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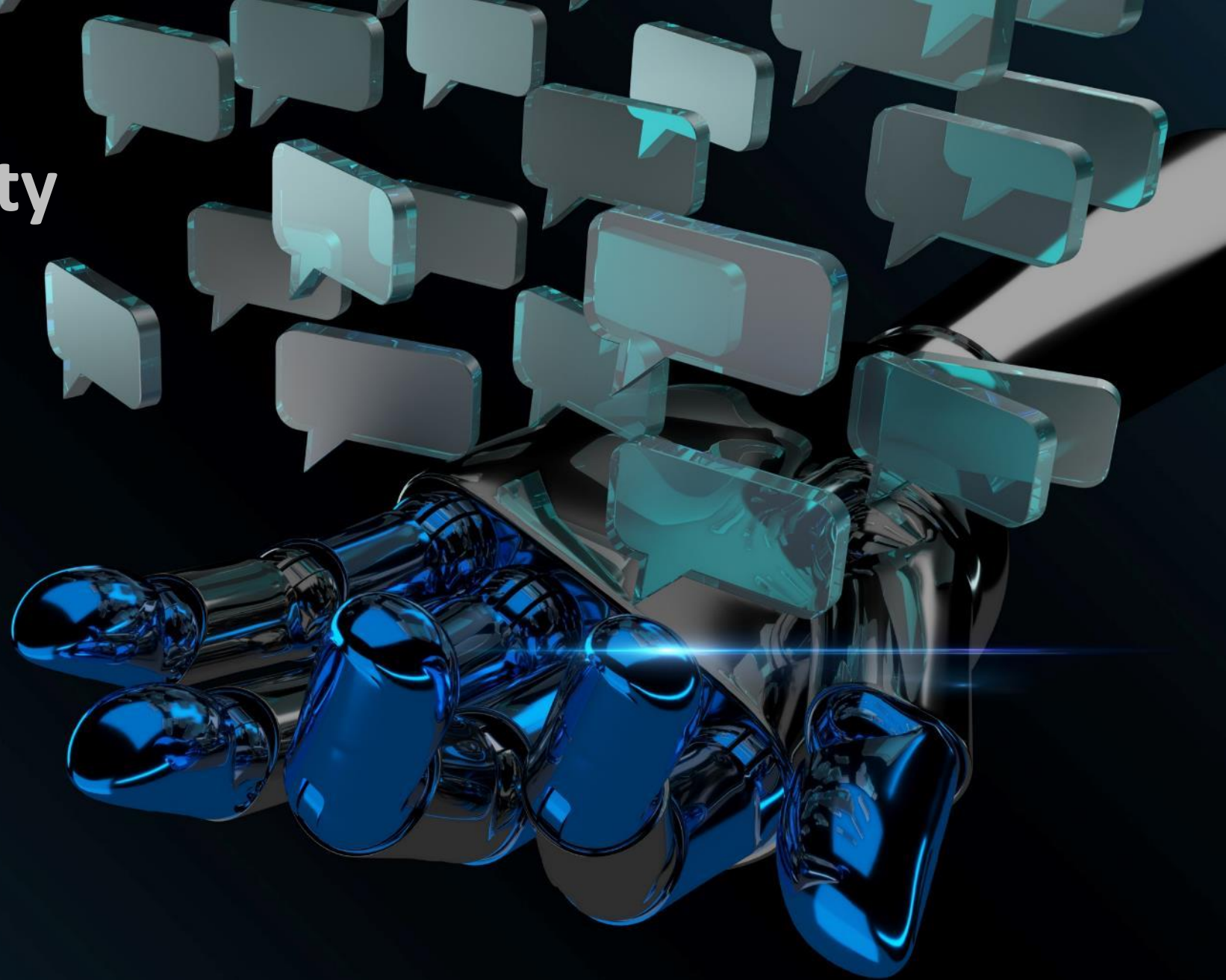
Why the opportunity for RCS is now

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@Mobilesquared



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.

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Mobilizing Your Business

