

Making WhatsApp work: An exploration of how South Africans earn a livelihood through a free messaging application

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Declaration

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Arts by coursework and research report in the Department of Journalism at the University of the Witwatersrand, Johannesburg.

It has not been submitted before for any other degree or examination at any other university.



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ABSTRACT

The Master's Research Project examines, through the medium of long-form journalism, how South Africans use WhatsApp to earn a livelihood.

The project consists of two parts. The first is a theoretical and scholarly exploration of how messaging and chat applications bridge the digital divide and provide potential customers access to goods and services beyond the physical space. The aim is to highlight how relatively inexpensive technology can serve as a tool to earn a living.

The research aims to understand better how individuals may appropriate WhatsApp to launch, scale or supplement their operations. As a free and easy-to-use application that has reached ubiquity in South Africa, WhatsApp has become a valuable tool in the hands of those who have seen its value beyond its intended design.

The second part of the project weaves the research, interviews with subject-matter experts, and the stories told by the participants into a long-form journalistic essay. The narrative is interspersed with the first-person storytelling of the author's experiences and observations throughout the explorative process.

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PART 1: LITERATURE REVIEW, METHODOLOGY AND THEORETICAL FRAMEWORK

1. INTRODUCTION

Across South Africa, in the suburbs, townships and busy inner cities, individuals are adapting, appropriating and experimenting with WhatsApp as a tool to earn a living. These individuals may use WhatsApp to launch, scale or supplement their operations by chance, necessity or intention.

As free and easy-to-use applications that have reached ubiquity in South Africa, WhatsApp and WhatsApp Business can be valuable income-generating tools in the hands of those who see their value beyond their intended design (Shambare, 2014).

Casual conversations with friends, family and colleagues about the topic ignite anecdotes about WhatsApp groups or acquaintances that offer goods and services via the messaging platform. Stories of retirees, stay-at-home moms or the unemployed selling or promoting their wares ranging from Tupperware, traditional Cape Malay koesisters, and fresh produce to skin products via WhatsApp.

Many of these people sit outside what may be considered formal employment, but they have the agency and the ability to use the resources at their disposal – including a WhatsApp-enabled phone – to earn money.

The appropriation of WhatsApp and WhatsApp Business to sell products or services is part of the broader mobile social commerce, including conversational commerce, which are offshoots of e-commerce. E-commerce, according to Liebana-Cabanillas et al. (2014), has evolved into mobile commerce, social commerce, and mobile social commerce, which is at the heart of this research project.

The nonfiction journalistic long-form essay will focus on subjects who engage in mobile social commerce—whether selling décor via a WhatsApp Business catalogue or offering a mobile car detailing service—as a primary source of income to supplement a salary or earn pocket money.

In his book, *KasiNomic Revolution*, South African author GG Alcock reveals that many people who operate in the informal economy make "a good living and supporting themselves and their families" despite being labelled survivalists or subsistence workers by formal society (Alcock, 2018).

Livelihood research has explored how people, particularly the poor, used various strategies to respond and adapt to adverse conditions. Chambers and Conway (1992) wrote that these people could exploit resources, information, and services to experiment and innovate.

To that end, this long-form journalistic essay will focus on persons who earn money through WhatsApp or any of its derivatives, with a particular focus on the appropriation of WhatsApp in line with Bar et al. (2016) three-stage cyclical technology evolution.

In addition, the author will rely upon Chambers and Conway's (1992) definition of livelihoods and that used by Caribou Digital and Qhala (2020). Caribou Digital and Qhala (2020) narrowed the definition, referring to livelihoods as a "mix of physical or mental labour and the utilization of tools or assets to create products and services" to earn an income. Income will be defined as any revenue earned from the sale of goods or the provision of services. Caribou Digital and Qhala (2020) describe livelihoods as "a string of casual, or sometimes informal 'gigs', short-term activities directly interfacing with more than one customer" (Caribou Digital & Qhala, 2020, p. 2).

In recent years, livelihood strategies have included leveraging digital technology such as smartphone devices and mobile internet to communicate, transact, build online communities, and earn a living. ICASA (2023) defines a smartphone as a mobile phone with advanced features such as Wi-Fi connectivity, web browsing capabilities, a high-resolution touchscreen display and the ability to use apps.

A smartphone and mobile internet or Wi-Fi in the right hands are tools to earn an income, whether through selling goods or services on the street or at a market. The technology not only connects the sellers to customers but also has the potential to serve as a bridge between the urban and the rural, the informal and the formal. Whether it is a rural community garden selling organic produce directly to suburban communities or starting a mobile social commerce business via WhatsApp.

Individuals within the informal economy increasingly embrace modern technology, emulating global technology giants and adapting to the realities in various informal settings. The result is the emergence of businesses such as *Delivery Ka Speed*, which provides food delivery service to townships around Hammanskraal, taking orders via WhatsApp. According to *Business Insider*, patrons can pay in cash, via EFT, online, or by card. Godiragetse Mogajane, the founder of *Delivery Ka Speed*, said he got the idea for the business when he noticed that third-party delivery services like Uber Eats and Mr D did not serve some townships (Daniel, 2021).

WhatsApp is far from perfect, particularly when potential customers are from unserved communities hobbled by poor access to broadband internet, the high cost of connectivity and hardware, such as smartphones and other second-level digital divide issues (Hargittai & Hsieh, 2013).

In addition, subjects must be cognisant of customers' safety and comply with South Africa's data security laws, such as the Protection of Personal Information Act (POPI Act). The POPI Act requires websites, companies and organisations to implement safeguards to ensure the integrity and confidentiality of personal information (Protection of Personal Information Act, 2020).

The POPI Act has a bearing on how business WhatsApp groups process their customers' personal information and could incur a penalty should they be found guilty of breaching customer confidentiality. A business WhatsApp group administrator would have to get consent from a data subject for their personal information to be processed (Protection of Personal Information Act, 2020).

2. NARRATIVE AIM

The long-form project aimed to understand how people from different spheres of South African society appropriate and adopt WhatsApp to make a living. Insights gleaned from the subjects' personal experiences were relayed into a long-form essay using different storytelling techniques.

The narrative is explorative, seeking answers from the subjects themselves, touching on the themes addressed in the introduction, while the author sought to uncover other aspects that may have been 'invisible' at the start of the project. The narrative explores the various livelihood strategies augmented through WhatsApp. It is primarily told through the eyes of the subjects by tracking their stories and reflecting on their motivations and realities.

While there is a growing body of research on digital platform work (Caribou Digital & Qhala, 2020; Koskinen et al., 2019; Partnership for Finance in a Digital Africa, 2019; Bouquillion et al., 2023), WhatsApp as a tool for people to earn a living has remained largely unexplored from an academic point of view. The project aimed to understand the motivations behind using WhatsApp instead of other digital technologies.

While the motivations of a stay-at-home mother in suburbia may differ from those of an unemployed youth in a township, the outcome may be the same: both earn a living using the same free and basic technology. The narrative explores questions about their aspirations beyond their work and how digital technology can feed their ambitions.

3. RATIONALE

Rampant unemployment, crime, and corruption are often cited as the three largest development issues haunting democratic South Africa. In annual public opinion surveys, South Africans rank unemployment at the top of the list of priorities that need to be addressed urgently (Wike et al., 2016; Jones, 2019; Cloete, 2021).

According to Statistics South Africa (2023), the country's unemployment rate was 31.9 percent as of the third quarter of 2023, translating to 7.8 million unemployed persons. The situation appears more dire among South Africa's youth, with approximately 4.6 million persons between 15 and 34 years unable to find employment. According to the Centre for Development and Enterprise (2021), more than nine million young people in South Africa can be categorised as not being in employment, education, or training (NEETs), highlighting the extent of the crisis.

The mere sight of these statistics may conjure up feelings of despondency among South Africans, but anecdotal evidence from this research suggests there are pockets of hope in the informal economy. The main thrust of this enquiry is to understand how WhatsApp, as a free and ubiquitous technology, enables people across various class divides to earn an income to alleviate the effects of unemployment.

According to Fioramonti (2013), informal economies and technological innovation are often overlooked as crucial contributors to the broader economy:

Moreover, it [GDP] has intentionally neglected the overall weight of the informal economy, from the innumerable services rendered at the household level to the many 'odd jobs' that provide the necessary subsistence to millions of people and often constitute the backbone of the real economy (Fioramonti, 2013, p. 12).

Through narrative inquiry, this project explores how different subjects with differing socio-economic realities use WhatsApp to earn a living, create value for their communities, and bridge the gap between the informal and formal economy.

The project intended to provide insights into how connections are made between buyers and sellers of services and products on a platform not purposely built for commerce. The long-form journalistic essay explored questions about how the subjects view themselves in relation to official unemployment figures and the stereotypes that may exist about informal work. The author also explored the subjects' contribution in economic terms, such as creating work or income further down the value chain. Another rationale for the essay was to learn about the

strategies the subjects employ to overcome the constraints and problems they face that deserve attention from researchers and policymakers.

Finally, the author explored stories that reflect networks created via WhatsApp, how it is used to provide products and services, and customers' experiences of using these services and attitudes towards sellers. The aim was to highlight what is unknown about the subject and reflect on the successes, failures, and opportunities in this space.

4. LITERATURE REVIEW

4.1 The digital divide as a barrier to entry

The digital divide – which refers to the gap between those in society with access to information and communication technologies (ICTs) such as the internet and those without or with restricted access (Lythreath et al., 2021) – is one of the significant barriers for lower-income groups to take advantage of the so-called fourth industrial revolution and earn a livelihood.

Digital technology is considered one of the potential equalisers in South Africa – which the World Bank describes as the most unequal country in the world, ranking first among 164 countries – where 10 percent of the population owns more than 80 percent of the wealth (Sulla et al., 2022).

The Statistics SA (2021) General Household Survey revealed that 77.5 percent of South African households had at least one member accessing or using the internet. The use of mobile devices plays a significant role in bridging the digital divide, with 69.4 percent of those surveyed accessing the internet via cellular telephones or using mobile access devices such as 3G cards. The compilers of the report assert that communication plays a pivotal and functioning role in society, linking “people and businesses, facilitating communication and the flow of ideas and information and coordinating economic activities and development” (Statistics SA, 2021). According to statistics from a We Are Social and Meltwater (2023) report, South Africa had an internet penetration rate of 72.3 percent, boasting 43.48 million internet users in January 2023.

The digital divide is slowly but surely eroding due to broader internet access (Partridge et al., 2024) and the proliferation of mobile phones as low-cost computing technology can significantly impact economic growth in developing countries (Waverman et al., 2005).

Partridge et al. (2024) posit that the adoption of digital technology among microenterprises remains low citing high data costs as a major barrier.

“...while there is promise in smartphone adoption, there exists significant room for improvement in leveraging digital technologies effectively within the microenterprise sector to promote growth and competitiveness” (Partridge et al., 2024, p. 6).

Affordable digital technologies and free applications such as WhatsApp can help facilitate youth entrepreneurship (Kariuki & Ofusori, 2017). Shambare (2014) suggests that WhatsApp is an essential tool to bridge the digital divide, breaking the “vicious cycle of how the technology affordability and non-adoption impeded the uptake of ICTs in some developing

countries". "In short, WhatsApp is a practical communication tool that addresses consumers' need to communicate effectively and cheaply – through text, video and audio" (Shambare, 2014, p. 548-549).

4.2 WhatsApp's rise to ubiquity

Since WhatsApp's launch in 2009, the mobile-based over-the-top (OTT) messaging and chat service has reached pervasive status in South Africa, with Statista (2024) estimating that more than 93 percent of internet users aged between 16 and 64 use the service. Facebook Messenger boasted 67.4 percent and Telegram 43.9 percent of internet users (Statista, 2024). An OTT such as WhatsApp often provides free or low-cost voice, video, and data services over the internet, which is more affordable for consumers than voice and text messages via traditional mobile telephony (Stork, 2016).

Over the years, WhatsApp has introduced new features that allow users to send and receive media such as text, photos, videos, documents, and location, as well as make voice calls (WhatsApp.com, 2022). Compatible with iPhone, BlackBerry, Android, Nokia, and other Windows smartphones, WhatsApp is accessible to many devices, including some basic feature phones. Due to its ubiquity, cost efficiency, simplicity, user-friendly features, and the ability to run on multiple platforms (Shambare, 2014), WhatsApp has been used as a promotional tool, a virtual storefront, and for customer relationship management (Partnership for Finance in a Digital Africa, 2019).

