

# Mobile Messaging

As Quack! Messenger launches in the UK – promising users a share of its advertising revenue – we track the most popular apps in the mobile messaging space and analyze how users feel about privacy, sharing and text messages.

■ GWI TRENDS Q3 2014 ■



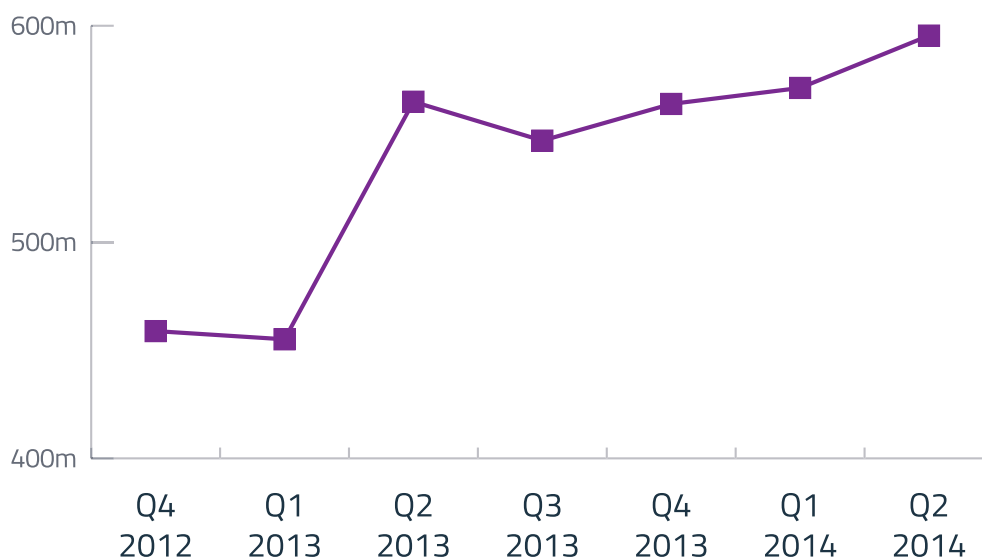
# SETTING THE SCENE

ACROSS GWI'S 32 MARKETS,  
**600 MILLION ADULTS AGED  
16-64 WERE USING INSTANT  
MESSAGING TOOLS ON THEIR  
MOBILES DURING Q2 2014.**

That means the **audience for this activity has grown by 30% since Q4 2012** – reflecting just how quickly messaging apps and services have come to the fore and challenged SMS / social networking as a favored method for mobile conversations.

But with more apps crowding this space than ever before – and with revenue-sharing Quack! Messenger expanding into the UK to build on existing success in Spain and Italy – just what do users want from a mobile messaging tool? How concerned are people about their privacy? And what's happening with the humble SMS?

