

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 cloud patterns are clearly visible. The background is a deep black space filled with numerous bright stars of varying sizes.

Mobilesquared forecasts cover 650 mobile operators in the top 200 markets



Mobilesquared updates 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 as of October 2019.

Our next update will be January 2020.



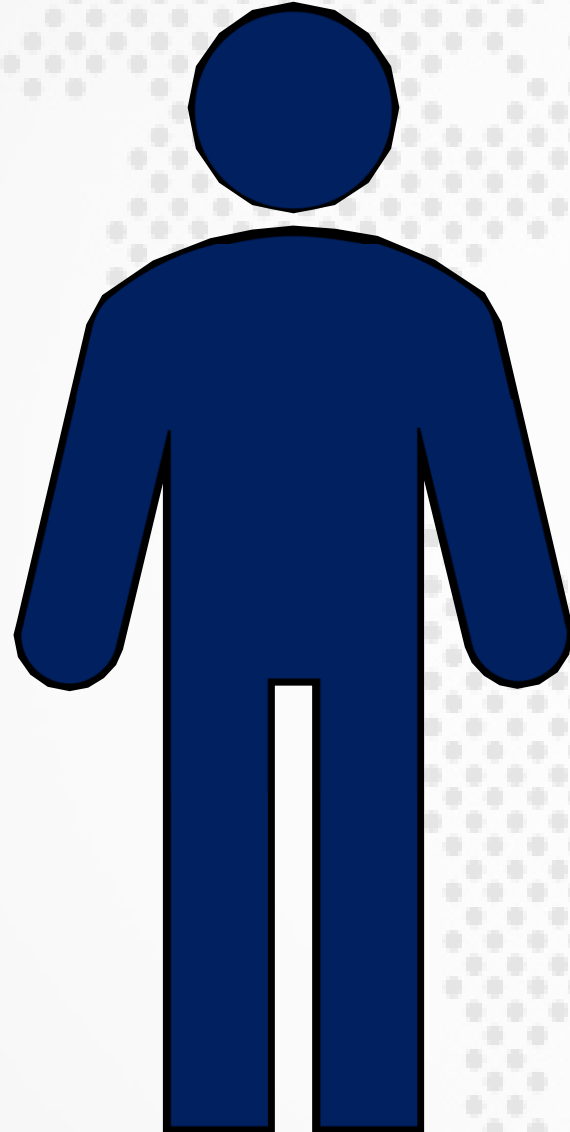
A photograph of a group of people, mostly young adults, standing in a line and looking at their smartphones. The image is semi-transparently darkened to allow for text overlay. The background shows a light-colored wall and a blue door.

Why should brands use RCS?

December 2019

What do consumers think of RCS?

