infobip

THE FUTURE OF MOBILE MESSAGING:

How RCS is Redefining Business Communications

Contents

Welcoming a New Era of Communications

The next generation of SMS is here. Rich Communication Services (RCS) is becoming the go-to messaging technology for enterprises who are looking for the most effective touch points to engage customers and promote their brands.

RCS is a new, visually appealing messaging channel that offers rich functionalities to enable more engaging customer journeys. Businesses are using RCS to build strong relationships with their customers through branded two-way communication.
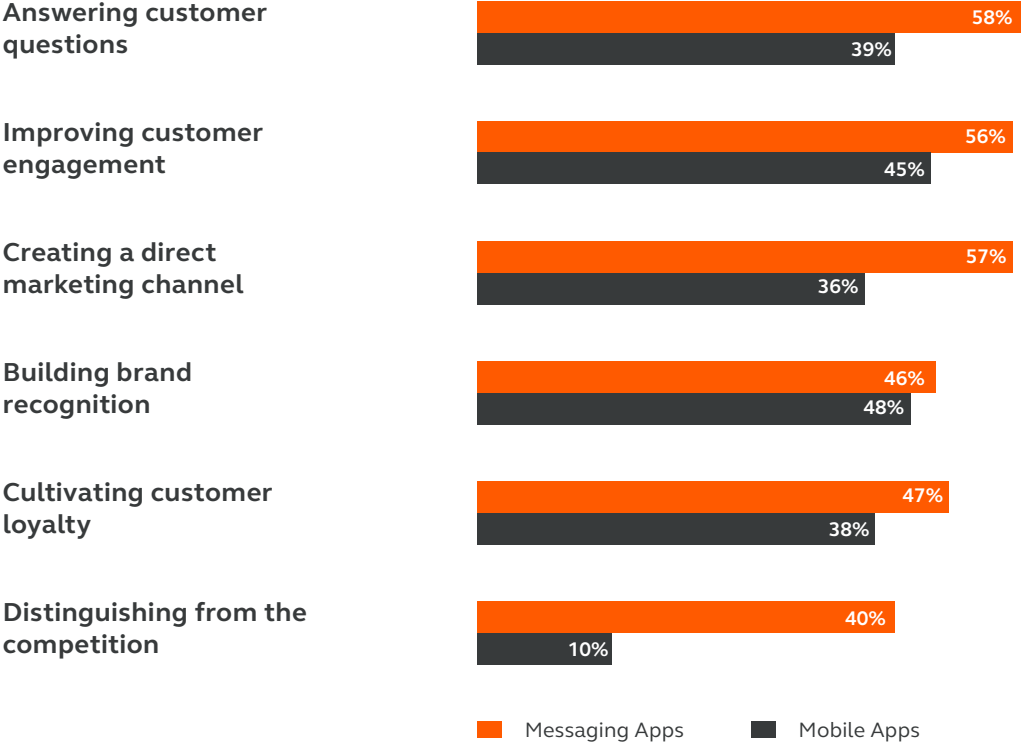
Retailers, major airlines, and ride-sharing services are just a few of the industries already using RCS and garnering impressive results for customer experience.

This white paper will help you get started on maximizing RCS opportunities for your brand by answering the following questions:
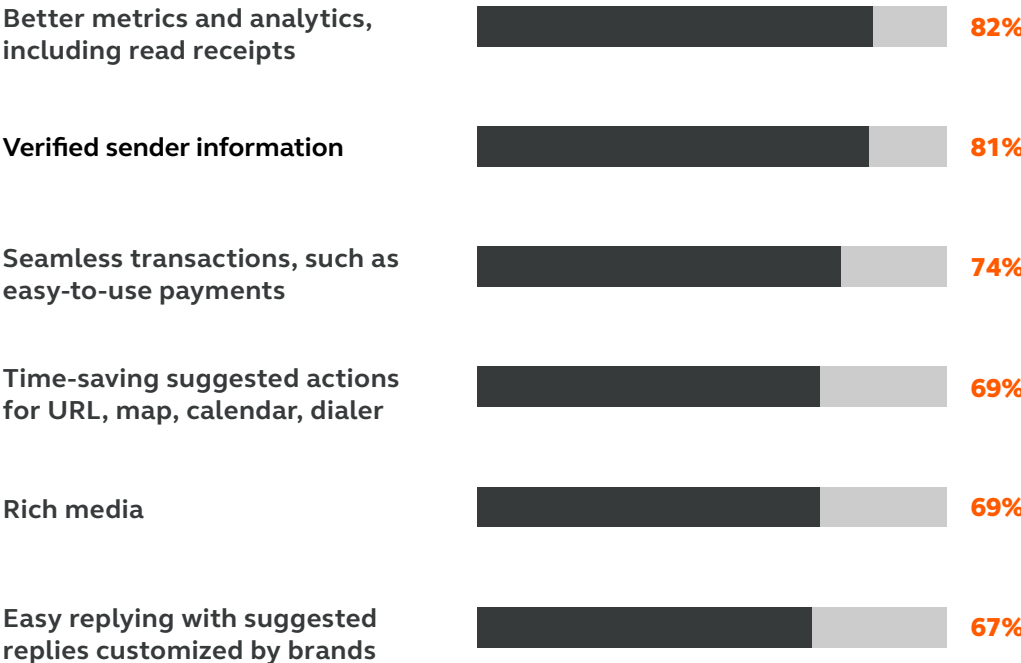
- What is Rich Communication Services (RCS)?
- What new functionalities are available with RCS and how do they impact customer experience?
- What are the benefits of RCS in comparison to other communication channels?
- How are companies across a wide variety of industries already using RCS to enhance their communications?
- How can you get started with RCS for your brand?

