



MEF

MOBILE MESSAGING REPORT 2016



GLOBAL INSIGHTS INTO CHAT APPS AND SMS USAGE CONSUMER & ENTERPRISE TRENDS



A NINE-COUNTRY STUDY



MEF **MOBILE ECOSYSTEM FORUM**

IN ASSOCIATION WITH



mblox

FOREWORD

As pioneers of enterprise to consumer mobile messaging, we have had the pleasure of seeing the industry grow and evolve over the last 17 years. Never in our wildest dreams could we have imagined just how important mobile messaging would become to enterprises in serving their customers, and just how fast mobile user behaviour would change in that time.

One thing is certainly clear; there are more mobile messages going back and forth in the world today than ever in the history of mankind. Still, we wanted to understand the roots of the behaviour; how does usage differ by country; who are the likely winners and losers in this race for dominance; and lastly but most importantly to us, what are the prospects of good old SMS in this very fast growing 'Over the Top' OTT messaging landscape?

In order to find out, we partnered with MEF who has recently been making huge strides in bringing the ecosystem together to tackle fraud and drive innovation. This report outlines the findings of probably one of the most in-depth studies on consumer messaging behavior ever undertaken, spanning 9 countries and with nearly 6,000 participants.

The findings are a treasure trove of data for anyone wanting to seek more insights into what the future might look like for mobile messaging. For us, we took away two key insights from the report:

Firstly, the perfect storm of rising mobile and smartphone penetration, combined with more affordable and faster mobile data access, along with the boom in the recent app economy, has given rise to powerful OTT messaging apps. These apps are so easy to use that they have eclipsed SMS as the primary medium for P2P communications across all demographics and geographies studied. However, instead of this eradicating SMS completely, it still holds 3rd place in terms of global usage. In fact, SMS seems to have found itself in a happy equilibrium whereby SMS is regarded as something of a failsafe backup in the event of no data coverage or OTT fragmentation. Whether this equilibrium continues in perpetuity remains to be seen.

Secondly, Application to Person Messaging (or Enterprise to Consumer) SMS still remains the most trusted channel for communications by consumers. That, combined with the fact that SMS remains the only ubiquitous global messaging platform, and the only one with a unique and globally recognized addressing system, makes it still the preferred channel for Enterprises and that is unlikely to change anytime soon. We found it interesting to note that while the newer breeds of messaging leverage the strengths of SMS and promise many benefits they also fall victim to the same weaknesses, such as fraud and spam. More work needs to be done across all channels to protect consumers from this menace.

Overall OTT Messaging Apps and SMS both came out as winners with consumers but for different use cases. We can't wait to see how the next few years unfold in terms of their growth and further adoption by enterprises and consumers alike.



ROB MALCOLM
SVP CORPORATE DEVELOPMENT



CONTENTS



EXECUTIVE SUMMARY



USAGE HABITS AND REGIONAL PATTERNS IN PERSON TO PERSON (P2P) MESSAGING



A2P (APPLICATION-TO-PERSON) MESSAGING: HOW BUSINESSES AND CUSTOMERS TALK TO EACH OTHER



COUNTRY OBSERVATIONS



ABOUT THE SURVEY

ANNEX



EXECUTIVE SUMMARY

Immense changes are underway in mobile messaging. Although the SMS channel is over 20 years old, it feels as if the text medium itself is on the brink of a new era. One obvious reason for this is the emergence of so-called 'OTT' apps, which let users send messages over IP. Apps such as WhatsApp, Facebook Messenger, WeChat and Viber give people the ability to send video and photos, and easily set up closed groups. These are features that are not readily available via SMS.

This study reveals OTT apps to be favoured by a majority of end users now. For example, 56 per cent of people say they regularly use Facebook Messenger, against 42 per cent for SMS. While there's been a shift away from SMS in person-to-person messaging, the same is not true in the so-called A2P (application-to-person) space.

Businesses are increasingly turning to messaging - and their preference is for SMS, thanks to its universality. But the research shows they are embracing text across all available channels. 76 per cent of consumers have received communications from businesses such as banks, healthcare and retailers via SMS. 65 per cent have engaged with companies via chat apps.

This study reveals widespread adoption of A2P messaging across many verticals, with financial services the most active. Analysts expect the market to keep growing. Juniper Research says the market be worth almost \$60 billion by 2018, up from \$55 billion in 2013. Some intriguing market developments could drive this expansion. More and more developers are using simple APIs in their apps to send messages to users. Further ahead is the tantalizing prospect of 'conversational commerce' in which brands use bots to talk to customers as if they were human operators.

USAGE HABITS AND REGIONAL PATTERNS IN PERSON TO PERSON (P2P) MESSAGING

- WhatsApp and Facebook have edged past SMS in 'person to person' messaging
- The messaging app space is consolidating around a dozen major players
- Huge variation in messaging habits determined by country

A2P (APPLICATION-TO-PERSON) MESSAGING: HOW BUSINESSES AND CUSTOMERS TALK TO EACH OTHER

- SMS outscores messaging apps for 'A2P' in all verticals
- Plenty of scope for growth in A2P messaging
- Voice and 'face to face' still popular channels for person-to-business communications
- Financial services leads the way for contact by SMS
- One in six use text with healthcare providers
- Retail comms: most mature market users prefer email to text
- Most popular use of 'business SMS': confirming a password
- Enterprise-to-consumer SMS: mobile-first nations are way out in front
- The 'non-arrival' of location-based messaging: 37 per cent have never received an LBS alert

USAGE HABITS AND REGIONAL PATTERNS





WHATSAPP AND FACEBOOK HAVE EDGED PAST SMS IN 'PERSON TO PERSON' MESSAGING

56% OF PEOPLE REGULARLY USE FACEBOOK MESSENGER

Since the start of the decade, the mobile industry has observed the rise of over the top (OTT) messaging apps. It's been unsure of how to respond. Do these services complement or compete with the traditional SMS inbox? The debate still rages. But the numbers tell an unequivocal story: in terms of daily use, OTT apps have eclipsed SMS for person-to-person messaging.

The headline finding of this study shows that 56 per cent of people regularly use Facebook Messenger, 50 per cent of people regularly use WhatsApp and 42 per cent use SMS. When asked which service they use the most, 37 per cent of respondents chose WhatsApp, 21 per cent Facebook Messenger and 16 per cent SMS.

The data reflects a remarkable change in the way people choose to communicate on their phones. SMS had been the de facto channel since around 1995 (when it became interoperable across different GSM networks). It remained that way till

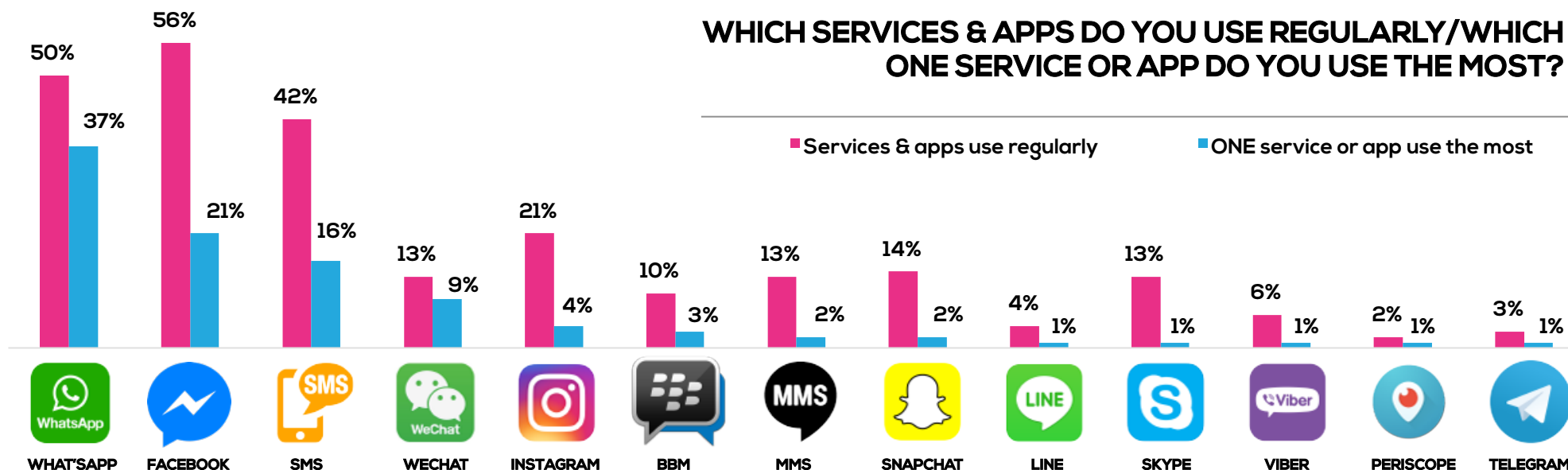
the start of the present decade when new IP based apps (which use the data network rather than the cellular network to move messages) emerged.

The most successful in the west has been WhatsApp. It launched in 2009 and passed the one billion user milestone in February 2016. Meanwhile Facebook Messenger has made even speedier progress. It launched in August 2011 and recently passed 800 million users.

The popularity of these apps stems from cost or functionality or both - depending on the region. Certainly OTT messaging can be cheaper than SMS where texts are individually priced (rather than being offered as an unlimited bundle). But when there's no real cost benefit, users appreciate features such as the ability to create closed groups and see when someone has read a message.

Of course, it should be repeated that for all the hype around OTT messaging, SMS retains very popular. Nearly half of all people still use it regularly.

WHICH SERVICES & APPS DO YOU USE REGULARLY/WHICH ONE SERVICE OR APP DO YOU USE THE MOST?





THE MESSAGING APPS RACE IS CONSOLIDATING AROUND A DOZEN MAJOR PLAYERS...BUT IT IS STILL RIPE FOR CHANGE

The study reveals 11 key participants in the messaging sector (if you discount SMS and MMS). They range from Facebook Messenger and WhatsApp at the top (56 per cent of people and 50 per cent of people respectively use them regularly) to Telegram and Periscope at the bottom (three per cent and two per cent).

This seems to suggest that what was once a fragmented market is now consolidating around a small number of players. There's some truth in this - and it's also true that most are owned by giant corporations: WhatsApp and Instagram (Facebook), Skype (Microsoft), WeChat (Tencent), Periscope (Twitter), Viber (Rakuten). Among the remaining independents, Japan's Line is planning an IPO.

However, it's not clear that the messaging space is mature. The point about mobile messaging apps (as opposed to desktop) is that it's relatively easy to migrate from one to the next. These apps can crawl the address book, photos and videos. Thus, in a few seconds, a new user can message anyone of his or her contacts that is also using the app.

This partly explains the accelerated adoption of SnapChat (150 million daily users inside four years) and Telegram (100 million monthly active users - see above).

So there does seem to be scope for new apps to grab some market share. And the ongoing rise in smartphone ownership and the roll-out of 3G and data bundles should provide market opportunities for all. eMarketer predicts that by 2018, the number of chat app users worldwide will reach two billion and represent 80 per cent of smartphone users.

Perhaps the operators can provide an alternative. They are working on a new version of a protocol called Rich Communications Services (RCS) - which is sometimes called SMS v2. Google confirmed it would help to define a universal RCS profile all operators could agree to. It will be 'standard' for Android devices and deliver the kind of group messaging and multimedia functions that make messaging apps popular.





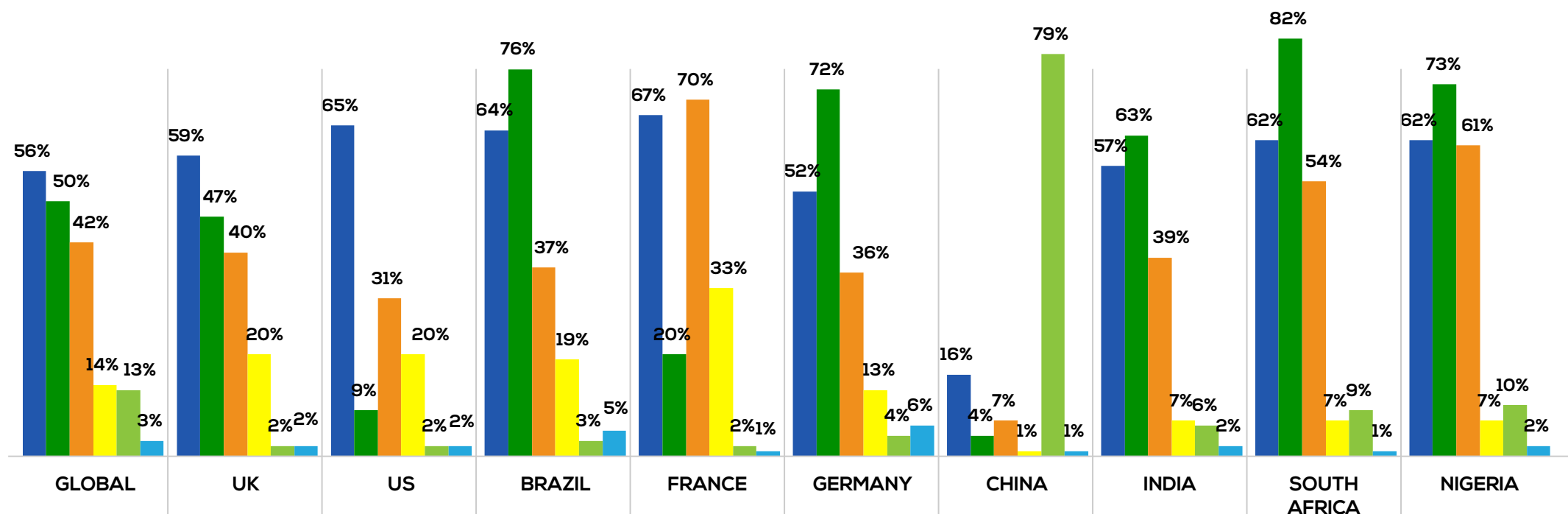
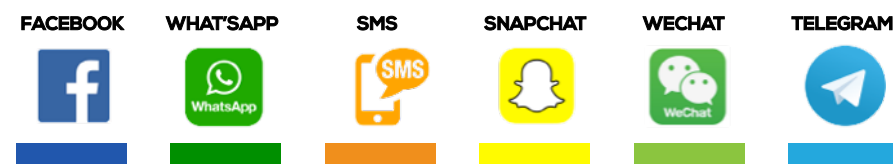
WHICH APPS DO CONSUMERS PREFER? IT DEPENDS WHERE THEY LIVE

82% OF SOUTH AFRICANS LIKE WHATSAPP BEST. 9% OF AMERICANS DO.

