operators in the top 200 markets.

We cover 54 African markets



Mobilesquared update our RCS forecasts on a quarterly basis. These are based on on-going research, discussions and interviews with the RCS ecosystem. This presentation contains our latest forecasts, published June 2019. Our next update will be November 2019.



The messaging universe today

(Billions, end-2019)



Rich messaging perspective

RCS – end 2019



Rich messaging perspective

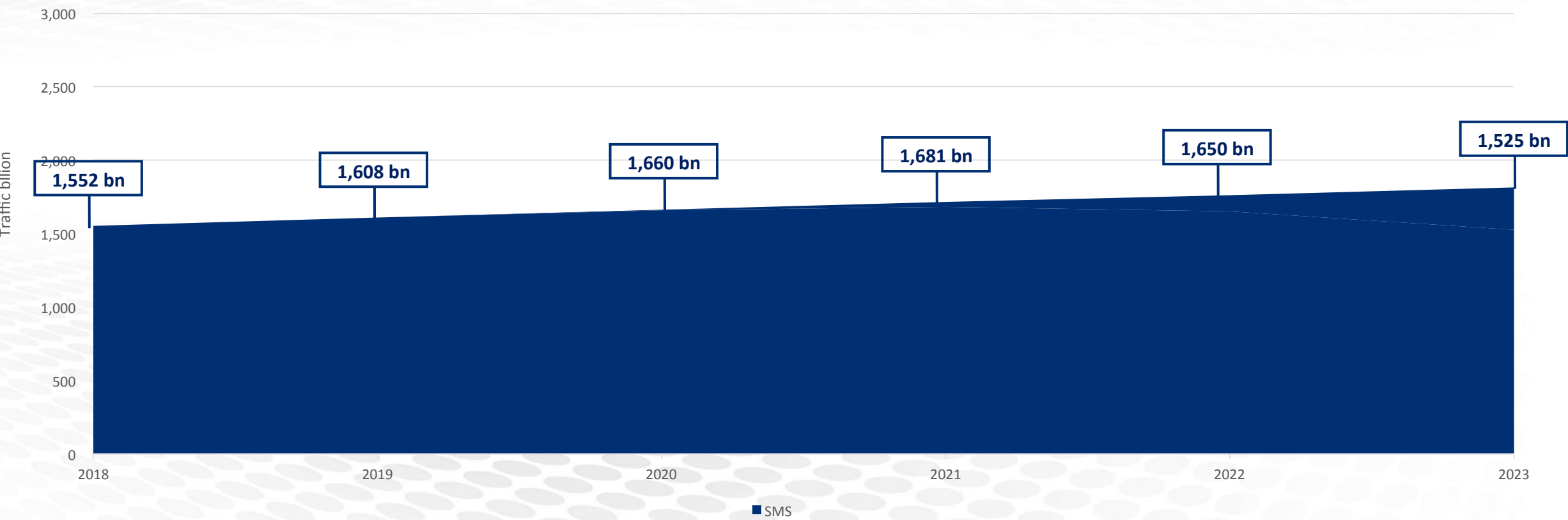
RCS – end 2020



A world without RCS

Total A2P SMS traffic

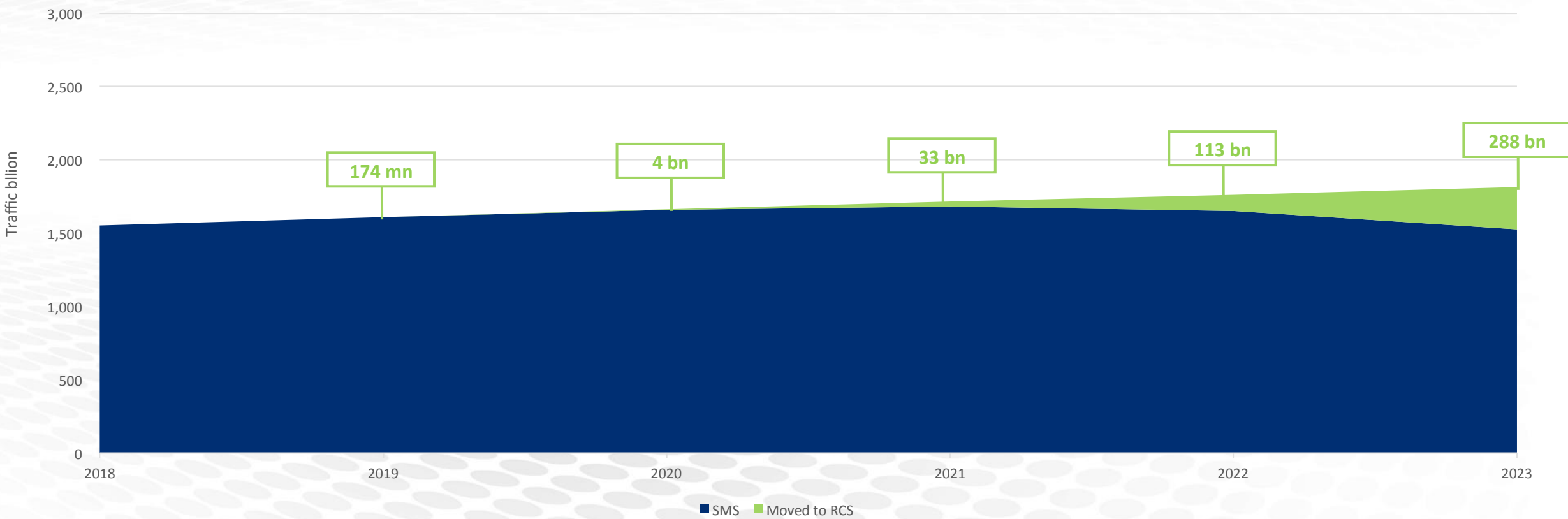
17% growth between 2018-2023



A world with RCS

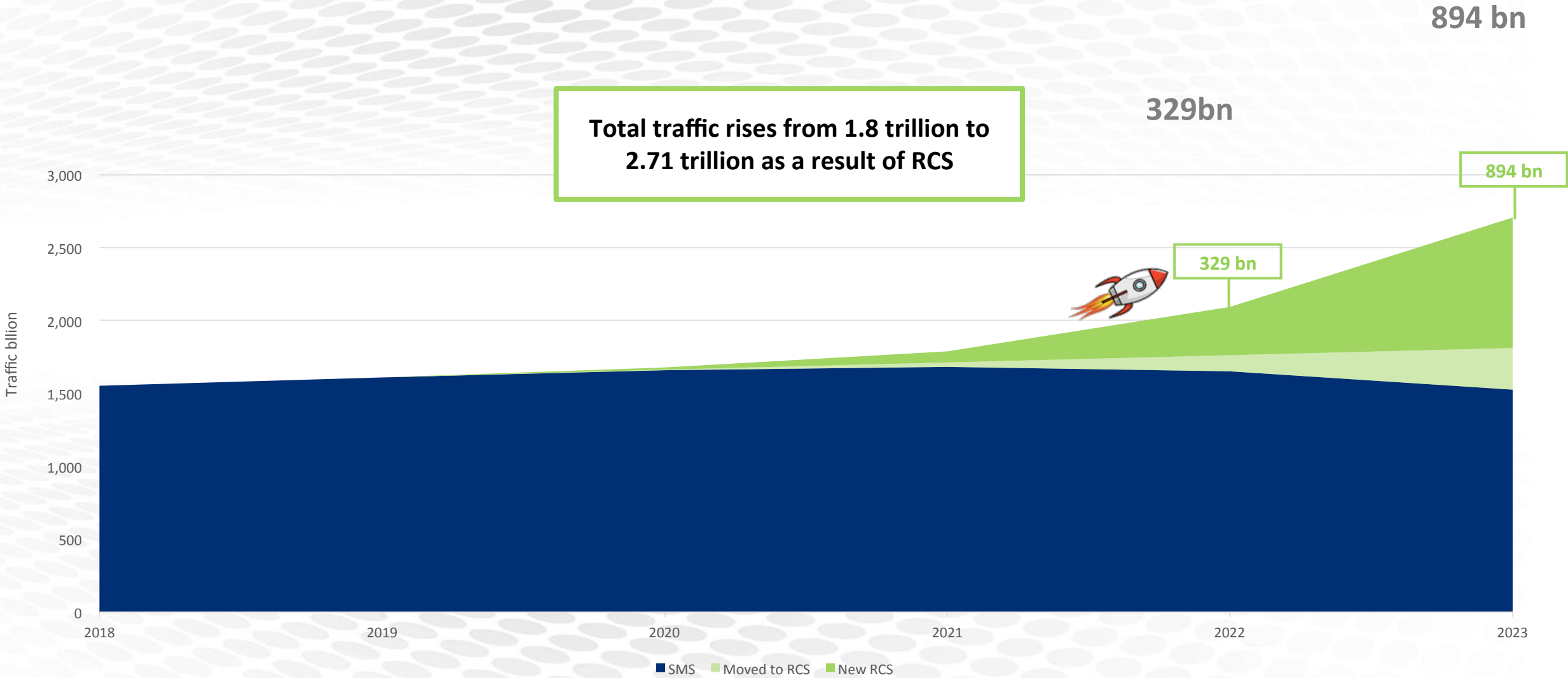
Total A2P SMS traffic + RCS migration

A2P SMS growth between 2018-2023 now at -0.3%
22% of white route traffic migrates onto RCS in 2023



