

# A study on the role of WhatsApp as an emerging business communication tool among Startups and MSMEs in India

\*<sup>1</sup>Dr. Anil Kumar Kottani and <sup>2</sup>Dr. Ajay Kumar K.N

<sup>1</sup>Founder Director, Envisys Technologies Pvt. Ltd., SB-118, 3rd Cross Road, I-Stage, Peenya Industrial Estate, Bangalore 560058

<sup>2</sup>Assistant Professor, Govt First Grade College, Channarayapatna, Hassan 573116

## Abstract

Marketing Communications has been the vital part of Start-up's and MSMEs growth in the recent years contributing to a significant change in the way the businesses are communicating after the advent of internet. After the arrival of smart phones, the interactions among business enterprises have refined completely compare to traditional interactions happening since ages among businesses. This study focusses on one such prominent communication tool which has changed the entire landscape of Start-ups and MSMEs marketing communication is "WhatsApp". The study intends to highlight the significant roles of this powerful communication media WhatsApp among Start-up's and MSMEs of India in terms of exchanging texts, images, videos and other documents while conducting their business on day-to-day basis. Also, the study intends to know more about WhatsApp's benefits for Start-up's and MSMEs in India and its future as a most cost-effective tool of marketing communication among start-ups and MSMEs.


**Keywords:** MSMEs, WhatsApp, Marketing Communication, start-ups

## Article Publication

 Published Online: 30-Nov-2021

## \*Author's Correspondence

 Dr. Anil Kumar Kottani

 Founder Director, Envisys Technologies Pvt. Ltd., SB-118, 3rd Cross Road, I-Stage, Peenya Industrial Estate, Bangalore 560058

 anil[at]envisys-tech.com

© 2021 The Authors. Published by International Journal of Management and Development Studies

This is an open access article under the

CC BY-NC-ND license   
(<https://creativecommons.org/licenses/by-nc-nd/4.0/>)

## 1. Introduction

WhatsApp is basically messenger application on smartphones which allows the users of smartphone to download the application and use it for sending text and voice messages, make calls (voice as well as video calls), share documents and images, share location and other uses. WhatsApp application is widely used on smartphones. WhatsApp application can also be used on the desktops of computers. However, internet is required to use WhatsApp either on mobile phone or desktop.

In the year 2018 WhatsApp has introduced WhatsApp Business application especially for businesses for effective communication. Erstwhile WhatsApp Inc is acquired by Facebook in the year 2014 leading to world's best messaging application with largest users in the world. Source: <https://en.wikipedia.org/wiki/WhatsApp>

WhatsApp as a marketing communication tool for business has become new generation business application for instant messaging and sharing of documents, images, videos etc. and to make calls at free of cost with an internet connection in the mobile phones or desktop. WhatsApp communication has become one of the most cost-effective modes of communication among start-ups and small businesses (MSMEs) because of its benefits viz., individual chatting, group chatting, broadcasting messages etc., In the WhatsApp Business application the user can create a business profile, make quick replies, make automatic messages, tag the conversation with labels, message analytics etc.,

WhatsApp as a marketing strategy for Start-up's and MSMEs in fulfilling the business communication needs has several faces to it viz., Easy reachability to buyers/customers, create a data-base of potential customers by saving their contact details, Quick customer responses, Display of status, Personalized services etc.,

## 2. WhatsApp for start-up's and MSMEs in India

After the advent of WhatsApp in India the application has been widely in use among friends and family members. However, after understanding its widespread usage of WhatsApp as a medium of communication among Indian population WhatsApp Business was introduced to help businesses especially the start-ups and small businesses making WhatsApp Business as a highly effective tool of communication with tremendous potential for business.

Because of its easy usage features like sharing documents, images, videos, auto-messaging, voice and video calls etc., the small businesses are finding this media extremely useful in their day-to-day interaction with customers and show-case their business profiles to potential buyers using WhatsApp Business application.

Facebook the owner of WhatsApp has come up with many other features like QR codes, catalogue links etc., and its recent implementation of payment features like WhatsApp payment services may open the gateway for this India's most used messenger for reaching out to many Start-ups and MSMEs of India as most preferred marketing communication tool of tomorrow.

Unlike larger corporations who invest heavily on online advertisements start-ups and MSMEs cannot afford to spend heavily on internet of things. Especially during the times like COVID pandemic and series of lock-downs WhatsApp is a saviour for start-ups and MSMEs to explore and retain the communication with buyers while doing their business.

Many small businesses in the towns and cities have explored the benefits of WhatsApp during COVID pandemic when consumers are not in position to perform any window-based business because of COVID restrictions. Many businesses have used WhatsApp as their primary mode of contact and communication for doing their business and supplying to the consumer needs.

**WhatsApp Business App:** WhatsApp has come up with WhatsApp for business especially for the benefit of start-ups and MSMEs. The new WhatsApp business app has several advantages compare to conventional WhatsApp. The small business can create a business profile on this WhatsApp business application. Apart from the above there are other attributes like quick replies which helps in quick response to customers and automated messages to clients who visit the business profile. Also, there are attributes like labelling the conversations and message analytics.