## INSTANT MESSAGING ON MOBILE

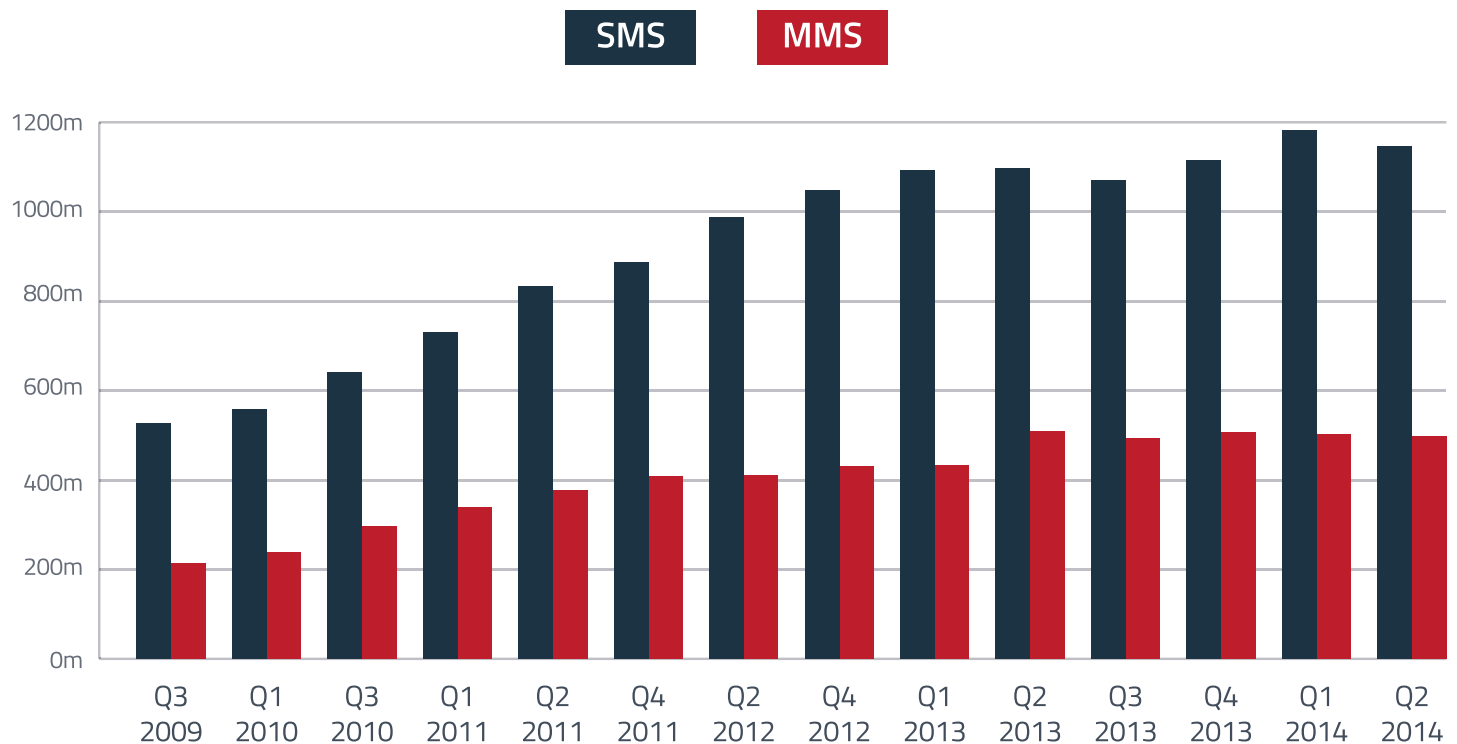


**Question:** Which of the following have you done online in the past month on your mobile/smartphone? Used Instant Messenger // **Source:** GlobalWebIndex Q2 2014 // **Base:** Mobile Internet Users aged 16-64

# TEXT MESSAGING: STILL A MAJOR FORCE BUT FACING A STRENGTHENING CHALLENGE

Despite the explosion of mobile chat services, it's important to recognize that **SMS/text messaging hasn't been abandoned**: more than three quarters of mobile users said that they sent an SMS message last month. And, overall, more people are still communicating via text than they are via IM services.

## SMS and MMS

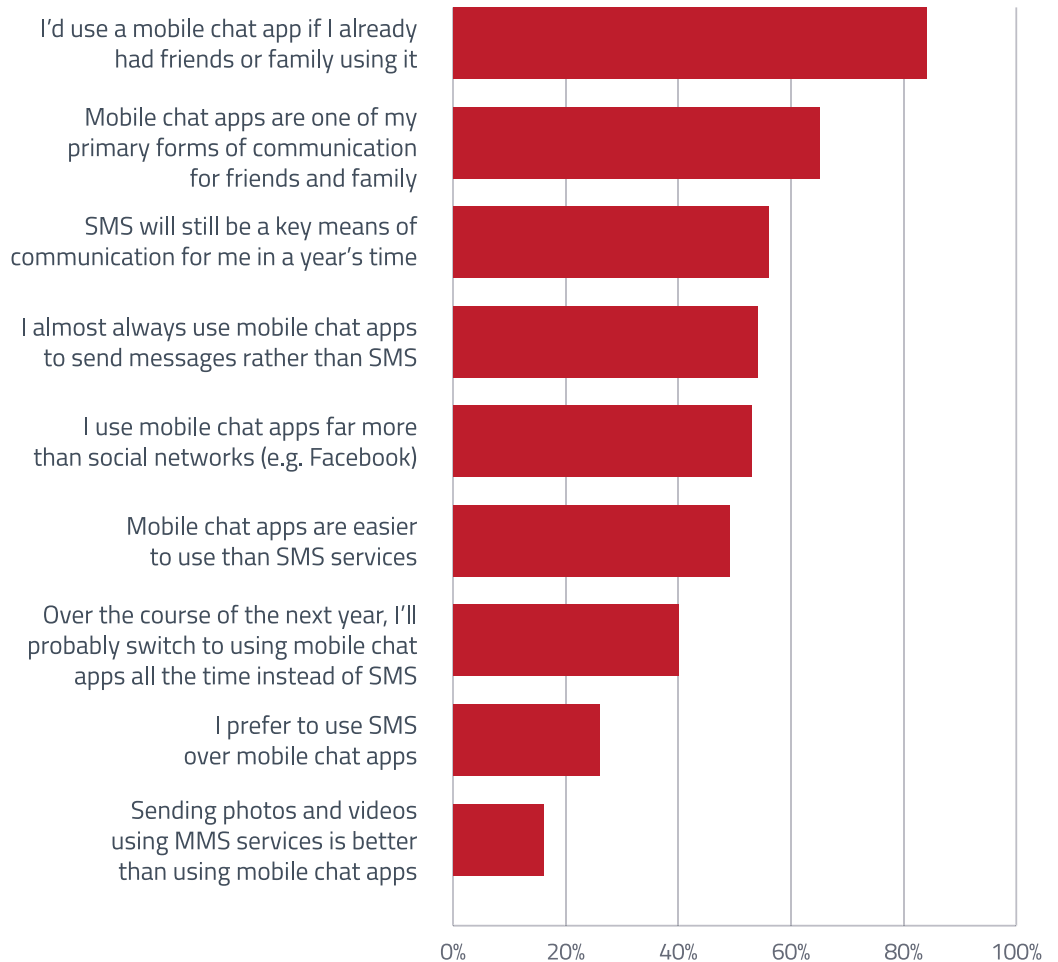


**Question:** Which of the following have you done on your mobile phone in the past month? Sent an SMS / Sent an MMS // **Source:** GlobalWebIndex Q2 2014 // **Base:** Mobile Owners aged 16-64

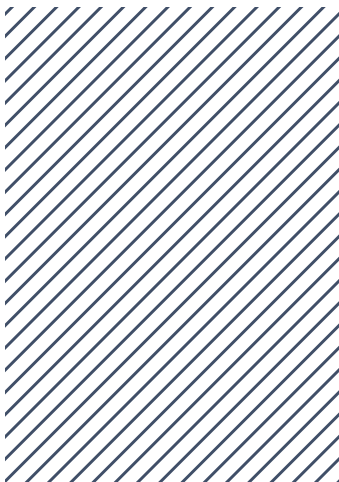
**What is changing is the volume of messages being sent as a “traditional” SMS or MMS.** After fairly consistent rises since 2009, the numbers sending both SMS and MMS messages have begun to plateau; given that the size of the global smartphone population continues to increase each quarter, this trend is even more conspicuous – especially as the growth rate has now been slowing for several quarters (in 2010 and 2011, we were typically seeing a 10%-15% quarter-on-quarter growth in the numbers sending SMS messages; by 2013, this has dropped to just 0%-5%).