While 'super-apps' clearly dominate, the study also reveals huge local variation in the adoption of these products. The biggest difference is around WhatsApp. It's used by just four per cent of Chinese users. That's to be expected given the ubiquity of WeChat there (79 per cent usage). More surprising is the nine per cent number in the US, where WhatsApp is based and owned.

And there are great disparities in neighbouring countries. 20 per cent of the French use WhatsApp against 72 per cent of Germans. The French seem to like Facebook Messenger though. Its adoption rate there is 67 per cent. It also leads in the adoption of SnapChat (32 per cent).

The usage of SMS, by contrast is much more even across all geographies. Excepting China, its lowest use rate is in the US at 31 per cent, and its highest is in France at 70 per cent.

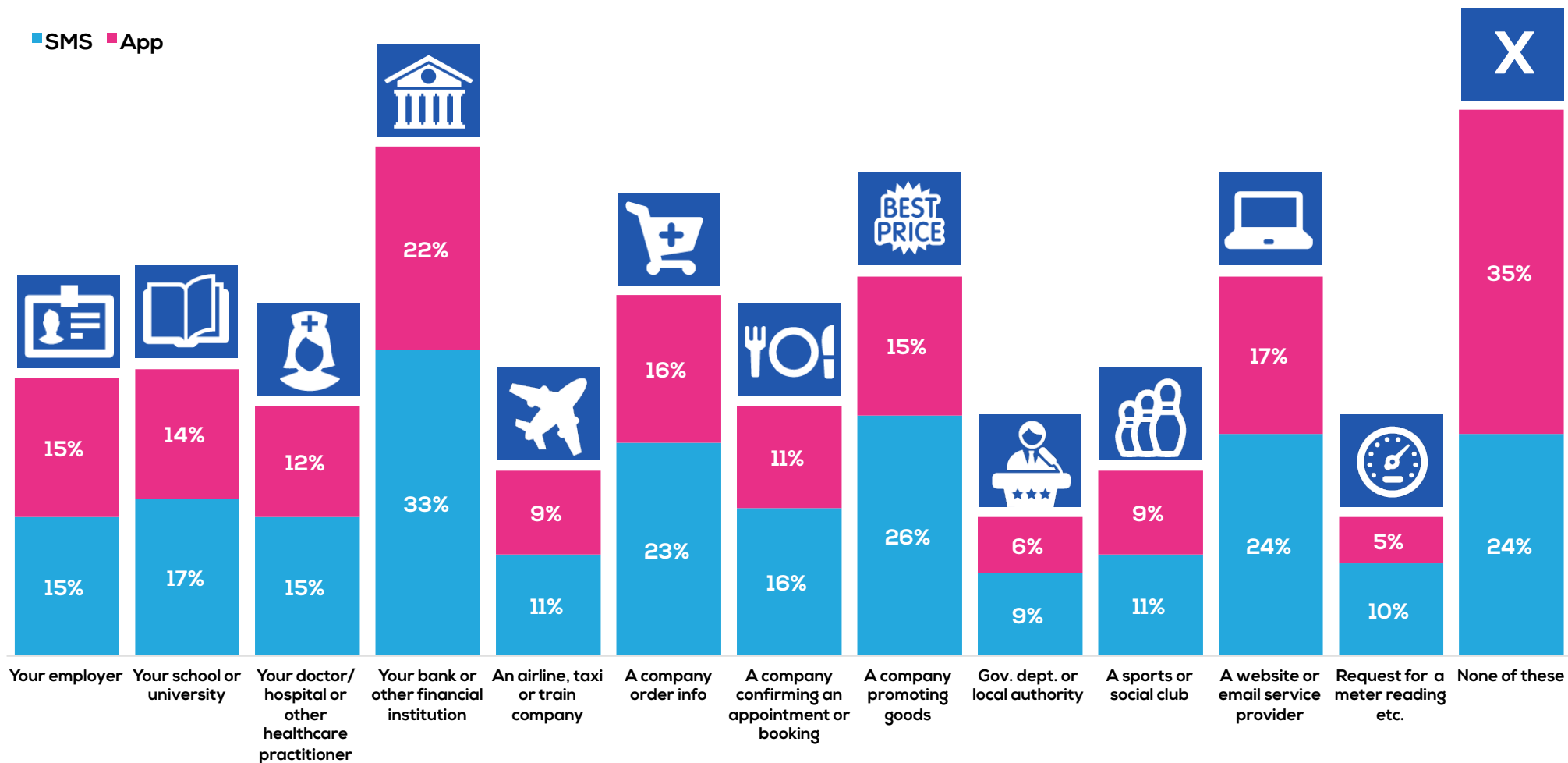




BUSINESSES PREFER TO TALK TO CONSUMERS VIA SMS

TEXT OUTSCORES MESSAGING APPS FOR 'A2P' IN ALL VERTICALS

IN THE LAST 12 MONTHS, HAVE YOU SENT OR RECEIVED A TEXT MESSAGE (SMS) or MESSAGING APP MESSAGE TO/FROM ONE THE FOLLOWING COMPANIES OR INSTITUTIONS





BUSINESSES PREFER TO TALK TO CONSUMERS VIA SMS

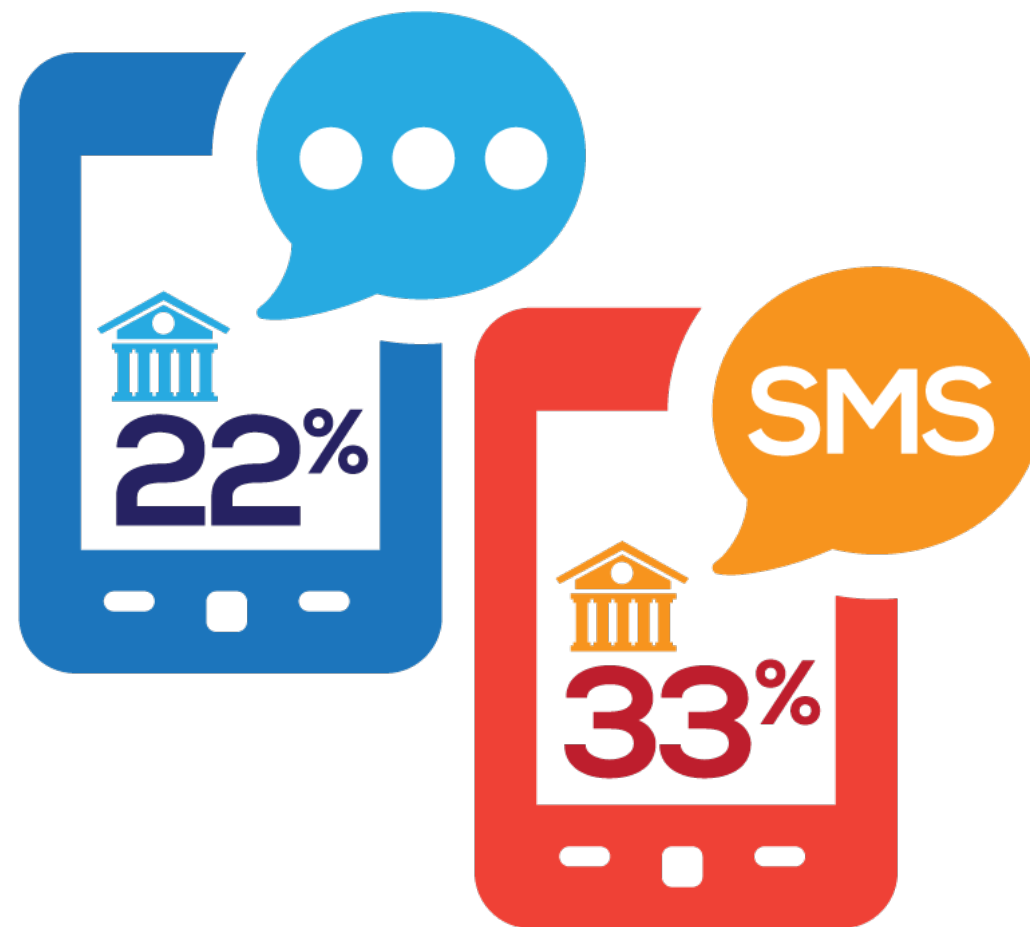
TEXT OUTSCORES MESSAGING APPS FOR 'A2P' IN ALL VERTICALS

Enterprise messaging grows every year, and the survey shows that enterprises consistently choose SMS over chat apps as their medium of choice. For example, 33 per cent of people have received a text from their bank as opposed to 22 per cent who have received a chat app message. For 'a company you have ordered something from' the numbers are 23 per cent vs 16 per cent.

There are clear reasons for the enthusiasm for 'application-to-person' (A2P) messaging, which describes the use of SMS by enterprises to send texts to customers, employees and partners. It's ubiquitous: anyone with a mobile phone can use SMS – no matter what handset, operator, OS or country. It's (almost) always on because messages are transmitted over cellular networks, rather than 3/4G.

Finally, there's evidence that people respond very quickly to SMS. According to a Dynmark report, SMS has a 98 per cent open rate - and nine in ten texts are read within three seconds.

The 'neutrality' of SMS may also be a factor. WhatsApp, Line, Instagram et al are private entities, while text is an open protocol interoperable across all telcos. This could explain the higher degree of trust in SMS. The survey data shows it ranks highest, with 35 per cent trusting it the most of all messaging platforms.



A2P MESSAGING HOW BUSINESSES & CUSTOMERS TALK TO EACH OTHER

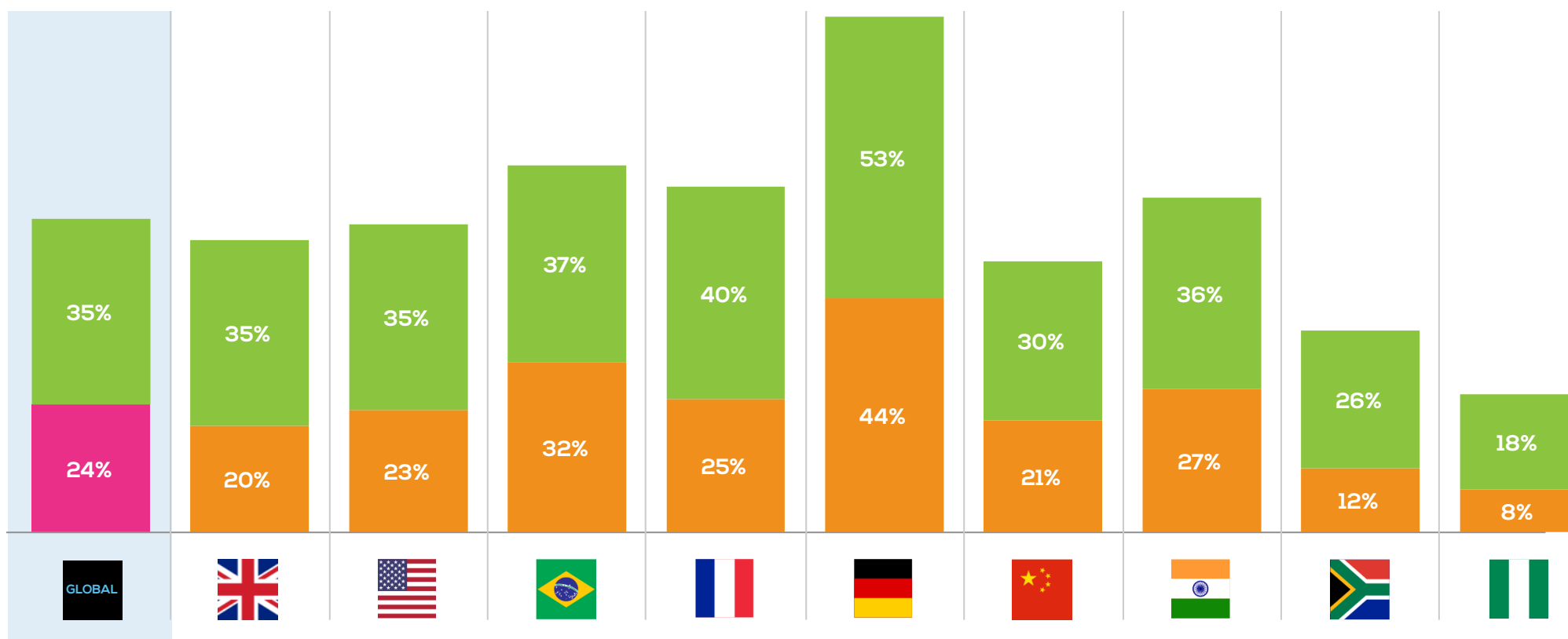


PLENTY OF SCOPE FOR GROWTH IN APPLICATION-TO-PERSON (A2P) MESSAGING

24% OF PEOPLE HAVE YET TO RECEIVE A TEXT FROM A BUSINESS

IN THE LAST 12 MONTHS, HAVE YOU **NOT** RECEIVED A TEXT MESSAGE (SMS) FROM AN ORGANISATION - OR **NOT** SENT OR RECEIVED A MESSAGE VIA ONE OF YOUR MESSAGING APPS?

■ SMS ■ App



PLENTY OF SCOPE FOR GROWTH IN APPLICATION-TO-PERSON (A2P) MESSAGING

For all the benefits of A2P messaging, the indications are that many businesses have yet to try it. The study reveals that almost one in four respondents has yet to receive an SMS from any of the verticals listed. More than one in three has yet to receive a chat app message from one of these enterprises.

