monetizing connected consumers

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MARKETING & PROMOTION

Programmatic ads out-perform direct ads in UK as affiliate marketing evolves

The UK's programmatic ad market took a significant step forward in the second half of 2018, with programmatic viewability rates outperforming publisher direct buys across desktop and mobile web display for the first time.

The result comes as confirmation that programmatic ads are now no longer seen as low-quality inventory and are being used by some publishers to market high value content via private marketplaces and that decreasing amounts of brand damage are being done via this form of marketing.

According to the Integral Ad Science (IAS) UK Media Quality Report for H2 2018, programmatic UK desktop display ads meeting the minimum viewability standard rose by 8.2% from 63.4% to 69.1% in the second half of 2018. In comparison, publisher direct

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MARKETING & PROMOTION

The importance of mobile marketing in a digital world

Digital Marketing is an ever-evolving industry with new technologies popping up every single day. One of the most relevant changes in the industry is the increasing rate of adaptation of mobile devices, says Sofia Alves, Product Marketing Manager at vene.io.

A quick look at Google Statistics clearly validates this. In 2018 alone, this rate escalated at a phenomenal rate, surpassing 83%. Even

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InverOak has been providing call processing and payment solutions globally for **over 15 years**, including:

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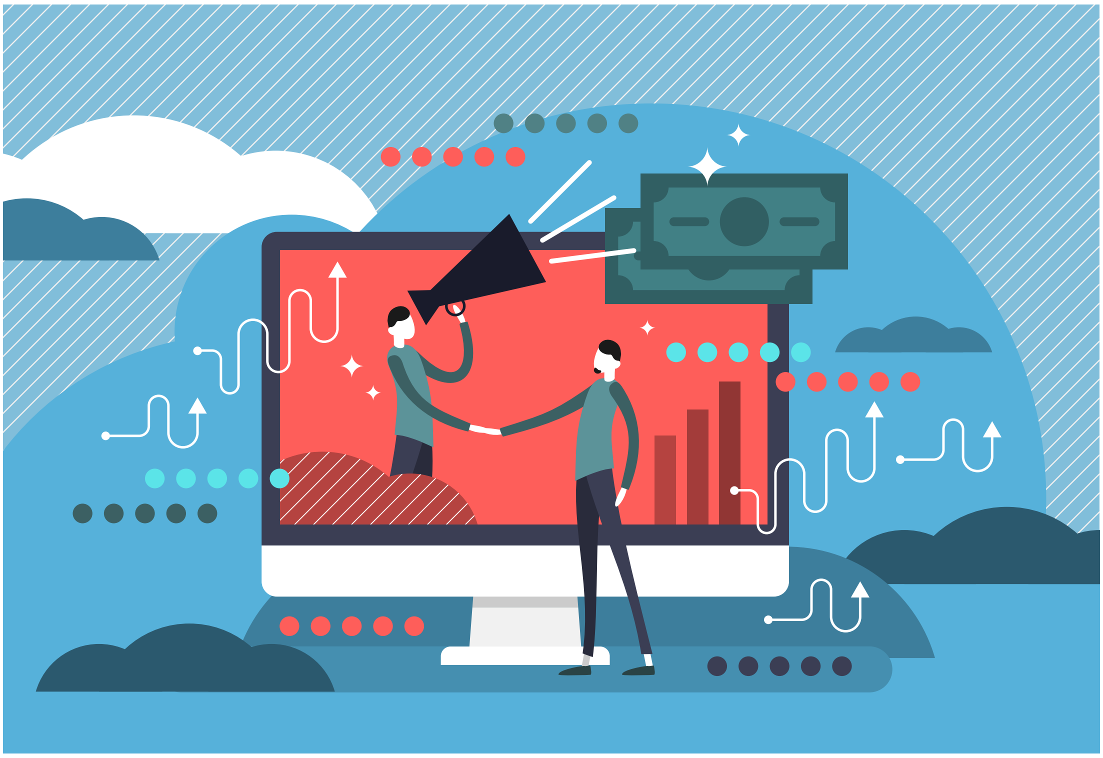
Programmatic

<< 1

ads rose from 65.1% to 67.7%.

Meanwhile, 62.4% of programmatic mobile web display impressions met minimum viewability standards, having increased 16.6% year-on-year from H2 2017 to H2 2018, reflecting the industry's demand for higher standards in the programmatic inventory from the buyer side.



AFFILIATE MARKETING EVOLVES

The figures not only point to how affiliate and programmatic advertising are moving on, but also how they are set to evolve in 2019. Where 2018 has seen them gain acceptance and become a vital part of the whole advertising mix, they are also setting the scene for the development of the whole digital advertising market.

According to Matthias Stadelmeyer, CEO of Tradedoubler, "Affiliate marketing is one of the most exciting disciplines in digital marketing. It is predicted to be a US$6.8 billion industry in 2020 and has always been an incubator for new disciplines."

For 2019, Stadelmeyer believes there are four main trends that are going to further transform the market: influencer marketing, the growth of voice search, data driven insights and mobile domination.

"Influencer marketing is growing rapidly and has almost established itself as its own vertical," he says. ""74% of people trust social networks to guide them to purchase decisions. And 75 % of all marketers claim that they have allocated money to influencer marketing.

Voice search is a rather new topic, but with a massive push from big players like Amazon, Apple, Facebook and Google. "So this will have a big impact on our business in the future," says Stadelmeyer. According to ComScore, 50% of all searches, will be done on voice searches by 2020. Around 30% of searches will be done without a screen, via third party tools.

Where it gets interesting is with data-driven digital strategies. "90% of all data that was generated in the lifetime of mankind was generated in the last two years," explains Stadelmeyer. "Massive data growth is also true for our affiliate marketing campaigns. In order to get to actionable insights, affiliate marketers need to establish new methodologies."

Finally we come to mobile and its domination (see also page 1 and 4). "Mobile domination is not really new, but in my opinion is at the most underestimated part of digital marketing," he says. "Under initiatives like Intelligent Tracking Prevention (ITP 2.0) it's becoming increasingly hard to track with cookies. After two years of major efforts to update all client tracking, we still have around 20% of clients who track only with cookies. They exclude all pure mobile publishers, who don't get incentivized. Advertisers who don't offer cross-device and who don't have a real mobile strategy in the long run will have a big disadvantage."

ECOMMERCE AND OTHER TRENDS

Affiliate marketing is also become an intrinsic part of the ecommerce journey, being both an on-ramp for many consumers and a controllable and measureable marketing channel for etailers.

"The wish for e-commerce and marketing managers to see and analyse the contribution of affiliate marketing in this mix and the added value of connected Publishers will be even stronger [in 2019]," adds Reinout van der Lende, Head of Sales Benelux for Tradedoubler. "Also because more and more other types of Publishers are being connected with an affiliate program. And often these Publishers are being rewarded on a CPC model or even with fixed fees but still they can be connected through an affiliate network."

He continues: "Influencers using blogs and social media are also driving performance marketing. As 2018 was already the year where influencers have entered the area of online (performance based) marketing, in 2019 these type of 'content' Publishers will become more important for brands. Bloggers [see page 6] and Instagrammers now have all the tools to be professional partners for brands. Reporting tools in this matter are key. Preferable delivering performance insights through all online channels."

Social media is also opening up where affiliate marketing operates, with marketers increasingly using Facebook ads to spread their message.

"Many are even branching out into Facebook's Messenger tool to broaden their efforts," says Tara Johnson, a blogger for CPCStragey.

However, she adds a word of warning. "Keep in mind, though, Facebook isn't always welcoming to affiliate marketing – it's been known to ban some advertisers, actually –so make sure to watch your campaigns closely.

Amazon also doesn't allow advertisement of its affiliate links, so steer clear of using Facebook ads for those products as well."

