

# THE BOOMING WORLD OF INDIA'S SOCIAL MEDIA APPS

July 2021 | No. 010



**ESYA**  
centre

## ABOUT THE AUTHOR

Megha Bahree is a Fellow at the Esya Centre.

## ABOUT THE ESYA CENTRE

The Esya Centre is a New Delhi based technology policy think tank. The Centre's mission is to generate empirical research and inform thought leadership to catalyse new policy constructs for the future. It aims to build institutional capacities for generating ideas that will connect the triad of people, innovation, and value to help reimagine the public policy discourse in India. More details can be found at [www.esyacentre.org](http://www.esyacentre.org).

Design Illustrations by Taniya O'Connor, Design by Drishti Khokhar.

---

# TABLE OF CONTENTS

<b>THE BOOMING WORLD OF INDIA'S SOCIAL MEDIA APPS</b>	<b>1</b>
<b>ABOUT THE AUTHOR</b>	<b>2</b>
<b>ABOUT THE ESYA CENTRE</b>	<b>2</b>
<b>TABLE OF CONTENTS</b>	<b>3</b>
<b>THE BOOMING WORLD OF INDIA'S SOCIAL MEDIA APPS</b>	<b>4</b>
<b>THE SHORT-FORM VIDEO BOOM</b>	<b>5</b>
<b>DIGITALLY DIVIDED</b>	<b>7</b>
<b>FOLLOW THE MONEY</b>	<b>8</b>
<b>THE MODERATION CAN OF WORMS</b>	<b>9</b>
<b>ENDNOTES</b>	<b>11</b>

# THE BOOMING WORLD OF INDIA'S SOCIAL MEDIA APPS

The last few years have seen an explosion in the number of mobile phone and internet users with access to affordable smartphones and cheap data. As a result, of the roughly 757 million internet users in India today, nearly all, or about 730 million people, use the internet on their mobile phones.<sup>1</sup>

That boom has led to the creation of myriad apps offering a range of services including messaging, games and short-form videos, to name a few, as users in big cities, small towns and rural areas look for entertainment and new ways to engage with the world.

This plethora of users, and the services created for them, also expose the country's digital divide. Although the urban-rural gap in access to mobile phones and the internet has shrunk over the years, a significant gender gap persists.

Women in India still struggle to own or use a mobile phone and access the internet. The chasm is being closed but there is still some way to go, as it involves a more elemental struggle between patriarchy and gender rights.

There is a more prosaic reason to get more users, including women, online. An expanding user base helps boost revenues for telecom providers as well as advertisers, and the app makers that have mushroomed in the past few years.

These are some of the issues we discuss in this paper on the changing landscape of social media apps in India, with a focus on the short-video apps that have proliferated in the past year. Not funded by any social media or telecom company, our research is based on discussions with people across businesses and industries.

## THE SHORT-FORM VIDEO BOOM

India is still the largest market for Facebook and its messaging service WhatsApp in terms of users, but a handful of domestic apps have emerged in the recent past to offer services including social networking, aggregated news and other content in regional languages.

Apps such as Dailyhunt, owned by Bangalore-based VerSe Innovation, and Mohalla Tech's ShareChat were launched with the promise of catering to and capturing regional language users, an idea that simmered for a few years, even as Facebook and WhatsApp continued to add users.

But it was the advent of short video apps, mostly Chinese-owned, including TikTok, Helo and Likee, that took the country by storm and changed the landscape practically overnight. Soon people from all corners of the country were making short videos in their local languages, where they sang, danced, lip-synced and told jokes, with a lot of these videos going viral and creating overnight stars.

In that world TikTok, the short-form video app owned by China's ByteDance, was a clear leader. When it was banned in June 2020 amid border tensions between India and China, the app had been downloaded more

than 653 million times in India, according to data from Sensor Tower.

The sudden ban on TikTok and the other Chinese apps left a void for millions of viewers - not to mention content creators, who had amassed hundreds of thousands of followers and found a lucrative source of income through sponsors and advertisements - as well as the many small influencer marketing agencies that had sprung up overnight to help them launch on these platforms.

The cofounder of one such agency called Mask & Models told Esya Centre that there was "so much money" in the market that she had managed to find lucrative contracts for influencers from tiny tier 4 towns. TikTok and other apps opened up a world of opportunities for a range of newcomers, even giving oxygen to some who predated it but had been completely overshadowed.