A 2019 survey conducted by [Harvard Business Review](#) found that nearly half of the enterprise marketers surveyed rated mobile messaging as highly important today, and this response rate climbs to more than two-thirds when asked about its importance in the next five years. The survey also showed that enterprise marketers rely more on messaging apps over mobile apps in every communication category including:

Answering customer questions
Messaging Apps: 58%
Mobile Apps: 39%

Improving customer engagement
Messaging Apps: 56%
Mobile Apps: 45%

Creating a direct marketing channel
Messaging Apps: 57%
Mobile Apps: 36%

Building brand recognition
Messaging Apps: 46%
Mobile Apps: 48%

Cultivating customer loyalty
Messaging Apps: 47%
Mobile Apps: 38%

Distinguishing from the competition
Messaging Apps: 40%
Mobile Apps: 10%

Legend: ■ Messaging Apps   ■ Mobile Apps

The study also found that the capabilities that enterprise marketers value most with advanced messaging apps are:

Better metrics and analytics, including read receipts — 82%

Verified sender information — 81%

Seamless transactions, such as easy-to-use payments — 74%

Time-saving suggested actions for URL, map, calendar, dialer — 69%

Rich media — 69%

Easy replying with suggested replies customized by brands — 67%

What is RCS?

RCS is an IP-based messaging service provided to mobile phone users through mobile operator networks. It is used for both Person to Person (P2P) and Application to Person (A2P) communications and **incorporates the global reach of SMS with the rich features of chat apps** (such as WhatsApp, Viber, and Facebook Messenger) to deliver more interactive, compelling experiences to users.

RCS-enabled A2P communication is known as **RCS business messaging**, and it's used to deliver branded, interactive mobile experiences that improve and empower how people and businesses communicate. For the remainder of this paper, when we refer to RCS, we mean RCS business messaging.

Through a rich feature set that allows the creation of branded messages incorporating multimedia, suggested reply buttons, barcode delivery, click-through options and more, brands now have a new way to develop relationships through two-way communication.

What's more, this ability comes native on customer phones, not as individual apps that must be downloaded. More phones will have their default messaging apps, which **come pre-installed, support RCS** straight out of the box – leading to further adoption of RCS.

As RCS is not a completely new communication channel, but rather the evolution of an existing one, the progression to it is seamless. According to research by GSMA, monthly active users has already surpassed **300 million**. By the year 2021, the total market value of RCS services is expected to reach **$74 billion**. Several industries have already found success using RCS to engage customers. Some notable examples include:
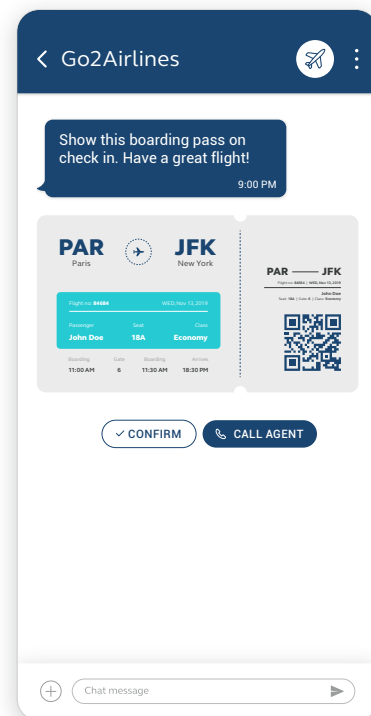
Subway

Subway's use of RCS allowed customers to place and customize sandwich orders – which increased conversion rates for the fast food retailer by 140% in 2018. Following their successful campaign, several global brands across various industries are adopting this growing communication channel to market their brands.

