



MARKETING IN THE MESSAGING SPACE FOR PUBLISHERS AND MARKETERS IN THE US

From pure-play messaging apps to hybrid apps with messaging functionality, IAB explores this exciting new marketing medium.

IAB sought to answer the following:

1. What does the current world of messaging in the U.S. look like?
2. What are the key defining characteristics of the various messaging options? Where is the potential to differentiate? What do publishers and marketers need to know?
3. What are the top questions that brands, agencies, and publishers ask messaging app companies?
4. Where do chatbots fit in the messaging equation?

IAB DEFINITION OF MESSAGING

Messaging enables and empowers real-time connection and communication with other contacts in a permission-based, predominantly mobile environment.

- Compared to traditional social media platforms, messaging is typically on a more one-to-one or one-to-few basis, a narrow-cast versus a broadcast.
- Compared to traditional email or SMS text messages, messaging can afford interaction with rich media in a more instantaneous way due to the real-time push notification nature of apps.

The industry has typically defined “messaging apps” to mean primarily pure-play messaging apps, not taking into account many hybrid apps where there is messaging functionality, but where messaging may not play the primary role. IAB suggests that focusing solely on pure-play messaging apps is a limited view, from both consumer and advertiser standpoints. The IAB definition of the messaging includes:

- Pure-play messaging apps such as Facebook’s Messenger, Kik, and Viber
- Other hybrid messaging apps where there is messaging functionality, but where messaging may not necessarily be the primary function, such as Instagram, Tinder, Tumblr, etc.

These messaging apps are all primarily—though not exclusively—mobile-focused.

The number of messaging options in the U.S. are increasing at a rapid pace, with numerous functions beyond chat being offered to enhance the consumer experience, including chatbots, music, stickers, games, and more. According

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Although it might make it less confusing to compartmentalize apps into primary vs. secondary app function groups, I’m not sure that it’s a useful exercise. Apps like Tinder are becoming increasingly social (e.g., not strictly for dating) and the delineation between apps with messaging as a primary or secondary functionality will become less clear.

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**- Rhett Frandsen,
Sr. Director - R&D
Business Strategy,
Rubicon Project**

to David Kalmar, Ph.D., Vice President of Consumer Science at Emogi, "This can be seen in the explosion in the use of emoji in messaging: This year, over two trillion emoji will be used in the U.S. alone."

FREQUENTLY ASKED QUESTIONS ABOUT MESSAGING APPS AND HYBRID APPS WITH CHAT FUNCTIONS

We surveyed a number of leading players in the U.S. messaging space to determine the most common questions they receive from both publishers and advertisers/marketers. With a few exceptions, publisher and brand/agency questions generally focus on the same areas.

Publisher and Brand/Agency FAQ

- **Discovery**
- **Measurement**
 - Accessibility to analytics; what are the types of data sets we get back about the user?
- **Chatbots**
 - What are they?
 - What is the time and cost to create chatbots
- **What works best on your platform?**
 - Can you provide case studies (especially from brands/agencies)

Publisher-Specific FAQ

- **Monetization (general)**
- **Messaging-specific**
 - What is the best way to engage in this medium?
 - What types of content should be created?
 - What is a consumer's tolerance for messages per day?
 - Should I be building this instead of an app?
- **Guidance: Does messaging fall under the same guidelines as email, or push?**

Common Brand / Agency Specific FAQ

- **Targeting (general)**
- **What are the specific creative options, including video? What does the creative development process look like?**
- **Is there an earned/social effect by sharing?**

The questions being asked from the buy-side strongly suggest the need for broad “Messaging 101” education and case studies to help the U.S. market navigate this rapidly evolving space.

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Messaging today is very similar to where traditional social media was in 2007/08. Brands know that there are hundreds of millions/billions of highly engaged users, but these same brands are also still trying to figure out exactly how to engage these users effectively. This is a massively opportunity for first movers in the messaging space, just like there was in 2007/08 for those brands that took advantage of social.

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Evan Wray, Co-Founder and VP, Swyft Media

KEY DEFINING CHARACTERISTICS OF VARIOUS MESSAGING OPTIONS

Not all apps with messaging functions are created equal. Listed are the top differentiators you need to understand when evaluating your options, and why it's important to understand these differences.