The impact of messaging tools is pretty clear to see here. At the time of Quack's launch in the UK, GlobalWebIndex undertook research among WhatsApp users to understand their usage of – and attitudes towards – messaging services. Strikingly, **only a quarter said that they now prefer sending an SMS instead of using a messaging tool.**

## MOBILE MESSAGING BEHAVIORS



**Question:** Thinking about mobile messaging apps (e.g. WhatsApp or Snapchat), can you please tell us the extent to which you agree or disagree with the following statements? // **Source:** GlobaWebIndex Q3 2014 // **Base:** 500 WhatsApp users in the UK, aged 16-64

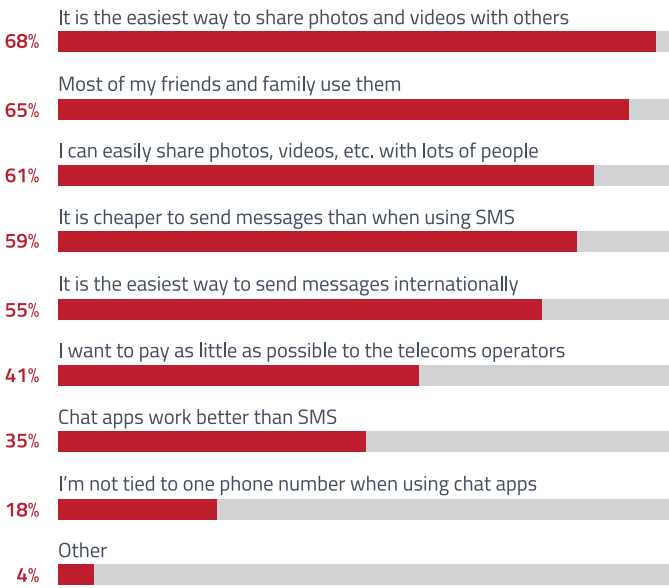


In fact, just under two thirds of users reported that mobile chat apps were now one of their primary forms of communication, **with over half confirming that they have overtaken SMS as the way they typically send messages.** The lead over MMS is even more pronounced: only 16% say that sending photos and videos via MMS is better than via a chat app.

However, it's important to note that more than 50% of WhatsApp users think that SMS will still be important for them in a year's time. So, **mobile chat app users are still sending text messages but on a less frequent basis and to fewer people.** This is very much a sign of things to come, with the share of overall communication taking place via SMS – and MMS in particular – set to contract further. The reasons for this become clearest if we look at relevant attitudes among current WhatsApp users.

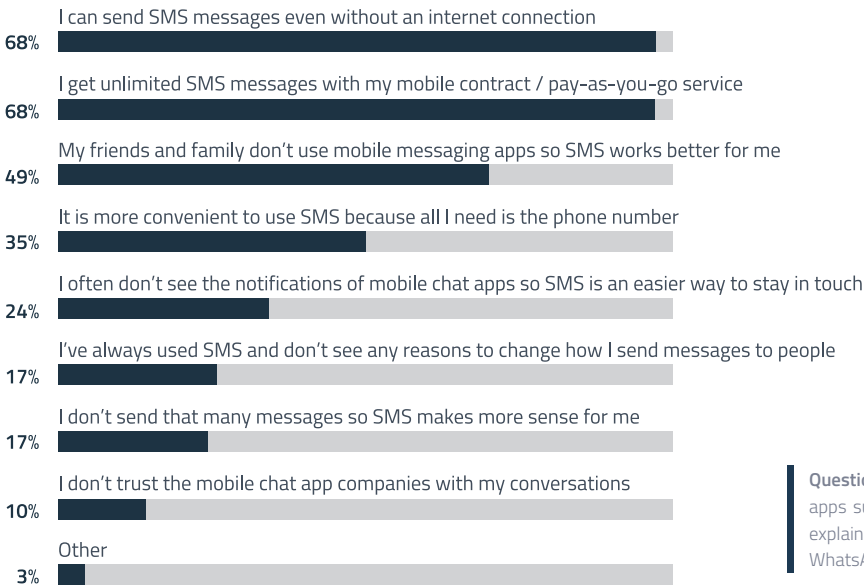
# MOBILE MESSAGING TOOLS VS SMS

## Prefer Mobile Messaging over SMS



**Question:** You indicated that you tend to use mobile chat apps over SMS; can you please tell us if any of the following reasons explain why you do so? // **Source:** GlobalWebIndex Q3 2014 // **Base:** 500 WhatsApp users in the UK, aged 16-64

## Prefer SMS over Mobile Messaging



**Question:** You indicated that you tend to use SMS services over mobile messaging apps such as WhatsApp; can you please tell us if any of the following reasons explain why you do so? // **Source:** GlobalWebIndex Q3 2014 // **Base:** 500 WhatsApp users in the UK, aged 16-64

Among those who have already prioritized mobile messaging tools over sending an SMS, **it is ease and reach which stand out as key motivators**; two thirds say that mobile messaging services are the easiest way to send photos and videos, while a similar proportion claim that they use them because most of their contacts do too.

