



Mobile Messaging Apps

An Opportunity for Brands

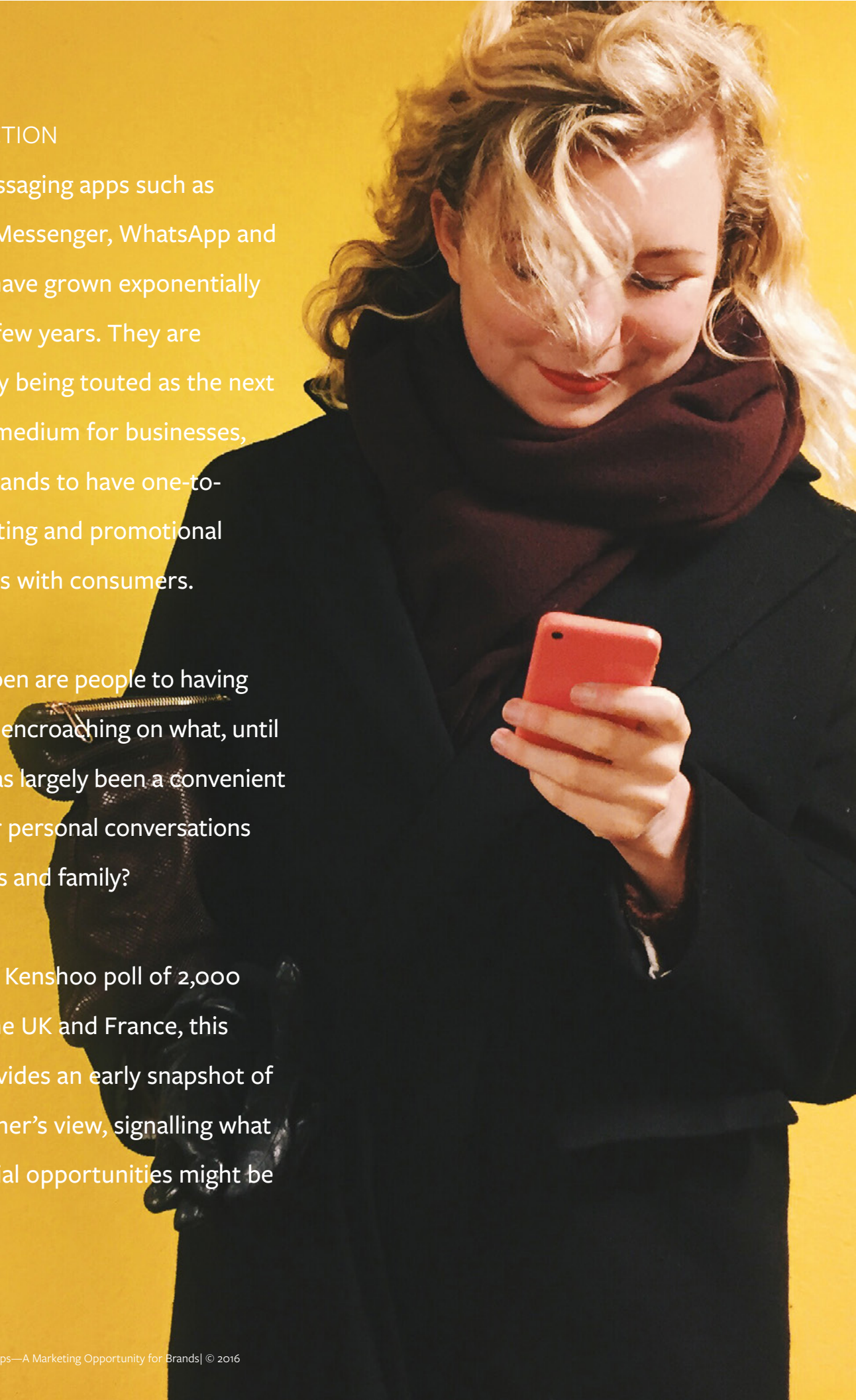


INTRODUCTION

Mobile messaging apps such as Facebook Messenger, WhatsApp and Snapchat have grown exponentially in the last few years. They are increasingly being touted as the next big digital medium for businesses, allowing brands to have one-to-one marketing and promotional interactions with consumers.