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Telefonica

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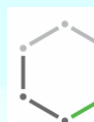
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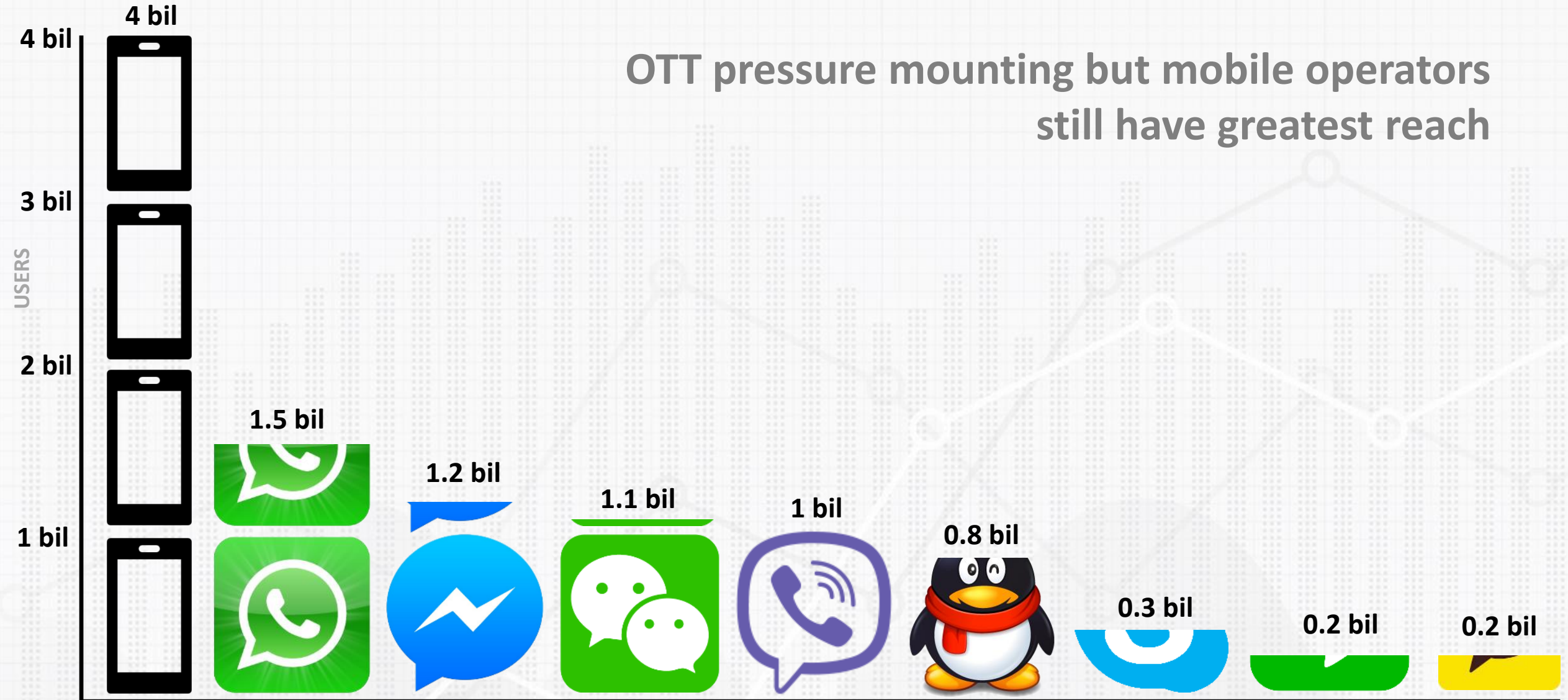
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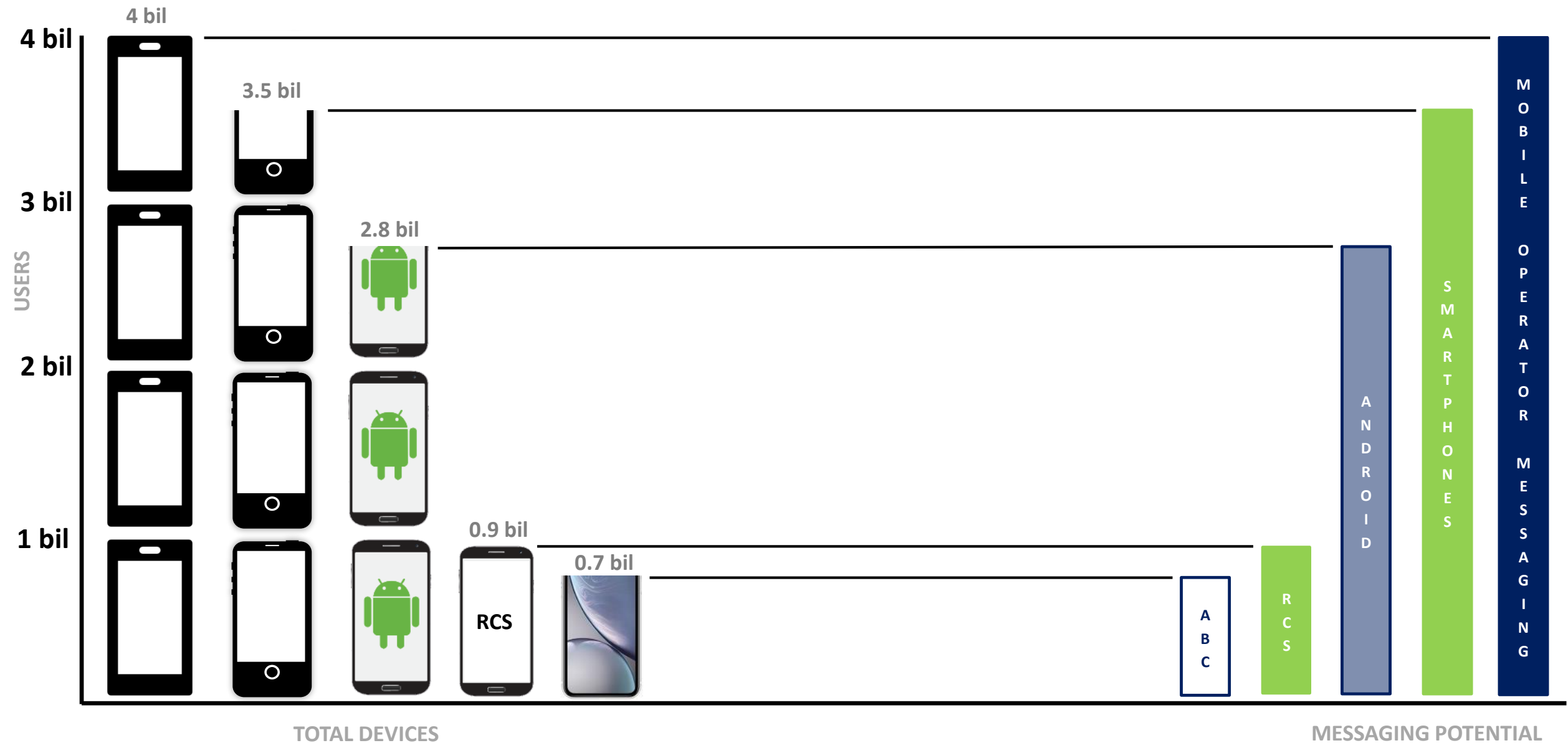
Messaging user landscape

