

Why the opportunity for RCS is now

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About Mobilesquared

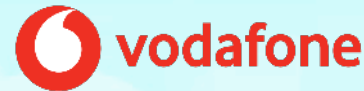
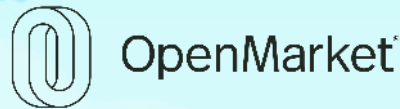
Leading analysts in Business Messaging

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.

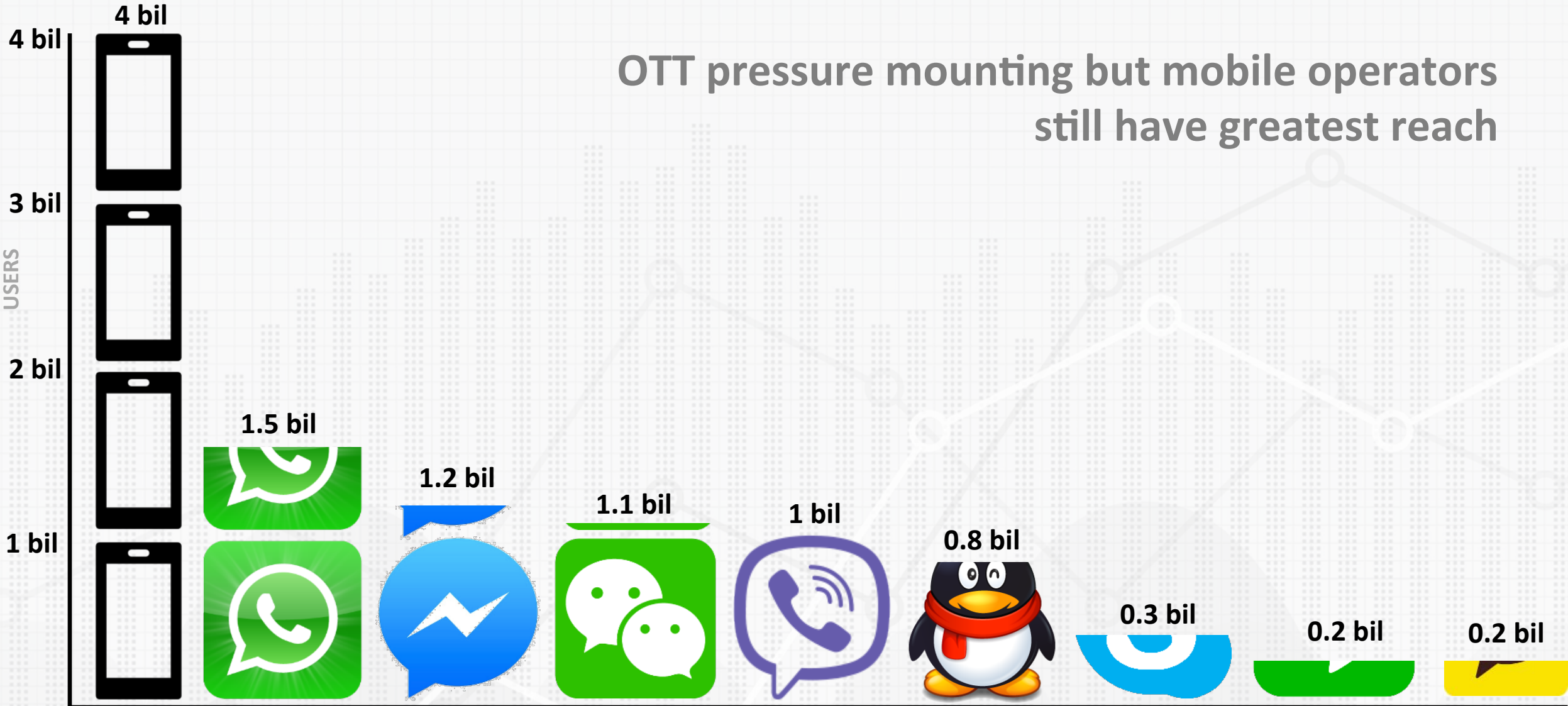
Accurate data. No hype.



