

SNS Forecast and Trends

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Summary

- Social Networking Services (SNS) has made not only made a profound impact on how consumers communicate but it has greatly impacted how consumers share information, conduct commerce, indulge in entertainment and even search. This presentation will map the growth trajectory of the communication based SNS to its current form as a utility and entertainment based mobile platform on a global scale. It will look at the fundamental shift in social and the role of mobile media platforms in defining the future of SNS. Along with this, the presentation will also highlight the way forward and South Korea's role and relative position in leading the SNS revolution.

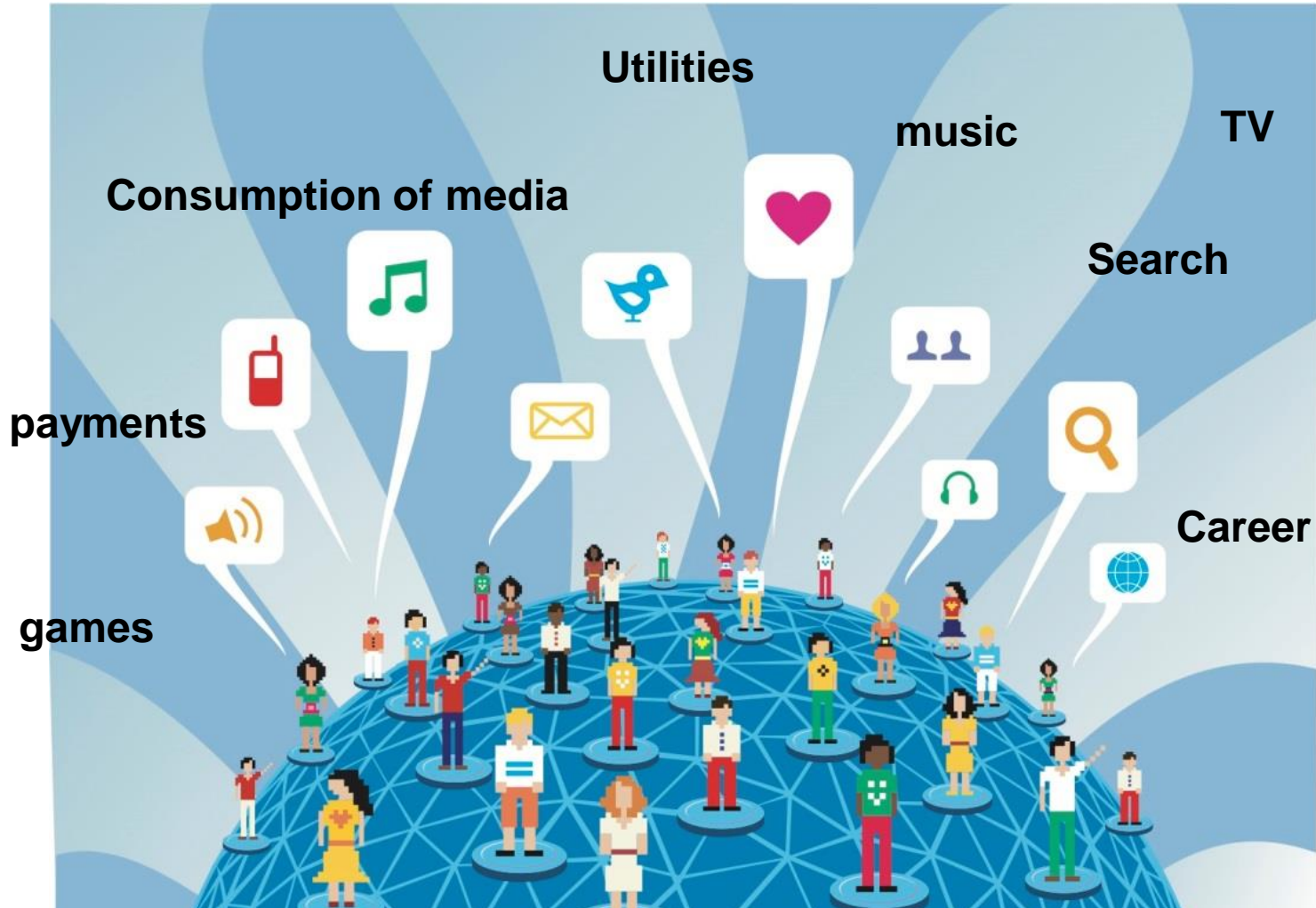
Agenda

- **The fundamental shift in SNS**
- **Reaching the point of no return**
- **Answering the two big questions**
- **Rise of mobile media platforms**
- **Consumer speak**