68% of consumers will use



→ **14%** **definitely use RCS**

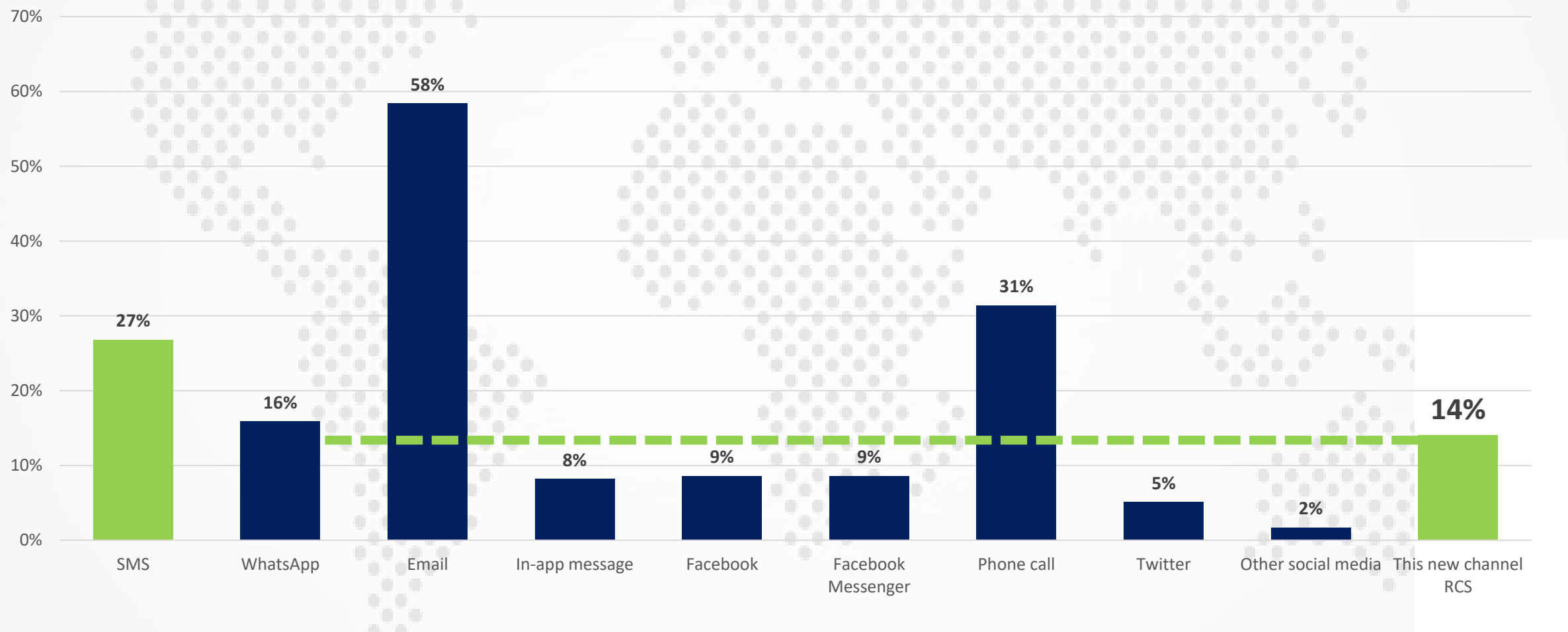
→ **15%** **will use RCS, apps & web**

→ **39%** **would use if the experience was better than the app & web**

→ **32%** **not interested in RCS**

The omnichannel world of today

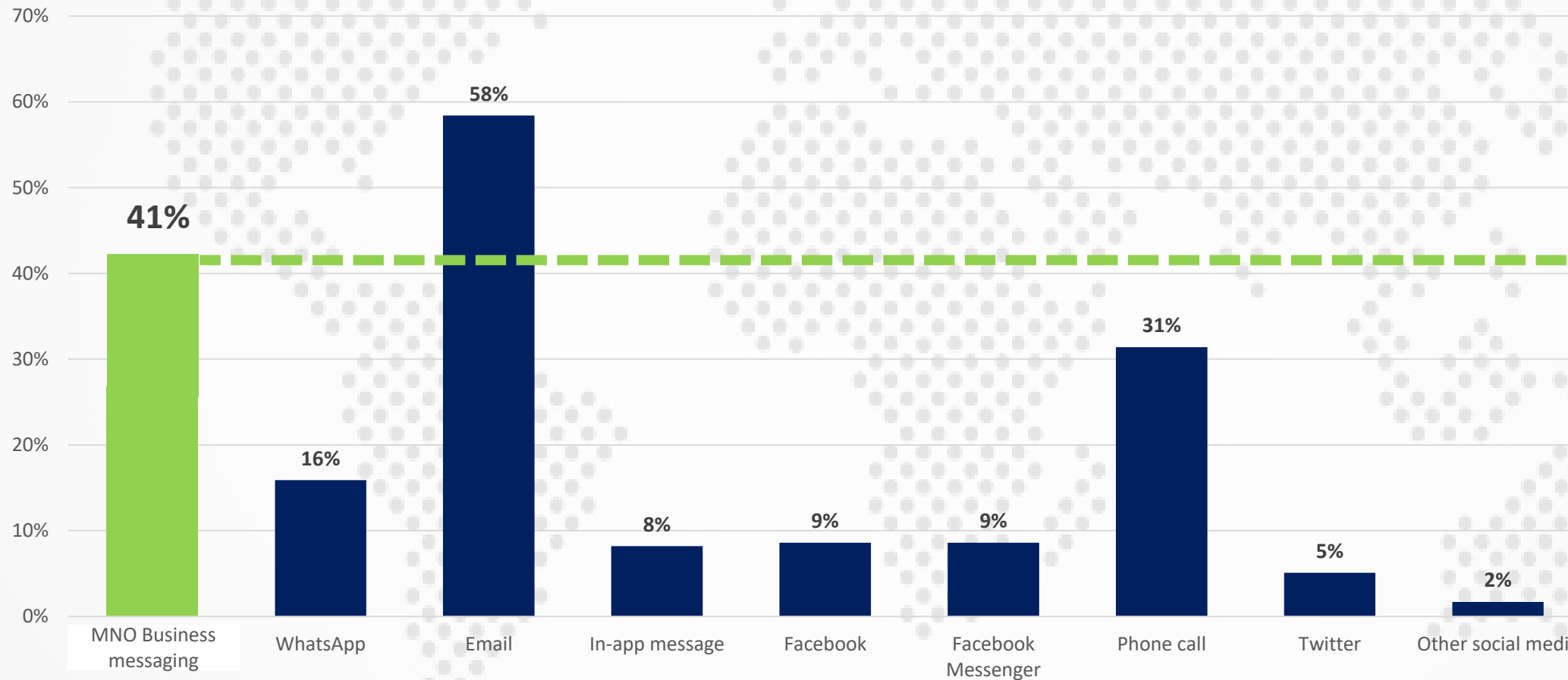
Most preferred channels by consumers



The omnichannel world of tomorrow

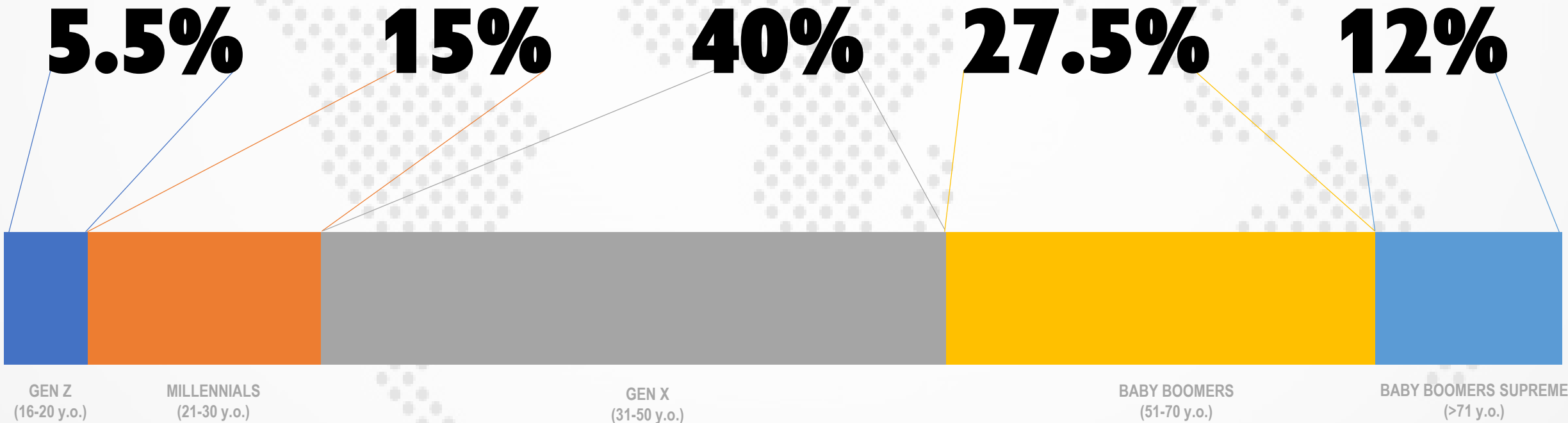
Most preferred channels by consumers

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



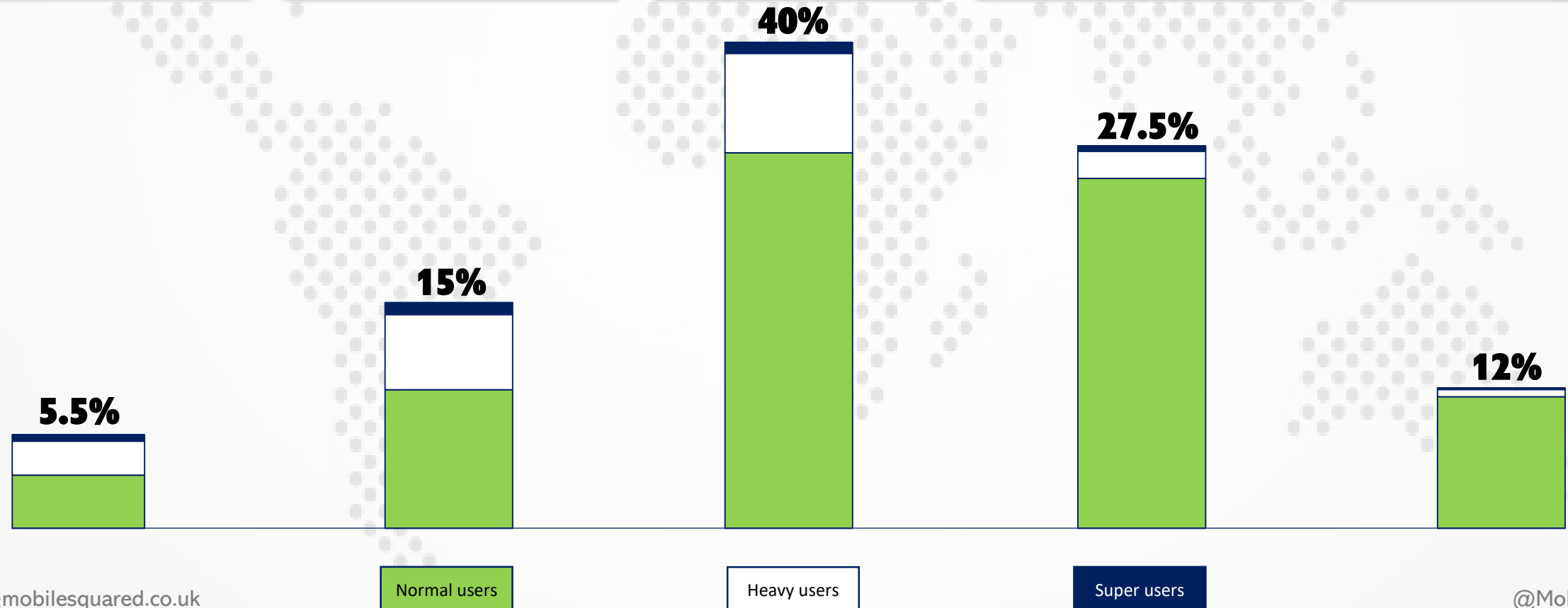
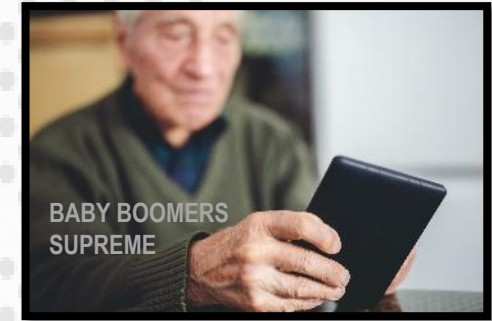
Who are the RCS users?

GEN X dominates



Who are the RCS users?

Cross-demographic appeal



Who are the RCS users?

And what do they want?



42% **48%**



41% **30%**



35% **43%**



45% **28%**



41% **43%**



48% **29%**



38% **41%**



48% **33%**



28% **34%**

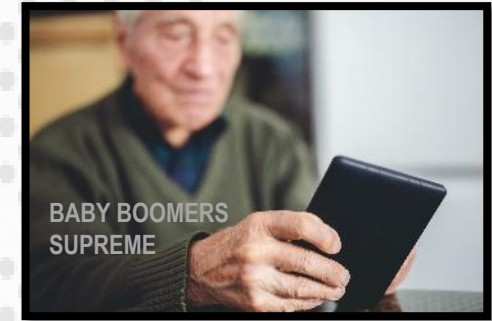


47% **34%**



Who are the RCS users?

And what do they want?