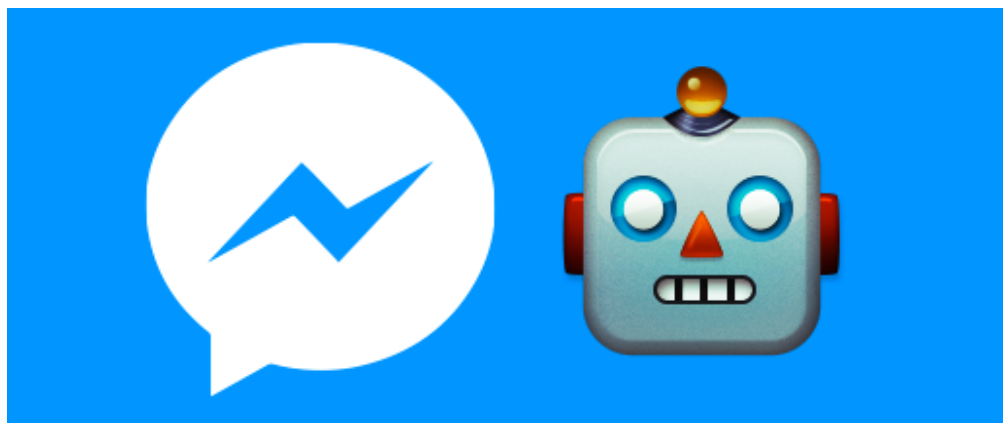
The consensus among industry analysts is that A2P is set to grow as a medium for corporate communications. Credence Research recently predicted enterprises would transmit two trillion messages a year by 2017 to create a market worth \$78m by 2022. Meanwhile Juniper Research said in 2015 that A2P SMS will be worth almost \$60 billion by 2018, up from \$55 billion in 2013.

MobileSquared has been more modest about A2P messaging. It says the market is currently worth around \$17 billion. But it is very bullish about the future – projecting more than 3x growth to a \$58 billion market by 2020.

One reason for the optimism surrounding A2P messaging is based on how easy integrating SMS has become. Companies have emerged that make it possible for developers to build apps that send messages to users entirely through software. Developers don't need to negotiate with MNOs or aggregators. They can just add a few lines of code. This functionality has helped a company like Uber to alert passengers that its driver is nearby. It's core to the success of the service. The app would be all but useless without it.

The next phase of A2P growth could herald an even more fundamental evolution in the relationship between enterprise and consumer - the shift towards 'conversational' commerce. This describes text-based communications between a customer and a business that happen in real-time - like a conversation. A major development in this space came earlier in 2016 when Facebook announced it would open up its Messenger app to host 'bots' that can hold automated conversations with people.

Essentially, customers will be able to 'chat' to a bot as if it were a human operator. And this all happens inside the messaging service. No need to download a separate retailer app or web site. Many believe conversational commerce could define the next phase of brand/consumer communications - and make messaging apps even more central to peoples' lives.



FINANCIAL SERVICES LEAD THE WAY FOR CONTACT BY SMS

ONE IN THREE PEOPLE HAVE RECEIVED AN SMS FROM A FINANCIAL INSTITUTION

There's no doubt about the industry vertical that does most to communicate with customers via text. The data shows that 33 per cent of people have received at least one text in the last 12 months from a banking/financial services company. That compares with 17 per cent for a school, 16 per cent from a healthcare provider and even 23 per cent from a retailer or e-commerce company.

Arguably there are two reasons for this. The first is that one time password texts form an important part of bank authentication (when setting up a new payee for example). Indeed, another finding shows that 'confirming a password' is the most common use-case for A2P SMS. It's been used by 30 per cent of people at least once in the last year.

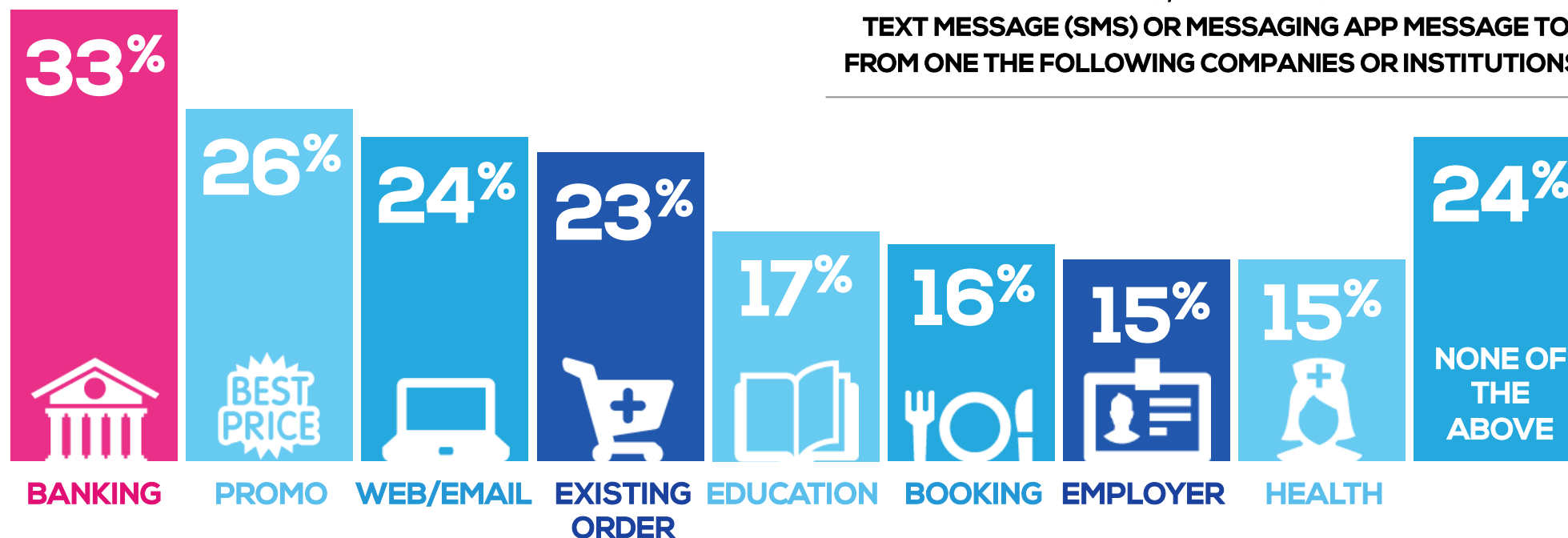
The other probable reason for so much text activity with banks may be savings on fees. In the UK, for example, text alerts have broadly replaced letters as a means of informing a customers they are near their overdraft limit. The ability to act on such an alert saves customers millions of pounds.

In fact, in 2015 The Financial Conduct Authority (FCA) said signing up to text alerts and mobile banking apps reduces the amount of unarranged overdraft charges incurred by up to 24 per cent.

These developments reflect a consistent migration away from physical banking services. All over the world new 'challenger' banks - Fidor, Number 26, Tandem, Mondo and many more - are opening that exist purely as digital entities based around apps.

Meanwhile branches are closing. According to SNL Financial, 1,614 branches closed in the US alone in 2015.

IN THE LAST 12 MONTHS, HAVE YOU SENT OR RECEIVED A TEXT MESSAGE (SMS) OR MESSAGING APP MESSAGE TO/ FROM ONE THE FOLLOWING COMPANIES OR INSTITUTIONS



NEARLY ONE IN SIX PEOPLE COMMUNICATE WITH HEALTHCARE PROVIDERS BY TEXT

IN THE UK, IT'S MORE THAN DOUBLE

Messaging provides obvious advantages when it comes to healthcare provision - for both patients and providers. Texts are cheaper and more convenient to send. They can be automated in a way that voice calls cannot. And they are not 'missed' as a phone call might be.

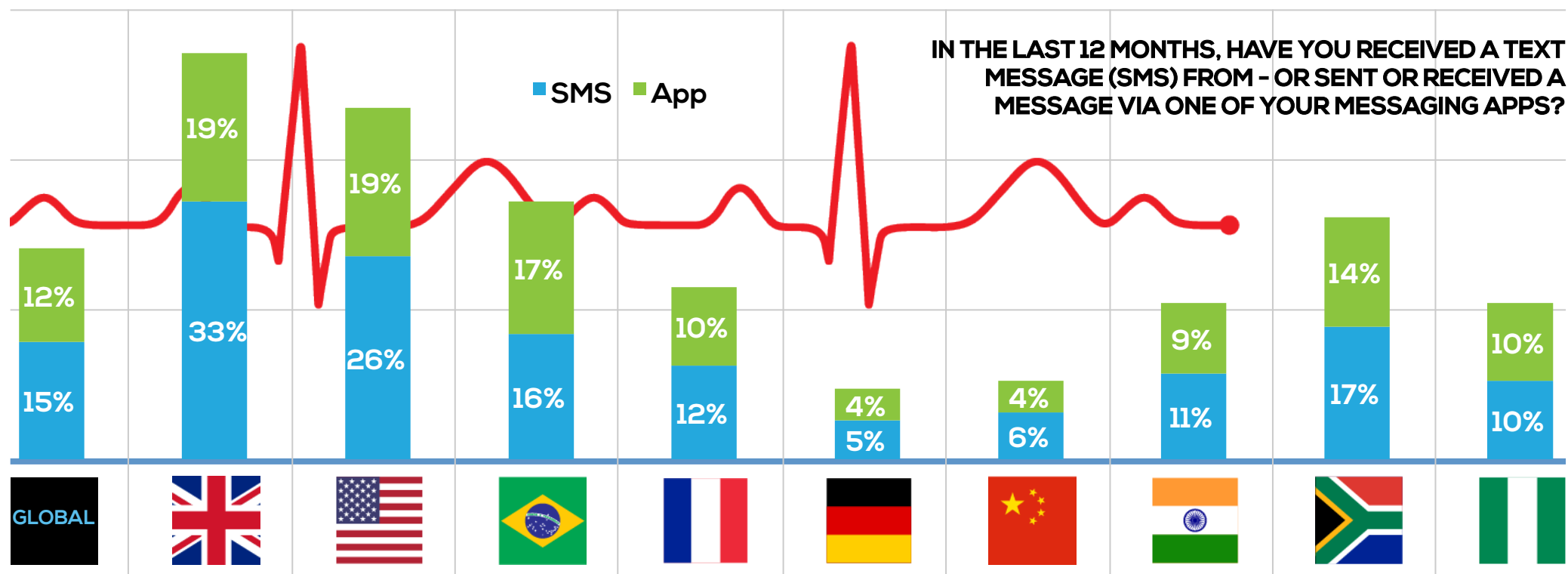
These benefits bestow both health and cost benefits. And this is why healthcare providers are now embracing text as a medium for appointment reminders, medication pickup notifications, daily tips, disaster/emergency hotlines and general health campaigns.

This study reveals 15 per cent of respondents have sent or received a text to/from a healthcare provider in the last year. 12 per cent have done so via a specialist messaging app.

The UK is the most enthusiastic adopter of A2P messaging for health. 33 per cent of Brits have corresponded this way, while 22 per cent have sent or received messages via OTT apps.

The study reveals real scope for growth in this area too. At present, for example, just six per cent of Chinese respondents use text for healthcare comms. Yet 21 per cent say they like to communicate most with providers through SMS.

Meanwhile there would seem to be room for more usage in Africa. Nigeria and South Africa lead the world in SMS comms for financial services - more than 50 per cent of respondents have sent or received texts here - but the rate for healthcare is low. It's just 10 per cent and 17 per cent respectively.



RETAIL COMMS: MOST MATURE MARKET USERS PREFER EMAIL TO TEXT

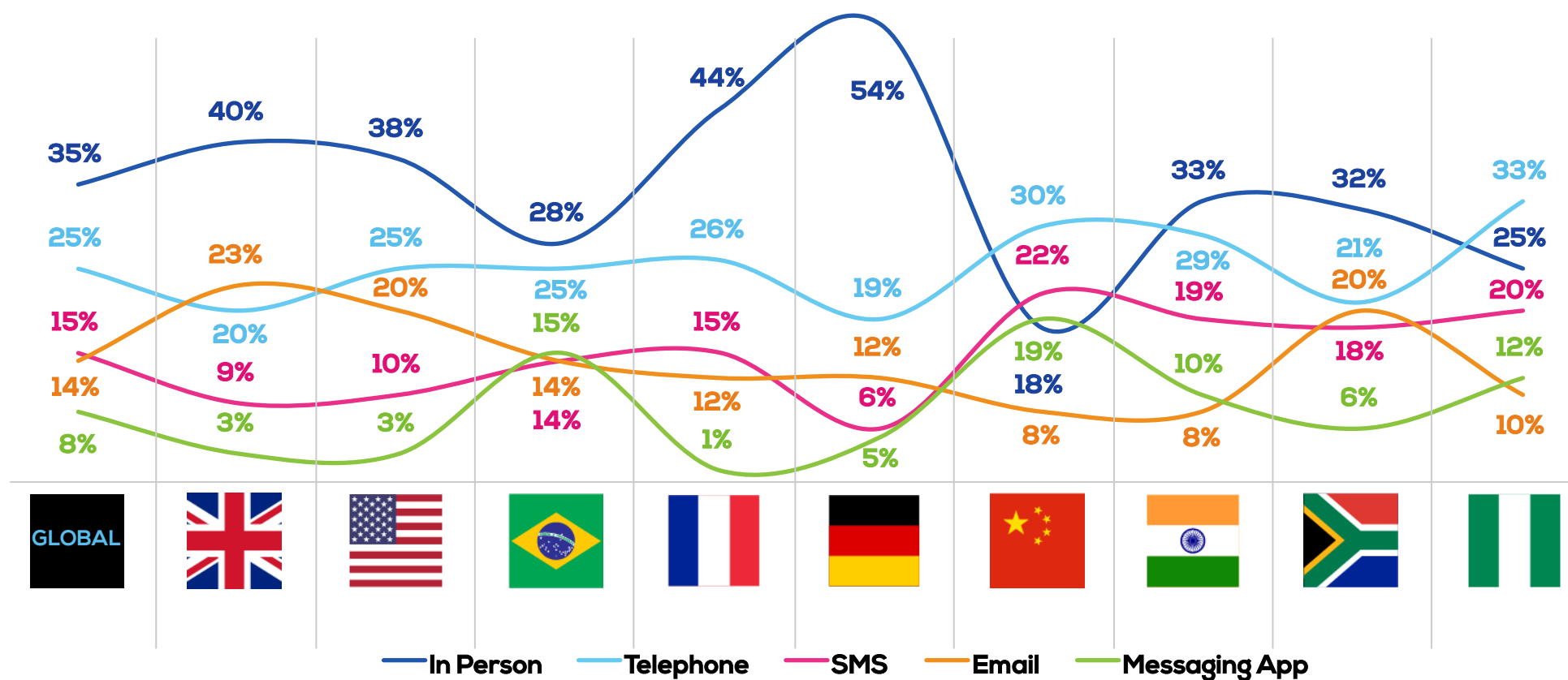
REVERSE IS TRUE IN MOST 'MOBILE FIRST' COUNTRIES

According to the study, people in the UK, US, Germany and South Africa would rather use email than SMS when communicating with retailers. It's an interesting finding, which says something about the highly personal nature of the mobile channel.