At the heart of understanding the difference lies the importance of consumer experience. By putting the consumer first, you can help ensure that your message will not fall flat or alienate the consumer in these intimate environments.

1 MESSAGING AS PRIMARY VS. SECONDARY APP FUNCTION

It is important to understand if the messaging component is the primary or secondary function of the app so it can provide insight into users' motivations and expectations. This can help guide the tone and style of your messaging.



2 ONE-TO-ONE VS. ONE-TO-FEW VS. ONE TO MANY

Messaging is often conceptualized as being one-to-one communication, but messaging also encompasses one-to-few and one-to-many, such as group chat. Understanding these paradigms are critical to understanding your audience and crafting your messaging.



3 WALLED GARDEN VS. API

Apps can be closed or open or anywhere in between, from managed services and self-serve to accessible/limited partnerships or RTB accessible, with each choice having data and targeting implications.



4 FEATURES & PLATFORM CAPABILITIES

Beyond texting, any app can include virtually infinite options for adding additional features and capabilities: ads, calling, chatbots, e-commerce, media sharing, gaming, GIFs, stickers, voice messages, video, and many more. When picking and choosing apps and functions, ask yourself how your message can enhance the experience for the consumer.



5 3RD PARTY CREATIVE INTEGRATION

There is no shortage of 3rd party solutions that can create campaigns for publishers and marketers to scale the reach of their creative across multiple platforms. This is very true for chatbots. Knowing that there are scalable options may make it easier for you to begin exploring marketing options to meet your goals.



6 MOBILE VS. DESKTOP (OR BOTH)

While apps with messaging functionality are generally considered to be mobile, that is not always the case. This could potentially impact your creative as you'll want to ensure a great consumer experience regardless of screen size.



MESSAGING TAKES PLACE BETWEEN PEOPLE, NOT BETWEEN BOTS. SO WHERE DO CHATBOTS FIT IN THE MESSAGING SPACE?

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Bots will allow brands to build a stronger relationship with the user while the user decides the frequency, the medium (which platform), and the context of engagement with the brand, as opposed to email that is being sent when the brand thinks is the best time.

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**Yinon Horwitz, Director of Business Development
StartApp and Working Group Co-chair**

Chatbots as a component of messaging are important and will become increasingly more so as technology evolves and bot capabilities expand.

Bots offer to publishers and brands a personal way to engage with consumers through a channel they already likely use—messaging. While much of the industry conversation about chatbots has focused on e-commerce and customer service, chatbots offer functionality to forge increasingly personal connections with consumers on multiple levels. Bots can run the gamut from “conversational” to “experiential,” leveraging other forms of interaction that consumers are accustomed to from the app world. Convincing consumers to use a chatbot within the messaging space is a win-win-win: The app gains desired stickiness, the brand benefits from enhanced communication with the user, and the consumer benefits from real-time interactions in a space where they are already active.

As a starting point for understanding chatbots on messaging platforms, IAB identified the top five chatbot capabilities most likely to be found with various messaging function apps:

TOP 5 CHATBOT CAPABILITIES WITH MESSAGING FUNCTION APPS



PERSONAL CONNECTION

Chat bots give brands a voice and a means of “entering the conversation” with their customers. Versus social media, chat bots on messenger apps offer more personalized 1:1 conversations and experiences between users and brands without the risk of potentially damaging public comments to deal with. Plus, with bots, all customers can feel like they are connected and communicating directly with the brand versus just a select few customers handpicked from the traditional social media forums.



DISCOVERY

Bots can facilitate new mobile experiences all in one place from viral gaming to discovery of new interests, connecting with people sharing common interests, and more. They offer a rich media interface that allows multiple media types as well. Developers are creating new rich and engaging bot experiences every day so we can expect new discovery options in the future.



CURATION

Most chatbots can cut through the clutter and give consumers informed answers to questions (e.g., they do the searching for them). As AI improves, bots can get smarter and begin tailoring their responses to the individual.