P2P MESSAGING APPS



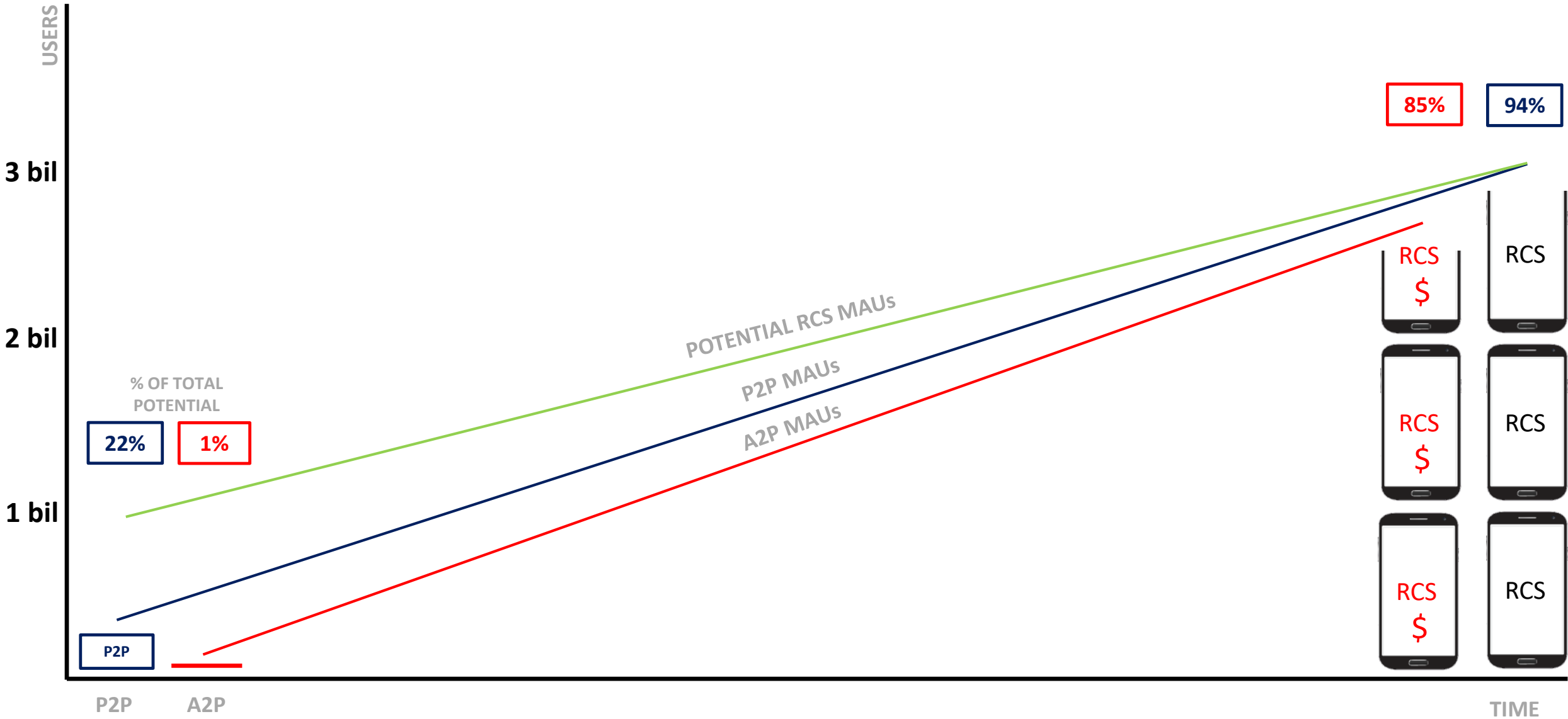
Mobile operator messaging perspective

MESSAGING POTENTIAL JAN 2019



RCS business messaging landscape

RCS GROWTH P2P / A2P USERS, 2018 - 2023

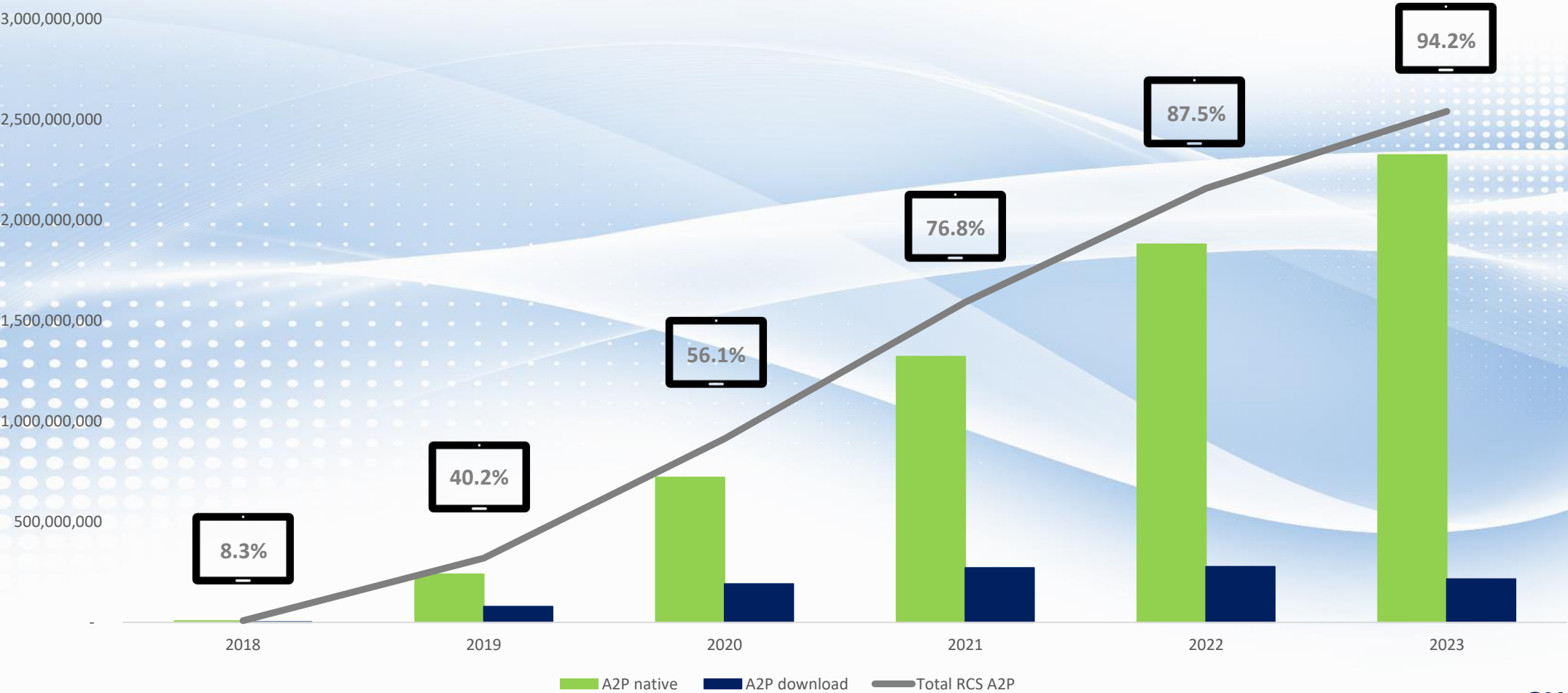


RCS A2P breakdown

NATIVE vs DOWNLOADABLES

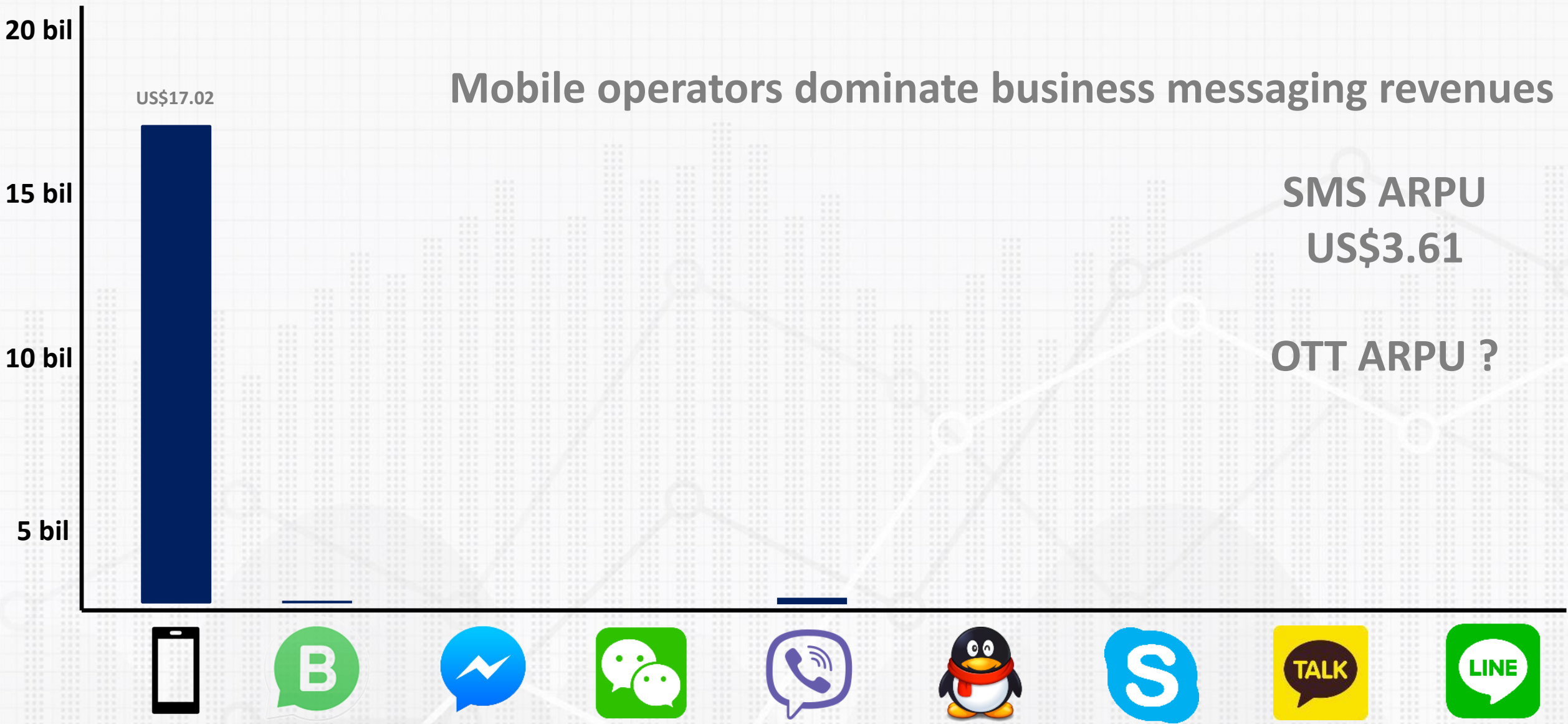
MaaP (A2P/UP2.0)
launches as % of P2P
RCS rollouts