Industry research shows again and again that text is more 'effective' than email. A widely quoted stat says SMS has an open rate of 98 per cent, and that 90 per cent of people read an SMS message within the first three minutes of receiving it. Conversely, average open rates for email in 2015 were around 36 per cent.

Of course, there's a different picture in mobile-first countries. In China, India and Nigeria texts are much more welcome than email. One can assume that, because many people in these countries skipped the PC phase, they never embraced email in the same way as their Western counterparts.

HOW DO YOU MOST LIKE TO COMMUNICATE WITH YOUR: RETAILER



MOST POPULAR USE OF 'BUSINESS SMS'? CONFIRMING A PASSWORD

NEARLY ONE IN THREE HAVE DONE SO IN THE LAST YEAR

30 per cent of people have confirmed a password using SMS in the last 12 months. It's the most popular use of text to a business. The use of text to authenticate ID has risen sharply. This is because of 'two factor' authentication in which 'something you know' (a password) is supplemented with 'something you have' (a phone). This is far stronger than a password alone, which can be phished or guessed. Major organisations such as banks and tech giants have adopted the practice.

The study shows globally 25 per cent of people use chat apps to confirm passwords. It's a surprisingly high number, which could be explained by the enthusiastic adoption of OTT apps (notably WhatsApp) in mobile-first countries. It's also true that chat app providers sometimes use SMS for authentication, so respondents may believe they are confirming a password by OTT app when it's actually over the SMS channel.



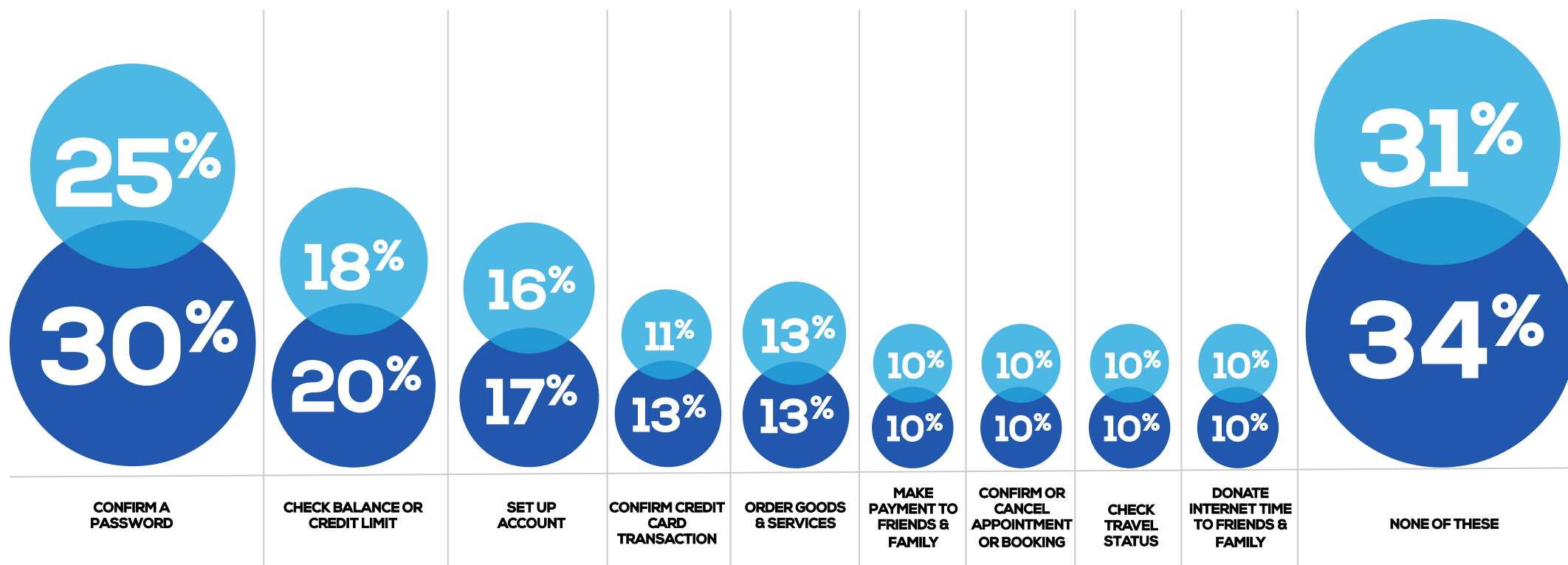
MOST POPULAR USE OF 'BUSINESS SMS'? CONFIRMING A PASSWORD

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IN THE LAST 12 MONTHS HAVE YOU SENT A MESSAGE VIA
TEXT (SMS) OR APP TO DO THE FOLLOWING?

VIA
APP

VIA
SMS



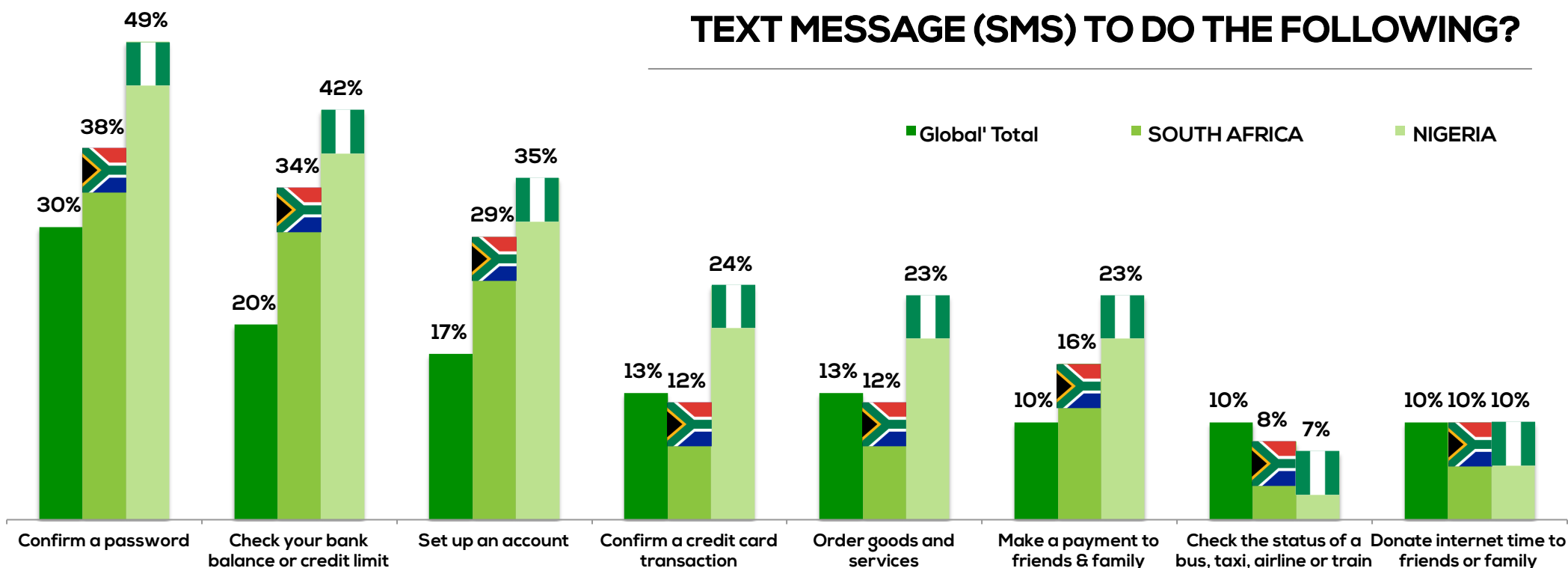
ENTERPRISE-TO-CONSUMER SMS INTERACTIONS: MOBILE-FIRST NATIONS ARE WAY OUT IN FRONT

SOUTH AFRICA AND NIGERIA OUTSCORE THE GLOBAL AVERAGE ON VIRTUALLY EVERY MEASURE – INCLUDING FRAUD

20 per cent of respondents across all countries have checked their bank balances with an SMS alert; in South Africa it's 34 per cent. In Nigeria, it's 42 per cent. This data point illustrates the extent to which new 'mobile first' nations have embraced B2C SMS more enthusiastically than their 'mature economy' counterparts.

Across virtually all use cases South Africa and Nigeria outscore the global average. The unfortunate flipside of this is that the problem of unsolicited texts is also far worse. 73 per cent of South Africans receive these texts at least once a week, and in Nigeria it's 76 per cent. Those are the two highest rates in the world.

IN THE LAST 12 MONTHS HAVE YOU SENT A TEXT MESSAGE (SMS) TO DO THE FOLLOWING?



THE 'NON-ARRIVAL' OF LOCATION-BASED MESSAGING: 37% HAVE NEVER RECEIVED AN LBS ALERT AND FOUR IN TEN OF THOSE THAT DID TOOK NO ACTION

The mobile industry has promised proximity based messaging for years, yet it appears no closer to producing results than ever. When the study asked 'have you ever acted on a message received from a company with an offer based on your physical location?', 37 per cent said no. And of those that did receive such messages, only 22 per cent responded.

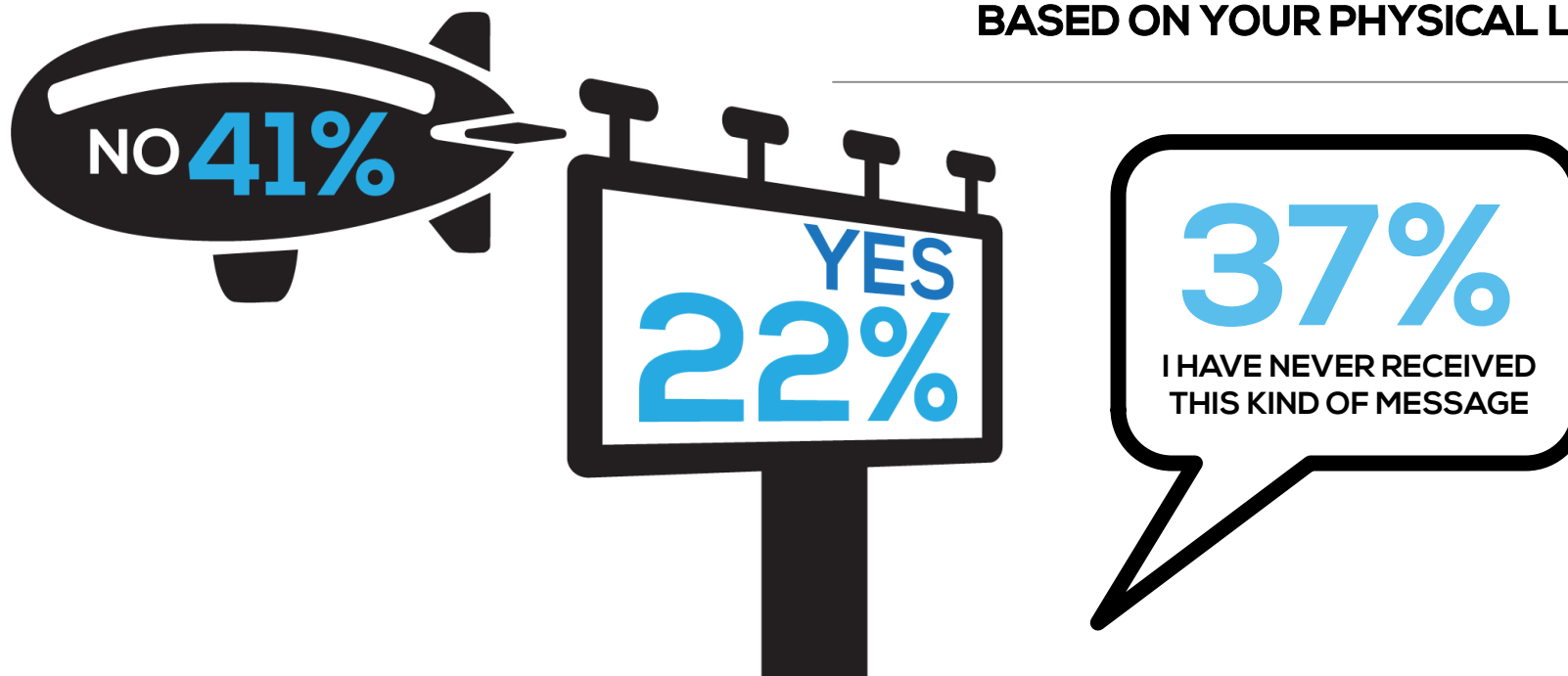
Although there are many ways to enable location-based messaging, the most-discussed channel is probably Beacons. These are small transmitters businesses can use to broadcast messages to any user nearby. However, these messages can only be received if the target has Bluetooth switched on and is running the app.

These considerable hurdles have held back Beacons. A 2015 survey conducted by Forrester found only three per cent of US use beacons. Moreover, Reveal Mobile's data suggested that Apple's own stores accounted for about 15 percent of the existing beacons (Apple launched its own protocol for connecting to Beacons in 2014).

An alternative location-based channel comprises dedicated apps like Gowalla and Foursquare. They invite people to check in to locations. These too have failed or evolved into different propositions.