Mobile Marketing

<< 1

more crucial, however, is the significant rise in smartphone conversions, up by more than 70% in comparison to that of standard desktop conversions.

And this is just considering e-commerce alone. Other segments of the digital market show similar or even more striking numbers. Thus, it is a vital lifeline for any successful digital marketing plan to incorporate mobile marketing and mobile-friendly techniques.

There are numerous reasons that justify this phenomenon. First and foremost, the increased usage of longevity on mobile devices. Studies carried out in the Western World USA in 2018, indicate that the average American citizen is spending between 10-12 hours daily on a mobile device.

This concludes that the average user individual spends over 500 hours per year browsing online or talking on their mobile device. This information is a little golden nugget to any established marketer as it indicates that the mobile space is the ideally targeted for influencing audiences on a regular basis.

Recent trends, within advertising, indicate that the industry is responding to this modern day digital behaviour, as future estimations foresee that up to 60% of marketing budgets will be spent on developing apps and mobile advertisements heading into 2020.

Moreover, along with a significant increase in usage of mobile devices, the sales and marketing trends for mobile devices have never been so transparent. Consumer services like Amazon, eBay, and many other well-known e-commerce platforms have seen massive increases in online purchases made directly from the users' mobile device.

Large retailers across the globe have recognized this sequence of trends and have followed suit, with the majority of large retails developing user-friendly portals and websites to cate to this demand. Predictions for the future tend to indicate that over 75% of e-commerce visits will originate from a mobile device.

Experts in the industry believe that companies who integrate a mobile-specific campaign into their marketing plan that guides consumers with ease from product to sale will see a significant increase in revenue.

> "When we built our product, we knew that mobile deep data is one of the most important analytical features to have," says Matthias Kirsch, Head of Product at Vene.io.

New studies into the advantages of mobile marketing have proven to be a countermeasure to the overall brick and mortar downward spiral, at least to a certain degree. New techniques within the mobile orientated industry grant potential consumers the ability to compare while they walk through stores. Corporations, which have integrated mobile marketing campaigns, can take leverage with this. Search engine optimization, search engine advertising, and a user-friendly website can give businesses an edge over competitors, catching consumers in a timeframe where they have indicated interest in purchase.

Therefore, it is no secret that the large search engines and marketing companies are altering their algorithms and giving preferential treatment to companies utilizing mobile-friendly websites and mobile applications. More so, many of the leading e-commerce sites are improving their web presence and are distinctly adding new forms of automated marketing into their strategies.

Direct marketing into the mobile space is being researched at a never before seen, in-depth level, and studies carried out by leading marketers show that direct SMS marketing messages have a 90% opening rate, and quite outstandingly, 90% of the 98% open the messages within the first 3 seconds of receiving it. This sanctifies the importance of mobile marketing as it provides concrete proof to any marketer that using direct mobile marketing with push messaging will lead to an additional level of online activity caused by the promoted message. This means that both the message and banner based marketing on mobile needs to be persuasive enough to entice the potential consumer to convert.

The mobile sector is evolving at an unparalleled rate with the technologies behind the engineering of smartphones and tablets getting stronger, smaller, lighter and most importantly, cheaper. This categorizes mobile devices as the most popular form of communication interaction across all known demographics. This rapid scaling of the mobile world and its accessibility to online consumers offer marketers the perfect platform to spread their message and raise brand awareness.

It is no accident that the affiliate marketing industry remains a booming business and with it comes the necessity to develop checks and balances for mobile marketing. Strong analytical and fraud protection software is a necessity when using this type of marketing. The competitive landscape of companies currently dedicated to this topic shows both the already established and near future growth potential of such a recent, innovative and dynamic industry.

Marketing in the digital world is now the number one way to effectively reach an engaged consumer base. The strong move towards mobile will only grow and grow and the importance of having a mobile strategy implemented into your digital marketing plan will be the difference between success and failure in the online world.

Tips for creating content that people want to see as a blogger

Blogs are a key part of the affiliate marketing chain, but usually they are associated with amateurs and often written not for profit but for fun. However, a well written blog can attract masses of traffic and be a great way to attract the right kind of performance marketing.

Many people see blogging as a hobby that writers use to pass the time – something that is less about engaging with an audience than it is an online diary. However, for many serious bloggers, blogging can actually generate a decent income by creating content that readers actually enjoy and want to engage with is crucial for maintaining the monetisation of their site. It is also the bedrock of keeping affiliate marketing flowing along.

Whether or not you are someone who blogs regularly for the money, a part-timer who just enjoys rolling out a causal article every now and again, or a business that needs to create regular and compelling content, it is still important that you create content which will engage your target audience; so here are some simple ideas which will help you to achieve just that.

FIND YOUR NICHE

It is important that you find a niche that sits right for you. This should include topics that you enjoy and that will keep your audience engaged. Don't just follow the path well-travelled, as there are so many different blogs out there that can do the same thing as you. Instead, consider what makes you unique, and use that in your content. Getting your personality across is vital in a blog, as people enjoy getting to know you as an individual, rather than just seeing the same copy-and-paste titles that they have read a hundred times.

> Don't see blogging as a competition: each person's blog is unique, so as long as you're sticking to topics which you understand and enjoy writing about, your unique voice will get you the readership

DON'T COMPETE

There are so many different topics out there for bloggers now that it can become a little overwhelming trying to compete with all of the existing and well established blogs. That is why it is important that you don't see blogging as a competition: each person's blog is unique, so as long as you're sticking to topics which you understand and enjoy writing about, your unique voice is what will get you the readership you are looking for.

UNDERSTAND YOUR AUDIENCE

It often helps engagement if you are providing some kind of service to your readers. If you can provide them with solutions to a problem they have having, they are more likely to return to you for more advice in the future.

For example, if you have created a blog that is a source of information for people in business, you could try providing links to services which would be useful to those in that industry, such as a way to compare commercial electricity prices, or the best brands for printing business cards. These may seem like simple ideas, but if you are providing information that is actually well-researched and useful to your audience, they will be more likely to engage with your content on a regular basis.

DIRECTLY ASK YOUR READERS

When all else fails, sometimes the simplest approach is the most effective. If you want to know what your audience is looking for, why not ask them? If you have a social media following which includes your reader demographic, then why not put out a tweet looking for feedback and ideas from them, or simply ask some simple engaging questions on your next Instagram post?

CONCLUSIONS

Creating content that attracts affiliate ads – or writing content so that your ads get clicks – is no longer the realm of the hobbyists and part-timers, it is a highly skilled process. Understanding who your target audience is and what ads that can attract is key, but so too is excellent content. Getting it right – the content, the targeting and the ads – together make for a site or service that will grow and grow.

New directions in marketing

While performance, affiliate and mobile marketing are taking over, marketers are not sitting still – many are looking at what comes next in customer engagement. **Paul Skeldon** takes a look

While a seismic shift has occurred towards affiliate, performance and mobile marketing, many marketers are looking ahead to the next next big things in attempt to get ahead of the game.

JUST WHERE IS MARKETING HEADING?

Some 87% of marketers have a dedicated budget for testing new technology, with on average, more than a third of budgets (36%) allocated to trialling new technology, according to the 'Customer Engagement 2019 – Future trends' report from the DMA in conjunction with Pure360.

Just 13% of organisations do not appear to have funds in place to test the latest innovations. The size and resource available to a business seems to have a direct impact on budget allocated, with just 18% of small firms able to invest compared to 38% of medium-sized organisations and 37% of larger companies.

Over the next five years, marketers state that the most popular use for marketing budgets includes finding new ways to 'chat', whether with humans (36%) or chatbots (37%). A healthy proportion of marketers are already keen to capitalise: for example, 54% already use and will continue to use chatbots – this figure will likely increase over time.

The main uses range from improvements to customer service to an improved try-before-you-buy experience of new products or services, across sectors.