Messaging user landscape

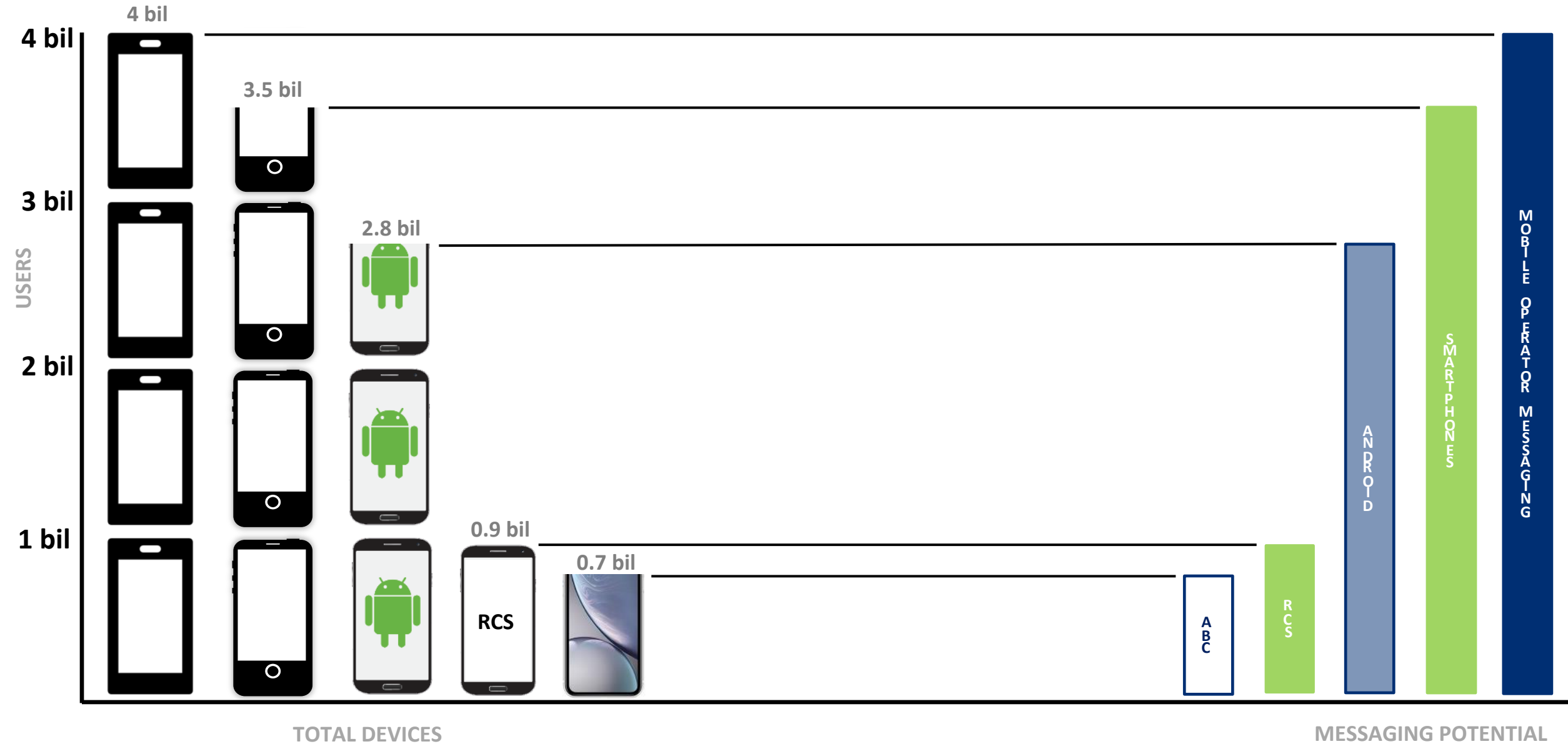
P2P MESSAGING APPS

OTT pressure mounting but mobile operators still have greatest reach



Mobile operator messaging perspective

MESSAGING POTENTIAL JAN 2019



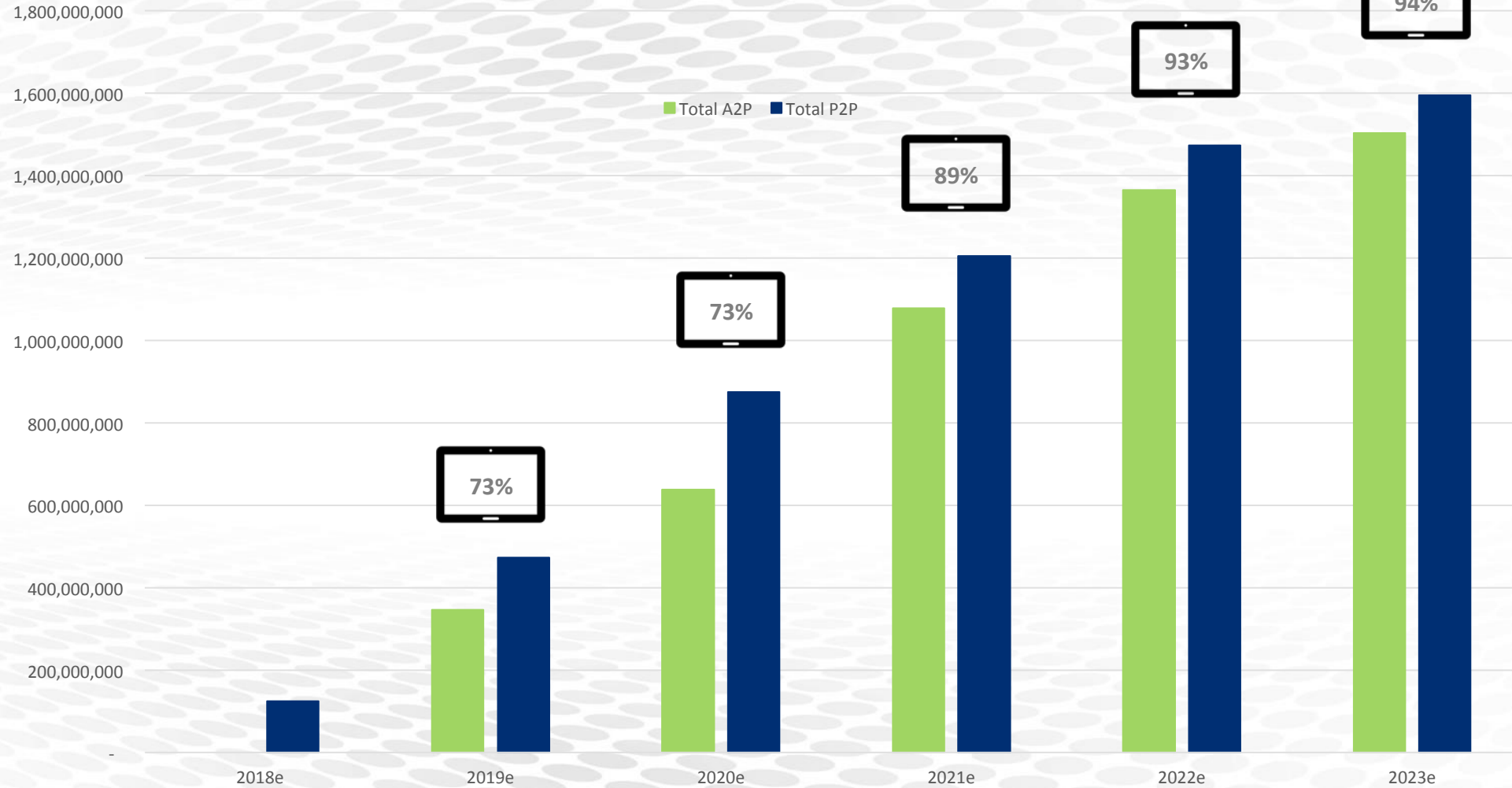
RCS to dominate rich business messaging landscape, global

P2P USERS AS % OF TOTAL SMARTPHONES, 2018 - 2023



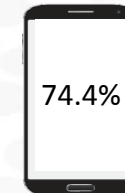
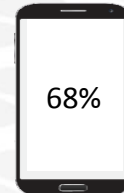
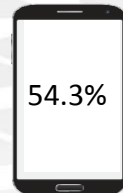
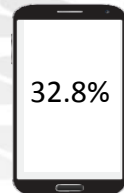
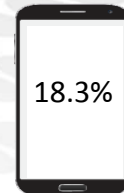
RCS P2P & A2P users, Asia