37%



46%



42%



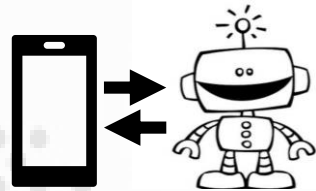
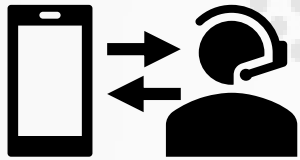
31%

Alternative business models

CUSTOMER CARE

- 268,000,000,000 customer care calls in 2019
- US\$1.2 trillion spent on customer calls in 2019

#2: RCS-based customer care



Cost per call - US\$4.48

**Cost: 100,000 calls -
US\$447,761**

Operator revenue - zero

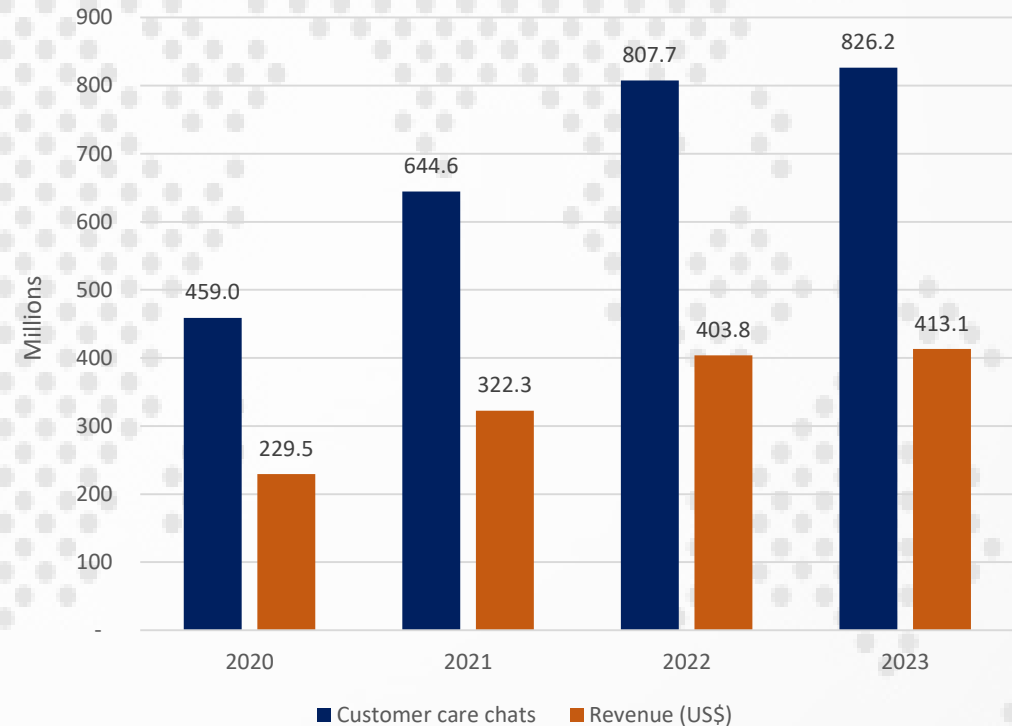
RCS cost per chat - US\$1.00

Saving: 100,000 calls -78%

**Operator revenue -
US\$50,000**

- 21,906,228,397 customer care calls in 2019
- US\$98.09 billion spent on customer calls in 2019

