

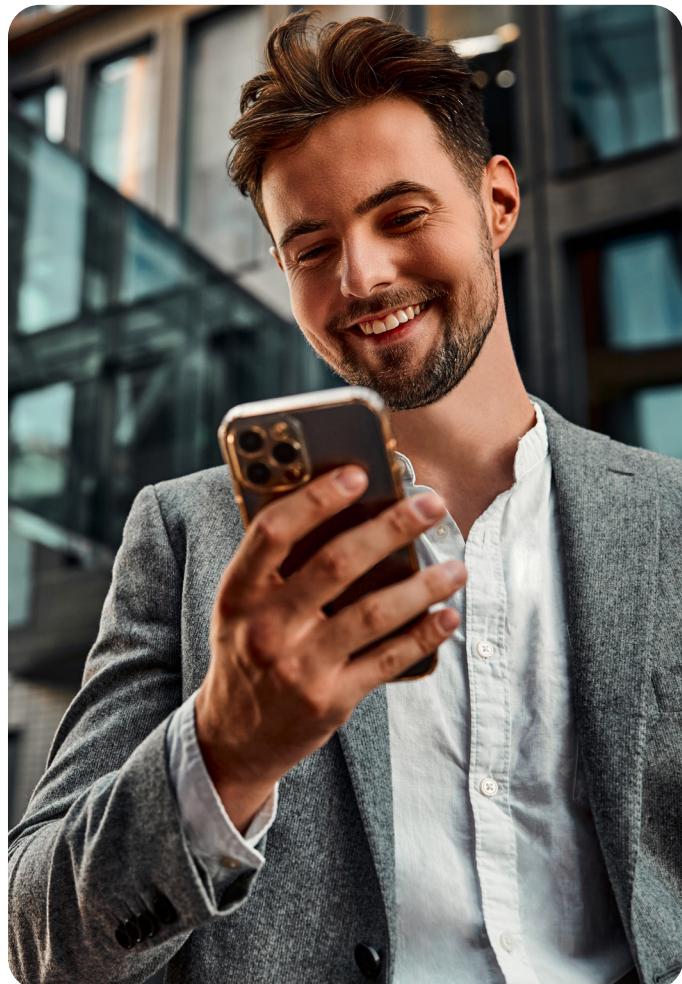
MARKET BRIEF

Achieving Trusted Consumer Engagement

The New Wave of Rich Business Messaging, Powered By RCS

Over 80 percent of smartphone users worldwide use text messaging at least once a month¹. Now, the mobile industry is building on the success of Short Message Service (SMS) with Rich Business Messaging (RBM), powered by Rich Communication Services (RCS). RBM promises the same inter-operator ubiquity as SMS, along with enhanced features that consumers use on internet messaging platforms, such as read receipts, video, group chat and paying for services. But for RBM to live up to its potential, Communications Service Providers (CSPs) and businesses must provide consumers with the information they need to trust those chatbots and the conversations they represent.

Because rich business messages give businesses new ways to interact with customers, such as messaging embedded with multimedia carousels for browsing and buying products, there is also a need for an independent Verification Authority (VA) that would be responsible for verifying the identity of businesses and their chatbots. These enhanced features of rich business messaging will significantly increase customer engagement compared to SMS. In fact, in a 2019 Vodafone trial², 80 percent of customers read an RCS message, and 25 percent responded to the offer. Other CSPs report comparable results. According to the GSMA³, “the application-to-person (A2P) use cases have been especially successful, with open rates of 85 percent plus, and click-through rates that are over 40 percent more than comparable campaigns by SMS.”



And that is just the start. “Future growth of RCS traffic will be driven by users migrating away from dedicated mobile apps,” says Sam Barker, Juniper Research lead analyst⁴. “The technology will develop to become the first point of contact for RCS users to engage with brands over mobile devices.”

That outlook might surprise some people, considering the misconception that the RCS standard is struggling for support among CSPs, device vendors, businesses and consumers. Here is an impartial summary of where RCS adoption stands today, where it is headed and why trust is key for ensuring that it lives up to its potential, especially when it comes to business-to-consumer messaging.



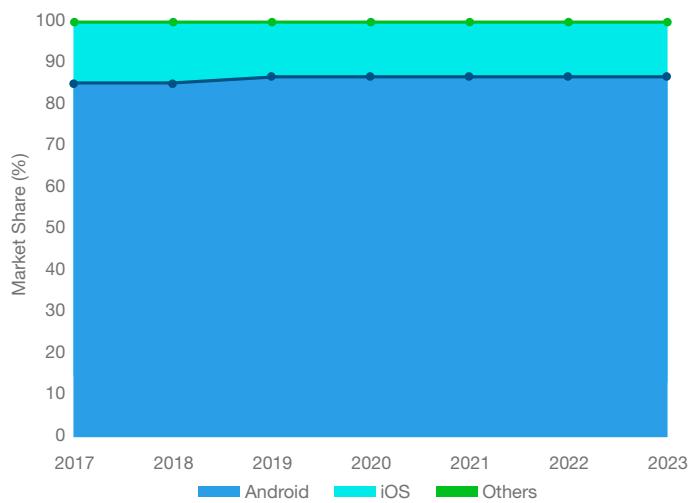
How Data Infrastructure Can Improve Fixed Asset Management

