

Clubhouse: the wildly popular audio chat app

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The audio chat app Clubhouse is preparing to scale up its operations in a big way

Clubhouse, the invitation-only audio chat app, exploded in popularity during the coronavirus pandemic when people could not get together in person—but now the once niche platform has far higher goals.

Launched less than a year ago, Clubhouse—which recently encountered



a censorship hiccup in China—is looking to establish itself as the standard-bearer for digital audio.

The concept is simple: once you're invited to join, you can start or listen to conversations in digital "rooms," ranging from a major talk by someone famous to a chat within a small group.

No posts, no photos, no videos—just audio.

Facebook founder Mark Zuckerberg cropped up on the platform last week, talking about the technology of the future. SpaceX and Tesla CEO Elon Musk showed up late last month to talk about the GameStop trading frenzy.

But the app was quickly blocked in China, where unfiltered conversations about normally taboo topics, such as democracy protests in Hong Kong and the mass detention of Muslim Uighurs in Xinjiang, ran afoul of government censors.

The app, available only on Apple, thrives on the concept of FOMO—fear of missing out. If you're not online when a conversation happens, you miss it.

"I was very active in April and May," says Sheel Mohnot, a California investor with more than a million Clubhouse followers. "And then, you know, you get busy and other stuff was going on. And it's just hard to make it a priority."

"But once again, now, I would say, I'm back on pretty regularly," added Mohnot, who even had a second date on the platform—with two dozenodd people listening and a psychologist in the background to comment on how it went.



Beyond FOMO, Clubhouse—launched in March 2020 in Silicon Valley for the chosen few, but now used by about two million people every week—thrives on its portability.

Users can walk their dog or cook dinner while listening to talks on financing a start-up or the current state of American education—or even tune in while playing trivia games.

Unlike podcasts, everything is live and users can participate—as long as they are invited to do so by chat moderators.

Star-studded user base

A Clubhouse chat can be mundane—but it can also be transformed into a must-hear event if someone famous shows up. In addition to Zuckerberg's and Musk's recent appearances, comedian Kevin Hart popped up in a chat last spring.

For Musk's appearance with the boss of trading app Robinhood, the maximum capacity of 5,000 people was quickly reached, so secondary overflow "rooms" were opened.

"I didn't get in the room. But someone that had gotten into the room was livestreaming on YouTube," said Bobby Thakkar, a managing partner at Ampersand Ventures and an early Clubhouse adopter.

In the early days, Thakkar would spend 25 hours a week on Clubhouse, given how little he could get out because of pandemic lockdown measures.

"Everyone knew each other" when Clubhouse first launched, Thakkar told AFP. Now, he prefers chat rooms where he's just talking with his friends or about topics related to his business.



Mohnot says he's happy that Clubhouse is expanding so quickly.

"Think about it like a podcast, and having more listeners. If you have more listeners, it makes you more excited about doing the podcast," he told AFP.

Last spring, Mohnot participated in all sorts of conversations, including the public second date. He now hosts two weekly shows—one on advances in financial technology and the other on Indian-American culture.

At the outset, Clubhouse was criticized for being elitist, and not allowing enough users, but some of the initial communities—many of which formed around California investors—are nevertheless still influential.

Simply put, you have to be part of the club.

Audio's big moment

For David Bchiri, the US director for the consulting firm Fabernovel, "Clubhouse landed right on time as the platform where people could go vent their thoughts and emotions" about the pandemic and the summer protests on racial injustice.

The app now must face the usual challenges in the social media world, from how to monetize its popularity to how to pay <u>content creators</u>—to how to moderate that content.

"We now want to open Clubhouse to the whole world," app founder Paul Davison and Rohan Seth said in late January.

Beyond the apparent problems in China, the app is flying high.



With the backing of more than 180 investors after a new round of fundraising, Clubhouse is valued at about \$1 billion, according to The Information, a publication for tech executives.

"The last go-round effectively put up a barrier to anyone trying to buy out the company," Bchiri told AFP, noting that he believes investors are trying to shield Clubhouse from Big Tech.

Clubhouse is nevertheless definitely getting Big Tech's attention.

Twitter is testing out "Spaces"—audio chat rooms where up to 10 people can talk to an unlimited number of spectators. Facebook is rumored to be looking at a similar offering.

"We're in the audio era," says Bchiri.

"Our grandchildren will never have keyboards. They won't need to interact with machines in that way. Everything will be done with voice commands or simply by thinking about a task."

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