

Whisper, app with 10 million young users, attracting advertisers

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The anonymous thought-sharing app Whisper has hired a president and signed its 10th advertiser as it tests how to turn the attention of its 10 million monthly users into revenue.

The Los Angeles startup had seemed on a torrid pace of growth, raising \$36 million in venture capital a year ago on top of about \$25 million in earlier fundraising. People visit Whisper to post public messages that aren't attached to their name. Others can respond and search through messages by popularity, topic or location.

But the company ran into a distraction last fall when the Guardian accused Whisper of flouting some of the app's privacy policies. Months later, the newspaper corrected and retracted some of its coverage, but media organizations that had been including Whisper posts in their content had already backed off.

Still, Whisper says its users remain engaged: On average, the Whisper app is opened 1 million times an hour. That's leading to paid deals with advertisers, which is lending Whisper some distance from Secret, a similar app that plans to shut down in the coming days.

Secret amassed 15 million users. And the San Francisco startup had raised \$35 million in <u>venture capital</u>. But internal strife and uncertainty about its mission left it in a bad position. It also connected to users' contact lists to show them anonymous posts from people they knew, leading to extra privacy concerns.



Whisper appears to be heading in a different direction. Chief Executive Michael Heyward revealed in a statement Wednesday that his startup has big goals and that Mark Troughton joined the company as president earlier this year to "help us achieve them." Troughton had previously served as president of Green Dot, a California company that issues prepaid debit and credit cards.

On Thursday, Whisper highlighted its current advertising deal for the 20th Century Fox horror film remake "Poltergeist." Each campaign Whisper has done since last summer has seen more user response and revenue, said Jay Rockman, Whisper's director of business development and marketing.

Whisper posts typically feature text on top of an associated picture. Users who type in words such as "fear," "ghosts" and "dreams" have the option of using an image from the movie with "Poltergeist" written in the corner. It's similar to how Google's search engine shows ads based on the search terms.

"Users are opting to use the branded background," Rockman said, noting "Poltergeist" backgrounds had been used 15,000 times within the first 24 hours. And advertisers can use those posts in other media, "so it's a very cool way of crowdsourcing creative" content.

The other advertising option is showing a post to all <u>users</u> who log on over a certain period. On Monday, "Poltergeist" posted "What keeps you up at night?" About 75,000 unique replies came through in a couple of hours. Thursday's question was "If you could haunt one place after you die, where would it be?"

Rockman said the entertainment industry has been a natural partner because the issues discussed on the app, including relationships and fears, are similar to those tackled in movies.



"Ultimately, we want to work with world-class brands that want to be innovative and be exposed to millennials conversations that really aren't happening anywhere else," Rockman said.

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