

BBM Messenger's Adam Pattison on chat, dark social and the new mobile economy



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On his visit from London to South Africa for the MMA (Mobile Marketing Association) Forum in Johannesburg on 2 November and Mobile Monday in Cape Town on 6 November, Adam Pattison, vice president, Americas & EMEA at BBM Messenger, shared insights into chat or dark social and how this is shaping the mobile economy.

The mobile economy has changed significantly over the years as the disparity between desktop and mobile becomes less distinct, and the mobile device the preferred window into digital consumption. "I think it was in 2013 that it had a disparity with desktop and since then it's grown significantly. I think percentage difference points now are about 30% in the US and it's much bigger in developing markets – so it's bigger in places like Nigeria and Indonesia and to a certain extent in this market as well, where the actual mobile device as we all know it now is the key entry point into digital," said Pattison.



Adam Pattison

Initially, it was micro payments that made mobile businesses money, and as users lacked full trust of the medium, they were hesitant to complete the customer journey on the device. But over the last few years, Pattison has seen this trust increase and as a result more and more spending decisions and execution taking place on mobile.

"It was a case of, 'yes, I like those new trainers. I'm going to research prices on my mobile device, but what I'm then going to do is I'm going to complete the purchase on desktop or I'm going to go into the store to complete the purchase'."

Here, he goes into how this is changing and why chat apps are the new ecosystems that are driving this.

What is the current state of mobile in South Africa and how does this compare globally?

South Africa is a genuine mobile-first economy, yet challenges remain over the quality of the smartphone market and connectivity. Feature phones are still widely in use. However, SA is also one of the most entrepreneurial. An example is the fact that the majority of South Africans do not have a bank account. Therefore, organisations across the country develop things such as mobile wallets to allow payment of funds and transactions. This is just one example of how a challenge is converted to a real opportunity that drives value to users and revenue for businesses alike.



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How would you describe the 'new mobile economy'?

The boom around mobile e-commerce was all about mini payments connected to the Play Store or iTunes account and was almost exclusively driven around access to content (games, video, etc). The mobile device was a trusted environment for this, as an app made it easy to purchase (one tap of your finger) and the content was exclusive to that screen.

However, when it came to larger ticket items, you knew that the expensive pair of trainers you saw on your mobile device was also available from the same or a different vendor via your desktop. You would do your research on your mobile but complete the purchase on desktop, a medium you trusted and had used before and that had an easily navigable digital store front.

Now, mobile webpages and apps are increasingly user friendly and users are trusting their device to complete and close the loop to purchase via this screen. In essence, mobile is no longer known as 'second screening' but is now increasingly the primary screen.

Where does chat and dark social fit in?

Chatters are sharers and sharers are a brand's best converted customer. According to a 2016 study by digital data platform Radium One (now RhythmOne), a sharer linked to a converter (someone who has bought a product) is 31 times more likely to click back on a product and to enter the purchase consideration stage. This significantly out performs traditional digital remarketing campaigns and brands cannot ignore these conversion rates. Additionally, the chat environment is where the users are. 60% of time on a mobile device is spent sending and receiving messages.

Yet brands spend millions on developing their shiny apps and millions more marketing them, only for a user to download them, use them once and never return.

Users return to their chat apps day in and day out. So, as a brand, why not bring your content and services to that environment and engage with the users there instead?

₩ How is this shaping mobile?

Users are downloading fewer and fewer apps and are demanding that the apps they do use a lot are able to do more things. Brands are increasingly using chat as a window into consumers because that is where they spend most of their time. If you look at the explosion in bots, this has been entirely driven by chat. Users don't want to pick up the phone and talk to a call centre if they can increasingly get the info they need by speaking to an automated service via their chat app. Millennials are more open than ever when it comes to dealing with a bot and these are the future of your consumer base.



Why do you think chat is such a popular trend?

I wouldn't describe it as a trend. It is simply an extension of SMS and that has been the primary use of a mobile device since the mid-nineties. The movement into an over-the-top platform that does essentially the same thing began with the launch of mobile internet via the likes of BBM (the first to do this) and then followed by WhatsApp, FB Messenger, Snapchat, etc. Chatting is fun and social, and it was only a matter of time before the core chat experience incorporated more and more functionality. Take BBM as an example: we allow users to send timed messages, retract messages, send animated stickers and emojis and book anything from an Uber to listen to music. All via the app. Why use SMS when you can do all this?

What does this mean for businesses, and why or how should they exploit it?

Chat providers are implementing safe spaces and bots into their content ecosystem within which brands can enter. The best chat apps ensure they build mechanisms where users invite the brand into their lives and discussions. At BBM, we have an entire area of the app dedicated to partnerships with content and services providers. In South Africa you can order your Uber, listen to music via Stage360, book accommodation via HotelsCombined or participate in voucher schemes all via our Discover menu. Soon we will be integrating bots to further enhance the experience and brands a direct pipeline into their consumers.

As mentioned earlier, sharers are a brand's most valuable and easily converted customer. Nothing is more effective than a recommendation from a friend to engage with a product and that is what brands are beginning to realise. An advert within a news feed is a good place to start and then it ranges from introducing a button within a menu all the way to developing a bot that can help a user with a customer service enquiry, order a pizza or even do their banking. The technology and the platform is available now so there is nothing to stop someone having the discussion about to how to migrate now.



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According to Statista.com, in 2016, 1.58 billion mobile phone users accessed over-the-top messaging apps to communicate, and this figure is projected to grow to 2.48 billion users in 2021. Comment on this predicted growth and what it could mean for mobile commerce.

And even this is old data. The numbers are much higher already. There is a reason all the traditional social networks have invested heavily in the chat space. We will increasingly see a convergence with chat applications and commerce. Transactions will become part of a conversation and you will start to mirror the traditional in-store conversation about prices, products, manufacturer, etc. within the digital store peopled by bots delivering superb customer service. Users are chatting, all day, every day – it is time for brands to enter the conversation.

For more info, go to MMAGlobal.com, BBM.com or follow #MMAF2017 on Twitter.

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