But how open are people to having businesses encroaching on what, until recently, has largely been a convenient channel for personal conversations with friends and family?

Based on a Kenshoo poll of 2,000 adults in the UK and France, this report provides an early snapshot of the consumer's view, signalling what the potential opportunities might be for brands.





The Rise of Messaging Apps

Across the globe, messaging apps are becoming mainstream. [Over 1 billion people now use Facebook Messenger](#) (11% of the world's population), with similar numbers logging onto Facebook owned WhatsApp every month. The combined user-base of the top four messaging apps [is now greater than that of the top four social networks](#). According to eMarketer, in Western Europe [more than 149 million consumers are now using messaging apps](#), with 29.8 million in the UK alone. In France, the number of people using messaging apps grew from 18.4 million to 21.4 between 2015 and 2016.

While they began as an alternative to text messaging, the scope of services offered by messaging apps is increasing dramatically. In addition to peer-to-peer conversations and sharing of photos and video, consumers can now interact with brands, play games, as well as order and (in

some cases) pay for goods and services. As noted venture capitalist Mary Meeker points out [in her latest internet trends report](#), they are evolving from supporting simple social conversations to business related ones due to their ease of use and ability to store and access information through a single app. Over a billion messages are sent every month between businesses and consumers on Facebook Messenger alone, double the number in 2015.

Given their reach and strong engagement numbers (57% of WhatsApp users [use it more than once a day](#)), major brands are increasingly embracing messaging apps. Uber has integrated with Facebook Messenger, enabling users to order taxis through the platform. Hyatt Hotels allows people to [use Messenger](#) to check room availability, make reservations and order room service. And beauty brand Estee Lauder has launched a [UK shopping service](#)

[that allows consumers to order products via Facebook Messenger](#) and get them delivered in just 60 minutes.

To help drive wider adoption among businesses, messaging apps have been expanding the functionality they offer. In the USA, Western Europe and many other parts of the world Facebook Messenger is the front runner, bringing in a number of innovative features during 2016 to help support brand interactions:

- The Facebook Messenger platform enables businesses to create chatbots that use artificial intelligence (AI) to automate communication with consumers. [Over 30,000 bots have been created](#), doing everything from confirming reservations and sending delivery notifications to pulling in web views from websites (so the consumer can scroll product pages, hotel rooms or flights for example); even allowing users to make payments and participate in games. All of this is possible without the consumer ever having to leave the app environment - and consumers can also share bots they enjoy with friends and family.
- Facebook Messenger's [sponsored messages](#) are ads or promotional messages that can be shown to people that have already opened a conversation with the advertiser. The brand can include one image and link and consumers have the power to block businesses if they do not wish to receive messages from them.
- Facebook News Feed ads have been [extended to allow advertisers to display a direct link into Messenger](#). Advertisers can use call-to-actions such as 'shop now' or 'learn more' which automatically open up a conversation thread in Messenger when clicked. They allow brands to move from mass targeting to one-on-one conversations with individual customers.
- Facebook's 2016 roadmap presentation emphasises the power of search in the context of Messenger and WhatsApp, meaning we can expect that advertising within messaging apps will increasingly be driven by nuanced signals – such as highly personalised messages triggered by in-moment conversations.

Which Apps do People Use Most?

According to the survey, Facebook Messenger and WhatsApp are the dominant messaging apps in both the UK and France, Snapchat and Skype are next, while less than a third (29%) don't use any phone messaging apps at all.

MESSAGING APP	UK	FRANCE	OVERALL
WhatsApp	50%	30%	40%
Facebook Messenger	48%	53%	51%
Google Hangouts	7%	9%	8%
Snapchat	17%	23%	20%
Viber	7%	12%	10%
Skype (Mobile IM)	15%	26%	20%
None	30%	28%	29%

Unsurprisingly, when the study analysed millennials (those aged 18-34), 90% were found to be using messaging apps. Across France and the UK, 72% of millennials say they are Facebook Messenger users, with 57% on WhatsApp and 40% on Snapchat.