The suite of features, coupled with the low cost of using OTT messaging applications such as WhatsApp, are considered significant differentiators compared to traditional SMS (Ceci, 2024). A single SMS message is billed per 160 characters, and although multiple messages can be strung together, a user will be charged for each additional portion that exceeds the character limit. WhatsApp, in comparison, has a 4096-character limit and allows users to share large files in various formats, from PDFs and videos to text documents and graphics.

The now-ubiquitous use of the Meta-owned chat and messaging application has not always been the case. WhatsApp faced severe competition from the market-dominating South African chat service MXit and BlackBerry Messenger when it was launched in 2009. At this point, MXit boasted more than 11 million users, which more than doubled by the following year (McKane, 2019). Three years after WhatsApp was rolled out in the country, it had garnered over 4.6 million users in 2012, which made it the leading instant messaging application among South Africans aged 16 and over (World Wide Worx, 2012).

The introduction of a group chat function – limited to five people – in 2011 was among the defining features (WhatsApp, 2011). The feature has been updated over the years, allowing groups of up to 1 024 people to share messages, photos, and videos. This has opened the door for communication beyond personal relationships and has seen the formation of WhatsApp groups for social and business purposes. By following a link, individuals could join groups without knowing the administrator or anyone else on the forum. While WhatsApp is often used as a platform for businesses to communicate with customers, the application has also become a tool for social commerce and an extension of existing brick-and-mortar enterprises as a low-bandwidth and easy-to-use tool.

Meta introduced WhatsApp Business in 2018, catering specifically to small businesses with features such as messaging tools and a catalogue to showcase products baked into the free application (WhatsApp, 2018). WhatsApp (2017) users increasingly started to tailor the chat application to communicate with businesses and vice versa, which ultimately inspired the launch of WhatsApp Business. According to WhatsApp (2017):

We're building and testing new tools via a free WhatsApp Business app for small companies and an enterprise solution for bigger companies operating at a large scale with a global base of customers, like airlines, e-commerce sites, and banks. These businesses will be able to use our solutions to provide customers with useful notifications like flight times, delivery confirmations, and other updates (WhatsApp, 2017).

More features have since been added to WhatsApp Business, such as messaging tools, including low-level automation, such as a custom welcome message when a customer starts a conversation and quick reply shortcuts for businesses to respond to frequently asked questions (Business App Features, n.d.).

The tech giant introduced the WhatsApp Business Platform or WhatsApp Business API at the end of 2018, offering several features to medium and large businesses that need to communicate with customers at scale within the same WhatsApp chat interface (Racoma, 2018). The WhatsApp Business API (application programming interface) enables features such as advanced automation, integration with third-party applications or software solutions, creation of chatbots, and tracking of important metrics (WhatsApp Business, n.d.)

4.3 WhatsApp and livelihoods

WhatsApp is not only used to communicate with family and friends but has emerged as a device to transact and conduct business (WhatsApp Blog, 2017). It provides an avenue for

economic inclusion to both persons with access to leading technology and those who rely only on basic devices such as smartphones and free Wi-Fi or bundled mobile internet (Kariuki & Ofusori, 2017).

While there appear to be minimal studies that focus specifically on WhatsApp as a tool to earn a livelihood, the application does feature in research on digital platforms that link “buyers and sellers, governed at a large scale by code and algorithms” (Caribou Digital & Qhala, 2020).

Partnership for Finance in a Digital Africa (2019) found that ‘microentrepreneurs’ could use applications such as WhatsApp and Facebook “to cultivate and maintain business ties over distance, to signal that products or services are ready for delivery or for sale, and to exchange all kinds of information about the markets in which they participate” (Digital Africa, 2019, p. 53).

For their study, Partnership for Finance in a Digital Africa (2019) spoke to 27 microentrepreneurs in Kenya about how they use platforms – from social media sites to e-commerce marketplaces – in their day-to-day business. The study revealed how mobile phones provided microentrepreneurs access to business information via the internet and digital tools such as Google and YouTube. In addition, it improved their visibility or discoverability to potential customers and markets.

Case studies from Kenya provide some insights into how individuals leveraged WhatsApp and Facebook to augment existing businesses or used them as springboards for new ventures. Facebook often serves as a virtual shopfront, which they use as an initial contact point with potential customers or as a promotional tool to throw the net wider. Once they have made contact, the microentrepreneurs would steer customers to WhatsApp. WhatsApp is used to further forge a business relationship, co-ordinate with customers and communicate with them. The microentrepreneurs would encourage customers to join WhatsApp groups where they could connect with them on a more personal basis:

When WhatsApp groups are used as a promotional tool, the reach is confined to a smaller pool of contacts, resulting in its applicability for more intimate product promotion. The fact that people can market products within WhatsApp groups and then also use the same channel for low-budget customer relationship management is interesting. While both could be done across Facebook, WhatsApp feels more personal, perhaps due to its connection to a person’s phone number and, therefore greater level of personal connection (Partnership for Finance in a Digital Africa, 2019, p. 22).

Among the early WhatsApp features was the ability for users to share status updates in the form of short text next to their names, which was visible to people they were connected with. The feature was expanded in 2017, allowing users to share text, photos, videos, and GIF updates that disappear after 24 hours (WhatsApp.com, 2022). Partnership for Finance in a Digital Africa (2019) found that some microentrepreneurs used WhatsApp status as a promotional tool, posting images of their products and services in their updates, which were visible to followers.

Mobile technology makes it easier for individuals to reach potential customers from other markets in different geographical areas and expand their reach beyond their brick-and-mortar operations and those they serve in proximity (Waverman et al., 2005). However, the technology does not entirely diminish the challenges of digital illiteracy and second-level digital divides (Hargittai & Hsieh, 2013).

WhatsApp is increasingly adapted for business purposes, allowing microentrepreneurs to promote their products or services by posting images or graphics on groups through status updates. Features such as voice notes could enable them to communicate with customers with low literacy levels while the application is both free and easy to use (WhatsApp, 2018).

WhatsApp has also proven to be a valuable tool for sex workers who use the messaging application for easy clientele management (Sekyi et al., 2021). The sex workers used WhatsApp to: "...search and link up more quickly with clients, read important messages from clients, send nude pictures to clients, send nude videos to clients, have video sex with clients, and invite new clients over" (Sekyi et al., 2021, p. 49).

The application's differentiated uses came into sharp relief when the Meta-owned apps – Facebook, Instagram and WhatsApp – suffered a global blackout for more than five hours in October 2021, affecting more than 3.5 billion people worldwide (Isaac & Frenkel, 2021). Businesses or individuals who use these platforms to earn a livelihood suffered as a consequence of the disruption.

In some countries, Facebook is synonymous with the internet due to its ubiquity, which may very well be the case for WhatsApp in markets such as Brazil or South Africa, where it has become the most pervasive application. In Brazil, WhatsApp is a crucial digital infrastructure for many informal workers who use the application to manage their work schedules, charge clients, and sell products. The blackout ultimately cost millions of casual workers their livelihoods (Froio, 2021).

While much of the social commerce on WhatsApp has been user-driven, the Meta application has targeted small-business enterprises by introducing features that would provide more convenience and ease of use to potential customers (WhatsApp Business, n.d.). WhatsApp Business was launched in 2018 in South Africa and aimed at small-business owners, allowing them to connect with their customers and create a catalogue to showcase products and services. The service enables businesses to automate, sort and respond to messages (WhatsApp.com, 2022).

WhatsApp Pay, a native in-chat payment option, has been launched in India, Brazil and Indonesia (Cornish & Murphy, 2023), while third-party developers have created payment gateways that can be integrated into the messaging and chat application (WhatsApp Business, n.d.). Digital payments on WhatsApp Pay allow users to send money securely or purchase products from a local business without leaving their chat, bringing “more businesses into the digital economy, opening up new opportunities for growth” (WhatsApp.com, 2020).

4.4 An evolution from e-commerce to WhatsApp commerce

WhatsApp commerce is rooted in electronic commerce (e-commerce), which, according to Liebana-Cabanillas et al. (2014), has evolved into mobile commerce, social commerce, and mobile social commerce. Mobile commerce (m-commerce) refers to transactions or business that are conducted via a wireless handheld device (Chong, 2013) enabling a person to buy, sell, advertise and perform business operations on the move (Safieddine, 2017). Social commerce, in turn, is defined as “the selling of goods and services via social media platforms like Facebook and WhatsApp” (Caribou Digital & Qhala, 2020).

Although WhatsApp is considered at its core to be a messaging app, its features and its use by consumers fall within the definitions of social media. Burgess et al. (2018, p. 1) define social media as “digital platforms, services and apps built around the convergence of content sharing, public communication and interpersonal connection”. According to McCay-Peet and Quan-Haase (2017), social media are web-based tools that allow people to “interact with, create, and share content with individuals and organizations in their social networks”.

With WhatsApp's group chat feature, it is possible to interact with a wider audience beyond one's close social circle. This allows for two-way communication, with the ability to share various types of content via video, text, audio, PDF or calls (WhatsApp.com, 2022). WhatsApp is, therefore, part of the conversation regarding the development of e-commerce into mobile

commerce (m-commerce), social commerce (s-commerce), and, ultimately, mobile social commerce (ms-commerce).

Much of the existing research is focused on motivational factors for usage (Cullen & Kabanda, 2018) and the technology acceptance model (TAM) to determine consumers' attitudes towards and acceptance of e-commerce, m-commerce, s-commerce and ms-commerce.

Conversational commerce, in the context of this essay, is a combination of conversations between consumers and businesses through person-to-person interactions or artificial intelligence-based text and voice assistants.

4.5 Drawbacks

Mothobi (2018) has found that the lack of internet-enabled devices and digital literacy were significant obstacles for unserved communities. Although internet-based services provide cheaper communication alternatives, data services and products are still unaffordable to almost half of the South African population. When asked what the factors that limit internet use are, about 47 percent of South Africans stated that the internet is too expensive to use (Mothobi, 2018).

Internet diffusion and difference in access are but two aspects when considering the digital divide, and one should also look at other factors related to digital inequality, such as the differences in uses, also known as the "second-level digital divide". Scholars have suggested that the classification of the digital divide should include other aspects of digital inequality, such as how socioeconomic status relates to disparities in ICT access and online skills, the differences in equipment, the autonomy of use, social support, and the purposes for internet use (Hargittai & Hsieh, 2013).

Friederici et al. (2020) highlight the second-level digital divide, which is framed in practical terms through in-depth interviews with digital entrepreneurs from 11 African cities. An entrepreneur from Ghana, for example, voiced his frustration over the use of "dumb phones" while "the majority of the percentage that uses smartphones are not that smart to use the smartphones" Friederici et al. (2020).

Friederici et al. (2020) have found that some of Africa's socioeconomic problems remain barriers to the development of markets despite the optimistic view that they may serve as possible gaps for entrepreneurs to exploit. Access to mobile phones, or more specifically

smartphones, has not led to a wider use of more sophisticated technologies and innovations, but instead, users gravitated towards basic communication apps like WhatsApp and Facebook. While this in itself painted a bleak picture for framing African digital entrepreneurship as a revolutionary transformation, it does provide anecdotal evidence of why WhatsApp has become a ubiquitous instant messaging service.

Clients often demanded cheap and simple digital services with “zero or transaction-based pricing, low data consumption, sufficient functionality for feature phones or low-level smartphones (e.g. through offline usability and SMS/USSD integration), and the fulfilment of a basic, widespread need (such as interpersonal communication)” (Friederici et al., 2020). Customers faced other challenges, such as patchy broadband coverage – particularly in rural areas – outages or low-quality phones. “Today, the typical internet user in Africa uses WhatsApp, Facebook, and Google on a cheap smartphone produced in East Asia...” (Friederici et al., 2020, p. 77).

In a study conducted across Peru, South Africa, and India on the use of information and communication technologies (ICTs) by informal workers in their work in a range of informal occupations, Chen (2016) found that usage was restricted to WhatsApp:

Among the handful in the study sample who do use internet, the usage is mainly restricted to the instant messaging app WhatsApp, which allows them to communicate with customers. Some groups of informal workers do not own even simple mobile phones because they share the phones of other family members or they fear their phone will be stolen (Chen, 2016, p. 415).