**Cost is also key:** people like the idea that they are saving money, especially when sending messages internationally.

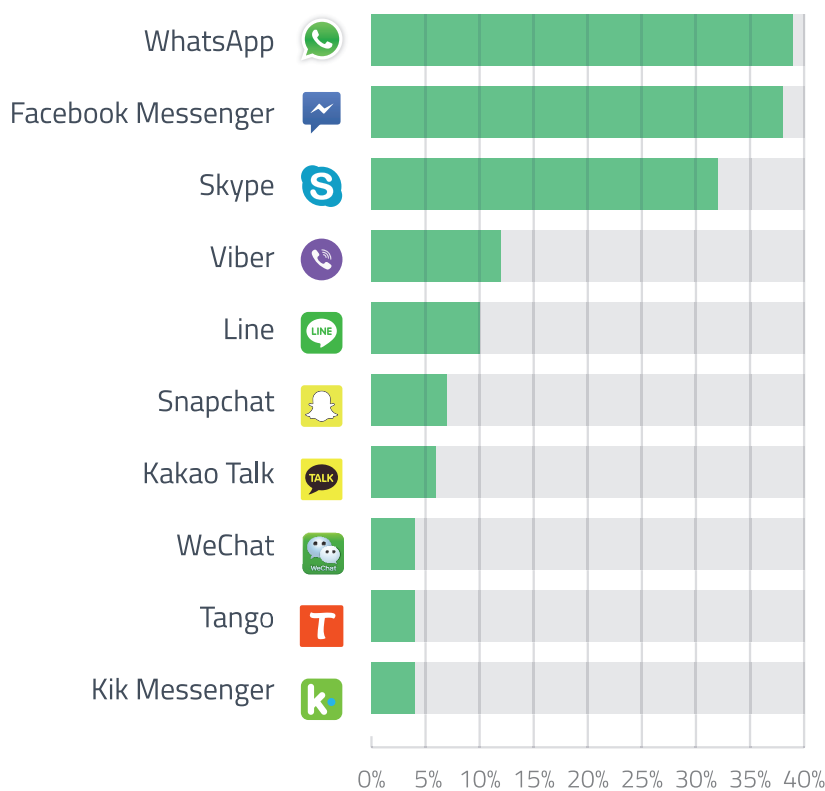
If we then turn our attention to attitudes among current SMS fans – that is, people who are currently using mobile messaging tools but who still prefer sending text messages – the future prospects for the messaging services look particularly bright. **Those who**

**still favor SMS are influenced the most by the ability to send messages without an internet connection (68%), the availability of unlimited SMS messages from their operator (68%) and the fact that not all of their friends are using mobile messaging apps.** But we have to imagine that all of these factors will be key targets for the companies currently operating mobile IM tools: coverage *will* get progressively better, the offer of unlimited texts *will* get less relevant/impactful and the numbers of people using IM tools *will* increase. Perhaps most significantly of all, **just 10% of people say they don't trust mobile chat app companies with their conversations** – which would arguably have been by far the biggest barrier against IM tools taking further ground from SMS.

# MESSAGING APPS: WHATSAPP IN POLE POSITION

Outside of China, **WhatsApp** has now overtaken Facebook's own Messenger service to become the top global chat app – being used by nearly 40% of the mobile internet audience each month. However, in some countries the latter has seen a sharp rise in usage in recent months due to Facebook's decision to remove the messaging component from its main app and transfer it to the Messenger service; in the UK, for example, it's jumped from 27% in Q4 2013 to 40% by Q2 2014.

