THE FUTURE OF FREE

Free messaging apps revolutionised mobile phone use.
Now the apps need to adapt and change to survive.
Dhruv Munjal on the revolution around the corner

After quitting Yahoo! in 2007, Brian Acton and Jon Koum apparently applied for jobs at Facebook and were rejected. So they came up with something quite brilliant — and yet so simple — of their own, something that in 2014 cost Facebook $19 billion, an unprecedented amount paid for the acquisition of a venture-backed company at the time. Today, Acton and Koum's creation unites more than 1.5 billion people across the planet and few would deny that even the thought of mobile communication without it seems absurd.

But come to think of it, all WhatsApp essentially does is offer us a free texting service powered by the internet. Yes, photo sharing and video calling, too, but their use continues to be relatively low when compared with the frequency of simple messaging. And yet, our dependence on WhatsApp perhaps outranks our fixation with Facebook and Twitter combined. Now imagine the scale of this reliance if WhatsApp were to go beyond texting, photos and videos — and allow us to book cabs, buy movie tickets, pay restaurant bills, procure groceries, and even microloans. The possibilities boggle the mind.

"When you look at what a messaging app can do, there is definitely a lot of potential. The time has come for apps to offer users more than just texting, and we in India are ready for it," feels Vishwadeep Bajaj, CEO at ValueFirst Digital Media, a Gurugram-based digital strategy firm. WhatsApp seems to have already begun this expansion process. In January, it launched WhatsApp Business, an app designed specifically for small businesses to interact directly with customers. It has also been beta-testing a new payments feature in select regions. "We wanted to make talking to a business just as easy and fast as messaging your friends and family. Hence, we launched a business version," explains a WhatsApp spokesperson. According to latest estimates, 3 million people have already downloaded the app.

Although Facebook Messenger, now a separate app from Facebook and which has over 1 billion users, looks unlikely to introduce its own payment facility in India anytime soon, it is testing out a prepaid mobile recharge option in some countries, a feature that is likely to be received well in India, given the country's high volume of prepaid mobile users.

Google, however, is the latest company trying to cash in on the thriving e-payments sector in India; it recently launched Tez, its very own mobile payments offering. Worldwide, the tech giant is soon hoping to unveil Chat, an app that promises to revolutionise SMS. Chat will be bundled into most new Android smartphones and will directly go up against — in addition to WhatsApp and Facebook Messenger — Apple's iMessage service.

"Everybody is spending time on the internet. The goal is to keep the user interested, to prolong his attention span. That's why you see messaging apps come up with more utility and productivity features," says Jayanth Kolla, founder and partner, Convergence Catalyst, a digital research and consultancy firm. "The main challenge is to retain a user."

A feature-rich platform that has been successful — and massively, at that — in grabbing user attention over the past few years is China's WeChat. Often dubbed the "Super App", the Tencent-owned brand lets you do pretty much everything you can with a decent phone and speedy internet at your disposal, right from finding random people nearby with the help of the "Shake and Look Around" feature to accessing digital copies of government-issued identification cards. In some ways, the WeChat model — with over 900 million users — has set up a unique template that other apps are keen to follow. "In India, apart from digitally, we are evolving culturally, too. We are okay with using our phone for things we wouldn't have in the past," says Bajaj. "There is no reason to believe that something like WeChat can't work here."

Bajaj's evaluation perhaps alludes to young professionals such as Aditi Khurana. Khurana, 23, who recently started at her first job, says that she would be delighted by the prospect of an app that can offer her so much. "I use my credit card a fair bit, for example. This is in addition to the usual stuff I do on my phone. After a point, you're dealing with way too many apps; one with everything would be nice." Khurana's wish, though, comes with a caveat: she doesn't want to try out something that is marred by shoddy user experience. After all, according to a recent study, for every minute that consumers spend browsing the web on their phones, they spend six surfing through apps.

Hike, a home-grown app founded by Kavin Mittal in 2012 that has over 100 million users, has often fancied itself as India's response to WeChat. Mittal has, in the past, spoken about making the internet a simpler place for first-time users. While its user base is minuscule when pitted against WhatsApp and Facebook

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Messenger, it did manage to become a member of India's unicorn club in 2017, a distinction reserved for start-ups with valuations of over $1 billion. Interestingly, Tencent is one of its backers. Despite repeated attempts, Hike did not reply to email queries for this article.

WhatsApp, however, seems reluctant to shake things up too much. "We prioritise quality over an abundance of new features. This means we say no to things that add unnecessary complexity to the app," a company spokesperson is quick to emphasise. "This is especially important for India, our number one country, where many people are first-time smartphone users."

Facebook, too, hopes to simplify and streamline Messenger this year. Real-time communication also figures high on its to-do list. Busy preparing for Facebook's annual developer conference, no spokesperson was available for comment. It is likely that the conference scheduled for May 1-2 in San Jose, California, will see the company reveal a host of new features for Messenger.

At the heart of these diversification efforts, some industry experts feel, is a larger, long-term objective: monetisation. There is little money in free messaging, even though for years there was a suggestion that WhatsApp made money with the help of data mining, a process that involves sorting through user data, identifying patterns and eventually selling it to third parties. But with WhatsApp now claiming that it can no longer access data because of an "end-to-end encryption" pledge, those fears have been laid to rest somewhat.

