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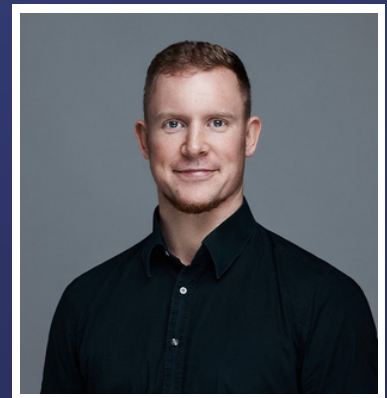**E76:**

MESSENTE: HOW TO COMMUNICATE WITH EVERY MOBILE PHONE USER ON THE PLANET

GUEST

Uku Tomikas, CEO

HOSTED BY

Satwant Phull

[00:00:00] Introduction

[00:00:00] **Satwant:** Hi, I'm your host Satwant and welcome to this episode with Uku Tomikas, who is the CEO of Mesente. If you'd like to watch the video version of this podcast or get the transcript in PDF format, please click the links in the show notes. Thanks and enjoy the episode.

[00:00:19] **Satwant:** Hi Uku.

[00:00:20] **Uku:** Hello, how are you?

[00:00:22] **Satwant:** Good. Welcome to The Payments Show.

[00:00:24] **Uku:** nice to be here. Glad to be here.

[00:00:25] **Satwant:** Great to have you on. I thought you'd be Estonian.

[00:00:28] **Uku:** I am actually Estonian, I just have a slight knack for languages, hence why I quite often don't sound as an Estonian.

[00:00:35] **Satwant:** initially I thought you were from the UK somewhere.

[00:00:38] **Uku:** Yes, most, most tend to think that, sometimes because I have a sightly reddish tinge in my hair, I'm sometimes presumed to be Irish.

[00:00:48] **Satwant:** That's exactly what, I thought you were either Irish or Scottish, yeah.

[00:00:52] **Uku:** Yep, yep, that's what most people assume, but no, no, actually I'm not. I am fully Estonian.

[00:00:58] **Satwant:** Good stuff. I find it cool to, to meet different people from all parts of the world on the show. It's great.

[00:01:03] **Uku:** hm.

[00:01:04] Start

[00:01:04] **Satwant:** I'll start by giving you a quick intro. you're the CEO of Missente, which is. A dedicated business messaging platform. And in summary, it enables businesses to do things like send one time passwords, pin codes, notifications, and verifications to customers securely and at scale being the key thing, and comes across pretty strongly that security is quite a key part of your solution. we'll definitely get into that.

[00:01:30] **Satwant:** I thought it'd be good to start by setting the stage although we're all using messaging systems like WhatsApp et cetera, the SMS is still huge. I got some stats that around 36 billion sMSs are sent in the UK every year. So that's from the website Statista. So it's a huge amount of volume, even though the volume has gone down massively in the last 10 or so years. Would it be fair to say that pretty much most SMSs now for receiving from companies? I mean, I haven't sent an SMS for a long time.

[00:02:00] P2P (Consumer) vs A2P (Business) Messaging

[00:02:00] **Uku:** P2P, so peer to peer or pretty much between people is kind of dead, but A2P is growing at a very rapid rate. The expected growth up to 2027 is plus 70% in growth simply because There is no other communication channel that's this ubiquitous. If you have a phone, you can get a text message, right?

[00:02:23] **Uku:** And it's a pretty simple solution. People are very used to sort of receiving messages. Most these days expect to get a, get a text message or a notification. People are used to OTPs, et cetera.

[00:02:34] OTP Codes, AI, Fraud, Scams and Security

[00:02:34] **Uku:** And the reason why we've sort of landed on that security and fraud angle as, as much as we have is because with the rise of AI and with everything becoming more digital and more businesses using SMS fraud is becoming bigger and badder and more converting as well. And and, and, and as a background, why we talk so much about security is like in Estonia, we're the market leader. And one other thing that comes along with it for us is we work with the Estonian police, the Estonian authorities, the Estonian Banking Association, actually actively filtering out fraud, actually actively fighting against it, and then we're seeing also the development, especially the rapid increase in scam quality over the last few years, which has created this also a pretty large increase in the conversion from funding Scams as well, which means that more people actually click the links and more people lose money. And that the numbers that people can lose are quite astronomical due to that as well.

[00:03:37] Popular Messaging Platforms: Regional Differences

[00:03:37] **Satwant:** Yeah, definitely. Well, I'm going to be a bit of a devil's advocate here let's talk about, the benefits of this solution to businesses. So as I mentioned, SMS verification you've got, I think Viber for business messages. I don't know whether that's relevant in the UK and Europe, but I think Fiber was big in Asia or am I wrong there?

[00:03:58] **Uku:** It's relevant in Eastern Europe, like Bulgaria, Poland, Lithuania, Slovakia, that area of, of Europe. I mean, RCS is probably more relevant in the UK. So rich communication service, which is kind of like WhatsApp via SMS on Android, basically. So, so that's more relevant in, in the UK and WhatsApp potentially is more relevant to the UK.