The dominance of native



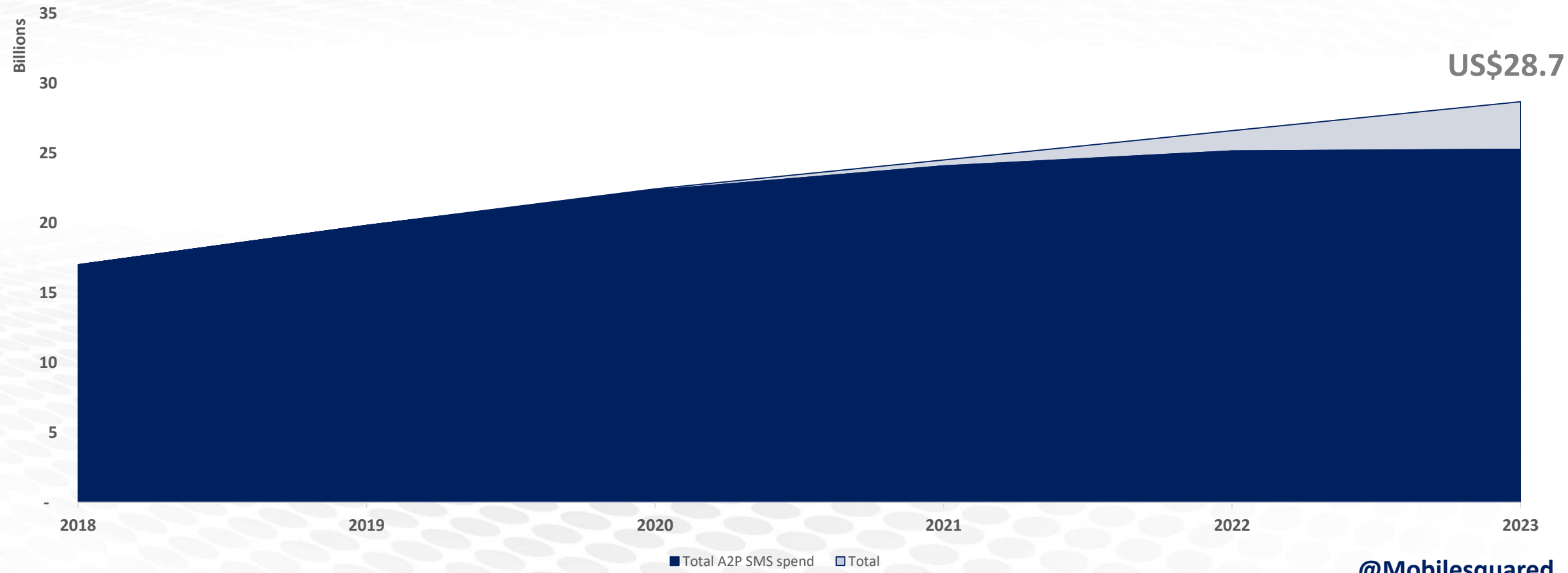
Business messaging spend (US\$)

MESSAGING APPS END 2018, ARPU



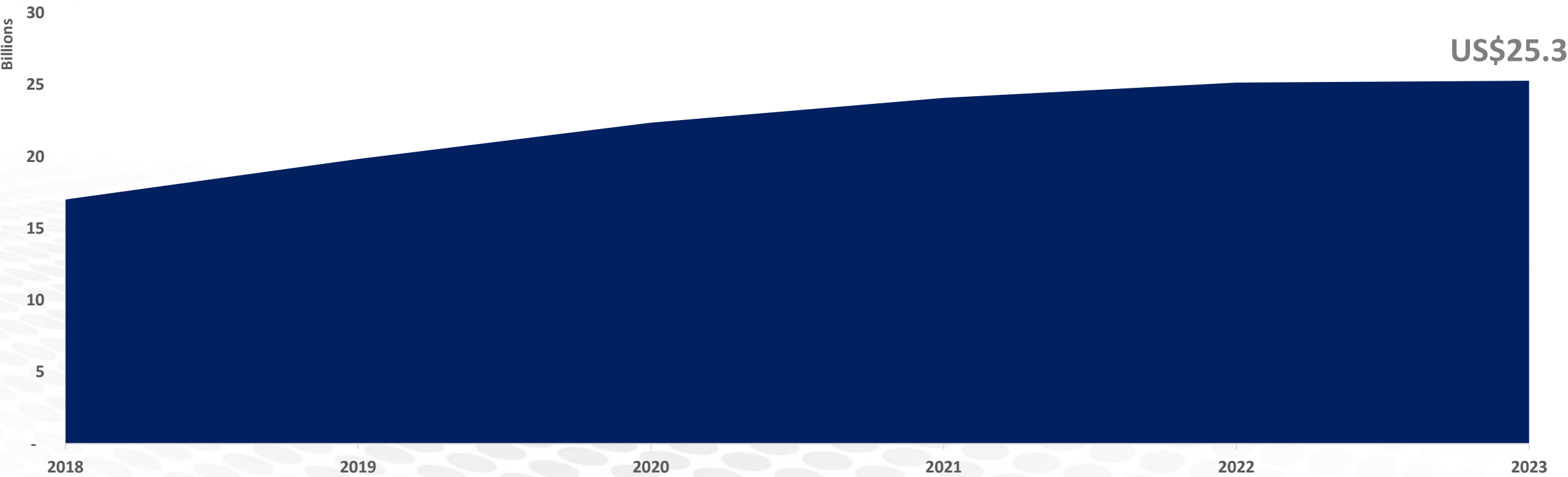
A world without RCS

Total A2P SMS SPEND (US\$)



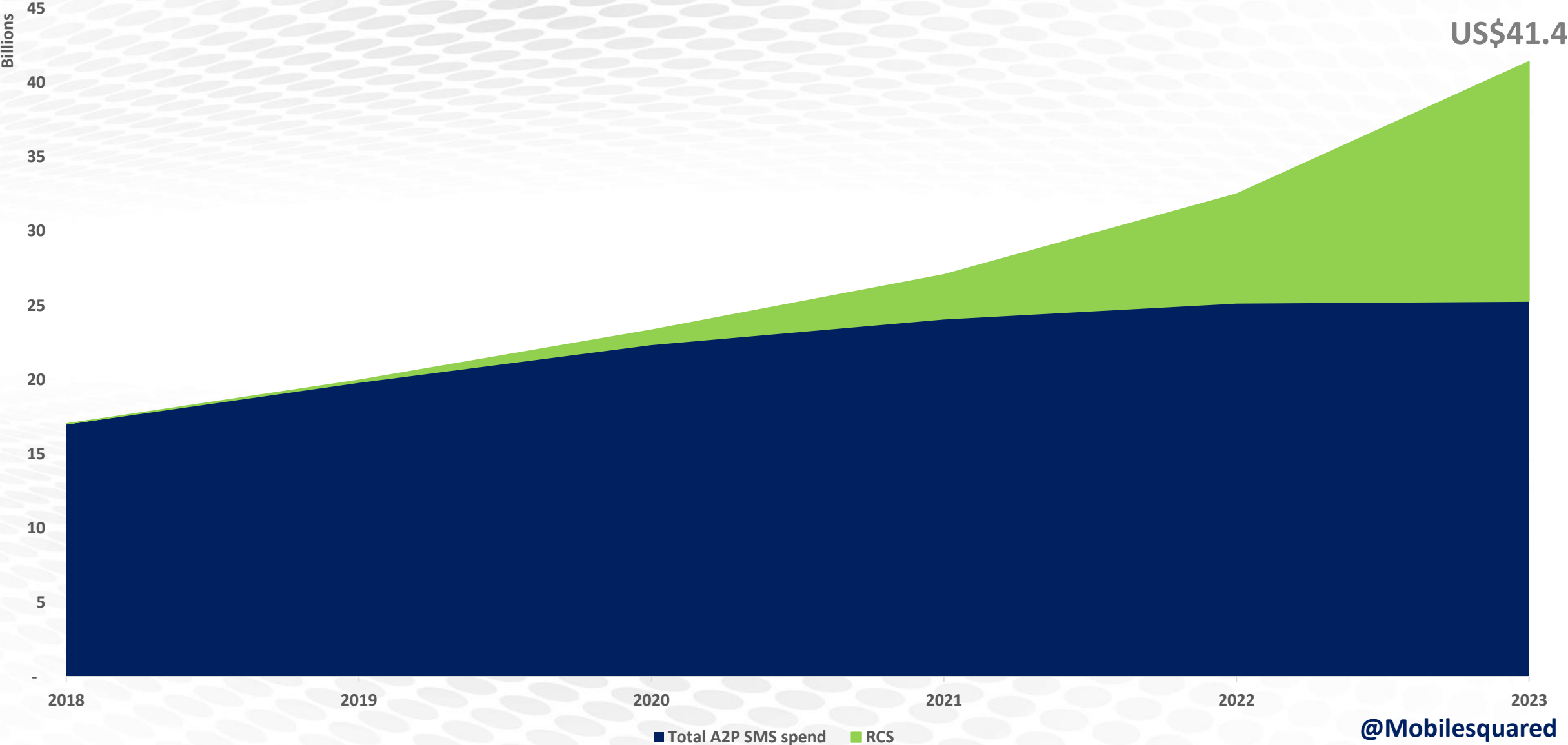
Mobile operator business messaging evolution

