CHAT · INSIGHTS

We're making Chat free, here's why

Sep 14, 2021

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It's not often that you make a decision that redefines the entire way your company does business, but a few months ago, that's exactly what I did.



Not too long ago (and perhaps not as long ago as they would have liked), I announced to my teams in Malmö, Boston, and Los Angeles that by autumn, Weavy would be offering Chat, our most popular feature, completely free of charge. Not only that, but we would be doing so without any of the limitations on users or usage that have become standard in our industry.

Very reasonably, the first response I got was succinct: "why?"

Doing things differently

Like so many tech founders, I didn't begin my career with the goal of being a business person. I was a developer, first and foremost, from the age of 12. I wrote code, and I made friends with people who wrote code. Those friends became colleagues, and when we had the idea that would become Weavy, those colleagues became my business partners. But even as we continued to grow the company, secure investments, and expand our team, we still considered ourselves first and foremost to be developers.

From the beginning, we at Weavy have offered our features for simple, fair pricing. Much to the dismay of my sales team and shareholders alike, I've rejected every proposal to transition to an overly complex pricing plan. As a business person, these proposals have always made perfect sense: entice people with the lowest prices you can so that you can put them on a path to ever-increasing upsells as they hit the limits that they aren't fully aware of.

That way of doing business is of no interest to me.

It may be good for business, but it was bad for businesses and hurt the developer community that I was proud to be a part of.

> **I have always held firm that our goal is to help developers improve their apps by giving them access to the collaboration features that keep users happy and engaged.**

This goal has been my guiding principle for every decision I've made as a leader. While I will never claim to have always made the smartest decisions, I can at least rest easy knowing that I made the right decisions.

Changing expectations

I won't mince words trying to pay lip service to all the ways in which the global COVID-19 pandemic reshaped fundamental parts of our life. It rapidly hastened the transition to distributed and hybrid work models, and product teams across the app landscape have scrambled to keep up with the changes and adjust their roadmap accordingly.

> **No matter the approach, the result has been the same industry-wide: communication and collaboration features are becoming more and more enmeshed into apps.**

On the consumer side of the equation, direct messaging and chat features have found their way into social media, at the system level of MacOS and the upcoming Windows 11, and even onto food delivery apps. In less than a year, in-app Chat has been transformed from a "nice to have" value add to an essential feature. It has become the de facto standard form of communication, and with more digital and hybrid workplaces becoming the norm, it has become the primary means of collaboration.

Chat is good for business

Even before the pandemic, app developers were ceding ground to standalone collaboration apps. Every time a user stepped away to send a DM or ask a question to a group chat was another bit of engagement lost. As any Product Manager is happy to tell you:

> **Engagement creates stickiness, stickiness reduces churn, low churn creates a great lifetime value for each customer.**

The major players have gotten wise to this and have made Chat, and other collaboration features the next battleground to compete.

With major players like Google, Microsoft, Domo, and Salesforce spending billions of dollars to make their productivity platforms more collaborative, having in-app Chat features are necessary to remain competitive. Developing in-house to solve this problem presents three challenges: cost, time, and risk.

On the cost side, companies have to invest in team members to build and integrate these features. On the time side, testing, implementing, and patching these features always take longer than you think. On the risk side is building these features in-house could eat up your resources and disrupt product roadmaps for months.

Luckily there is no shortage of providers that offer ways to quickly and easily implement in-app Chat via APIs, ourselves included. Since members of my team have written extensively about the benefits of in-app Chat and using APIs to add functionality, I'll not waste your time recapping their thoughts.

But from my perspective, most API providers have specifically tailored their offering to serve B2C applications, with limited functionality designed to appeal to, for example, the e-commerce and delivery apps of the world. Others pay lip service to collaboration but have strict limits on third-party integrations.

> **They may work great, but they're not great for work - get it?**

The cost of doing business

Though these solutions are almost always cheaper than developing in-house, they all still come with a steep upfront cost to deployment. The average monthly cost (ourselves included in this equation) of the cheapest option for any Chat API is $564 US.

Even at that cost, most of the lowest price plans come with strict restrictions on Monthly Active Users, Concurrent Users, or API calls, often with steep penalties for overages. Once you factor in security and compliance features like SSO, SAML, and HIPAA, the cost goes up exponentially as most providers charge a fee on top of requiring an Enterprise plan.

With market demands for these features at an all-time high, Chat API providers hold all the cards, which could spell doom for small businesses looking to gain a footing in the app marketplace.

This hasn't sat well with me. I want to make a difference.

Our mission has always been to empower developers through our suite of collaboration features, and now one of those features has become so essential that it can't be stuck behind a paywall any longer.

> **So today, I'm leveling the playing field by making Weavy's enterprise-level in-app Chat API completely and totally free.**

What free means to Weavy

I'm not under any delusion that I'm breaking the mold by transitioning part of my web service business to a Free-to-use model. After all, this methodology is as old as the internet itself and has evolved in the SaaS space to the ever-present "Freemium" model. Under this model, most businesses (including a few other Chat API providers) offer a lower "free" tier. For the end-user, these free tiers are a great way to evaluate the product and see if it fits well within their own productivity stack, and for the business, it provides an easy way to lure in cost-conscious customers.

Of course, these free plans are often nothing to hang on the Christmas tree. They usually come with very reduced functionality or severe limitations on usage, in essence acting more like a technical proof of concept or a free trial than an actual product. There are, of course, exceptions, and at Weavy we hope to be one of the most notable exceptions to the American idiom "free to play, pay to win."

That means:

- Unlimited Monthly Active Users (MAUs)
- Unlimited concurrent users
- Unlimited API calls
- Enterprise-class authentication & compliance support (SSO, SAML, 2FA, GDPR, HIPAA)
- Full support for third party integrations
- Complete data ownership and portability

So when I say we're making Chat free, I mean free of costs, free of restrictions, free of limitations, and free of headaches and price confusion.

I'm incredibly excited to announce this change, and ultimately I think it's one that will benefit everyone.

When it comes to collaboration features, Chat is the *bare minimum* standard. I believe that once developers and users get a chance to see how much better the in-app experience is with Chat, they'll be excited to see how other collaboration features like Document Collaboration and Activity Feeds can add value.

True collaboration is like a superpower for apps, and we're here to democratize in-app collaboration for B2B apps.

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