[00:04:23] **Uku:** What we also do.

[00:04:25] **Satwant:** Okay. And then in terms of the specifics for end users in this payments and e commerce context customers can receive notifications, critical reminders, receipts and tickets and things like that. promotions and then obviously back to the, the two factor authentication and fraud prevention. So they're the main, benefits for consumers, obviously.

[00:04:50] **Uku:** Yeah. Yeah.

[00:04:51] Roaming Challenges with SMS

[00:04:51] **Satwant:** on the flip side, I mean, I can think of scenarios, for example, you know, when I travel, if I'm going anywhere for more than two weeks, I'll just get a local SIM. So it causes a bit of a problem there. And I prefer to have in app approvals or things like that. but, I'm sure you've got some stats that show that that's a very small minority. I mean, that scenario, but there could be others as well. So it'd be good to get your take on. how you prevent say a massive amount of fraud with the solution versus dealing with a few edge cases.

[00:05:20] **Uku:** Yeah. It's interesting as well, the question of roaming has been... around quite often as well. The good thing about SMS is that to receive, like getting roaming calls, especially depending on who your provider is, like in the EU, it's super easy because for most operators, EU rules, you get a fair bit of data, the calls are pretty reasonable, texts are pretty reasonable.

[00:05:43] **Uku:** Go somewhere else, go to like South Africa, it's going to be significantly more expensive. So most usually people don't want to hold their data on, and that's why they either get a roaming SIM to do some calls, do stuff like that. But most usually for purely like text messaging purposes, not for calls, calls are more expensive, but purely for text messaging purposes, one text is usually still quite cheap.

[00:06:06] **Uku:** Even if it's like two, three, maybe 10x compared to what you pay locally, you're still paying like. 20 cents, 30 cents. It's not that hugely expensive. So for those purposes SMS is usually even usable even in roaming circumstances. As compared to like having calls or doing data. If I go for a longer distance as well I usually carry a roaming router.

[00:06:29] **Uku:** So I'll use data via my own roaming router and then do, you know, calls and, and texts via, via the phone. So I'll, I'll play around with that. But yeah, it is a, it is a thing though. Unfortunately, most people don't travel abroad for too long of a period of time, nor too often for it to be a too big of a detractor compared to the benefits.

[00:06:56] **Satwant:** Yeah, that is true to be fair. I'm the

[00:06:57] **Uku:** but it is a fair

[00:06:58] **Satwant:** sort of more. Yeah. Yeah,

[00:07:00] **Uku:** Yeah,

[00:07:01] **Satwant:** Okay. That's great.

[00:07:02] Industry Use Cases (esp. Financial Services)

[00:07:02] **Satwant:** you cover a lot of industries. So e commerce goes without saying and parcel, things like parcel delivery for notifications is ideal. But you've also got some other interesting ones, so healthcare, hospitality, and financial services.

[00:07:15] **Uku:** Mm

[00:07:16] **Satwant:** it'd be great to understand, where are you seeing the more demand versus less and, maybe some case studies as well, where you can sort of illustrate the benefits, you know, pre and post implementing your solution.

[00:07:27] **Uku:** Yeah. I mean, that's actually quite easy to do, mainly because we just cooked up a few fresh case studies so I can say exactly how it worked. But financial services, actually, interestingly enough, are the biggest users of SMS by far out of everyone, because it's the it's the 2FA logins. Then it's the payment notifications when you're overdue.

[00:07:48] **Uku:** Then it's the notifications about logins. Some do, you're paying a different currency. My home bank lets me know what was the actual charge with the currency taken into consideration. They send some offers, some notifications, reminders, appointments, stuff like that. So banks actually use messaging a lot.

[00:08:08] **Uku:** And they're also the biggest targets of scam as well. Hence why usually the fraud angle also resonates with them the most. Financial services are the biggest part of our portfolio as well, like banks and apps, and even to the extent where to a degree, we even work with major brands like HSBC, you know, with their like side projects in a way.

[00:08:29] **Uku:** Not their main traffic, but with their side projects, specifically because of certain values that we carry as compared to somebody who just does bulk for them, for like marketing and stuff.

[00:08:38] **Satwant:** Yeah, So financial services, the biggest. And then would you say things like commerce and parcel delivery are the next biggest?

[00:08:47] **Uku:** Yes, absolutely. Those are the, those are the next biggest after that.

[00:08:51] Healthcare

[00:08:51] **Uku:** And then followed quite closely by healthcare, mainly because actually, especially after the onset of COVID. What happened was that a lot of

[00:09:04] **Uku:** the sort of transactions or not transactions, but let's say the visits we do with doctors went from physical to online. And with them came quite a lot of different platforms that would offer those services. And those platforms would usually come in with logins and reminders that you had a doctor's appointment.

[00:09:23] **Uku:** So one of the biggest platforms that we used to service that just outgrew us realistically was DocPlanner. It's one of the biggest platforms for appointment, doctor's appointments and appointment booking pretty much across the world. And they were up to the level of sending 7, 8, 9, 10 million text messages every single month, just one company, in terms of like, pure volume of how many they had.

