

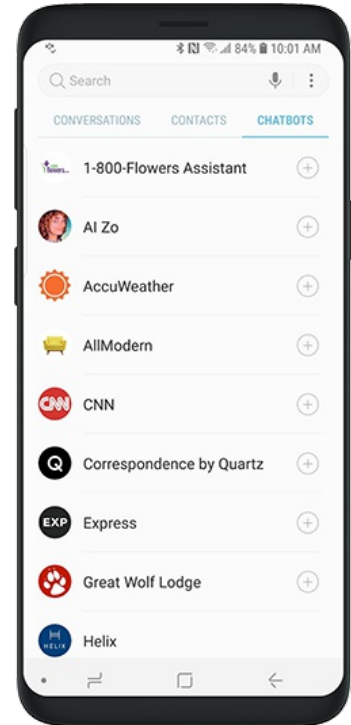
## RCS Chatbot Directory Opens Up New Opportunities for Marketers

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### A New App Store

As RCS continues to make great strides in becoming the global standard for carrier-based messaging and provides a new opportunity for brands to communicate with consumers, a new brand discovery experience has emerged: the chatbot directory.

Launched by AT&T and Samsung to a growing number of capable devices, the chatbot directory gives consumers a new channel. Consumers can now discover brands and launch an RCS-enabled chat through a new directory embedded in the native messaging client. Consumers using RCS-enabled Samsung devices on the AT&T network will now see a third tab at the top of their native text messaging app named Chatbots. Examples of RCS chatbot customer experiences include clipping coupons to loyalty cards, shopping the latest trends, securing tickets for upcoming events and checking the weather—all within the native messaging client, no app to download or update.



As enterprises and brands continue to seek direct, one-on-one customer communication moments, the RCS chatbot directory creates an enormous opportunity for brands to extend their reach and drive acquisition, increase retention and build loyalty without having to rely on the advertising-sponsored, third-party channels such as Facebook Messenger or WhatsApp that intermediate the relationship.

With the launch of the RCS chatbot directory, brands also now have access to new beachfront real estate on the mobile device. Think of the directory as a new app store—a place where consumers can proactively seek out chatbots and engage with their favorite brands on their own terms. But unlike Google Play or the Apple App Store, consumers have no apps to download, keep updated or decide if the app is worth the space on their device. Additionally, brands can provide an app-like experience with RCS chatbots while avoiding the cost of app development and upkeep associated with traditional native apps. And instead of going unused or buried in a folder deep on a consumer's device, these RCS conversations with brands are kept intimately right alongside conversations with friends and family in the app most used on the device—the native message client.

### The Rise of RCS Business Messaging

RCS Business Messaging is on its way to replacing SMS as the go-to messaging channel for direct, brand-to-consumer communications. [Launched by 65 operators in 46 countries](#) and with more than 40 operator launches scheduled over the next 12 months, RCS is quickly transforming carrier-based mobile messaging into a rich digital communication platform for enterprise brands and operators across the globe. The mobile ecosystem, including device manufacturers, operating system providers, carriers and vendors, is working together to ensure interoperability support, which is expected to make great strides in 2019.

The power of RCS lies in the features it brings to native mobile messaging. RCS harnesses advanced device capabilities and enhanced UI elements to provide an app-like experience to traditional text messaging. Some key features of RCS business messaging that are supported by the Universal Profile (the GSMA-published, globally agreed-upon standard) include rich cards, carousels, suggested replies and actions, and delivery and read receipts.

Soon brands will begin piloting integrated payments, which will unlock true, seamless conversational commerce. Customers will be able to purchase products and services directly within an RCS engagement, leveraging native payment capabilities such as Google Pay.

## How Brands Envision Using RCS

An increasing number of brands are beginning to pilot RCS functionality through communications with customers. But how exactly are brands planning to use RCS? A [recent study](#) of marketing personnel in the US from industry data expert MobileSquared provides insight into how companies plan to use RCS to break out from traditional text messaging and enhance engagements with their customers.