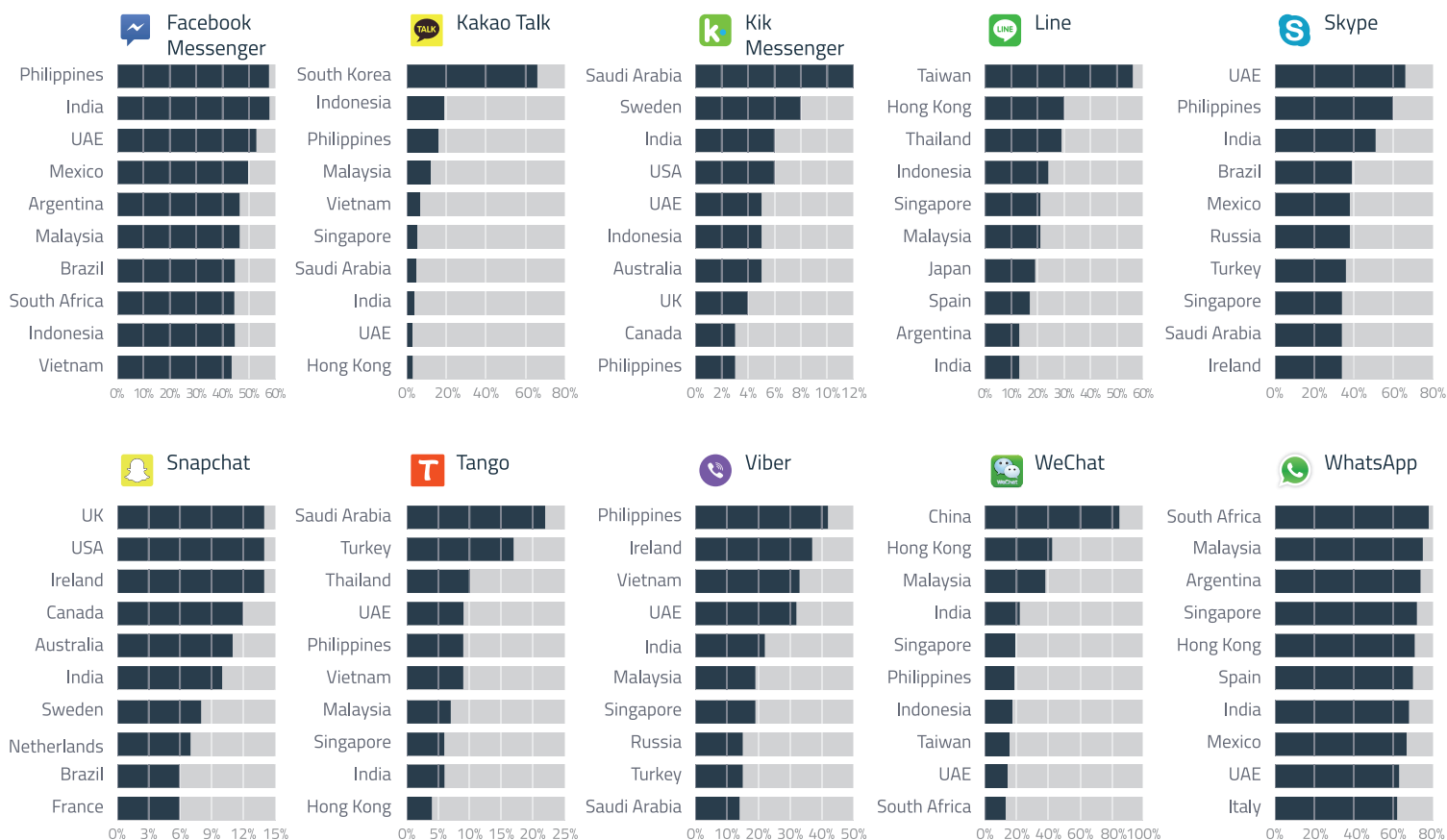
## TOP MESSAGING APPS



**Question:** Which of the following mobile / tablet applications have you used in the past month? (on any device) // **Source:** GlobalWebIndex Q2 2014 // **Base:** Mobile internet users aged 16-64, exc. China

Following behind Facebook's services are **Skype (32%), Viber (12%) and Line (10%)**. The rest of the apps tracked in our chart are used by relatively small percentages globally, although this can mask strong uptake among certain demographics or in particular markets. The latter trend becomes clear if we analyze the top 10 countries for each of the major messaging services.

# TOP MARKETS FOR MOBILE MESSAGING SERVICES



**Question:** Which of the following mobile / tablet applications have you used in the past month? (on any device) // **Source:** GlobalWebIndex Q2 2014 // **Base:** Mobile internet users aged 16-64

Both of **Facebook's mobile messaging tools are particularly popular in fast-growth markets**; the Philippines and India (57% each) top the pile for Messenger, while South Africa (78%) and Malaysia (75%) post the strongest figures for WhatsApp. This is in line with usage of Facebook more generally; as we explore in *GWI Social*, audiences in emerging markets are some of the most enthusiastic about the social networking giant. However, the general importance of the mobile as an internet connection tool within these markets is another contributor.

In contrast, **Snapchat is most popular in mature markets** – with 14% of the mobile audience using it in the UK, USA and Ireland. Compared to several other apps, it's important to recognize that overall usage levels for Snapchat remain relatively modest. However, it's extremely popular among teens, being used by 48% of 16-19s in the UK and 45% of this age group in the US.

**Within China, WeChat is the dominant force**; it is used by a mighty 84% of the mobile audience, giving it a user base of nearly 325 million in that market alone. It also does well in a number of other APAC countries, including Hong Kong (42%), Malaysia (38%) and India (21%).

Elsewhere, some of the other apps tracked in our chart are also especially strong in one market in particular – as with **Line in Taiwan (56%)** and **Kakao Talk in South Korea (66%)**.

Overall, though, **there's no single service that has achieved a completely global reach**. For Kakao Talk, Kik, Line, Snapchat, Tango, Viber and WeChat, the bottom ten markets for each app have usage levels of 5% or under – typically around the 1%-2% mark. Skype, Facebook Messenger and WhatsApp tend to post slightly better figures even within their least popular countries, but still have usage below 20% in some markets.

So, this is the mobile messaging landscape into which Quack! makes its entrance: a space where a number of services have achieved success and are experiencing rapid growth, but where no one tool has established itself as the messaging app *par excellence*. This becomes particularly noteworthy if we compare the situation to social networking more generally, where Facebook is the clear market leader (being the top choice – and by quite some distance – in every market except for China, Russia and Japan).

This suggests that **loyalty and habits are not yet as ingrained for messaging services as they are for social networks proper**; in short, it's easier for messaging apps to win new users away from other platforms. The importance of reach is in fact abundantly clear: 84% of the WhatsApp audience say that they would start using an app if their friends and family were too. While Facebook's reach in terms of general social networking is now fairly insurmountable, no service has yet achieve this feat in the mobile messaging space.



# ATTITUDES TOWARDS MESSAGING APPS: DATA MATTERS

Our research among the WhatsApp audience shows just how important the issue of data usage has become: even though chat apps are mostly free (or have a nominal annual cost in the case of WhatsApp), **users are extremely uncomfortable with their data being used to make money.**