4.6 Livelihoods

According to Kaag et al. (2004), the concept of livelihood studies had gone through various iterations but gained traction among scholars and policymakers in the 1980s, with a strong focus placed on addressing development and poverty issues. Early approaches in livelihood studies were criticised for being too macroeconomic in focus instead of taking a holistic view of the causes of poverty “involving not only economic but political, cultural, social and ecological aspects as well” (Kaag et al., 2004).

The main aim of livelihood studies, according to Kaag et al. (2004), is to explain how people in general, but the poor in particular, used various assets at their disposal and the strategies they used to earn a living in adverse circumstances.

The definition Chambers and Conway (1992) proposed in an IDS discussion paper remains the most widely used and accepted by livelihood studies scholars:

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long-term (Chambers & Conway, 1992, p. 6).

Amartya Sen's 'capabilities approach' has been influential on livelihood studies, which focus on the agency of poor people and consider their actions and strategies in the face of stress and shocks (Kaag et al., 2004; Chambers & Conway, 1992). The actors are viewed as active participants and are equipped with the capabilities to adapt to adversity and take advantage of livelihood opportunities (Chambers & Conway, 1992).

Such capabilities are not just reactive, being able to respond to adverse changes in conditions; they are proactive and dynamically adaptable. They include gaining access to and using services and information, exercising foresight, experimenting and innovating, competing and collaborating with others, and exploiting new conditions and resources (Chambers & Conway, 1992).

Modern livelihood research emphasises a bottom-up and actor-oriented view, which will tie in with the use of narrative non-fiction storytelling to allow subjects to tell their own stories. According to Kaag et al. (2004):

The point of departure is the idea that the poor are important and imbued with agency; they actively shape their lives by means of material and non-material assets, depending on the context in which they have to make a living. In this respect, the livelihood approach is a valuable counterweight against structural approaches to poverty – both macroeconomic and basic needs – that tend to portray people as mere victims of structural constraints. (Kaag et al., 2004, p. 4)

However, Kaag et al. (2004) recommend that livelihood research should take a holistic approach that includes the view of the actors within the context of structural constraints, such as power inequalities and unequal access to resources. In addition, the differences between individuals and categories of people should also be considered.

Livelihood studies are by their very nature preoccupied with poverty reduction, which may not align with the overall purpose of this narrative exploration, which studied the livelihoods of persons from varying socioeconomic backgrounds.

While Chambers and Conway's (1992) definition of livelihoods provides a theoretical grounding, this long-form narrative instead opted for the more practical interpretation that Caribou Digital and Qhala (2020) used in their study of platform livelihoods in the Global South:

We use livelihoods broadly, allowing simply for a mix of physical or mental labor and the utilization of tools or assets to create products and services. The term encompasses activity by the self-employed, by laborers and workers, and by entrepreneurs and business owners.

Indeed, many livelihoods exist outside the constructs of a "job"—a long-term relationship between an employer and an employee, paid by salary or by time-based wages. Livelihoods can be a string of casual, or sometimes informal 'gigs', short-term activities directly interfacing with more than one customer (Caribou Digital & Qhala, 2020, p. 2).

5. METHODOLOGY

The methodology for the project consisted of desktop research and fieldwork research, including observation and immersion.

5.1 Desktop research

The author consulted existing literature from books, academic journals, and other media, such as newspaper articles, online publications, and magazines. Desktop research was not limited to the written word and included podcasts and videos related to the topic.

5.2 Interviews and discussions

The interviews were a combination of semi-structured and open-ended questions about each subject's background, aspirations, motivations for using WhatsApp as a tool to earn a livelihood, the possible pitfalls, and details about their operations.

The researcher did not verify the financial data provided by the subjects due to the informal nature of the enterprises and the persons under study. Some subjects kept detailed records of financial transactions, but many operated on a cash basis and did not maintain accounting records.

The subjects included persons from various spheres of South African life and milieus—from the townships to the suburbs and the inner city—who conducted business via WhatsApp or subject-matter experts.

Most interviews were conducted in person, via telephone and through virtual meeting platforms. Where subjects preferred not to do face-to-face interviews, the author proposed using online communication platforms such as Zoom, MS Teams, WhatsApp, e-mail and telephone conversations.

The questions were structured in such a way as to glean as much information on a subject's operations and background on what led them to appropriate WhatsApp to sell goods or services. In addition, questions were framed to elicit emotion and gain an understanding of a person's surroundings and circumstances at a point in time as it relates to the subject.

The interview questions included, but were not limited to, the following:

- How did you end up providing products and services through WhatsApp?
- Explain to me how you use WhatsApp to earn a livelihood.

- Why, compared to other digital technologies such as websites and Facebook, did you decide to use WhatsApp to sell products or services?
- What are the challenges of providing services and products via WhatsApp?
- What are your plans, if any, to scale your operations?
- How do you promote yourself/attract more clients?

Prospective subjects were identified via informants, such as existing customers, subject-matter experts, and personal relationships. Some subjects were found on community WhatsApp groups or via searches online and on social media platforms such as Facebook and Instagram.

Subjects were selected from various socio-economic backgrounds to paint a holistic picture of how people appropriate WhatsApp to serve different markets.

Interviewees were informed about the goals and methods of the study, while the author requested consent for subjects to be named in the essay. Anonymity was granted where requested.

Once the interviews were completed, they were transcribed and analysed to identify recurring themes that would be arranged to form a 'golden thread'.

5.3. Narrative approach

Through this narrative, the author explored how individuals use a relatively inexpensive and ubiquitous piece of technology such as WhatsApp to earn a livelihood. The report reflects the realities in a more holistic way instead of relying on surveys or quantitative techniques that may provide a generalised view of the situation but do not allow for a deeper understanding of the subject.

The narrative approach is a way of understanding experiences through research participants' stories and then presenting them to a broader audience. The aim is to gain a deeper understanding of the subject matter and allow the reader to compare it to their realities (Clandinin, 2019).

Clandinin (2019) writes that narrative inquirers study the experiences of their subjects by "listening, observing, living alongside an other, and writing and interpreting texts" and that:

...the focus of narrative inquiry is not only valorising individuals' experience but is also an exploration of the social, cultural, familial, linguistic, and institutional narratives within which individuals' experiences were, and are, constituted, shaped, expressed, and enacted (Clandinin, 2019, p. 18).

The pace and tone of the narrative are varied, weaving research, interviews with subject-matter experts, and the storytelling of the subjects' experiences. The author used both first- and third-person storytelling, providing the reader with multiple points of view. First-person narration included reflecting on the author's own experience and thoughts as he tracked the subjects' experiences. Most of the storytelling is from the interviewees' point of view, whether through dialogue or reciting their memories and experiences.

The narrative represents different research findings on the use of WhatsApp in South Africa and further afield and is brought to life by reflecting on the subjects' personal experiences and exploring to what extent the application is used to generate income opportunities.

Narrative non-fiction or literary journalism is anchored in verifiable facts but employs four fictional devices: scene-by-scene construction, authentic dialogue, detailing of status-life symbols, and point of view (Kaplan, 1987). The subjects are the main characters of the essay and in their different milieus – from the township to the suburb – which offer details of their lived realities.

In his book *Narrative Economics*, Shiller (2019) suggests that studying popular narratives about the economy can supplement existing models. He proposes that "contagious popular stories that spread through word of mouth, the news media, and social media" be included among the economic factors driving the economy:

Popular thinking often drives decisions that ultimately affect decisions, such as how and where to invest, how much to spend or save, and whether to go to college or take a certain job. Narrative economics, the study of the viral spread of popular narratives that affect economic behaviour, can improve our ability to anticipate and prepare for economic events. It can also help us structure economic institutions and policy (Shiller, 2019, p. 3-11).

Narratives, it could be argued, serve as a temperature gauge of the broader economy and may serve as a public economic forecast. In this case, the narratives may point to a deeper understanding of what is happening in informal or alternative economies.

6. ETHICAL CONSIDERATIONS

The subjects' personal stories form the basis of the narrative long-form essay. The researcher attained informed consent from the participants. At the same time, subjects were provided with anonymity and the option to withdraw consent at any time. Participants are named where consent has been given. Participants were provided with a detailed account of the study's nature, aims, and possible risks.

7. CONCLUSION

Mobile technology has enabled many to make a living, offering users a low barrier to entry into the digital economy. While South Africa's rampant unemployment sketches a hopeless picture, there is anecdotal evidence that the statistics are much more nuanced. WhatsApp commerce, which falls under the broader mobile social commerce umbrella, is but one way to embrace the digital economy.

Compared to other mediated technology governed by algorithms, WhatsApp tips the power back into the hands of the seller, who is ultimately beholden to the market in the traditional sense. Although they are using the technology, the transactions are not facilitated through big tech platforms that match supply and demand. The relationship is much more organic.

Business relationships are forged at a more personal level, although most of the interactions take place inside a WhatsApp chat window. Conversations are ultimately an extension of the physical realm, whether it is communicating in Zulu, Xhosa, Afrikaans or via voice notes, screenshots or emojis.

In many cases, interactions are brought into the virtual space and vice versa. A person may save a street vendor's number and make a purchase via the chat app at a convenient time, or a business relationship may start on WhatsApp and end in the physical realm through a collection of an item.

Although this study did not follow the livelihoods framework, the narrative long-form journalistic essay also took a 'bottom-up and actor-oriented' approach by allowing the subjects to tell their stories and reveal their strategies to earn a living. Because the subjects were from different socio-economic groups and geographic areas, the assets at the subjects' disposal differed. This ranges from access to broadband internet, a high-quality phone or laptop to the technical know-how that will help scale a business.

While people operating in informal settings may lack access to high-tech solutions and technical skills, they can often rely on their social capital to offset what they lack in other areas.

This narrative has found that although WhatsApp is a useful and inexpensive business tool for entrepreneurs, it lacks the features that would allow a person to scale an enterprise beyond the limitations of a contact list. The subjects have found innovative ways to overcome the constraints, from promoting their business on community WhatsApp groups to offering curated food to exclusive members.

WhatsApp Business, which is aimed at small-business owners, has given many of these micro-enterprises an air of legitimacy with features that are both cosmetic and practical. Some subjects used their profits from WhatsApp to formally open e-commerce sites, while others have found joy in what the Business app has to offer.

The WhatsApp Business API may appeal more to big and established corporations, and it offers entrepreneurs the ability to scale their ventures. But going back to the nub of the research, which is looking into how WhatsApp can serve as a springboard to earning a livelihood, mobile technology has proved to be effective in ticking that box.

Beyond merely ticking boxes, WhatsApp and WhatsApp Business make it easier for a person to dip their toe into any of the derivatives of commerce facilitated by mobile technology. The next step would be to supplement these tools to help people go from making ends meet to building a sustainable business that will get more people working. Think 'business-in-a-box'. A WhatsApp commerce starter pack may include a decent smartphone preloaded with data and 'how to guides' to set up WhatsApp Business catered for different types of operations...Making WhatsApp work.

PART 2: LONG-FORM NON-FICTION NARRATIVE

PROLOGUE

The phone numbers of side hustlers, big-dream entrepreneurs and desperate South Africans eking out a living get passed around between WhatsApp groups, long-lost relatives, and friends of friends who know friends. WhatsApp statuses serve as storefronts and catalogues showcasing homeware, fruit and veg, and hand-made goods.

Who would have thought a messaging app could be a springboard for a business? As it turns out, many have, with some even launching successful companies this way – an economic subculture of WhatsApp entrepreneurs – the protagonists that are driving the WhatsApp economy.

WhatsApp is woven into our daily lives. We use it both as a noun and a verb. When you ‘*WhatsApp someone*’ it is not limited to sending a text message but could also refer to sharing photos, videos, PDFs or making calls.

WhatsApp is a communication tool that cuts across different socio-economic, gender, cultural, and age groups. It has proved to be malleable in the hands of users, evolving from a message and chat application into a platform that suits different needs. A virtual meeting place for friends. A notice board for hockey parents. And a place where families often air their dirty laundry. WhatsApp has also proven popular in the political sphere, where factions within parties get to plot their next moves and organise campaigns.