Stats at a glance

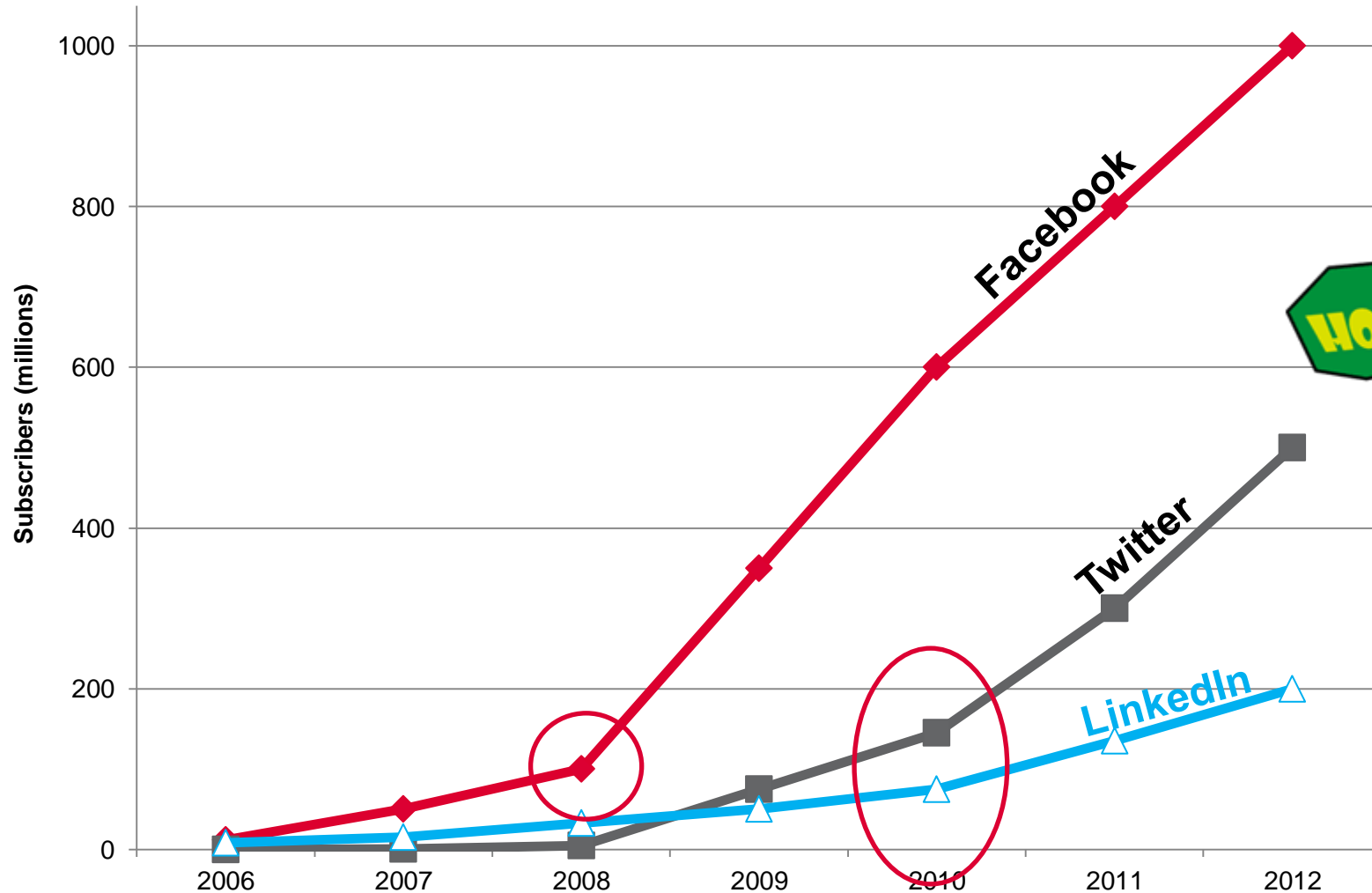
- **2 billion** monthly active users on SNS sites
- **1 billion** monthly active mobile SNS users
- Over **20 billion** messages transacted daily on WhatsApp
- Line gathers over **45 million** users in a year
- **5% penetration of WhatsApp** in a market makes it go viral
- Kakao Talk has more than **400 million game downloads** in one year
- Line gathers **\$4.3million** in sales of emoticons in 2 months