[00:09:48] **Uku:** So, hospitality is, is probably the smallest after them but healthcare does have a quite a large portion as well, but hospitality is, you know, your, booking reminders, your, details on where you'll get the keys, etc, etc. So it's, it's varying degrees of usability as well. If Airbnb and Booking sent you an SMS every single time you booked something, it would probably be bigger in terms of that than it is right now, but they prefer their own apps and, and email based services.

[00:10:19] **Satwant:** yeah, yeah, absolutely.

[00:10:20] Different Conversion Rates for Different Messaging Platforms

[00:10:20] **Satwant:** SMS is absolutely the main part of your solution. Does it encapsulate WhatsApp or Telegram or iMessage or anything like that, or is that coming in future?

[00:10:33] **Uku:** No, no, it is totally like, let's say markets like Saudi Arabia, for example, just out of interest is for us. WhatsApp first, where we actually do most like including OTPs and other payment reminds and stuff like that go WhatsApp first because it's the dominant messaging channel there. And rich communication just provides a better customer experience.

[00:10:54] **Uku:** And the conversion rates are bigger as well. It's like Bulgaria and Vietnam, both are countries where most of the clients that we have that do promotional content go Viber first, even if the market penetration is only 40% because Conversion on a, they did a head to head SMS versus Viber, right? The actual conversion rate on Viber was three times higher.

[00:11:16] **Uku:** Pure conversion, three times higher compared to SMS, which just shows how much more effective that channel is. And then we combine them into what we call cascading. So let's say that you know that in Pakistan, for example, WhatsApp is by far the biggest thing. It has like 70, 80% market penetration. So you'll go.

[00:11:35] **Uku:** WhatsApp first, if it doesn't arrive via WhatsApp, you'll cascade over SMS so it still gets there. So SMS is kind of the last line of defense for communication. But rich channels offer just more value. More bang for your buck these days for just purely creating a more engaging experience for the customer.

[00:11:52] **Uku:** So it is looking to be the future of messaging.

[00:11:57] **Satwant:** Yeah, that's great to hear that you've got the cascading thing. That's something I didn't even think of. You've got absolute guarantee or as much as you can guarantee of delivery. Yeah. I mean, I, the first business message I had outside of SMS was WhatsApp business.

[00:12:11] **Satwant:** That was a few years ago. And then I got one recently when I was in Italy buying train tickets the train Italia. Send confirmations over WhatsApp and you can select telegram as well on their kiosks if you want. So that was quite impressive. I think the UK rail network can learn a bit from them.

[00:12:27] RCS Messaging

[00:12:27] **Uku:** Yeah, yeah, I mean, UK is pushing RCS quite a lot because probably the others don't have as much penetration, and UK has been one of the leading ones on RCS, and the idea being that you could get... The same thing that you got as an experience over WhatsApp, but you could get it without needing to download an app or create an account.

[00:12:48] **Uku:** Which as a theory is absolutely wonderful. The big downside is it's being mainly championed and developed by... Mobile network operators who historically aren't the fastest or the best at launching new tech or agreeing amongst themselves how that tech should work. Luckily, right now, Google is taking the lead on pushing rcs or or, or r BM or how whatever acronym they used on this particular day.

[00:13:15] **Uku:** And they're actually taking the lead and actually building this thing into a more effective form and making it better and creating this sort of more resonance from that. So that's something that we're very much looking forward to and something that interests us quite a lot because it's bringing a more unique experience to people.

[00:13:33] **Uku:** But it also works from the trust side as well, because with like RCS the same way as it was with your WhatsApp experience as well. The header is, you know, the company logo. You get a tick mark, you get to look at the company's profile. It's significantly more trustworthy. People are willing to then sort of engage with that content a lot more because it's more trustworthy.

[00:13:56] **Satwant:** Yeah. Agree. That's interesting. I thought it was actually Google that developed RCS as a competitor to iMessage. So it's interesting. You're saying it's the mobile phone companies that initially came up with it.

[00:14:08] **Uku:** RCS is more than 10 years old, it's like 15 years old now.

[00:14:11] **Satwant:** Right.

[00:14:11] **Uku:** It's, it's, it's literally that old. It has been around since forever. Google picked it up and started developing it more. They're sort of the, they created RBM and, and development into Android, but the core idea of RCS and bringing a second level into this, it has its roots kind of in MMS.

[00:14:30] **Uku:** That used to be a thing as well, but that, you know, people really don't use so it's it's been here for a really long time and that's why it's kind of unfortunate as well because There was an opportunity to create the rich channel and make it a part of everyday work for people and for business communication Way back, you know in early 2000s, maybe But kind of fumbled it Unfortunately at that point

[00:14:59] **Satwant:** I just had a thought when BlackBerry was in meltdown, maybe all of the telcos should have bought their BBM Messenger intellectual property.

[00:15:07] **Uku:** What about a smart move, right?

[00:15:09] **Uku:** Like, and that's, yeah, it did. It had a great network and it had a lot of tools and there are so many other sort of great tools and providers out there and instead of now us moving towards A future where there's another channel just as ubi, ubiquitous as SMS that everybody can use but is rich instead of not.