Overall, it could be concluded that people appreciate location-centric information but they prefer to 'pull' it rather than have it pushed to them in the form of messaging. One intriguing combination could come via vouchers, with mobile marketing firms working with brands to send branded coupons to Apple Wallet (Passbook). They can be activated with location sensitive prompts. Brands like Honda, Chipotle, Gap and Old Navy use them.

HAVE YOU EVER ACTED ON A MESSAGE RECEIVED FROM A COMPANY WITH AN OFFER BASED ON YOUR PHYSICAL LOCATION?



COUNTRY OBSERVATIONS



THE CURIOUS CASE OF 'ANALOGUE' GERMANY

MORE THAN HALF OF GERMANS HAVE NOT RECEIVED A TEXT FROM A BUSINESS IN THE LAST YEAR

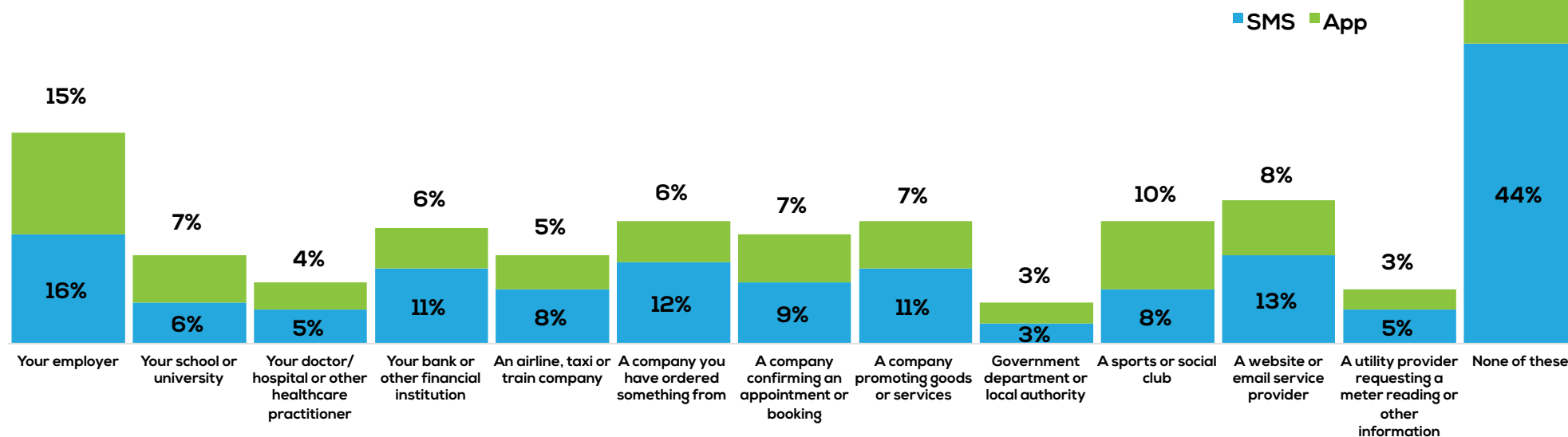


It's widely accepted that Germans are more reticent about some aspects of technology than their Western neighbours. Take credit cards, for example. According to a 2014 Federal Reserve report, roughly 80 per cent of all transactions in Germany are in cash. In the US, it's less than 50 per cent.

This ambivalence seems to extend to A2P messaging too. The data shows that 54 per cent of Germans prefer to communicate with retailers in person. That's easily the highest of all countries profiled in this study. It's a similar story in healthcare, where 41 per cent of Germans prefer the 'face to face' channel. Again, that's more than in any other mature economy.

This liking for in person communications might explain why Germany is least affected by SMS fraud; Germans just don't receive as many A2P texts as people in other countries. 31 per cent never get an unsolicited text message compared with 17 per cent in the UK and 14 per cent in France.

IN THE LAST 12 MONTHS, HAVE YOU RECEIVED A TEXT MESSAGE (SMS) TO ONE THE FOLLOWING COMPANIES OR INSTITUTIONS - OR SENT OR RECEIVED A MESSAGE VIA ONE OF YOUR MESSAGING APPS?



BRAZIL IS ONLY COUNTRY WHERE MORE BUSINESS MESSAGING IS DONE THROUGH CHAT APPS THAN SMS

17% LIKE COMMUNICATE WITH THEIR HEALTHCARE PROVIDER THIS WAY



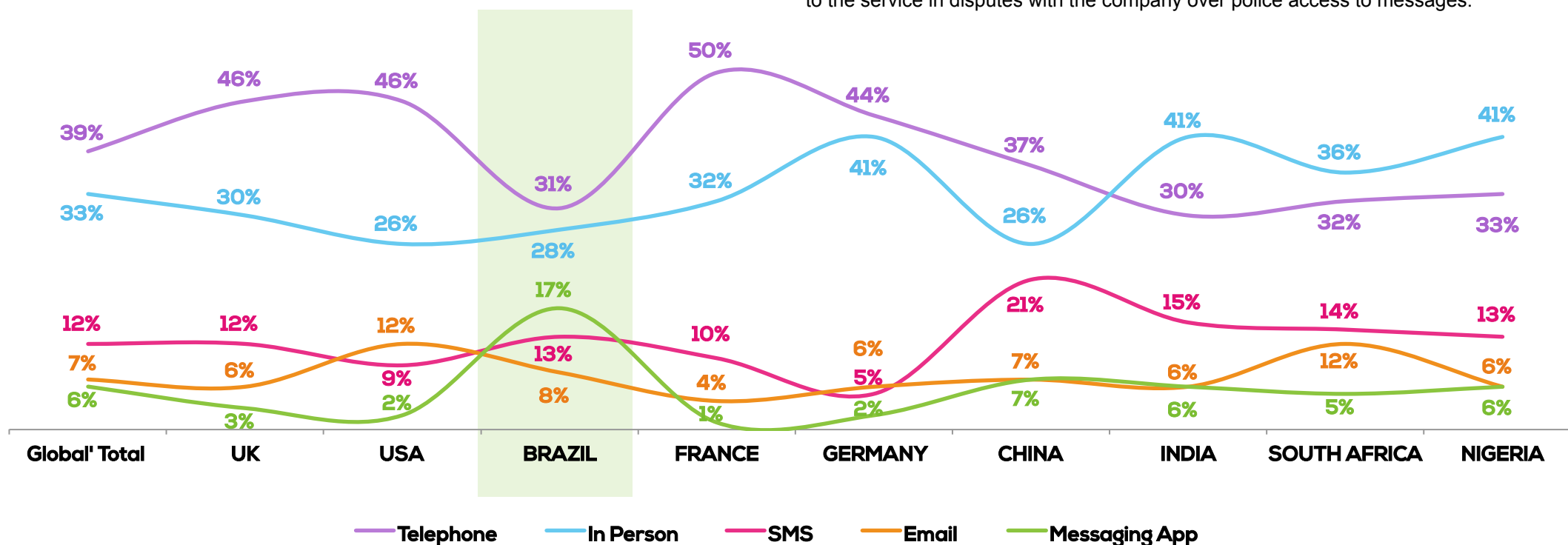
Brazilians have taken to messaging apps with fervour. More accurately they have taken to WhatsApp - which the locals call ZapZap. According to research, an estimated 96.2 per cent of Brazilians use it every day. This popularity has led businesses to employ the channel for customer relations.

HOW DO YOU MOST LIKE TO COMMUNICATE WITH YOUR: DOCTORS / DENTIST / HOSPITAL OR OTHER HEALTHCARE PROVIDER

Even the government is a user: Rio's city hall has a WhatsApp channel for answering questions about construction work ahead of the 2016 Summer Olympics.

This research reveals that, in some respects, Brazilians choose messaging apps over SMS when dealing with enterprises. It's the only country to do so. 17 per cent of Brazilians like to communicate with their healthcare provider through the channel, compared with 12 per cent for text and eight per cent for email. Phone and in-person are the top over choices for keeping in touch, but by a lesser margin than in any other country.

The huge popularity of WhatsApp in Brazil has led to legal complications. Criminals use WhatsApp like everyone else, and the government has twice blocked access to the service in disputes with the company over police access to messages.



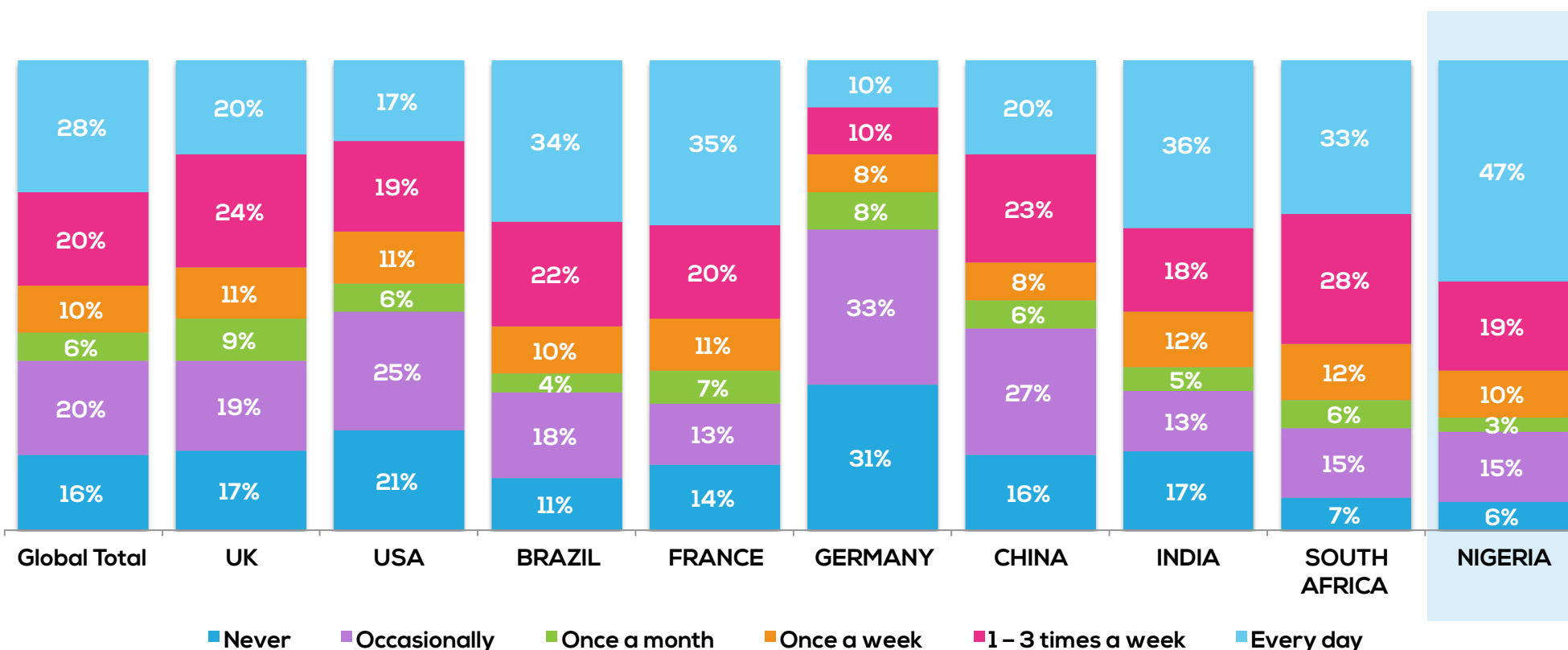
THREE QUARTERS OF NIGERIANS RECEIVE UNSOLICITED TEXTS EVERY WEEK ONLY 6% HAVE NEVER RECEIVED ONE



The problem of spam, phishing and other unwanted messages is growing – and it's worst of all in Nigeria. The research revealed that 47 per cent of Nigerians receive an unwanted text every day, and 76 get one every week.. it's the same story with messaging apps. Here, 63 per cent of Nigerians receive unsolicited comms every week.

Regrettably, Nigeria also tops the poll when it comes to the most phishing. 60 per cent of Nigerians say they have received a text from someone pretending to be someone else. Again, that's the highest figure in the survey. One can assume that the high quantity of unwanted texts is a by-product of the generally high level of enterprise Messaging in Nigeria. For example, 35 per cent of Nigerians have used text to set up an account against the 17 per cent global average.

HOW OFTEN DO YOU RECEIVE UNSOLICITED TEXT MESSAGES (SMS) MESSAGES



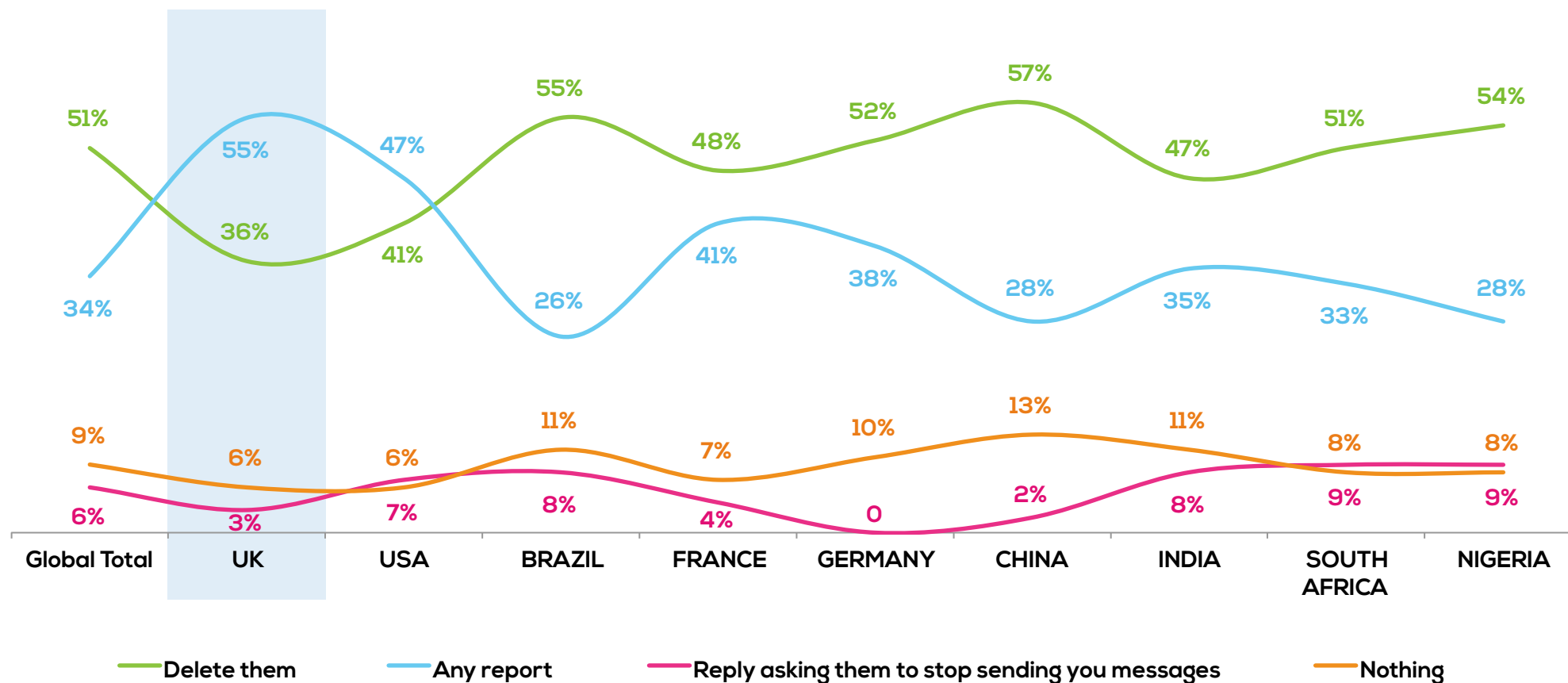
MORE THAN HALF OF BRITISH MOBILE USERS REPORT UNWANTED TEXTS

UK DOES MOST TO HIT BACK AT FRAUDSTERS



There are a handful of options available to anyone receive unwanted messages: delete, report, stop or unsubscribe, do nothing. Of all the countries in the study, only the UK does more reporting than deleting. 55 per cent of Brits say they most often respond to fraudulent SMS messages by reporting them. 36 per cent delete them. Meanwhile 36 per cent delete them. Everywhere else, the preference is to delete. The UK has a mature regulatory sector, which may explain this.