The idea to explore how and why people use WhatsApp to make money came to me after first studying the gig economy in South Africa. I have always been fascinated by how people in a country with record-high unemployment manage to put food on the table. The staggering statistics reached an all-time unemployment high of 35.30 percent of the population at the end of 2021.

When my wife joined an exclusive WhatsApp group selling typical deli food, I first realised there was something more to the popular chat app than communicating with family and friends. I had an inkling that it tied in with the school of thought that South Africa’s formal unemployment rates did not account for the informal economy – Adam Smith’s invisible hand with a South African twist. The person selling fruit and veg at the side of a road in the township may not be counted among the formally employed but cannot be considered unemployed. The

72-year-old baking rusks to supplement her pension. A salesperson 'side hustling' selling throw cushions with the hope of becoming financially independent by age 40.

The WhatsApp economy may not be apparent, but it has infiltrated the messaging platform most South Africans use. Consider this: WhatsApp is the most popular communication tool in the country, with over 21 million South Africans equating to 96 percent of netizens using the app. It follows that potential clients can be reached through WhatsApp without even having to pay for things like hosting costs or web development as you would when launching a website.

While exploring the WhatsApp economy, I have met out-of-the-box thinkers from the Joburg suburbs and inner-city digs to the Cape Town and Pretoria townships. Whether they use the app to supplement a salary, grow a business, or make ends meet, they may all be far removed from each other – physically, socio-economically, or culturally – but doing business over WhatsApp is the tie that binds them through an unconventional economic phenomenon.

I have been faced with obstacle after obstacle in unravelling how a free and simple piece of tech can profoundly impact the lives of everyday South Africans eager to provide for themselves and their families. I knocked on many doors, sent many WhatsApp messages, and made phone calls to potential leads for my research. Although it frustrated the process, their insistence on a quid pro quo fits in with the broader state of our economy and the desperation to earn a quick buck.

It is only possible to fully grasp the WhatsApp economy universe with empirical quantitative research. My account of how people make WhatsApp work for them is merely an anecdote of how people have repurposed the free messaging platform to meet their needs in selling services or products.

Chapter 1 – WhatsApp in nearly every palm

Technology has become as ubiquitous as the air we breathe, so we are no longer conscious of its presence – Godfrey Reggio

Whirr-whirr, whirr-whirr, whirr-whirr...with each rhythmic pedal stroke, the tyres hum along as they hit the road, edging the blue-overall-clad bike courier closer to his first stop. The ping from a WhatsApp message was the starting pistol, setting the *Cloudy Deliveries* courier on his mission.

Young bike couriers traversing Langa's streets have become an institution in Cape Town's oldest township. The uniformed young men navigate the twists and turns to do grocery shopping, food deliveries, and other tasks on behalf of their customers.

The customer hands the courier cash and a grocery list that will replenish the essentials. After stopping at retailers such as Checkers and Pick n Pay, the groceries are loaded into milk crates and then dropped off with the customer. *Cloudy Deliveries* charges R20 for 'local deliveries' inside the township and R60 for trips outside Langa, such as the Vangate Mall and the County Fair Chicken Hyper.

The township delivery service has evolved dramatically since *Cloudy Deliveries* opened its doors when the world locked down. WhatsApp, the free chat application used by billions worldwide, has brought many changes to the venture over the last three years.

Colin Mkosi, a softly-spoken man with an accent that betrays his Cape Town roots, launched his venture in March 2020. The idea was to deliver groceries and parcels from retailers like Shoprite and Pick n Pay and food from local restaurants.

A rag-tag group of friends and acquaintances hit the streets with the bicycle version of skoro-skoros that Mkosi, now in his mid-20s, bought with some of his savings while working a part-time job at Old Mutual.

Before Mkosi adopted WhatsApp as the business's primary mode of communication, they would receive and make phone calls, send SMSes, and please-call-me messages on 'dumb phones'. But, says Mkosi, "We saw that it chowed a lot of air time when we called and stuff. So the cheapest way to communicate with our customers and restaurants was WhatsApp because they already had WhatsApp, and most of our customers use WhatsApp."

Mkosi's customers – and many other businesses operating in the township – own basic smartphones that cost as little as R300 out of the box. They might be cheap but boast many features that come standard in premium but grossly overpriced smartphones. Nearly two-thirds of mobile users in South Africa now have smartphones in their hands, which can be attributed to the lower price points offered by some discount retailers.

The broader business community is waking up to the potential of the lower-income groups and catering to their needs. Author GG Alcock, who consults to big corporates on how to tap into the enormous potential of the township economy, says discount retailers Pep and DNI sell between 20 and 25 million low-feature smartphones preloaded with two apps – Facebook Lite and WhatsApp. These phones have limited memory, not allowing users much more space for applications other than perhaps Capitec's data-free banking app. Together, these apps form a powerful ecosystem enabling users to straddle the virtual and physical spaces.

More and more people are gaining access to smartphones in South Africa, which bridges the digital divide with relatively cheap technology and provides low-income groups access to features such as Wi-Fi connectivity, web browsing, and apps like WhatsApp. WhatsApp features include text, video, voice calls, and sharing media and online links.

Although high data costs could be considered a significant barrier for people living from hand to mouth, mobile operators such as Vodacom, MTN, and Cell C offer more anecdotal evidence of WhatsApp's influence in the chat economy. The mobile networks offer dedicated WhatsApp data bundles at a fraction of the price of standard mobile data. A 1GB monthly WhatsApp data bundle with Vodacom costs R35 compared to R85 for a once-off data bundle. With MTN, it is R30 for the WhatsApp bundle and R99 for a standard data package. The bundles include access to WhatsApp services such as sending and receiving text messages, videos and audio files, but exclude voice and video calling.

Many people who live from hand-to-mouth try to squeeze as much value as possible from prepaid specials on new SIM cards, such as free minutes and data offered by mobile service providers. Known as SIM "churn", it is common for people to have five SIM cards, which they regularly change on their phones. One of the benefits of WhatsApp is that you can change your number and still be reachable on the same account.

The broad appeal of WhatsApp in South African society, and particularly in the township, informed Mkosi's shift to the platform: "That was one of the cheapest ways to connect with our customers and connect with them instantly. So we decided to go with WhatsApp because it's what's convenient for us, for customers, and also local restaurants that we do deliveries for."

The 12-metre shipping container at the *Cloudy Deliveries* headquarters in the middle of a cleared-up dumping site is an echo chamber. Mkosi's words bounce off the walls as if to reiterate his story. Before their move to the new location, *Cloudy Deliveries* operated from an informal settlement. But when shacks mushroomed around the container within a month, *Cloudy Deliveries* shipped off to the new place because their neighbours were 'bad for business'.

Thousands of kilometres away, Karen Neethling has carved out a niche as a WhatsApp food curator through her *Chickens and Things* business exclusive to one of Johannesburg's north-western suburbs. On collection Thursdays, Neethling takes great care to avoid any bottlenecks that would attract the chagrin of her neighbours. "I don't really want any congestion in my driveway. This is not exactly a business address," Neethling whispers as if the walls have ears.

Her efforts seem fruitless as housewives take turns navigating in and out of her driveway, collecting parcels they ordered via the WhatsApp group. WhatsApp groups are the tool of choice in suburban Johannesburg. Street groups are formed for safety and security, while other sub-groups are for buying and selling second-hand goods or providing access to local businesses. WhatsApp is one of the hundreds of applications stored on the latest and greatest smartphones, ranging from iPhones to Samsung Galaxy handsets.

The creation and the exponential growth of *Chicken and Things* is a case of happenstance. A search for organic free-range chicken for her family in 2018 unexpectedly turned into a full-time business Neethling equates to an agriculture co-operative.

Neethling started the group only selling chicken to acquaintances before eventually adding other 'things' one would typically find at a brick-and-mortar deli or home industry: "First, it was six girls, then 10 and up to this point where I have more than 200 people in the group."

Operated from her home in Linden, Neethling made a turnover of R1.5 million over the first three quarters of 2021, selling everything from lamb cuts, rusks, and pies to frozen pizza bases and cookies.

The 53-year-old Neethling uses WhatsApp to promote, take orders, and communicate with her community of customers. She typically posts a price list of the week's produce or products, which she alternates according to the season, requests or when she finds a new supplier. Neethling started with monthly orders, which grew to fortnightly pick-ups, and now manages weekly collections.

The incessant ping, ping, ping on the group that signals the orders, queries, updates and reminders about products is enough to make any sane person make a virtual escape. But members tenaciously hold on to their places on the WhatsApp group.

Further north, the sound of the WhatsApp notifications makes way for the piercing cicada chorus serving as the soundtrack to a clammy bushveld backdrop. But even here in deep rural Hammanskraal, it is difficult to escape WhatsApp's reach.

One has to navigate stretches of road riddled with water-filled potholes to reach Norman Lamola's homestead, where donkey carts and free-grazing cattle are regular sightings.

The sparsely populated area boasts essential amenities – the Dooka Primary School, Bosplaas Baptist Church and the Chipili Chipile Tavern – offering the promise of a future, something to believe in, and a place to escape the realities of life.

The 40-something Lamola, a small-scale farmer, sells livestock and crops such as spinach and mealies at the side of the road. He has built a loyal customer base over the years but has adopted the use of WhatsApp and Facebook to cast his net wider.

"WhatsApp is helping me a lot," Lamola says on a tour of the freshly swept yard. "Especially when I have a lot of stock it really helps to reach more people. Some customers send my number to other people, and I would be surprised when I see a new person calling me."

Lamola uses WhatsApp at its most basic level, making phone calls and sending messages. He also uses some of the more advanced features, such as posting status updates visible to those who have his number, allowing customers to do ‘window shopping’. Most of the status updates are pictures of livestock, such as goats and chickens.

“I take photos (of the livestock), which I then post on my status, and then people inquire—many like my status updates. In the past, I used to only use the number and take calls, but then I realised I needed to update it. I also use Facebook, which works well.

“Some people send messages, some call, and they come straight to my place. I share my location by dropping them a [WhatsApp location] pin.”

A 2016 research paper by Francois Bar, Matthew Weber and Francis Pisani titled, *Mobile Technology Appropriation in a Distant Mirror: Baroquization, Creolization, and Cannibalism*, identified a three-stage cycle of technology evolution starting with adoption by users, followed by appropriation before the process goes full circle with repossession by the providers.

The first stage involves adopting new technology and “applying it to existing practices”, where users do “old things in new ways”, such as sending text messages via WhatsApp instead of SMSes to contacts.

WhatsApp has reached broad adoption in South Africa across different social and cultural groups, from a Cape Town township to a Johannesburg suburb and rural Hammanskraal.

Godiragetse Mogajane, founder of *Delivery Ka Speed*, which launched in Hammanskraal in 2021, initially took orders via WhatsApp and does food deliveries in a growing network of townships around the country.

Dipping into his savings, the Hammanskraal native set out to prove it was possible to launch a township-based third-party delivery service “without investing in crazy tech or sophisticated platforms and just using something that people already are familiar with”.

“We didn't want to educate a lot because for you to educate, your brand must be strong, and we were just starting out. You cannot educate people about things when they do not know who you are and whether you are credible or not.”

Some of WhatsApp's built-in functions, such as the ability for users to send voice notes and reply with emojis, images, or video, make it a powerful communication tool in the hands of an illiterate person. This is a potential game changer, considering that nearly four million adults in South Africa were reported to be functionally illiterate in 2021.

The ubiquitous adoption and use of WhatsApp by South Africans is ultimately what led many of the sellers – covered in this chapter and the ones to follow – to conduct business on the chat app in one form or another.

Appropriation follows adoption, with some using WhatsApp to sell things or services instead of merely connecting with friends and family.

Chapter 2 – The big WhatsApp appropriation

Appropriation is the process through which technology users go beyond mere adoption to make technology their own and to embed it within their social, economic, and political practices – Bar, Weber & Pisani

A two-tiered wedding cake decorated in an ubuhlalo necklace—resplendent with blue, red, yellow, and green triangle-shaped beads draped over a white calabash—flashes across Lesedi Matekula's WhatsApp status update. The calabash sits on top of a round cake covered in blue fondant, with a diamond pattern etched into it with silver beads placed at each intersection.

Matekula uses her WhatsApp status updates to promote her little venture, *Sedi's cakes and treats*, and gauge the popularity of her creations. The calabash – which celebrates the Zulu culture – was her very first wedding cake and attracted the most views of all the photos she posted to her personal WhatsApp status.

