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Text Message-Based Social Networking Platform Growing in India

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Website grab of msgupshup.com

An Indian social messaging platform that enables users to build mobile communities is drawing parallels to Twitter. Called SMS GupShup [gossip], this Twitter-like service allows users to create communities. With nearly 26 million users, the platform claims to capture a significant chunk of total SMS traffic in India.

According to the cofounder of SMS GupShup, Beerud Sheth, there are over 550 million mobile phone users in India and only 50 million web users. "With a 10 to 1 mobile to PC ratio and SMS serving as the most popular communications platform, the market is ripe for SMS Gupshup," he said. Launched in April 2007, SMS GupShup is currently processing over 480 million messages a month and accounts for nearly five percent of all texts sent within India (*techtrunch.com*, 15 December 2009).

Popular Communities on SMS GupShup

1. Little-known Hmar tribe in the Northeast has more than 16,000 members using Roman script text messages on SMS GupShup to talk to each other.
2. A Govt-backed Investor sends SMS alerts to 500,000 members using the service.
3. SMS has several communities around 2009-H1N1 Influenza.

The report on the technology website quoting Sheth says that over 2 million groups exist on the community with the average SMS GupShup member belonging to 2.75 groups. It also has an advertising model in place, with top international brands participating in serving ads on the social network. There are also opportunities for branded content on the network. For example: SMS GupShup recently partnered with an Indian car insurance provider and the Mumbai Traffic Police to deliver traffic alerts. The company now plans to focus on entering Southeast Asian markets, including Indonesia, Thailand and the Philippines.

Traditional Media Report on Success of SMS GupShup

Reports in national dailies highlight the success of SMSGupShup, and compare its popularity to Facebook and Orkut. A 16 October 2009 report in *Economic Times* said microblogging is making "giant strides" in the Indian mobile space with this "unique concept."

- A 3 February report in business daily *The Mint* says that in many ways India is the poster child for what can be achieved on a low-tech mobile device and portrayed. SMS GupShup as a success by any standards. It noted that the entire system runs on SMS, whereas other mobile social networks in America, Europe, Japan and Australia operate on IM, mobile internet or mobile applications.
- A 30 August 2009 report in the widely-read national daily *Hindustan Times* compared SMS GupShup to Facebook and Orkut. "By using a short number code (567678) and sending an SMS, you can form communities or join them, and exchange messages, fight for causes, build brands or share ideas on SMS GupShup. For those unconnected to the Net, the simple SMS community is akin to a money order used by an illiterate villager who has no bank account or credit card."

Expansion Plans

SMS GupShup reportedly raised 12 million dollars in funding, which the company plans to use for expansion and rolling out new features like the Mobile CRM solutions for small businesses and corporate brands. Sheth says "we expect to use the proceeds from this funding round to accelerate our growth and expand our operations globally, to make our products useful to each of the four billion mobile subscribers worldwide" (*indiantelelevision.com*, 20 January)

Sheth says social networking tends to lose its relevance in India where "most users log in to check status messages once or twice a day. Social content has a five minute shelf life. In developed countries people get real time updates... it doesn't work like that in India." But with GupShup, every time a person posts a message to a group, it pops up on the mobile phone of everyone listed (*The Indian Express*, 13 September 2009).

The revenue is generated from advertisements attached to messages, revenue sharing with mobile carriers who offer the number code service, and services like forming communities for corporate clients (*Hindustan Times*, 30 August 2009). While it does not charge a fee for passing on the message, it reserves the right to insert an advertisement at the bottom of the message. Brands pay GupShup to create interactive mobile communities (*Business Line*, 10 September 2009).

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