The impact of RCS (US\$)



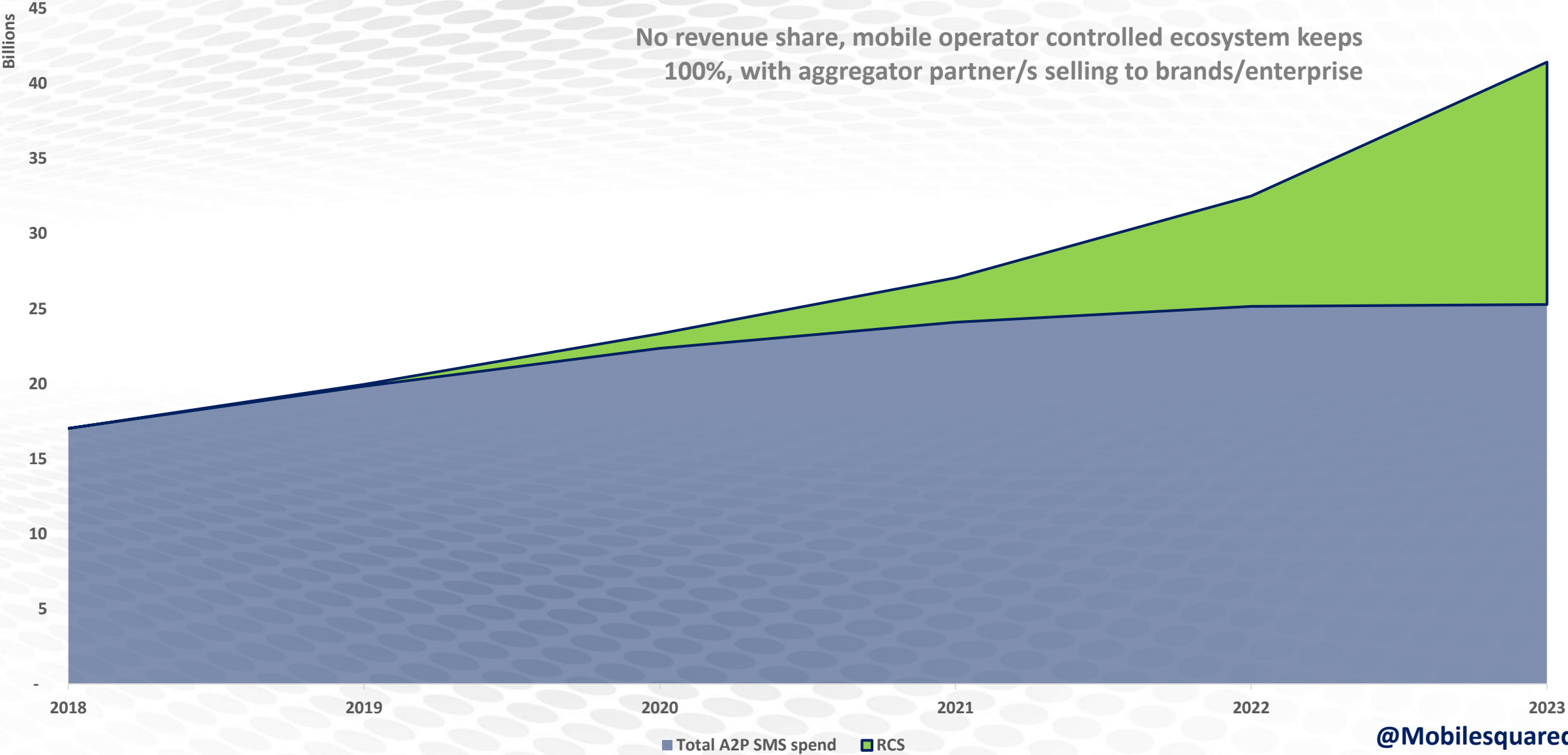
Total business messaging (SMS + RCS)

INCOME (US\$)