#2: RCS-based customer care - Japan



source: LivePerson

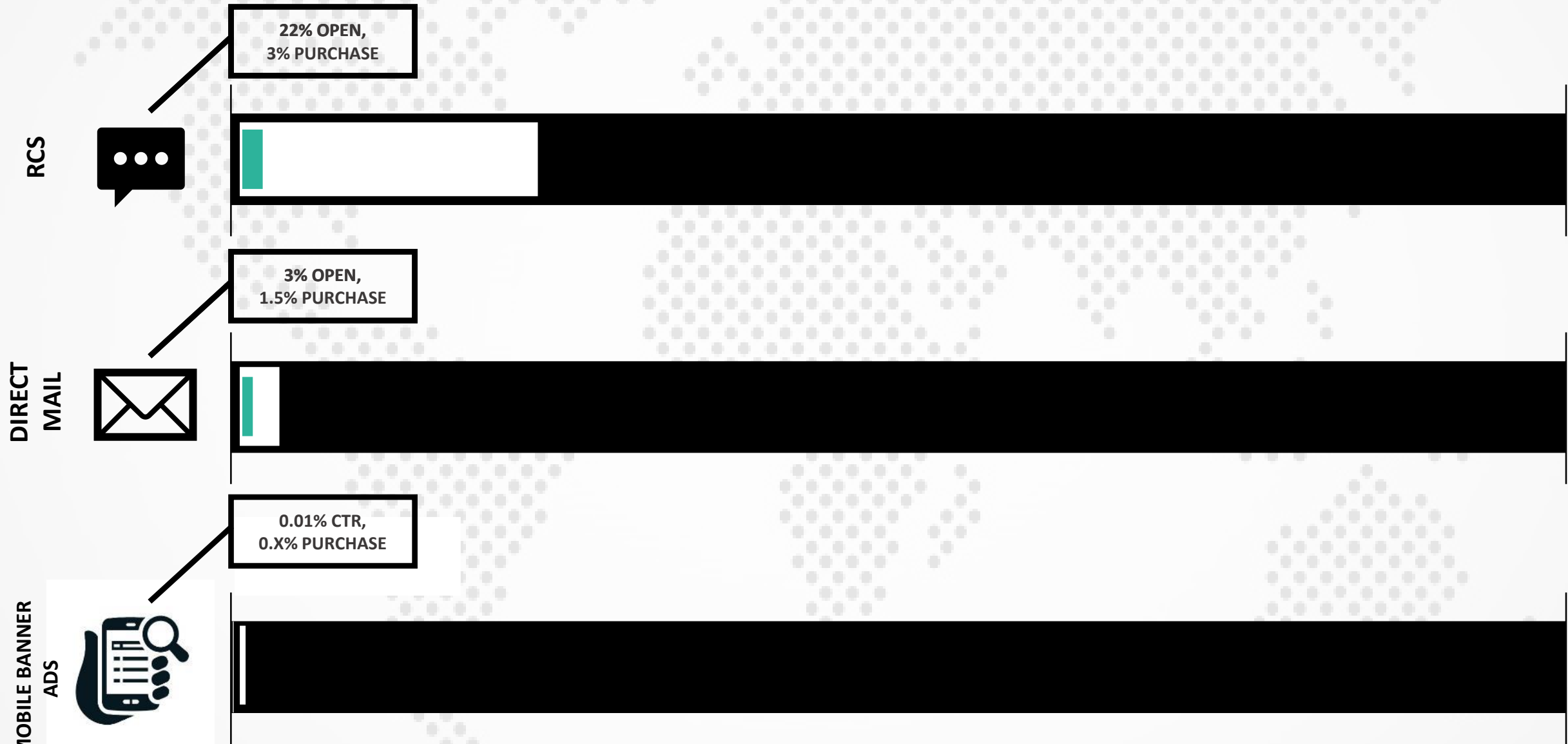
Performance



December 2019

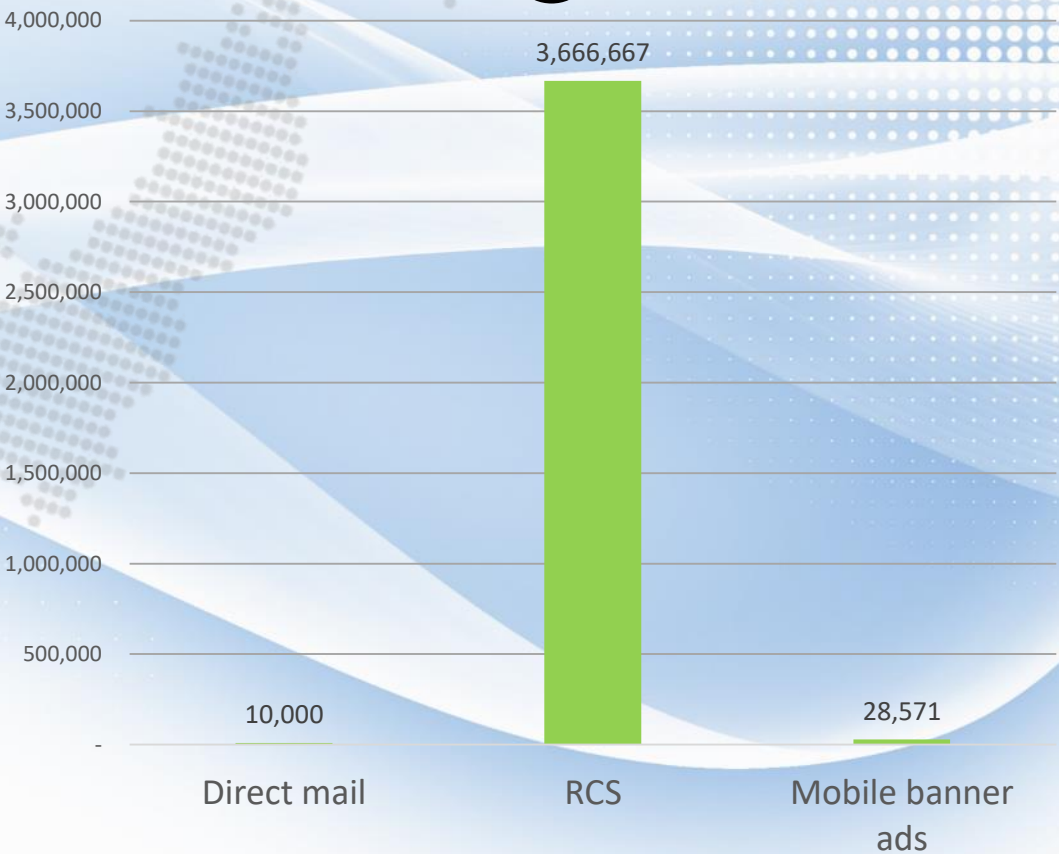
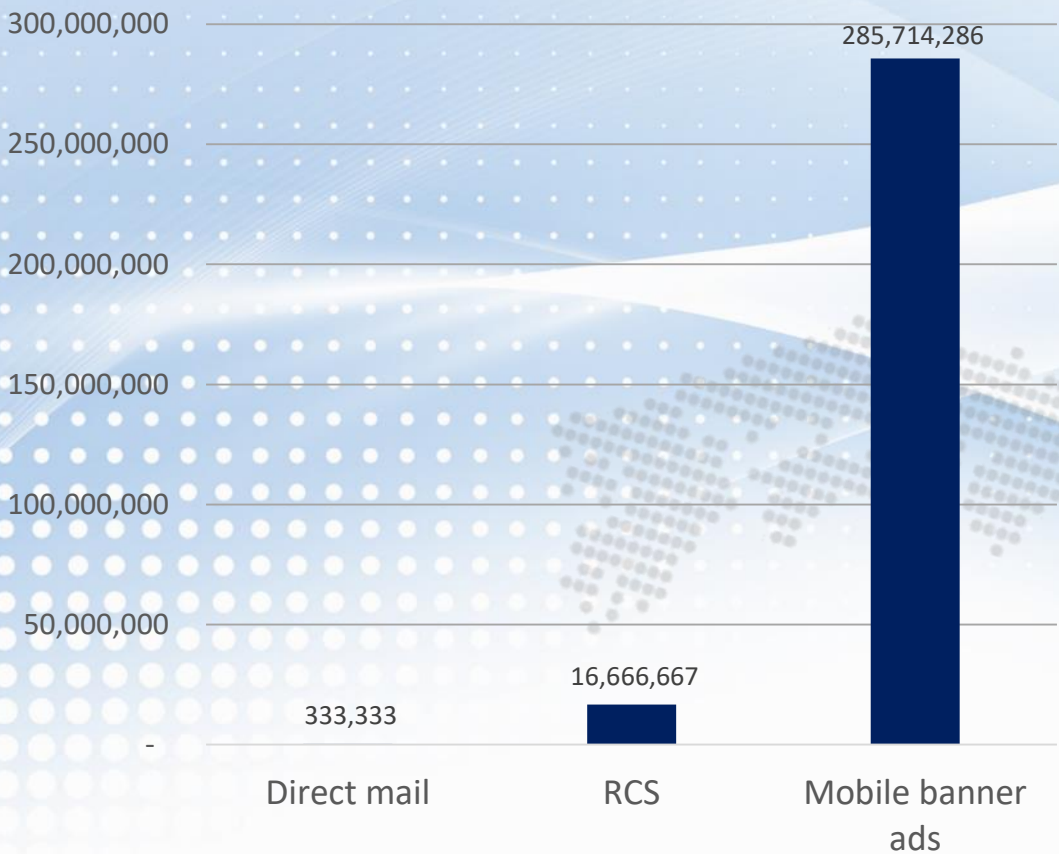
Platform performance comparison

How far does US\$1 million go?



Platform performance comparison

How far does US\$1 million go?



So why should brands use RCS?

Migrating mobile banner ad spend

- Total Japan advertising worth US\$58.1 bn in 2019
- Mobile advertising worth US\$11.46 bn in 2019