Komal Helyer, Marketing Director at Pure360, says: "The quest for the best technologies to improve customer engagement strategies, and ultimately help revenue, is one that rolls on. As the pressure to stand out above the competition grows, the questions around where to invest can sometimes be a cause of concern. Driven by the pace of change, both in terms of innovation and customer expectations, there is always going to be a new 'craze' to consider investing in. Marketers just need to find the right opportunity for their business's needs."

WHAT TECHNOLOGIES ARE MOST POPULAR AMONG CONSUMERS?

Chatbots, smart assistants, and augmented/virtual reality are popular among roughly half of consumers.

Vast numbers of consumers track habits using apps, from smoking and calorie counting, to budgeting and exercise. Consumers are keen to turn this information into something meaningful.

More than a third (38%) said they would use an app that sent them workout challenges to complete each week, for example. A similar proportion want help setting a weekly budget, with a by-product that encourages them to save.

Brands can tap into these aspirations and make experiences more fun or, where appropriate, competitive.

"Technology continues to redefine how brands engage with their customers, and similarly, how consumers are able to communicate their preferences to marketers," says Scott Logie, Chair of the Customer Engagement Committee at the DMA and Customer Engagement Director at Read Group. "Evidently, marketers retain a strong interest in utilising the latest technology to engage with their customer, and consumers are equally receptive to the opportunities on offer. Whatever technological advancements are invested in, improving the customer experience must be sit at the heart of all business practices."

Quality and quantity

Consumers click on online adverts to find out more information, but marketers may be wasting half their budget with poor targeting, a study has revealed.

According to new research from Conversant, which questioned consumers across seven different countries, 49% still see ads that are irrelevant or for products that they already own.

"Clearly marketers are missing the mark when it comes to consumer targeting and with half of consumers being shown products that aren't of interest, marketers are simply throwing away half their budget," says Elliott Clayton, SVP, Conversant. "Many marketers still see adverts as a way to promote new or existing products and forget the first rule of marketing: build the brand, educate, inform and entertain. There's a place for promotions and sales, but if marketers don't get the balance right, they risk alienating customers."

The research revealed why consumers click on adverts, with only 2% of global consumers clicking on an advert to make a purchase. It is instead the desire to find out more information that drives a click, with 56% of global consumers clicking on ads for this reason.

With information, not purchases, driving clicks, consumers would like marketers to make more use of display ads (41%) and sponsored content (31%), rather than ads on voice platforms like Alexa and Google Home (0.5%). Almost half (45%) of consumers also wish to see fewer but more relevant and useful ads – and 79% of consumers believe that traditional advertising is alive and well.

"Online advertising is thriving, but there are some fundamental challenges that need to be addressed if marketers are to be successful in 2019," concluded Clayton. "There is still plenty of room for improvement in the industry and marketers need to put consumers' preferences first and personalise experiences for individuals. Consumers aren't anti-advertising, they just don't want bad, irrelevant adverts."

The key to customer engagement: RCS or corporate app?

Mobile has changed the world of engagement and marketing almost totally since the days of print, TV and a few other limited media. But change is coming to mobile – with Rich Communication Services (RCS) introducing a new level of interactivity. But what works best: RCS or corporate app? **Nick Millward**, VP of Europe at mGage finds out

In the late 80s and early 90s, brands and marketers could create a TV commercial and guarantee a mass audience. Today there are more channels and entertainment options competing for consumer attention than ever before.

Brands are having to look at new ways to create mass engagement with audiences. Mobile has become an effective, immediate and engaging alternative form of communication between brand and consumer – with Rich Communication Services (RCS) introducing a new level of interactivity.

APP HAPPY

Since the first mobile phone capable of sending and receiving texts was launched in the 1990s, the way in which people communicated drastically changed. This triggered new opportunities for brands to communicate with customers.

It started with SMS advertising – companies sending loyalty offers and promotions via SMS – and evolved to become a reliable delivery method to reach consumers. When smartphones were introduced, consumer behavior changed again.

After the launch of the Apple store in 2008 – the mobile application was king. A year after the first iPhone was released, the App store opened with 500 apps. 10 million were downloaded in the first weekend alone.

For many brands, advertising and marketing budgets previously spent on SMS messaging were repurposed for building corporate applications. It was hoped these apps would give consumers direct access to a company's information, exclusive offers and news – granting brands access to valuable consumer data in return.

DEAD WEIGHT

A few years ago a strong mobile strategy needed to include a corporate mobile app, but today's mobile users are less attracted to the idea of downloading and using new applications. Just a small fraction of apps gain significant traction – such as Facebook and Instagram – and most people use the same apps consistently - rarely trying something new.

Comscore analysis revealed the average American now downloads zero apps per month and if they do download something new, 80-90% are deleted after their first use.

Analysing the changing attitudes towards apps, it comes as no surprise Gartner expects 20% of brands will refocus their attention from native apps by the end of 2019.

A SMARTER CUSTOMER MESSAGE

In Flurry's "State of Mobile 2017" annual wrap-up, the firm reported overall app session activity only grew six% from 2016 to 2017 - down from the 11% growth it reported at the end of 2016.

However, a 2018 Ofcom report found Britons now check their smartphones every 12 minutes and there is still consumer appetite to manage brand interactions digitally, and increasingly via smartphones.

Text messaging is an effective, immediate and engaging alternative for brands to communicate with consumers. Viber found texts have a 99% open rate – with the average response time for those messages just 90 seconds.

Through SMS messaging brands can reach their intended audience with a message of value at the most appropriate time.

However, to maintain consumer interest and make a business impact, brands need to be sure the message they are sending is engaging and timely.

For example, SMS messaging can be deployed for accurate logistics messaging. After placing on order online, a customer can now receive up-to-date information about a delivery driver's whereabouts and expected arrival time via their mobile phone.

While 74% of mobile marketers feel SMS such as this is "highly effective" when integrated with a full mobile marketing plan, RCS messaging provides a richer, verified and more measurable messaging system to engage consumers.

As the next generation of SMS messaging, RCS combines the effectiveness of SMS with the functionality of WhatsApp and the richness of an app. By refocusing corporate apps and using RCS messaging, brands can create and send compelling branded content using video, GIFs, quick response buttons, carousels and maps, chatbots and quick response buttons. RCS can be used to send servicing and marketing messages directly to customers, making it easy for them to take action without having to jump in and out of an app.

A CALL FOR SECURITY

RCS messaging also enables companies to create compelling branded content to engage audiences and position them as an active participant in conversations.

For example, if a prospective home owner is looking to see how much they can borrow for a mortgage, they could receive helpful information in real time via RCS messages with their chosen bank.

To benefit fully from this opportunity, companies need to first establish trust with mobile users – particularly if conversations include the sharing of personal information such as bank details.

In the UK, bank customers lost £500m to mobile scams in the first half of 2018 alone. Some of this is a direct result of phishing text messages where customers authorise transfers or share bank details with imposter contacts claiming to be from their bank. It can be difficult for customers to identify whether they are receiving genuine messages.

With RCS - security is part of the package. The messaging type has verified sender ID capability. Not to mention, with RCS' ability to deploy custom colors, logos and brand names in the sender ID, companies can share messages that match the look and feel of their apps, websites and other digital offerings to establish a clear corporate identity.

For mobile users, a message from their bank will be instantly recognisable. Compared to over-the-top (OTT) solutions such as WhatsApp and some apps, RCS messaging is married by global network operators and must therefore adhere to carrier grade policy.

RCS has the potential to complement brand apps by offering a universal, in-built solution for instant engagement with brands if customers need further assistance. Rather than calling customer services (and being put on hold), RCS can offer instant chat and media sharing. This presents opportunities for companies to develop their customer service offerings and is a revenue-generator for operators whose networks support RCS.