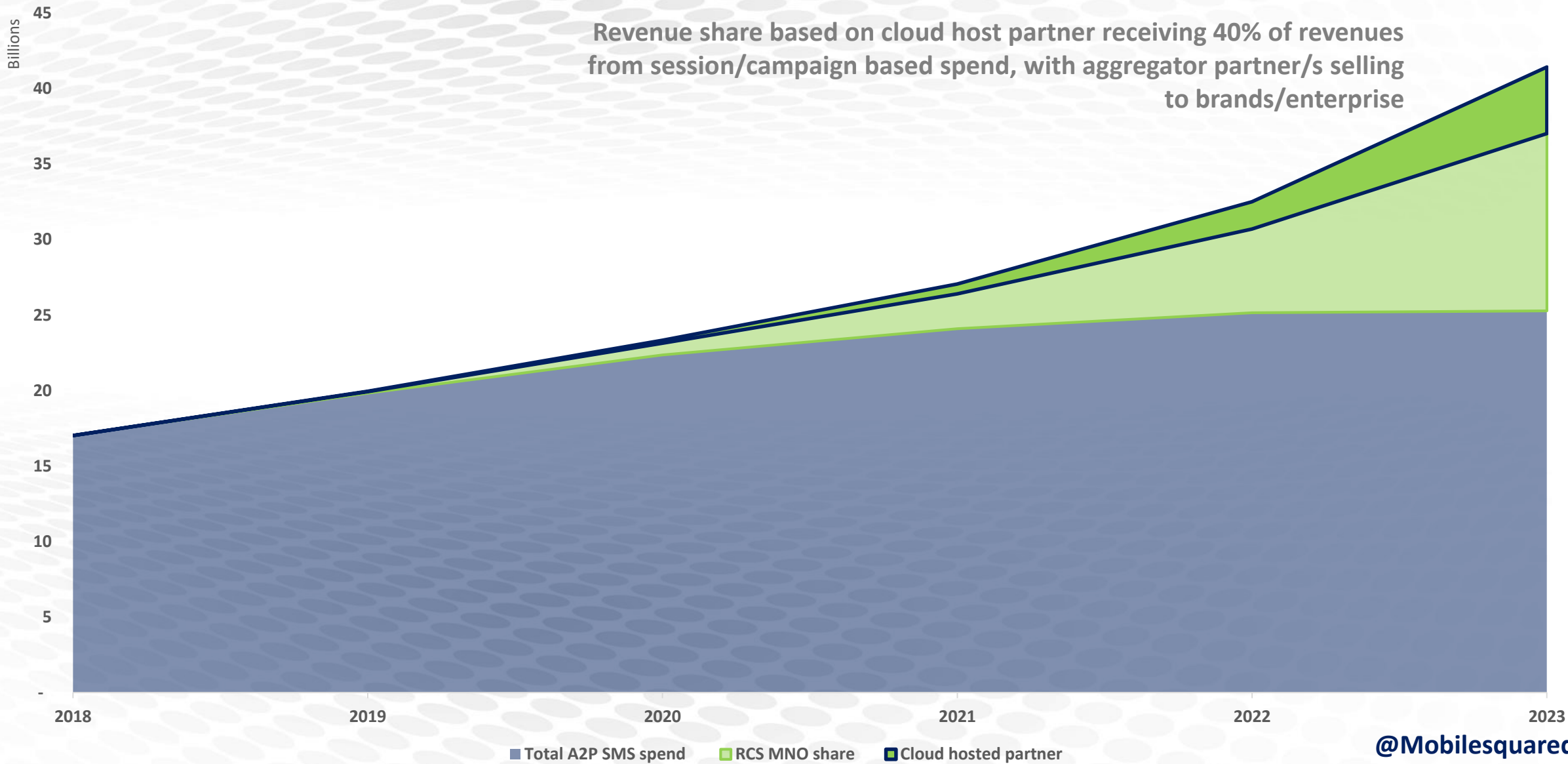
In-network RCS model

Mobile operator + aggregator income



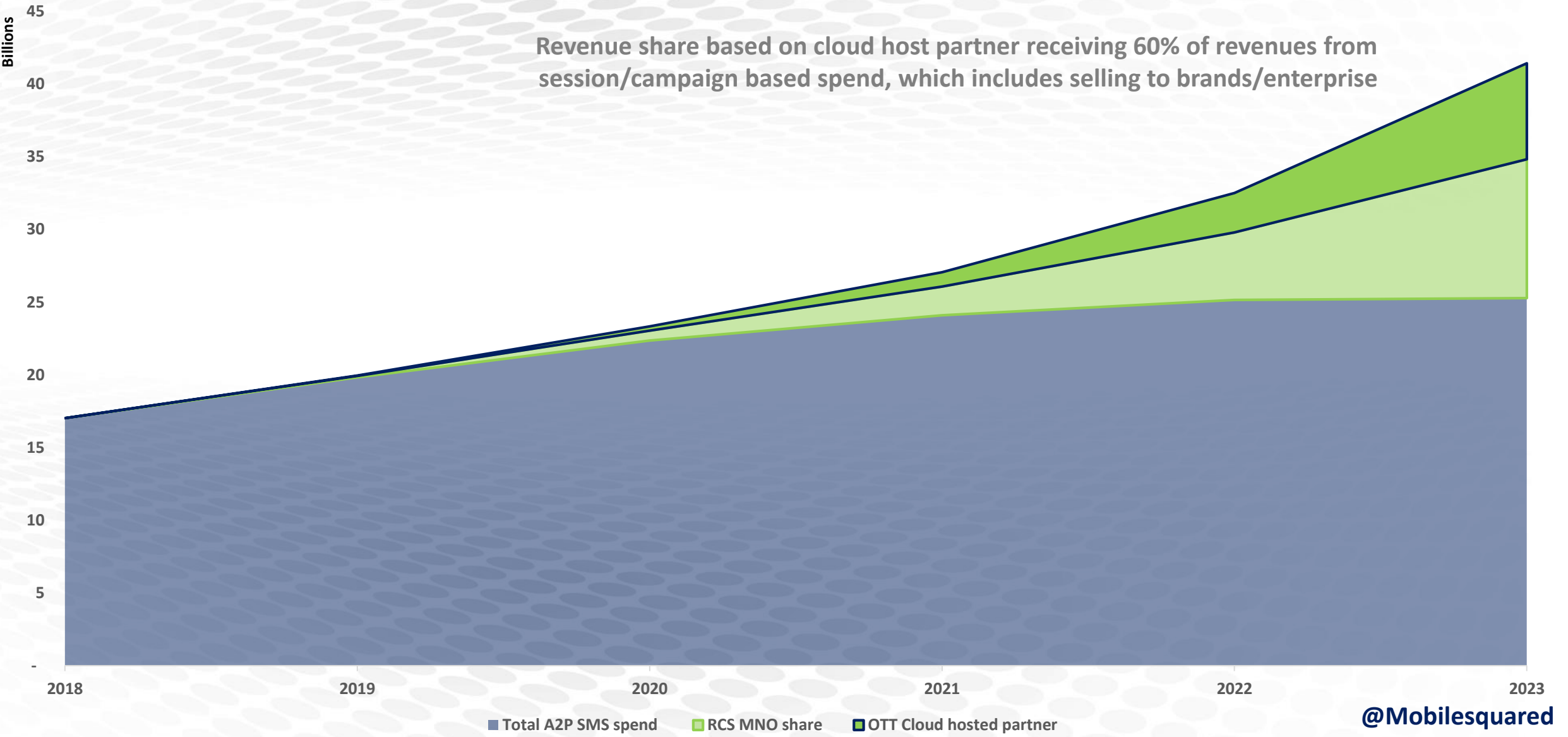
Cloud hosted partner RCS model

Mobile operator + aggregator + cloud host partner income



OTT cloud hosted partner RCS model

Mobile operator + cloud host partner income

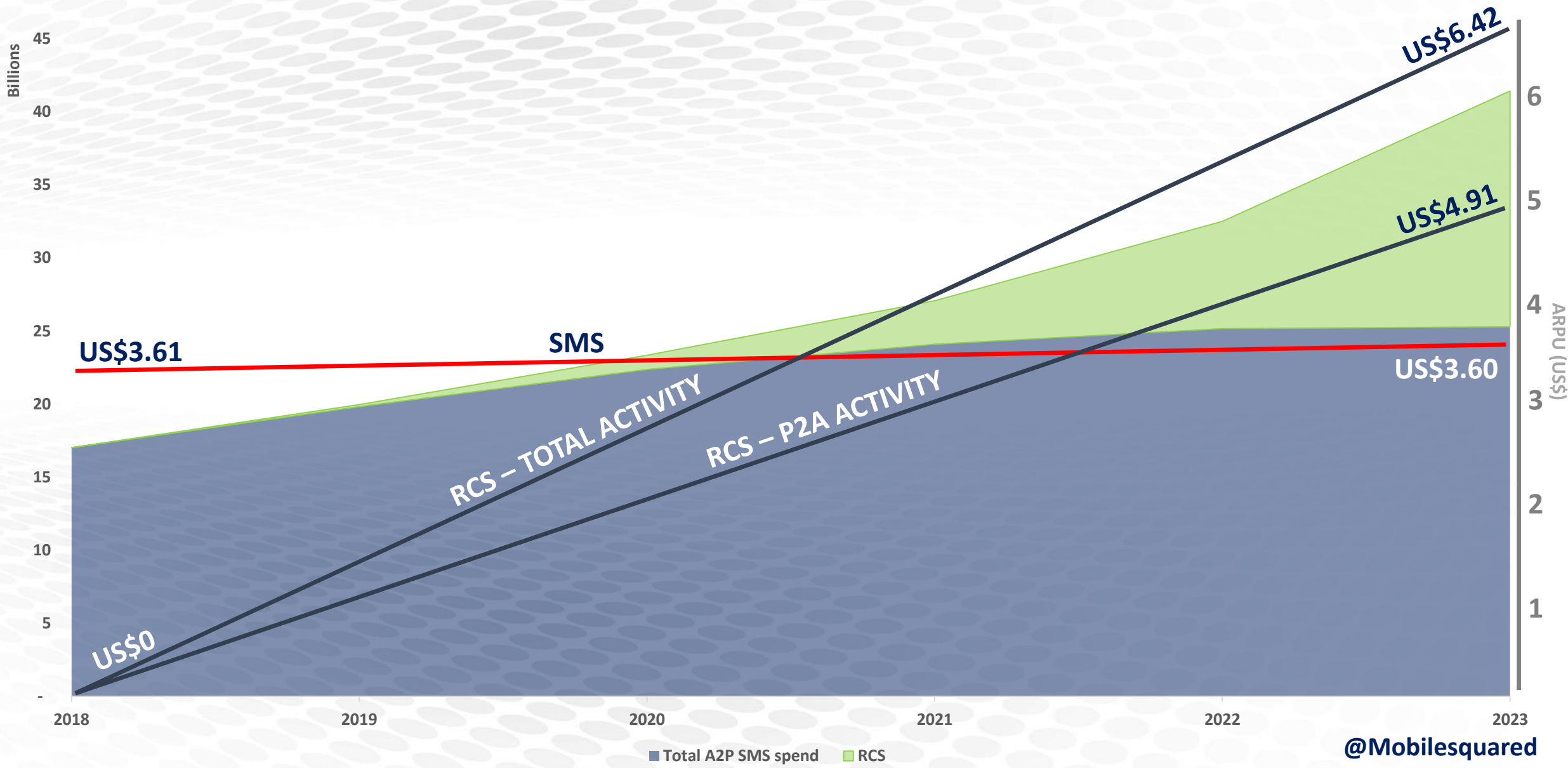


Top 10 RCS business messaging rev gen mobile operators in 2023



**The top 10 mobile operators / groups will
account for 45% of RBM income by 2023**