If just **10% (US\$413 million)** was spent on RCS instead... it would buy **7.2 billion ads**

Mobile banner ads, Japan (US\$ bn)



Japan advertising/ mobile advertising source: Dentsu
Mobile banner advertising source: IAB

RCS Opens

Click thrus

Performance
uplift of ...

12,833%

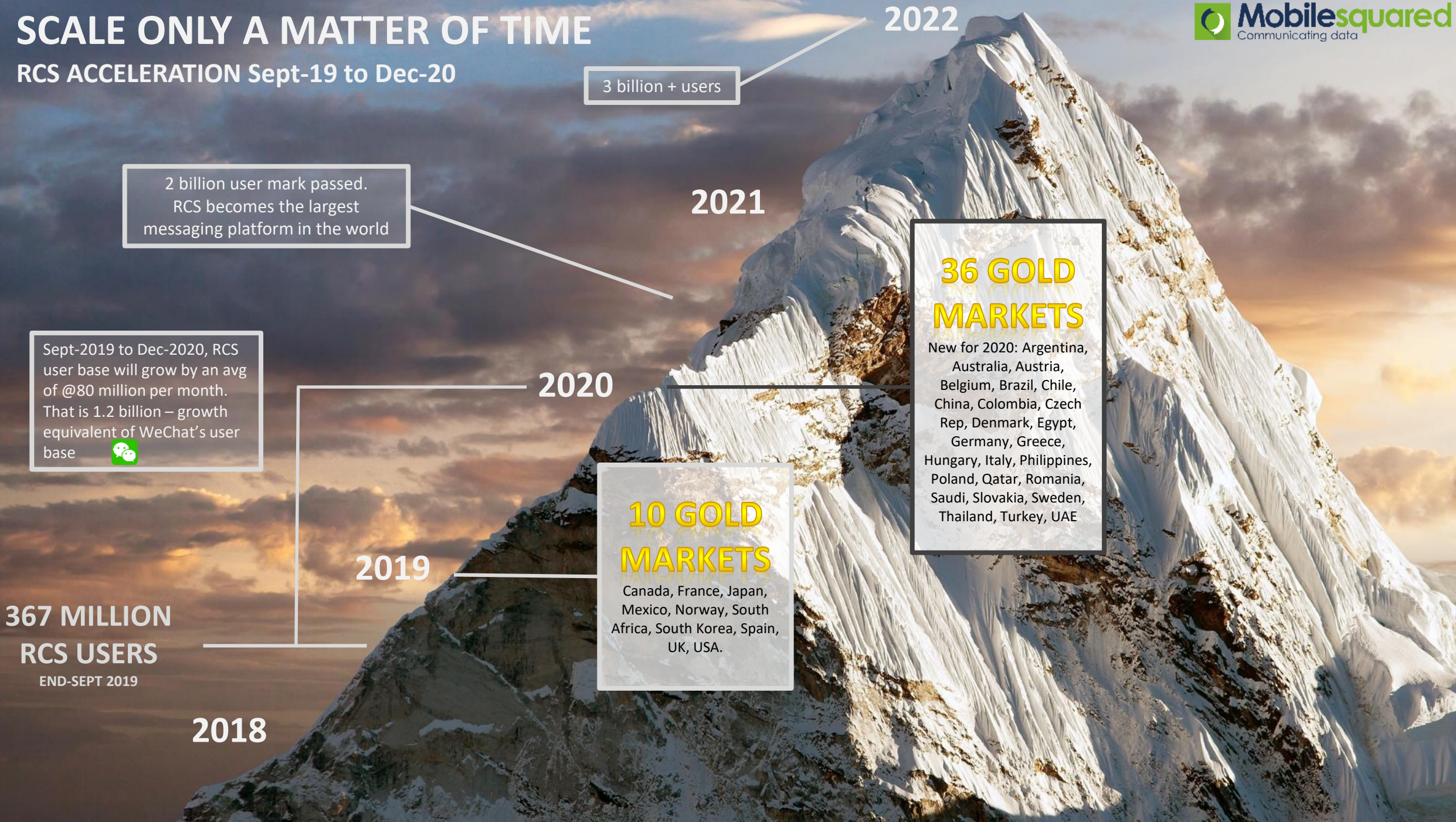
A photograph of a group of people, mostly young adults, standing in a line and looking at their smartphones. The image is slightly blurred, focusing on the hands and phones. A semi-transparent dark overlay covers the entire image, and the title text is centered in white.