[00:15:29] **Uku:** We are moving very heavily towards a fragmented market where you are for iPhone users, you're going to have to use iMessage. For RRCs dominated countries, you're going to use rcs. Where? Where WhatsApp's dominant, you'll use WhatsApp, where vibes dominant, you'll use Viber. So, Which of course complicates things for businesses as well because you need to now manage that through a central like inbox, you have to manage all of the channels, all the different payment levels, registering, etc, etc, etc.

[00:15:59] **Uku:** There's so much complexity in there. I mean, it's great for us because it means we have problems to solve and you know. You get to charge money for solving problems, right? But for the end user and for businesses in terms of actual having more usage for business messaging as well It's not a positive thing, especially taking into consideration that only five percent of businesses globally use business messaging today While it's such a good channel People aren't using it and if we make it more complicated even less people are going to use it.

[00:16:28] **Uku:** So I would rather vote for being it making it more simple, but unfortunately, we're still in the minority

[00:16:35] **Satwant:** Yeah.

[00:16:36] Increasing Sales Conversions Through Messaging

[00:16:36] **Satwant:** one thing I'd really like to dig into, given the, the premise of the show is around increasing sales conversions and revenues We'd love for you to dig into that, especially when you said earlier that Viber in certain EU countries converts more. And then talking about how even businesses that don't have anything like this at all could even just implement something simple like digital receipts or something. I don't know. How do you think would be the best way to proceed with your solution if somebody just doesn't have anything?

[00:17:05] **Uku:** So, I guess one of the best ways to... To go forward, whether this is ask for advice, you know, what could I implement? What should I implement? Because there's so many very use cases. One of the, for example, one of the things that has probably the highest conversion rate, like pure conversion rate out of all of the forms of messaging is dropped cart notifications.

[00:17:27] **Uku:** So, you know, somebody, you're an e commerce platform. Somebody does a filter cart up, but actually never purchases. If you then. After a period of X, then trigger a text message with a coupon or a code or some sort of some form of promo, especially like a dollar discount, for example, then you'll have up to 17% conversion from just that.

[00:17:52] **Uku:** And SMS also has. Probably one of the highest click through rates out of out of any other channel the average click through rate is between 19 and 45 percent Comparatively if you do compare it to google ads, then google ads says it's between two and four roughly Usually the average is three three percent.

[00:18:11] **Uku:** So, you know 19 to 45 versus three Right. And then if you take another step forward and actually consider cost per click, that is immediately associated with that and cost per click with Google, Google's own estimate is between two and 4 per click. But if you then do the comparative of, you know, if you have 19 to 45% CTR, and then if you multiply that by the average global SMS price, which is 6 cents.

[00:18:39] **Uku:** Then what you get is a cost per click of 20 cents to like 50 to 60 cents. So it's significantly cheaper and simultaneous to significantly more effective, right? If you're looking to just purely boost your business. Try it out. Just try it for a promotional campaign. Try it for a reminder. Reminders are really good as well.

[00:19:03] **Uku:** Try it for drop cart notifications, dormant users. Offering something or doing a quick text message with, you know, a URL in there is actually quite, quite simple to do. Especially if you have the contact base as well and interestingly enough, I mean, this is one of the things you shouldn't talk about too loudly, but the information is out there, so it's probably fair enough to talk about it.

[00:19:24] Surprising Stats: Too Many vs Too Few Messages

[00:19:24] **Uku:** 70% of people unsubscribe from text messages from businesses because they sent too many text messages. 16% opt out because they didn't ask for them in the first place. I would have assumed that most people sort of get pissed or opt out because they didn't ask for them in the first place, but that's actually a minority. It's one of the, one of the smallest reasons why people would opt out or opt out of any marketing communication is because they didn't opt in in the first place.

[00:19:52] **Satwant:** I personally, I'm astounded that. When you sign up for the most just simple email newsletters, the frequency isn't there as an option. There are a ton of newsletters that I unsubscribe to, not because I don't want to hear from these people. It's just, I want to hear from them once every six months or once a quarter, but you can't do that.

[00:20:11] **Satwant:** It's either you get smashed by an email workflow when you sign up and then you just unsubscribe because it's too much or yeah, even once a month for certain things. You know, if I just bought a whole bunch of clothes, I don't need offers every week for the next. 52 weeks because I'm going to be okay for a while.

[00:20:32] **Satwant:** So yeah, I can totally understand that from an SMS perspective and it's even worse because it's so personal and you put a higher priority on it. You don't want to abuse that channel.

[00:20:41] **Uku:** Yeah.

[00:20:42] **Satwant:** Do you, do you have things in place on the platform which prevents that?

[00:20:46] **Uku:** So, honest answer? No. Clients control how much they send. What we do have is we have things like flood filters and spam filters to make sure that not too many messages are sent to a single number. But because we don't know what the... the intent of both the end customer receiving the message and the intent of the business is, then usually the obligation is on the customer's side or our customer's side to know how many messages to send.