% OF SMARTPHONE USERS



A2P users as percentage of total P2P RCS users

RCS as % of total smartphone users

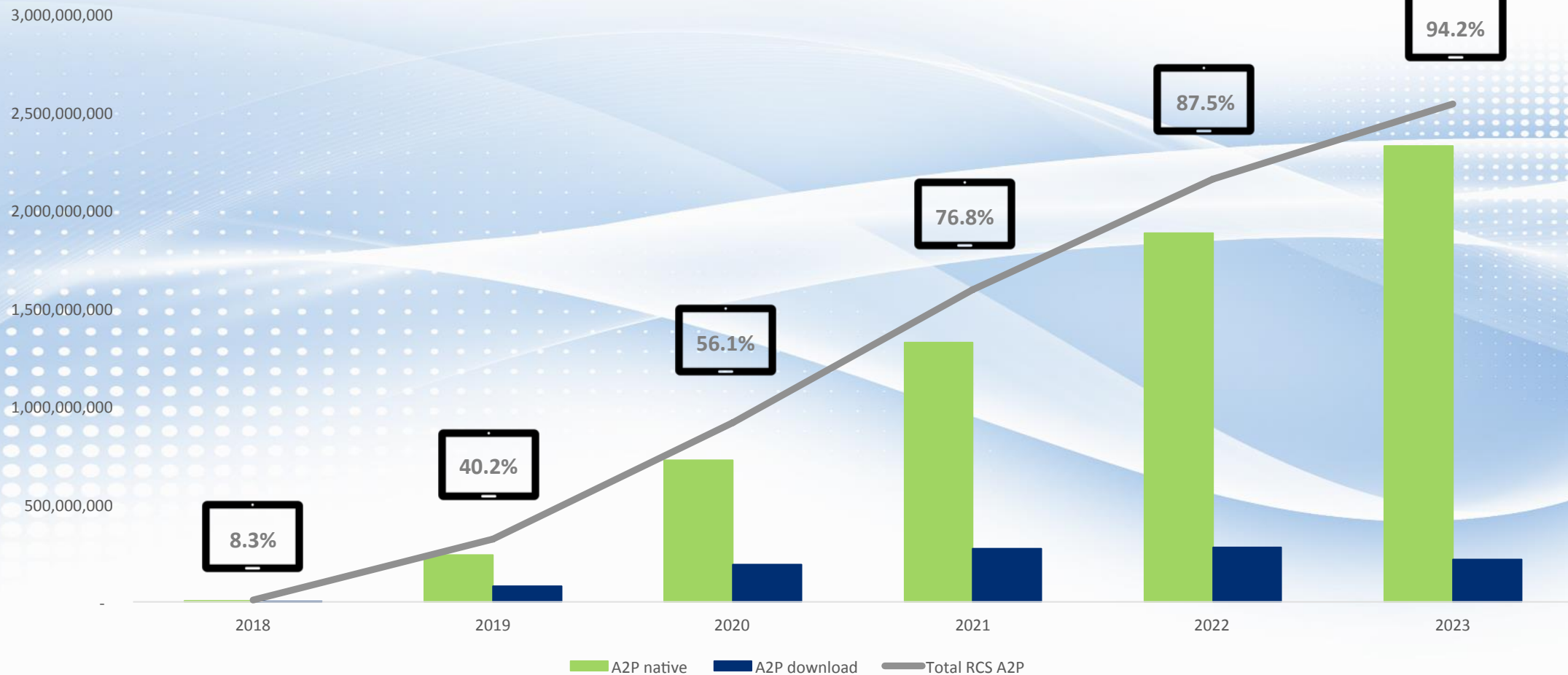


RCS A2P breakdown

NATIVE vs DOWNLOADABLES

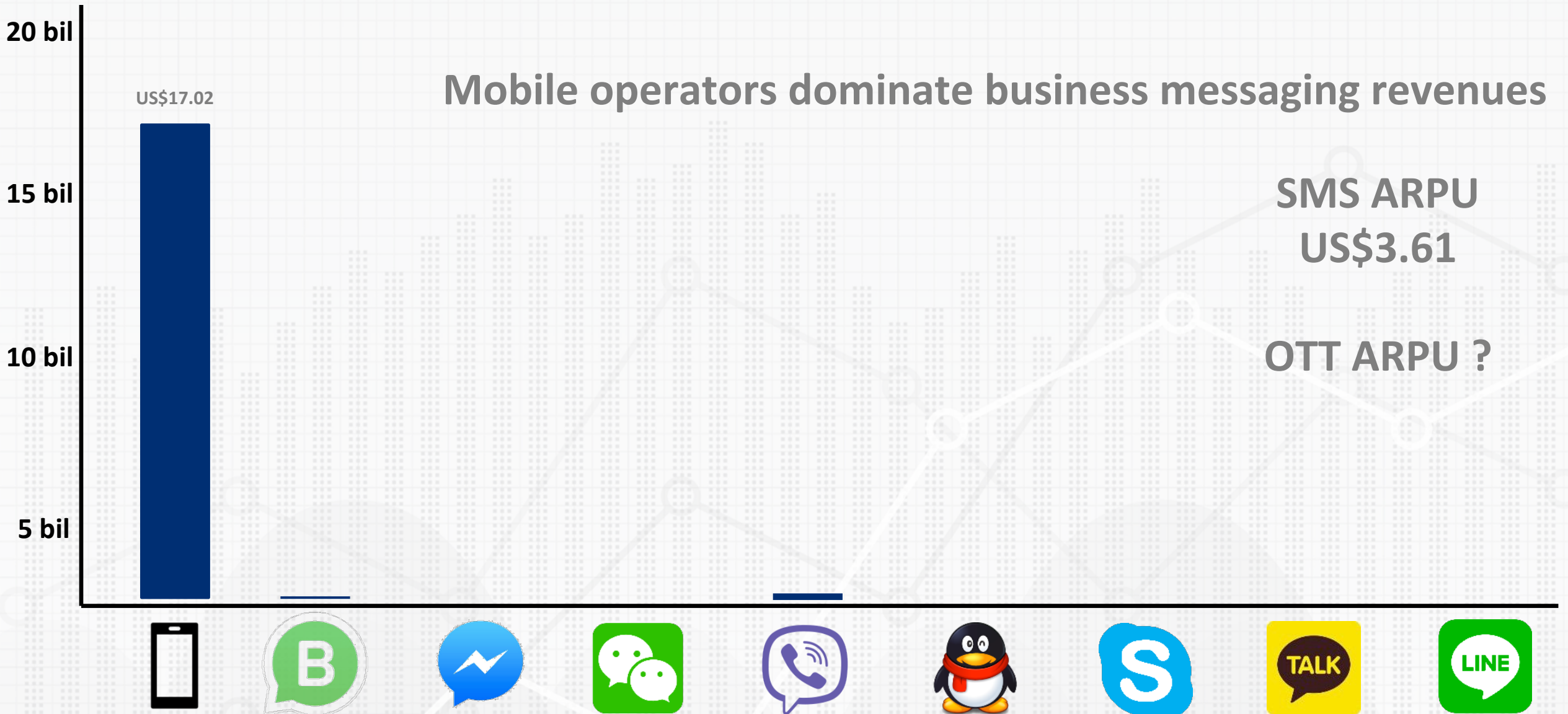
MaaP (A2P/UP2.0)
launches as % of P2P
RCS rollouts

The dominance of native



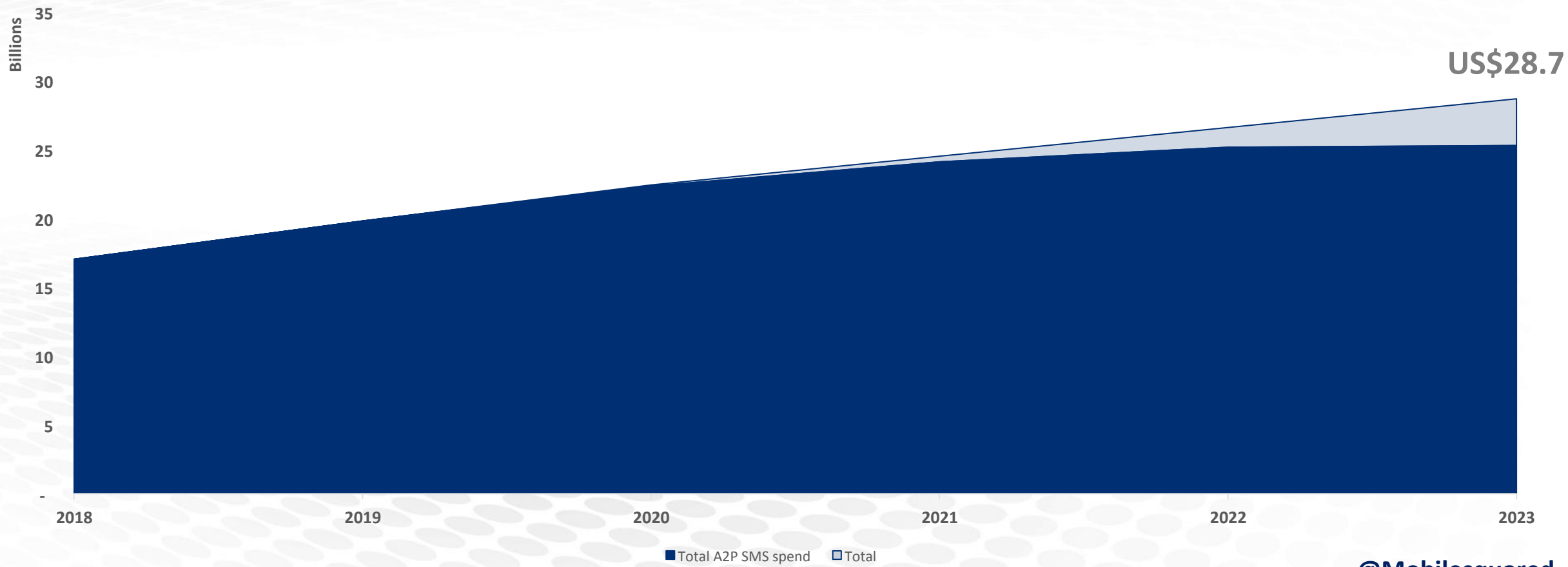
Business messaging spend (US\$)