Are Consumers Open to Messaging Interactions with Brands?

Over half of messaging app users (53% in UK and 51% in France) have either already interacted with brands via a messaging app or are open to doing so – as long as they can selectively block those brands that they do not wish to interact with. In fact, only 28% of messaging users across UK and France said they are not interested in interacting with companies over this channel.

Among the Facebook Messenger users in the sample, there is an even greater willingness to interact with brands - 59% have interacted with a brand already, or are open to it, and 22% are happy for brands to proactively message them (as long as it's relevant).

ARE CONSUMERS OPEN TO INTERACTING WITH BUSINESSES VIA MOBILE MESSAGING?

	UK	FRANCE	OVERALL
I have interacted with a company via a messaging app	17%	18%	18%
I have never interacted with a company using a messaging app but am open to it as long as I could easily block companies that I don't want further contact from	36%	33%	35%
I am OK with companies proactively contacting me via a messaging app as long as they are giving me information about things I have indicated I am interested in and I can easily block those that I don't want to be contacted by	15%	21%	18%
I am not interested in having contact with any companies over the messaging app(s) I use	30%	26%	28%

For brands that want to encourage consumer engagement via these new mediums – by using Facebook Messenger sponsored messaging or click to message ads, for instance – it appears that many consumers will be receptive, but accurate data to drive personalisation and relevance is going to be hugely important.

Mobile Messaging from Brands: What's in it for the Consumer?

Users within the survey sample who are open to brand interactions, highlighted a number of perceived benefits:

Immediate, frictionless communications

Over half (51%) believe messaging will be a faster and more immediate channel for asking questions and receiving answers than emails, and 48% see messaging as less hassle than picking up the phone to call companies. Of course, brands will need to deliver on these expectations – business messaging, whether it is bot generated or through live agents, will need to be very responsive and hassle free.

Interaction history is saved to the app

When interacting with companies via messaging, the entire history of the interaction is saved and easily available in

the app – no need to search through emails, or notes from telephone calls. In the UK, 39% saw this as a major advantage, although the figure was lower (27%) for users in France.

A single channel for personal and brand interactions

One of the hesitations about using messaging as a channel for marketing is that people will not want to see the platform they use for personal communications flooded with messages from businesses. But 24% actually felt it was a positive benefit that they could use the same app to communicate with companies as well as family and friends. Again, this increases the pressure on brands to meet consumer expectations: remember that messaging apps make it easy to share good and bad experiences with their contacts.

The ability to set up group interactions with brands

Messaging apps can deliver the ability to set up groups so that multiple people can participate in group interactions with brands. This might involve discussions around joint purchases, such as researching and booking a holiday or buying furnishings for a home or bringing in friends to comment on fashion buys. This feature was listed as a benefit by 15% of the messaging users surveyed.

WHAT WOULD BE THE BENEFIT OF INTERACTING WITH BRANDS USING MESSAGING APPS?

	UK	FRANCE	OVERALL
More immediate than email for asking questions and receiving answers	51%	52%	51%
Easier and less hassle than having to make phone calls to companies	49%	48%	48%
The history of messaging conversations are saved within the app on my phone – easy to refer to whenever I wanted	39%	27%	33%
I could use the same messaging app for communicating with companies as I do for my personal contacts	26%	23%	24%
Easy to set up messaging groups (with friends, colleagues or family members) who want similar info from the same company	15%	15%	15%

What Types of Brand Communications will Messaging Users Accept?

While customer service is the application that first comes to mind when consumers think of using messaging for brand interactions, the survey suggests people are also willing to say yes to a variety of marketing and promotional interactions.

Of those messaging app owners who are open to seeing brands on their apps, here are the top scenarios in which they feel they are likely to interact.

Exclusive Deals and Offers

If a brand wants consumers to sign-up to a new channel or loyalty scheme - or to share information with them - then the classic tactic is to give them something not available to others. Nearly half (46%) said they would be inclined to interact with brands via messaging apps if it meant they could receive exclusive offers or deals. An early example of this is Absolut Vodka's [Facebook Messenger campaign](#) in which consumers in a number of US cities can chat to a bot and claim a code entitling them to a free drink in a local bar.

