Why we don’t sell ads

Brian and I spent a combined 20 years at Yahoo!, working hard to keep the site working. And yes, working hard to sell ads, because that’s what Yahoo! did. It gathered data and it served pages and it sold ads.

We watched Yahoo! get eclipsed in size and reach by Google... a more efficient and more profitable ad seller. They knew what you were searching for, so they could gather your data more efficiently and sell better ads.

These days companies know literally everything about you, your friends, your interests, and they use it all to sell ads.

When we sat down to start our own thing together three years ago we wanted to make something that wasn’t just another ad clearinghouse. We wanted to spend our time building a service people wanted to use because it worked and saved them money and made their lives better in a small way. We knew that we could charge people directly if we could do all those things. We knew we could do what most people aim to do every day: avoid ads.

No one wakes up excited to see more advertising, no one goes to sleep thinking about the ads they'll see tomorrow. We know people go to sleep excited about who they chatted with that day (and disappointed about who they didn’t). We want WhatsApp to be the product that keeps you awake... and that you reach for in the morning. No one jumps up from a nap and runs to see an advertisement.

Advertising isn’t just the disruption of aesthetics, the insults to your intelligence and the interruption of your train of thought. At every company that sells ads, a significant portion of their engineering team spends their day tuning data mining, writing better code to collect all your personal data, upgrading the servers that hold all the data and making sure it’s all being
logged and collated and sliced and packaged and shipped out… And at the end of the day the result of it all is a slightly different advertising banner in your browser or on your mobile screen.

Remember, when advertising is involved you the user are the product.

At WhatsApp, our engineers spend all their time fixing bugs, adding new features and ironing out all the little intricacies in our task of bringing rich, affordable, reliable messaging to every phone in the world. That’s our product and that’s our passion. Your data isn’t even in the picture. We are simply not interested in any of it.

When people ask us why we charge for WhatsApp, we say “Have you considered the alternative?”
Google is said to be well into negotiations with the team behind WhatsApp, with the search giant reportedly considering a $1 billion price tag for the popular cross-platform messaging app.

Sources reportedly close to the negotiations tell Digital Trends that Google is looking to acquire the popular messaging app, and that WhatsApp’s team is "playing hardball," holding out for an acquisition price close to $1 billion. Bringing WhatsApp into the fold would likely provide Google with a faster route to unifying its disparate messaging services — Google Voice, Google Hangouts, Google Talk, etc — making it more capable of competing in the communication segment against Internet rival Facebook.

Such a service unification may be high up on Google's priorities list right now. Rumors have the search leader working on a project known as Babble, which would provide cross-platform communications between its services. The rumored WhatsApp negotiations could be a means of bringing an accomplished team into Google's own operations, as Google did when it acquired popular iOS mail app Sparrow in July.

Google is said to have approached WhatsApp in the past, broaching the topic of an acquisition in early December. Around the same time, Facebook was also said to be considering buying WhatsApp.

WhatsApp has proved immensely successful in the time since its release, netting tens of millions of users across Android, BlackBerry, Windows Phone, and Apple's iOS platform. It is currently the second-most popular paid app in Apple's iTunes App Store, and the service saw 18 billion messages transmitted this past New Year's Eve.

Eschewing advertisements, WhatsApp has managed to pull in considerable revenues with a simple yearly subscription fee of $1. iPhone users pay that fee upon first downloading the app, though recent rumors have the service moving to a model more in line with its incarnations on other platforms. Users on other platforms can download and use the app for free for the first year before being presented with the option to pay a $1 per year subscription fee. While WhatsApp has not released any details on its financial operations, Digital Trends’ source says the company may be pulling in roughly $100 million in revenue.