MESSAGING APPS END 2018, ARPU



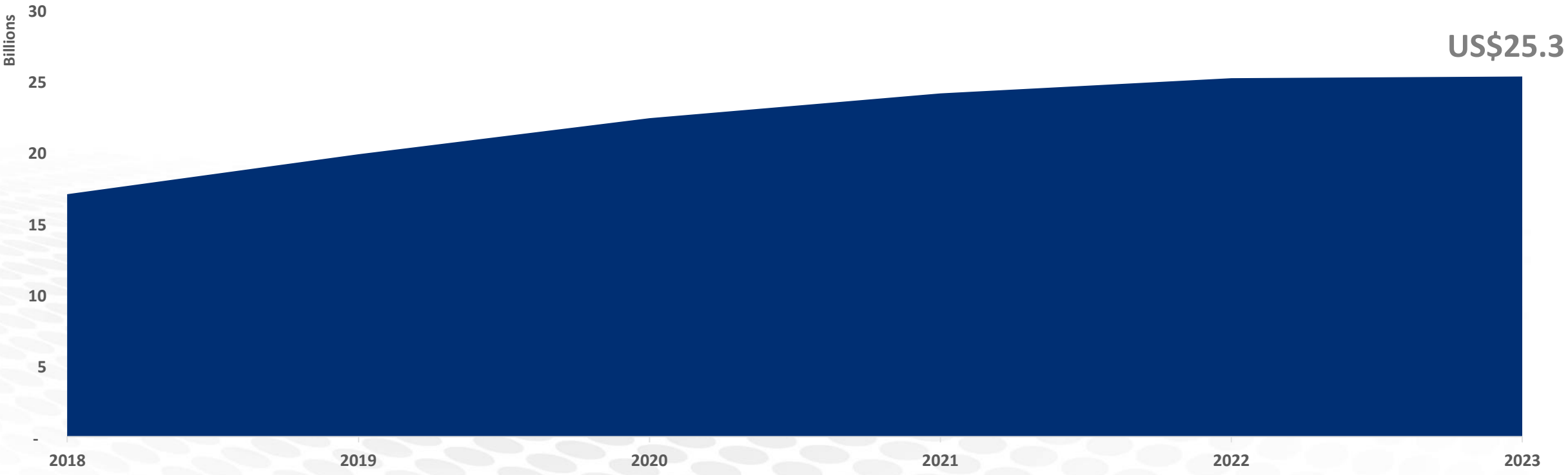
A world without RCS

Total A2P SMS SPEND (US\$)



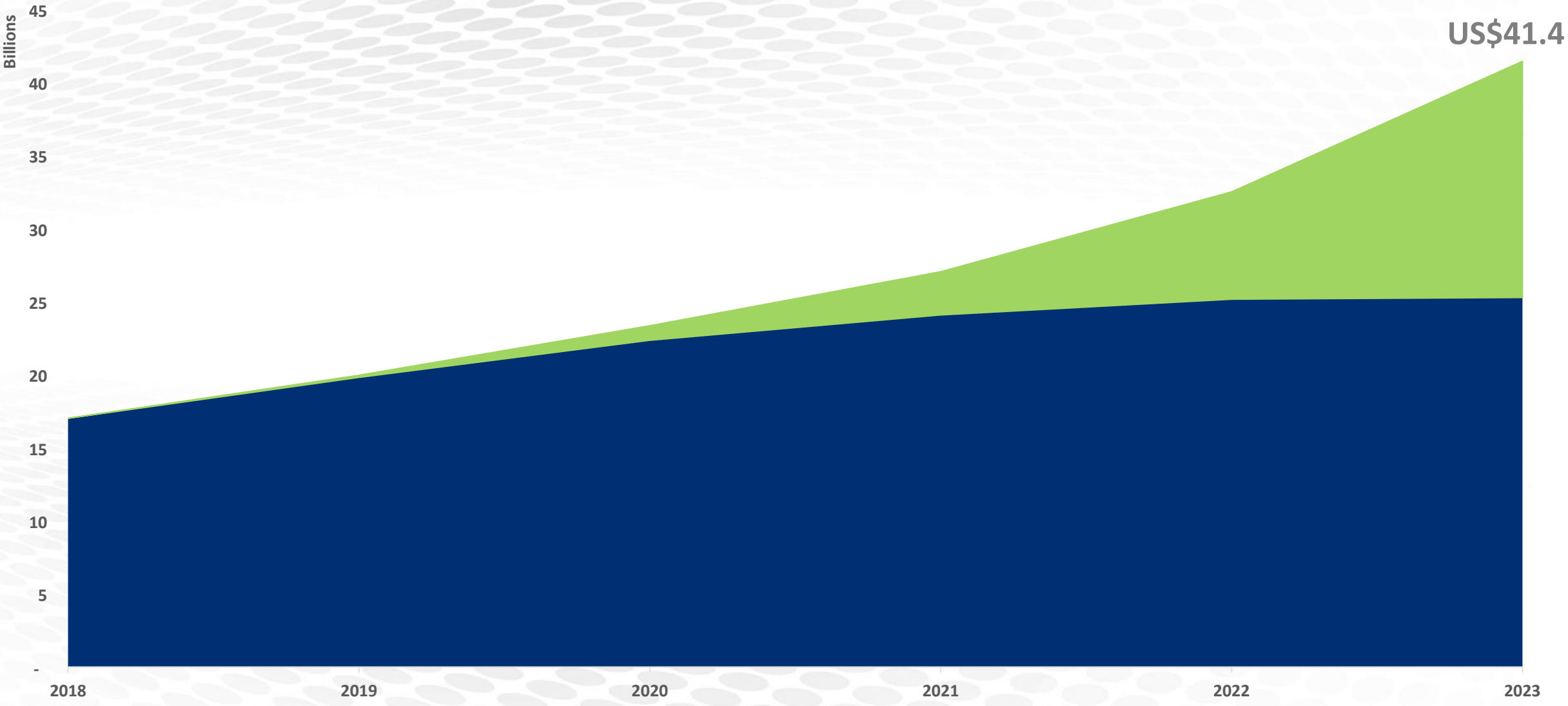
Mobile operator business messaging evolution

The impact of RCS (US\$)



Total business messaging (SMS + RCS)

INCOME (US\$)