It's fair to say that the post-TikTok world is a clean slate, as a host of new apps try to figure out how to capture a market suddenly up for grabs. So far not one of them has quite figured out the magic that TikTok and a couple other Chinese apps brought to their game.

App	Launch date	Owner	Funds raised	Investors	Downloads	Languages
Mx TakaTak	Jul-20	Mx Player	\$110.8m	Tencent	207.4m	10+
ShareChat Moj	Jun-20	Mohalla Tech Pvt. Ltd	-	-	195.7m	15
Snapchat	Oct-12	Snap Inc.	\$4.9b	Multiple including Tencent and Fidelity	270.6m	-
Instagram	Apr-12	Facebook Inc.	-	Multiple	440.4m	-
Dailyhunt Josh	July-20	VerSe Innovation	\$100m	Qatar Investment Authority, Glade Brook	178.9m	10
Facebook	Sep-06	Facebook Inc.	\$16.1b	Publicly traded	921.5m	-
Sharechat	Oct-15	Mohalla Tech Pvt. Ltd.	\$900m	Dr. Pawan Munjal, Ajay Sridhar Sriram, Twitter, SAIF Partners, Lightspeed Ventures, India Quotient, Tiger Global Partners, Snap Inc.	273.5m	15
Mitron	Apr-20	MitronTV	\$5.3m	Deep Kalra, Amrish Rau, Jiten Gupta, Nexus Ventures etc.	18.1m	7

App	Launch date	Owner	Funds raised	Investors	Downloads	Languages
Roposo	Jul-14	Glance Digital Experience	\$32.7m	Tiger Global Mgmt., Bertelsmann India Investments, Binny Bansal, India Quotient, Sideas.in	99.5m	11
Chingari	Nov-18	Chingari	Rs. 100m	OnMobile, Republic Labs, Rajat Sharma, Astarc Ventures, iSeed, Village Global, Blume Founders Fund and others	20.9m	20
Bolo Indya	11-May-19	Varun Saxena	NA	Inflection Point Ventures, Eagle10 Ventures, India Accelerator, Sunil Kamath, ah! Ventures	2.4m	NA
YouTube (Shorts)	Sep-20	Alphabet Inc.	-	-	125.8m	-

*Source: News reports and company websites. Downloads data sourced from Sensor Tower includes lifetime downloads from January 2014 to 25 May 2021 and doesn't include data on preinstalled apps*

Some investors are starting to place their bets.

In February VerSe Innovation, which owns Dailyhunt and in September launched its short-video app Josh,<sup>2</sup> announced it had raised a further \$100 million on the heels of a \$100 million funding round in December, catapulting it to the 'unicorn club' of startups valued over \$1 billion.

In March, Times-Internet owned MX Player, which operates the short video and entertainment app MX TakaTak, was reportedly in talks to raise \$150 million.<sup>3</sup>

In April ShareChat, which launched its short-video app Moj within 30 hours of TikTok being banned, raised \$502 million in its latest funding round, totting up a valuation of \$2.1 billion.<sup>4</sup> In July it raised another \$145 million, boosting that valuation to \$2.88 billion.<sup>5</sup>

Glance Digital Experience, which is owned by digital advertising firm InMobi, raised \$145 million in a round last December led by Google and billionaire Peter Thiel's Mithril Capital, giving it a valuation of \$1 billion.<sup>6</sup> Glance offers users a curated feed including sports, entertainment and news on their locked phone screens. InMobi's short-video app Roposo has also seen a surge in downloads to net some 100 million users.

Instagram and YouTube, both of which are well entrenched among users in India, unveiled Reels and Shorts respectively after the TikTok ban.

## DIGITALLY DIVIDED

Yet the surge in people accessing the internet through their mobile phones—the funding rush to capture some of this audience being just the latest evidence of that—has not erased the gender-based digital divide in India

GSMA, an industry body of mobile operators worldwide, raised some of these issues in its annual Mobile Gender Gap Report.<sup>7</sup> According to its 2020 report, the latest available, there is “a significant gender gap” in smartphone ownership, leaving women in low- or middle-income countries 20% less likely than men to own one.