Best Buy

Best Buy uses RCS to improve the experience of their customers. In their RCS demo video, you can see how they use rich features to send details about products, including the price, location, and an image of the product to give customers confidence in their transactions.

Best Buy also uses RCS to upsell customers, and purchases can be completed directly within the platform.

Transportation

[Virgin Trains](#) uses RCS to let passengers know of any upcoming disruptions or closures that may affect their journey before they reach the next station. This gives customers an opportunity to replan their journey if they need to.

With RCS they can deliver a branded experience communicating everything customers need to know. This new method of communication has been well received by customers - everyone who reviewed it gave it five stars. Virgin Trains also noted a [0% opt-out rate!](#)
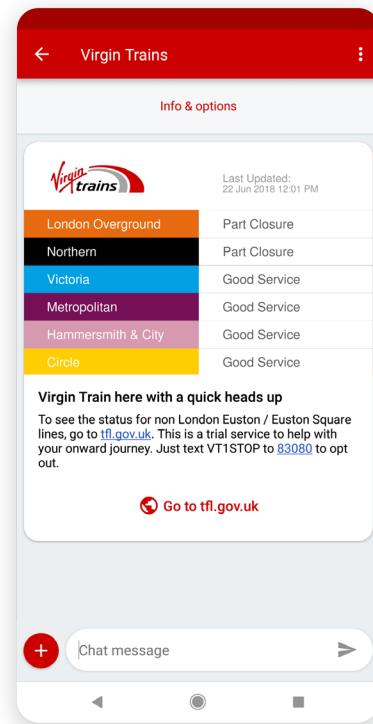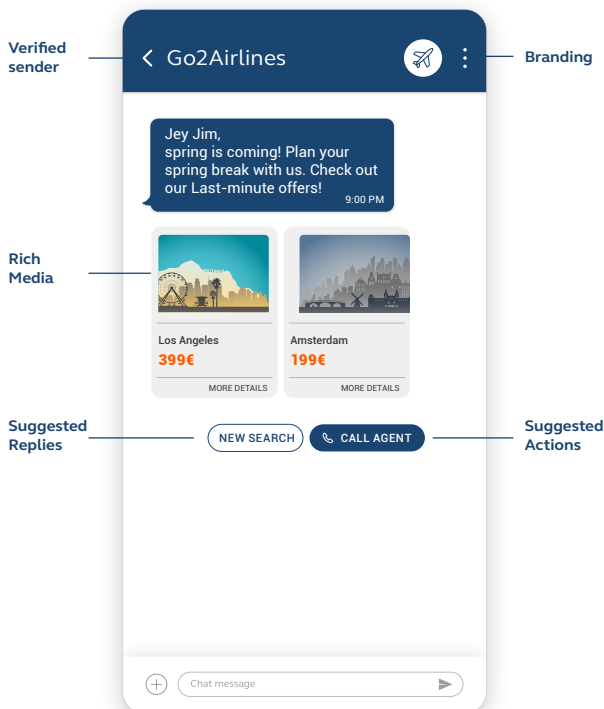
RCS Functionality

Let's take a closer look at the unique features that businesses are using to improve customer experience.

1. Rich Features

Rich features make it easy for companies to create app-like experiences within a native mobile messaging application. This allows brands to create a more memorable experience and build a deeper emotional connection with customers through:

- Rich media – upload photographs, video and audio files, rich cards, or carousels that feature multiple rich cards that users can swipe through

- Improved location functionality - location sharing, view map, etc.

- Configurable buttons - embed clickable, customized buttons that will enrich your communications and make it easy for your customers to respond - such as suggested replies and suggested actions

- Open URL button – opens the link in a web browser or inside an app

- Create calendar event – uses pre-specified details to populate a message template

- Longer messages - RCS is not limited to 160 characters, enabling the message content to be more robust

2. Branding Opportunities

With RCS, communications can be branded. You can use your company name, logo, and colors to brand your messages and keep them aligned with the rest of your marketing efforts. This makes your messages much more visually appealing, and something customers are likely to notice, as seeing their favorite brands right there on the screen generates greater trust in the message.

3. Chatbot Feature

Great customer support is the key to building long-lasting relationships with your customers and increasing their loyalty to your company. Through RCS-enabled chatbots, you can use conversation automation to give your customers relevant and timely notifications and digitalize repetitive communication patterns:

Chatbots make it possible for you to have meaningful conversations with customers, anywhere, any time.

