

What's 'Appening Here?

A Look into the Services Provided by WhatsApp

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1 WhatsApp, What's That?

WhatsApp is an instant messaging service founded in 2009 in California. [4] By 2013 *WhatsApp* handled up to 27 billion messages a day. When news broke earlier this year that social network *Facebook* had acquired the company for a staggering 19 billion US Dollars [3] the brand established itself as a household name even in non-users.

But what makes *WhatsApp* so popular, and thus valuable? This Paper will try to briefly outline the key features of the messaging application, looking at the three areas of contact synchronisation, functionalities of the messenger itself and monetary aspects. Finally a short comparison will be drawn to one of the main competitors, the classic text message.

2 The Key Functionalities of WhatsApp

The company website describes *WhatsApp* as a "...cross-platform mobile messaging app which allows you to exchange messages without having to

pay for SMS.” [6] *WhatsApp* is available for most popular smartphones. It’s current services could be divided in three categories as follows:

1. **Contact Synchronisation**

When installed, the application automatically compares the phone numbers in the smartphone’s contact list with a database of *WhatsApp* users, providing the new user with all available *WhatsApp* contacts[1] This is no doubt a very convenient feature, helping to get people hooked on the new messenger and encouraging usage, thus helping the success of the application.

2. **Messaging Functionalities**

While *WhatsApp* started out as a rather simple SMS-like messenger, current features include:

- (a) Group Chats [1]
- (b) Messaging of Pictures, Audio and Video files [1]
- (c) Increased Message Length Compared to SMS[1]
- (d) Push-Notifications for Incoming Messages [1]
- (e) Acknowledgement of Delivery of Messages[1]
- (f) Chat-like Indication of Currently Available Contacts [1]

So, the application offers a variety of services aimed at various different user stories resulting in a broad field of application. This of course also reduces the need of a user for alternative means of communication, i.e. further messengers, potentially weakening competitors.

3. **Cost Reduction**

WhatsApp makes use of the fact that contemporary mobile phone carriers offer contracts that include separate pricing for textmessaging, phonecalls and mobile web, the latter being comparatively cheap or fully included in monthly fees. [7] This way *WhatsApp* does not cause additional costs when used, which, combined with the small annual subscription fee of less than 1 Dollar [5], makes it highly attractive.

3 **WhatsApp vs. Textmessage**

It has been claimed *WhatsApp* had done to textmessaging “...what skype did to international calling on landlines.” [2] So it seems appropriate to compare these two competitors.

Traditional textmessages were limited to 160 characters; what's more, typing was quite limited by the cellphones of the day featuring only 12 keys. Messages were displayed in chronological order, making it hard to follow a single conversation. But while earlier textmessaging was quite simple and limited to rather minimalistic communications, things have changed rather drastically. On smartphones capable of running *WhatsApp* the native textmessaging services have gained quite a lot of the capabilities of *WhatsApp*. Messages are ordered by contact, making it possible to view entire conversations quite similar to *WhatsApp*. Sending a single message to several contacts partly emulates the group-chat feature, and images can be sent as well via the MMS-service. Also, while the 160-character limit does still exist, longer messages are automatically splitted over several messages. But it is to be noted, these are billed seperately as multiple messages. Same goes for the "group"-messages.

However, this perfectly illustrates the major shortcoming of "traditional" messaging services: Every Message is seperately billed (assuming the smartphone user does not have a corresponding flatrate), and MMS-services often tend to be even more expensive. [1]

So while there are ways and means to have a similar user experience without subscribing to *WhatsApp*, it takes the cake for being both more refined and, in the end, cheaper.

4 Conclusion

WhatsApp is a hugely popular service as it offers a relatively wide and versatile range of messaging functionalities, a set traditional messaging services can not match at the moment. It also significantly reduces the costs of communicating compared to the aforementioned.

It seems to be a fair assumption that it is this that puts the application in its prominent place rather than its set of services, albeit them being a part of the global success.

It remains to be seen whether mobile phone carriers will react in a fashion as suggested, for example, by Matthew Yglesias and adapt their pricing schemes to the changed market[7], and if this will result in a loss of influence for *WhatsApp*.

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