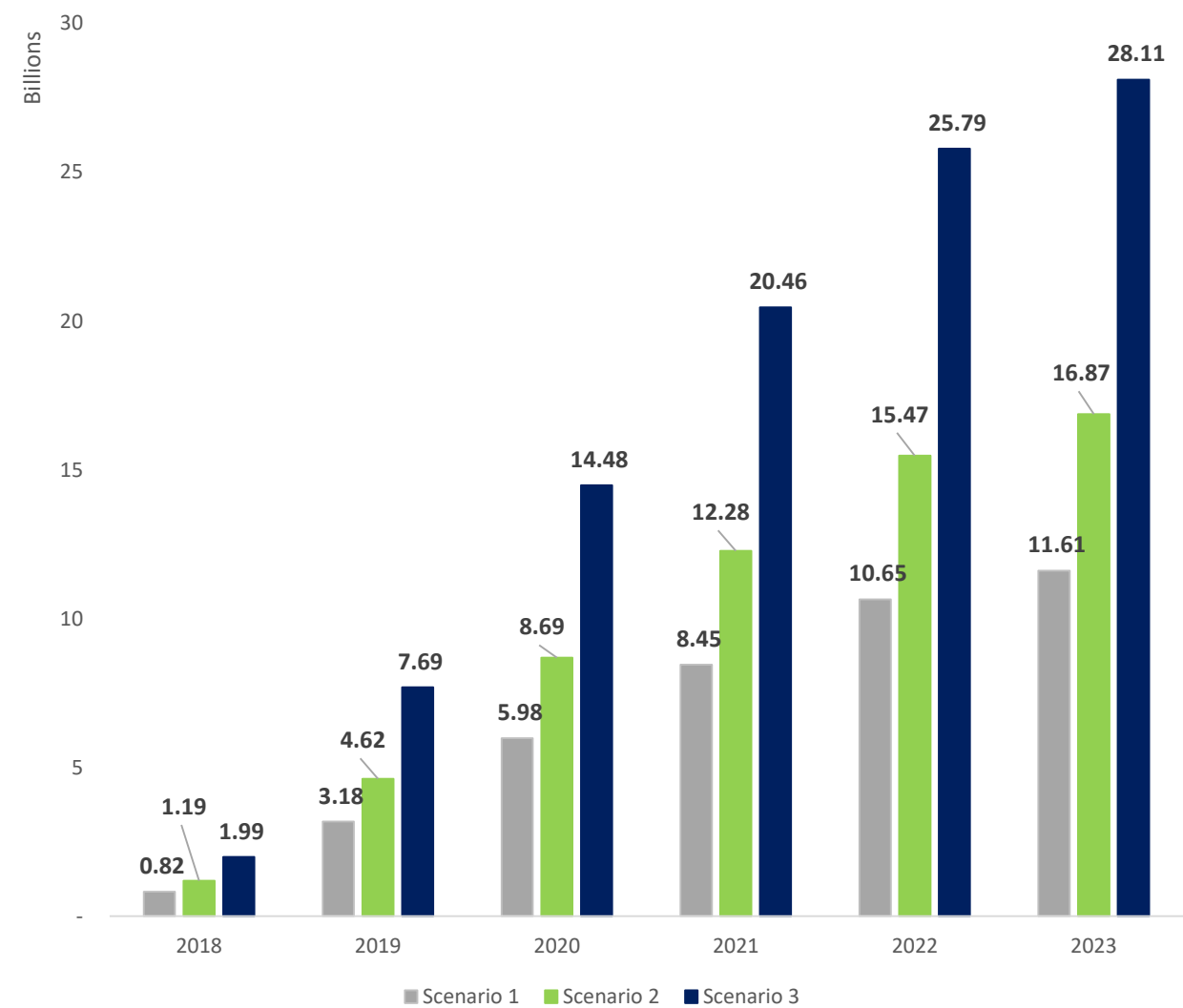
SMS / RCS ARPU comparison (US\$)



Alternative business models

ADVERTISING & SEARCH SCENARIOS (US\$)

Advertising



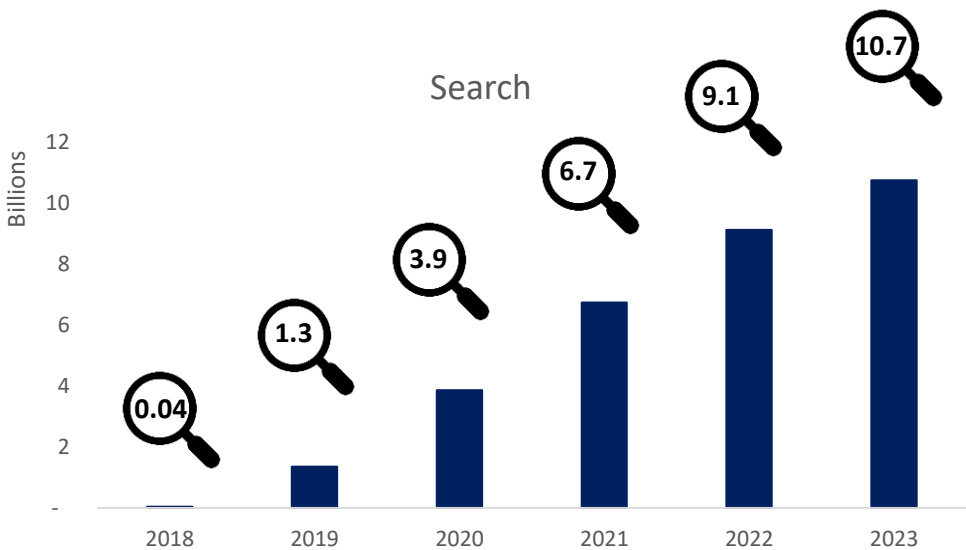
Forecasts based on:

Advertising

Scenario 1: Based on Kakao Talk’s average ad spend per user (US\$4.13) applied to total P2P RCS users. Scenario 2 & 3 based on average ad spend of US\$6 & US\$10 respectively.

Search

Based on 5% of the total average spend on mobile search per user in the USA, applied to total RCS A2P user base.