When asked where they could envision their company using RCS, “Marketing and Promotions” ranked highest with 55 percent of responses from the surveyed companies. This figure is consistent with many of the early, in-market RCS pilots. Numerous early adopter brands have begun to use the rich functionality of RCS to communicate sales and promotions with their existing opted-in database. With the use of rich card carousels and suggested actions, RCS enables marketing and promotions to be much more interactive for consumers—making this a logical starting point for brand marketers. However, marketing and promotions wasn’t the only area brands could envision using RCS.

“Company Updates to Customers and Customer Support” also ranked highly among marketers who were surveyed—and both make for compelling RCS use cases. Delivering updates to customers via RCS allows brand marketers to drive rich engagements with clear organization of important information and even deep-linking from the messaging client directly into a native device application or the brand’s own app. Suggested replies, or smart reply chips, play nicely into an RCS customer service application, as they provide a single-tap way for customers to interact conversationally with a brand without the need to type out their own response. Suggested replies also help guide customers gracefully through the experience, reducing friction and minimizing the time it takes to complete a task. In addition to suggested replies, implementing adjacent technologies like Natural Language Processing (NLP) can further enhance these use cases as they allow customers to phrase questions and responses to the brand with language they’re most comfortable with, as opposed to needing to know an exact keyword to continue an engagement.

## Early Results with RCS Are Very Encouraging

While the majority of brands are still in the early phases of education and planning around their deployment of RCS, early adopter brands have already jumped at the chance to be the first to pilot chatbot prototypes using the new messaging protocol. Although the total addressable market of RCS-enabled devices is still growing, brand marketers across industries have been enjoying promising results from their pilot programs when compared to more traditional methods of customer communications.

When testing new communication methods for effectiveness, one could naturally look to a more traditional method such as email. As one of the most common and trusted channels for communicating with customers, email typically sees read rates anywhere from 15 to 20 percent. However, the early pilots with RCS are seeing much higher open rates. In-market trials of RCS launched by [3Cinteractive](#) are showing read rates anywhere from 73 to 92 percent—highlighting RCS’s tremendous ability to reach customers on the app they use most frequently: the native

messaging client.

These early pilots are also garnering click-through rates (CTR) higher than rates for both SMS and email. Where email would typically see CTR between two to four percent, and SMS around three percent, brands are enjoying CTR of seven percent with RCS—driving meaningful engagement with customers. Click-through has also been linked to a 20 percent increase in conversion with RCS when compared to traditional channels.

As these pilots evolve and add more robust RCS functionality—like payments and deeper integration with a brand’s back-end systems— there is plenty of reason for confidence that RCS will take its place as the premier mobile communication channel for brands and consumers alike.

## RCS and Encryption

The security of RCS has been challenged recently in the press, but in fact, with the launch of RCS, carrier messaging has received a few upgrades that are intended to protect users from cases of fraud or other malicious, third-party activities.

Universal Profile 2.2 has added more protection for users by enacting a message verification and brand certification process, creating a “verified sender” or “verified brand.” Before a brand is able to launch an RCS chatbot to the chatbot directory or initiate an RCS broadcast, it must first be approved through an official verification process by the carrier and messaging provider—ensuring user interaction with legitimate brands and protecting users from fraudulent accounts, impersonators, or phishing attempts. Verified chatbots are clearly marked to distinguish them from non-verified entities.

In addition to protections from the latest Universal Profile standards, RCS has received more secure encryption systems than SMS and uses a completely new protocol. Legacy SMS traffic runs over SMPP or SS7 protocols, whereas RCS traffic is SIP traffic over TLS secured by several carrier interfaces between the device and the network regardless if connecting using cellular data or WIFI. The communication between the messaging providers and the RCS chatbot platforms for business messaging have also been secured by using either VPN or TLS.

## So What?

With engaging, app-like functionality and tremendous results from in-market pilots, RCS has the attention of many innovative brand marketers—leaving brands with only the question of *how do I get my customers to start using this?* The ability for customers to find brands through the launch of the chatbot directory may answer this question for them.