Matekule leveraged off her contact list, posting photos of her cakes, each with a tag edited onto the images with the name of the business and her number. She has since opened a Facebook page, which she uses to showcase the cakes she has made for satisfied customers. Matekule also posts advertisements of her business on dedicated Hammanskraal Facebook pages, which prompts people to WhatsApp her.

Now in her second year as a full-time baker, Matekula is yet to reach a critical mass where she can bake on a daily, weekly, or even monthly basis. The single mother does not yet make a steady income from *Sedi's cakes and treats*, but it is enough to help her make ends meet. Some months are better than others. In her best month, Mathekula made R3 000, while she earned nothing in her worst: "So I don't know how to say how much I make per month."

Matekule has a talent for making playful bespoke cakes, with each creation an extension of a customer's personality or special interest. The customised-themed cakes range from superheroes, cartoons and Disney characters for children to drip cakes and ice buckets with beer or brandy for adults.

The 24-hour viewable status updates are a staple in a WhatsApp seller's marketing strategy, allowing them to beam their offerings to contacts via text, photos, GIFs or videos. WhatsApp first introduced status updates in 2017, mimicking the ephemeral messaging app Snapchat.

Founders Jan Koum and Brian Acton initially created WhatsApp with status updates in mind. It allowed people to share with family and friends what they were up to, whether they were 'busy', 'at the gym', 'at the movies', or 'available' to take a call. The text messaging functionality followed shortly afterwards.

Like with so many other basic WhatsApp features, status updates have been repurposed by people like Matekula, tweaking its application to fit their needs. In this case, it is as simple as showcasing goods or services. Other than text messaging, status updates are the most popular features among the sellers.

The next step in the three-stage cycle of technology evolution is appropriation. During this stage, users experiment and make technology their own by doing '*new things in new ways*'.

WhatsApp has reached broad adoption in South Africa since it was first introduced in 2009. Like most mobile applications or tech platforms, WhatsApp launches new feature updates in phases, which fast-tracks further adoption as users are already comfortable using the application.

One such feature was the introduction of live location sharing in 2017, which was an extension of the 'share location' functionality. This proved to be a game-changer in WhatsApp commerce, particularly in townships and other informal settings where street addresses are few and far between.

Colloquially known in townships as 'e-pin', live location sharing allows local businesses such as fruit and vegetable stands, bakeries or chicken dust restaurants to take orders from and deliver them to customers. For example, while there are different ways people use *Cloudy Deliveries*, they would typically place orders via a WhatsApp message and drop a pin to their location or include the address. A customer can place an order for three loaves of bread, two litres of milk, and a bag of sugar and send 'e-pin', which is enough to complete the cycle.

Alcock says the WhatsApp pin location feature has made an 'extraordinary' impact on the informal market, particularly in the proliferation of food deliveries.

Live location sharing has, for example, played a pivotal role in *Delivery Ka Speed's* delivery drivers navigating streets without names and homes without numbers. However, in

Mogajane's experience, the feature has not always been accurate in finding a customer. Instead, *Delivery Ka Speed* took appropriation to another level, combining location sharing and voice notes, which has been a WhatsApp feature since 2013.

"Customers would send us voice notes with directions, and the drivers just had to listen to the voice notes to get there, which was pretty cool. So now we're migrating that (to the app) and saying you can send us voice notes for your customer care. If your order is not there, you know you don't have to text us; you can just say, 'Hi guys, I ordered this and this.' we also reply with voice notes. Easy communication, right?!"

The introduction of a group chat function in 2011 – limited to five people at that point – has arguably played the biggest role in the evolution of WhatsApp commerce. The feature has been updated over the years, allowing groups of up to 1 024 people to share messages, photos, and videos. This has opened the door for communication beyond personal relationships and has seen the formation of WhatsApp groups for both social and business purposes. Individuals could join groups by following a link and without knowing the administrator or anyone else on the forum.

While WhatsApp is often used as a platform for businesses to communicate with customers, the application has also become a tool for social commerce and an extension of existing brick-and-mortar enterprises as a low-bandwidth and easy-to-use tool.

WhatsApp groups, whether used for business or socially, are a gathering in the virtual space of people with shared interests, whether for business, pleasure or otherwise.

Chapter 3 – The gathering under the tree

WhatsApp is, in essence, the gathering under the tree. The community gathering or the church group moved onto a virtual platform – GG Alcock

An image of a masked technician cradling an elderly woman's hand is shared on the local WhatsApp group for small businesses with a brief description: "Manicure, pedicure, massage and waxing. We come to you and pamper you in the comfort of your home. WhatsApp Dee (alias) to book." Dee's 'massage treatments' are advertised at R500 for 60 minutes.

Community WhatsApp groups have become marketplaces where people can promote and sell their wares without forking out money for marketing or advertising.

On the *Local Linden Small Business* WhatsApp group – which boasts 540 members – close to 20 ads are shared on a good day. If it is not the sellers sharing ads of their products and services, people would ask for or share personal referrals.

Some ads are as basic as an image accompanied by a caption, while others seem to have been carefully crafted by a copywriter and packaged by a graphic designer. But free design apps and online poster templates such as *Canva* and *PosterMyWall* have made it easier for one-man operations to do their own design work.

While many of the businesses advertising on the group are from traditional establishments such as restaurants, plumbers or butchers, most of the posters appear to be macro-enterprises. Do you need a pet sitter? WhatsApp *Gauburg* for all your dog walking, cat sitting, bird, fish and plant care services. How about a new set of tyres? Send *Tyres So Easy* a WhatsApp message, and they will collect and change your tyres.

Any person can advertise on the group, provided your business is located in the Linden suburb or on the periphery, and you stick to the guidelines listed under group info. Posts that do not adhere to the guidelines get deleted, while members get kicked out in extreme cases where they challenge the admin's authority.

While the admin of the *Local Linden Small Business* group keeps a tight rein over what is posted, other WhatsApp groups take a more laissez-faire approach to governing interactions. These WhatsApp groups have taken on the role of community-based Yellow Pages, a more intimate version that has democratised the way people advertise their products and services.

This is part and parcel of the appropriation process, which the study on mobile technology appropriation calls a negotiation for “power and control over the configuration of technology, its uses, and the distribution of its benefits”. Once the technology is adopted, users start adapting its features to serve their needs, “invent unintended uses, or develop new practices that leverage its possibilities”.

“This experimentation constitutes a re-negotiation of the power relationships embedded in the technology. This creative re-negotiation is the core of appropriation, the process through which users take something external and make it their own,” Bar, Weber and Pisani write.

Neethling's business model for *Chicken & Things* is rooted in WhatsApp's group function and dismisses more costly but perhaps more efficient solutions such as an e-commerce website.

Chicken & Things is social commerce at its core, where the buyers get to interact with Neethling and ask questions about the offering. Neethling is happy to respond and provide context if a price point seems steep.

A ‘snack box’ with two kilogrammes of lamb tails and two kilogrammes of skilpadjies (lamb's liver wrapped in caul fat) from Philippolis is priced at R475. “It works out at R125 per kilogramme. At Woolies, it is close to R240 per kilogramme. Many people would say, ‘Ooh, that is expensive’, but then I say, ‘Go and work it out per kilogramme.’”

Neethling also uses the fear of missing out to her advantage. As the deadline for orders approaches, she gives members a nudge by reposting flyers at regular intervals. *Chicken & Things* works on a just-in-time inventory system where Neethling hardly holds any stock in her garage, which serves as a makeshift storage room. Perishables like meat and poultry and other frozen goods are kept in the fridges, and non-perishables like rusks and cookies are stored on shelves.

While Neethling has no plans to expand the business, she is looking at ways to improve the customer experience, whether sourcing new products or making collections and deliveries hassle-free. Some of her customers have already used Uber Connect to collect the products.

Neethling calls it a co-operative, but it is more akin to an exclusive farm stall for housewives or a subscription service without a member fee. The group membership fluctuates between 200 and 255 as Neethling does regular clean-ups, removing persons who do not actively place

orders or do not make payments. Neethling contemplates charging an 'admin fee' in the future, similar to a subscription service, as she offers other add-ons to group members.

WhatsApp has allowed Neethling to grow *Chickens & Things* without losing touch of the community she serves. This would not have been possible had she used a website that is open to a broader audience: "I've never advertised anywhere. People cling to their spot in this group. I think it is the word-of-mouth part, the fact that not any person can be in this group. There is this sense of exclusivity, and that is what I want to nurture. I don't want to become a run-of-the-mill online shop. This is a group that doesn't work for everyone. I am quick to tell people that I will not take it personally if they leave the group, as long as they don't leave because of the poor quality of a product."

Like in the leafy suburbs, WhatsApp groups are mushrooming in the townships, where sellers request people to share their adverts or phone numbers on different groups.

WhatsApp groups have become an extension of what Alcock calls the 'community gathering under the acacia tree'. In rural settings, the acacia tree has traditionally been a gathering place for community meetings, church services and schools under the shade of the thorny canopy.

"Whether it is a stokvel, a church group, a community gathering or whatever it might be, the concept of group social behaviour is very powerful in African minds, their behaviour, and their culture. The minute you add groups to WhatsApp, you just accelerate that," Alcock tells me. "Township people, you have no idea how many groups they are on. It's insane because it's just a natural thing to be in groups or part of groups."

The 2022 annual Township CX Report surveyed over 1 400 individuals living in townships across South Africa and found that most respondents relied on family and friends for their buying decisions. WhatsApp, in turn, served as the digital version of "family and friend's recommendations".

WhatsApp groups can have a potential viral effect if referrals or a person's promotions are shared with the right groups. Instead of requesting a few friends to share your Christmas specials, you ask people to pass your details or flyers around on their WhatsApp groups. "Hey, I've got a Christmas special where I will do your nails and your lashes and your hair. Please share it on your groups," a local beautician would post.

The value of WhatsApp groups is further demonstrated through stokvels, which the National Stokvel Association of South Africa describes as a type of credit union involving a group of people agreeing to contribute a specific amount of money to a shared pool monthly, fortnightly or weekly.

Many stokvels have migrated to WhatsApp groups, where they communicate with each other in real-time instead of having physical meetings. Members, who are often made up of family, neighbours, friends, people with shared interests, and work colleagues, will send a picture of the cash they deposit at the ATM, and then the messaging will happen on the WhatsApp platform.

WhatsApp's universal ease of adoption and adaption is no better demonstrated than an anecdote Alcock shares about an encounter with a 70-year-old odd 'gogo' and her 'stokfela'.

"This gogo can't read and write and I asked, 'how do you communicate with each other in the stokvel and she said to me she used 'what-what'. And I asked, what is 'what-what'? She pulled out a smartphone and opened WhatsApp. She had a little group for her stokvel. She said, 'Nantamani, I love this what-what'. Now, you know, that's a granny and practically illiterate, but she will use WhatsApp."

WhatsApp permeates other business sectors in the township, such as the booming backroom rental market. Landlords or agents would use WhatsApp to advertise available one-room flats or backrooms. Posters of 'available rooms to rent' are plastered at spaza shops and include a WhatsApp number where an interested person can send a message. On WhatsApp, photos and other details about the vacant room or space are shared, and other terms are negotiated.

While spaza shops themselves may not use WhatsApp in their interactions with day-to-day customers, they often join groups where cash and carries post their weekly catalogues. The cash and carries also use WhatsApp to respond to order enquiries.

WhatsApp provides an authentic link between the seller and the community. It is the typical community engagement but at a mobile phone level. But how do we move beyond the community level? Or, how do we formalise a business that started with a chat? Meta believed it had an answer to these questions, introducing WhatsApp Business.

Chapter 4 – Getting down to WhatsApp Business

WhatsApp is really going to be the next chapter, with business messaging and commerce being a big thing there – Mark Zuckerberg

The Joburg Market is teeming with activity as retailers, spaza shop owners, street traders, restaurateurs, and housewives shop for fruit and vegetables in the largest fresh produce market in Africa.

Romy Packery and her husband wake up at the crack of dawn for a three-weekly ritual that involves a trip to City Deep to collect fresh produce, followed by a photo shoot of vegetables. She then posts head-and-shoulder pictures of the vegetables to the beautifully curated catalogue on the *Rosam Fresh* WhatsApp account.