RCS Is Here-And Here to Stay

RCS Is Not the Future, It Is the Present

Approximately 100 CSPs worldwide have launched RCS, and that number continues to grow each quarter, according to the GSMA. Currently, more than 360 million people use RCS. In November 2019, Google made RCS the primary messaging platform for Android, which is used by 87 percent of the world's smartphones, according to IDC. Clearly, RCS is already becoming a mainstream phenomenon.

Worldwide Smartphone Shipment OS Market Share Forecast



IDC Worldwide Quarterly Mobile Phone Tracker, Q4⁵

Major brands are using RCS

Barclays, Booking.com, Four Seasons, Subway and Toyota are among the major brands already using RCS to provide their customers with a richer, more interactive experience. One decor retailer used RCS to provide carousels of images and videos. "A world away from a brief description and perhaps a link, as might have been possible with an equivalent SMS campaign," the GSMA says. "The RCS campaigns delivered a 10-fold increase in click-through rates and an 115 percent increase in revenue." Small businesses also can leverage RCS to wow their customers and drive sales. GSMA Intelligence estimates¹ that by 2021, A2P RCS messaging will be a \$74 billion market³.

The RCS Vendor Ecosystem Is Large and Mature

Dozens of companies provide the network infrastructure, Messaging as a Platform (MaaP) service, hub connectivity, handset clients, aggregation services and other key components that enable RCS.

Interoperability is here, with even more on the way. One example is the GSMA's Universal Profile, which enables features such as capability discovery, chat, group chat, file transfer, audio messaging, video share, location share, live sketching and more. The Universal Profile is expected to spur even more RCS adoption "by enabling operators, OEMs and operating system providers to deliver this exciting new messaging service consistently, quickly and simply," the GSMA says³.

Trust Is Critical

One thing to be wary of is that just like voice calls, text messages and email, the more consumers use RCS, the more attractive it becomes to fraudsters. Research shows that consumers are increasingly distrustful of traditional communications including SMS and voice calls because of illegal robocalling, robotexting and other types of spam.

In fact, the FCC reported that between 40-50 percent of all calls to U.S. mobile phones in 2019 were expected to be scams⁵. In a Mobile Ecosystem Forum survey, CSPs estimated that an average of 9.4 percent of A2P SMS revenue is lost to fraud.

Given that RBM will be an open ecosystem for businesses of all shapes and sizes, it is expected that huge volumes of both verified and unverified business chatbots will be active on any given network at any given time. That is why there needs to be a way to verify each sender's identity. Without that capability, the consumer will have no idea when to trust those messages, and fraudsters may be even more likely to try to compromise the service, thus undermining the reach and effectiveness of RBM.

As an innovative technology, RCS has the opportunity to get it right, right from the beginning by building in verification. These capabilities are key for getting consumers to trust RBM content. The more they can trust it, the more valuable it becomes as a customer-engagement platform for businesses.



How Data Infrastructure Can Improve Fixed Asset Management

RCS Verified Sender for Rich Business Messaging

The good news is that CSPs and businesses do have options for providing consumers with the information they need to trust RCS-based rich business messages. The GSMA's RCS Verified Sender initiative³, for instance, establishes trust in business-to-consumer messaging by providing a framework that verifies the business sender's identity.

This option calls for a VA to verify the identity of each business that wants to send rich messages. The VA would also verify the chatbots used by the business and would register the information into a system that shares the business logo and other enhanced caller-ID information with each participating platform provider. This information would be digitally signed by the VA, which will help mitigate the risk of spoofing or impersonation of chatbots by fraudsters during the registration process. Verified sender content could then be presented with an icon, such as a check mark, at the top to further emphasize that the sender has been verified. The CSP could also deliver this information with the sender's business name and logo so that the recipient could feel more confident that the business is legitimate and the content is authentic.

TruReach Intel

TruReach® Intel helps the RBM ecosystem manage trust at scale. It is a neutral and secure service that helps distinguish those business messages that are coming from verified senders. Those messages can then be presented to consumers as legitimate and trusted CSPs can use this Software as a Service (SaaS) solution to allow businesses to access their networks where messages and chatbots from legitimate businesses can be verified. TruReach Intel also supports voice calls and SMS, making it a comprehensive solution for omni-channel trust for customer engagement.



1. <https://www.gsmaintelligence.com/research/2019/02/the-mobile-economy-2019/731/>
2. <https://www.mobileindustryeye.com/imimobile/case-study-vodafone-customer-engagement-soars-with-rcs-messaging-campaign/>
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8. https://www.anam.com/wp-content/uploads/2018/12/A2.P-Monetisation-Report_-November-2018.pdf.

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