They can clarify any doubts customers may have during the buying process and also effectively resolve complaints. However, for more detailed customer queries, always make sure there is a click2call button available so customers can choose to talk to a real person.
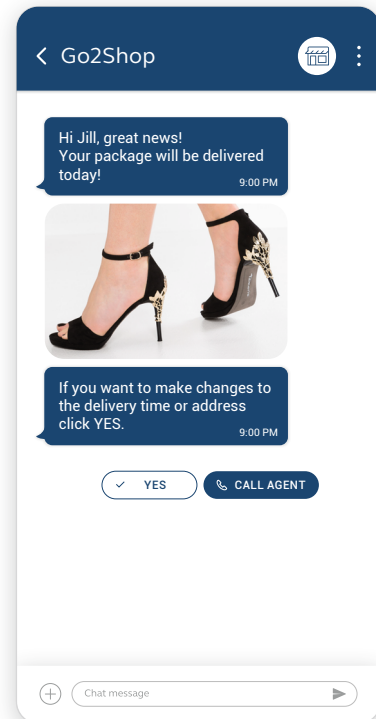
Additionally, operators are introducing chatbot directories that list the chatbots of different companies by category. This adds value for Consumer-to-Business communications in that customers can be proactive in reaching out to their favorite brands – when it's convenient for them, and when the need is immediate.

4. Real-time Analytics

What if you could have a better understanding of what messages are working to reach your audience?

With RCS, you can get detailed information about how your customers behave so you can tailor your campaigns to achieve better results.

RCS technology provides access to real-time analytics such as "messages delivered" and "messages seen" reports, and on-screen event tracking, giving you insight into exactly how consumers are interacting with your messages and which communications are effective. This can help you to improve conversion rates over time and optimize future communications.

5. Trustworthy Channel

How secure is RCS? According to Universal Profile standard (see "Important Facts about RCS"), all senders need to be registered and verified by the RCS service provider assuring authentication, fraud prevention and reliable communication for brands and their customers.

This makes RCS an attractive alternative for industries that send a lot of documentation to their customers, such as legal firms, banks, and travel companies.

For example, people are more comfortable exchanging their confidential banking information over their mobile devices due to stringent security standards they know are in place.
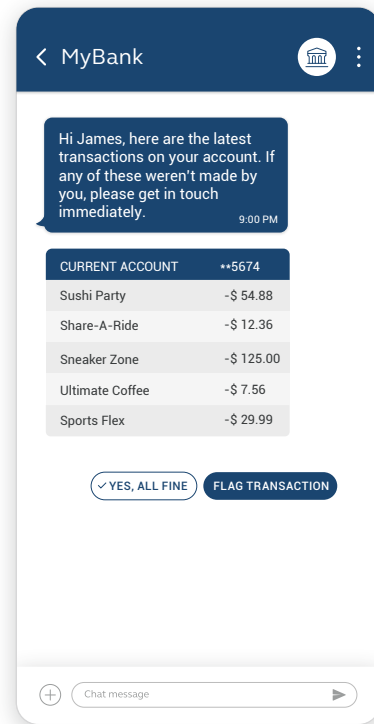
RCS in Practice

With RCS, you can get detailed information about how your customers behave so you can tailor your campaigns to achieve better results.

Club Comex

With 5,000 locations, Comex, a paint manufacturer and distributor, is the second largest retailer in Mexico. Club Comex is the company's loyalty program. Customers can accumulate points for every purchase they make using their Club Comex card. They can then exchange the points for prizes listed in the prize catalog.

Before RCS, Comex was promoting to customers by sending hyperlinks through SMS messages. They wanted a platform that was similar to SMS, but more attractive, and that's how they found RCS.

Their first RCS campaign, "Regalon Regalitro" offered members of Club Comex a discount of 10%-20% on house paint, and the addition of 1 liter of paint as a free gift. The campaign included images and web links and was activated nationwide for 3 days.

Results

Club Comex continued to use RCS as a way to promote to Club Comex customers. When comparing the RCS campaigns from 2019 with their SMS campaigns from 2018 they found that RCS had brought an impressive **115% increase in revenue.**

The "Regalon Regalitro" campaign led to more sales interactions, with the clickthrough rate growing from 2-3% with SMS to 20.8% with RCS. **That's an increase of almost 10x!**

RCS had brought an impressive 115% increase in revenue.