The RCS opportunity

December 2019

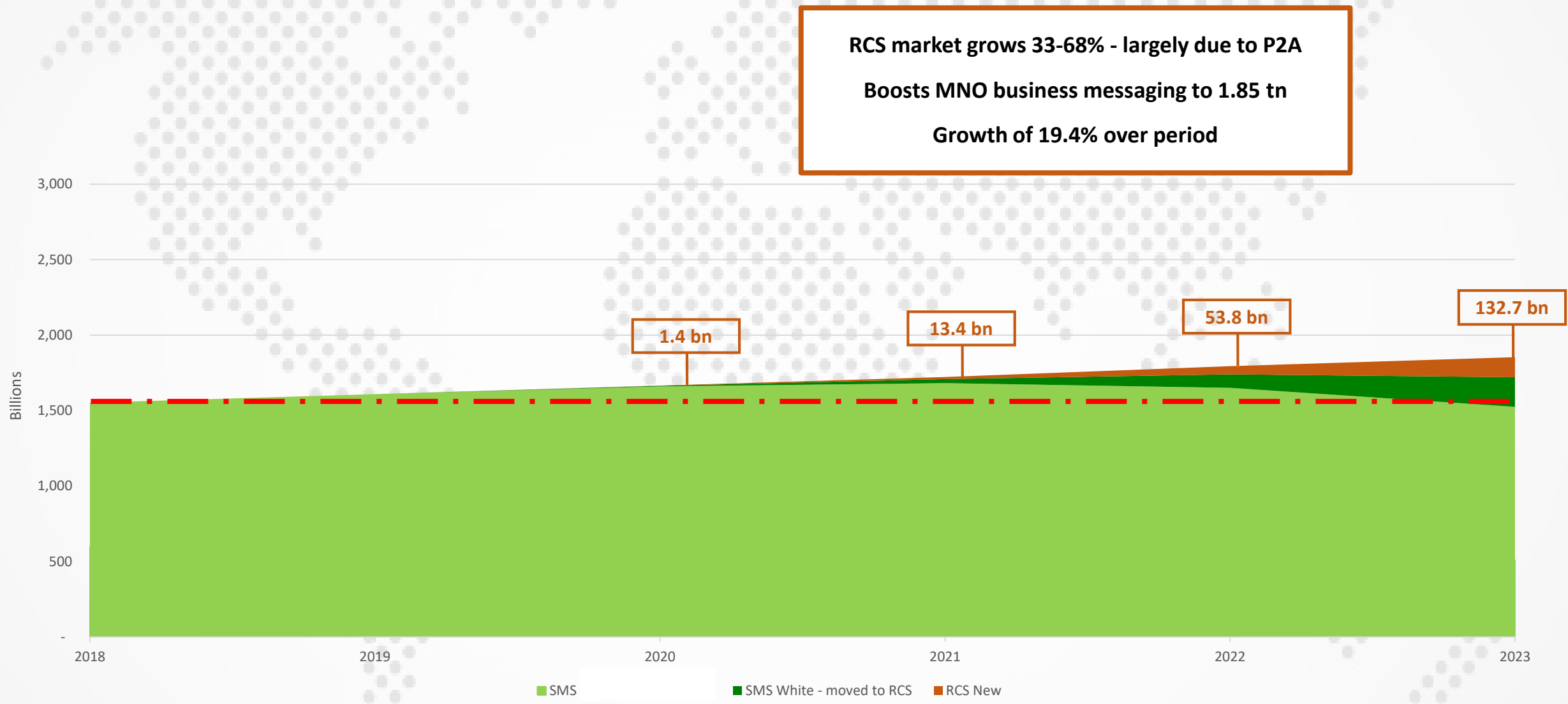
SCALE ONLY A MATTER OF TIME

RCS ACCELERATION Sept-19 to Dec-20



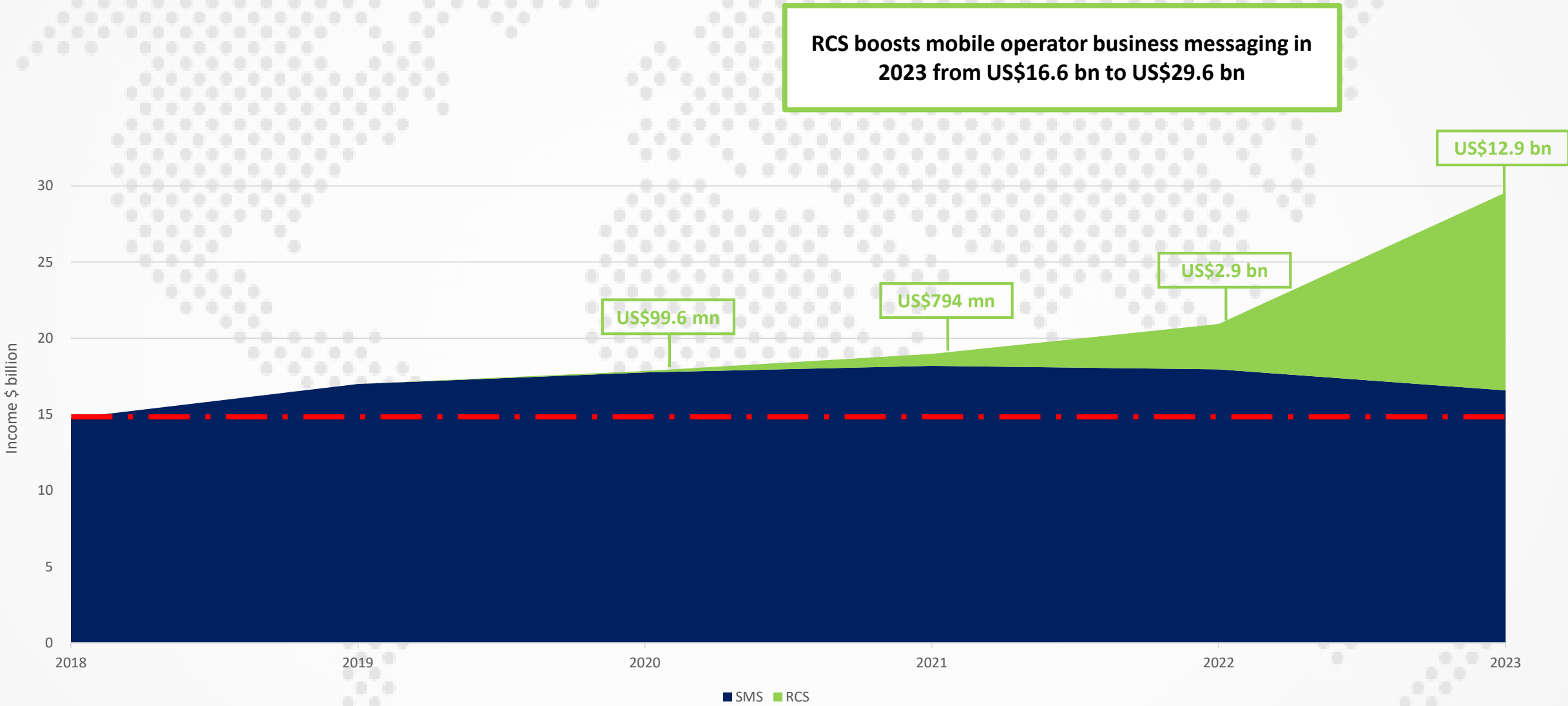
Mobile operator business messaging

New RCS



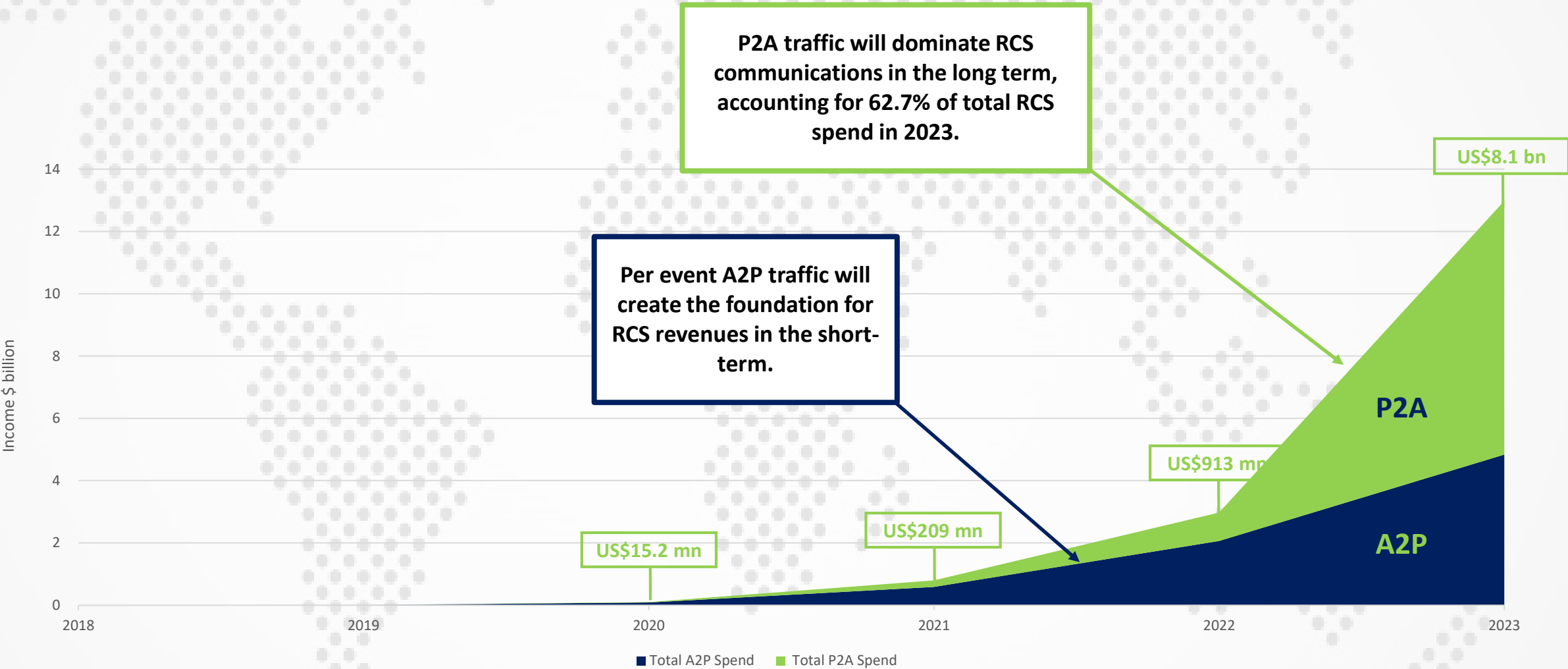
Mobile operator business messaging

SMS & RCS Income (US\$)



RCS spend (US\$)

A2P vs. P2A





Japan's RCS opportunity

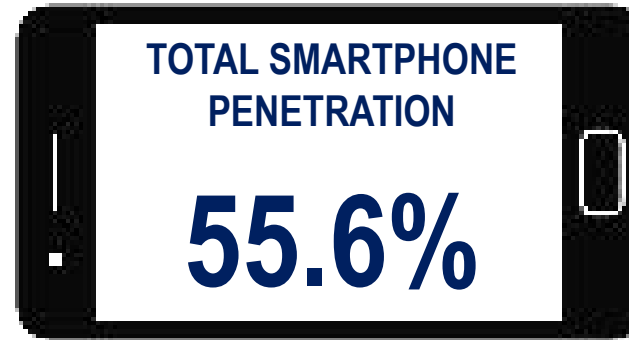
December 2019

Smartphone breakdown, Japan 2019

Apple dominates

TOTAL SUBSCRIPTIONS

180.7
million

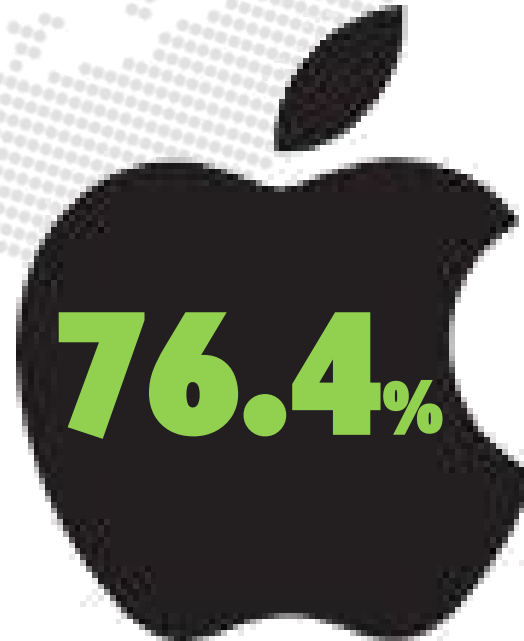
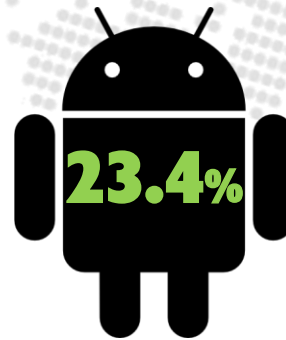


