

Shephali Bhatt

Riya Ramu credits GPay for saving her friendship. "Recently, I had blocked a friend across social media and messaging apps over some differences," says the marketing professional from Mumbai. Unable to approach Ramu via any other digital platform, her friend finally reached out to her on the Google-owned mobile payments app, asking to reconcile. GPay isn't typically seen as a communication tool so it hadn't occurred to Ramu to block her friend there as well. She was amused by her friend's ingenuity and moved by their effort to reconnect.

On another occasion, she used GPay's chat interface to communicate with a fellow passenger she had met on a flight. "I had lost my wallet in the airport and they lent me some cash, which I promptly returned via the app." Later, she messaged them on GPay to share that the airport authorities had found her wallet. Who would have thought that an app focused on transactions could mend and forge human connections?

Besides using GPay as an unintentional chat app, Ramu also uses Pinterest's messaging feature to share and discuss images she likes on the visual bookmarking site. "Wherever there is shareable content, having a messaging interface helps to have seamless conversations without leaving the platform," she says.

WhatsApp is the undisputed leader of messaging apps, with over 535 million monthly active users in India, and more than 2.7 billion worldwide. Lately, though, instead of relying on WhatsApp alone, people are using all kinds of apps that have a chatting interface for some form of communication, even though that's not the platform's primary offering. This trend signifies a shift from calling to texting culture, compelling internet platforms and brands to prioritise enhancing their messaging interfaces, all the while raising questions on the future of digital messaging.

WHAT'S UP WITH WHATSAPP?

The shift has happened partly because WhatsApp has stopped being the perfect messaging app it once was. Meta, its parent company, has been pushing businesses to onboard its ad solutions platform, WhatsApp Business, to monetise the app that Facebook founder Mark Zuckerberg bought for \$19 billion in 2014.

In Q1 2023, paid messaging [by businesses] on WhatsApp grew by 40% quarter-on-quarter, Zuckerberg said in an earnings call in April. By June, WhatsApp Business reached 200 million monthly active users worldwide. In India, "businesses send 6 to 60 lakh messages to

growth of people engaging with businesses in India. Last earnings, Zuckerberg noted that every week, more than 60% of people on WhatsApp in India message a business app account. Daily conversations between people and businesses more than doubled in India since last year," the spokesperson adds.

Users express certain concerns. "WhatsApp feels like a chaotic blend of various elements, with everyone from your family, friend circle and work life interacting with you via the same app," says Kashvi Parekh, 21, a community lead at World of Women, a digital membership club for art, tech and culture based on blockchain. "My communication landscape comprises 60% Instagram DMs (direct messages)," she adds. "I like that I can sort my conversations into Primary and General categories on Insta." She even uses the mes-



other apps, says Shaheena Attarwala, a product designer. "On WhatsApp, you need to make that decision to message someone and often there is an awkward start to it. On platforms like Instagram, you can break the ice with people who might not even be in your inner circle by just liking or commenting on their posts." WhatsApp is a pure-play communication tool, whereas unintentional messaging apps like Instagram add nudges to conversations and help one reconnect organically, she adds.

Further, people expect real-time responses on WhatsApp because work often spills into that inbox. Nikhil Taneja recently updated his WhatsApp status to inform his contacts that he is not very active on the app anymore. "I

HOW CHAT APPS DRAW POWER

Median Resource Usage of Messenger Apps on Android Devices

App	Power Draw (in microwatts)	Bandwidth (in bytes per second)	RAM (in megabytes)
Facebook Messenger	21,282	9	189
WhatsApp	3,988	10	128
Viber	756	10	183
Telegram	568	25	91

Source: decentim.grafana.net, discussed on Hacker News (Y Combinator)

Mosseri, said on the 20VC podcast that teens favour DMs over stories and the feed. In response, he redirected resources to develop messaging tools, even transitioning the Instagram Stories team to focus on DMs.

PLATFORM PUSH

X, formerly Twitter, has added multiple reaction emojis and the ability to reply to specific messages within an ongoing chat in DMs even as it has restricted the ability of non-premium users to DM anyone. Instagram DMs offer playback speed controls for voice

**A study by a software developer, Andriy Utkin, shows that Facebook Messenger uses 5x-6x more power than WhatsApp on Android devices**

LESS TIME ON WHATSAPP

Avg Time Spent on WhatsApp Per Month is Falling Globally

2022: 17.3 hrs a month  
2021: 18.6 hrs a month  
2020: 19.0 hrs a month

Source: Verloop.io, datareportal.com

WHY ARE APPS SO CHATTY THESE DAYS?