Clickthrough rate went from 2-3% with SMS to 20.8% with RCS. That's an increase of almost 10x!

"

For Club Comex, RCS, has been a new experience of communication to our end-customers, and gave them clear ideas of inspiration, color and product, through photos, videos and interactive buttons so that our Club Comex customers can easily understand our value proposition.

Rebeca Gonzalez Huerta,
Senior Marketing Manager Loyalty and CRM at Club Comex

Utel University

Utel is one of the top 5 online universities in Mexico. They aim to bring quality education to any place, and they currently have alumni in 32 countries.

The university is always looking for impactful ways of engaging their students and keeping them updated on new online classes and curriculum changes, and through this, they found RCS.

The objective of their first campaign was to generate new leads from users that had registered but never enrolled for any academic programs. The campaign included a promotional bot flow (predefined conversation options), and used images, carousels, and buttons to increase sales.
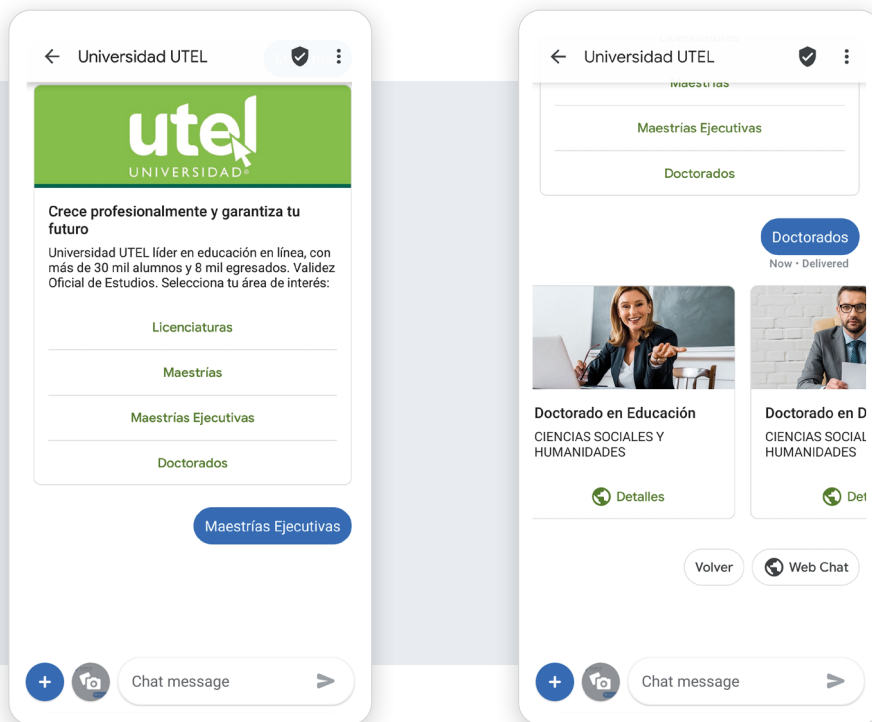
> Infobip's enablement of RCS allows for responsive 2-way communications imperative to our students and prospects. Being an online university, our students may be time zones apart, and it is important communicating over the channels our students use and prefer. We take advantage of RCS to publicize, in an innovative way, the new academic programs that we incorporate into our offer to boost their professional development."

Ana Gabriela Barrera Garcia,
Inbound Marketing Coordinator at UTEL University

Ways to Use RCS to Reach Customers

Notify

- Purchase confirmations
- Delivery notifications and updates
- Contract expiration reminders
- Changes in service terms and conditions

Engage

- New product offerings
- Sales or discounts, especially to loyal customers
- Product and/or service ratings

Support

- Interaction with an agent about products or services (real time or interactive)
- Automatic replies to customer queries

Secure

- One-time PINs to authenticate users
- Password reset flow
- Suspicious account activity notifications

How Can RCS Work With Other Communication Channels

There are plenty of options available for reaching customers, and in many cases, RCS can complement your existing efforts.

RCS and SMS

RCS is sometimes called "SMS 2.0.". It takes everything that users and companies already love about SMS - 100% reach, reliability, ease, security - and builds on this to create an even better method of communication. RCS takes SMS to the next level by providing richer communications, longer message lengths, usage analytics, chatbot features, customizable branding and the ability to verify the sender of the message - a key differentiator in an age of consumer distrust.

RCS provides a universal messaging ecosystem in which it's possible to send a message to any user as long as they have a mobile phone number.

This is important during the transition phase from SMS to RCS, when not all users will have a phone enabled with the RCS native app.