[00:21:14] **Uku:** So no, not from that angle, but what we do is we advise them a lot, especially when we're seeing, you know, you're sending, you know, 36 marketing campaigns into a small country every single day. Might want to tone it down. Here's what the optimum is. Optimum is like one to two times per month max. And then you're talking about a product that has, that isn't like expensive.

[00:21:41] **Uku:** You know, you're not going to buy a new winter coat every month. You want to do a winter coat promo? Do it in like October. November there you could do four you could probably do once every week if you really really want to and it probably isn't to Grading especially if you increase the amount of you know discount you're giving or whatever, but you really really need to understand that compared to eat email SMS is a much more invasive channel So you need to take that into

consideration when you're building those marketing flows up, and then we try to advise companies based on that as well.

[00:22:15] **Uku:** But we don't block sending, mainly because usually if we block something, we get shouted out, shouted at more than if we don't block something.

[00:22:25] **Satwant:** I'm assuming you do enable, with every message that's sent, do you tell your customers where you have to have an unsubscribe link?

[00:22:33] **Uku:** Yeah, yeah, yeah. We also provide the necessary blacklisting tool set and everything else to actually, so you'd be able to create the webhooks, manage the blacklist, manage the phone book to make sure that you're doing so compliantly, because it is a major part of the business as well to ensure that the channel stays safe.

[00:22:52] **Uku:** It's not just, you know, the business getting maximum impact from it, but we also need to ensure that this channel is still here. You know, five years from now, because this is our business. It's the same reason why we do all of this anti fraud work, because it's not so much to just make a lot of money and, you know, increase our EBITDA, but rather I need this channel to be clean and usable five years down the line as well, because it's my business, you know, I want it to be here. I don't want to, you know, start doing something else five years from now, because SMS is dead.

[00:23:24] **Satwant:** How long has your company been going and when were you founded?

[00:23:27] **Uku:** We actually had our 10 year anniversary in February.

[00:23:33] **Satwant:** Good, good decade behind you. Fantastic.

[00:23:35] **Uku:** Good take. It, it's been a good growth as well because Macinta has been profitable since day one bootstrapped. We don't owe anybody. We haven't taken any loans. We have our own cash, our own capital, which also means that we don't have to lay off like 20% of people we're hiring.

[00:23:52] **Uku:** We're profitable. Nice, solid growth trend, like 50% last year or so. Good.

[00:23:58] Transparent Pricing

[00:23:58] **Satwant:** and you're not going to get Slack, like Reddit for overcharging for API access.

[00:24:04] **Uku:** Yeah, yeah, no, no, not, not an issue. Also like one of the interesting things that we are seeing and one of the things we, we tongue in cheek kind of advocated within the sort of the, the working group or the, or the organizations where a lot of aggregators are in is we've said, you know, WhatsApp pricing is public.

[00:24:23] **Uku:** Fiber pricing is public as well. If I'm going to put a margin on top, you know exactly what my margin is there, right? We advocated, but let's do the same thing on SMS side. It's been

really good in places like Norway, where the biggest operator, Telenor, has made their price public because the client knows what they're getting, what the actual price is, so they know what they should be paying.

[00:24:46] **Uku:** And then anything I put on top, I have to justify. We have no business, or no problem in this business, actually. providing value and showing how we can bring value to clients. But we quite often get into like price wars because no one knows what the actual price is. So if somebody comes and offers 50% lower, you're going to, why am I paying you so much?

[00:25:07] **Uku:** And then explaining the nuances of the business, et cetera. I would love it to be transparent than most people to know how much something costs, because it makes business about value, not about price

[00:25:19] **Satwant:** Yeah. I'm assuming you charge per message or per certain number of

[00:25:25] **Uku:** per message. Yeah, we usually serve sort of charge per message and, you know, varying degrees of what the price happens to be within the market, because in the global market, it can be from a half of a 10th of a cent in Colombia to 35 cents in, in Russia. So the difference is quite large in the spread is immense.

[00:25:49] **Uku:** That's why some, you know, some companies are very confused. What am I paying? 10,000 euros for a hundred thousand messages in one country and a hundred euros in another country for the same amounts. Well, that's business. Ask the operators. I really can't tell you why they've done that. I mean it from 2020 to 2022, the global messaging cost average message price went from 3 cents to 6 cents.

[00:26:12] **Uku:** MNOs raised prices by 236 Operators around the world raised prices by more than a hundred percent. Why? Because they could. And with like people traveling the rest, they were making less from roaming, so they needed to make their money back. And A2P SMS seemed like a great place to make that money back, right?

[00:26:31] **Uku:** But it opens up a discussion of what's the amount per message I'm paying as compared to what's the value I'm getting from the platform. Which, you know, you start getting into price wars where somebody's willing to do it with 5%, and even up to the point where these days. There are providers that will not send out, let's say 5% of a marketing campaign, still charge you for it, but not send 5% out. So they could essentially sell you, sell the product at cost and make 5% profit. You're getting a poorer service, but if you look at the actual average conversion rates, etc, etc, maybe it only influences your conversion rate that 5% or less messages sent out.