Social was the foundation



And is now the glue that holds everything together

SNS Growth Trends: Watershed years - 2008 and 2010



Source: Company data, Ovum

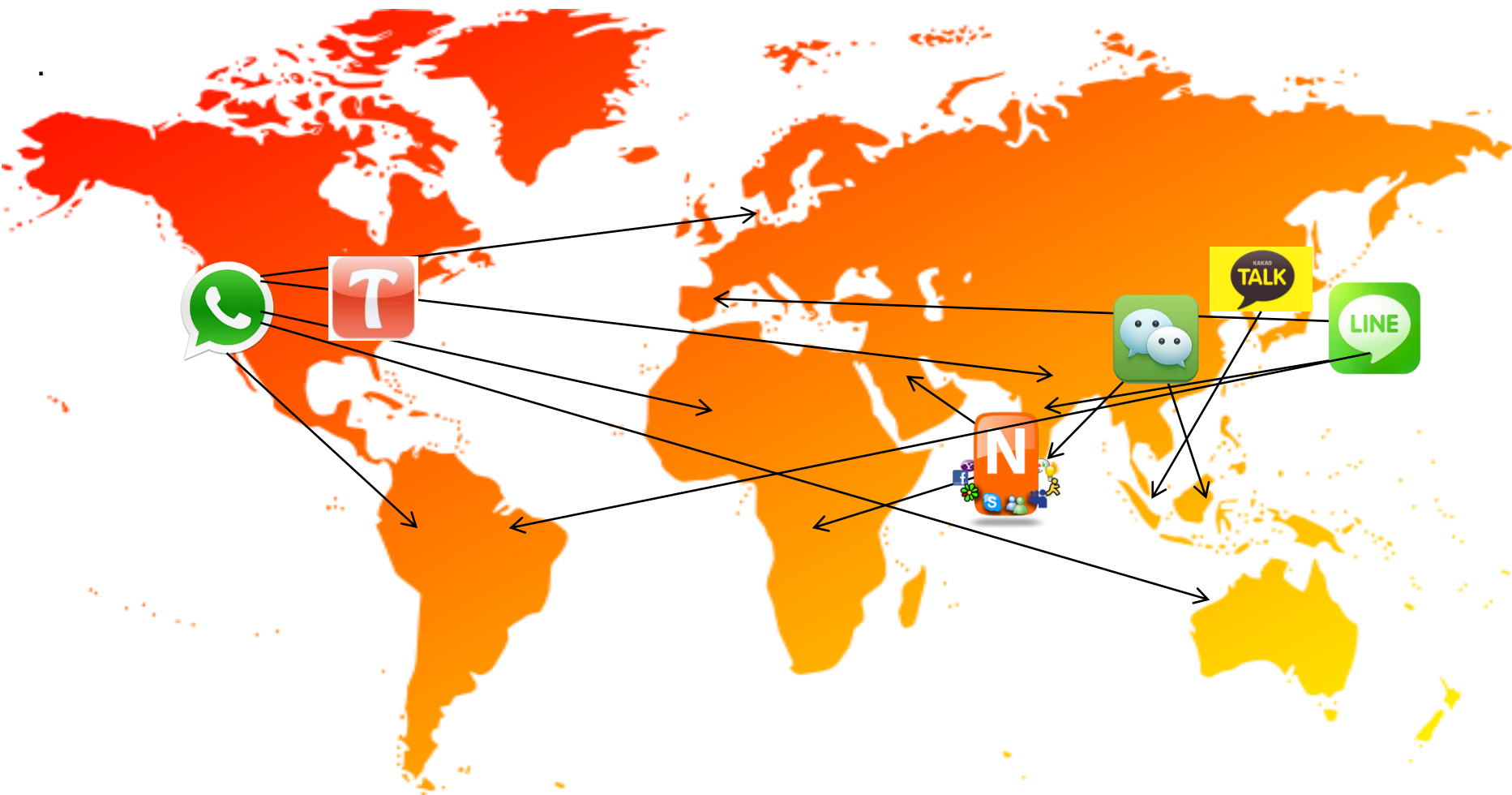


We have arrived at another inflection point

- All of this had led us to a point of no return
- Mobile media platforms acceleration in 2013
- Viral growth spurs on user engagement