Though there are many leading e-commerce or social media sites on the internet but the WhatsApp is considered to be highly recognized in terms of its reach, popularity and growth. The WhatsApp has recently introduced catalogue links, QR codes etc., which will make even more convenient for its users in business.

## 3. Benefits of WhatsApp for start-ups and MSME's in India

Unlike the other social media platforms WhatsApp involves the people of all age groups all the time in a day especially in India with various WhatsApp groups formed for consistent exchange of innumerable postings every day. The users can make individual or group chats on WhatsApp post status, make voice and video calls etc., In whatever business we are into our buyers or customers will be using WhatsApp and especially in our country India WhatsApp is one of the widely used messenger for exchanging texts, pictures, documents, videos etc.,

Some of the major benefits of WhatsApp for business are:

- **Cost Effective:** A simple internet connection in our smart phones which by and larger every smartphone holder in India will have creates the most cost-effective platform for making business using this powerful communication media called WhatsApp.
- **Security:** The WhatsApp is considered to be one of safe or secured media to share the information as its policy protects the information through its end-to-end encryption feature.
- **Database of prospects/customers:** Any business can create a database in the WhatsApp of prospective buyers or customers which in turn help the seller to keep in touch with all prospective buyers or customers at all times and exchange the communication among its prospective buyers/customers.
- **Market Reach:** Market reach via WhatsApp has no end. As long as the customers are using WhatsApp in their smartphones the reach through WhatsApp to any customer across the world is in the fingertips
- **Response Time:** There can be an instant response to customers on WhatsApp using the features like automated messages. In today's world the quick response especially from a small business where they lack resources is key to succeed in business. The WhatsApp gives an ample scope for small businesses to immediately respond to customer by sharing documents, pictures, videos etc., required for finalizing the business with the prospective buyers.
- **Status of WhatsApp:** Status on WhatsApp help the businesses to show-case their latest products or services or offers in the business to potential buyers by posting relevant pictures or messages in the status whereby attracting the buyers to make business with the concerned advertiser on status.
- **Payment Options:** Recently there is a payment option also made available in the WhatsApp which has been recently introduced in WhatsApp to send or receive money using WhatsApp Payments.

#### 4. Conclusion

The use of WhatsApp in business has been contributing extensively to small business or start-up owners in India enabling the individuals to turn into an entrepreneur. The WhatsApp has made a big impact on diversified MSMEs or start-ups in India across the sectors like retails, technology, food & beverage, education, logistics, agriculture, apparels etc.,

The MSMEs and start-ups are effectively using WhatsApp as their one of the effective communication tools in their day-to-day business affairs. WhatsApp for business has helped many business concerns to make a positive association with their potential buyers to easily sell their products or services in a most effective manner ever by using WhatsApp communication mode with their clients. Due to its widespread usage among Indian consumers the WhatsApp has created benchmark for most other social media platforms with its attributes like cost-effective, instant communication, status, quick response, easy sharing of information through texts, pictures, videos etc., and various other benefits the messenger is offering has led the Indian MSMEs and start-ups to highly capitalize this effective mode of communication in their businesses.

Currently WhatsApp is widely used platforms in conducting business especially among Indian MSMEs and Start-ups helping these businesses to grow in their business. Because of its simplicity (less technical), no investment and easy to use features the WhatsApp is growing like anything in terms of its popularity in India especially after the spread of pandemic like COVID-19 and its consequences on businesses towards new normal life. To conclude we can say that WhatsApp in business is crucial presently among small business ventures communication needs.

#### References:

Sandeep Gupta – WhatsApp marketing strategy for Startups and SMEs in India – Available at:

<https://digest.myhq.in/whatsapp-marketing-strategy-for-startups-smes-in-india/>

Niharika Sharma – 2020- WhatsApp – Helping India's Small Businesses survive COVID-19 stress – Available at:

<https://qz.com/india/1882489/whatsapp-helping-indias-small-businesses-survive-covid-19-stress/>

How will WhatsApp business fit your marketing mix for the Indian Consumer? – Available at:

<https://www.merkleinc.com/in/blog/how-will-whatsapp-business-fit-your-marketing-mix-indian-consumer>

Rohit Bhat – 2021 - WhatsApp Business for Small Businesses – Available at:

<https://www.socialbeat.in/blog/tag/whatsapp-marketing/>

Sanchita Dash – 2019 - WhatsApp is a game changer for India's small businesses – from smart wallet makers to trash

pickers – Available at: <https://www.businessinsider.in/business/news/whatsapp-business-is-helping-indian-smes-grow-rapidly/articleshow/72135967.cms>

How WhatsApp Business can help small business? – Available at: <https://www.indifi.com/blog/how-whatsapp-business-can-help-small-businesses/>

Rhea-2018 - WhatsApp for business in India: Everything you need to know – Available at:

<https://www.socialbeat.in/blog/whatsapp-for-business-in-india/>

Forum Gandhi- 2020 – How WhatsApp business is helping SMEs stay connected with consumers amidst lockdown –

Available at: <https://www.thehindubusinessline.com/info-tech/how-whatsapp-business-is-helping-smes-stay-connected-with-consumers-amid-lockdown/article32041602.ece>