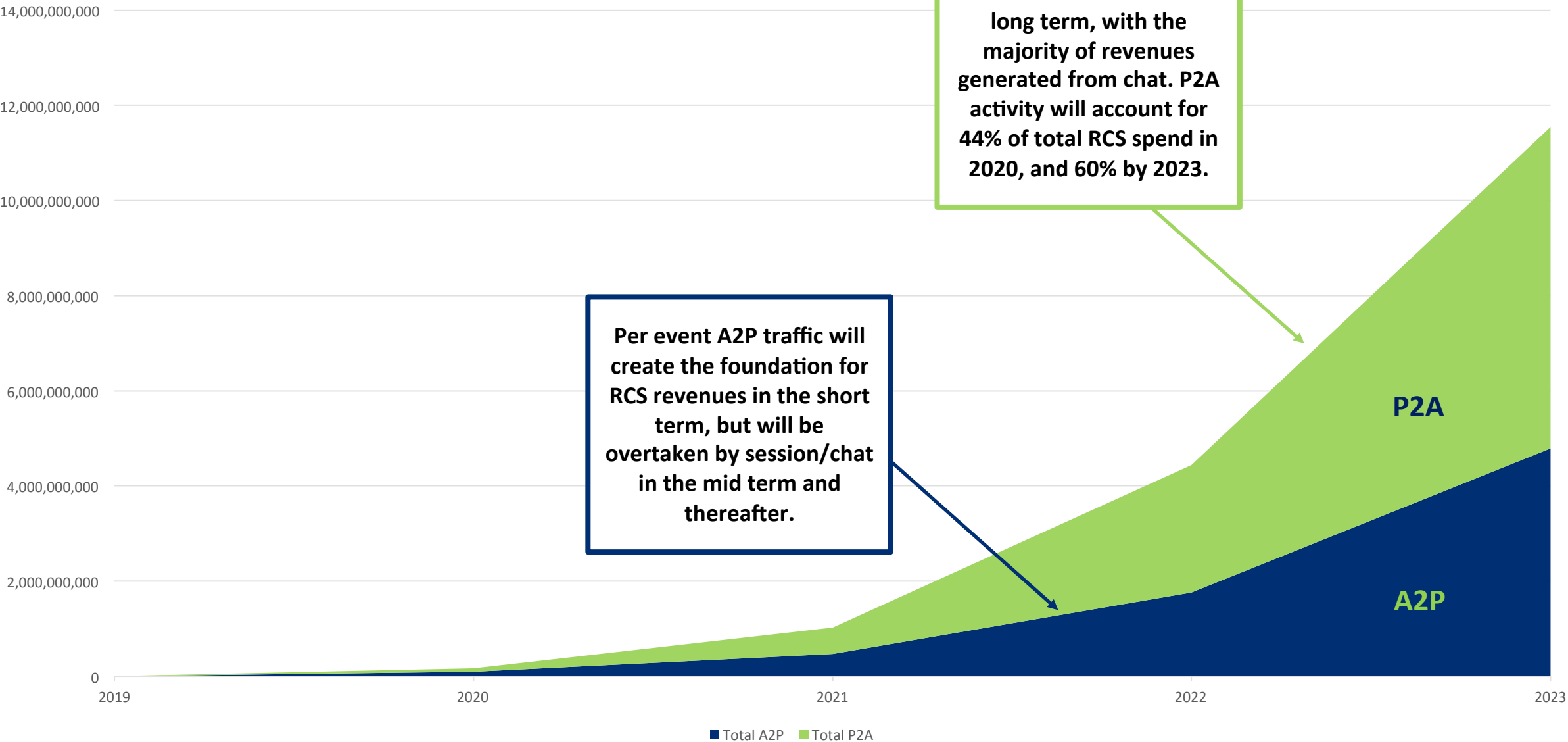
A world with RCS

The impact of RCS

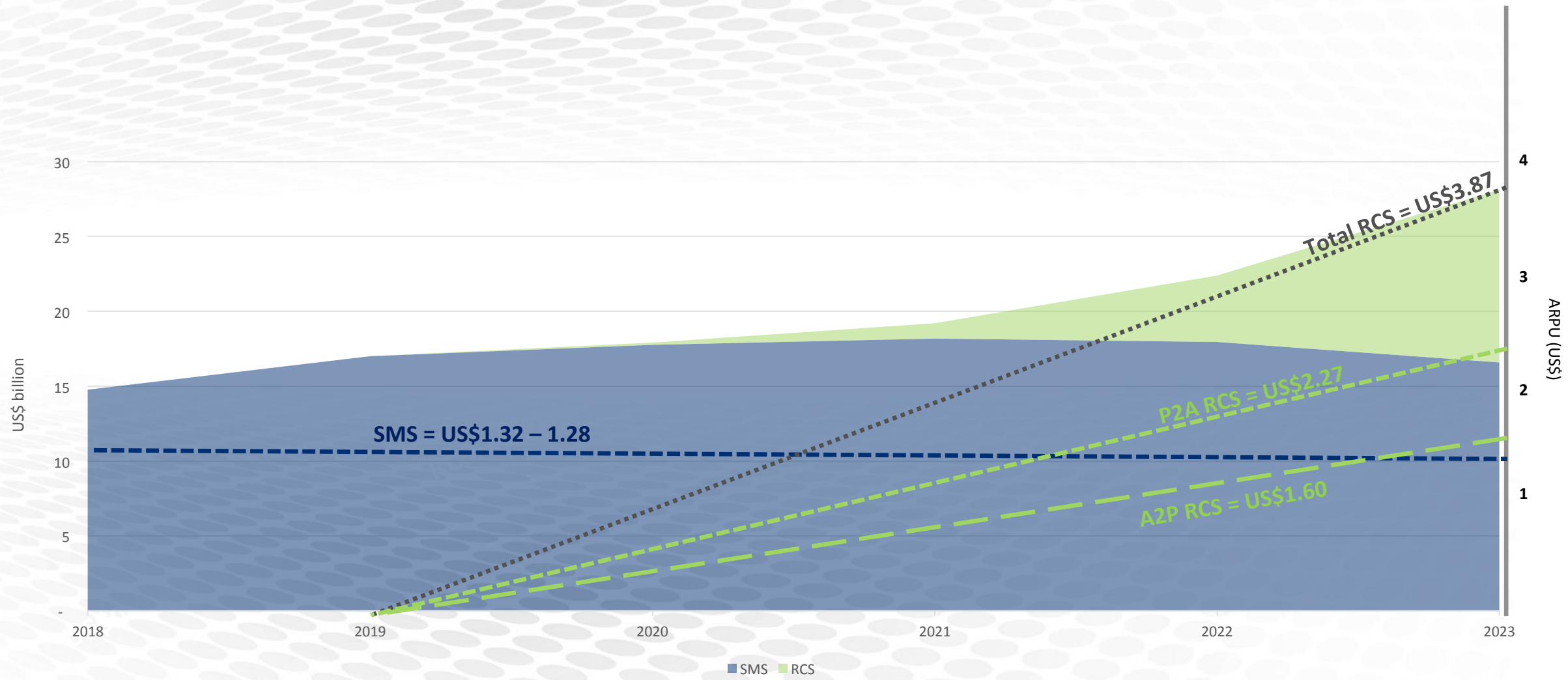


A2P vs P2A spend (US\$)

2 YEARS FROM THE HOCKEY STICK GROWTH



SMS / RCS ARPU



The business messaging income.universe 2018

(Billions US\$)