WHAT DO YOU USUALLY DO ABOUT THESE TEXT MESSAGES (SMS)?



FRANCE: THE TRUST EXTREMIST

VERY TRUSTING OF SMS; DEEPLY MISTRUSTFUL OF OTT APPS

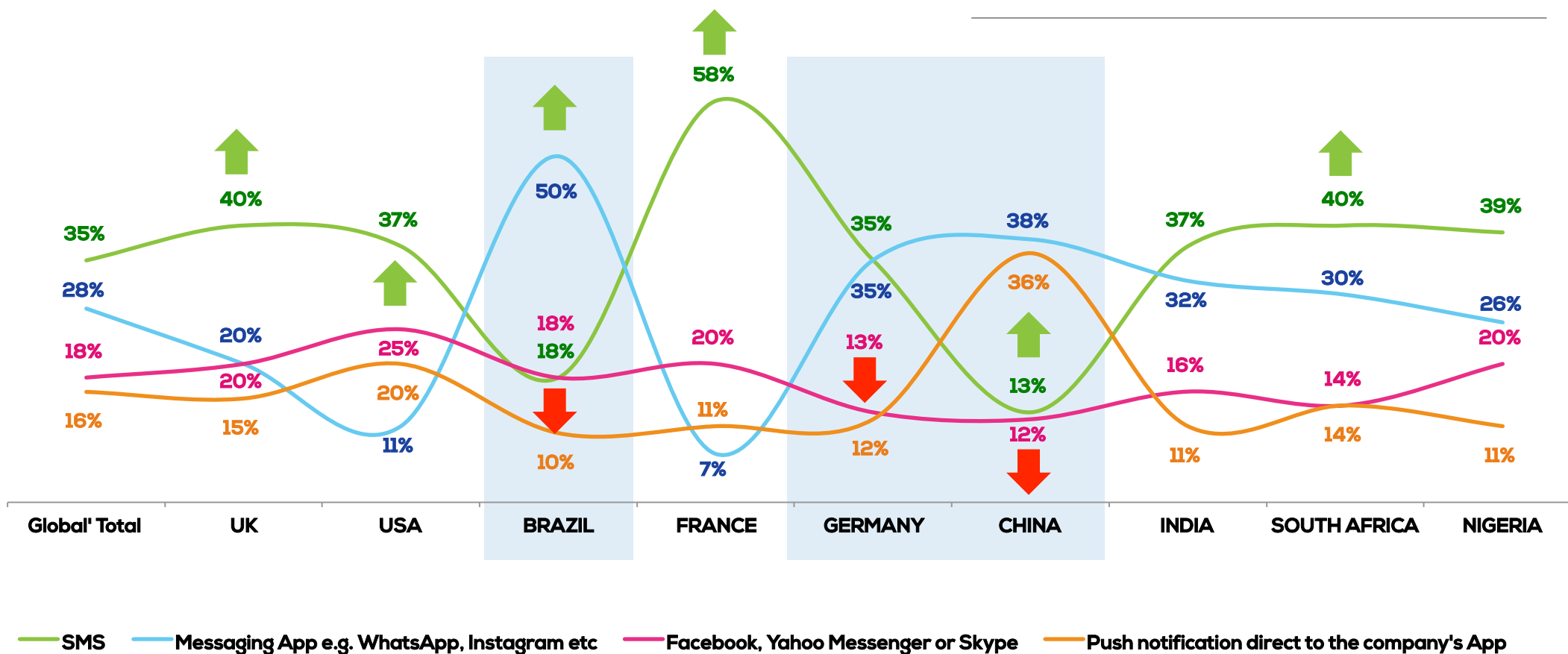


When asked 'What messaging service or app do you trust the most to communicate with companies?' no country is more extreme than France.

58 per cent of French mobile users trust SMS – easily the highest of all countries surveyed. It's 13 per cent in China, for example. And yet the level of trust in messaging apps is just seven per cent. That's easily the lowest.

The high level of trust in SMS in France is obviously linked to the overall usage of text. Indeed, 70 per cent of French people use SMS – the highest in the study.

WHAT MESSAGING SERVICE OR APP DO YOU TRUST THE MOST TO COMMUNICATE WITH COMPANIES?



AMERICANS DON'T 'DO' WHATSAPP

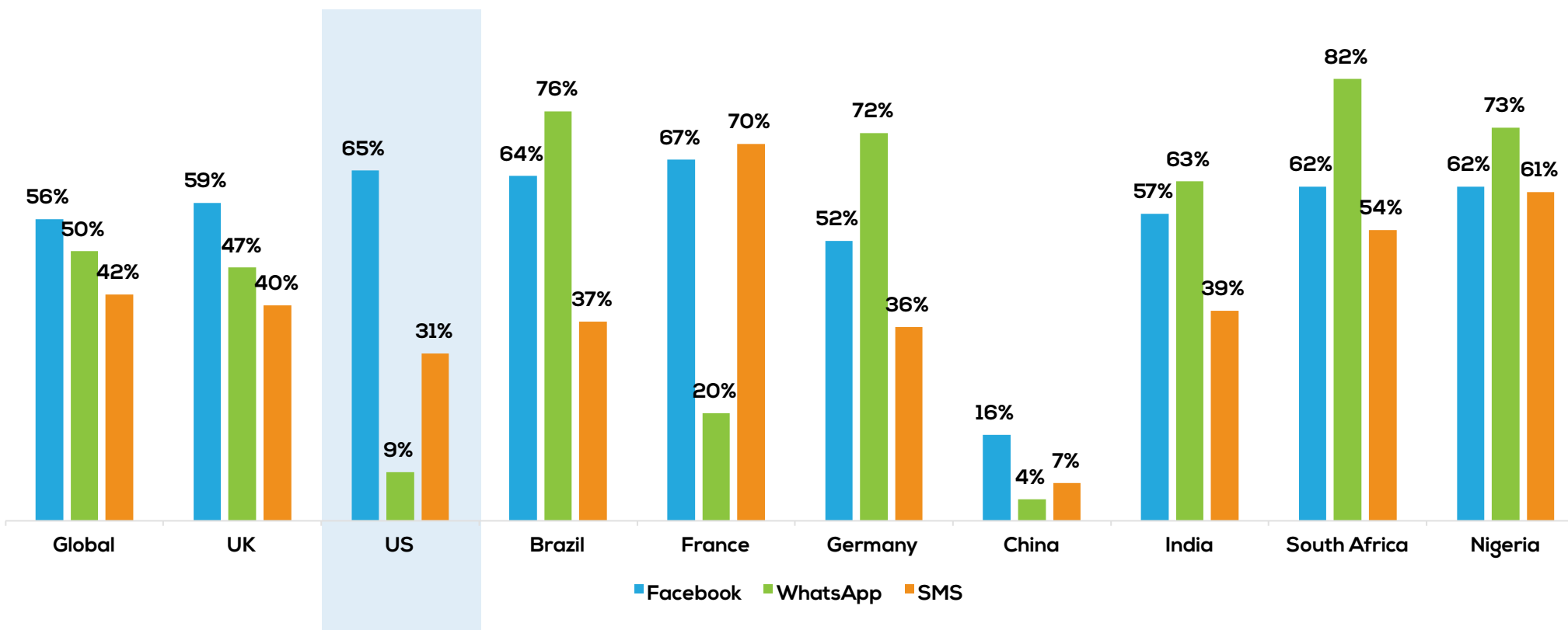
ONLY WECHAT-OBSESSED CHINA IS LESS INTERESTED



WhatsApp was made in the US. It's owned in the US. And it has more than one billion users. But most Americans ignore it. The study shows that just nine per cent of US respondents regularly use the app.

This phenomenon has been noted before. Most observers say it's because SMS is so cheap in the US. According to research firm Ovum, the big three carriers in the US have offered free voice calling and SMS with almost any phone bundle since 2010.

Of course there's more to OTT apps than fixed-fee unlimited messaging. There is also extra functionality. And it looks as if US users are cottoning on to this – though via Facebook Messenger rather than WhatsApp. 65 per cent of Americans use Facebook Messenger. Though adoption is above 50 per cent everywhere (except China), that's still the highest in the study.



CHINA: SMS THRIVES ALONGSIDE OTT APPS

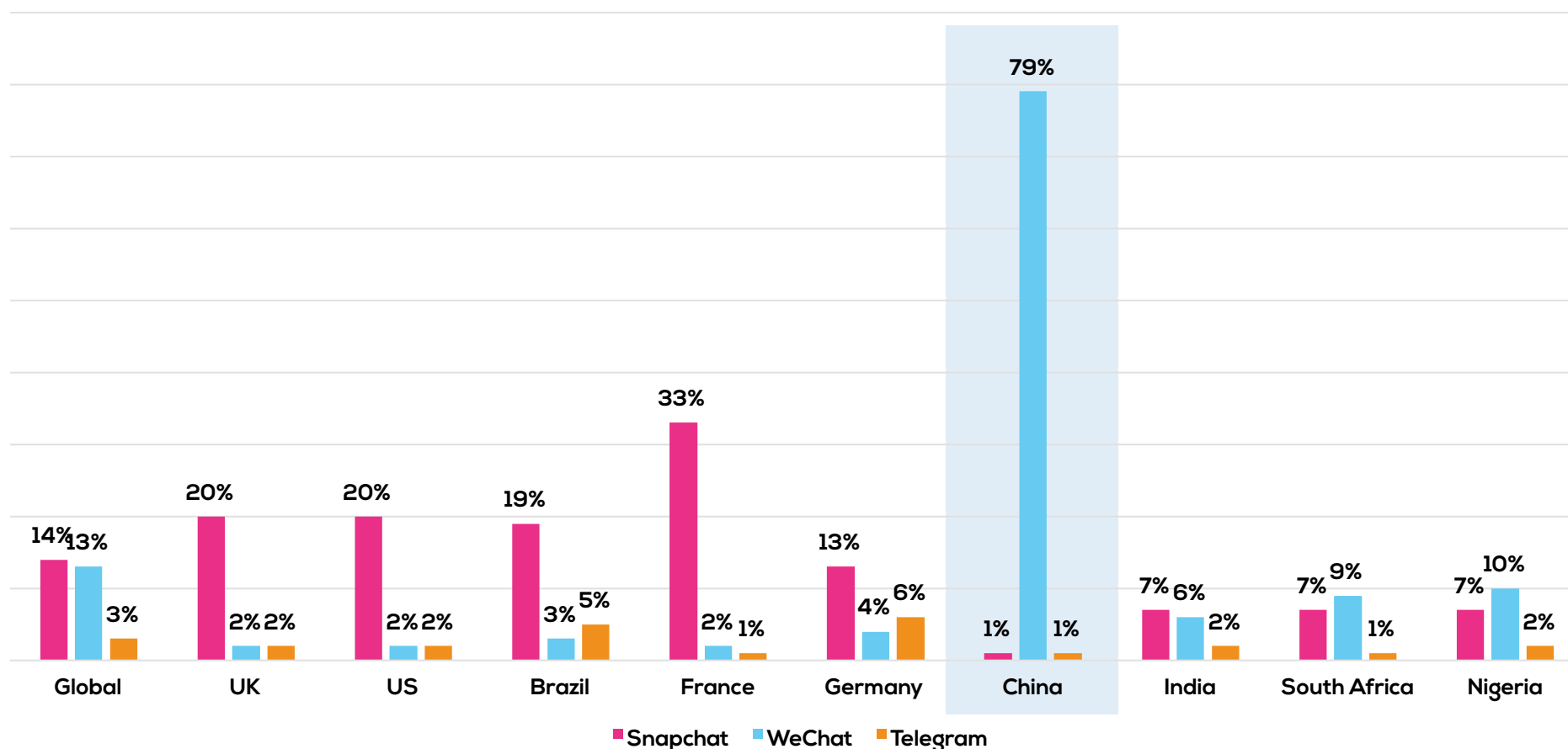
TEXT IS USED MORE FOR ENTERPRISE MESSAGING THAN WECHAT



China's obsession with WeChat is well documented. The messaging app is far more than just that – an app for messaging. Instead, it's become a proxy for the whole internet – a platform for communications, entertainment, banking, shopping and more. Connie Chan, a partner at VC Andreessen Horowitz, said: "WeChat is more like a browser for mobile websites, or, arguably, a mobile operating system — complete with its own proprietary app store."