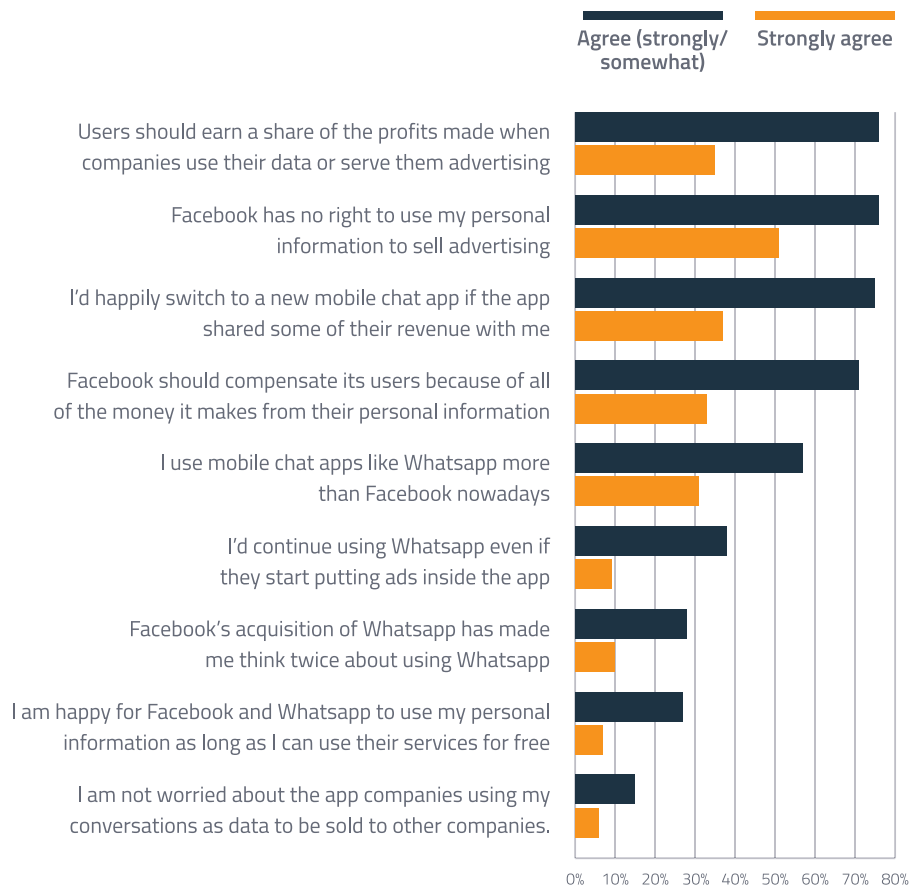
Over **three quarters of current WhatsAppers believe that Facebook has no right to sell their personal information for the purposes of ad revenue**, while an overwhelming 85% are concerned about how their conversations might be being used by companies behind-the-scenes. What's more, only a quarter of users support the basic model that underlies WhatsApp and similar tools: that personal info can be used by companies in return for their services being free to use.

There's also a strong appetite for Quack's proposition; **over three quarters endorse the idea of gaining a share of ad-based profits**, and more than 7 in 10 believe Facebook should compensate users when it makes money from their personal information.

Looking at the numbers who said they *strongly* agree with all of these questions is particularly revealing here; for the statement "Facebook has no right to use my personal information to sell advertising"; two thirds of users who agreed did so *strongly*. Clearly, this is the issue that provokes the biggest response from mobile users.

Conversely, the option where strong agreement forms the lowest share of overall agreement is for Facebook and WhatsApp being able to use personal information in return for providing a free service.

## ATTITUDES TOWARDS MESSAGING APPS



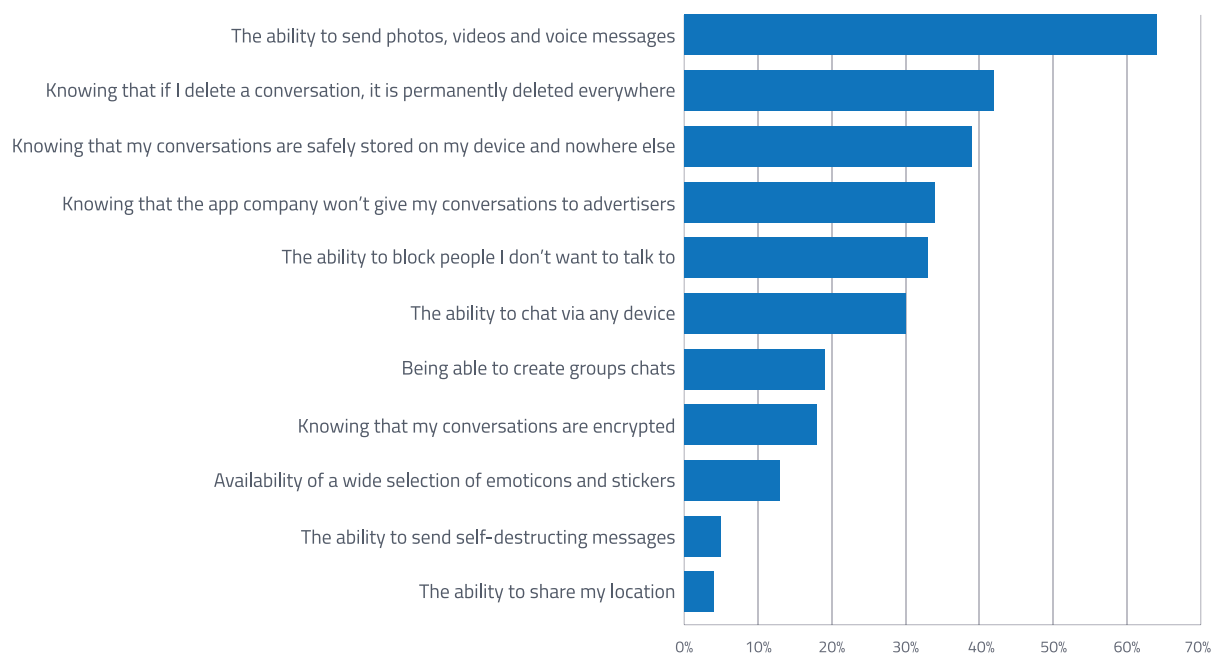
**Question:** Thinking about mobile messaging apps (e.g. Whatsapp or Snapchat), can you please tell us the extent to which you agree or disagree with the following statements? // **Source:** GlobalWebIndex Q3 2014  
// **Base:** 500 WhatsApp users in the UK, aged 16-64



# FUNCTIONALITY AND SECURITY ARE KEY PRIORITIES

In recent months, messaging services have been rushing to add new features and functionality to their tools – as with Snapchat incorporating video and text options back in May. If we look at priorities among the WhatsApp user base, this flood of innovation gains some context: **nearly two thirds of users list the ability to send photos, videos and voice messages as one of their top three most important features** (over 20% ahead of any other option).