TAKE ACTION

Consumers increasingly rely on mobile first experiences, whether it is customer care interaction with a bank or making a purchase with an online retailer. Companies can benefit by creating messages customers want to open and make it is easy for users to take action.

With RCS messages, customers have an instant way to call or text, open an app or initiate and complete a purchase. They can include rich multimedia components - without the size restrictions of MMS messaging - and support high resolution images, animated GIFs, audio and video clips.

A message from your airline reminding you to check in for a flight could soon provide a full check-in experience, complete with boarding pass, visual flight updates, and terminal maps on demand. Fast food outlets at the airport could even include engaging offers and promotional messages directly within the messaging experience.

While corporate apps may be dropping off the radar, the customer interaction and engagement they spearheaded is not. RCS messaging presents brands with another way to approach and interact with consumers. RCS will be native to all devices and will not require a mobile user to find and download an app to access its capabilities. Companies that invest in RCS and its potential to consistently add value, will command consumer attention, gain important customer experience advantages over competitors and share clear marketing messages.

telemedia

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FROM THE EDITOR

Telemedia: life, the universe and everything

Mobile and programmatic advertising are now the key ways to get eyeballs on services and to generate clicks. In fact, late in 2018, programmatic overtook direct ads in the UK – a trend likely to also be seen in most other markets in the coming months.

This all shows just how important the nexus of ecommerce, messaging and marketing have become to generating traffic and how vital it is for telemedia companies to embrace all three.

With the 'Summer of Affiliate Shows' nearly upon us, it is interesting to see just how central telemedia is now to this world: providing the publishing for the ads, providing the traffic for the sites, providing the engagement tools create the traffic and offering the billing mechanism to monetise the whole lot.

As you flick through this issue of Telemedia magazine you will see that everything is interconnected and that this industry sits at the pivot point of marketing-content-payment, with equally vital roles to play in each.

If that weren't compelling enough, direct carrier billing (DCB) is also making in-roads into mainstream services such as Netflix, Spotify and even Microsoft Software. As consumers become ever-more driven by subscription services and want to consume that content on mobile, so DCB comes into its own.

Across the developing world we see ever-more deployments of it to monetise services that are already rampant here in the developed world.

This subscriptions world is now even extending to the likes of Apple, which has met shrinking iPhone sales with a shift to offering subscriptions. While not yet using DCB, it does open up the debate about how best to service the next generation of subscribers.

We are also seeing more of how DCB is lifting people not just out of cultural poverty and into the riches of Netflix et al, but also how it is lifting many of the world's most vulnerable out of literal poverty, helping as it does, bank the unbanked.

And all that in just one magazine. Enjoy.

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Paul Skeldon, editor

DCB update: Netflix, Spotify and OTT drive up global DCB use

Direct carrier billing is rapidly coming of age and is now increasingly being deployed around the globe by major media players to capitalise on their mobile audiences' need for instant gratification. **Paul Skeldon** takes a look at the latest research

The proportion of worldwide digital content paid for via carrier billing is expected to nearly double over the next 5 years, according to a new study from Juniper Research.

The study, Direct Carrier Billing: Forecasts, Player Strategies & Emerging Opportunities 2019-2024, found that with most leading app stores and content providers now seeking to enable carrier billing as an option, consumer spend via the mechanism is expected to rise from $28 billion last year to nearly $90 billion by 2024.

It claimed that carrier billing deployments would benefit both operators and content publishers; allowing the former to generate a revenue stream from content while enabling the latter to gain subscribers by using carrier marketing channels.

The research argued that the option was likely to be particularly popular in regions such as Latin America and the Indian Subcontinent, where it will probably be a major facilitator of end user content spend. However, even in markets such as the US where card payments currently predominate, Juniper claimed that the convenience and growing availability of carrier billing would see it increasingly used for content subscriptions as well as impulse purchases. It stated that as a result, US carrier billed spend would more than double to $8.6 billion by 2024.

LOCAL SOLUTIONS NEEDED TO REDUCE FRICTION

Furthermore, the research cautions that for industry stakeholders to maximise the scale of their opportunities, they needed to ensure that measures were in place to reduce the risk of fraud.

According to research author Dr Windsor Holden:"Customers, whose personal data is compromised by techniques such as clickjacking or iframe masking, will understandably be extremely reluctant to browse and buy content in the future."

The research argued that techniques such as iframe blockers and intelligent fraud risk assessment tools, allied to the anonymisation of payment details, were critical to maintaining consumer confidence and sustaining growth.

Juniper Research is acknowledged as the leading analyst house in the digital commerce and fintech sector; delivering pioneering research into payments, banking and financial services for over a decade.

NETFLIX AND OTT LEAD THE CHARGE

Where DCB is being used, uptake of its functionality is being fuelled by bundled content such as Spotify (across Europe) and Netflix (in markets including the Philippines and Mexico).

By using carrier billing for acquisition, OTT content providers have reduced their marketing expenses, leveraging the brand name of local mobile operators, says the Juniper research.

Leading OTT players such as Netflix are understandably keen to explore the opportunities to spread their varied content to consumers worldwide. However, they have been heavily reliant on card payments to monetise consumers, which has proved problematic when wanting to launch in emerging markets with low credit/debit card penetration.

By entering into a partnership with a network operator and carrier billing provider, OTT content providers can reduce marketing costs by leveraging the strength of the brand names of local mobile operators. In this business model, the OTT provider is able to reach the user base of the telecom operator and target its offerings to these subscribers, while simultaneously monetising its content through carrier billing.

In emerging markets, such as India, OTTs have found that this approach has helped gain them presence in the market.

These deals are by no means limited to developing markets. Operators in developed markets may also view content subscriptions as a means of increasing market share and/or reducing churn rates, as well as increasing end user spend.

Indeed, one of the first major OTTs to adopt this strategy – Spotify – partnered with a number of European operators, including Telia and KPN, with the operators consequently experiencing an uplift in spend. Spotify, in turn, has had a 20% uplift in customer conversions from free trials to paid for subscriptions when it added a mobile phone billing option.

Netflix has embraced this approach over the past 2 years, initially partering with operators in the Philippines before expanding elsewhere. Typically, the streaming service initially offers a period whereby customers receive the content for free; depending on the operator deal in question, this can be up to 12 months in some cases. At the end of the period, those who wished to continue accessing the content would be billed via carrier billing.

Figure 1: Selected Netflix Operator Partnerships, 2018-2019

Date	Country	Operator
January 2018	Mexico	iusacell
February 2018	UK	Three UK
March 2018	Australia	Vodafone
April 2018	Singapore	Singtel
May 2018	Spain/LATAM	Telefonica
June 2018	India	Vodafone
August 2018	India	Airtel
February 2019	Brazil	TIM Brasil
March 2019	Pakistan	Telenor

Source: Juniper Research

DCB: a safe refuge?

You might be forgiven for thinking that once you become a refugee in a refugee camp, life stops. However, it goes on, with people needing to live and work and some even starting their own businesses – and to do that they need money. Mobile money. **Paul Skeldon** takes a look at how DCB is helping make life better for refugees in Rwanda

Banking the unbanked has long been a growth area for the telemedia and telecoms sectors and this is now moving – with the backing of the UN – into refugee camps, particularly in Rwanda, as both the Rwandan government's Ministry of Emergency Management and United Nations High Commission for Refugees (UNHCR) see distinct benefits in banking the unbanked in camps.

The drive is clear: to make refugees as self-reliant as possible and to try and start the refugees' road to a new life as one with some degree of financial stability and independence.

Digitising humanitarian cash transfers has much appeal for humanitarian organisations. Electronic transfers have the potential to offer a faster, more secure and more transparent means of getting help to those who need it, compared to a physical cash equivalent.

An added benefit of delivering funds electronically to beneficiaries through a mobile money provider is that this opens up opportunities for financial inclusion, whilst simultaneously boosting local markets by encouraging spending at merchants.