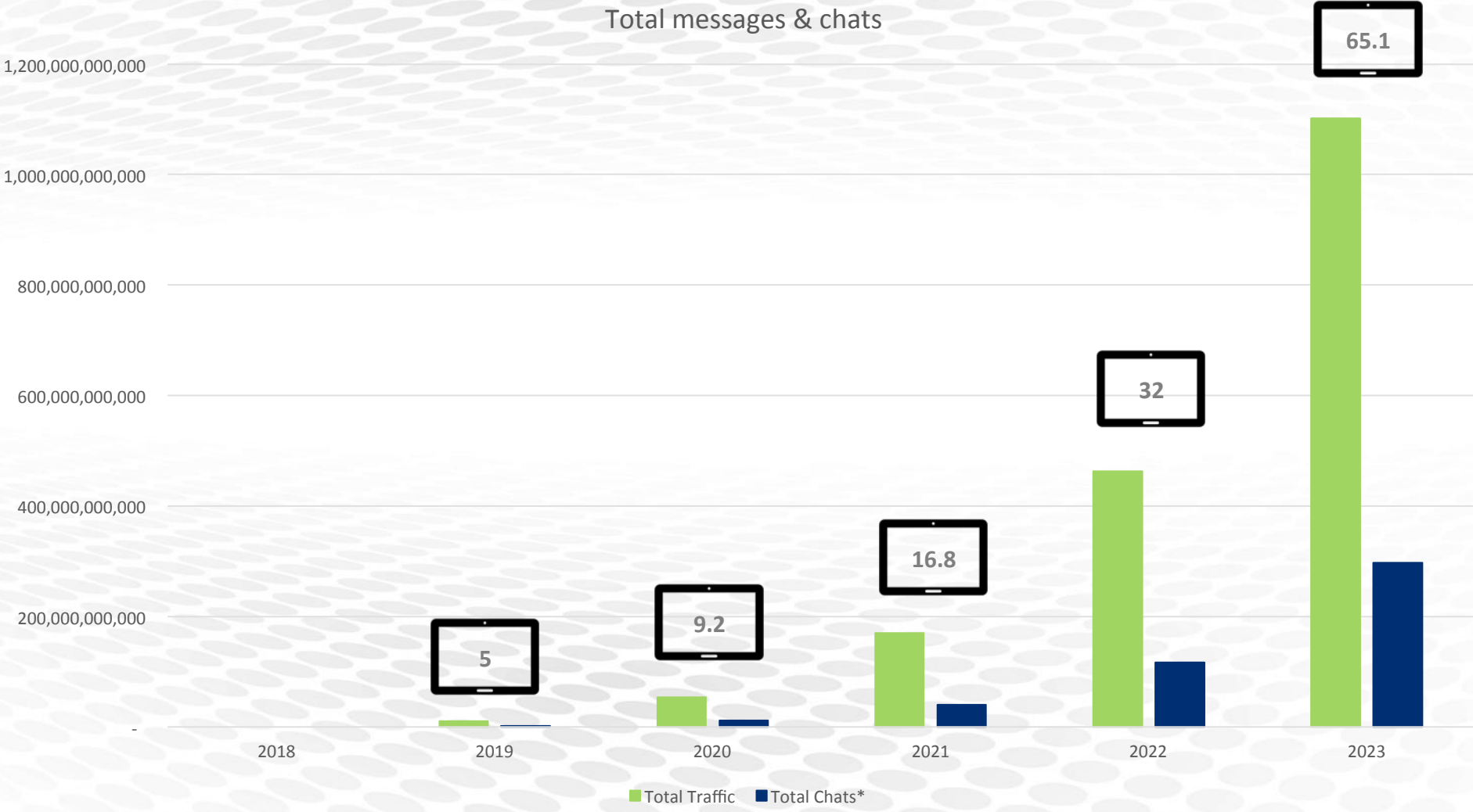


■ Total A2P SMS spend ■ RCS

RCS messaging/chat traffic, Asia

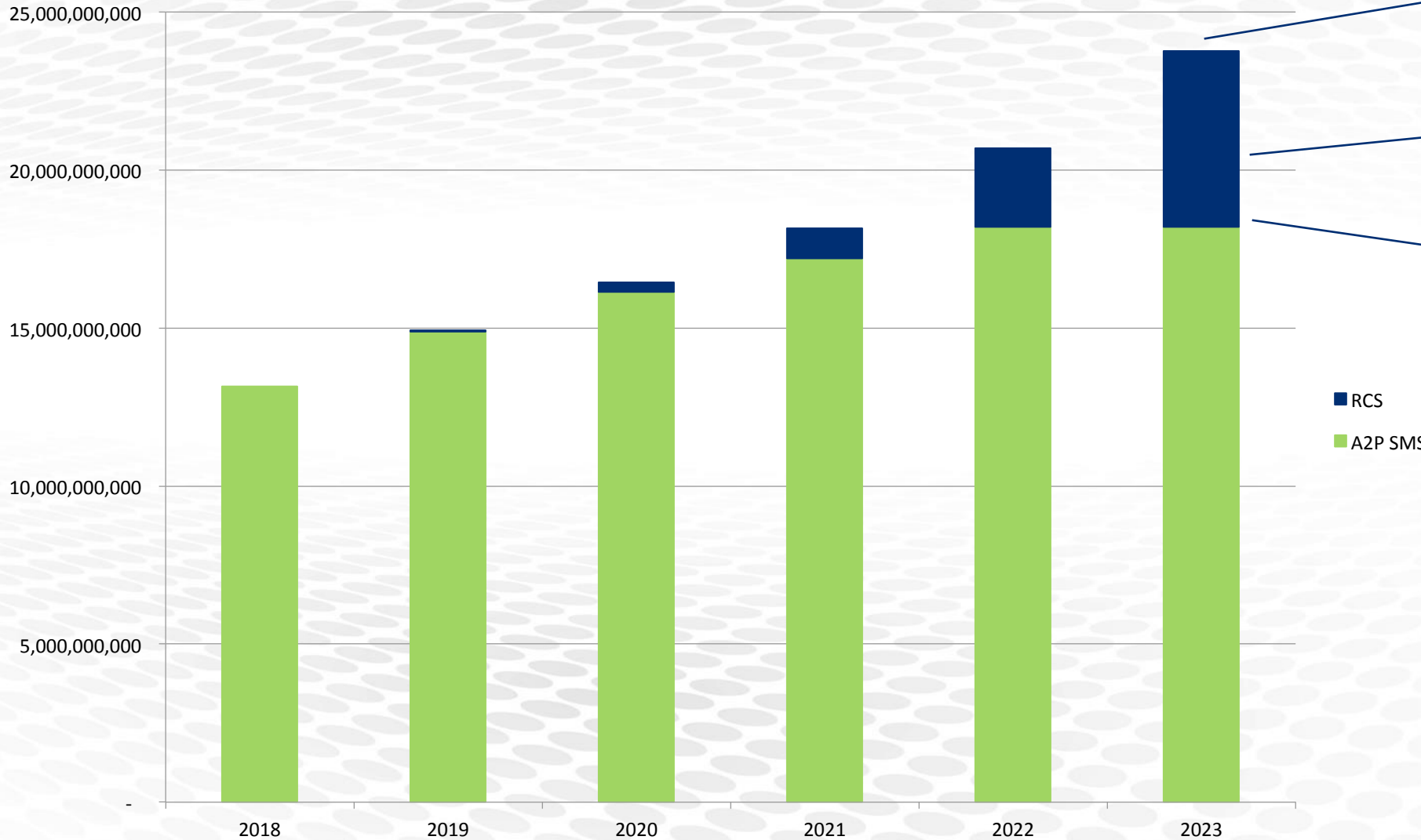
A2P + P2A brand communications

Average number of brand engagements per user per month



Business messaging spend (\$), Asia

SMS & RCS



Total business messaging spend \$23.8 billion

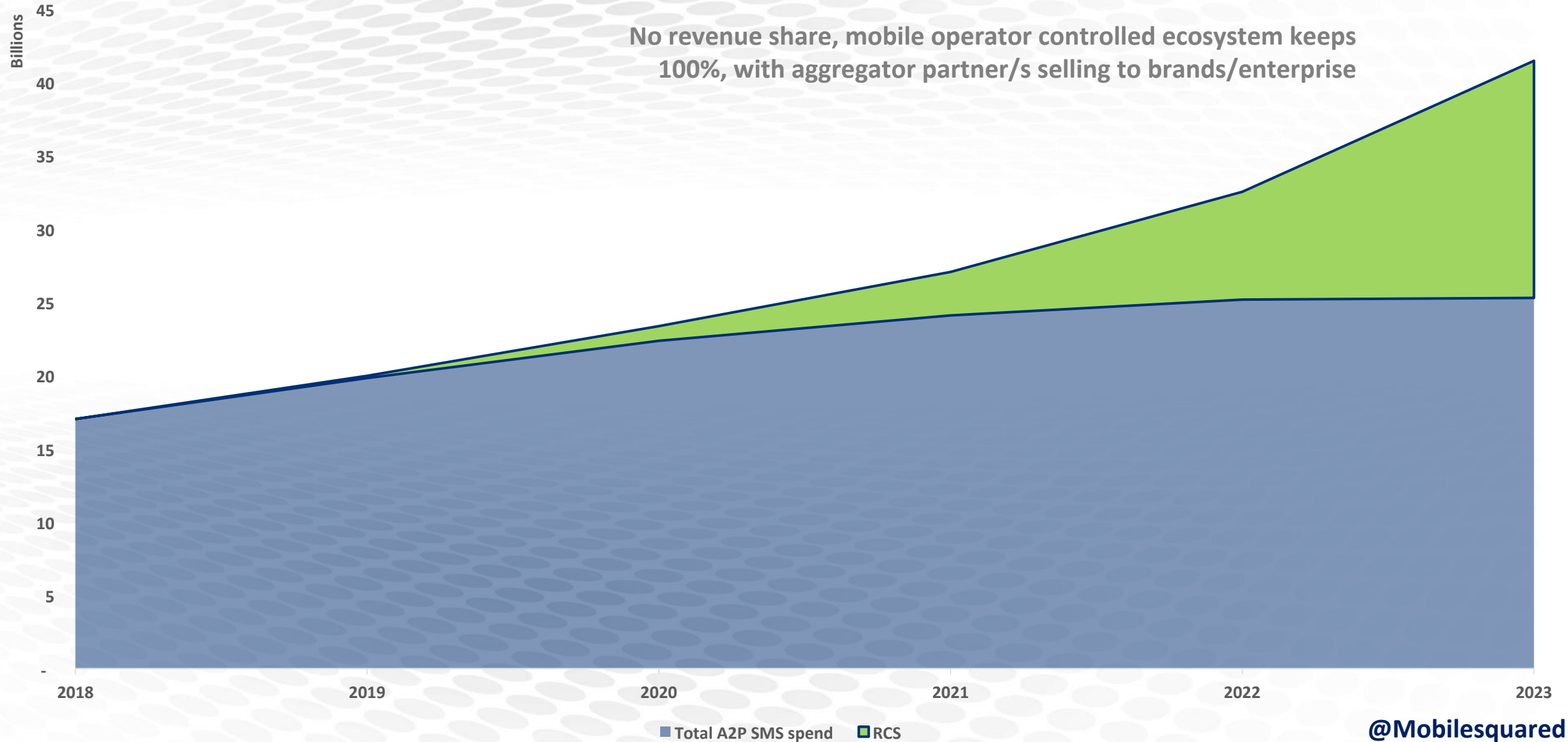
RCS spend in Asia to account for 34% of total global RCS spend in 2023