## MOST IMPORTANT FEATURES ON MOBILE MESSAGING SERVICES



**Question:** Thinking about the mobile chat apps that you use, can you please tell us which three of the following features are most important for you? // **Source:** GlobalWebIndex Q3 2014 // **Base:** 500 WhatsApp users in the UK, aged 16-64 // **NOTE:** Users were able to select up to three options

Beyond simple functionality, though, **security and privacy are prominent once more**. More than 4 in 10 say they want to know that a deleted conversation really has been deleted – and is not stored somewhere without them knowing it. About the same proportion (39%) are keen for their conversations to be stored on their mobile only – and not on third-party servers. Just over a third, meanwhile, want to know that their conversations won't be given to advertisers.

For mobile chatters, data privacy really does matter. And while behaviors do not always reflect this – i.e. people typically continue using those same services about which they have reservations – ensuring this issue is in order certainly will be key to attracting new users in the future.

# TREND IN ACTION: QUACK! MESSENGER



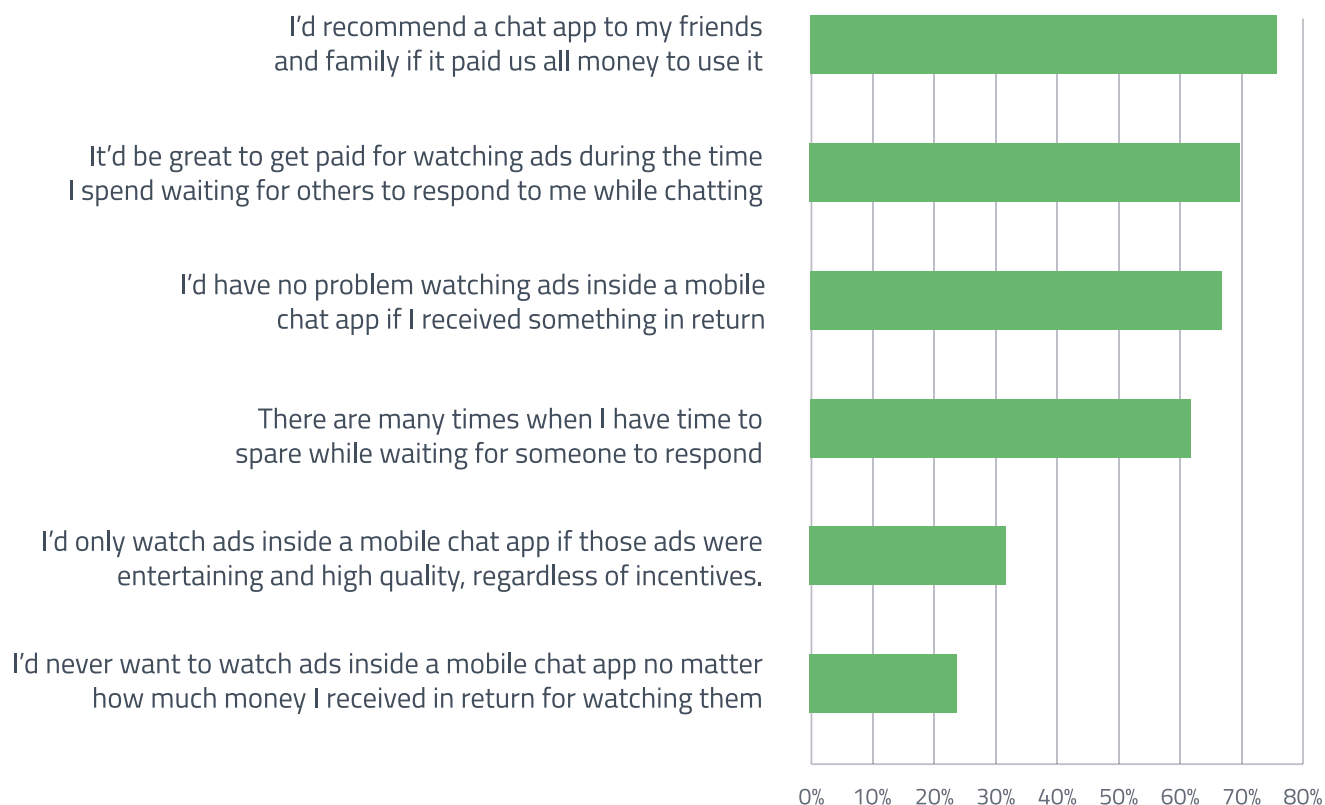
Launched in the UK in July 2014, **Quack! Messenger** hopes to build on success in Italy and Spain (where it is known as Chad2Win and has accumulated more than 500,000 users since its release in 2013) by offering users an ad-supported model which gives them a share of monthly revenue.

The app shows users what its creators call “wanted” advertising – described as non-intrusive messages which are tailored to the self-reported demographics and preferences of the individual and which appear while they wait for their friends and family to respond to messages. The more a person interacts with the advertising, the more potential revenue they can earn each month; people are also rewarded if they introduce friends and family to the service. Subsequently, they can choose to receive the money or donate it to charity.