As a result, the Rwandan government and UNHCR hope to make refugees productive.

So what is happening? The Rwandan government, working with the UNHCR, have invited telcos and financial institutions to offer their services – and to create bespoke services for this very specific market – aimed squarely at refugees.

The initiative will see a local Rwandan financial service provider, Umutanguha Finance Company and a mobile operator Airtel/Tigo develop and provide digital financial services targeting refugees in the country

It will boost efforts to graduate some 18,000 camp-based refugees from food and/or cash for food assistance programmes and providing access to formal employment opportunities for up to 60,000 refugees.

Amit Chawla, the Airtel Chief Executive Officer tells The New Times, a leading Rwandan English language newspaper, that: "We are going to provide an infrastructure to facilitate 'pull and push' functionality for refugee clients. We are therefore proud to be part of this project that will serve a unique segment as we continue to ensure innovation and inclusiveness".

Roselyne Uwamahoro, Head of SACCO's and Savings Groups at Access to Finance (AFR), also explains that the project will start with developing and offering two types of loans; digital consumption loan (little amount) and light touch loan for small scale businesses.

She further said that loan officers will be visiting the camps to carry out financial and non-financial assessment of the businesses in order to determine their credit worthiness.

In addition, financial institution and telecom firms will be encouraged to carryout financial awareness campaign as well as offering business clinics to refugees.

The move is one of only two – Uganda has done something similar with refugees in 2017 – but showcases how mobile money and technology can be used as a force to change the world.

The GSMA set out the scope to do this in a 44-page report, "Humanitarian Payment Digitization: Focus On Uganda's Bidi Bidi Refugee Settlement" which shows just how MNOs and associated players can leverage what they do to bring services to the most underprivileged in the world and builds on extensive work being done by Telemedia companies in Africa.

And it works. In Uganda, Ugandan MNOs have dedicated substantial resources to expand and upgrade their infrastructure in Bidi Bidi refugee settlement to provide reliable connectivity, and to achieve the enabling environment necessary (robust agent networks, sufficient liquidity, training and customer service provisions) for successful humanitarian cash transfer projects, says the GSMA.

Mobile money is a heavily OPEX-centric business, with constant investment necessary to maintain a readily available

From Google Play to WhatsApp – the changing face of DCB in developing markets

While carrier billing is going gangbusters in lifting refugees out of the mire, direct carrier billing is also making waves across the developing world opening up the kind of services and payment tools we take for granted here in the west. Here are a few key examples.

• Google Play and M-Pesa – Vodafone's M-Pesa is the daddy of all developing world banking the un-banked solutions and, while it may no longer garner the thought-leadership headlines it once attracted, it is still going strong. One of its latest initiatives has been to open up Google Play to M-Pesa users in Kenya. Domoco, working with Safaricom, has made M-Pesa work on Google Play.

The integration, which is powered by Docomo Digital's mobile commerce enabling platform using Google Play's payment API, allows M-Pesa customers to use the mobile money service to pay for goods and services from the app store.

The service is available to more than 27 million M-Pesa customers in Kenya with an Android smartphone or tablet. From today, customers matching this criterion can purchase content and products from the Google Play Store and pay for them using M-Pesa. The solution seamlessly combines Google Play with the M-Pesa purchase experience that Safaricom customers are used to when paying for goods and services.

• WhatsApp and money transfers in India – The National Payments Corporation of India (NPCI) is working with WhatsApp on beta tests of a money transfer service that it aims to launch as a "full feature product" this year.

The service will be the first financial offering from WhatsApp, and allows customers to link their phone numbers to their bank accounts to make payments to their contacts. The beta launch will feature "a limited user base of 1 million and low per transaction limit" according to the NCPI.

Four banks are involved in the beta to spread the transaction load between them. Currently, ICICI Bank – India's third biggest lender - is handling all fund transfers on WhatsApp. The messaging app has over 200 million users in India, making the country one of its biggest markets.

• MTN South Africa launches chat commerce on WhatsApp – MTN South Africa has partnered with global customer engagement company, Clickatell, to launch MTN Chat, enabling its customers to engage with the telco over WhatsApp and launch chat commerce.

MTN Chat will enable customers to initiate the purchase of airtime and data bundles within their WhatsApp chat session. Over time, clients will also be able to access customer support and self-service options, including performing upgrades, managing their accounts, and receiving low balance alerts. MTN Chat forms part of MTN's vision to significantly enhance its digital business offering to boost its customer base through advanced services.

and highly liquid network of agents that perform cash-out for customers. Additionally, NGOs in Uganda have committed time to navigating fast-moving regulatory environments and iterating projects along the way. Furthermore, development agencies, such as the United Nations Capital Development Fund (UNCDF) have provided financial, operational and technical support to mobile money providers seeking to expand their businesses into more challenging locations.

FINNCLUDE– the organisation set up to promote financial inclusion through mobile payments and mobile fintech – backs the Rwandan move and is keen to get all players involved.

"This UNHCR-Airtel situation in Rwanda gets to the heart of the premise of FINCCLUDE: to voluntarily facilitate help finding and brokering the sharing of mainly operational level success-knowledge – directly and/or indirectly from Airtel, MTN, GSMA &/or others involved in similar recent effort in Uganda – that could help industry colleagues and stakeholders in the ecosystems of telco-Carrier Commerce (in this case Airtel Rwanda, UNHCR and others in this ecosystem) move faster and more efficiently," says FINNCLUDE founder John Baross. "To help targeted refugee communities in Rwanda realize improved lives faster thanks to any help FINCCLUDE provides in getting invaluable been-there/done-that industry knowledge to Arifur and his partner-colleagues."

IPRN comes of age

International Premium Rate Numbers (IPRN) has been the backbone of the telemedia industry for years and has remained somewhat in the background in recent times, overshadowed by developments in mobile, value added services and marketing. **Paul Skeldon** reports

IPRN is still the backbone of many businesses and underpins everything from voice and data services, to voting, live chats, call TV, quiz shows, adult entertainment and much more.

The world of telemedia is now one predicated on international deals and international traffic, driven by media companies and marketers alike looking to go international.

From a UK perspective, a study by Rakuten Marketing reveals 89% of UK marketers are now in a position where they are currently managing international campaigns. More than half (55%) are actively managing campaigns across Europe and a further 14% state they are also managing campaigns further afield.

Anthony Capano, Managing Director, EU at Rakuten Marketing, comments, "In the UK alone, more than 35% of transactions driven for Rakuten Marketing clients are now taking place overseas, highlighting the significant international growth opportunity for UK brands."

On TV, too, IPRN is being brought to bear. "TV is a trusted device and mobile is now its remote control – and it offers way more than the 'red button' ever could," says David Wainwright, CEO, Hollywood TV. "The mobile is definitely the first screen these days, but TV is firmly the second – but using the two together can create services that people will pay for."

According to Wainwright, quizzes, games, lotteries, casino games, shopping and adult are all interactive TV services that people will pay for and which can generate revenue still – "you just have to build trust and show just how good these games are," he says.

Across the world there has been quite a bit of innovation in TV interaction services. "It is lucrative worldwide and we are seeing new formats, new technologies, new programmes and new outlets," says Claire McLaughlin, COO, The Cyber Authority.

That said, according to McLaughlin, the formats that are still going strong are old and well established formats in TV and radio that still attract huge numbers of participants, so while there are lots of new things that can be done with new tech, the old faithfuls can also be great.

WHERE IN THE WORLD?

International development of telecoms and allied services that underpin IPRN are not limited to one geography, but some markets are hotting up. The need to connect and monetize Africa is driving much international development in telecoms and marketing and, as this infrastructure is built out, so too is the ability to pass traffic on from the developed world to these markets.

Similarly, Russia and Central Europe are also seeing deployments of services coming on apace.