The *Rosam Fresh* WhatsApp group boasts more than 200 members, but Packery manages different broadcast groups that amount to approximately 500 customers who get to browse the product catalogue and buy the fresh produce. Her marketing now includes posts on a dedicated Facebook page, but the main vehicle to communicate and transact is WhatsApp. WhatsApp Business has played a significant role in the daily operations of *Rosam Fresh*.

Launched in South Africa in 2018, WhatsApp Business allows small-business owners to connect with their customers and create a catalogue to showcase products and services. In addition, you can automate, sort and respond to messages.

Before its launch, “over 80 percent of small businesses in India and Brazil” surveyed by *Morning Consult* said standard WhatsApp helped them “communicate with customers and grow their business”.

The introduction of WhatsApp Business represents the third phase in the cycle of technology evolution, where, according to Bar, Weber and Pisani, the providers “take back control and repossess technology to re-configure it, reacting to the changes introduced through user appropriation”. The cycle begins all over again, starting with the adoption of the new yet familiar app.

WhatsApp Business has the usual look and feel on the front end or ‘customer-facing interface’ compared to the standard version, except for the inclusion of a ‘business profile’. The business profile serves as the ‘virtual storefront’. You can include your business name, logo, a brief

description of what you offer, the operating hours, an e-mail address, and links to a website or other social media pages or profiles.

Dark purple, crisp green, Free State orange, and ripe red. Eggplants, lettuce, oranges, and apples are arranged in four squares on the *Rosam Fresh* catalogue – a dating site matching fruit and veggies with their food lovers.

Packery uses the organising or labelling tool baked into WhatsApp Business to take note of her customers' likes and dislikes. WhatsApp Business' labelling tool allows administrators to sort users into sub-categories: "For example, there is this lady who said to me, 'I don't want my veggies in plastic bags.' I've got it marked so that if we ever look at it and if I am dealing with you, I'll know what you want and what you don't want. We also have the addresses in there."

Only customers who have added the business' number to their phone's address book will receive a broadcast message. Packery could, for example, organise special interest customers under a specific label and send out a promotion or special relating to their tastes.

"I am Indian, coincidentally," says Packery, "and I know with the Indians there is a huge market for Indian type of produce. It is not necessarily 'Indian veggies'. It is all veggies. But Indian people like specific things like herbs and things which not everyone else eats. There is something called a 'calabash', your aubergines and those kinds of things. I have a whole list of things that not everyone would eat, whereas the Indians like those kinds of things."

A hunter proudly poses with a rifle and an impala trophy against the background of the setting bushveld sun. *PdP Jagtogte* posts the photo on its Facebook page with a call to action: "WhatsApp for more information".

Your first message on WhatsApp prompts an automatic reply:

"Thank you for contacting PdP Jagtogte – "Bos Toe Met Jou" [On your way to the bush]

1. Hunting – Bow or Rifle?
2. "Bos Toe Met Jou" – Leather Products
3. "Bos Toe Met Jou" – T-Shirts"

Phillip du Plooy, a supply chain executive from Benoni, uses his WhatsApp Business account as the primary tool to communicate and transact with customers of his side hustle as a hunting guide, leather smith, and T-shirt designer. He prepares quick responses relating to each of his

value propositions, whether it is sharing a brochure with hunting rates and tariffs in Thabazimbi or sending a catalogue of leather products such as handbags, wallets, and purses.

Once you have selected the products, Du Plooy sends an invoice which includes the payment details, and the order is confirmed only once a customer has paid upfront. Leather products are made to order, and Du Plooy updates customers with photos of the progress on each hand-made item to 'put their mind at ease'. Once the product is complete, Du Plooy couriers the product and shares with the customer a packing slip and information on the estimated time of arrival.

"This is all done on WhatsApp Business, and I did not have to buy anything. I only use what I have available or what is free. Sometimes, I would use Adobe Express to make a short video or design a beautiful flyer. But people are lazy to read, and they would rather watch a video than read text."

Although WhatsApp Business does not allow the owner to fully automate frequently asked questions, some of the chat features make it easier for sellers to interact with customers. Greeting messages, like the one Du Plooy uses on his account, can be tailored to each business and can be scheduled for different times of the day. Automatic messages can also be prepared for when a customer makes contact outside business hours with helpful information.

Message templates can be prepared in advance for common questions relating to the business, such as the price of goods, opening hours, or processes. The person running the account can quickly reply to these questions, whether with straight text, a graphic, or a video.

A youngster is seen bolting down a township street with a plastic bag in his hands. In the bag is a wholesome meal from the roadside kasi food outlet: beef stew, quarter chicken, pork, wors, and four salads.

The aroma from the roadside half-drum braais is intoxicating. Like a scene from Looney Tunes, it pulls at your nostrils and invites you closer. Chicken flatties are arranged like sardines on the grill, and the smoke wafts through the busy township street.

The menu can be found on the shisanyama or kasi restaurant's Facebook page, which includes a call to action for customers to make orders via WhatsApp. Alternatively, some

outlets save their menus as a catalogue on their WhatsApp Business account, and customers can place orders via the messaging app.

The street food industry in the township, or 'kasi kos' as Alcock calls it, consists of approximately 50 000 outlets across South Africa, selling meals from kotas or spatlos to shisa nyamas and amagwinyas. Shisa nyama, which means burnt meat in Zulu, is a staple of the township culture and started out as a buy band braai concept.

The township fare is a cacophony of tastes. From amagwinyas, also known as vetkoek or fat cakes, which are deep-fried savoury dough balls that can be stuffed with polony, slap chips, achar or cheese. Kotas, also known as spatlos or skhambane, depending on the region, is also a popular food which is made from a quarter loaf. The loaf is hollowed out and filled with anything from polony to slap chips and achar.

Increasingly, township residents are tapping into online shopping and third-party delivery services that are enabled through the WhatsApp Business, Facebook Lite, and Instagram ecosystem. Many township businesses or one-man operations, from hair salons and taverns to restaurants and bakeries, would have a Facebook page with a WhatsApp Business account linked to it.

The appetite for 'kasi kos', or township food, is not limited to its residents but is often experienced in suburban and city settings where nostalgia and hunger drive the proliferation of restaurants and third-party delivery services.

The 28-year-old Fred Tshikororo saw a gap in the market at his student digs in Bloemfontein, which ultimately led to the launch of *Kasi Flavors Deliveries* in 2019. After making a few food stops for hungry mates in his residence, Tshikororo soon became the "guy who can deliver small packages and food from local townships".

Armed with a borrowed scooter, a cooler bag, and a WhatsApp Business account, Tshikororo initially started taking orders and making deliveries focused on African fare. Tshikororo realised that the 'big guys' of food deliveries, like Uber and Mr D, focused primarily on mainstream restaurants.

By the end of 2019, Tshikororo had saved enough from his profits to ditch the old scooter and replace it with a more reliable set of wheels before the global pandemic struck early next year.

Tshikororo weathered the initial storm and even scored a contract with one of the local Pick n Pays to make deliveries after South Africa came out of hard lockdown in August 2020. Although food delivery services could not operate due to the closure of restaurants, bars and coffee shops during the 21-day national lockdown, they could deliver essential food items.

But the big retailers made their own push into the grocery delivery market with Pick n Pay acquiring the Bottles App, which it rebranded as ASAP! while Checkers launched the Sixty60 on-demand delivery app.

The business has since had to expand its offering, targeting other mainstream restaurant groups. *Kasi Flavors Deliveries* also provides courier services in and around Bloemfontein. Their services include deliveries of fast food, groceries, liquor, and prescription medicine, as well as running errands for customers.

The third-party delivery service has not completely abandoned its roots and offers a selection of menus on its WhatsApp Business catalogue that caters for the kasi palate. Browsing through the catalogue you can order from mogodu (tripe) and skop (sheep's head) to a selection of kotas, or skhambane, as it is known in the Free State.

Kasi Flavors Deliveries runs almost completely on WhatsApp Business, from taking orders to customers dropping a pin for the delivery. In the beginning, Tshikororo limited how much first-time customers could order out of fear of cancellation.

Tshikororo, who is a financial advisor at Old Mutual, has been spreading the WhatsApp Business gospel, advising some of the restaurants on how to use the application to their benefit.

"I ended up mentoring a few friends of mine...and I trained them on how to do proper deliveries. Most people were not aware of WhatsApp Business and what you can do with it. "So yeah, there are some shops I actually helped to set up WhatsApp Businesses and put on their menus and how you can get new clientele on WhatsApp," Tshikororo says proudly. "They would go 'wow, we can actually communicate with clients much better like this'. I would go to the shops and say, 'Hey, guys, your menu needs to be recent; you need to take photos on this menu; the clients, when they see the food, need to want to buy it'."

Tshikororo has integrated his WhatsApp Business account with his Instagram page, where he posts images of promotions from partner restaurants and includes his WhatsApp number for orders.

Meta has further streamlined integration between WhatsApp Business, Facebook, and Instagram, including an advertising feature that could help small businesses expand their reach. A small business can run ads on Facebook and Instagram that link back to WhatsApp Business, where potential customers can chat, browse products, and make a purchase.

Integrations like these and other low-cost solutions could further facilitate mobile commerce, or m-commerce, as it is known. Statista estimates that South Africa had approximately 27 million e-commerce users in 2022, and this number was expected to increase exponentially to 37.9 million by 2027.

The 2023 Township CX Report suggests that m-commerce has taken off in the townships, with 60 percent of respondents saying “that they, or someone they know, have sold products and services online or begun working online.”

The high smartphone penetration percentage, coupled with the ubiquitous adoption of WhatsApp, spells a potential boon for m-commerce. Alcock is particularly bullish about WhatsApp and Facebook Lite’s potential to drive m-commerce on the continent due to its interoperability.

“My belief and I’ve said this a lot, is that e-commerce in Africa is not going to be on an app, and it’s not going to be on a website. It’s going to be on Facebook Lite connected to WhatsApp. “So the future of e-commerce in Africa – and it’s accelerating both in formal and informal sites – is WhatsApp and particularly WhatsApp Business. And so, you know, WhatsApp Business is really, really big!”

Chapter 5 – High-street fashion to your phone

Conversational commerce is about delivering convenience, personalisation, and decision support while people are on the go, with only partial attention to spare – Chris Messina

Instead of being alerted by the chime of a shopkeeper's bell, Lethabo Mabaso receives a ping on her phone signalling another order via WhatsApp.

The former food technologist has fully embraced conversational commerce, with her WhatsApp store turning into a full-time gig after she lost her job in 2018. What started out as a side hustle has bloomed into a fully-fledged business, which she runs from her flat in Ophirton in Johannesburg South.

One of her customers describes Mabaso as a fashion shopper catering to the modern middle-aged woman who understands the need for stylish and comfortable clothing “whether the client is in the office or out for an evening, she provides the client with clothing that is bang on trend and is tailored to their individual needs”.

The bubbly Mabaso is a de facto personal shopper for the customers with whom she has built a personal relationship. The concierge-style business, also known as conversational shopping, is enabled by her interactions with her customers. Her intimate knowledge of her customers' styles and preferences is not informed by surveys, data analytics, or market research but by past interactions and purchases.

“Hey, my sister, this is the latest fashion trend,” Mabaso writes in a text to a regular customer. “She would be in because she knows my market, and I also know her dress style. With this business, when you are a long-standing customer of mine, I get to understand what you like and what you do not like. When you've got an event coming up or anything, you just tell me, ‘Lethabo, I need something’, and I know already this is what I am looking for you.”

Coined in 2016 by Chris Messina, the inventor of the hashtag and its use on the internet, conversational shopping has gained traction around the globe. Big brands and small ventures transact and interact with customers through messaging and chat apps like WhatsApp, Facebook Messenger, and WeChat.

Conversational shopping is rooted in the personal experience where one gets to interact with a business – similar to how one would when going into a physical boutique – but in the virtual space. You can ask whether there is stock in a specific style that you are interested in or find out about the sizing of a specific brand. The business can update the customer in real-time about an order.

Mabaso's selection of clothing features a wide range of styles and colours – one would typically find on Shein or at Zara – to ensure her client stands out from the crowd. From casual basics to formal wear, she has her clients covered for any event.

