

Clickatell is focused on being a Global Leader in Enabling Businesses to better Connect, Interact and Transact with their Customers on Mobile

**Business Services
SMS**

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**Pieter de Villiers
CEO**

BIO:

Pieter de Villiers is a co-founder and CEO of Clickatell a 'Mobile First' leader and the largest mobile text messaging Gateway covering 962 networks in 224 countries and territories, with the potential to reach over 6 billion mobile phone users. Clickatell delivers carrier-grade mobile messaging solutions to Fortune 500 brands and more than 15,000 medium and small business customers and application developers around the world. In August 2012 Pieter de Villiers, was selected as a SABLE Advisory board member and in 2011 named one of the Global Technology Business

(GTB) "top 40 under 40" executives who will likely "run the telecoms industry in 2020." Pieter participates in various forums and interest groups including but not limited to the GSM Association (www.gsm.org), Wireless Internet Caucus (www.ctia.org), Open Mobile Alliance (www.openmobilealliance.org), Wireless Application Service Provider Association (www.waspa.org.za) and the Mobile Data Association (www.mda-mobiledata.org).

About Clickatell:

Clickatell is a global leader in mobile messaging and transaction services, which enable its customers to alert, interact and transact with their business partners and communities on the mobile phone. Clickatell's global footprint means that it can deliver short message services (SMS) through its next-generation Clickatell Mobile eXchange (CMneXt) to over 800 mobile networks in over 200 countries and territories, with the potential to reach 6 billion mobile phone users - more than 80 percent of the world's population. In addition, with Clickatell Transaction eXchange (CTX), it provides the essential link between mobile consumers and their financial institution, with services like airtime top-up. More than 15,000 enterprise, government, medium and small business customers and application developers have embraced Clickatell's technology solutions. Founded in 2000, Clickatell is headquartered in Redwood City, Calif. To learn more, visit <http://www.clickatell.com/>.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Villiers, what was the concept for the company when you started and what do you do today?

Mr. de Villiers: When we started, we had a very simple problem that we were trying to solve - we wanted to get information to consumers in real-time. To be more specific we were trying to get travel alerts to consumers for low-cost airline tickets. The dilemma we had, was that the average person in the UK, for instance, only read their email every third day. We cannot imagine that today, but that was how it was back then. If we had a deal that would expire within twenty-four or thirty-two hours, it would be of no use to somebody that only read their email two days later. So we had to find a way to get the information to a consumer in real-time. We thought about doing it through SMS or mobile text alert (as it is called in some markets). The problem was that there was no service that allowed a website to send out a mobile text message to a consumer at the time and that is when we tore up our original business plan for travel discount alerts. We created a whole new business plan for Clickatell - web (click) to mobile (tell) alert and notifications using text messaging. Fast forward ten or twelve years the business that we are in is very much enabling large, medium and small companies to connect, interact and transact with their consumers on any mobile device. This ranges from clients from large banks and retailers to your local dental practices.

CEOCFO: What do you actually provide for your clients?

Mr. de Villiers: We provide businesses the ability to alert, interact and transact with their customers on any

mobile phone via a managed, cloud based service offering. In simple terms Clickatell has built and hosts messaging and transaction platforms that anyone can access via the internet; allowing them to send and receive mobile text messages to and from their clients as well as conduct mobile payment transactions with consumers in certain markets.

CEOCFO: How do you reach your potential customers?

Mr. de Villiers: We service vastly different customer segments, ranging from large enterprises like banks and retailers to small and medium businesses. Because we were the first to launch a global application-to-person gateway for mobile text messaging back in 2000, we were lucky enough that people would find us, a typical first mover advantage for any innovative company that is solving a real problem. One way we get customers is through Search Engine Optimization (SEO) another is through Web marketing initiatives and campaigns; we have a strong brand presence and reputation in the market and get a lot of our business via positive customer referrals too. On the enterprise side, we have a direct sales force reaching out to those particular verticals in the markets that we serve.

CEOCFO: What is the competitive landscape for you today and how do you stay on top of the competition?