LINE



WhatsApp
for Business



Viber

Mobile operators dominate business messaging income

SMS revenue assurance platform

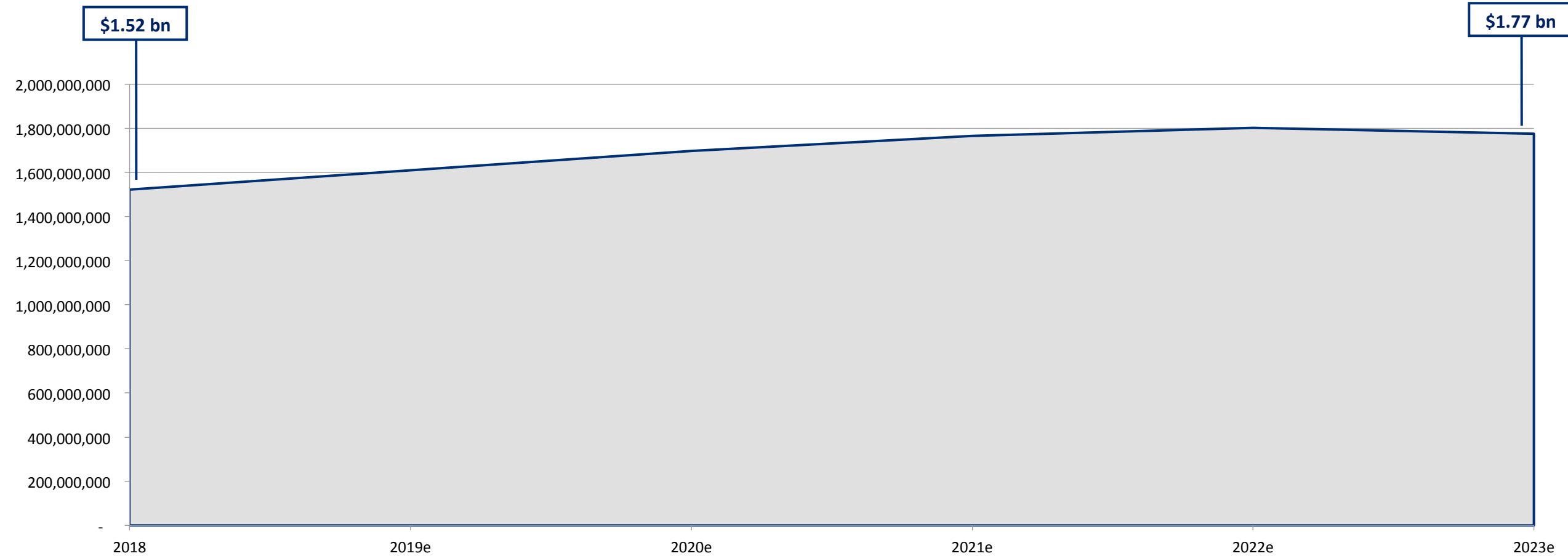
SMS firewall penetration 2018



39%

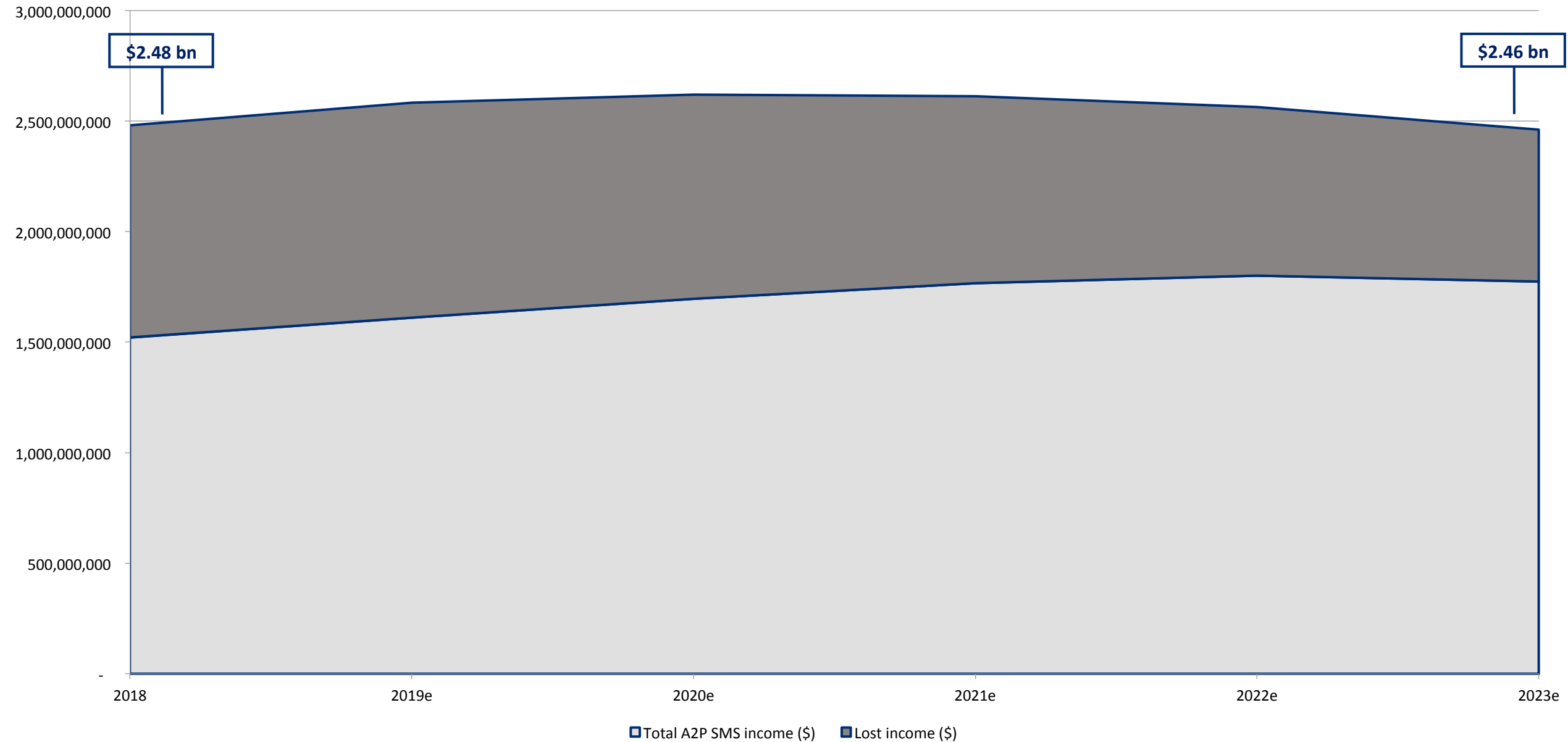
A2P SMS income, Africa

(US\$)



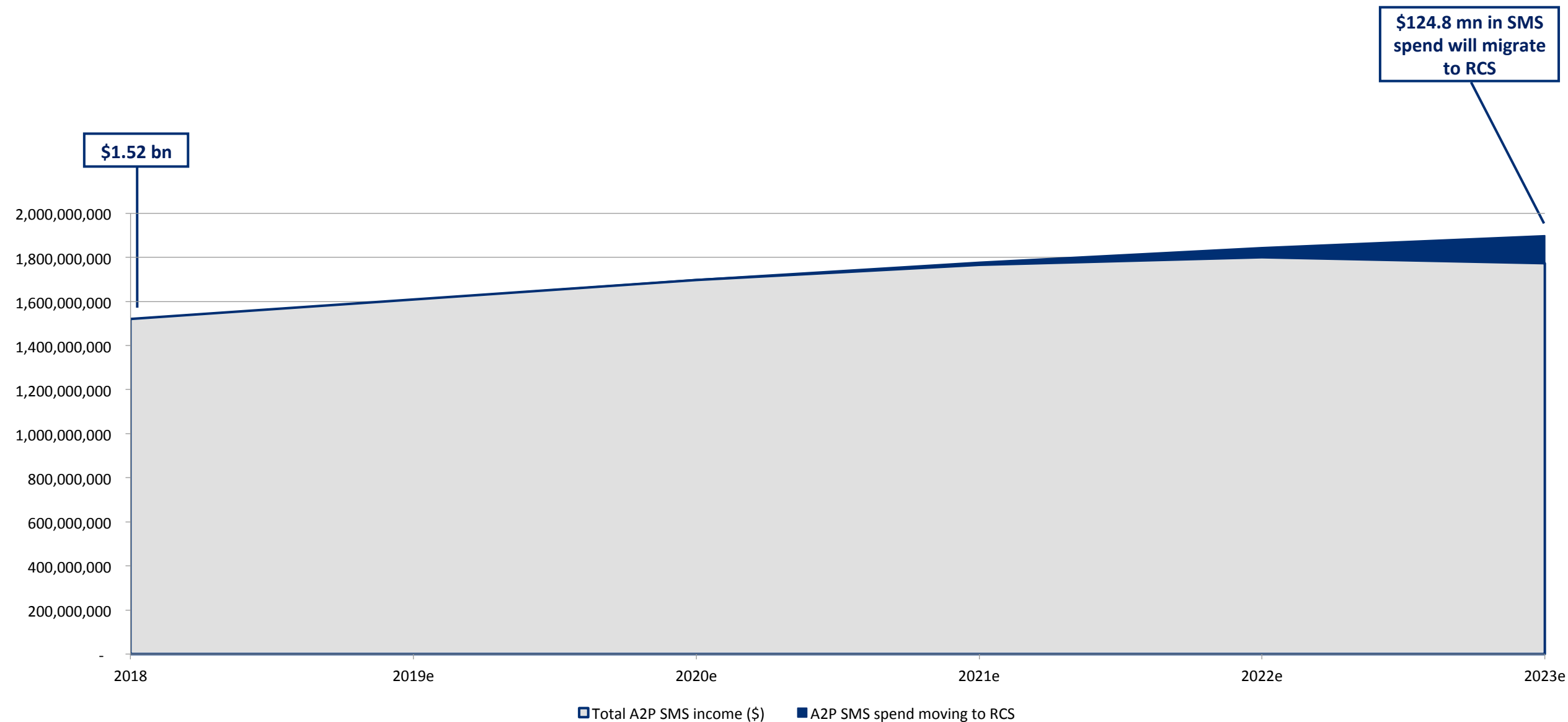
A2P SMS income, Africa

Impact of grey routes (US\$)