WeChat has over 700 million users. This study reveals 79 per cent of Chinese use it regularly. So has this dedication to WeChat weakened SMS? Apparently not.

The research shows that Chinese mobile users still prefer text for their comms with enterprises. 21 per cent like it best for dealing with their healthcare provider, against just seven per cent for messaging app. And even with retailers, Chinese people just about prefer text – by 22 per cent to 19 per cent over OTT apps.



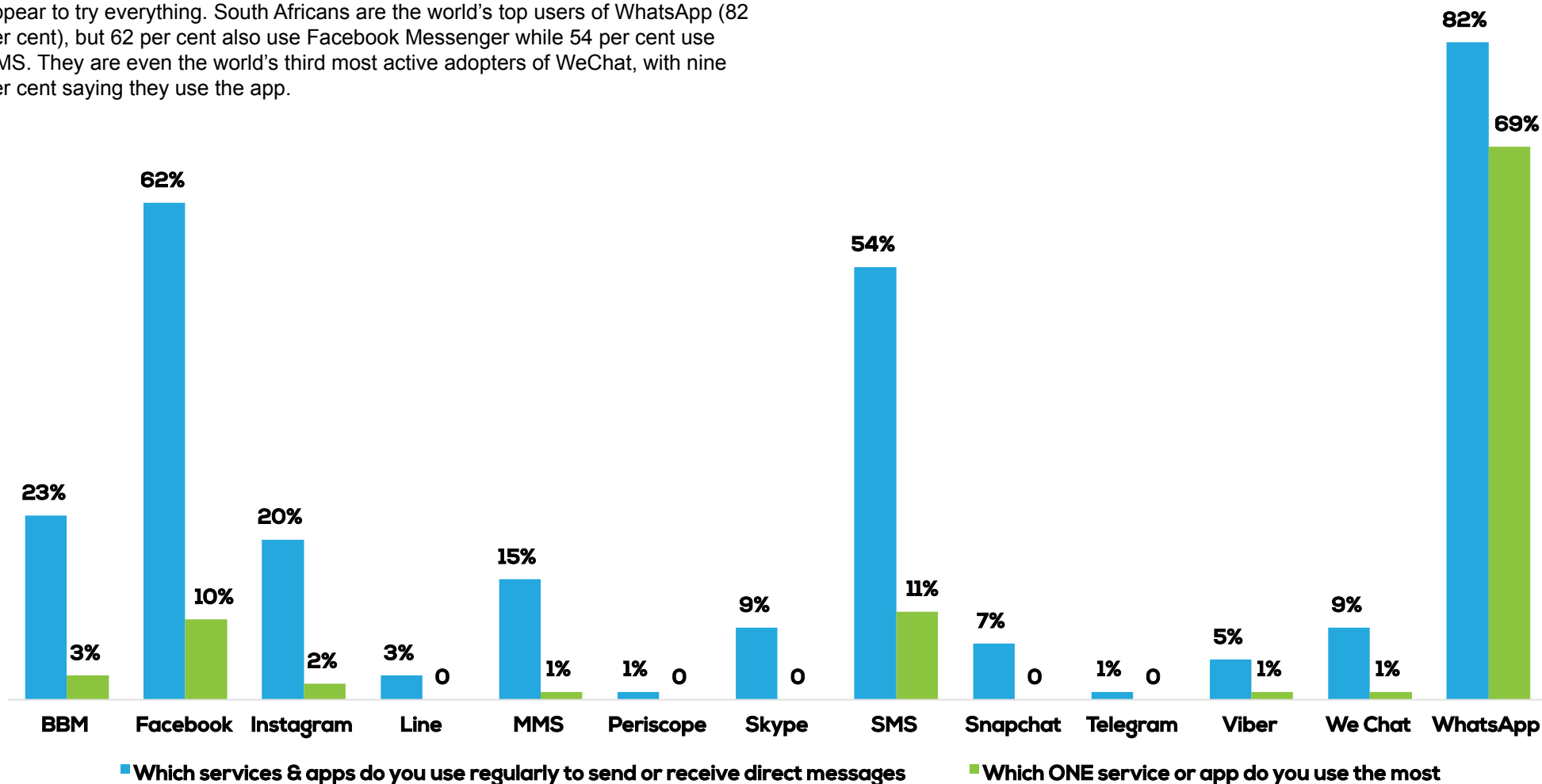
SOUTH AFRICA: THE COUNTRY THAT LOVES MESSAGING THE MOST

TOP USERS OF WHATSAPP



Most countries in the survey are selective about their channels for messaging. They choose their favourites and stick with them.

Not South Africa. Its users are the most 'democratic' in the messaging habits. They appear to try everything. South Africans are the world's top users of WhatsApp (82 per cent), but 62 per cent also use Facebook Messenger while 54 per cent use SMS. They are even the world's third most active adopters of WeChat, with nine per cent saying they use the app.



ONE THIRD OF INDIAN USERS REGULARLY SEND OR RECEIVE TEXTS FROM BANKS

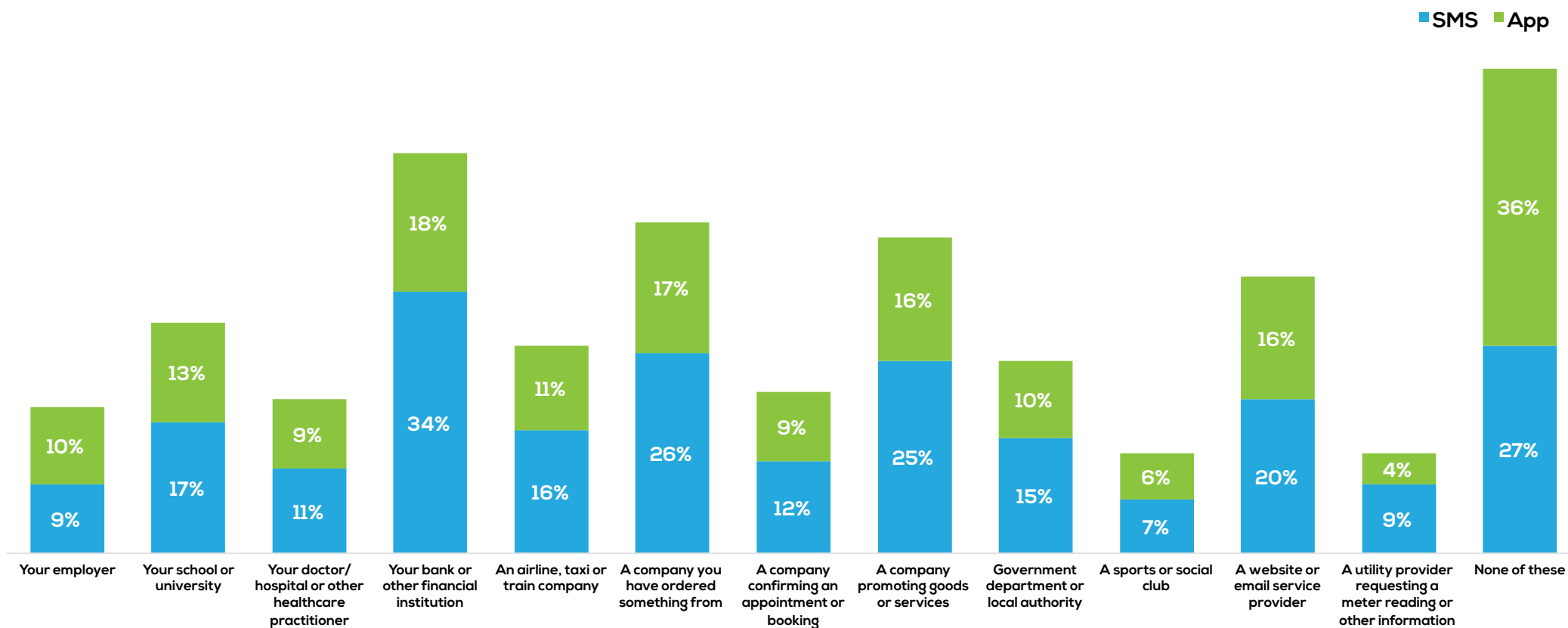
FINANCIAL SERVICES IS THE COUNTRY'S TOP A2P VERTICAL



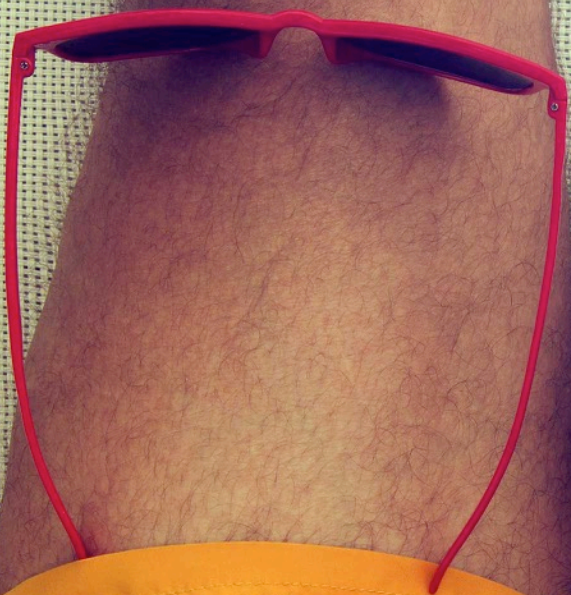
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IN THE LAST 12 MONTHS, HAVE YOU RECEIVED A TEXT MESSAGE (SMS) TO ONE THE FOLLOWING COMPANIES OR INSTITUTIONS - OR SENT OR RECEIVED A MESSAGE VIA ONE OF YOUR MESSAGING APPS?



ABOUT THE REPORT



ABOUT THE SURVEY

MEF's Mobile Messaging Survey 2016 was commissioned by global trade body Mobile Ecosystem Forum.

The field study was carried out by On Device Research in Q2 2016. It questioned nearly 6000 mobile media users in 9 countries, namely: Brazil, China, France, Germany, India, Nigeria, South Africa, UK and US.

The study digs deep into consumer trends and attitudes, providing insight and analysis on their wider industry impact. The report delivers insight that can help all stakeholders in the mobile ecosystem exploit the rich opportunities that mobile messaging provides.



THANKS TO OUR PARTNERS



About Mblox

Mblox is the largest independent cloud based mobile messaging provider in the world, trusted by more companies to carry their mission-critical traffic than any other service

As the industry's most experienced Tier One SMS aggregator, we specialize in the unique demands of large-scale mobile messaging programs and are known for providing reliable, uncompromising connections.

By creating positive brand experiences, we help clients transform numbers into profitable relationships with loyal customers.

For more information visit www.mblox.com



About On Device Research

On Device Research is a research company that gathers responses on mobile devices - so far we've sent over 2.3 million surveys across 53 countries.

By conducting research on mobile phones and tablet computers we can reach consumers wherever they are, at any time and in any location.

Mobile research also brings fresh, instant responses that accurately capture consumers' feelings, thoughts and opinions.

For more information visit www.ondiceresearch.com

QUESTIONNAIRE

- Which services & apps do you use regularly to send or receive direct messages on your mobile device (excluding email). Please tick all that apply
- Which ONE service or app do you use the most (select one) to send & receive direct messages on your mobile device (excluding email)
- In the last 12 months, have you received a text message (SMS) from the following companies or institutions? Please tick all that apply
- In the last 12 months, have you sent or received a message via one of your messaging apps to talk to the following companies or institutions? Please tick all that apply
- In the last 12 months have you sent a text message (SMS) to do the following? Please tick all that apply
- And in the last 12 months have you sent a message from one of your messaging apps to do the following? Please tick all that apply
- How do you most like to communicate with your.....: Bank
- How do you most like to communicate with your.....: Doctors / dentist / hospital or other healthcare provider
- How do you most like to communicate with your.....: Retailer
- What messaging service or app do you trust the most to communicate with companies? (Select one)
- How often do you receive... Unsolicited Text messages (SMS) messages
- How often do you receive... Unsolicited direct messages via your Messaging App (e.g. WhatsApp)
- If you receive unsolicited text messages what do you usually do? Please tick one option that you do most often
- If you receive unsolicited direct messages from a Messaging App (e.g. WhatsApp) what do you usually do? Please tick one option that you do most often
- Have you ever acted on a message received from a company with an offer based on your physical location? E.g. get a free cake when you buy a coffee from a shop you are close to.
- Have you ever received a text message (SMS) from someone pretending to be someone they are not, e.g., your bank or a company that you have an online account with, asking for personal account information or for money?
- What do you usually do about these text messages (SMS)? Please tick one option that you do most often
- Have you ever received a direct message from your messaging app (e.g. WhatsApp) from someone pretending to be someone they are not, e.g., your bank or a company that you have an online account with, asking for personal account information or for money?
- What do you usually do about these messages that were sent to your messaging app (e.g. WhatsApp)? Please tick one option that you do most often



ANNEX


















WHICH SERVICES & APPS DO YOU USE REGULARLY TO SEND OR RECEIVE DIRECT MESSAGES ON YOUR MOBILE DEVICE (EXCLUDING EMAIL).

	GLOBAL Total									
Facebook	56%	59%	↑ 65%	↑ 64%	↑ 67%	52%	16%	57%	↑ 62%	↑ 62%
WhatsApp	50%	47%	9%	↑ 76%	20%	↑ 72%	4%	63%	↑ 82%	↑ 73%
SMS	42%	40%	31%	37%	↑ 70%	36%	7%	39%	↑ 54%	↑ 61%
Instagram	21%	23%	↑ 26%	↑ 27%	23%	23%	9%	15%	20%	22%
Snapchat	14%	↑ 20%	↑ 20%	↑ 19%	↑ 33%	13%	1%	7%	7%	7%



Country: GLOBAL LEVEL Date: 2016 Base: Total respondents (5850), Per market (650)
Significantly higher/lower. Tested at 95% confidence interval.