Rakuten's study, focusing on new high growth regions found that Asia-Pacific (APAC) is a region that is quickly growing in importance for UK marketers. 82% of UK marketers targeting this region confirm they see their customer base in the region as 'premium buyers'. To reach customers, they are personally using channels such as WeChat (36%). Similarly, 30% have tried Weibo and 18% have tried Renren.

Following APAC, marketers are also expanding their global customer base by targeting the Middle East (7%) and South America (4%). Like APAC, the market in the Middle East is considered by marketers to be comprised of premium buyers with an appetite for luxury goods. The biggest ecommerce potential in the region comes from Saudi Arabia, Qatar and the UAE with fashion, travel and transportation being the most popular online shopping categories. Of course, it is important to be conscious of the diverse cultures in this region and distinct sales peaks.

NEW TECH FRONTIERS

The development of IPRN is also starting to see the impact of new devices such as voice assistants – think Alexa and Google Home – creating new opportunities for VAS traffic and ecommerce, much of which is cross border.

It is early days, but these are soon to be mainstream devices in every home – and they will create new IPRN opportunities.

And one company set to exploit this is Platin Telecom. Platin Telecom is a merger of several services of various companies in the telecom area. Our priorities are the confidence and the highest quality of services, we refer to the entire content of absolutely reputable sellers who work in the telecom services area exclusively with us. Our success is driven by our people and their unrelenting focus on how to give best service results the right way by operating responsibly, executing with excellence, applying on-time inquiries and good dealings with the customers for profitable growth.

Platin Telecom is one of the international telecom companies that conduct business worldwide. We are involved in international premium rate numbers of the telecommunication industry. This product was very successful over the last years implemented at different operators around the world generally speaking it is a value added service product comparable to a national premium rate number. The great difference is that this product can be sold internationally and used in countries where value added service numbers are not available such as in the Arabic region.


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Apple takes a bite of subscription services

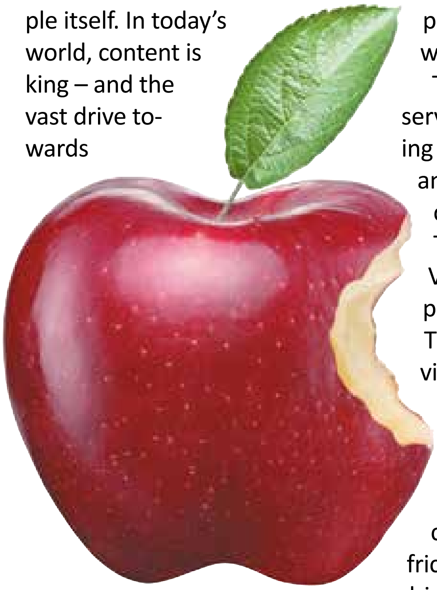
As iPhone sales stall, what challenges lie ahead for Apple's newly launched subscription services? **Greg Harwood**, pricing specialist and director at Simon-Kucher & Partners, explains why Apple is expanding its subscription service offers and the challenges it faces

Apple is looking to bolster revenue in the face of increased competition from Amazon and Microsoft for the title of most valuable business in the world – it's answer? To unveil a TV streaming platform, Apple TV+, as part of a new suite of products that include plans to launch a credit card, gaming portal and enhanced news app. All payable by subscriptions.

The move shouldn't come as a surprise, since Apple is already dabbling in the services space with Apple Music subscriptions, iCloud storage and AppleCare warranties. However, Apple is now set to double down on services to drive its next phase of growth.

The company will need to enact a strategy that will power the next generation of growth by building longer term relationships, generating recurring revenues and providing various opportunities to cross and upsell to existing Apple customers.

The Apple TV subscription service is set to capitalise on the value of digital content – an integrated Apple video streaming service including TV shows and films being financed by Apple itself. In today's world, content is king – and the vast drive towards video streaming has been extremely lucrative for established players such as Netflix, Amazon, Disney, Hulu and AT&T – so the potential move for Apple to enter this space is a particularly interesting one.



The move towards TV subscription services and creating original content is one that certainly requires deep pockets but represents significant potential returns if executed with the customer in mind.

The Apple News subscription service builds on the existing Apple News infrastructure and will offer access to new content from the likes of The Wall Street Journal and Vox, which is kept behind a paywall.

The aggregator news service will offer flexibility, on-demand experience and convenience for an affordable price; that said, the rumoured 50% Apple cut is likely to create some friction for publishers looking to drive their own reader revenue strategies.

CHALLENGES AHEAD?

Clearly the opportunity for revenue diversification is significant, however, the pivot towards subscription services also presents Apple with a number of challenges that need carefully addressing how best to acquire customers on to the services, how best to monetise customers and how best to retain customers in the long term?

In principle this sounds simple, but each question comes with trade-offs and mastering the subscription economy is no easy task.

For Apple, acquisition is made easier by the fact that they already have a large and captive audience to target. On the other hand, given the highly competitive landscape and the endless choice of digital content that is available via the subscription mechanism – Apple will need

The power of carrier billing in a subscriptions world

Thanks to PSD2, carrier billing is becoming more prevalent in consumer markets – and subscription services for media and content are a ripe ground to sew its seeds.

And many publishers of everything from games, to magazines to newspapers are starting to see the power of DCB, not just to extract payments from consumers, but to also engage them. Subscriptions are repeat business and being able to handle that through carrier billing – and hence direct to the phone, the most personal of all the devices a user has – is key to both paying and engaging.

"Carrier billing is an excellent outreach mechanism for getting initial subscriptions," Tim Green, features editor at the Mobile Ecosystem Forum (MEF) said a Fonix media and carrier billing workshop in 2018.

Warren Mills, client partner at Weve told the audience that DCB is proving to be a excellent way for [Weve] to understand what its customers are purchasing and to use that data for better marketing.

The engaging and convenient nature of carrier billing is also being seen at Microsoft. It has been using DCB in its online store in the US for nearly two years, and it is now flourishing in the UK and Europe. It provides customers with a really quick and easy way to engage at the point of purchase, and it gives Microsoft a whole new dimension in payments.

"We are seeing revenue growth month on month as people realise that direct carrier billing is available on the store," Grahame Riddell, global director, operator billing at Microsoft Digital Store says. "We are seeing more people using it and we are starting to see some interesting customer lifetime value numbers with it compared to credit and debit card."

Subscriptions are becoming the natural way to engage – and monetise – consumers around content and carrier billing offers a clear path to do both. As Cornelia Callugar-Pop, manager, Telco, media and technology (TMT) at Deloitte put it at the Fonix event: "Media companies need to move away from ad funding to ads plus something else – subscriptions, memberships and donations are the key to that and carrier billing is an easy way to do it for snackable content".

to differentiate itself from the competition and examine what it can offer customers that they cannot already get elsewhere.

Whilst Apple has a captive audience to market to – it will then need to find a way to retain those customers. The beauty of a subscription business is that you now have detailed data on the customer relationship, and it is no longer a transactional relationship, which means, if leveraged correctly, the customer retention strategy is more personalised.

The question of monetisation is a critical one in any consumer facing business – there is only one shot at landing the pricing and therefore it needs to be right from the start; taking a longer- term view and thinking through the price model ahead of time will be critical to ensure customer acceptance of the offering.

DCB and subscriptions in harmony

RGK Mobile has spent a lot of time developing its DCB-based subscriptions platform and is now working with carriers across Europe rolling out simple, two-click subscriptions for Vodafone Romania Swisscom, Sunrise, Airtel, all of Norway's mobile operators and others.

Sunrise Switzerland subscribers can purchase RGK Mobile's content services with just two clicks, with no need to fill out forms or submit credit information—a safer, faster, and easier process that encourages subscriber conversions.

Subscription requests go directly to the operator's billing system, where they leverage pre-populated subscriber data. RGK Mobile's aggregated payment system (premium SMS billing) is enabled through integration with Sunrise Switzerland's existing billing system.