- ▶ WhatsApp is cluttered with spam
  - ▶ People preferring text over call
  - ▶ Rising acceptability of asynchronous communication
  - ▶ Open-source availability of messaging app infrastructure
- THE GOOD SIDE**
- ▶ Compartmentalised communication
  - ▶ Companies building better chat interfaces for customer care
- THE BAD SIDE**
- ▶ Unintentional messenger apps may not have end-to-end encryption
  - ▶ It will be hard to keep track of communication history in such apps
- Source: Industry stakeholders

# APPS GO YACKEY YAK

Almost every app is a chat app now. From Instagram to GPay, most of them are seeing a high usage of their chatting interface even if that's not their main offering. What has been the impact of this shift?

users in a day," says an executive at an analytical company that tracks the platform's business performance. "Some international companies have started sending OTPs (one-time-passwords) on WhatsApp as well, as it costs them one-third the price of sending OTPs via SMSes," says the executive quoted above who wishes to remain anonymous.

WhatsApp's usage has fallen. The average time a user spends on it has gone down from 19 hours a month in 2020 to 18.6 in 2021 to 17.3 in 2022, as per global data on Verloop.io, a customer support automation and analytics site datareportal.com. But the drop does not pin this fall on spamming messages. Verloop attributes it to "mobile usage patterns moderating following the abrupt surge seen during the pandemic".

The open rate for business messages on WhatsApp has also fallen from 94% to 83% in the last two years, says the anonymous executive at the analytics company. Open rate is the share of recipients who open a message out of the total recipients it is sent to. However, a Meta spokesperson says in an emailed response to ET that the opening rates mentioned are still "well above standards for the industry and would be considered highly successful". "We continue to see the

**This trend of people using all kinds of apps for some form of communication signifies a shift from calling to texting culture, compelling internet platforms and brands to prioritise enhancing their messaging interfaces**

saging interface of Life360, a live-location sharing app, to keep track of her family's whereabouts. "It makes it easier to chat by offering prompts like 'What's up?', etc."

**HEARTING INSTA DM**  
Ankit Kumar, 28, a growth consultant from Bangalore, says he uses Instagram DMs to connect with people. "I can connect with friends just by sharing memes and photos. I prefer Instagram and Twitter

they eliminate the need for phone numbers. "It's easier to ask for someone's social media handle," he adds. Conversation on WhatsApp tends to be more intentional than in

wrote it because due to work messages and spam, I was missing out on some of my friends' messages there. People feel entitled to your time on WhatsApp and label you as rude if you don't respond to them. I have seen the message. I believe we should have evolved towards making their chat experiences better. The rest of the companies are trying to change their own offerings as a feature through chat," says Prasanna Venkatesh, director of design at

notes. Instagram and WhatsApp both allow users to create a feature called 'Alternate Profile' that will allow users to toggle between their professional avatars on the platform. "While social media platforms are working towards making their chat experiences better, the rest of the companies are trying to change their own offerings as a feature through chat," says Prasanna Venkatesh, director of design at

"On Instagram, the role of DMs has evolved," a Meta spokesperson tells ET over email. "While it continues to be a space for transparent, honest and direct communication, it is also now a space for large friends' groups, and for connecting with brands."

Earlier this year, Instagram introduced 'Quiet mode,' which enables notification and notification sender that the recipient has read the message. The app also enables

typing friends late at night or when they are busy, by adding "@silent" in the message. In July, Instagram's head, Adam

"Companies are realising the value of conversational experiences in the digital world." Now, customer care issues for certain food delivery, telecom and e-commerce apps, as well as booking confirmation, are being handled through messaging interfaces. "Certain airlines also handle booking changes by redirecting to a messaging app to take the transaction forward."

Building a smooth chat experience is challenging, although messaging infrastructure is available on the cloud. "I've seen a lot of companies building their own chat app as asynchronous communication," says Prasanna Venkatesh, director of design at

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an open-source network. A study by a software developer, Andriy Utkin, shows that Facebook Messenger still uses 5x-6x more power than WhatsApp on Android devices. The study, not without its fair share of criticisms, was widely discussed on Hacker News, a Y Combinator news website.

There are surveillance concerns, too. "If it's not a core messaging app, it may not be obligated to ensure the privacy of your chats," says Prateek Waghre, policy director at Internet Freedom Foundation, a nonprofit that advocates for free and open internet. "If the chatting interface does not have end-to-end encryption, it means your

Indulekha Aravind

Being the first one to try out something in a new domain can give the risk-taker a first-mover advantage. However, Ramesh Swamy, director of Bengaluru-headquartered not-for-profit SGBS Unnati Foundation, jokes that they had to overcome the "first-mover disadvantage".

Unnati, which works on skilling underprivileged youth to increase their employability, is set to be the first NGO to list on India's new social stock exchange (SSE) later this month, following its zero-coupon, zero-principal (ZCZP) bond issue that opened on October 30. But with everything around it being so new, challenges were aplenty. "When I approached the Registrar of Companies and said I needed to file a particular form, they asked me what a social stock exchange was," he laughs. The last date for the ₹2 crore issue was originally November 7 but has been extended to November 22. Director AS Narayanan says this was to ensure the issue will be fully subscribed. "We are sure it will be—it's just a matter of time," he says. Swamy, too, is optimistic. "The (stock) exchanges have been extremely proactive. It's a work in progress but it was important that this happens now since the SSE was announced in 2019."