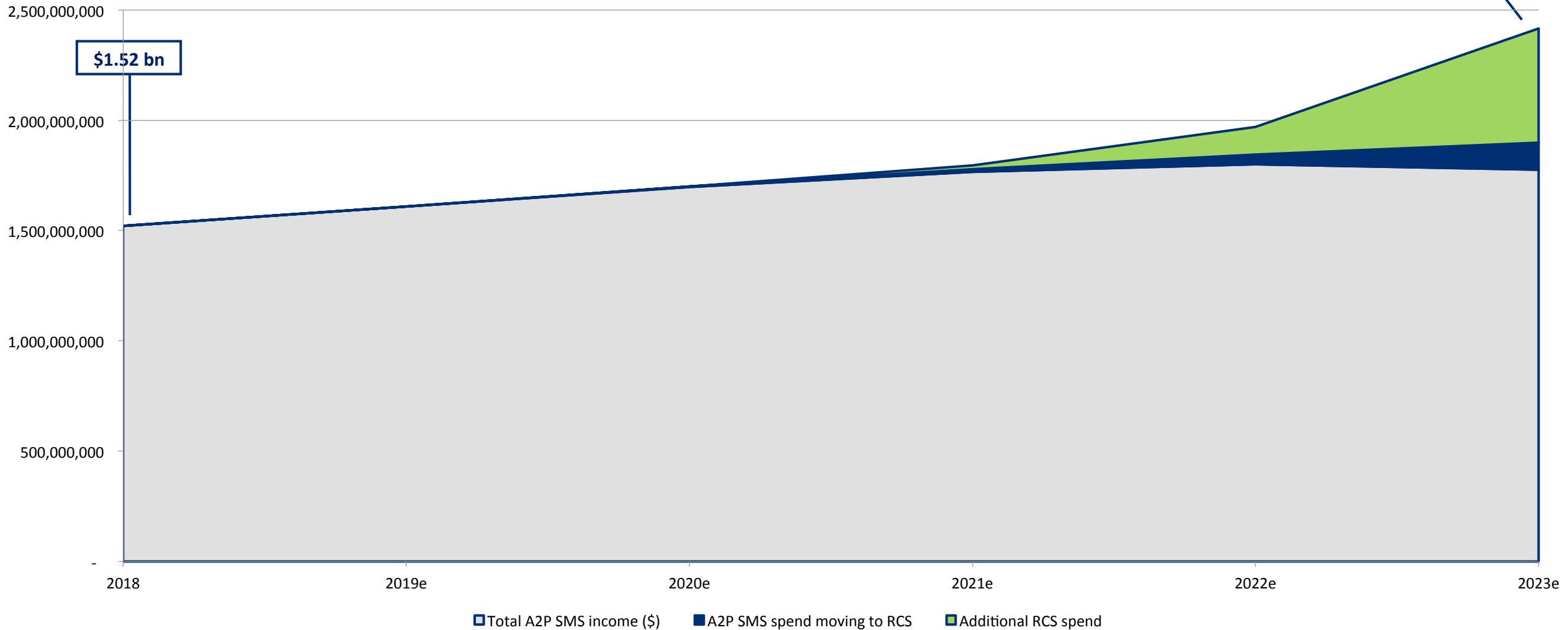
Impact of RCS on A2P SMS income, Africa

SMS spend move to RCS (US\$)



A2P SMS income, Africa (US\$)

RCS worth
\$641.5 mn





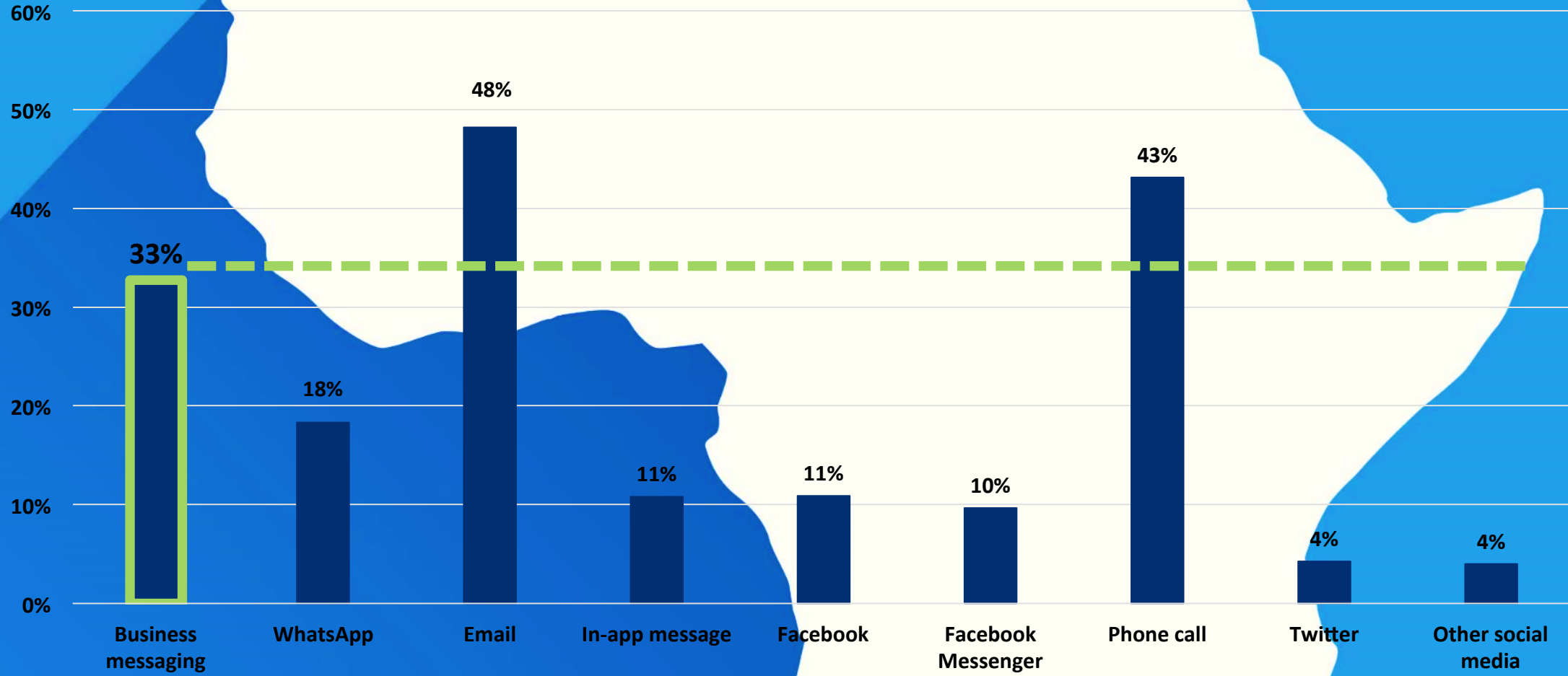
Why should brands use RCS?