TOTAL SMARTPHONE USERS

102.2
million

TOTAL ANDROID USERS

23.9
million

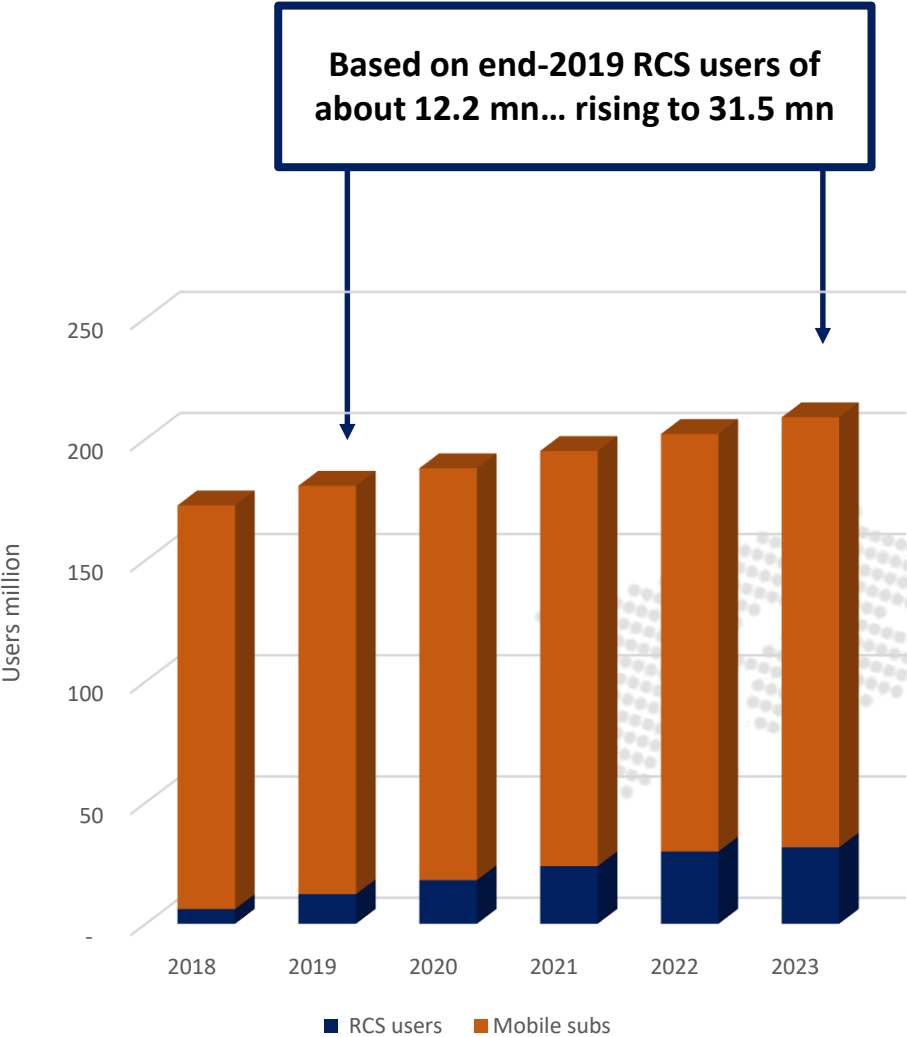


TOTAL APPLE USERS

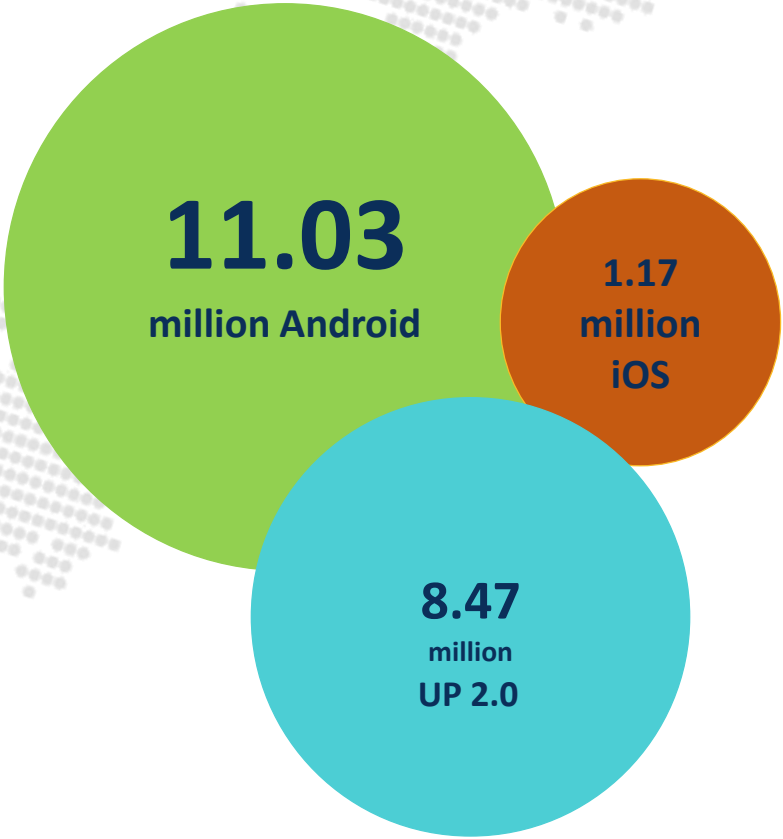
78.1
million

RCS users

2018-23

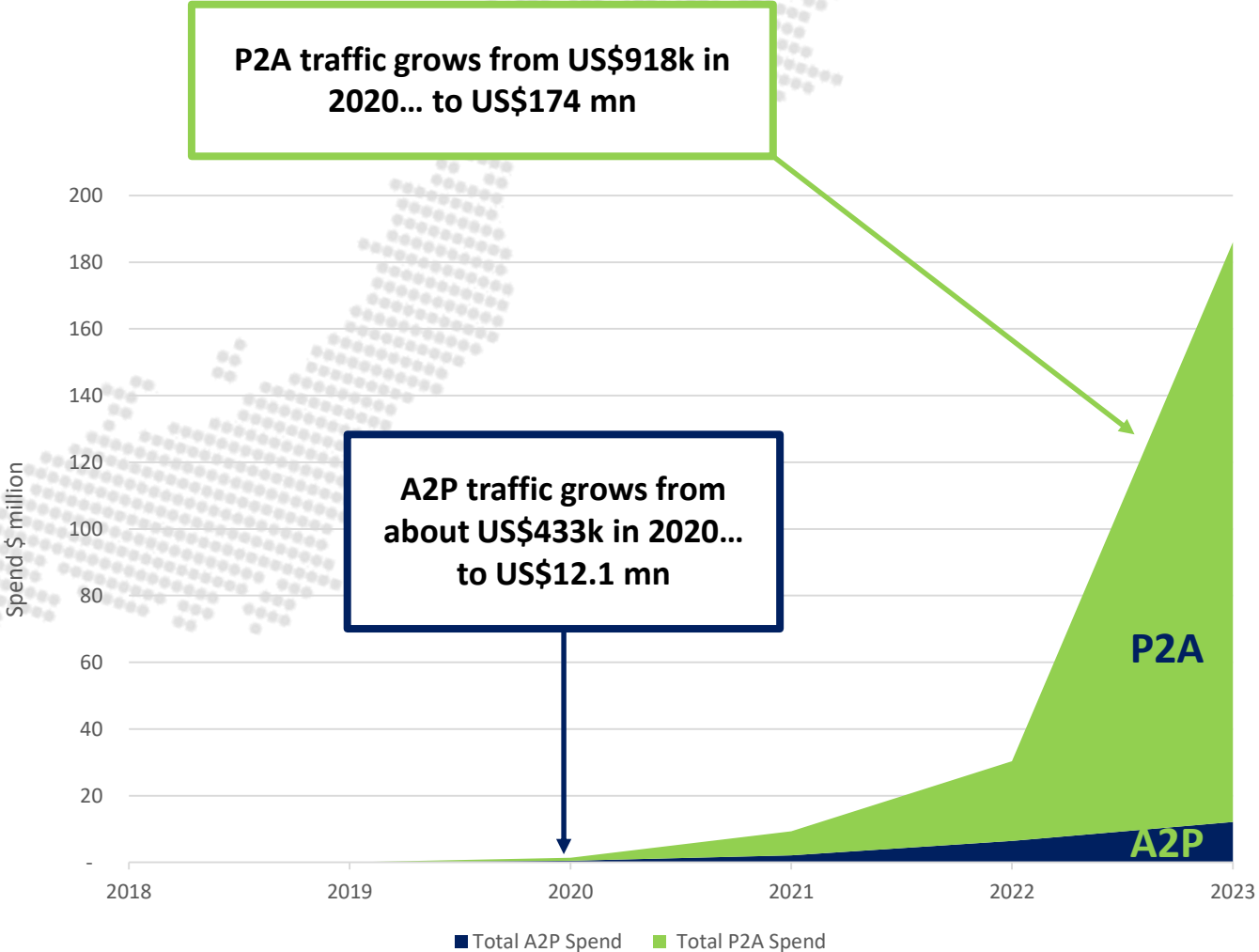
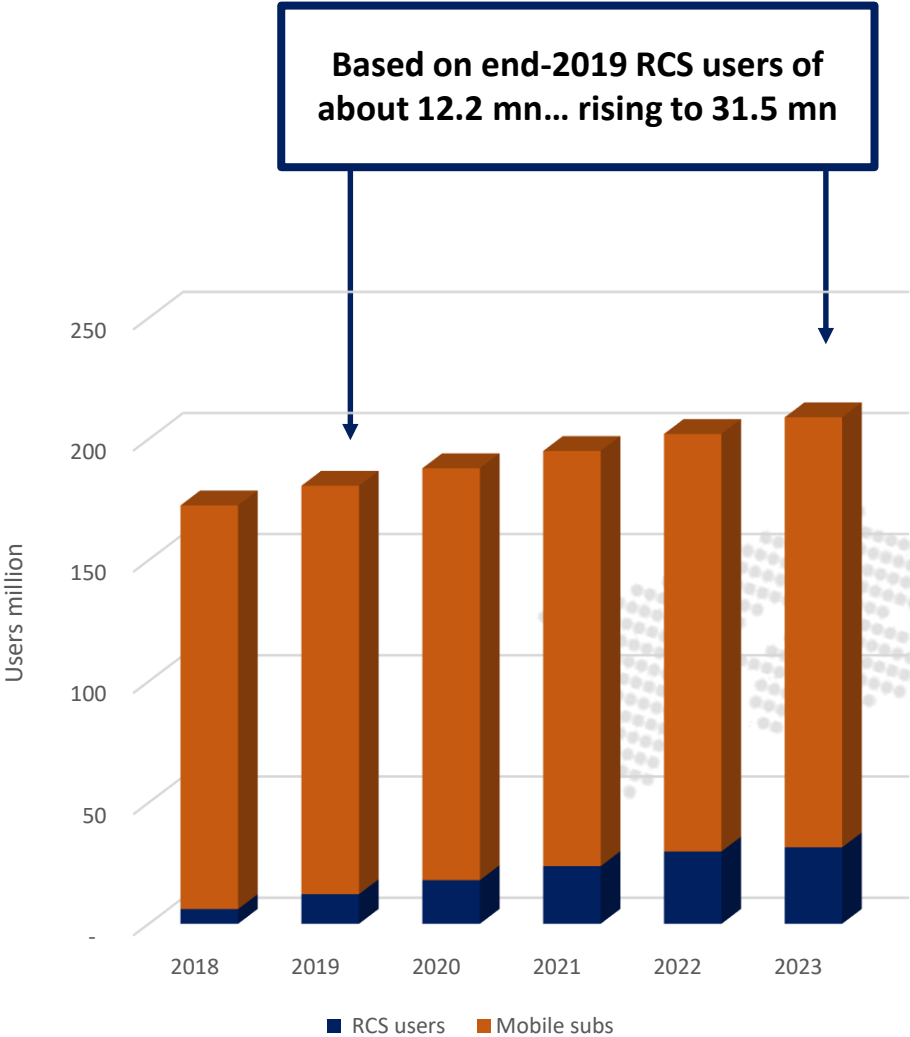