Apps without borders



Apps without limitations



LINE Music

The 2 big questions

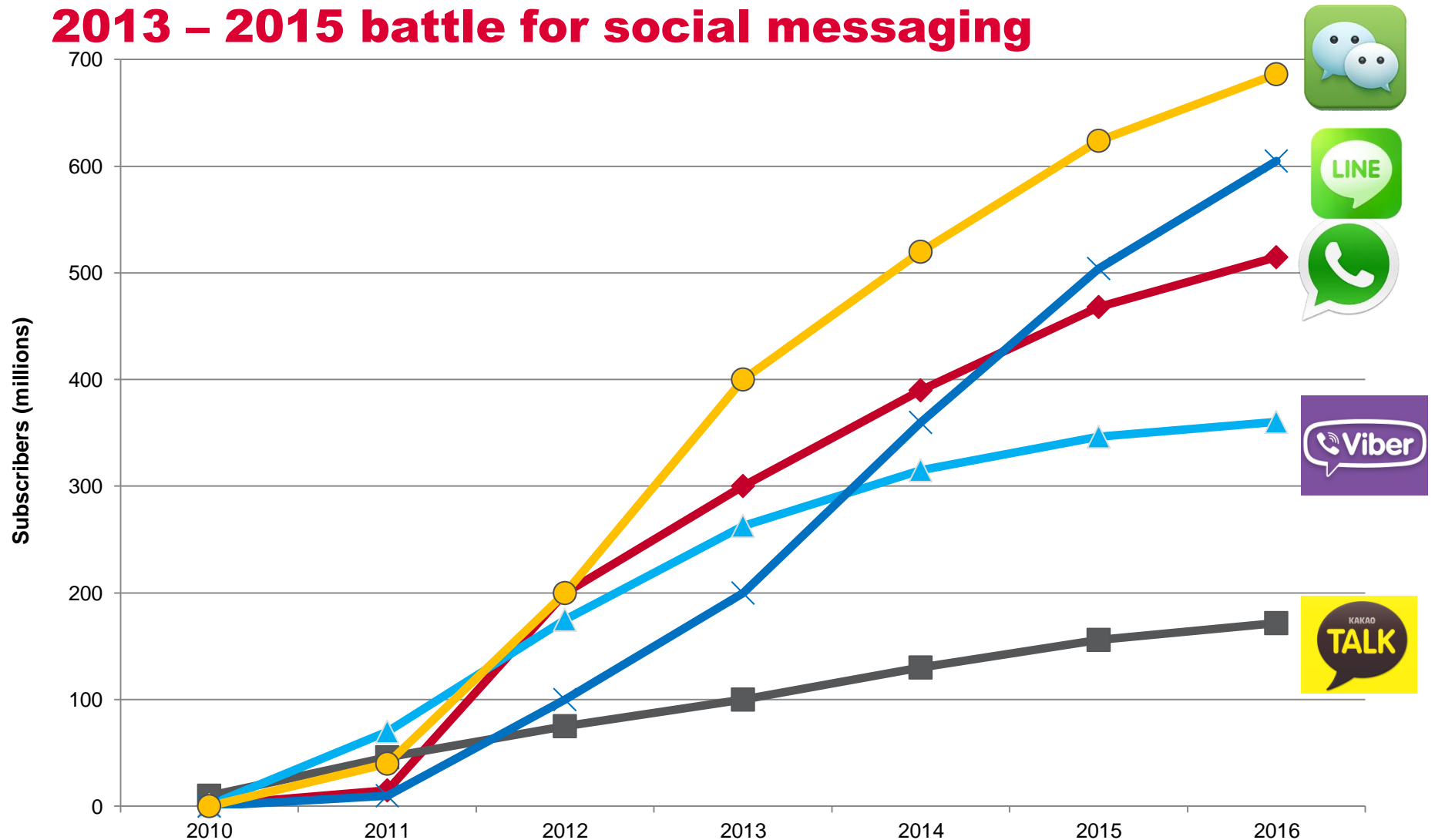
- Can local apps go global?