Women are also “much less likely” than men to purchase their own smartphone, and “have less autonomy and agency in smartphone acquisition,” according to the report.

There has been some improvement. In South Asia, the mobile internet gender gap reportedly narrowed from 67% to 51% between 2017-19, bringing another 78 million women online.

Women’s access to mobile internet in South Asia overall increased from 21% to 34% in this period. Women in the region now access mobile internet at practically the same rate as women in Sub-Saharan Africa, at 35% - four years ago women’s access in south Asia was 7 percentage points lower than in Sub-Saharan Africa.

Growing ease of access has led to other behavioural changes as well. The GSMA report found the proportion of women mobile internet users in India who watch videos at least once a month increased significantly from 42% to 74% between 2017-19.

While women’s access to the internet is increasing and improving, societal barriers to it persist.

There is “a widespread fear that smartphones will expose women to ‘bad influences’ and lead to harassment or broken marriages,” the Omidyar Network finds in a report titled *Innovating for the Next Half Billion*.<sup>8</sup>

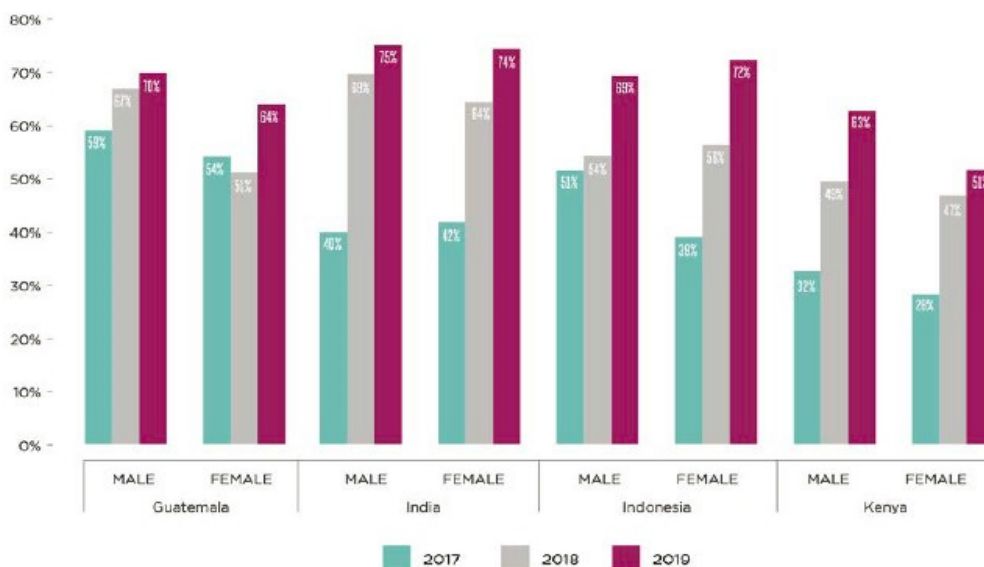
The perception that smartphones are primarily associated with entertainment and social media drives a significant gender gap in device ownership and data usage. As a result of these fears, the report finds, many men refuse to provide their wives, daughters, or sisters with a smartphone—or in some cases, any phone at all.

When women do have access to smartphones and social media, it is not unusual for them to be perceived as being “immoral”<sup>9</sup> and open to unsolicited sexual advances.<sup>10</sup>

The internet opens up the world for everyone, and more so for women who may otherwise be constrained behind walls by society and family. Whether or not we buy into arguments for equity of access, an argument that’s harder to dismiss is money.

Source: GSMA Intelligence Consumer Survey (2017, 2018 and 2019)

**Growth in monthly video consumption in selected countries, by gender**  
percentage of mobile internet users watching free video on mobile at least monthly



Source: GSMA Intelligence Consumer Survey (2017, 2018 and 2019)

## FOLLOW THE MONEY

The GSMA report estimates that if mobile operators in low- and middle-income countries could close the gender gap in mobile ownership and use, it would yield them additional revenues of \$140 billion.