"It is a market for people who cannot afford the expensive, especially in this economy right now. You will find most clients will say, 'You know what, Lethabo? I am more than willing to spend less bucks on buying some of the stuff you are selling than for me to go to Zara.'"

She rattles off the names of the fashion brands and suppliers...Lee Coutoure, New Feeling, U-Star, Chicky Chic, Fashion Nova, and Rainbow Nation. And while many of the brands are imported, Mabaso believes Chinese manufacturers are increasingly copying South African designs to appeal to the growing market.

Although Mabaso cut her teeth in women's fashion, her WhatsApp catalogue includes homeware and décor ranging from quilts, blankets, rugs, and sofa covers to school bags and strollers. One can, for example, pick up a wine decanter or a 24-piece cutlery box for R450 each.

"Graced Dimensions – your specialists in branded handbags, 100% unprocessed hair and fashion slaying!" reads the description on the WhatsApp 'about' section.

The terms and conditions are included in the catalogue section, which makes it clear that *Graced Dimensions* is an 'online-based store', and clients cannot physically view the products that are featured on her WhatsApp page. Mabaso requires a 50 percent deposit or full payment before an order is secured, while cash on delivery is not possible for orders above R300.

To reach audiences beyond her network, Mabaso also posts to Facebook Marketplace, where she directs interested customers to her WhatsApp account, where she can engage them on a personal level.

“Once I've got you on Facebook Marketplace, I would directly take you to my WhatsApp and say, 'Okay, come, let's chat on my WhatsApp'. I want you there because I know that the minute we start talking, you'll be able to start viewing my statuses as well.”

This is in line with what *FivvoPay* founder Bruce Mkhalihi has found in his research about WhatsApp Business and its ability to quickly convert customers from interested to purchasing a product. Mkhalihi claims that e-commerce websites have a conversion rate of less than four percent compared to close to 40 percent through WhatsApp stores.

Once a person has Mabaso's number saved on their phone they would be able to see her status updates of her latest arrivals or browse through her catalogue. Mabaso says potential clients may not immediately find what they are looking for but are tempted by her daily status updates. This, she says, has proven to be an effective way to build her clientele.

While this has paid dividends, Mabaso has learned not to go overboard with how much she posts to her WhatsApp status. Customers have asked Mabaso to limit the number of posts due to time and mobile data constraints.

Mabaso dreams of one day opening *Graced Dimensions* as a physical store in the Johannesburg CBD, where she is almost guaranteed heavy footfall.

Expanding her conversational commerce shop from WhatsApp Business into the physical realm is an aspiration Elize Fritz shares with Mabaso. The healthcare consultant founded *House Von Fritz*, an interior décor mobile commerce shop, in 2021 to take advantage of the post-pandemic online shopping boom.

Targeted at “bored housewives” and small travel and tourism industry players such as bed and breakfasts and boutique hotels, House Von Fritz sells everything from scatter cushions, baskets, and towels to rugs, bedding, and kitchenware.

Fritz did not have the start-up capital for “land and buildings and websites and all of the marketing tools that one would require”, which ultimately led her to WhatsApp Business, which provided her with all the functionalities to curate a décor collection.

The 34-year-old Fritz wasted no time expanding her business beyond the confines of WhatsApp Business, using the profits from her first sales to build an e-commerce website. Fritz launched the website to give her business an extra layer of legitimacy.

“People want that sort of credibility. They think there's credibility in somebody having a website. There are a lot of people who do big business without having a website. So kudos to them. But when you're selling a physical product, I think people want that sort of verifiability, especially when you're new in the market and you don't have a reputation to go off on. Nobody knows you. So they want to see that element almost creates an element of trust in having a website.”

Fritz markets the business through her Facebook page and directs people to her WhatsApp account, but she has found that her customers prefer browsing through her website because fraudsters are also active on the marketplace. Fritz baked more peace of mind into her value proposition by providing customers with the option to view some of the products at her home-based showroom.

Future plans include branching out into the physical space with a boutique shop that includes a small eatery for a “coffee-shop-styled shopping experience” where one can browse and have a bite afterwards.

But even as Fritz plans to transform House Von Fritz into a full-on hybrid business consisting of e-commerce, m-commerce, and a brick-and-mortar shop, it is rooted in conversational commerce.

Conversational commerce is part of the business' origin story and remains a crucial element in building customer loyalty. Fritz only had R750 left in her bank account when she started out making scatter cushions.

Combining her knack for marketing with a friend's sewing skills, Fritz advertised her new business, which led to her very first make-to-order sale. Using the last remaining funds in her name, Fritz had to drive to three different fabric stores to source the material for the ‘green wheat textured’ scatter cushion.

While the experience ultimately pushed Fritz into sourcing and selling finished products, she still communicates with customers on a personal level to meet their needs.

Because Fritz does not have a physical storefront where she could showcase her entire inventory, she would instead direct people towards a WhatsApp conversation where she could speak to them on a personal level.

“If they say, ‘Okay, Elize, I actually want A, B and C’, which I probably don't have, then I can source that item to that person's specifications. So it's an engagement driver. If you are selling one product, it allows you that room to upsell and cross-sell different products.

“And as much as we are moving into a robotic society, people still want that one-on-one personal engagement. That personal engagement also secures customer loyalty. It adds that personal touch to whatever you are selling.”

Far from a polished operation devoid of bells, whistles, or fancy designs, Khimose Hambly promotes and sells women's clothing via her personal WhatsApp account.

The money she makes from *Khimmy's Fashionz* may seem negligible, but it provided a lifeline when her husband lost his job during the pandemic. Now that her spouse is back on his feet, the profits pay for nice-to-haves like a new rug or other treats.

Khimmy's Fashionz is quintessential conversational commerce, and almost every aspect of the special needs teacher's side hustle happens over WhatsApp. From the supplier posting images of the latest fashion items on a dedicated WhatsApp group to Hambly sharing the products on her status updates. Orders and payment arrangements all take place over a chat.

The better part of her day is dedicated to her day job, and in the late afternoons, she catches up with orders and answers questions about the clothes she posts on her status updates.

“How much is this? What type of material is this dress? Is it a small or big fit? You see, many of these things (clothing) come from China, and they are, after all...small people. When they say it is medium, then it is usually a small fit. So I give that kind of guidance to my customers so that they can make the right choices,” says Hambly.

Hambly boasts she can 'do the job' from the 'bathroom, in bed or at the breakfast table' as everything she needs is in the palm of her hands.

Runners, often foreigners without work permits, according to Hambly, source the clothing from Chinese shops in Durban and post the images of the items with their prices onto the WhatsApp group. Hambly adds a markup of up to 100 percent after paying for the goods, the runner's fee and the courier costs. She recently started using PEP's low-cost store-to-store parcel delivery service, called PAXI, which has added more convenience.

Hambly has also branched into outsourcing goods such as suits for matric farewells, which has proven popular in her native Beaufort West. Her status updates, functioning as a bush telegraph, do a lot of the heavy lifting for *Khimmy's Fashionz*.

As a courtesy, Hambly would ask patrons to post images of their outfits from functions on their WhatsApp status updates with a note that the dress or suit is a product of *Khimmy's Fashionz* to pique the interest of potential customers.

"People would ask, 'Listen, where did you buy this?' or 'How did you find out about this?'. Then they would know they can trust me because people are cautious about sending money to someone who sits in Pretoria. So now the person would say, 'No man, it is Khimose, you know her. She does everything for you, and there are no problems. I am happy!'"

Conversational commerce is not only the preserve of micro-entrepreneurs like Hambly, Mabaso, and Fritz but is increasingly embraced by big corporations. The features in standard WhatsApp and WhatsApp Business features are, however, not equipped to deal with the needs of large corporations. As the evolution from WhatsApp to WhatsApp Business has demonstrated, Meta is quick with a solution.

Chapter 6 – Taking WhatsApp mainstream

WhatsApp is pervasive and safe. We see adding embedded payments as the logical next step, and we have no doubt that this will be the one transformative thing that will keep customers engaged and a bold step into the convenience revolution – Pieter de Villiers, Clickatell CEO

Mkosi often catches himself daydreaming about an aircraft emblazoned with the name ‘*Cloudy Deliveries*’ doing cross-continental deliveries. But for *Cloudy Deliveries* to scale beyond Langa’s streets, Mkosi felt he needed to professionalise and streamline his operation.

Standard WhatsApp had become too small to accommodate Mkosi’s big dreams. Mkosi hooked up with *FivvoPay*’s Mkhaliphi, who has tailored a solution for *Cloudy Deliveries* that would automate many of the tasks that they would normally do manually. Mkhaliphi has leveraged the tools provided through the WhatsApp Business API, building templates for different types of businesses.

FivvoPay’s unique selling proposition is that Mkhaliphi guarantees a higher conversation rate compared to eCommerce platforms such as WooCommerce and Shopify. Mkhaliphi tailored a chatbot commerce solution for *Cloudy Deliveries* to help automate the service.

“So how it would work is you will send a hello, and then the WhatsApp bot will respond, ‘Hi, would you like a delivery?’ You will then say yes or no. Yes, give us your address. You would then give us your address and that you are sending us to Shoprite. And then what do you want at Shoprite? Once you’re done with the whole process, it will ask you if you want to pay cash or via card and then if you say cash, it will automatically dispatch a driver to you and then take it from there. So the automation is basically for requesting delivery and for payment.”

Customers can now track the delivery, identify the bike courier, and send a shopping list to *Cloudy Deliveries* via WhatsApp. Since launching the partnership, Mkosi and his team have completed more than 10 000 deliveries.

FivvoPay is among a growing list of WhatsApp Business API providers that are driving the chat commerce revolution by helping businesses scale beyond the confines of the free offering. Many of these services work on a subscription basis, where one pays a monthly fee that works on a tiered system, providing a cheaper option compared to launching a website or an app.

Delivery Ka Speed initially used a WhatsApp chatbot to take the orders, which were then filtered to the drivers who collected the food from restaurants around Hammanskraal. By December 2021, the township delivery service had made more than R1 million in revenue.

Delivery Ka Speed, which means "Speedy Delivery" in SePitori – a mixed language spoken in greater Pretoria – has since developed a delivery app and expanded the service to other townships around the South African capital.

Mogajane says although WhatsApp was the natural choice to launch the business due to its ubiquitous use in the township, he could not scale his operations due to the limitations of the app as a messaging service.

"We will still keep WhatsApp for customer service because, again, it is easy to use. We want it to be easy for people to reach out and simply send us a message on how to get where they are, which is pretty cool," he says.

"We are migrating that and saying, 'Now you can send us voice notes for your customer care. If your order is not there, you do not have to text, and you can just say, 'Hi guys, I ordered this and this. We also reply with voice notes. Easy communications, right?'"

Delivery Ka Speed's founding and expansion are intrinsically linked to WhatsApp and serve as a case study of how digital technology can be adapted to serve people's needs. Mogajane has broadened *Delivery Ka Speed's* footprint to other townships around Pretoria, including Soshanguve and Mabopane.

While Mogajane has found building his own app from scratch as the best solution to grow *Delivery Ka Speed*, the WhatsApp Business API is designed for medium and large businesses to communicate with their customers at scale: from the salon scheduling appointments or addressing customer queries to an artist selling tickets to his show or an e-commerce shop promoting Christmas specials.

The next frontier for WhatsApp Business in South Africa is in-message payments. Currently, one can only pay via EFT or a third-party payment gateway such as Yoco, Zapper or SnapScan.

WhatsApp has rolled out in-app payments in India, Brazil and Indonesia, which allow users to transfer money between 'friends and family as well as pay registered businesses'. While this solution makes transacting via WhatsApp easier, it also has the potential to provide a solution for broader financial inclusion.

Mastercard found that South Africa's informal businesses were still primarily (90 percent) run as cash-only businesses despite a high percentage of customers showing interest in making card payments.

"The few that have introduced card and digital payments have reaped the rewards," Mastercard Southern Africa's Mark Elliott says in a press release.

"Merchants that introduced card acceptance reported an average increase in turnover of 50 percent, and those that introduced mobile payment acceptance via QR codes saw their revenues climb by 10 percent."

Mark Elliott says small businesses and the informal sector accounted for a turnover of around R75 billion annually in South Africa, while the Mastercard Impact of Innovation study found that 73 percent of banked consumers are ready to pay with their mobile phones.