RCS will account for 23% of business messaging spend

■ RCS
■ A2P SMS

In-network RCS model

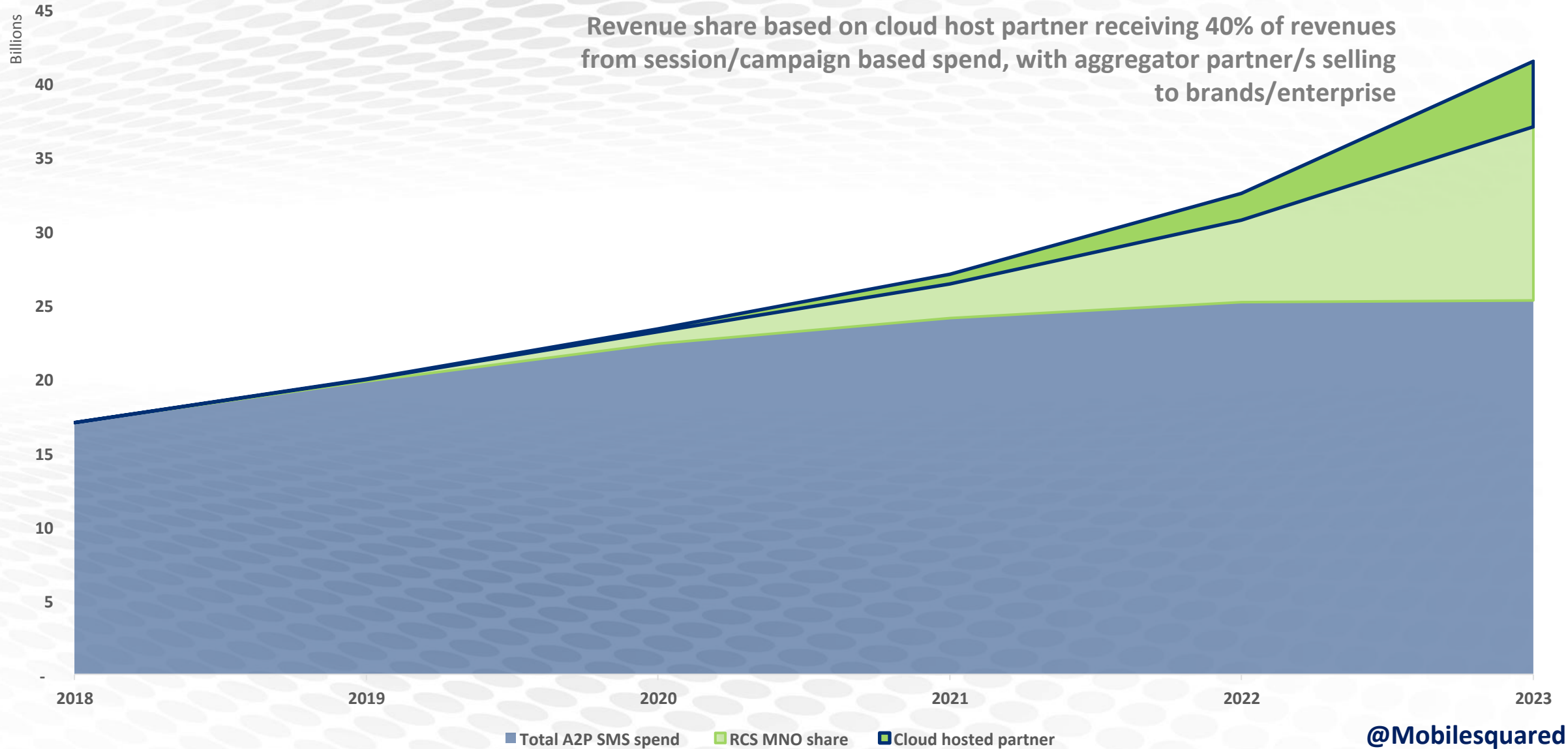
Mobile operator + aggregator income



Cloud hosted partner RCS model

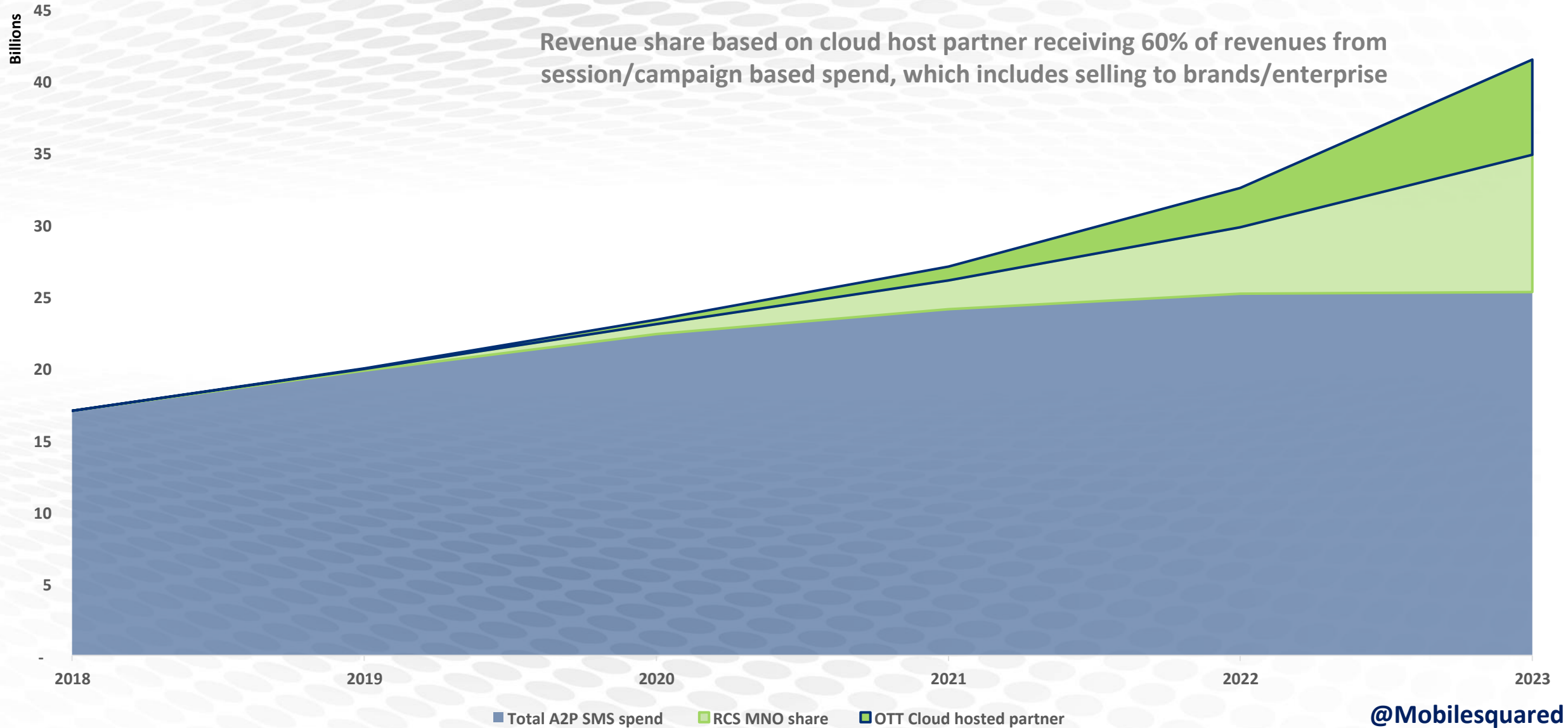
Mobile operator + aggregator + cloud host partner income