Native messaging applications that come preinstalled on all new Android phones, or can be downloaded from Google Play store, have one shared inbox for both RCS and SMS messages. Therefore, both RCS and SMS are supported, easing messaging communication in case of fallback from RCS to SMS.
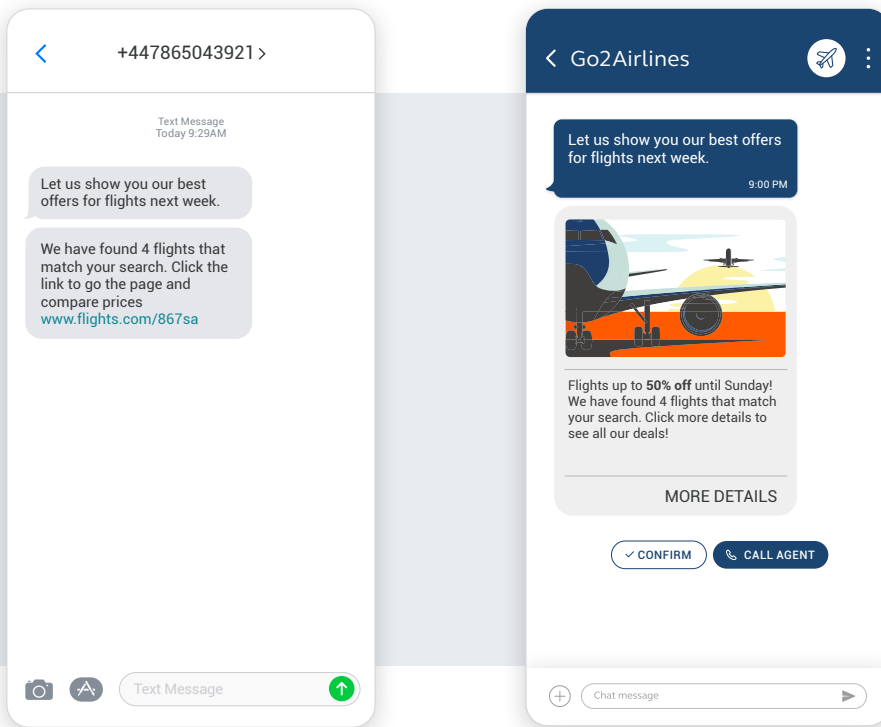
In accordance with the Universal Profile established by the GSMA (see "Important Facts about RCS"), all new devices will contain one native messaging app that will support RCS. However, in communications where one phone is RCS-enabled, and another isn't, messages will default to SMS

RCS and Chat Apps

Even though chat apps also deliver rich content capabilities, RCS comes natively installed on users' devices (as opposed to an app they have to download). Also, not all chat app providers allow promotional traffic, while RCS is being used by marketers to engage users using their own branding.

Like SMS, RCS can work with chat apps when defining fallback options if the recipient of the message is not able to receive it as RCS.

RCS and Voice

Voice is a complimentary service to RCS in a range of use cases. As part of an RCS flow, users can have the option of a click-to-call button to initiate a call with a live agent.

Still, messaging is one of the preferred communication channels across virtually every generation. Laws are going into effect globally to limit people's use of their smartphones while driving or crossing the street, and what are they using them for? Messaging. According to Flurry Analytics (as reported by Salesforce), messaging and social media apps have been the leading uses of smartphones in recent years.

RCS and Mobile Applications

RCS technology is accessed through a native app for smartphone users, which can take the place of proprietary smartphone apps, making it more accessible to customers. Having all communication in one app is convenient for customers, as it makes messaging with brands as comfortable and familiar as messaging with friends.

Customers are fickle, and they have high expectations of apps. One native app, as opposed to several downloaded apps, helps to make applications easier to manage and save storage, which is becoming increasingly important to users.

RCS is opening opportunities for small and medium enterprises who can now engage in an "app-like" user experiences, without the development time or investment required to build their own proprietary app. Similarly, larger enterprises can also benefit from adding this channel to their existing efforts, and lower the maintenance costs involved in frequently updating their own apps.