Responding to Ads

We've already highlighted that consumers perceive messaging apps as more immediate than email and less

hassle than voice calls. This could explain why one in four (25%) would see themselves choosing to respond to adverts via messaging apps.

Games and Competitions

Mobile device users are increasingly embracing games and entertainment and 35% of respondents to this part of the survey indicated they had an appetite for playing games or participating in competitions via messaging apps if it meant they could win prizes. For example, Pepsi [launched a seasonal Messenger game](#) in which users can exchange unwanted gifts with friends after communicating with a branded chatbot. And Disney has promoted its animated movie Zootopia via a [chatbot that encouraged Messenger users](#) to solve crimes related to sub-plots from the film.

Regular Brand Updates

For brands, one of the advantages of messaging is the opportunity to generate ongoing one on one interactions with consumers to help deepen their relationships. And that seems a real possibility with nearly a quarter (24%) willing to receive updates on products or services they have expressed an interest in.

IN WHAT SCENARIOS WOULD CONSUMERS USE MESSAGING FOR BRAND INTERACTIONS?

	UK	FRANCE	OVERALL
To ask customer service questions	61%	60%	61%
To access exclusive deals or offers	45%	48%	46%
To respond to adverts I have seen	30%	19%	25%
To have a chance of winning prizes by taking part in games or competitions	30%	39%	35%
To ask companies to keep me updated on products or services I am interested in	21%	26%	24%

Key Takeaways

While brands will want to take a cautious approach to embracing a new channel such as mobile messaging, the study provides some encouraging early indications that many consumers in the UK and France have an open mind about businesses using the channel for marketing and promotional interactions.

But what will it take to succeed? The research suggests the following:

Be creative

There are potentially lots of ways to interact with consumers using messaging apps – especially since the emergence of AI bots – and people seem to be willing to give them a chance; everything from exclusive offers and games, to in-message sponsored content and providing regular updates on areas that consumers have indicated their interest. Group messaging chats provide a useful way of facilitating discussions when several consumers are making a joint purchase or have a shared interest in a brand product or service. Assess your objectives and think creatively about how app functionality can be used to achieve them.

Use your data wisely

While there is an openness among many consumers, they do want to retain control over which businesses can contact them and the types of messages they are targeted with. There are even signs that some consumers feel it will be convenient to have brand and personal interactions on the same platform. However, businesses will have to use their data wisely. Content will need to be extremely well targeted and personalised. And in the case of Facebook Messenger, extra attention will need to be devoted to tracking and learning from messages and content that are blocked by users. Similarly, if brands are using messaging for customer service interactions, any marketing and promotional messages must take into account the context of those conversations.

Ensure you meet expectations

Consumers have high expectations for the responsiveness and ease of brand interactions through mobile messaging. They expect messaging to deliver an immediate, easy and hassle free customer experience. If businesses get it wrong then messaging could quickly turn into a channel for complaints and venting negative feedback. And remember that today's consumers are used to sharing negative experiences with their contacts so problems can quickly escalate.

Methodology

Kenshoo commissioned an online survey of 2000 consumers split equally between the UK and France. The survey was conducted through Toluna QuickSurveys during December 2016.

About Kenshoo

Kenshoo is the global leader in agile marketing. Brands, agencies and developers use the Kenshoo Infinity Suite to direct nearly £220 billion in annualised client sales revenue through social, search, mobile, and display advertising. Kenshoo provides leading native API solutions for ads across Facebook, FBX, Instagram, Twitter, Pinterest, Google, Yahoo, Yahoo Gemini, Yahoo Japan, Yandex, Bing, and Baidu. Kenshoo powers digital marketing campaigns in more than 190 countries for nearly half of the Fortune 50 and all 10 top global ad agency networks. Kenshoo clients include Accor, GroupM, Havas Media, John Lewis, and Tesco. Kenshoo has 27 international locations and is backed by Sequoia Capital, Arts Alliance, Tenaya Capital, and Bain Capital Ventures. Please visit kenshoo.co.uk for more information.

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