November 2018

The omnichannel world of 2020

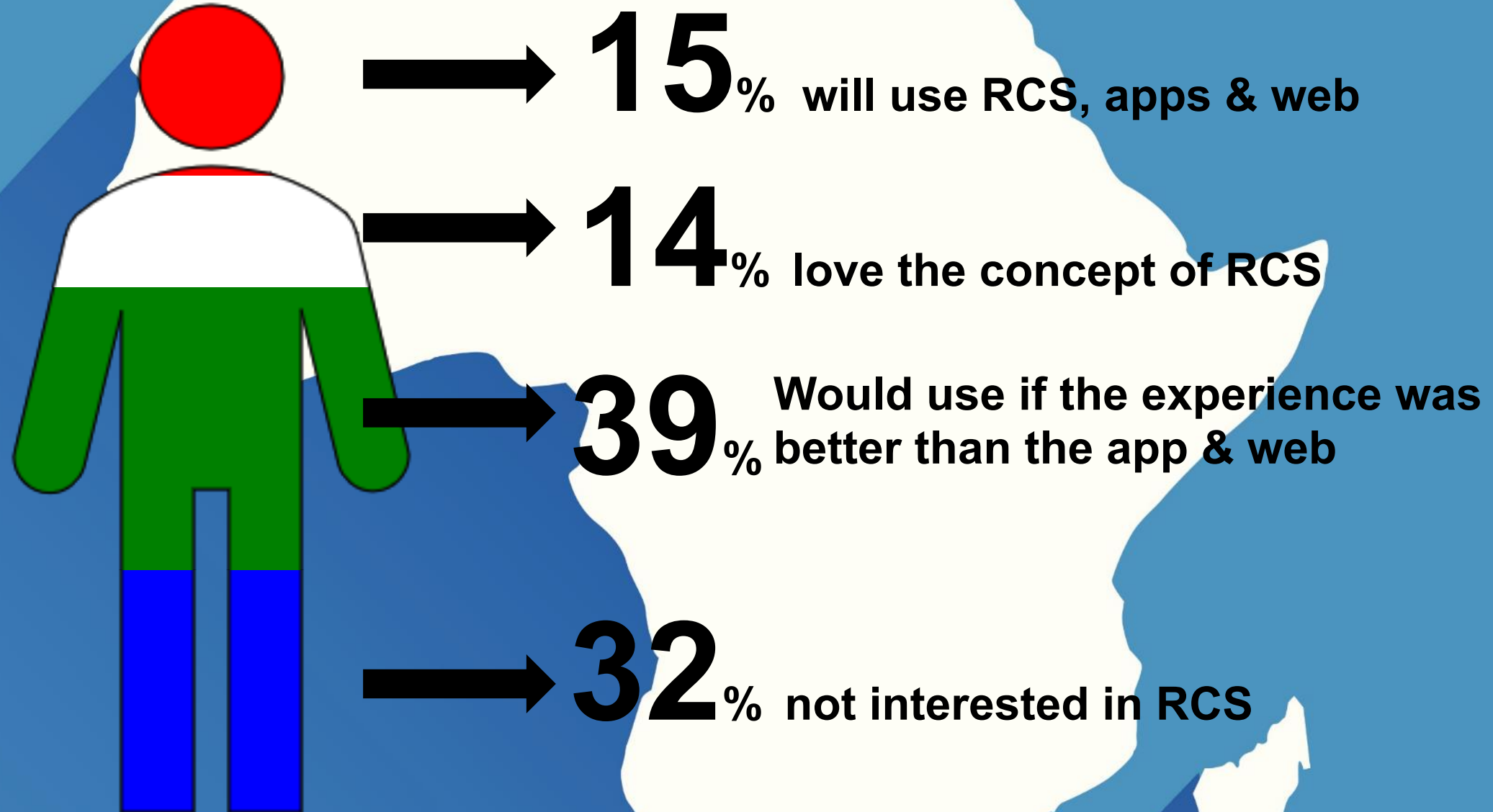
Business messaging (SMS + RCS)

BUSINESS MESSAGING SET TO BECOME A TOP-THREE COMMUNICATIONS CHANNEL FOR BRANDS



What do consumers think of RCS?

68% of consumers will use



SCALE ONLY A MATTER OF TIME

RCS ACCELERATION JUN-19 – Dec-20

Between Jun- 2019 to Dec-2020, RCS user base will grow by an avg of 64 million per month. That is 1.15 billion – growth equivalent of WeChat’s user base



311 MILLION
RCS USERS
END-JUNE 2019

2020

10 GOLD MARKETS

Canada, France, Japan, Mexico, Norway, South Africa, South Korea, Spain, UK, USA.

2021

36 GOLD MARKETS

New for 2020: Argentina, Australia, Austria, Belgium, Brazil, Chile, China, Colombia, Czech Rep, Denmark, Egypt, Germany, Greece, Hungary, Italy, Philippines, Poland, Qatar, Romania, Saudi, Slovakia, Sweden, Thailand, Turkey, UAE

2022

2 billion user mark passed.
RCS becomes the largest messaging platform in the world