RCS engagement levels

PER MONTH

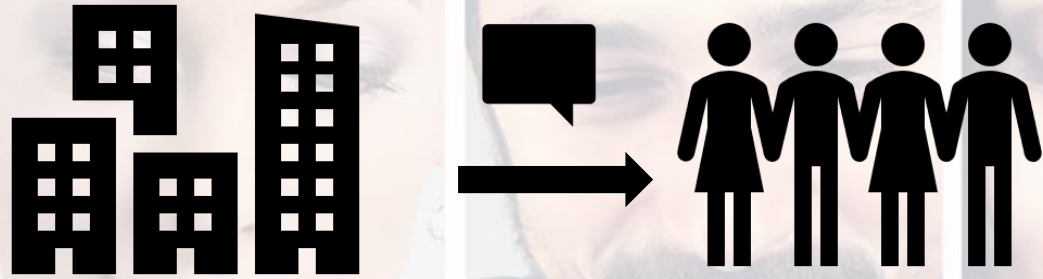
By 2023 consumers will be engaging with brands via RCS
on an almost daily basis



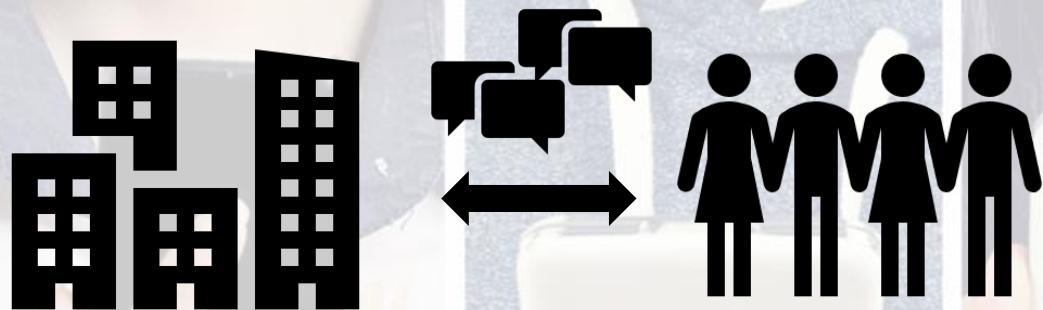
RCS engagement touchpoints

A2P / P2A ACTIVITY 2023, PER MONTH

A2P activity



PER EVENT **9.4**



CHAT **3.7**

P2A activity



PER EVENT **6.1**



CHAT **10.4**

Threat of WhatsApp to mobile operators

THE JUGGERNAUT HAS DEPARTED

Data to emphasise WhatsApp threat only!

Forecasts based on:

3 million registered businesses (end 2018) growing at 20% year-on-year during forecast period

MaB (Monthly active Business) = 33% per year.

Average sized database of 2,500 year-on-year.

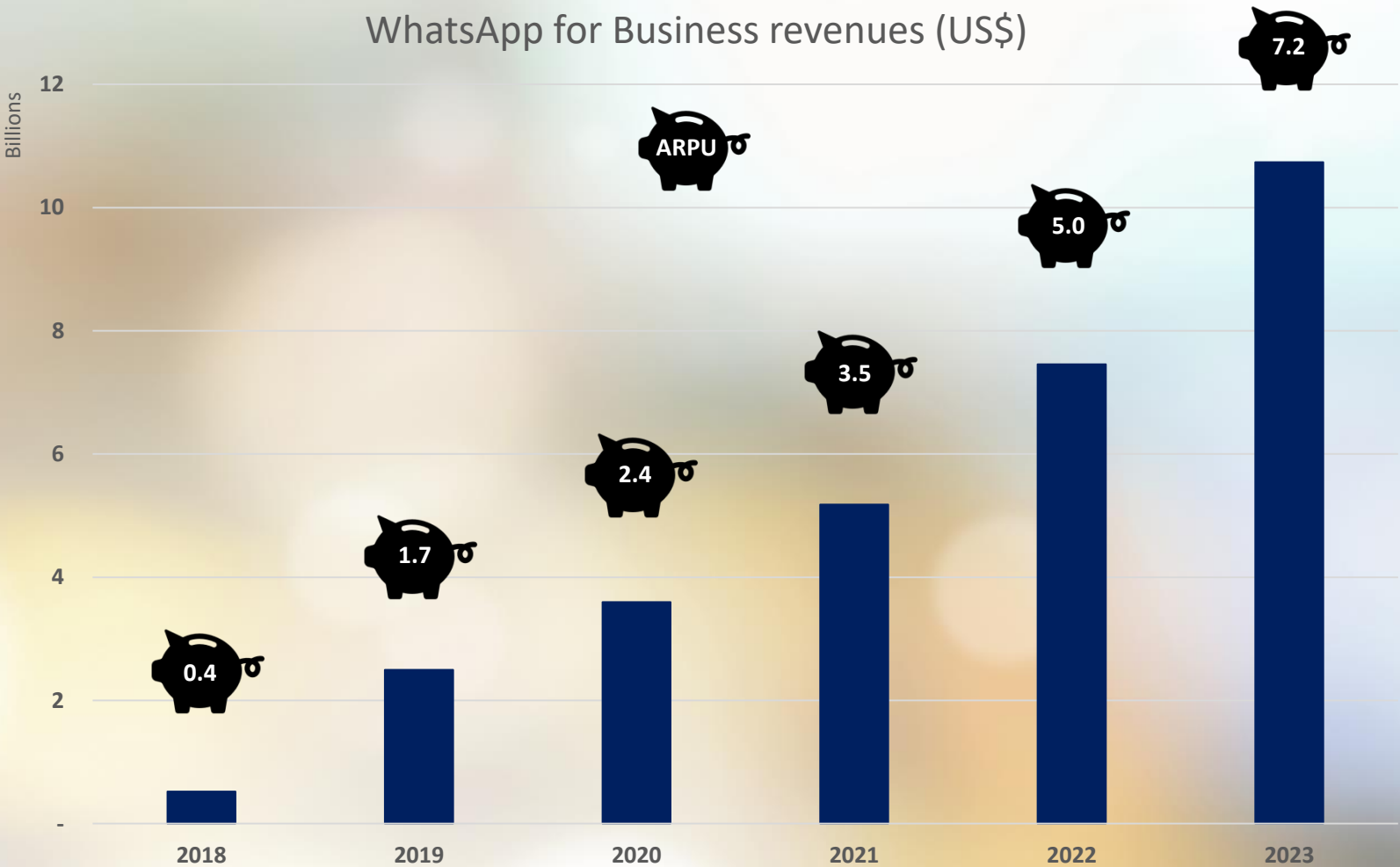
Avg message cost \$0.03472, based on avg cost in launch markets, applied throughout.

In this scenario WhatsApp for Business will:

enjoy spend 18 times higher than RCS by the end of 2019.

Will generate a higher ARPU than SMS in 2021.

Cumulative spend of \$30 billion on WhatsApp during forecast period.



Nb Mobilesquared's actual forecasts on WhatsApp for Business will be published in September 2019

The real RCS opportunity

TIME TO DELIVER

Market worth US\$16.2 billion in 2023

(Based on messaging & chat)

Market potentially US\$38.5 billion in 2023*

(Based on messaging, chat, advertising (scenario 1) & search)



Why make Mobilesquared your business messaging partner



RCS forecasts covering P2P/A2P launches, P2P/A2P users, Traffic, Income

Split by Mobile operator, Country, Region & OS.

Databook forecasts updated quarterly

Analyst Insight Reports quarterly

RCS MAU tracker (splitting out UP 1.0/UP2.0) for every live RCS market

Upcoming RCS research on impact of digital & search models on total income

We are business messaging specialists, and this is our publishing schedule for 2019:

- A2P SMS 3.0 (May)
- WhatsApp for Business (September)
- Apple's ABC (November)

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