[00:27:12] **Uku:** Maybe it only influences by 0. 3. And then you don't notice that 0. 3, but that 0. 3 still hurts. And that's the unfortunate circumstance you sometimes find yourself in when, you know, this price is instead of, instead of value. But yes, we charge per SMS. And then... Certain products like Varigator, that's a more complicated sort of product that's more of an out of the box solution for businesses to launch immediately globally if their verification services, then those usually come with monthly fees as well, especially for the setup, which is, you know, complicated for each client

separately, and then a monthly fee. But usually we work with companies on their own brands per message cost.

[00:27:55] Verigator: Go Global on Day 1

[00:27:55] **Satwant:** Do you want to touch on that, on that black box solution? Sorry, it's called Variegator. Is that right?

[00:27:59] **Uku:** Yeah, Variegator. Sure, sure. Variegator is a, is a nice little tool because... Most of the time, if you were a global business and you wanted to talk about case studies, I'll give you a nice case study. So we have a client that's a verification service that is now in a unicorn in Estonia as well. And they send messages to 197 countries in the world.

[00:28:25] **Uku:** And when you launch a business in 20, 30, countries in the world, What you, what's going to happen is that a lot of countries have a lot of red tape before you're able to send text messages quite easy in the UK. So, you know, sign up to a platform, start sending tomorrow, not so in Saudi Arabia or UAE where the process can take three to six months.

[00:28:47] **Uku:** So you can't launch your business simultaneously in a lot of markets around the world. So what we did was that we built a specific service that we registered ourselves already globally, did all of the pre work around it that was necessary. Also registered it on Viber and registered it on WhatsApp. So you could build cascades with it as well and created like an, an OTP sending service.

[00:29:10] **Uku:** Where you could launch globally. And what we did for that same business was that they wanted to do 197 markets at a time. It's like, fine, let's go, but let's go Varigator first. You want to do OTPs first? Let's do OTPs first, I can launch them tomorrow. And with a lot of businesses that come to us that want to start using either us or want to start using our solutions we'll recommend let's get going with your transactional stuff with Varigator first.

[00:29:38] **Uku:** And then we'll have time to create branded templates and create your, your branded sender IDs and your own agents on, on RCS and WhatsApp and Viber creating all of those nuances that usually take, you know, a ton of time, a ton of paperwork going back and forth. Let us handle that in the background while your business gets to grow and you get to send those messages and do those things simultaneously.

[00:30:00] **Uku:** So that's why we built Varigator and it's been so far like a vehicle to get things moving. Faster across multiple channels across the globe.

[00:30:10] **Satwant:** Great. I was going to ask you how many countries you operate in, but clearly it's everywhere.

[00:30:15] **Uku:** Yes, literally everywhere. We're a, we're a European focused company in the sense that most of our, most of the companies we work with are European. But what quite often happens

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is like, I'll take an example from Estonia. Estonia is a small market and you can't really. Grow your business into the billions in just Estonia.

[00:30:33] **Uku:** You can't. There's 1. 3 million people. You're not going to grow very far. So what you do is you launch a business in Estonia and then you maybe expand into Poland. You do your business in Poland. You want to expand somewhere else. You go into Spain. And then since you're already in Spain, you'll expand it, expand it to Brazil as well.

[00:30:50] **Uku:** But from a messaging perspective, it means, you know, in Estonia, you'll send 10, 000 messages, go to Poland, Poland, 100, 000 messages, Spain, half a million, Brazil, six million. Because just the number of population and the activity and everything else you're doing and the nuances in communication as well.

[00:31:06] **Uku:** Mean that as soon as you go into another market, it sort of goes like this. So while a lot of businesses are European, our biggest volume countries are in the Latin American markets. Like Brazil and Mexico and Columbia are by far the biggest purely because more people means more text messages, more clients.

[00:31:22] **Uku:** Per se as well. And now, you know, with Vietnam being big, Indonesia being big, Philippines being big, having business in pretty much all of the African countries, having business in places like Pakistan, Saudi Arabia, UAE. So we're a truly global company, but most of the businesses we work with tend to be European.

[00:31:41] Getting Started with Messente: SME to Enterprise

[00:31:41] **Satwant:** Yeah. And you've got a mix of everything from small business all the way up to enterprise. What's the

[00:31:46] **Uku:** Yeah. So we have, and this is, you know, how businesses usually find us is you're either a smaller business that just wants to send messages, then there's the self serve platform that you can just sign up to create an account, send messages, you know, you're a hundred message per month, sending local grocer.

[00:32:04] **Uku:** Go right ahead, do our campaigns. Then there's the SMBs that are doing a few markets at a time. Maybe it's a parser, a part of an e commerce platform. That's like local, something like that, up to working with major brands, major logistics providers, working with, you know major parcel locker delivery.

[00:32:24] **Uku:** Providers in like 45 countries, working with unicorns in 197 banks across whole sort of ecosystems, etc. So it's, it's a mix of everything. And the good thing about it is sometimes we get to take what we learn from working with enterprises, working with banks, especially like on the fraud side, but even on the customer experience side.