2019: RCS USERS



RCS spend Japan (US\$)

A2P vs. P2A





Alternative business models

December 2019

Alternative business models

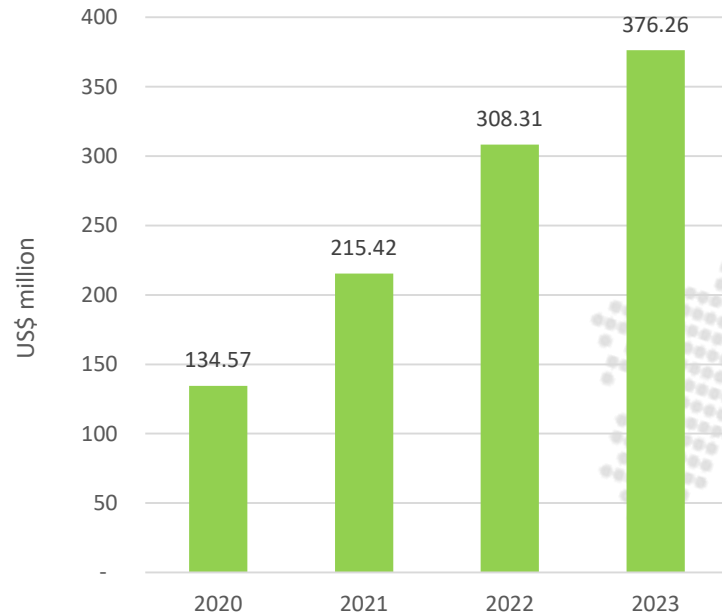
ADVERTISING, CUSTOMER CARE & SEARCH

- Ad market worth US\$58.1 bn: 2019
- Mobile ads worth US\$11.46 bn: 2019

- 21.9 bn customer care calls: 2019
- US\$98.09 bn spent: 2019

- Paid search worth US\$6.25 bn: 2019
- Mobile search worth US\$4.4 bn: 2019

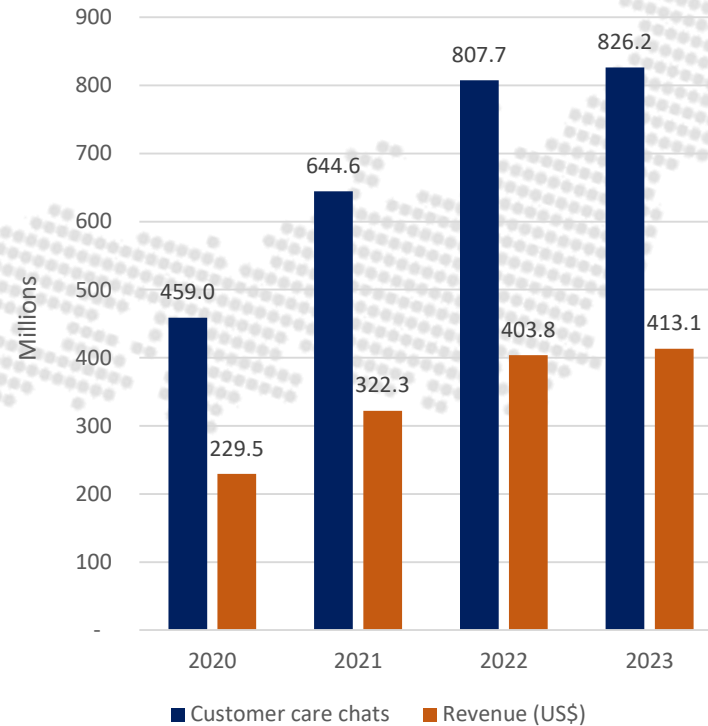
#1: RCS based ad spend - Japan



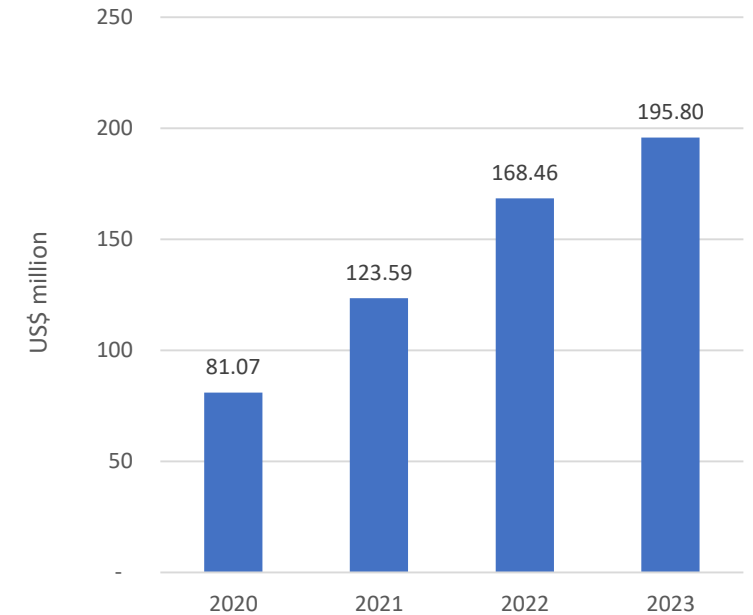
Advertising forecasts based on Line's average ad spend per user (US\$10.09) applied to total A2P RCS users, with average ad spend per user increasing at 5% year-on-year.

Japan advertising/ mobile advertising source: Dentsu

#2: RCS-based customer care - Japan



#3: RCS based search - Japan



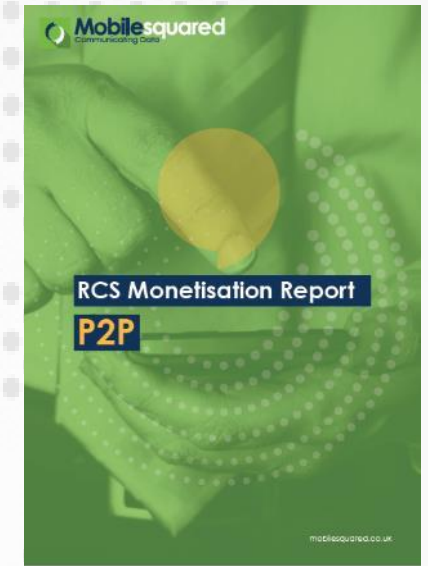
Search forecasts based on average spend on mobile search per user, applied to total RCS users, with average spend per user increasing at 5% year-on-year. 25% VCA

Paid search advertising source: Dentsu

1 Billion Do000llarRrrrss!!!

MMMuuuuahahahaaha!!!

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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