Closer home, as developers in India's mobile app space try to figure out a lucrative business model, the first and obvious place to start is digital advertising, which is expected to hit \$3.2 billion by the end of next year, up from \$2.2 billion last year.<sup>11</sup>

This includes the serious money in political advertising. From 21 February 2019 through April this year the Bharatiya Janata Party (BJP) spent ₹46 million on Facebook ads alone,<sup>12</sup> on just one handle. The party and its supporters have multiple handles advertising on these platforms, all of which adds up for the platforms. And it's not the only one. For instance, in the same

period (including in the lead up to the elections in West Bengal), the All India Trinamool Congress spent ₹6 million on just one of its handles.<sup>13</sup>

Since most short-video apps are fairly new, their focus is on building an audience. Most are attempting to line up exclusive deals with content creators as well as influencers and brands in an effort to lure them (and their followers) onto the platform.

Most of the money in political advertising is still being spent on well established platforms like Facebook, Instagram and Google, and some on the news app Dailyhunt.

But as the worlds of social media and digital advertising evolve, it's quite possible this money may be targeted more smartly.



[Figures 1 - 2 User engagement for the same event on the two platforms. On Facebook (left) it received 74.8k views, while on Dailyhunt (right) it received 425k views.]



[Figures 3 -4: User engagement for the same event on the two platforms. On Dailyhunt (left) it received 9.8K views, while on Facebook (right) it received 2.4K views.]



## THE MODERATION CAN OF WORMS

As these platforms build scale and users, they will also need to build robust content moderation practices. A problem gripping social media worldwide is how to moderate user-generated content, especially terrorist or child sexual abuse material, disinformation, and hate speech.<sup>14</sup> While technologies including artificial intelligence have made some inroads in the former, hate speech and disinformation continue to be of grave concern.

Many of the banned Chinese apps were accused of allowing vulgar and possibly illegal content onto their platforms.<sup>15</sup> For any Indian apps to be considered a healthy alternative, and be taken seriously domestically and internationally, they should invest in content moderation for all the languages they are available in, right from the start. That should also help them avoid slipping down that path of attracting users. They should use content-moderation technology and not just outsource the process to third-party vendors,<sup>16</sup> and should be transparent about their practices.

Recent events show that content moderation is becoming a powerful, and tricky, tool in India and abroad. In the past few months the microblogging site Twitter and the Indian government have had some public spats on what tweets, or handles, should be allowed to stay up.

It all began in February, when Twitter suspended hundreds of handles tweeting on the ongoing farmer protests against three agriculture laws passed by the government last year. After a major public backlash, Twitter restored many of the accounts and revealed in a blog that it had been ordered by the Indian government to suspend them.<sup>17</sup>

Soon after, the government introduced new rules for intermediary liability, giving big businesses like Twitter and Facebook three months to comply.<sup>18</sup> The approaching deadline saw yet more standoffs between the government and Twitter, especially when a tweet by BJP's national spokesman was labelled as containing "manipulated media".<sup>19</sup>

This was followed by a visit by the Delhi Police to the Twitter office in Gurgaon in connection with their investigation on the tweets in question.

By mid-June things had escalated to a major clash, with the Indian government stating that as Twitter had failed to comply with the new rules for intermediary platforms it had lost the so-called safe harbour protection shielding it from lawsuits for content posted by its users.

While it remains unclear how this will play out,<sup>20</sup> the wrangling makes it evident that content moderation will have a relevant place in social media, often driven by politics, and a need to control the narrative.

It was around the same time that Facebook's oversight board upheld the social media giant's ban of former US president Donald Trump from its platforms, advising the company to "rapidly escalate" content moderation requests concerning political speech from highly influential users to specialised staff familiar with the linguistic and political context.<sup>21</sup>

In fact, New Delhi's latest intermediary liability rules give platforms wide-ranging powers to actively monitor what goes on in their platforms, while holding them accountable for it.

For instance, the proviso to rule 3(i)(d) allows platforms to remove or disable access to certain kinds of information, data or communication links on a voluntary basis. This is different from the earlier rules, under which intermediaries could take down content only after court orders, unless they deemed the content violated their community standards.

In other words, social media platforms are being pushed to watch, monitor and censor their own content.

Though this is similar to the American rules which encourage companies to take down content,<sup>22</sup> US platforms are a lot more transparent about their actions, probably as that is an underlying requirement for doing business in that market, and because of a strong and vigilant civil society looking out for users.