Mr. de Villiers: That is a great question! I think that the companies that don't stay aware and vigilant in terms of their value proposition in the market can get caught off guard. The competitive landscape has different flavors given that we are in many markets (over 200 countries). There are direct competitors who do or try to do what we do. In that world, our platform is more mature and has been in the market for longer, where reputation is important when dealing with critical services. We serve more customers in more countries than the competition and we have greater reach and connectivity. In terms of the number of mobile operators and devices we can reach. We beat direct competitors in terms of ease-of-use and reach. In terms of non-direct

competitors, these would include technology shifts and adjacent providers that may be competing with our mobile text message business. In that world we continue to innovate by offering services beyond just the mobile text message service we started with, this would typically include things like business analytics, applications for easy campaign management and mobile transaction switching capabilities.

CEOCFO: Do many companies take advantage of your ancillary services or still just a small part of what you do?

Mr. de Villiers: These are not merely 'ancillary' services, at Clickatell we are committed to be a global leader in enabling businesses to better connect, interact and transact with their customers on Mobile. We have been diversifying our offering and entering new markets for quite some time and

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- Pieter de Villiers

we are seeing the fruits of our labor in terms of customer adoption. The majority of our revenues however still come from a core messaging business, however we expect this to change in a few quarters and you can expect some announcements soon.

CEOCFO: How do you keep on top of all the changes and potential changes in technology?

Mr. de Villiers: Living in Silicon Valley, it is even easier to get distracted with the hype and discerning what is hype vs. real change is key. For us, it is simple and we have three principles we operate by 1) We have a clear vision for where we want to be as a company and that is helping small, medium and large companies to connect with their customers on their mobile phone and thereby adding value and relevance to their businesses. If it is just nice to have or doing something a little bit smarter, we do not get involved, but if we believe we are 2) solving a real pain point that has not

been served in the market, then we will take a very close look. By 3) staying close to our customers and understanding how they use the product. A company our size must have selective myopia, and discerning between what is truly going to be beneficial to our customers and what is a flash in the pan/ theme of the month is key.

CEOCFO: What is the market potential? Are you taking customers from other services?

Mr. de Villiers: The market potential in terms of mobile is staggeringly large. There are six billion people on the planet now with mobile devices and even in 2013 there are still significant growth occurring in emerging markets. Mobile is the fastest growing technology in mankind's history; adoption of mobile was faster than radio, television and PCs combined by a factor of more than five. When it comes to having a device in people's pockets, that is always on whether you are in Lagos or Los Angeles and that device is uniquely individualized to the person carrying it, then mobile is clearly a unique opportunity. It becomes a very powerful tool to brands and businesses that want to be relevant and reach their customer in a more compelling manner. The fact is that the funding and dollars in traditional print media that was expected to migrate to mobile and drive the mobile marketing spend, has been slow to date. Fortunately, the recent consolidation of mobile operating systems has made it easier for marketers and big brands to see the benefit of shifting their attention to mobile. Just a few years ago you would find it difficult to find the relevant party in an organization that makes use of mobile and today every single one of the Fortune 1000 companies has a mobile division or initiative.

CEOCFO: What surprised you most as the company has developed?

Mr. de Villiers: What surprised me most is that it is never "mission accomplished". There are always new opportunities and challenges. Managing people is an ongoing learning curve both for senior managers as well as new managers. You have to keep a close eye on your business at

all times and be very vigilant in terms of your customers, if you want to weather the various storms businesses face.

CEO CFO: How is business?

Mr. de Villiers: We have been very lucky and have a great business and people. We have never had negative growth and our peers and customers recognize the value we bring. The company has been profitable for more than eight years now. We could have bigger and faster growth in our Euro-

pean markets, but many of those markets are experiencing real difficulty on a macro level. Slower growth in Europe however has been offset by acceleration in the emerging markets. We believe we are diversified enough to continue to build a strong and sustainable business.

CEO CFO: Why should the business and investment community pay attention to Clickatell?

Mr. de Villiers: They should pay attention to us because our customers

typically love us and we see it in their feedback and loyalty. We move the needle for business owners as we enable them to improve their customer retention and customer acquisition metrics through mobile CRM. Clickatell is a mobile-first company; we have been a mobile innovator since 2000. There is strong DNA in the business to back up what we offer the market in terms of cloud services and managed capabilities as we know a thing or two about mobile.



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