- How will social messaging re-define social?

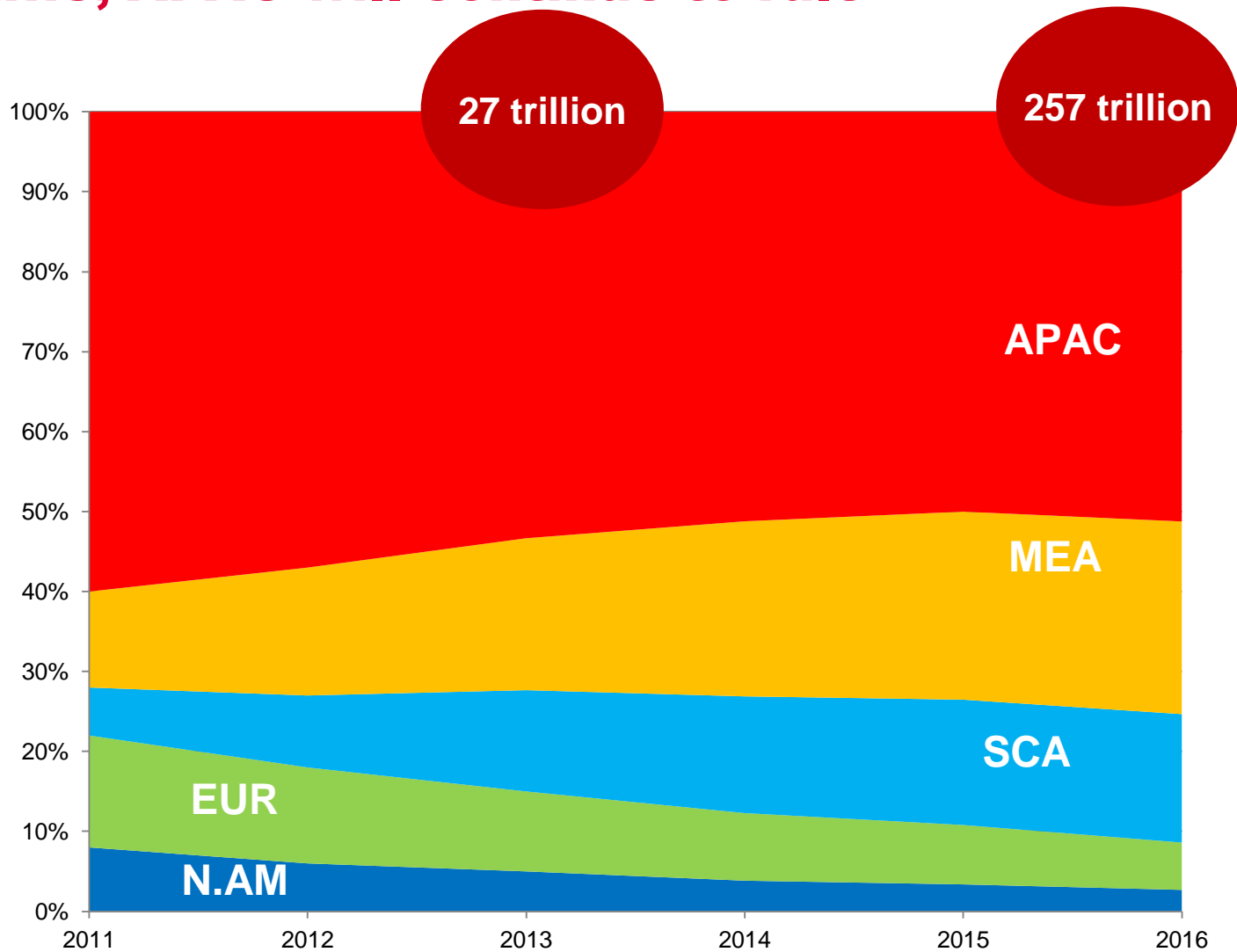


SNS Growth Trends: 2013 – 2015 battle for social messaging



Source: Company data, Ovum

SNS traffic, APAC will continue to rule



Source: Company data, Ovum

Game. Set. Match.