According to the app’s founder and CEO Fernando Troyano: “The app revolutionizes the mobile marketing space and the concept of wanted advertising is born. We identified that mobile users often enjoy watching high quality and non-intrusive adverts, particularly during ‘dead’ time. Consumers also feel they deserve to earn a share of the profits made by advertising to them. Just by chatting on Quack! Messenger people can earn additional money by doing something they already do every day.”

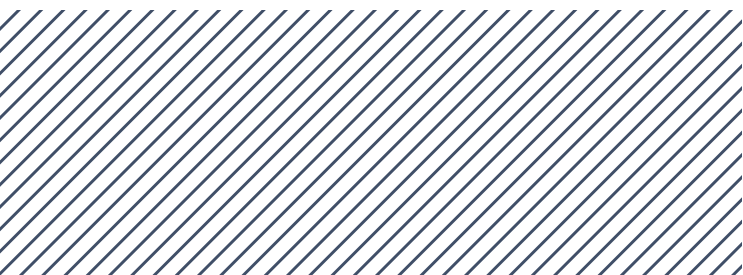
GWJ’s research among current WhatsApp users in the UK highlights why Quack! can be expected to enjoy a strong positioning: between two thirds and three quarters of mobile messaging users say they would recommend a tool to others if they were financially rewarded and would be happy to watch ads during downtime if they were paid for doing so. Only a quarter of people are closed to the ad-supported model completely – saying they would never want to see commercial messages regardless of the rewards on offer.

## ATTITUDES TOWARDS REVENUE-SHARING MOBILE MESSAGING SERVICES



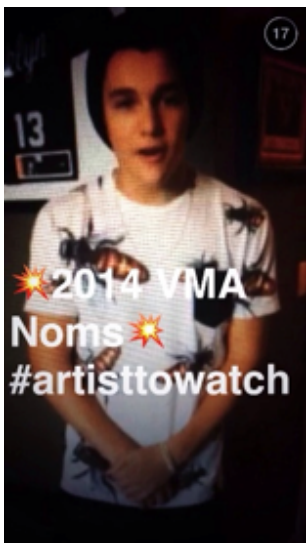
**Question:** Please tell us the extent to which you agree or disagree with the following statements about your experiences? //

**Source:** GlobalWebIndex Q3 2014 // **Base:** 500 WhatsApp users in the UK, aged 16-64



Of course, Quack! still faces a challenge in terms of converting expressed enthusiasm into actual usage. In particular, one of its key tests will be to draw in enough people to give it the type of reach that makes it attractive to new users. However, the multi-app approach that people adopt when it comes to messaging tools is likely to help here: among heavy daily users of WhatsApp, around a quarter say that they also use Facebook Messenger and iMessage multiple times a day. It's not the case that Quack! needs to supersede other messaging apps completely, then; rather, it just has to be *one* of the apps that people use on a daily basis.

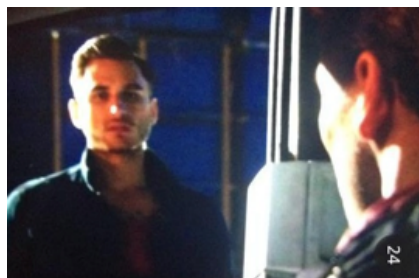
# TREND IN ACTION: MTV ANNOUNCES VMA NOMINATIONS VIA SNAPCHAT



Reflecting the popularity of Snapchat among teens, July 2014 saw **MTV** using the service to reveal the nominations for its annual Video Music Awards (having taken to Vine and Instagram a year earlier for the same announcement).

The music channel unveiled the nominees through a series of eight-second videos which featured a number of well-known stars – including Becky G, Fifth Harmony and Austin Mahone.

In the same month, UK teen soap **Hollyoaks** used Snapchat to unveil the identity of a murderer as part of an ongoing storyline on the show. Those following the soap’s account on the service – who numbered more than 100,000 at time of writing – saw a number of “flashbacks” to a scene which revealed who had killed character Fraser Black (and which was later screened inside the main show itself).





# IMPLICATIONS AND FUTURE OUTLOOK

- **Conversations that used to take place via SMS or inside social networks will continue to migrate to mobile messaging tools.** IM will not replace them altogether but will account for an increasing proportion of the communication taking place, with messaging services striving to add new features and security guarantees as they compete to become the globally dominant name in this space. This brings clear implications for **social networks, where behaviors are likely to become more passive** (with people more likely to browse rather than post things or send messages). It also **has ramifications for mobile providers, who will need to rely less and less on the provision of minutes and messages as a differentiator.**

- Broadly speaking, all but today's youngest adults have had to embrace mobile messaging as a new and *alternative* form of communication and change their habits accordingly. In stark contrast, **tomorrow's adults have grown up in a landscape where mobile IM has been a completely ingrained and "normal" behavior from the start.** Current teens are messaging natives.

- Globally, **Facebook can boast ownership of the two most popular messaging apps,** with their consistent growth levels indicating that it has the potential to dominate this space as it does with social networking proper. However, as no messaging service has yet established itself as the clear leader – and as users are seemingly much happier to switch providers in this space than in other areas of digital communication – the contest is far from over.

For more information and data on the subjects covered in this trend, please download our *GWJ Device* report, our WhatsApp Infographic and the following datapacks from our Insight Store:

- Mobile Apps: Named Apps
- Mobile Actions



Jason Mander  
**Head of Trends**

**E** [jason@globalwebindex.net](mailto:jason@globalwebindex.net) // **T** +44 20 7731 1614

**A** Bedford House, 69-79 Fulham High Street,  
London, SW6 3JW, England

[www.globalwebindex.net](http://www.globalwebindex.net)