Through partnerships with popular content providers, along with its own services, RGK Mobile provides fresh, exclusive, high-quality content to subscribers, pre-approved and licensed for the individual markets. For instance, Sunrise subscribers can sign up for Wellness Energy (fitness and lifestyle), Appbox (a game portal), and Let Me Dance (dance tutorials), along with other content, including music, sports, and dating.

In Romania, RGK will initially handle billing for mobile services that include Wellness (a fitness app), LetMeDance (a dancing tutorial), SunnyGames (a game portal) and a fitness service for renowned personal trainer Lazar Angelov. RGK will also provide local customer support to all service subscribers.

RGK Mobile's premium subscription services eliminate the burden of generating and managing mobile content by handling the entire process for the mobile operator, from technical integration and local content licensing to traffic acquisition. The company's local subscriber support, at no cost and in local languages, spares mobile carriers from the need to provide customer support for content subscription services on their end.

Meeting the demands of 'Generation Subscriber'

The launch of Apple's myriad subs services is symptomatic of a shift in consumer behaviour – meet 'Generation Subscriber'. Here **Myles Dawson**, UK Managing Director, Adyen takes a look at how payment services need to change to accommodate this shift

A new generation of consumer is here – Generation Subscriber. According to recent results from the Entertainment Retailers Association (ERA), digital entertainment services are, for the first time, delivering higher revenues through subscriptions than 'ownership'.

Last year, music subscriptions accounted for 62% of total recorded music revenues, finally following the gaming and video markets, which saw subscriptions surpass ownership in 2016 and 2017 respectively. Naturally, this spend is coming via digital means: in fact, digital revenue now accounts for 75% of entertainment expenditure.

The rise of services such as Amazon, Spotify, Apple Music, Hello Fresh and Graze has transformed the way we consume and share goods and services. Against this backdrop, a fit-for-purpose payments infrastructure is required to appeal to, sign-up and retain customers who think 'digital-first'.

A SMOOTH AND FLEXIBLE CHECKOUT PROCESS

The first part of the payments puzzle is to ensure the online checkout process is as frictionless as possible. This is particularly vital at the point a customer signs up, as it's their first direct experience of the brand.

At this point they also need clearly-signposted information such as terms and conditions, how charges are made and cancellation policies. Brands need to get the 'buy in' and confidence of the consumer right from the off.

For subscription businesses, who are often trying to quickly build a base of loyal consumers, payments must be quick, easy and secure, and possible on any device.

It's vital that consumers can select from a variety of different payment methods. Customers usually have their own preferences, including debit cards, credit cards, bank transfers and other local systems such as AliPay or WeChat Pay in China and SEPA Direct Debit in mainland Europe.

Subscription businesses also have considerations around recurring payments. In some markets, such as Indonesia, it's not even possible to set up periodic payments – a challenge that Spotify has overcome by allowing its customers there to pay each month using bank transfers or with cash at local convenience stores.

MINIMISING CHURN

Involuntary churn – where customers unintentionally have their subscription cancelled due to payment failure – can be a huge source of frustration.

It often occurs when cards expire, are lost, or changed for other unforeseen reasons, triggering a decline in the next payment, often without the business or customer immediately realising it.

Merchants need instant visibility on these changes to keep up with their customers, no matter how often, or not, they return. Major card schemes now provide such updates in real time at the time of payment, preventing significant involuntary churn without disrupting the customer experience.

Real time account updates are especially easy to use when paired with tokenisation. Rather than storing sensitive card details, a merchant using tokenisation will store and make payments with a unique 'token' number linked to the customer's card.

Tokens will remain the same, irrespective of any new payment card details. That means fewer false declines and a lower churn rate – with no integration or maintenance required. It also means the merchant is completely protected against reputational and monetary damages from card breaches, while the payments process is made as simple and as seamless as possible for the customer. Everyone wins.

PROTECTION AGAINST FRAUD

E-commerce-based, subscription businesses are more susceptible to two types of fraud than other merchants: card testing and reseller fraud.

Card testing is where fraudsters test stolen details to see if they can be used to make subsequent transactions.

Reseller fraud is where fraudsters sign up for trial periods and then sell them on to unsuspecting consumers for small amounts of money. This delivers a negative customer experience and damages brand perception in the process.

The traditional approach to combating fraud is stopping suspicious transactions. But the consequence of doing so often means potentially blocking 'good' customers at the same time as 'bad' ones.

Instead, subscription businesses should look to use a payments system that can analyse consumers and their spending behaviour in real-time, in order to minimise false positives. Adyen's Revenue Protect, for example, uses a data-driven approach to block fraud. Features include behavioural analysis, transaction linking, connecting multiple signals into a single profile for every device and custom risk profiles.

IN CONCLUSION

The world is increasingly moving towards a subscription-based model – with markets such as beauty, fashion and food & drink following the entertainment sector's lead. In this world, customers demand quality, speed, security and – most of all – an uninterrupted, continuous experience. This applies not just to what they buy, but how they pay for it. Simply put, Generation Subscriber demands next generation payments.

5G: Are you ready for the big boost

New research from Barclays Corporate Banking shows that 5G could supercharge the UK economy alone by up to £15.7bn per year by 2025 – but the opportunity could be missed because industry leaders still do not know enough about the benefits of investing in the technology. **Paul Skeldon** takes a look at what 5G offers the UK and the world

5G is coming – and you really should believe the hype: it is going to transform telecoms as we know it. According to 5G Americas, the industry trade association and voice of 5G and LTE for the Americas, global mobile connections will total 10 billion by 2023 based on forecasts provided by Ovum. Also, by the end of 2023, global 5G connections are expected to reach 1.3 billion.

What does that mean in terms of money? Well, a study of the impact of 5G on the UK by Barclays Corporate Banking adds some flesh to these connectivity bones.

Its report, 5G: A Transformative Technology, analyses a series of potential scenarios that UK businesses could face when implementing 5G. Under an 'optimistic scenario', which anticipates an accelerated rollout of 5G and an enhanced uptake amongst UK businesses and consumers, the UK will see a £15.7bn increase in business revenue by 2025. A slower-than-anticipated rollout and limited use would deliver around £8.3bn of added revenue to the UK, while the current pace of development added revenue would reach £13bn.

The optimistic scenario could be a reality for British businesses, as mobile providers are already beginning to introduce 5G capabilities on a large scale this year, including pilots underway in London, the Midlands, Edinburgh and Belfast.

The Government is also supporting 5G by incorporating it into its Industrial Strategy, having pledged £1bn towards digital infrastructure. The bidding process for 5G licences, meanwhile, opened to the telecoms industry last year.

TOP PERFORMERS IN THE OPTIMISTIC SCENARIO

Accelerated rollout spells a positive picture for regional growth, which would provide opportunities outside the usual technology hubs of London (£4.1bn increased business revenue) and the South East (£2.5bn). The North West (£1.4bn), East of England (£1.3bn) and the South West (£1.1bn) make up the rest of the top five. Scotland comes close to, but just behind, the South West, also at £1.1bn – showing that 5G development is not an initiative that will just benefit a small pocket of the country.

Under the optimistic scenario, the business areas set to see the largest revenue increases are distribution (£3.6bn), manufacturing (£2bn), professional services (£1.1bn) and business services (£1bn). The diverse range of sectors set to see a boost to revenue is a testament to the wide applications of 5G technology.

THE CURRENT STATE OF (MOBILE) PLAY

The new Barclays research revealed that a majority of businesses (58%) are already benefitting from fast communications technology like 4G and ultrafast broadband. This is because it allows companies to operate across disparate locations (59%), communicate with customers and potential customers (49%) and connect multiple machines and devices (48%).