3 billion + users

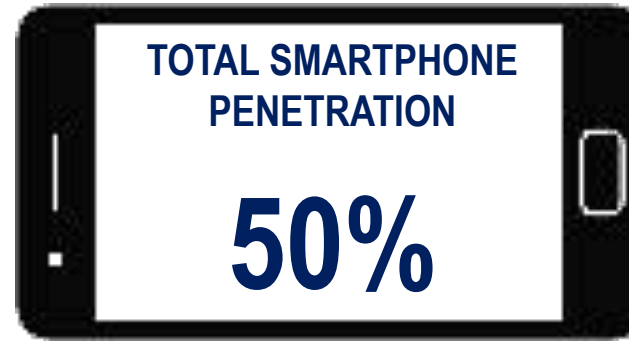
2023

Smartphone breakdown, Africa 2020

Android dominates

TOTAL SUBSCRIPTIONS

1.19
billion

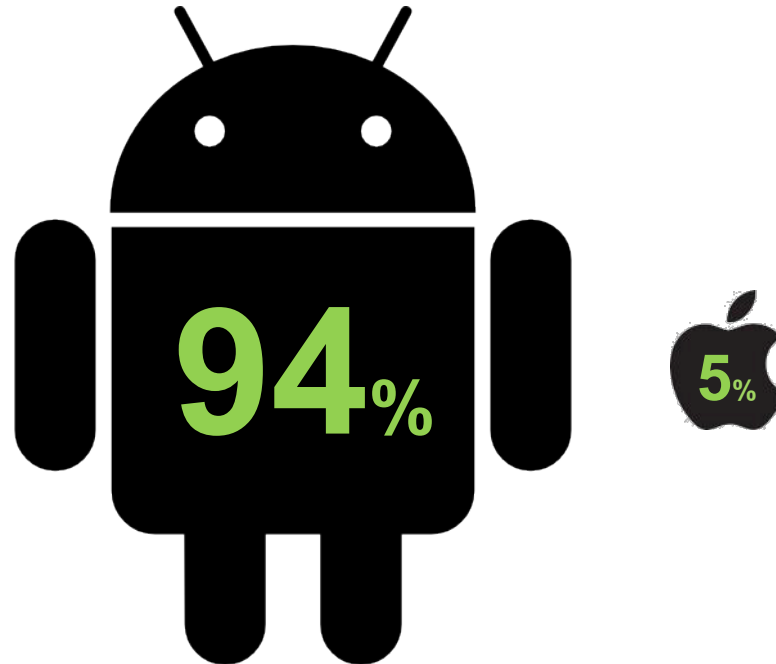


TOTAL SMARTPHONE USERS

590.8
million

TOTAL ANDROID USERS

557.4
million

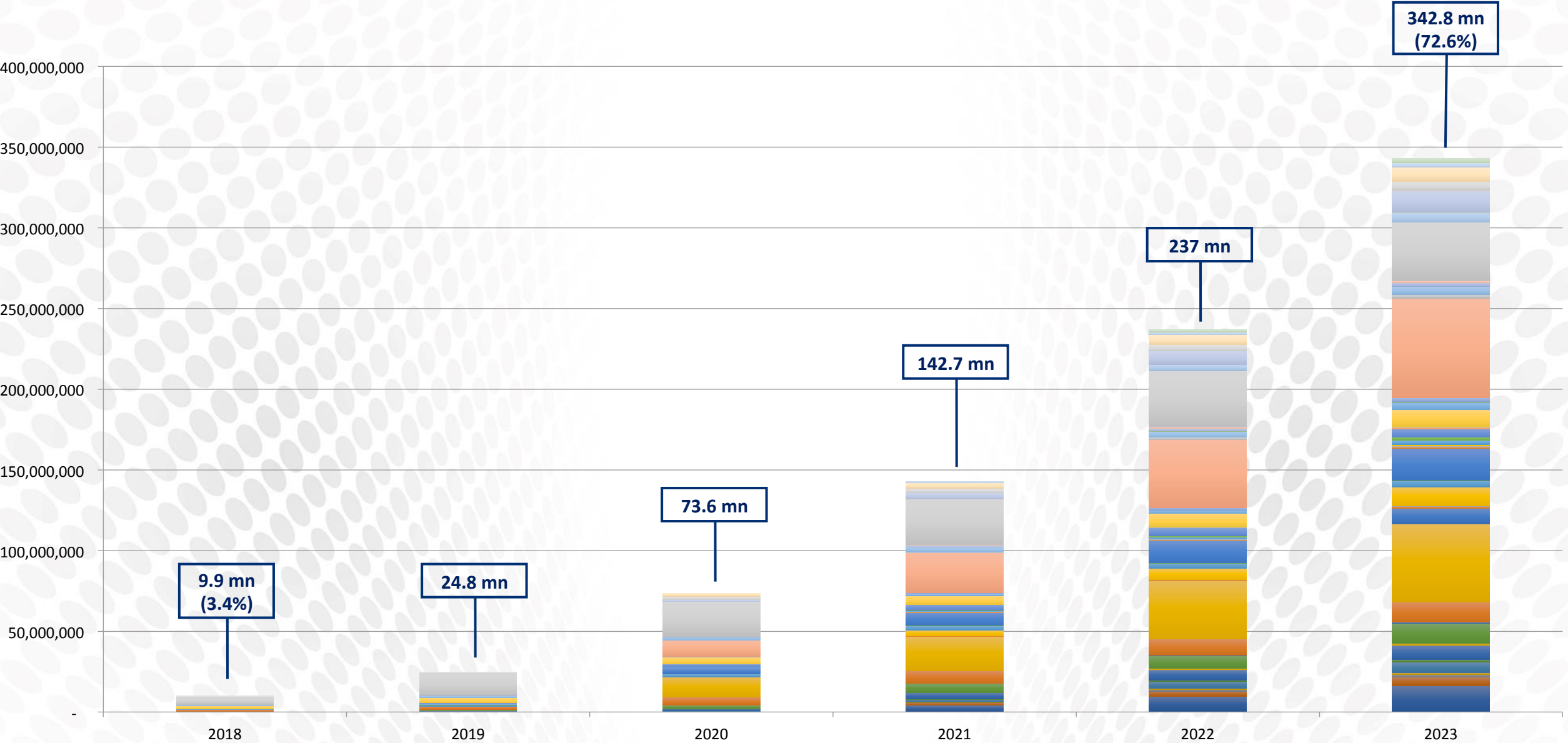


TOTAL APPLE USERS

29.5
million

RCS MAUs, Africa

(Million)



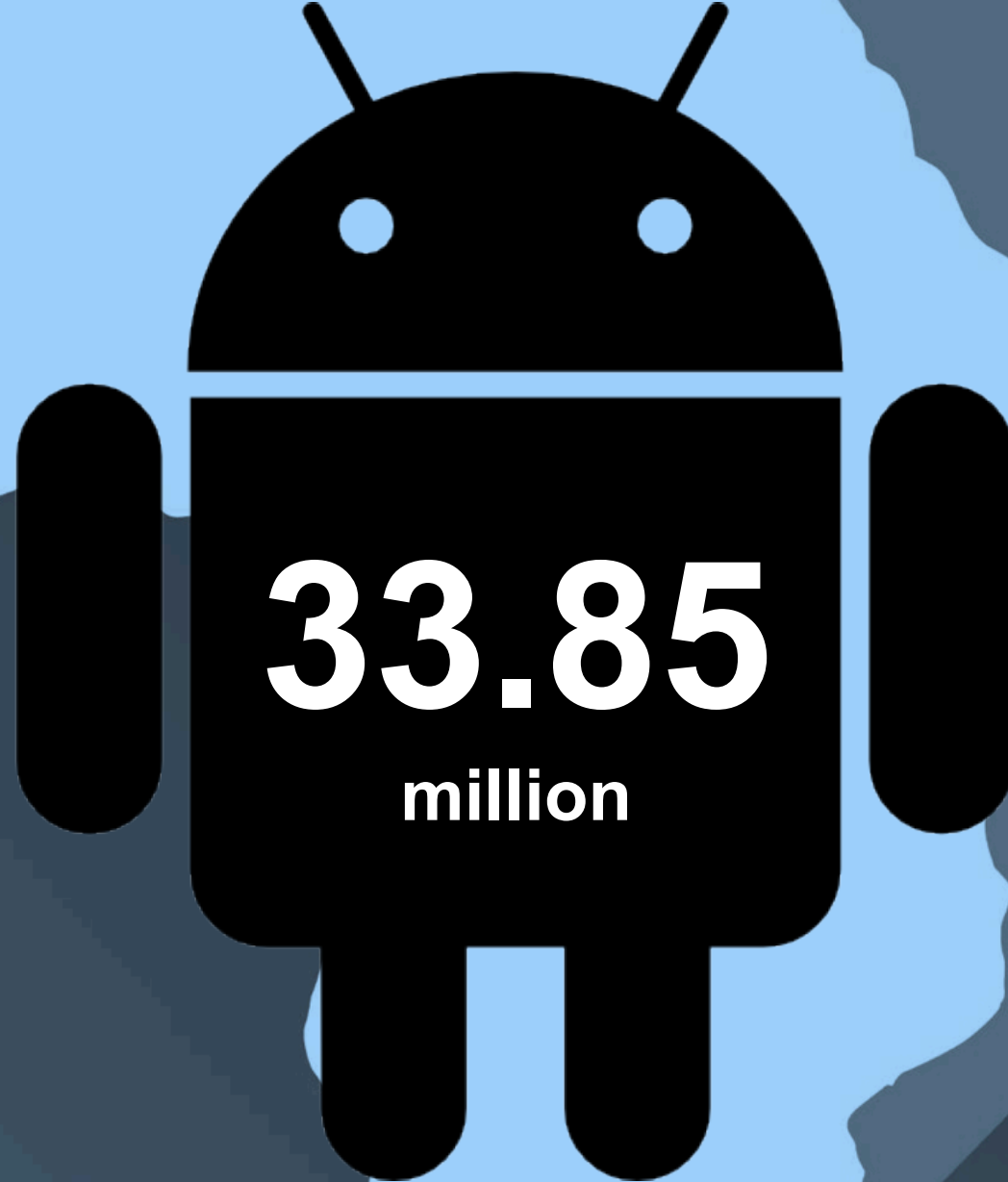
Smartphone users 2020, South Africa

(Million)

40.4
million

Smartphone users 2020, South Africa

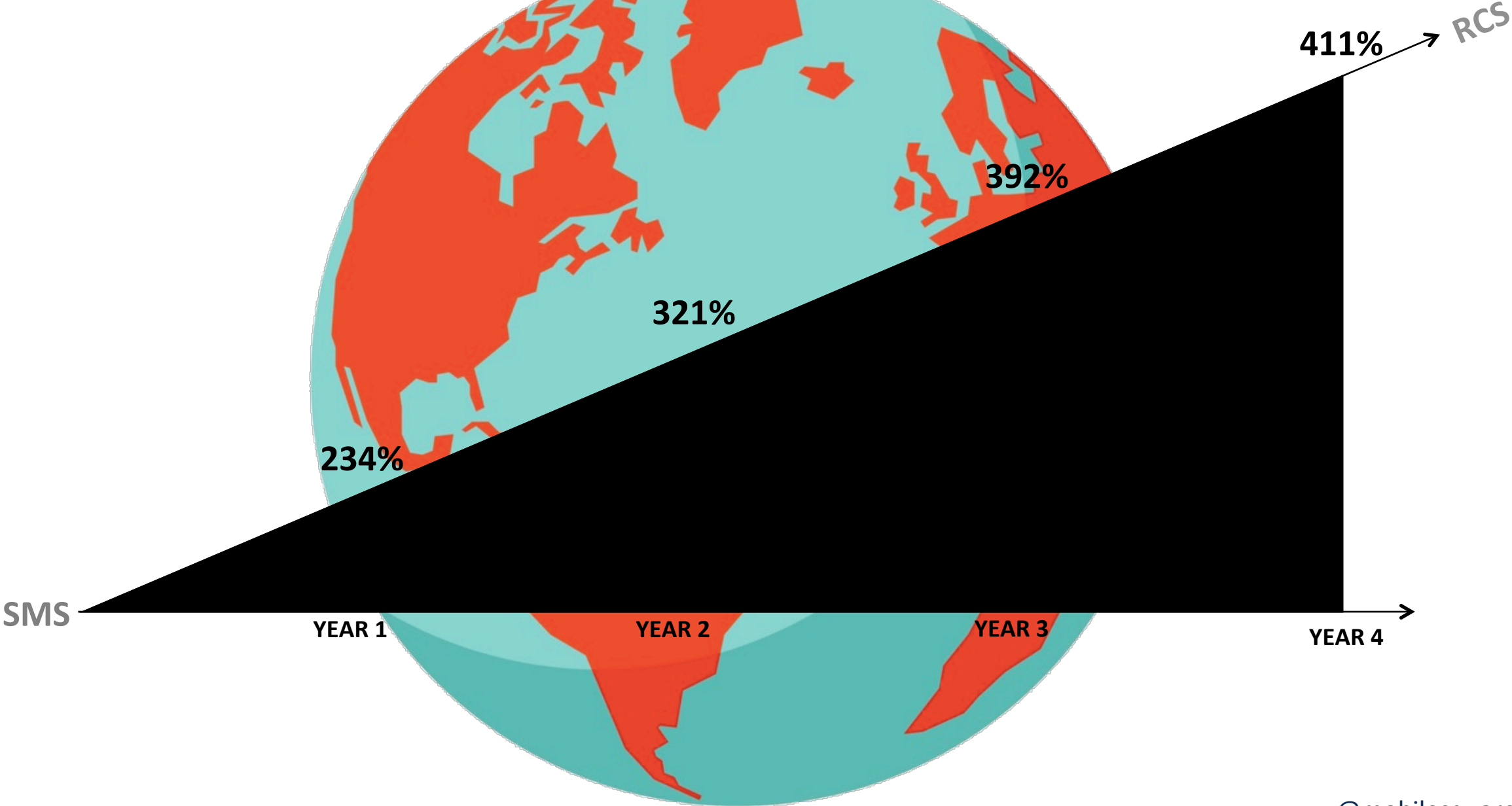
(Million)