Revenue share based on cloud host partner receiving 40% of revenues from session/campaign based spend, with aggregator partner/s selling to brands/enterprise



OTT cloud hosted partner RCS model

Mobile operator + cloud host partner income

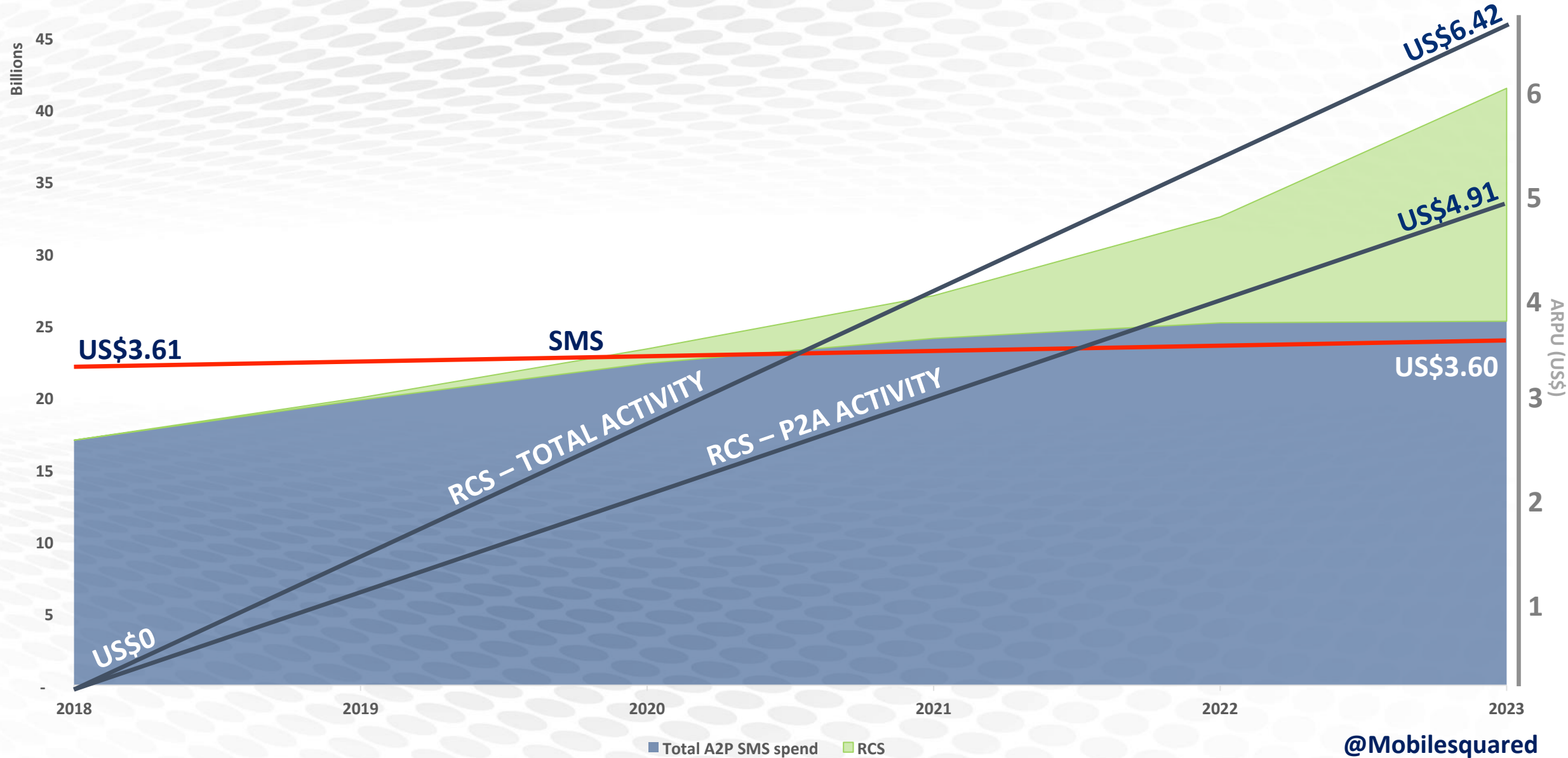


Top 10 RCS business messaging rev gen mobile operators in 2023



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

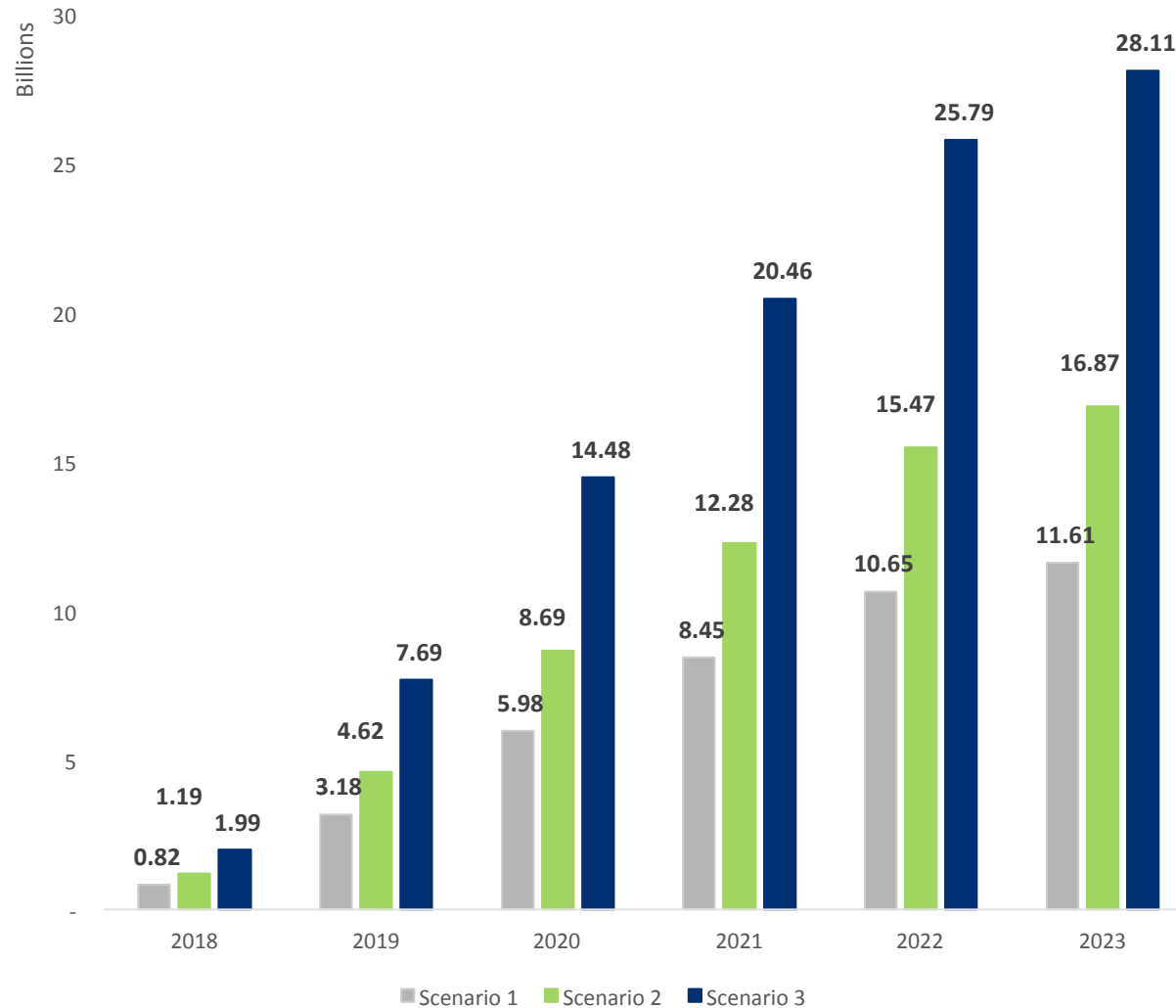
SMS / RCS ARPUs comparison (US\$)