[00:32:47] **Uku:** And then create templates for efficiency on the self serve side. So that, you know, the small guys whose hand we're not going to always be there to hold, we can still help them do better business. Like, use the channel better. Here's a template. Here's a way to do it.

[00:33:02] From SDR to CEO! - Uku's Rise at Messente

[00:33:02] **Satwant:** Excellent. And you're the founder and CEO, right?

[00:33:07] **Uku:** I'm not the founder. I am the CEO. I've been in Macente uh, out of the 10 years I've been here for seven. And I started off as like A junior junior salesperson. I was an SDR and I worked my way up from that position through seven years to now being the CEO and shareholder. So I am a shareholder, I'm not a founder.

[00:33:29] **Satwant:** Great. Because you had an interesting career. You've had, you've been a teacher, you've been a military platoon commander and CEO. So it's a really interesting path there.

[00:33:38] **Uku:** Yeah, there's been a fair, fair bunch of things that, that has happened. I mean, I've sold wholesale seafood. I've sold almonds in a, in a medieval cart in the middle of old town Tallinn. I've done a bunch of stuff, but, but it's always, always helped me towards being the person I am. Like my military experience is probably one of the things that makes me the leader I am today. The, the processes, the ability to take the responsibility, et cetera.

[00:34:07] **Satwant:** that's great.

[00:34:07] Messaging Scams Are Increasing and Better Quality with AI and ChatGPT

[00:34:07] **Satwant:** Is there anything you wanted to get across that's quite important, which I've missed?

[00:34:13] **Uku:** Probably one of the things that, you know, since there's probably people listening here that are either from the payment scene or people that are just usual users as well, maybe one of the things that I want to point out that's super important is that a scam in terms of messaging is, is happening more and more often and it's getting better in quality.

[00:34:32] **Uku:** We're talking about AI and chat, GPT a lot. The ones using it, the best are the scammers. We're seeing scam content come in with personalization with their first name, with a URL personalized. It's becoming so much more oriented towards being very, very effective. And we can see it in the conversions as well.

[00:34:56] **Uku:** That it's very important for businesses to clearly communicate to their clients how they'll communicate. What to expect and what to avoid and for people themselves to be very, very

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cautious and very aware about what do you click? What are you looking at? Is it legitimate? You know, our attention spans are getting slower.

[00:35:15] **Uku:** So if we see something we go, Oh my God, I forgot to pay an invoice. Click. I'll put my credit card details in. There you go. You've lost two, three, 4k in an instant.

[00:35:25] **Satwant:** And that's always the way is when you're under time pressure or it's always when you're under stress, where you might, you might, we all have checks and balances. Maybe also in tech, we have more than most, but everyone can get fooled sometime,

[00:35:41] **Uku:** Yeah. Yeah. Fully agree.

[00:35:44] **Satwant:** it's going to be a cat and mouse game for many years. I think unless, unless more stringent verification and things AI services.

[00:35:53] **Uku:** Yeah.

[00:35:53] **Satwant:** Which I suppose they will do it. I mean, when some of the political images started coming out a few months ago, Microsoft shut down access to some of their services for that. So I think we'll just see more of that really.

[00:36:10] **Uku:** I'm hoping so. It's just this It's a constant cat and mouse game where fraud is always going to be out there. But it's a question of how much we can do to curb it and curb the damage and what's the acceptable threshold of it. It's gonna reach a threshold where we'll just go, okay, we're not optimizing the last 5%.

[00:36:30] **Uku:** But right now the increase has been so substantial and the quality has gotten so good that the damage is increasing. And it's just not going to be a one size fit all solution. Banks come up with a solution, not going to fit. One aggregator comes up with a solution, it's not going to be. We're not going to fix the world, unfortunately, even if we want to.

[00:36:51] **Uku:** The MNOs themselves alone are not going to be the solution to everything. So it's a question of all of the pieces working together, advocating for more awareness, more information, more guidelines on how to work, how not to work, and regulators stepping in as well and putting in. Measures to make sure that this thing doesn't get out of hand and doesn't get worse

[00:37:13] Hardware and Subscriber Verification

[00:37:13] **Satwant:** some kind of hardware authentication

[00:37:16] **Uku:** Mm

[00:37:16] **Uku:** hmm

[00:37:16] **Satwant:** be more and more important over time. I know the industry is doing a lot. To do that, but it takes time

[00:37:23] **Uku:** Yeah, I I think so as well. I think there's a lot of possibility for hardware authentication even things like Subscriber verification as well. So subscriber data is one of the things that i've been talking about. So not just verifying whether you have The SIM card in your phone that correlates that phone number, but rather, okay So in the last six months have you made X amount of phone calls used X amount?

[00:37:47] **Uku:** Are you a real person behind it? Are you a real subscriber? So we're seeing that going to be a it's probably going to be a big thing in the future right now though That is a whole other privacy genie in a box that nobody wants to open You know data about your device and what you're storing, you know, Huawei just Got hit with bans in very many countries specifically because they were gathering a bit too much data about you.