Troubles moderating political content predate the current tension. During the 2019 national election, and in some of the state elections that followed, social media platforms agreed with the Election Commission of India to observe a voluntary code of conduct.<sup>23</sup> This includes educating users on electoral laws, creating high-priority

grievance redressal channels for complaints raised by the Commission, and ensuring transparency in paid political advertisements.

While there is a clear need for content moderation, especially to curb hate speech and disinformation, these recent examples show how it can be a tool wielded by the government of the day. There may be more of this as some Indian states go to the polls early next year. Not simply because of all the new rules and the pull of advertising money, but because ultimately these platforms attract millions of users and can be a powerful tool to spread a message or have an influence.

For video apps this could pose a challenge, as video gives users greater scope for satire, and you can have more innovative or even disguised political campaigns that may be harder to pin down.

To avoid getting trapped in the politics of the day, short-video apps should put in place strong, and ethical, content moderating practices. As most are still relatively new and still building up their product, they can easily ensure that these become ingrained in their system rather than included as an afterthought.

Transparency is key, and these apps should publish regular takedown reports where, at the very least, they list out the number of takedown requests received, how many from government agencies (and which ones), the reason for the request, and how many they complied with.

They should also establish a process of informing users whose content they may be removing why they are doing so, and give them a chance to appeal the decision. Their transparency reports should list how many takedowns were appealed successfully.

Some of these steps are required by the new social media rules, so these new startups may as well make the effort to get it right and ingrain these processes in their systems.

The new rules also require platforms to use technology-based measures including automated tools to proactively identify and filter out illegal content such as terrorist or child sexual abuse material. Here, too, it is important to be transparent about their algorithms, to weed out biases in their system as far as possible. Google, for instance, lays out in the public domain what its search quality raters are trained to do.<sup>24</sup>

All of this will come at a cost, which may be high for at least the new, smaller players.<sup>25</sup> But for anyone serious about growing in this space, the opportunity is theirs to seize.

---

## ENDNOTES

- 1 [TRAI press release, Highlights of Telecom Subscription Data as on 31st January, 2021](#)
- 2 [The Hindu Businessline, Dailyhunt formally launches short-video app Josh](#)
- 3 [Entracker, MX Player likely to turn unicorn with over \\$100 Mn fresh round](#)
- 4 [Sharechat, We Have Raised 502mn to Build India's Largest AI Content Ecosystem](#)
- 5 [India's ShareChat valued at \\$2.88 billion in \\$145 million fundraise](#)
- 6 [Bloomberg-Quint, Google, Thiel Funding Helps Harvard Alum Score a Second Unicorn](#)
- 7 [GSMA, The Mobile Gender Gap Report 2020](#)
- 8 [Omidyar Network, The Next Half Billion](#)
- 9 [Rest of World, Meet the rising stars of India's video apps](#)
- 10 [Khabar Lahariya, Bundelkhand: Social media for women, a double-edged sword](#)
- 11 [Dentsu, Dentsu E4M Digital Advertising Report 2021](#)
- 12 [Facebook Ad Library, BJP4India](#)
- 13 [Facebook Ad Library, AITC Official](#)
- 14 [Esya Centre, Moderating Social Media In India: User-generated Content In An Era Of Viral False News, Disinformation And Hate Speech](#)
- 15 [The News Minute, Nudity, porn, illegal acts: What Bigo Live, top app on Google marked safe for 12+ has](#)
- 16 [The Ken, The cracks in ShareChat, Moj's content moderation machine](#)
- 17 [Twitter, Updates on our response to blocking orders from the Indian Government](#)
- 18 [MeiTY, Intermediary Guidelines and Digital Media Ethics Code Rules 2021](#)
- 19 [Rest of World, How India fell in, then out of love with Twitter](#)
- 20 [Rest of World, The limits of Modi's power to control Twitter](#)
- 21 [Facebook Oversight Board, Case decision on Donald Trump](#)
- 22 [The Breakdown, Daphne Keller Explains the Communications Decency Act](#)
- 23 [Election Commission of India, "Voluntary Code of Ethics" by Social Media Platforms to be observed in the General Election to the Haryana & Maharashtra Legislative Assemblies and all future elections](#)
- 24 [Google, How our Quality Raters make Search results better](#)
- 25 [Inform, Platform Content Moderation: Some Humility about Transparency](#)



[www.esyacentre.org](http://www.esyacentre.org)