"Gone are the days when you could charge people for messaging. So apps are coming up with other ways; things are evolving and that is very encouraging," says Faisal Kawoosa, general manager — research and consulting at CyberMedia Research.

WhatsApp refused to reveal if it plans to put in a place a rigid monetisation strategy, but some feel it may float paid options in its business version, for instance. "Down the line, they may introduce something like analytics. You will have to pay for that," says Bajaj. He, however, adds that WhatsApp Business will have to find partners to make the platform a success. "India still isn't a 'sassy' business market; we still like shaking hands. So they need associates who already have connections."

But how ready is India, a market yet to fully mature, to pay for the services it uses? "Direct monetisation should not be a problem. If you are ordering food or buying something else, you will have to shell out a fee," says Kolla. "Indirectly, you can only rely on data aggregation or mining."

With so many platforms with different core competencies trying to integrate new features, this new wave of messaging presents a substantial opportunity for some of the smaller companies to close the gap on the big boys. "Hike has a good brand perception, for example; a sound mindshare, too. This is a chance for them," says Kolla. He goes on to add that India is a green field with the winners difficult to determine.

Taking on WhatsApp and Facebook Messenger will still be a mean challenge, even for more established competitors such as Viber and Line. With a network effect always in play with messaging apps, something hugely disruptive can only persuade consumers to switch sides. "Dislodging the incumbents will be very difficult," feels Bajaj.

In the past, apps such as Google Allo — an efficient product — have bombed because they failed to accurately align themselves with the consumer psyche. This psyche has slightly altered in recent times, with the consumer demanding more. And app makers seem to be capitalising on that sentiment. Your favourite messaging app may have started changing already, and it may become unrecognisable very soon.

The idea that has taken root

Pradip Shah's Grow Trees is a committed, professional not-for-profit engaged in increasing India's forest cover, write **Arundhuti Dasgupta** and **Rajesh Bhayani**

Leafy lanes in Mumbai are getting increasingly hard to spot, almost as rare as the leisure time that the city affords its working class. But trees still dominate the bylanes of Colaba, where the office of Grow Trees is located. This is a not-for-profit set up by Pradip Shah, founder-managing director of Crisil, the country's first ratings agency and founder-CEO of IndAsia Fund.

Shah says that the idea of planting trees as a way of life, not merely revelling in their grandeur or looking at them as an inheritance, came to him on a trip to Israel. He was being felicitated for his assistance in setting up a local credit rating agency and, in his honour, the government planted 100 trees.

It was a revelation, he says. Israel is a small country, which plants roughly 2.5 million trees a year! So why not India? There are about 20,000 tree species in the world and India has one of the largest tree treasuries. And every day there is talk of forests being denuded, elephant corridors being destroyed and tigers running into human settlements. Approximately 45 per cent of India's land is degraded due to deforestation, unsustainable agricultural practices, mining and excessive groundwater extraction. The good news is that more than two-thirds of this can be regenerated.

Trees are an easy and obvious way to counter the damage. At the organisation, projects are tailored around real-life environmental problems. For instance, the "Trees for Tigers" project at Sariska Tiger Reserve in Alwar, Rajasthan, has over the past five years planted 250,000 trees on the reserve periphery. Croma, the digital and electronic appliances retail arm of the Tata group, supported the project. Similarly, Larsen & Toubro worked with Grow Trees to create a plantation of 11,250 trees in Nimbhora, a region in Maharashtra ravaged by drought.

Shah and his son, Karan, are directors of Grow Trees, which is run by a small team of 12 people. Environmentalist Supriya Patil, who heads its business development programme, says that they have been working to increase awareness about trees among laypeople and industrial houses alike. Why do we need them? How can they help create livelihoods? And why is it good business to grow trees?

Shah says that his son and he knew that their outfit had to be a viable proposition. Countless not-for-profits have fallen by the wayside when they ran out of funds. "We came up with the idea of Greet with Trees, so if someone planted a tree, he/she would get some gratification through a 'tree certificate'. The idea was that people should do it because they wanted to do something for the environment but they should also get something so that there is some stickiness in the relationship," Shah explains.

It was an unusual idea but companies bought it, gradually at first, and now more enthusiastically. Grow Trees has corporate sponsors, schools and embassies as well as hundreds of individual supporters on the list. One can "greet with a tree" for just ₹85, a price that Shah says his team is working to bring down further.

Patil explains that they are trying to make planting a habit. For that, the price is important and so is advocacy and awareness work. Grow Trees works closely with several environmental NGOs, local community groups and government bodies. Growing trees means much more than strewing seeds around; it takes an understanding of local climatic conditions, indigenous strains and partnership with local communities.

Grow Trees is not the only organisation involved in increasing forest cover, but it is among the few in the world to offer planting audits. Shah brings to bear his long association with ratings and audits here: "We have an independent tree auditing firm. We also plant only on public land." The organisation replants trees at its own expense if there is a loss.

Grow Trees has also, over the years, set up a process to improve the chances of survival for its plantations. Given the huge water stresses, community clashes and other external issues, saplings do not always grow to adulthood. The choice of partner, the species of tree being planted and ensuring that there is enough time to care for the sapling are critical factors. And that takes time, money and an undimmed passion for the environment.

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