WHICH SERVICES & APPS DO YOU USE REGULARLY TO SEND OR RECEIVE DIRECT MESSAGES ON YOUR MOBILE DEVICE (EXCLUDING EMAIL).

	GLOBAL Total									
MMS	13%	 17%	 22%	4%	38%	5%	5%	3%	15%	7%
Skype	13%	14%	14%	16%	 18%	17%	5%	12%	9%	11%
We Chat	13%	2%	2%	3%	2%	4%	 79%	6%	9%	10%
BBM	10%	7%	3%	2%	2%	2%	6%	5%	 23%	 44%
Telegram	3%	2%	2%	5%	1%	6%	1%	2%	1%	2%
Periscope	2%	2%	4%	2%	6%	2%	1%	1%	1%	1%

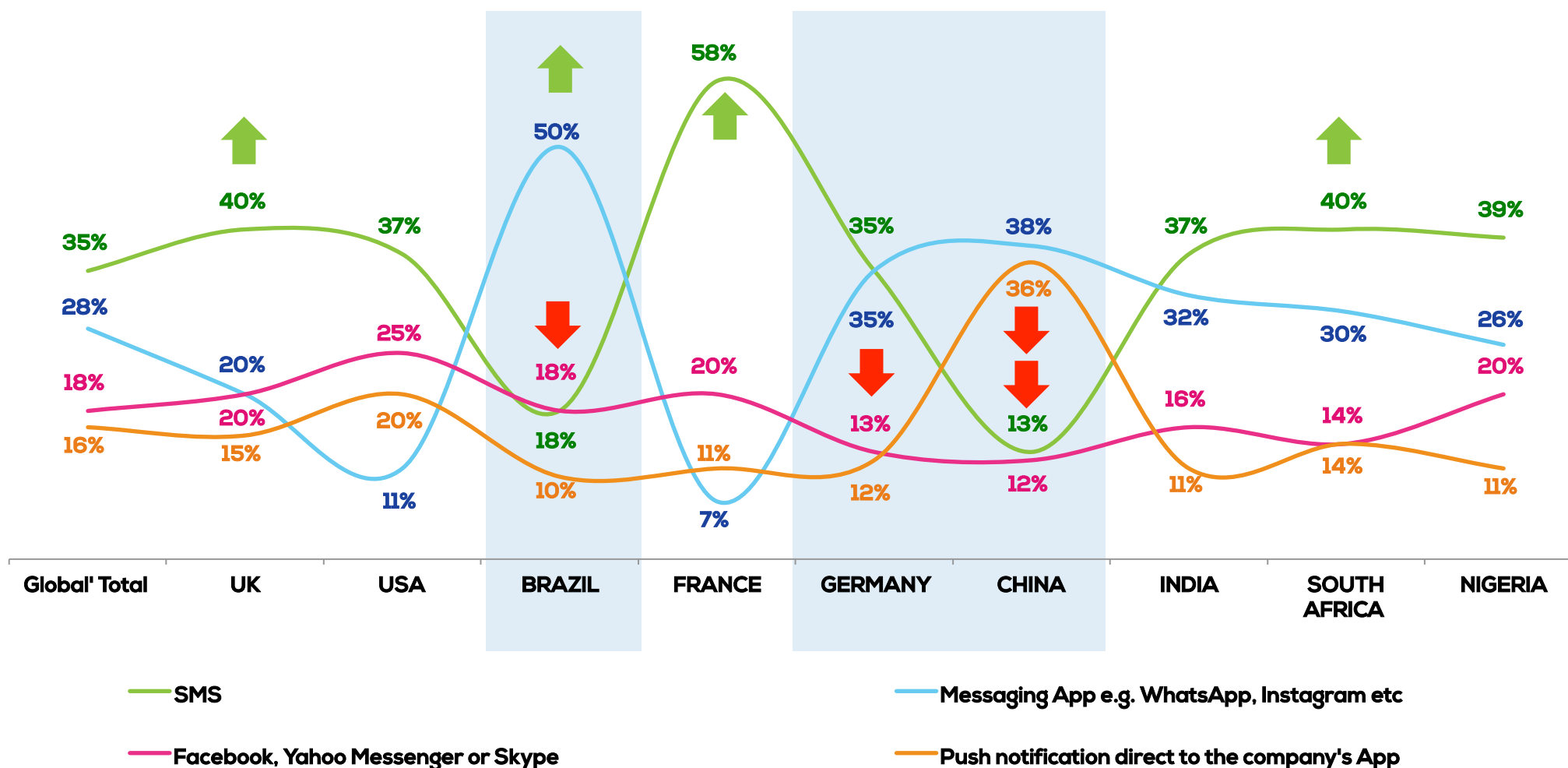


Country: GLOBAL LEVEL Date: 2016 Base: Total respondents (5850), Per market (650)
Significantly higher/lower. Tested at 95% confidence interval.



TRUST IN SMS TRACKS HIGHER THAN ALL OTHER MESSAGING APPS APART FROM IN BRAZIL AND CHINA

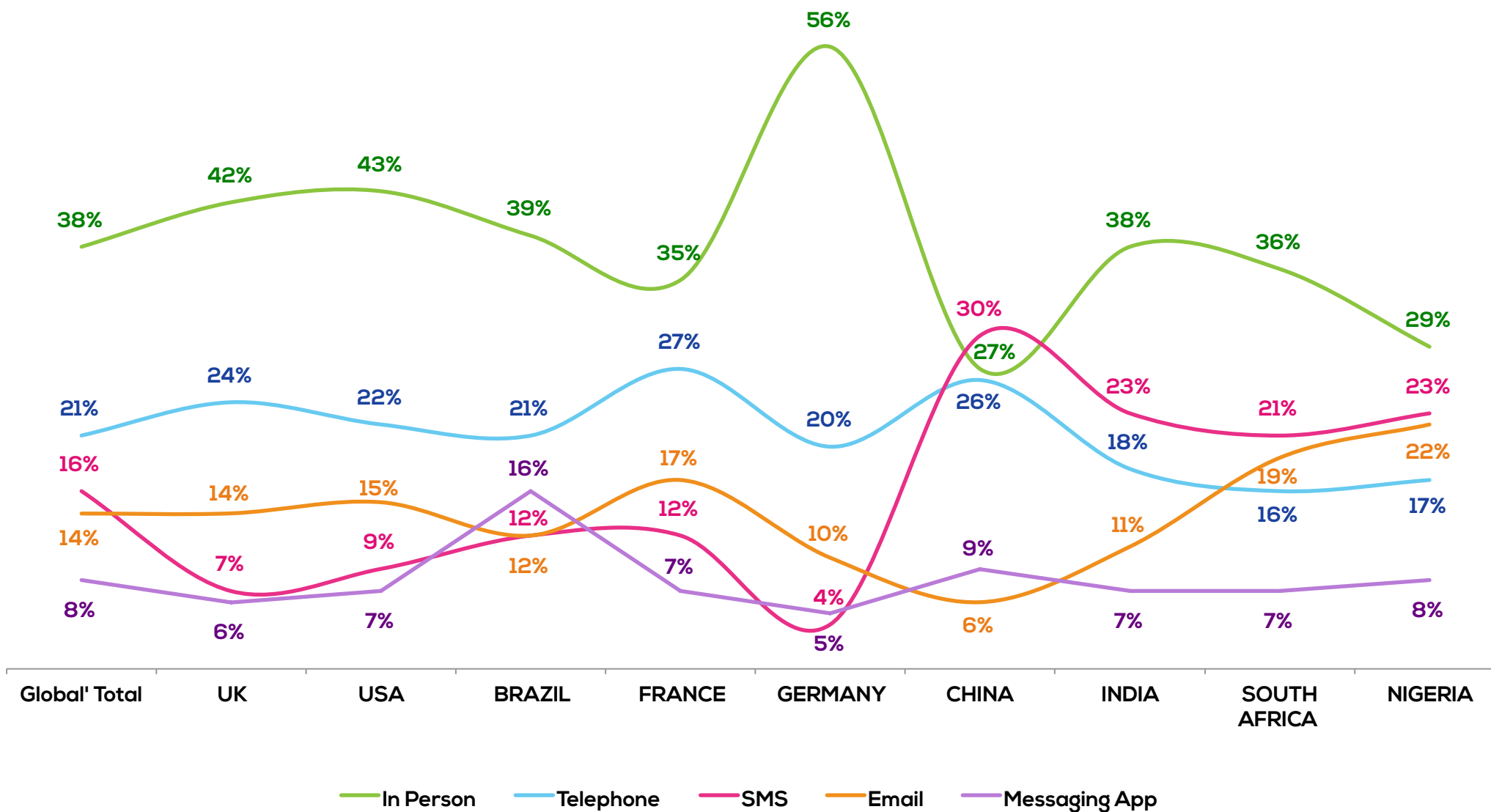
WHAT MESSAGING SERVICE OR APP DO YOU TRUST THE MOST TO COMMUNICATE WITH COMPANIES?



Country: GLOBAL LEVEL Date: 2016 Base: Total respondents (5850), Male (3394), Female (2456), 16-24 (2073), 25-44 (3036), 45+ (741)
Significantly higher/lower. Tested at 95% confidence interval.

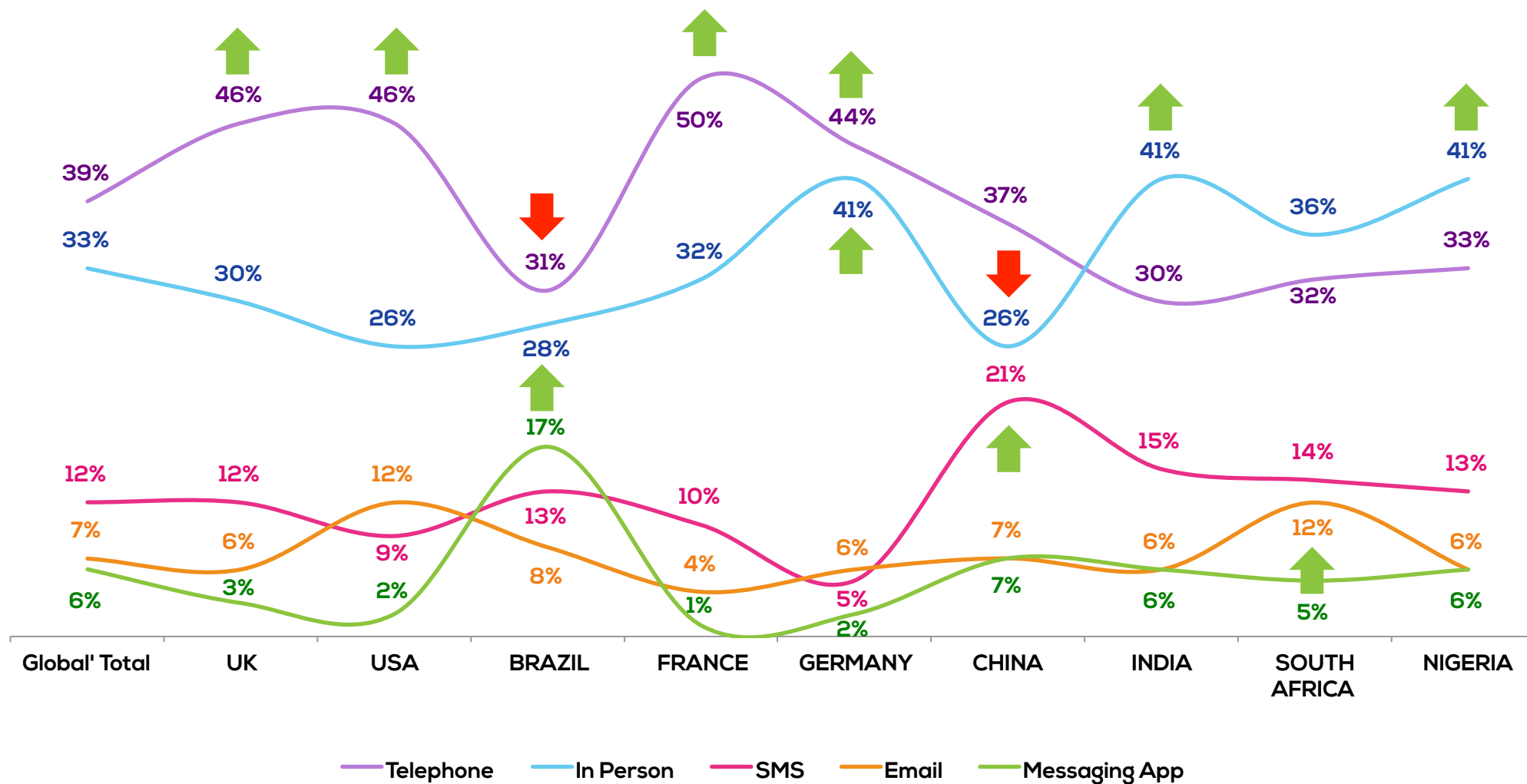


HOW DO YOU MOST LIKE TO COMMUNICATE WITH YOUR BANK?





HOW DO YOU MOST LIKE TO COMMUNICATE WITH YOUR DOCTORS/ DENTIST/HOSPITAL OR OTHER HEALTHCARE PROVIDER?



Country: GLOBAL LEVEL Date: 2016 Base: Total respondents (5850), Male (3394), Female (2456), 16-24 (2073), 25-44 (3036), 45+ (741)
Significantly higher/lower. Tested at 95% confidence interval.



ABOUT MEF

The Mobile Ecosystem Forum is a global trade body that acts as an impartial and authoritative champion for addressing issues affecting the broadening mobile ecosystem. We provide our members with a global and cross-sector platform for networking, collaboration and advancing industry solutions. The goal is to accelerate the growth of a sustainable mobile ecosystem that drives inclusion for all and delivers trusted services that enrich the lives of consumers worldwide. Established in 2000 and headquartered in the UK, MEF has Regional Chapters across Africa, Asia, Europe, Middle East, North and Latin America.



The editorial and analysis in MEF's Mobile Messaging Report 2016 contains references to third party products, services and metrics. This data is sourced by the author from official press material distributed by the companies concerned. Its inclusion does not represent a recommendation by the MEF or the authors of this report in anyway. All other trademarks are the property of their respective owners.

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