ONLINE TO OFFLINE

Chatbots can connect directly from online to offline experiences leveraging scan codes. Unlike QSR codes, scan codes bring the consumer into a chat platform that they are already familiar with and where have they can chat with a bot on the platform. This is convenient because they likely already have their information entered into the chat app (email, phone #, credit card, etc.). Messaging app scan codes are relatively frictionless and while they have huge adoption in Asia and other parts of the globe, the expectation is that they will gain more momentum in the U.S. as Americans get more comfortable transacting with their phones.



UTILITY

Chatbots help users get things done more efficiently on mobile devices without needing to download new apps or struggle to fill out unfamiliar web pages. Chatbots can interface with multiple systems, giving users the power to request and receive information via a common chat interface.

WHAT'S NEXT FOR IAB IN THE MESSAGING SPACE?

In our survey with leaders in the pure-play and hybrid messaging space we asked:



"What could IAB do to best help you and the industry at-large understand the potential marketing opportunities with messaging as they exist today in the U.S.?"

Answers were remarkably consistent, generally falling into three broad categories:

1. “Messaging 101” Education and Case Studies

Beyond definitions and classifications, the overarching message the app companies want to convey is that the buy side must understand the ways to engage with and opportunities afforded by messaging as part of an overall marketing strategy. Specifically, this means respecting consumer expectations on these sites.



Asher Rapkin, Product Marketing Communications Lead, Messenger at Facebook, aptly articulated this notion which was echoed by other industry experts:

“It’s important that the industry understand both why people want to message friends and businesses, and also understand the expectations people have about the personal nature of the space. Working together, the industry and IAB can begin to frame rules of engagement for businesses to be able to learn and experiment while building deep relationships with the people they serve.”

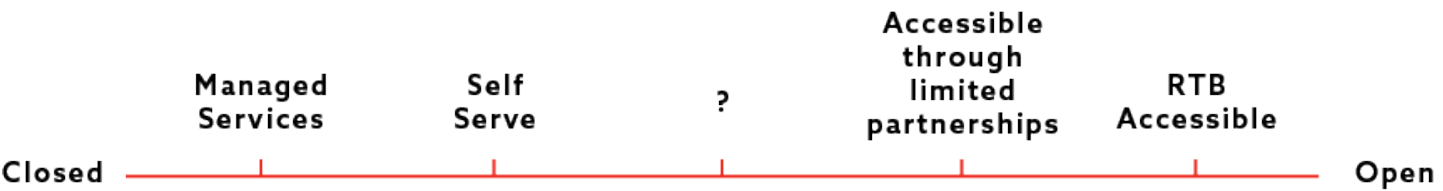
This paper is just the beginning of that education process which we will follow with deeper dives into areas of greatest importance for messaging going forward.

2. Targeting/Measurement



Like social media platforms, apps with messaging functionality can vary greatly in terms of availability of data for targeting, measurement, attribution, and insights. The spectrum of available data is wide, from open to closed and everything in between.

The IAB Data and Ad Effectiveness group will lead the identification of the specific targeting/measurement needs for messaging as well as chatbots.



3. Messaging Ad Format and Chatbot Best Practice Guidance

Many of those interviewed explicitly stated a desire for IAB guidance on native messaging ad units/formats and for chatbots that could be implemented industry-wide. Providing best-practice guidance could help accelerate advertiser interest in the messaging space overall.



If there is a clearly articulated business need that can be solved with technical specifications, the IAB Tech Lab will assist with a working group to develop specifications. Any necessary legal guidance—as it relates to topics such as ad disclosure or privacy—will be provided by the IAB Public Policy group in Washington, D.C.

IAB is grateful to the following individuals generously taking the time to share their invaluable insights in this survey.

Asher Rapkin	Product Marketing Communications Lead, Facebook Messenger	Facebook
Matt Hibberd	Senior Partnership Manager	Kik Interactive
Lee Hoffman	Head of Global Sales	Match Media Group

Don Steele**Head of Audience
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Scott Nelson**Head of North America****Viber**

This paper was prepared by the IAB Messaging Working Group, listed below, that was Co-Chaired by David Kalmar of Emogi, Mickey Mantas of LinkedIn, and Yinon Horwitz of StartApp, and under the lead of IAB's Susan Borst.

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