Performance

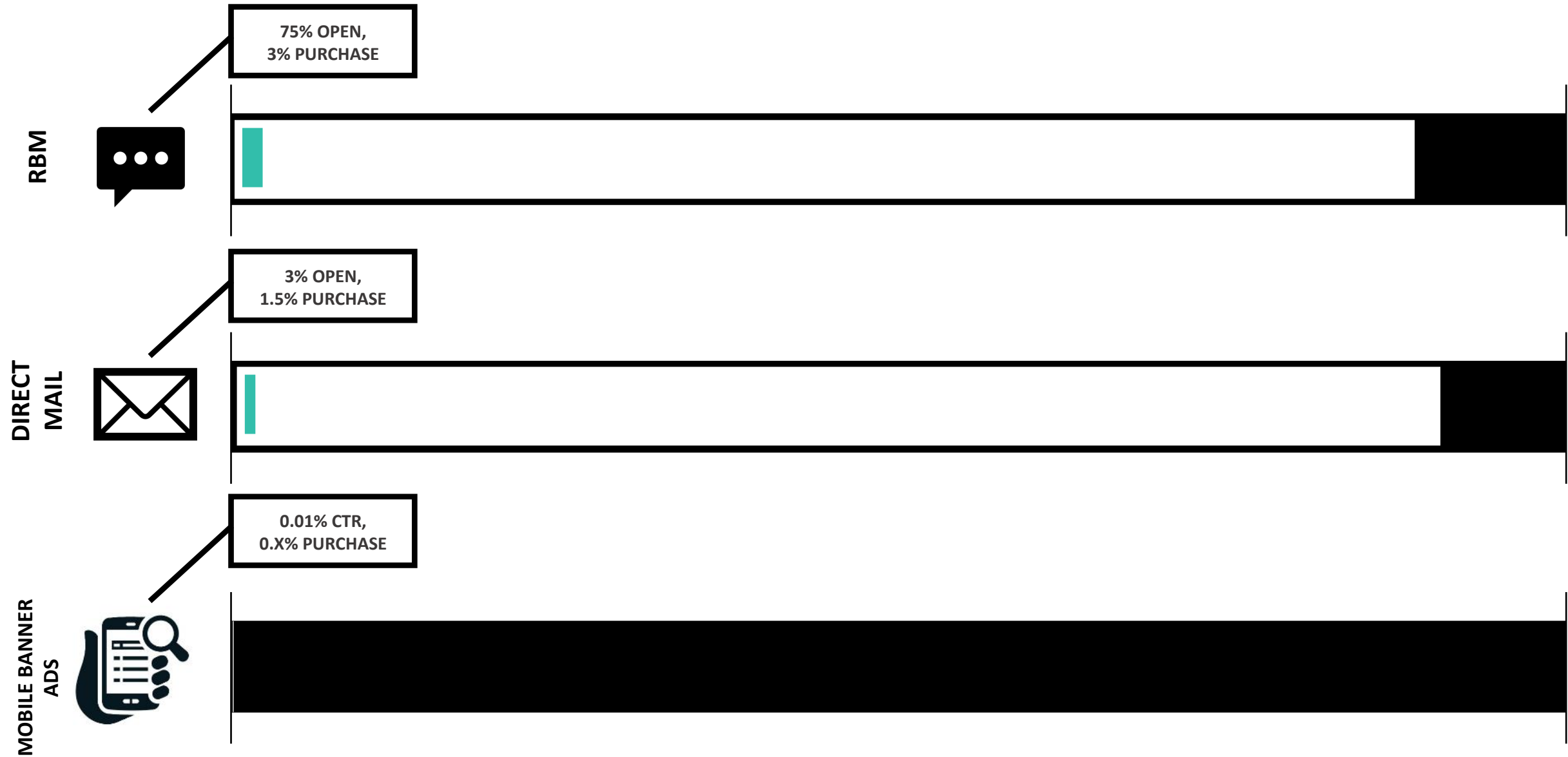


Engagement uplift



Platform performance comparison

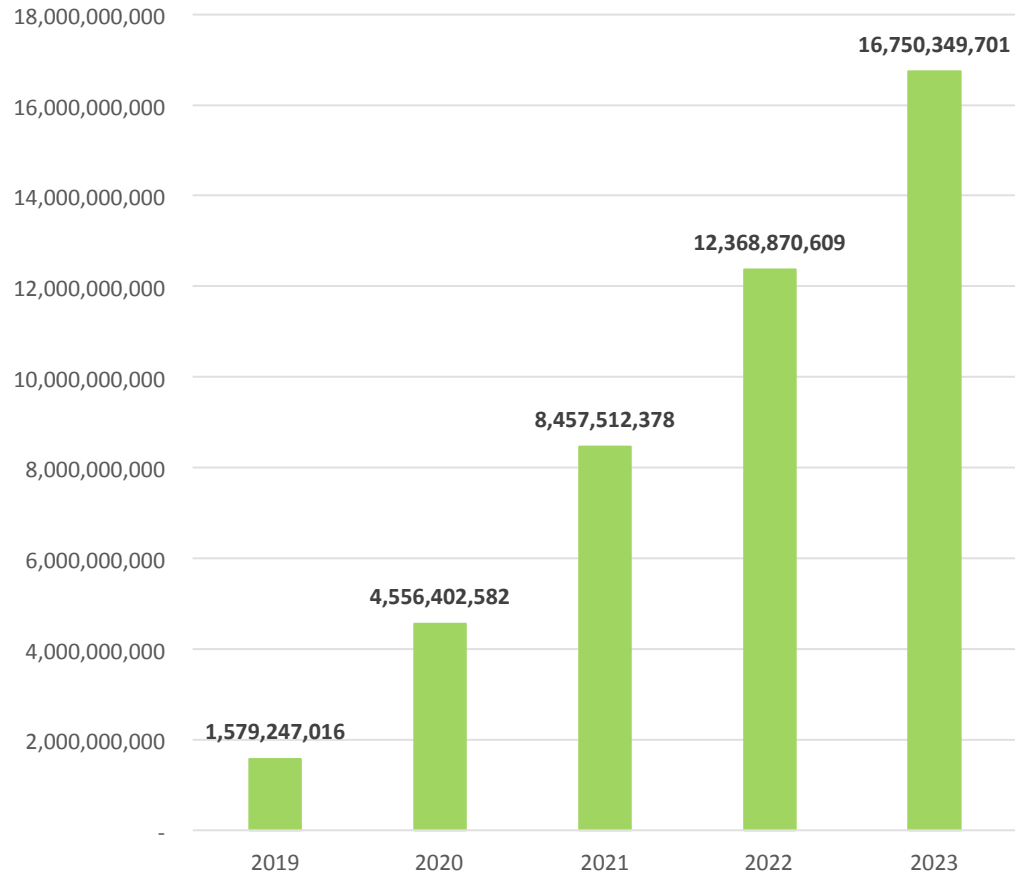
How far does US\$1 million go?