"Yet many of the places where people live and work – the spaza store, the hair salon on the corner, the neighbourhood tavern – are not enabled to accept mobile and card payments."

According to the National Treasury, 1.5 million of South Africa's estimated 2.2 million small, medium, and micro enterprises (SMMEs) are from the informal sector. Therefore, bringing the sector into the formal financial system would benefit the customers it serves and stimulate economic growth.

WhatsApp is yet to launch the payment feature in South Africa, but some FinTechs in the country are pioneering in-chat payments and even chat banking.

Start-up Jini Guru, which launched its micropayment platform uKheshe in 2018 to promote broader financial inclusion in South Africa, is among these FinTechs making inroads into reaching the unbanked.

Initially targeting lower-income people, uKheshe made it easier for the banked to transact with unbanked people, such as newspaper sellers, car guards, and other vendors, using a smartphone app and QR card to make micropayments electronically.

uKheshe, in conjunction with Infobip, has provided the skeleton for Telkom Pay's innovative digital payments wallet, which is South Africa's first WhatsApp payment gateway. The virtual payment card allows people to send money to anyone with a mobile number using WhatsApp without the need for a bank account. A person can sign up with their cell phone number, take a photo of their ID, take a selfie, and a bank account. The digital wallet is effectively the person's bank account.

Another South African Fintech doing pioneering work in the chat commerce space is Clickatell, which can stake a partial claim in WhatsApp's success. News24's Helena Wasserman writes that the company helped WhatsApp create a sign-up solution that only required a four-digit code sent via SMS.

Headquartered in Silicon Valley, Clickatell has since pivoted into the chat commerce space, boasting global clients such as IBM, Visa, and Ericsson. Clickatell – founded by twin brothers Casper and Pieter de Villiers and two friends, Danie du Toit and Patrick Lawson – also helped ABSA to offer a world-first chat banking service allowing clients to bank via Facebook or WhatsApp. Registered users can buy airtime, data, and electricity or check their bank balances or pay beneficiaries via these applications.

“As anyone in retail will tell you, location, location, location is everything. And, with chat now having almost twice the number of active users than the internet, there can be no better place than the address book of your customers – the most valuable location of all,” De Villiers says on the Clickatell website.

“Convenience is not difficult to achieve. If you meet your customers where they are, not only can you build a closer, more authentic engagement with them, but you're giving them back the one thing that we all crave: time.”

Chapter 7 – An issue of trust

There are a lot of scams. As much as people are scared of us scamming them, we are also scared of them scamming us – Lethabo Mabaso

After hours of fierce deliberation in my head, I go against my better judgment, walk out into the street and drop a WhatsApp pin a few metres from my gate to Sikander Sheik.

Other than the information Sheik shared on the *Local Linden Small Business* WhatsApp group about his home car detailing service, I have no way of verifying if he is legit. Scenarios play out in my head of how I have placed my family's lives in danger.

But Sheik, rolling in with a ship-like Mercedes Benz that was once brand new in the late 1990s, seems harmless even though he could pass as a bouncer at a Sandton nightclub. From the boot of the Merc, Sheik unloads a Karcher power washer and other cleaning products.

I drag the hosepipe closer as Sheik requested and plug in the extension cord. My workhorse bakkie gets royal treatment, a manicure and pedicure for cars, while I do my work from my home office.

While checking in on Sheik, he tells me how cautious clients often drop pins at locations away from their actual addresses where they would meet him and check that he is not a dodgy character.

Trust, or the lack thereof, is a central theme in the WhatsApp economy. Due to its inherently informal nature, the WhatsApp economy generally operates below the radar of official regulations that offer a sense of security to consumers.

The same personal interaction WhatsApp offers can be both an opportunity and a risk. A recent investigative series by News24 about people being robbed and even killed after falling for a bogus second-hand vehicle sale on Facebook Marketplace has highlighted the dangers of chat commerce. The perpetrators would lure their victims to Winterveld, Pretoria, under the false guise of a car sale where they would rob them.

Trust cuts both ways, says Mabaso, whose default is to be circumspect when dealing with new customers due to the prevalence of online scams.

“As much as people are scared of us scamming them, we are also scared of them scamming us,” she explains. These days, you can send an eWallet and reverse it as well, so trust is a two-way thing.”

When Mabaso lays down her head at night, she imagines *Graced Dimensions* developing into a physical shop somewhere in the Johannesburg CBD. Mabaso believes she needs to open a store that would help overcome the trust deficit.

New clients often ask Mabaso to see her product in person, feel the textures, and try on the clothes. Many clients have trust issues, having been fleeced by fake online retailers or let down by legitimate businesses with little or no customer service.

“Most new clients are very sceptical about opening up and saying, ‘Okay, I can send you the money, and then you can courier the stuff to me.’ It becomes a big challenge in this business right now, and so I feel if I had a physical shop, it would be so much easier for me.”

Fritz, for example, overcame the trust issue by launching a website because of the perception that a website has some sort of ‘credibility’ attached to it. However, websites and apps are not universally trusted compared to physical interactions or the extension thereof via WhatsApp.

WhatsApp has allowed Neethling to grow *Chickens & Things* without losing touch with the community she serves. This would not have been possible had she used a website that was open to a broader audience.

“There is that element of trust. I know the people that come to collect. If I know a customer’s mother is dying of brain cancer, I can hug her,” Neethling says.

“When I know it is someone’s birthday, I would send a private WhatsApp message to congratulate them. There is that one-on-one interaction that you don’t have when you go to the shop. It [a website] is too impersonal, and I would open myself up to outside elements. With this, I have recourse because I can trace it back to a person. This is my baby, and I am protective of it.”

Alcock believes there is a general distrust of websites in the township, while “WhatsApp has a high level of trust”. Trust in the informal sector, such as the WhatsApp economy, is a hard-earned and easily lost commodity. Alcock uses the example of Mbali Khubeka, a kasipreneur selling chicken dust in Soweto, whose business rises and falls on trust, reliability, and hygiene.

If a person gets sick from the chicken they bought from Khubeka, they will never buy from her again. There is also the reputational risk with the potential of that person sharing on WhatsApp groups about her dodgy chicken.

“So she has a high need to deliver a quality hygienic product. McDonald's, if someone gets sick there, first of all, very few people will know about it. And second of all, they'll carry on selling McDonald's two weeks later, you know. So these things are informal regulations. The fact that I've got a customer base who trusts me means that actually, I have a much higher incentive to ensure a quality hygiene product.”

Professionally, marketing material, or the ‘Jones effect’, can create a false sense of trust in a product or service. I ordered food from two WhatsApp-based ‘restaurants’ without thinking twice about the health and safety issues.

The butter chicken and fresh rotis I bought from *Kitchen Fusion* was perhaps better than any curry I had bought from a legitimate restaurant. Started by two cousins, *Kitchen Fusion* offered home-style frozen foods targeted at the Linden community with the hope of expanding to other areas.

The *Daily Dish – Linden* WhatsApp group – where restaurants and dark kitchens can post food specials from the suburb – has provided a launching pad for *Kitchen Fusion*. The WhatsApp group encourages its 251 members to share pics of a ‘great meal or attended an event at one of the Linden restaurants’.

Estee Claasen and Asiya Drotsky, the founders of *Kitchen Fusion*, posted their menu, which included samp and bean soup, chickpea curry, a meaty pizza, and a whole chicken, to the Daily Dish group. The post included a call to action to join their WhatsApp group for weekly specials.

The cousin duo also shared a short ‘how to order’ video with four steps: Look at the menu, pick a meal, WhatsApp your order, and delivery. Payment confirms an order, and the delivery is done via Uber Package.

Claasen and Drotsky opened the 'WhatsApp kitchen' in Linden based on a concept that worked in Windhoek, Namibia. But the duo soon found that trust in the suburbs is particularly difficult to earn.

They have since put the frozen meals business on ice, instead branching out to selling fruit and vegetables they source from the Joburg Market.

"I think the area and the demographics also give some stature and status to it. But I'm sure if we were in the kasi and selling these things, the kasi people would trust us, but the Linden people will not buy from you," says Claasen.

"There is so much more loyalty in the kasi. We do get returning customers, especially with the food and veg, where you can probably guarantee three comebacks every single week, and then we get new ones. We get the ones that disappear for two weeks, and then they come back. In the kasi, people would buy from the lady that sells chicken dust every Friday or every second day."

Claasen and Drotsky bought a small bakkie to help with the deliveries and plan on formalising the business by opening a physical shop and applying for a certificate of acceptability (CoA). A CoA applies to both commercial and home-based kitchens, which certifies that food premises comply with regulations governing general hygiene requirements for food premises and the transport of food.

Businesses that operate via WhatsApp must comply with the same regulations that apply to similar brick-and-mortar operations. A chat commerce business would, for example, have to comply with eCommerce laws such as the Electronic Communications and Transactions Act, the Consumer Protection Act, the Protection of Personal Information Act, and the Regulation of Interception and Monitoring of Communications and Provision of Communication-Related Information Act.

However, due to the informal nature of many of these operations, regulations meant to protect both business owners and consumers are often ignored. While technology like WhatsApp is appropriated for noble means, it is also open to abuse for nefarious reasons, whether it is used to facilitate the trade in illicit goods or for trafficking crimes.

As an example, the 2021 South African Anti-Money Laundering Integrated Task Force report on the illegal wildlife trade in the country features a case study of how WhatsApp was used to

facilitate the smuggling of vulnerable sungazer lizards. WhatsApp conversations, voice notes and photos between a South African couple and two German nationals proved to be a vital piece of evidence in securing convictions. The messages revealed the money trail with funds flowing via a global online payment platform.

Even prostitution, one of the oldest professions in the world, has embraced WhatsApp with sex workers using the chat application to find clients, advertise their services, and engage in virtual sex. Speaking to over a dozen sex workers, researchers from the University of Cape Coast in Ghana found that WhatsApp had ‘boosted their earnings’ and ‘aided in virtual sex’, which ultimately reduced the potential for ‘physical crime or abuse’.

From all these examples, WhatsApp may be considered an extension of the streets we occupy. But, like the physical world, these streets still have bylaws, even though they might be difficult to enforce.

The WhatsApp Business Messaging policy sets out the terms of use, which include prohibiting “the use of WhatsApp Business Services for operating, buying, selling, promoting, or otherwise facilitating the exchange of illegal products or services”. Should a business violate the terms of policies, Meta may limit or remove access to or use of the WhatsApp Business services.

While the Meta policy provides some basic guardrails to help protect consumers, bad actors will always look for ways to fleece people out of their hard-earned money. The rising cost of living will also increasingly push people towards the best bargains, and one has to weigh up the costs, risks, and benefits of these decisions.

My experience buying food or making use of services from persons I found on a WhatsApp group has been a positive one. But protections or recourse against unscrupulous sellers is difficult to police due to the informal nature of the WhatsApp economy.

Community WhatsApp groups where you are invited or join because of a shared connection may, for example, provide a layer of trust. But not all WhatsApp groups are governed the same while WhatsApp directories throw the net even wider and any person with the link can join.

The evolution of WhatsApp as a viable platform for conversational or m-commerce enabled through the API and the introduction of new features by Meta may bring about formalisation.

Regulation often follows, providing consumers and sellers some protection while potentially raising the barrier to entry.

Chapter 8 – In closing

“To best predict economic activity, we need, among other things, to watch the narratives and ask: how will the emerging twists in the narratives affect the propensity to spend, to start unconventional new businesses, to hire new employees?” – Robert Shiller

In his book *Narrative Economics: How Stories Go Viral and Drive Major Economic Events*, American economist Robert Shiller argues that studying popular stories can help us predict, prepare for, and lessen the damage of financial crises, recessions, depressions, and other major economic events.

Shiller suggested that one should examine popular ‘narratives’ on the ground, such as people's spending patterns, as an indication of an economy's true performance.

Meta itself has been following the narratives of its users to develop new products such as WhatsApp Business for small to medium businesses and the WhatsApp API for medium to large enterprises. One may say that Meta based these decisions on the exclusive data it had on hand. But I would argue that by putting one's ear to the ground and listening to the narratives, you could come to a similar conclusion.

By listening to the popular narratives, we can get a sense of what needs to be done to get South Africans working. This study suggests that WhatsApp commerce is the next frontier. But by the time this research paper is published, we may have already entered the next, which could be TikTok or any other new developing technology.

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