Important Facts About RCS

As RCS adoption increases, businesses should be aware of the following:

Established Standards

Since many stakeholders are supporting the implementation of RCS on a global scale, the GSMA has taken steps to standardize RCS usage worldwide. The set of standards adopted across industries is called the Universal Profile, which guarantees a uniform experience across all devices, networks, and regions. In addition to mobile operators (MNOs), brands, and consumers (mobile subscribers), there are many key stakeholders in the RCS ecosystem:

- RCS Network Providers to MNOs
- RCS Business Messaging Platform Providers to MNOs
- RCS Aggregator / Messaging Services Provider to Brands
- RCS Hub Providers to MNOs
- RCS Client Providers
- Handset Manufacturers

Coverage, Reach and Global Rollout

Mobile operators have to enable RCS technology in their networks in order to offer RCS to their subscribers. Global RCS rollout is gaining traction with many operators already live with RCS on all continents, while others are engaging on RCS enablement projects. As of November 2019, RCS is available through 81 operators in 55 countries, and this number is projected to increase to well over 100 by the first quarter of 2020.

81 operator launches   **55** countries worldwide   **300M** monthly users

Country-wide and global technology adoption is key to the success of this new messaging channel. In addition to manufacturers of telecom equipment making RCS possible, Google is also offering RCS enablement in the cloud as a quick go-to-market option, which will speed up RCS technology uptake.

According to MobileSquared, the total volume of A2P and P2A RCS messages sent by brands and businesses is forecast at 16.31 billion for 2019, rising to 80.61 billion in 2020, and 1.55 trillion in 2023.

With regards to devices, only Androids are currently supporting RCS. According to Mobilesquared, there are around **1.4 billion Android devices that are capable of receiving RCS messaging, and Samsung alone is shipping approximately 300 million new devices each year.**

To be reachable to brands for RCS business messaging, a subscriber needs to have their Android device equipped with an RCS enabled messaging application. This application can either be preinstalled (native messaging app) or downloaded from the Play Store. The most widely used messaging applications with RCS capabilities are Android messages and Samsung messages, whereas some MNOs provide their own applications that even have the iPhone version, which is available at the Apple Store.

At the beginning of this process, certain device interoperability challenges arose as not all stakeholders were aligned on the same version of the Universal Profile Standard. Thanks to joint efforts between GSMA, Google, Samsung, and other players, an agreement was achieved, and the device challenges are being resolved with a software upgrade; which will significantly increase the number of users that can be reached by RCS in specific countries and mobile networks.

The industry is watching very closely to see what role Apple will play in the evolution of RCS.

Pricing

Like the platform itself, RCS pricing models are evolving based on the assumption that pricing should be reflective of the value brands receive from its use, as well as how and to what degree the technology can be integrated for each use case. Multiple pricing options are being considered including per message, per session, per monthly active user, per click, and per impression.

Regulation

GDPR and other recent legislation have placed privacy restrictions on how businesses can communicate with customers and prospects.

Mobile users need to opt in to allow messaging from businesses. Android customers who have already opted in to SMS messages from a business **will automatically get the upgraded experience of RCS.** So there is no further consent required, other than to receive SMS messages. However, the final word on this is expected to come from national regulatory authorities.

Conclusion

Customers have come to expect genuine, personalized, meaningful, and transparent communications from companies. With RCS, you can develop stronger relationships with your customers through branded, engaging two-way conversations.

Early RCS case studies suggest that sales results (as measured by conversion rates or revenue) can more than *double* with relevant, visual, and engaging communication over RCS as a channel.

The GSMA has seen RCS generate increased market potential with a significant number of consumers being exposed to what RCS Business Messaging has to offer.

> *We are seeing real momentum with multiple markets launching enhanced RCS messaging services for their subscribers which continues the current trend for launches around the world. We are also seeing numerous live marketing campaigns from multiple global brands based on RCS Business Messaging. They set to benefit from not only the huge commercial opportunity but also the opportunity it presents to engage more closely with consumers."*
>
> ***Henry Calvert,***
> *Head of Future Networks programme, GSMA*

As RCS evolves, businesses should keep track of feature developments, pricing models, and consumer usage trends to ensure they take advantage of all the rich opportunities available for communicating with their consumers.

Getting Started with RCS and Infobip

RCS has arrived, and it enables new and innovative communications between brands and consumers. Here's how Infobip can help you embrace new opportunities with RCS:

