Roy Morgan Research

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FOR IMMEDIATE RELEASE

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More Australians are using mobile data for talk, text and chat—especially people born overseas

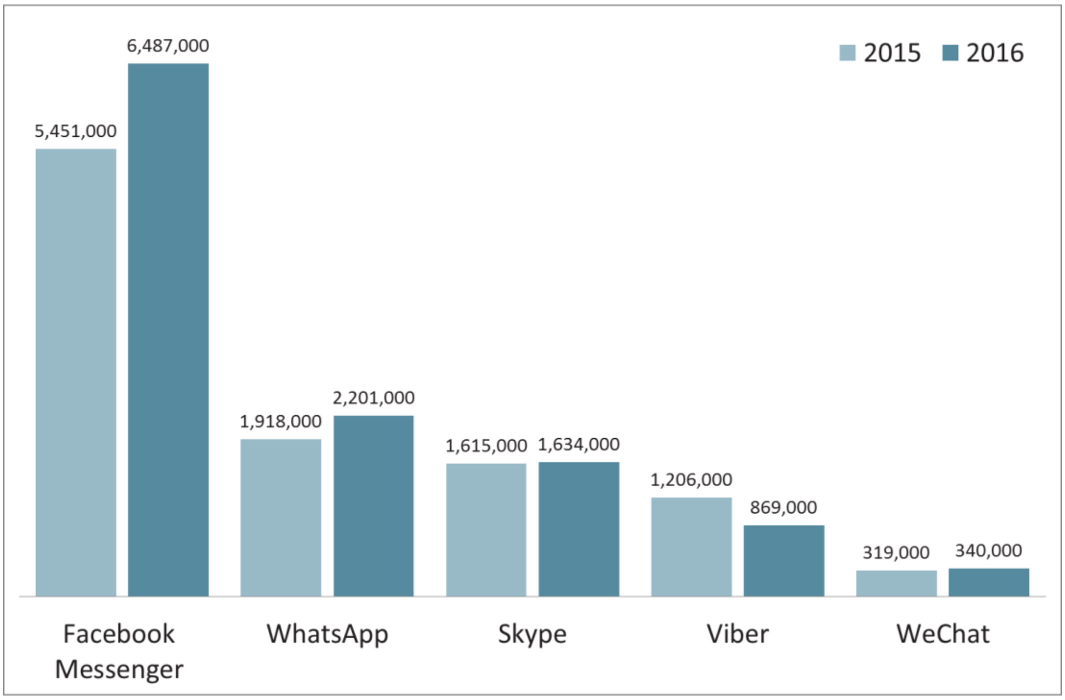
Facebook Messenger collected another million Australian users last year, while WhatsApp pulled ahead of Skype, Viber lost some of its vibe, and Chinese behemoth WeChat remained foreign to all but a select few, Roy Morgan Research shows.

Whether for instant messaging, Voice over Internet Protocol (VoIP) calls, or video chat, usage of Over-The-Top (OTT) communication apps—that use data rather than traditional phone and SMS services—continued to rise in 2016. In the six months to December, the number of Australians (aged 14+) who used Facebook Messenger via mobile phone in an average four weeks grew 19 percent compared with the year before, to 6.5 million—or almost one in three people.

Facebook-owned WhatsApp also grew strongly, up 15 percent to 2.2 million average monthly users. Skype was virtually steady with just over 1.6 million users, but Viber fell 28 percent to 869,000.

WeChat may have a similar number of global users as Viber, Skype and WhatsApp—but the vast majority are in China. Among Australians, just 340,000 now use the app in an average four weeks (up seven percent compared with 2015).

Growing number of Australians using OTT communication apps via mobile phone



Source: Roy Morgan Single Source Australia: July to December 2015 sample n = 25,421 and July to December 2016 sample n = 24,853 Australians 14+