[00:38:13] **Uku:** So the mobile network operators also know a lot about you. So them being able to monetize it, sell it for some sort of purposes. I'll probably think it's going to be a while until that's going to happen.

[00:38:26] **Satwant:** well, they would just have to analyze behavioral data themselves and not necessarily sell it Because they've got the data anyway, it would make sense for them to simply analyze the behavior and compare it against a baseline.

[00:38:40] **Uku:** It would, but then of course it raises the question, should a mobile network operator be permitted to do that type of invasive processing, you know, into that data and actually analyzing and creating profiles about people, are they enough of an authority to create that sort of a database where usually that type of behavior information is Reserved only for national institutions like the police, for example, when you've actually done something malicious and then your actions are put into some sort of a database, etc.

[00:39:12] **Uku:** So we're, it's a lot of these questions around AI and data and device information, etc. Is trading on a whole new legal territory as well in terms of where to regulate, how to regulate, how much is. Proportional to what the gain from that is, you know, we're preventing fraud making sure that people don't get hit with it But simultaneously spying on them at the same time.

[00:39:36] **Uku:** So how do you keep that balance between those two? I think that's a difficult question to answer today

[00:39:41] **Satwant:** Yeah.

[00:39:41] Contact Details

[00:39:41] **Satwant:** I think that's a good, good way to move into what your plans are for the future and what's coming up with Mesente in the next six to 12 months. And good point to also say your

website is mesente. com. That's M E S E N T E. E N T E dot com. So yeah, next six to 12 months, predictions, what's happening, what you're launching,

[00:40:03] The Future: RCS and Fraud

[00:40:03] **Uku:** Two big things. One of them is the constant development of rich messaging. We talked about it at the start of this as well, talking about advancing that, making more tools to make rich messaging for companies easier, making sure that they can launch as much and as, in as varied forms as possible and advocating for that.

[00:40:24] **Uku:** So that's a big thing. Launching new tool sets and new parts related to that to make it more effective But then of course what's more near and dear to my heart personally is everything related to the fraud. So right now we're working on a new project with the Estonian banking association the police and the authorities here to dramatically curb the amount of scam that happens on the Estonian market.

[00:40:48] **Uku:** And then in the next 12 to 6 to 12 months, seeing how well can we apply it to the next markets? How can we apply it to the Baltics, to Scandinavia, then to the UK? How can we take the expertise from these markets and then apply them to more places? With the end goal being, of course, you know, us being the ones doing this, the trust, the products itself that come with it.

[00:41:13] **Uku:** Financial benefit for us, obviously, but from the other side, long term benefit for the business and the actual industry as a whole to make sure that we still have a business five years down the line. That's what's the big plan for the next six to 12 months.

[00:41:28] **Satwant:** You must have some interesting meetings with the authorities and some cool security clearances.

[00:41:33] **Uku:** I do. They're actually quite interesting. There have been. rooms in the past couple of months that I've gotten to be in that I never thought I would be in, in a positive setting. You know, it would always happen in a negative setting, but I wouldn't assume that would be having those conversations with those people in those rooms where they're asking me for advice essentially, which is a very nice change of pace.

[00:42:01] **Satwant:** We might see you in a James Bond suit one day.

[00:42:04] **Uku:** Maybe, maybe.

[00:42:07] **Satwant:** Excellent.

[00:42:07] **Uku:** if change much will be ginger though, so.

[00:42:10] **Satwant:** You never know.

[00:42:12] **Uku:** Yeah, you never know.

[00:42:13] **Satwant:** Fantastic. I really, really enjoyed that conversation. And I, I do wish you all the best in future and your growth plans. It sounds like there's a lot happening, so good luck.

[00:42:23] Chit Chat

[00:42:23] **Satwant:** And, as a final sort of fun question to end on, given your military background, I'm going to ask you for some fitness tips or hacks that you've got, I think can be very relevant.

[00:42:34] **Uku:** Oh, I have a really boring one. So persistence is the absolute key, no matter how much you do. An example of me today was day 1021 in a row of doing yoga absolutely every morning. And that doesn't mean that I'll do an hour. It means sometimes I'll do five minutes. But I will do it. What's the smallest amount that you can do?

[00:42:59] **Uku:** Maybe it's three, three squats. Maybe it's two push ups. Maybe it's half a push up. What's the smallest thing you could do every day to go forward in terms of your physical fitness activity? Whatever. And then just do it over and over and over and over again. And that way, the results will always be there. Because you're just doing it all the time and you know, trust me, you do half a pushup, you know, two days from now, maybe you'll do a full pushup. And then two years from now, you'll be doing 60, 70 and looking jacked. So it's all about consistent, persistent work with just the smallest instances of success.

[00:43:41] **Satwant:** Great advice. And yeah, I think it applies to anything in life, isn't it? Whether you're learning something or, or doing whatever. Yeah. So great. Thank you so much.

[00:43:49] **Satwant:** All the best. And yeah, we'll catch up again in the future sometime.

[00:43:53] **Uku:** Same to you. Have a great one.

[00:43:55] **Satwant:** Thanks.