Alternative business models

ADVERTISING & SEARCH SCENARIOS (US\$)

Advertising



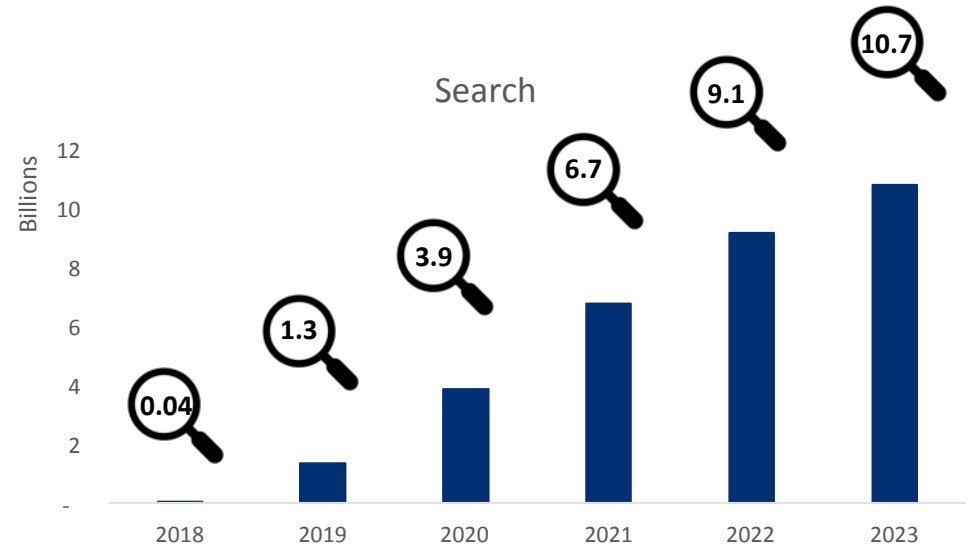
Forecasts based on:

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

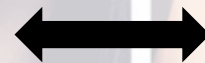
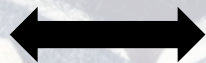
Based on 5% of the total average spend on mobile search per user in the USA, applied to total RCS A2P user base.



RCS engagement touchpoints, Asia

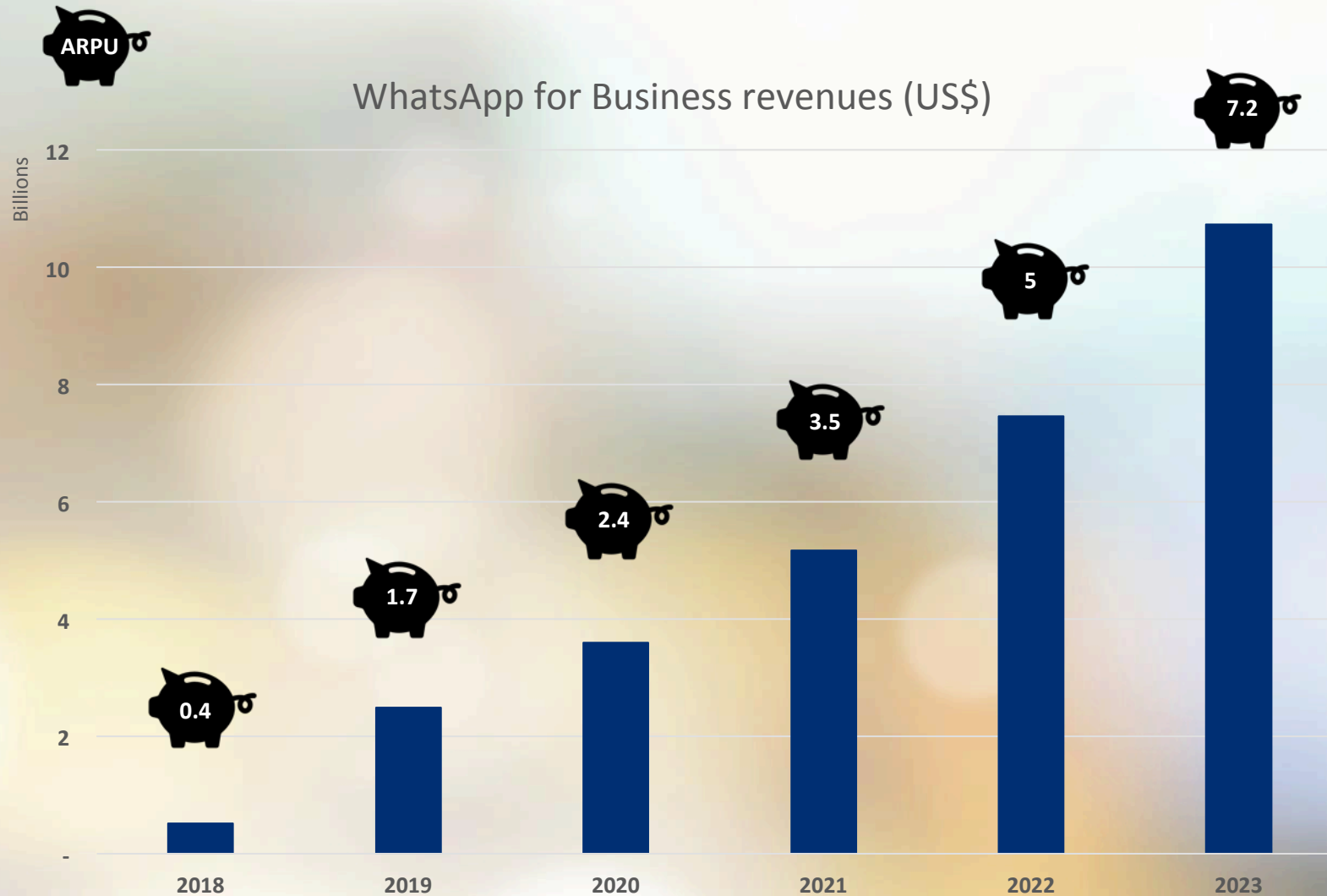
A2P / P2A ACTIVITY 2023, PER MONTH

CONSUMERS WILL ENGAGE WITH AT LEAST TWO BRANDS EVERY DAY BY 2023 VIA RCS



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.

The real RCS opportunity

TIME TO DELIVER

Market worth £16.2 billion in 2023

(Based on messaging & chat)

Market potentially £38.5 billion in 2023*

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



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

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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