Apps more popular with those born overseas

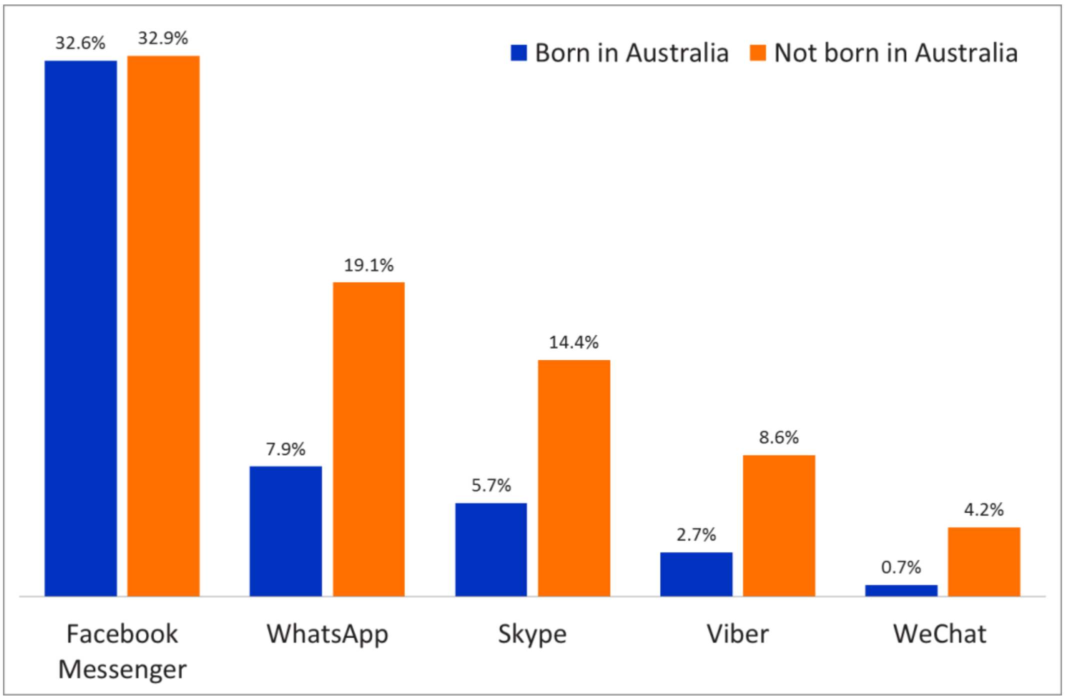
With their capacity to side-step international calling and texting charges, or chat face-to-face with loved ones around the world, these OTT communication apps are distinctly popular among the 5.6 million Australians 14+ (29 percent) who were born overseas.

Almost one in five overseas-born Australians now use WhatsApp in an average month (19.1 percent), compared with 7.9 percent of people born here. Skype usage is also around 2.5 times higher among foreign-born (14.4 percent) than home-grown Australians (5.7 percent), and Viber usage is over three times higher (8.6 percent vs 2.7 percent).

Still known primarily as a communicate channel with China, only around 100,000 native-born Australians (0.7 percent) use WeChat, compared with almost a quarter of a million people born overseas (4.2 percent).

The popularity of Facebook Messenger is just as high among both groups: 32.9 percent of overseas-born and 32.6 percent of native-born Australians now use the app via mobile phone.

Usage by native and overseas-born Australians



Source: Roy Morgan Single Source Australia: July to December 2016 sample n = 24,853 Australians 14+ including 6,980 born overseas.

Michele Levine, CEO – Roy Morgan Research, says:

> *"Communication apps that use data for voice and video calls go 'over the top' of traditional telephony networks. Mobile users often have ample or unlimited local and national calls, minutes and texts included in their plans, however international calls are usually limited or an additional cost. So by using data, these apps are particularly ideal for Australians who want to regularly speak to (and see the face of) loved ones overseas, while avoiding potentially expensive international rates.*

"Just 13 percent of Australians who were born here currently use WhatsApp, Skype, Viber or WeChat, compared with almost three in 10 people born overseas. Usage is highest among more recent migrants: 69 percent of those who've lived here for less than a year use these apps.

"The rise of Over-The-Top communication apps clearly impacts mobile service providers, however it's the fixed-line home phone market that may face the bigger disruption. It's often household Wi-Fi, rather than mobile plan data, that is used for high-bandwidth services such as video chat.

"Another key area to watch is how these apps monetise their huge reach. While users have generally accepted seeing ads in their social media feeds (both well and poorly targeted), the phone, chat and messaging apps are about private communication, not public. Owners know they need to find more creative ways to generate revenue.

"Following Microsoft's acquisition of Skype and Rakuten's of Viber, Facebook reportedly paid US$19 billion for WhatsApp in 2014. Like Skype and Viber, WhatsApp's revenue then came mostly from users—via one dollar annual charges that added up to eight figures. But last year, WhatsApp ditched the tiny fee altogether, leading many to wonder whether a transition to some form of ad-supported revenue model was imminent.

"But rather than targeted advertising, which would turn off many users, WhatsApp has instead focused on charging businesses to use it as an efficient tool to communicate with existing customers. For now, the massive and growing audience remains off-limits to advertisers.

"Large customer-facing retail, travel, and finance businesses would do well to investigate how many of their customers are using WhatsApp as a primary communication tool."

To learn more about Roy Morgan's research into app usage and telecommunications, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2