5G can further enhance these operations through benefits including peak data rates 20 times faster than 4G and simultaneous connections for one million devices per square kilometre. The extreme speed paves the way for innovations

in artificial intelligence, robotics and large-scale Internet of Things (IoT) usage. For businesses, this means more extensive machine-to-machine communications, using self-driving vehicles and better overall infrastructure – amongst other new applications.

Despite the demand for current communications technologies and the potential applications for 5G, the Barclays survey of 526 British businesses found just four in ten (39%) business decision makers know how their business can make the most of 5G. When it comes to preparing for 5G, only 15% of businesses are thinking about how to harness the new technology. The sectors most likely to have plans for 5G are TMT (23%), logistics (18%) and hospitality and leisure (17%) – but it is clear a majority of businesses are not ready to successfully join the 5G revolution.

Sean Duffy, Head of TMT at Barclays, explains: "The rollout of 5G offers a huge opportunity for the UK. We're seeing massive potential for business growth, which ultimately delivers a positive knock-on effect for the whole economy. While the Government and network providers are already working hard to introduce 5G in the UK, we found that businesses do not yet have enough clarity about how they will benefit in the long-run. What's more, nearly four in ten business leaders still aren't entirely sure what 5G is."

He continues: "To ensure the UK can realise the full potential of an accelerated rollout, the Government, mobile operators and other corporate partners – including financial institutions – have a job to do in order to raise awareness amongst businesses so they can harness 5G. This support is crucial for businesses to make smart investments which will unlock the power of 5G."

INVESTING FOR SUCCESS

While awareness is low for some sectors, the good news is that those industries with an understanding of 5G are already investing, or planning to invest, in the technology. The sectors planning significant investments into 5G technologies within their business are TMT (35%), logistics (34%), business services (28%) and manufacturing (24%).

Even if businesses may not be immediately planning to invest in 5G technology in the short-term, across sectors, 40% of business decision makers said they expect 5G to increase their revenue over the next five years – a clear indication of the value placed on the technology and the commercial benefits that leaders expect it will provide.

Global 3G growth – where are the hot spots?

While the Barclays Corporate Banking research gives a detailed view of how the UK economy can be lifted by 5G – and by extrapolation, gives an indication of what it also means across Europe – 5G is a fast-moving global phenomenon. So what does it mean for other regions?

North America

North America will take an early lead in 5G deployments with all four national service providers anticipating commercial launches in 2018 or 2019. Ovum forecasts 336 thousand 5G connections in North America by the end of 2019 representing 47% of total global 5G connections.

"5G is in the initial stages of commercial deployment in the U.S. with big plans by all four national service providers," says Chris Pearson, President of 5G Americas. "5G technology deployments represent a transformational time for innovation as our industry enables new applications and services."

North America's 5G networks will be built upon the strong LTE foundation in the region. LTE achieved a penetration rate of 107% with 390 million LTE connections as of third quarter 2018, compared to the population of 365 million in North America. This penetration rate compares to the next two highest regions, Oceania, Eastern and Southeastern Asia at 87% and Western Europe at 71%.

Latin America and the Caribbean

LTE continues to exhibit high growth rates in Latin America and will be a key component of 5G deployment and uptake in the region in the coming years. Total LTE subscriptions in the region reached over a quarter billion by the end of third quarter 2018.

"The first 5G trial in the region took place in 2016 and we are expecting the first 5G commercial network to start offering services during 2019. However, it will take at least 4 to 5 years before this new technology has a comprehensive footprint in the region, making LTE the most relevant mobile broadband technology during the short term," noted Jose Otero, Director of Latin America and the Caribbean, 5G Americas.

LTE continued its healthy growth with market share increasing from 26% to 37% year-over-year at the end of September 2018.

Rest of the World

Forecasts for LTE continue to show very positive growth with milestones of nearly 4 billion at end of 2018; more than 5 billion by 2020; and about 6 billion in 2022 at which time LTE growth will decline due to the mass market growth of 5G. In 2023, LTE connections will decline to 5.7 billion when nearly 1 billion GSM connections and 2 billion HSPA connections will remain.

5G will trend upwards beginning in 2019 with less than 1 million global connections; by 2020, this will grow to 37 million and then more than quadruple to 156 million in 2021; by 2022, 5G connections will exceed 500 million and the 2023 forecast puts 5G global connections at 1.3 billion.

5G: Building buildings as a service

With 5G roll outs set to start in 2020, one area where there is likely to see a marked change in how telecoms is used in in-building. With wireless now considered a utility like electricity or water, building owners need to look at how best to deliver that – and 5G has the answer. **Paul Skeldon** reports

The headline promises of 5G are around faster gaming and even remote surgery, but really 5G is set to revolutionise pretty much everything connected in the digital age. And one area where it is likely to have a large impact is in-building services.

For starters, wireless connectivity is now taken as a given: it is a utility like water, gas, electricity and sewerage and building managers – especially commercial buildings – need to be able to offer the best wireless coverage that they can if they are going to charge for it.

Secondly, in a world that will increasingly monetise value added services, having robust networks that deliver trackable data for service providers are also going to be crucial.

Finally, making wireless services seamless wherever the user goes – so that in their office, apartment, the street, subway and even airplanes, the level of service they get is the same – is also going to be crucial.

5G has all these covered. It's bandwidth slicing technology allows for super-fast connectivity and many more users without throttling. But it has a hidden secret: it is great in-doors as a means of delivering wireless connectivity – better and more secure than wifi.

"We believe that physical connectivity is second only to location when choosing a building," says Carl Gunell co-founder of Geoverse, a company specialising in rolling out in-building LTE networks. "We all want to be untethered – and so far we've all used wifi on mobiles as data was expensive. But now, in the US and elsewhere, people have unlimited data plans and that means that more people are staying on the wireless data all day."

The reason is simple. Wifi is great as a cheap alternative to 4G, but in a building with many users, performance is degraded and often to build a good wifi network throughout an office building is complex and expensive, needing extensive wiring and many routers.

However, to date using cellular data networks as not been easy either. "We all use cell phones 24x7, but there isn't enough cellular coverage or capacity in doors as 4G doesn't work in buildings very well," says Gunell. "Instead, building managers have relied on using Pico and Femto cells to rebroadcast cellular indoors, but this doesn't really work so well anymore as there are so many users."

The problem is that while the are billions of cellphones in the world all trying to use these networks, there is a growing number of other devices – all part of the Internet of Things (IoT) – also trying to use the bandwidth.

The answer, in the US at least, lies in using new spectrum freed up in the launch of 5G and LTE services known as CBRS. And here Geoverse is tapping into its potential to create super-fast, low latency, high availability indoor networks.

"We leverage a new spectrum CBRS in US and build a cellular network in a building using LTE – the gold standard in network connectivity – that can be used as a private cellular network in the building," says Gunell. "And it offers a huge range of advantages."

Firstly, it makes the creation of in-building networks much more straightforward and brings LTE speed into the building. But it has many other advantages.

"The big benefit over wifi is that , when using LTE, you are authenticated by the SIM card, so it is secure, faster and works everywhere. The quality also doesn't tend to degrade like it does with wifi as you add more and more users."

Gunell continues: "It is also low latency and can connected many more devices, bringing other economic advantages."

For example, security cameras can now be wireless, cutting down on wiring costs and maintenance as you don't have to pull cables through the building. In addition, many more IoT sensors and devices – CO_2 sensors, temperature sensors and heat monitoring sensors – can all be connected to give a much more accurate view of the 'health' of the building and lead to better control of heating and lighting – which can drastically reduce costs.

Biometric IoT devices for access control can also all be connected securely and still leave enough bandwidth to add more AI, AR, VR and other services in the future as these become the norm.

"We are launching in US today," says Gunell. "All chipset makers are introducing this right now in their devices. It will start slowly as it is only just becoming available, but in two to three years we will see more LTE deployments into buildings."

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