Four years ago, in the July 2019 Budget, Union Finance Minister Nirmala Sitharaman proposed setting up an electronic fund-raising platform "under the regulatory ambit of Securities and Exchange Board of India (Sebi)" for list-

ing social enterprises and voluntary organisations that are "working for the realisation of a social welfare objective so that they can raise capital...." Following multiple consultations, SSE platforms were set up as segments on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in 2022 and early 2023, respectively.

With the first listing under way, there is finally a sense of optimism. R Balasubramaniam, who heads the Sebi advisory committee on SSE, is hoping for another 5 listings next month and 20 by the end of the financial year. Hemant Gupta, who heads the BSE SSE, is more cautious and says there are several in the pipeline, with at least two-three more this year, which will set the momentum. "A lot of new ground had to be covered such as coming up with a new instrument like ZCZP, which is neither an equity nor a bond but also meets Sebi's comfort levels. Overall, I'm satisfied with the progress," he says. All stakeholders agree that even though the process has begun, wrinkles are still being ironed out and change will not happen overnight.

**HELLO, RETAIL DONORS**  
A social stock exchange is a platform for for-profit social enterprises and/or not-for-profit organisations, which aim for social impact, to raise capital. Countries like Canada and the UK have experimented with various models of SSE. "If you look at the journey of SSE, several emerged over the last few years, but most have gone," says Balasubramaniam, who feels India can learn from others' mistakes. While it took time to get the initiative off the

## Social Experiment

India's social stock exchanges will see more listings and tweaks following the debut listing by nonprofit Unnati

ground in India, Balasubramaniam, founder of the nonprofit Grassroots Research and Advocacy Movement, says he is confident of its success for multiple reasons, including government support, a more mature ecosystem and factors like a fund to build capacity for the new process. A nonprofit wishing to list on a social bourse needs to first register with it and meet a host of criteria, make annual disclosures and produce extensive documentation, just as a company planning an IPO would. This includes a detailed fund-raise document with financial statements, risks, social impact strategy to its vision. To

**I'm not saying we've cracked the code but we have learnt a lot from the failures of other exchanges.... The fact that it has buy-in from the state is very important"**  
**R BALASUBRAMANIAM**, head, Sebi advisory committee on SSE

SOCIAL STOCK EXCHANGES

▶ Social stock exchanges (SSE) in India are platforms that allow registered not-for-profit organisations (NPOs) and social enterprises to raise funds electronically via different instruments under a regulatory framework drawn up by Sebi. Rules include a social/impact audit and criteria for registration and listing

▶ Both BSE and NSE have set up social stock exchanges

▶ 31 NPOs registered with the two exchanges as on Aug 2023

CHANGES UNDER CONSIDERATION FOR SSE

▶ Reduce minimum issue size from ₹1 cr

▶ Reduce minimum subscription from ₹2 lakh

▶ Make participation tax exempt under 80G



FIRST TO LIST ON SSE

**SGBS UNNATI FOUNDATION**  
Subscription window: Oct 30 to Nov 22, 2023  
Size: ₹2 crore  
Purpose: Skilling of 10,000 final-year undergraduate students in govt colleges  
Instrument: Zero-coupon, zero-principal bonds. These cannot be traded, will not pay interest or principal, are akin to donations

retail giving is still vastly unstacked in India. Social stock exchanges will bring in a much wider pool of donors"

**PUSHPA AMAN SINGH**, CEO, GuideStar India

changes. "Concentrated funding by a philanthropist or foreign donor can make a nonprofit organisation prone to their influence and could go against the national interest—that was the thought process."

To appeal to a wider base and simplify the process, various changes are under consideration, such as giving tax exemption to the purchase of bonds, reducing the minimum application size from ₹2 lakh to ₹10,000, reducing the minimum issue size from ₹1 crore and allowing CSR funds to participate. To reduce the cost of application for NGOs, money from the capacity utilisation fund could be used. Says Unnati's Swamy: "I was fortunate that the law firm Trilegal and the financial advisory firm Unitus Capital offered their services pro bono for the issue. Otherwise, that would have cost me at least ₹10 lakh." For Unnati, the bond issue is not just about raising funds, he says. "This gives NGOs a chance to say our governance and social impact are perfect, which is very powerful. I have been in this space since 2011, but donors still grill us about our credibility."

Being the first off the block, all eyes are on how the issue will perform. Unnati needs to raise at least 75% of ₹2 crore to avoid being under-subscribed. But even if this issue is a success, social stock exchanges will take time to become mainstream. GuideStar India's Singh says one should not worry if the inflection point takes 15-20 years as it is critical to get the architecture right. Aavishkaar's Rai says it will take less time and predicts that adoption will follow a "J curve", wherein a novel idea takes a reasonable amount of time to get accepted, but once it does, finds scale. "I don't expect the SSE to see everyone's imagination on fire for another two years. But in five, it will be one of the most acceptable ways for both domestic and foreign capital to engage with India's developmental thought process."

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