Alternative business models #1

ADVERTISING – GENERATING REVENUES FROM A 3+ BILLION AUDIENCE (US\$)

Projected advertising spend on RCS



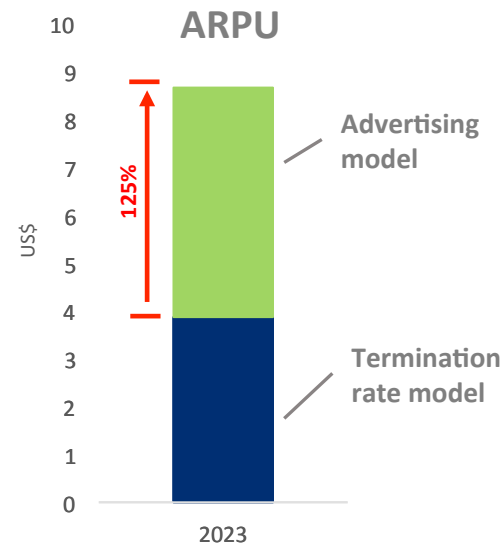
Advertising forecasts based on Kakao Talk's average ad spend per user (US\$4.13) applied to total P2P RCS users, with average ad spend per user increasing at 5% year-on-year.

Global advertising spend/mobile advertising spend source: WARC.

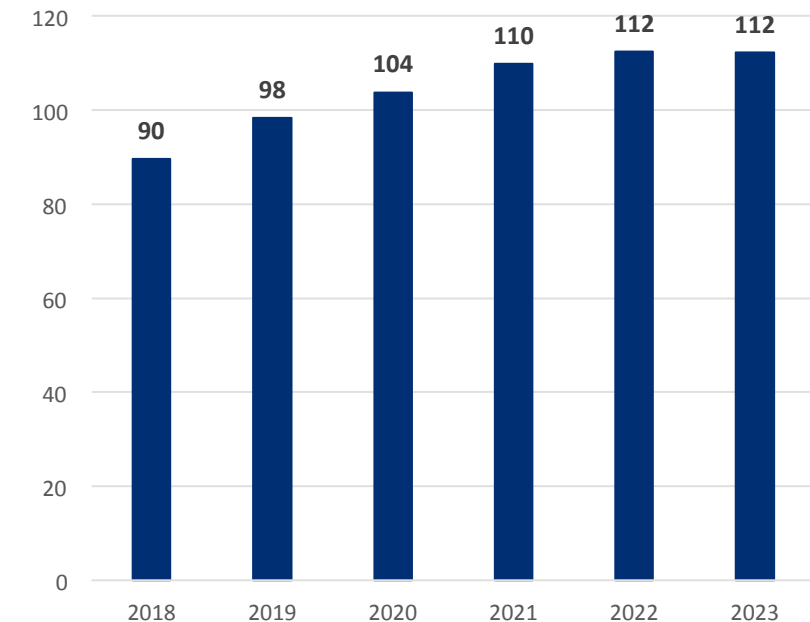
Nb Mobilesquared's actual forecasts on advertising & search will be published in 2H 2019.

- Total global advertising expected to be worth US\$616 billion in 2019.
- Mobile advertising worth US\$165.7 billion in 2019.

A 10% redistribution of global mobile advertising spend onto RCS would potentially generate an ARPU uplift of 125%.



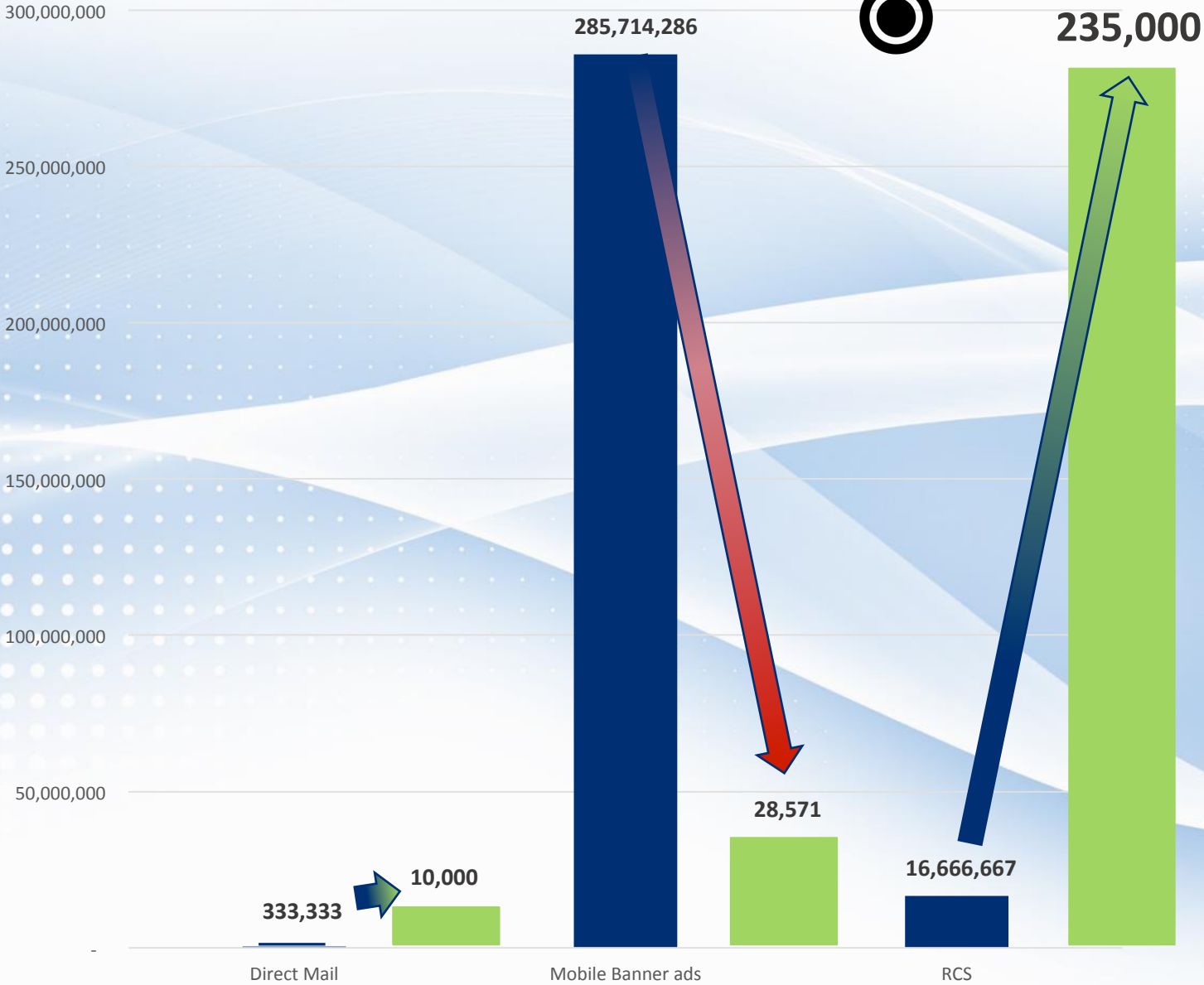
Mobile banner ad spend, Thailand (US\$)



CTR is 0.01% on mobile banner ad campaigns. That means of US\$104 million to be spent on mobile banner ads in 2020, just US\$10,400 is actively generating an ROI. If RCS can encourage 50% of brand mobile banner a spend that would account for US\$52 million in 2020 and would almost double termination rate-based RCS spend in Thailand.

Platform performance comparison

How far does US\$1 million go?



So why should brands use RCS?

Migrating mobile banner ad spend

\$21.77_{bn}

Spent on mobile banner
advertising in 2018*

If that was spent on RCS...

RCS opens



Mobile banner ads click thrus



3,500% UPLIFT

What is RCS?

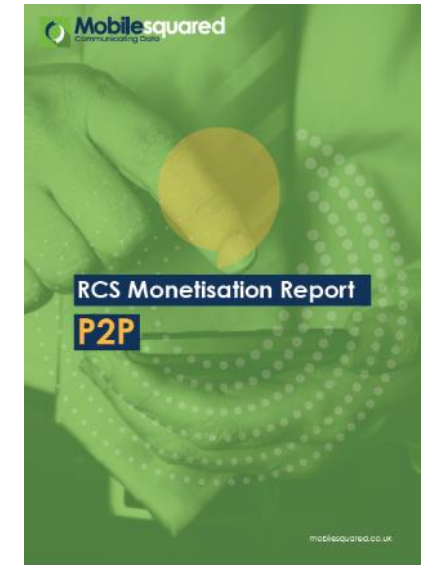
NOT SMS ...

~~SMS~~ 2.0



SMS 2.0 / 3.0 / 4.0 / 5.0...

Why make Mobilesquared your business messaging partner



UPCOMING REPORTS
RCS Pricing Strategies
Why brands should use RCS
Migration of ad spend to RCS
MNO RCS deployment strategies
RCS forecasts 2023-2028

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