1. Easy-to-use Integration Options for RCS Campaign Creation

You can easily craft customer journeys with automated workflows using our visual (drag and drop) interface.
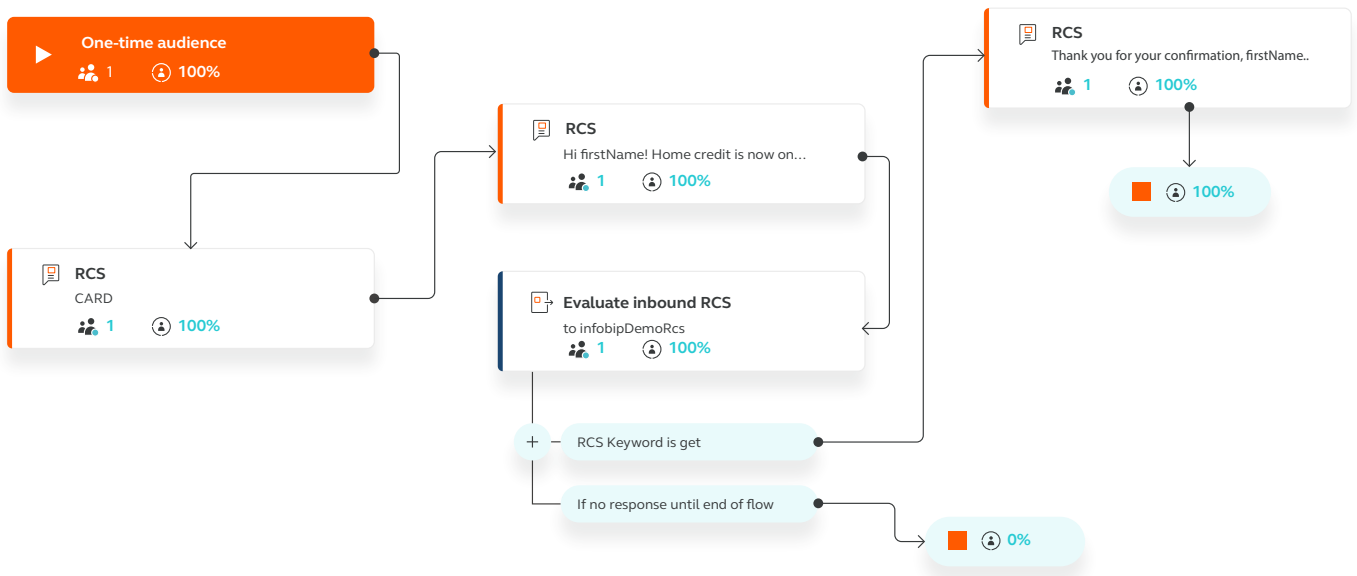
Create rich customer profiles for personalized, contextual communication—with or without coding skills. If you have coding expertise, you can also use a single unified REST API to integrate various programmable communication channels easily. Either way, we provide consultancy services to help clients onboard RCS and other channels fast.

2. Omnichannel Communication Platform

Infobip enables omnichannel communication with your customers from one single platform to address the complexity of communication between brands and customers, making your communication efforts more efficient, streamlined, and targeted. Now, Infobip supports RCS as part of our CPaaS (Communication Platform as a Service) solution, complementary to all of our other channels (SMS, email, voice, chat apps, mobile app messaging). This combination of channels gives multiple options when defining RCS fallback.

3. A Wealth of Experience

Infobip has many years' experience with all communication channels. Since 2006, our mission has been to create seamless mobile interactions between businesses and people, and we are continuously adapting to include new technologies. 67% of the world population has interacted with our communications platform.

For the past three years, Infobip has been voted the #1 A2P SMS Messaging Vendor among mobile network operators (MNO's) by ROCCO Research. For the first time in 2019, ROCCO has included an award by enterprises, which also rated Infobip top A2P messaging vendor.

The Infobip Advantage

Global Reach and Local Presence

- 600+ direct-to-carrier connections
- Connect with over 7 billion people and things
- Strong enterprise client base 60+ offices on 6 continents

Our local presence enables us to react faster and have everyday interactions with our customers, providing solutions in-line with their needs, local requirements and based on proven global best-practices.

Own Infrastructure

- Locally available services
- Compliance to local regulations
- 28 data centers worldwide

Our worldwide infrastructure easily scales horizontally, leveraging the hybrid cloud model to never run out of resources. Our built-in global compliance engine is constantly updated with the latest in-country regulations and operator requirements.

Scalable, Fast and Flexibile Solutions

- Best-in-class delivery rates
- High speed and reliability
- Low latency
- In-house developed platform

Our solutions are created to adapt to the constantly changing market and communication trends at speeds and levels of precision and personalization that only an in-house solution can offer.

Remarkable Customer Experience

- Technical expertise
- Solutions consultancy
- Customer success management
- 24/7 support and network monitoring

We will help you to get up and running in no time, whether it's assisting with integrations, messaging best practices or solutions consultancy.

TO FIND OUT MORE ABOUT RCS, **VISIT OUR WEB**
OR TO GET RCS FOR YOUR BUSINESS, **TALK TO US.**

VISIT OUR WEB   **TALK TO US**

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