- Impact on telco revenues
- Vendors launch social messaging solutions
- Device vendors re-think their strategy
- Developers focus more on social aspects of gaming, payments
- OTT players face more competition, partnerships have been triggered
- The consumer benefits

\$10 billion
mobile voice
revenue
lost

\$54 billion
SMS revenue
lost

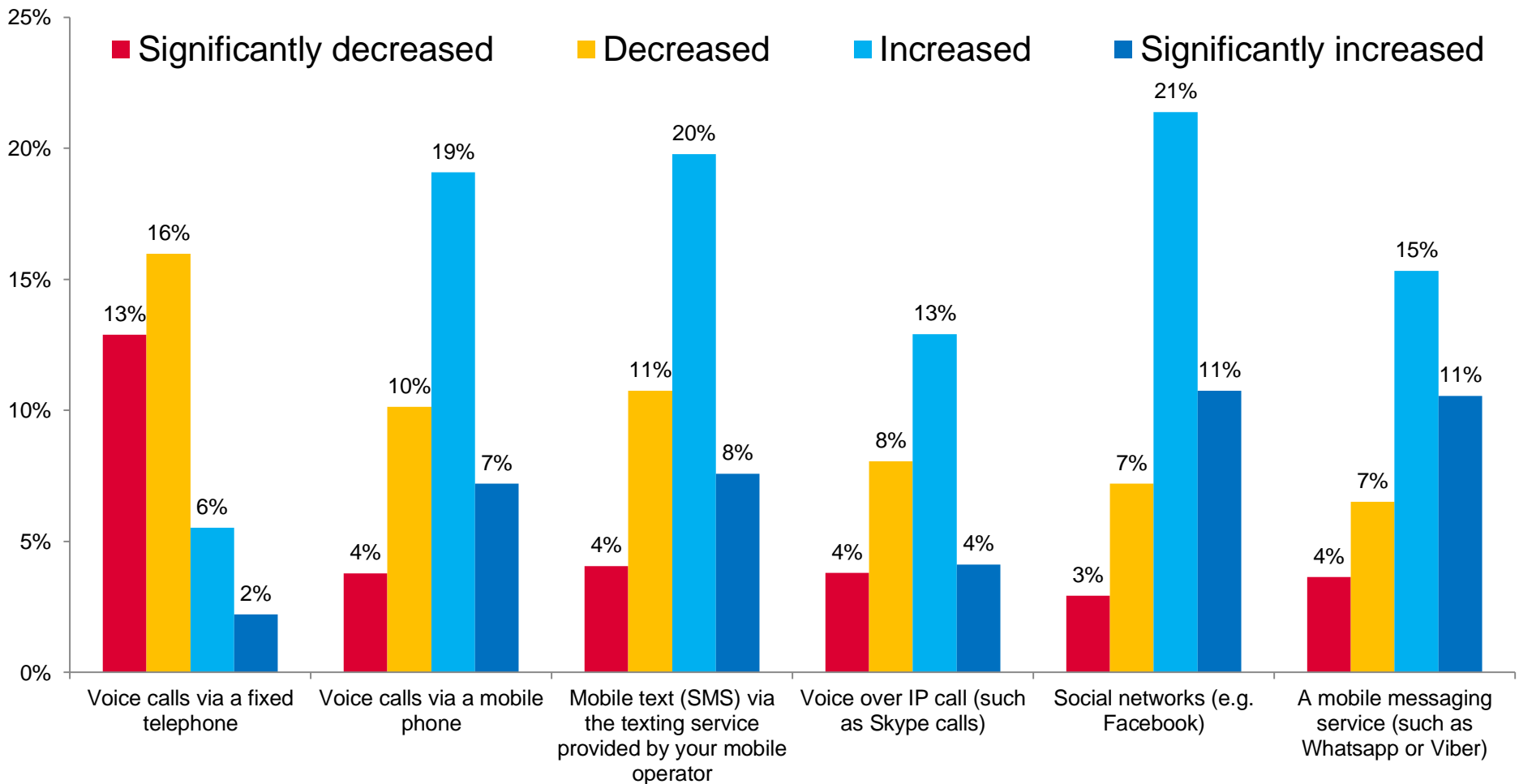
Nokia adds
WhatsApp
button

BBM goes cross
platform

Fb partners
with 18 telcos
globally

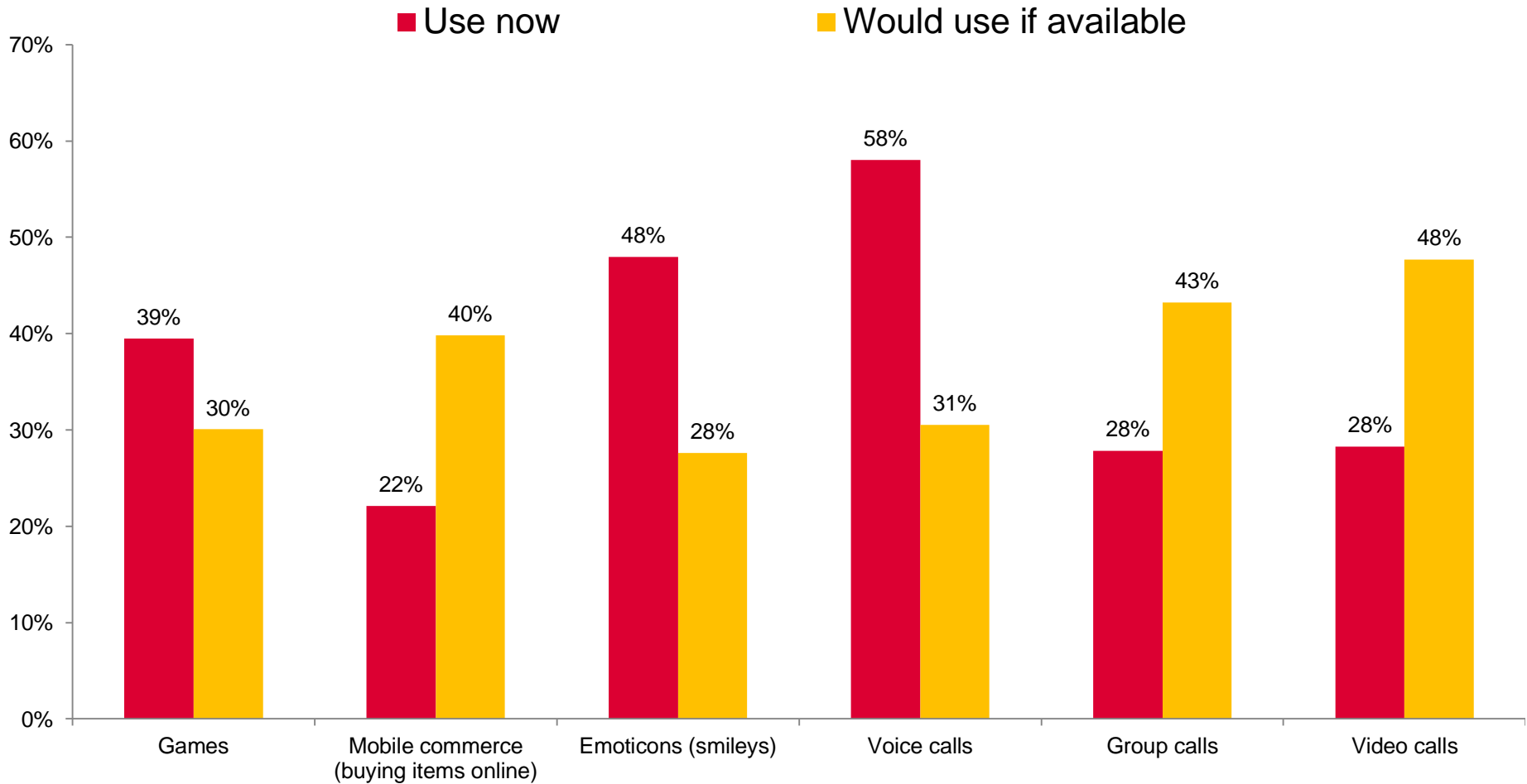
RCS launched
S.Korea & Spain

Impact on communications



Source: Ovum

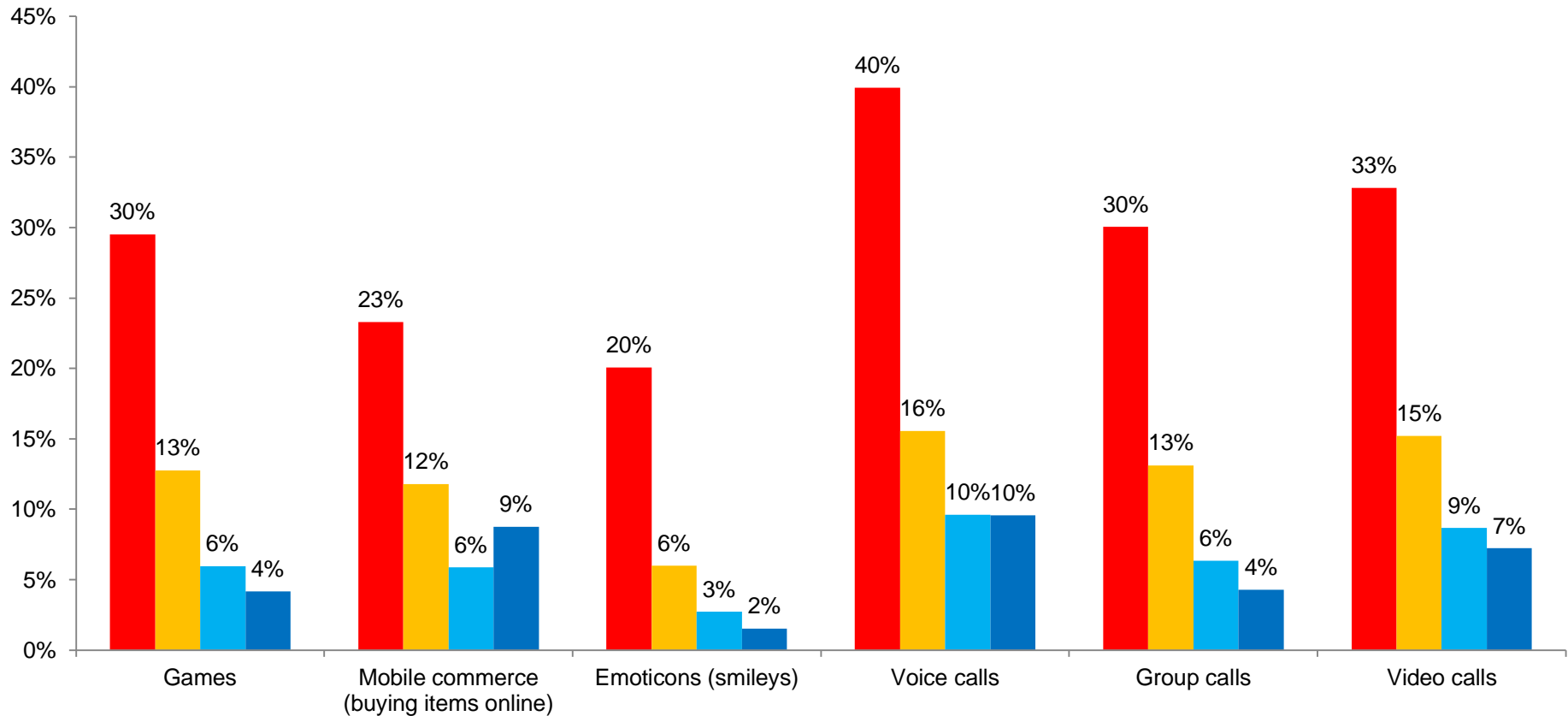
Consumer Speak: Social Messaging Usage



Source: Ovum

Its all about the money

■ £0-£1 ■ £1-£2 ■ £2-£5 ■ More than £5



Source: Ovum

Welcome to the new era

- **Mobile platforms changing status quo of Social**
 - **Social will soon be synonymous to mobile**
 - **Social is about global meeting local**
 - **Social will make money on mobile**
-
- **Mobile media platforms are the present and future of social**

Source: Ovum

Q & A

