

# Behind Clubhouse's Trajectory and Phenom

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**Abstract**—Clubhouse is an auditory app that allows users to host various rooms surrounding a diverse range of topics from Artificial Intelligence to Philosophy. Along with its educational and serene approach, it is known for its popularity amongst celebrities, including Elon Musk, Mark Zuckerberg, CEO of Shopify, and its elusive invite and ios-only pass into gaining access into Clubhouse. Waiting lists are available in the case of not achieving an invite, but to further speed the process, various sellers on eBay, Reddit, Twitter, etc., charging invites from \$10-\$200. This research paper covers the phenomenon of Clubhouse and the emergence of audio-only rooms, along with a hypothesis of why Clubhouse and other apps of a similar kind are experiencing a harsh downfall despite its seemingly successful business model.

**Keywords**—COVID-19, Clubhouse, Social Media, Auditory Learning, Technology

## INTRODUCTION

Clubhouse was founded in March of 2020 by Paul Davison and Rohan Seth. They both have had previous experience running a company, with Paul being the CEO of Highlight (acquired by Pinterest in 2016) and Rohan being the CEO of Lydian Accelerator and Memory Labs (acquired by Open Door). With Clubhouse, it was one of the first social networking apps to incorporate a setting where users could listen and speak without turning on their cameras.

Alongside, Clubhouse had incorporated a variety of topics such as Climate Change, Faith, Languages, Podcasts, etc., which at the time seemed to be unheard of as users could now discuss these topics in real-time with strangers. The variance of issues with deep debated discussions, a heuristic approach, and the audio-only setting soon launched itself into a popular social media app reaching ten million downloads globally as of February 2021. [5] This made way for forming new connections within people in similar fields, having dedicated networking rooms for the sole purpose of reading other people's bios

to gain insight into their work, follow, and connect for further conversing, internships, mentoring, etc.

Inclusive of the rooms, Clubhouse had implemented a rule where users weren't allowed to record any of the rooms to truly experience and take in what is being said. However, it is essential to note that Clubhouse will record the room in case of an incident, but they will delete the audio they collected from the room if there isn't.

The invite-ios only (now available on Android) was also one factor that played into Clubhouse's popularity and success. It had 180 investors, including Adreeson Horowitz of A16Z, providing twelve million dollars in Series A funding which is the first significant round of venture capital financing. Through its monetary success and amidst the COVID-19 pandemic, they were able to gain additional traction, eventually trending on Twitter in January-March.

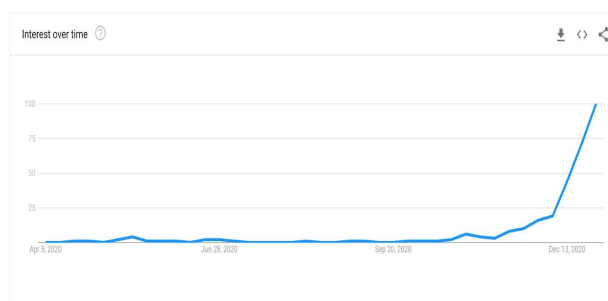


Figure 1. This graph shown on Google Trends starting from April 1st, 2020 to December 31st, 2020 shows its uptick in interest based on the google searching, 'Clubhouse App'.

## II: THE UPTICK:

From March of 2020-May 2020, Clubhouse had 5,000 users on its platform, including its beta testers [Figure 1], and it wasn't until December that the number of users had shot up to 600,000, all via invite-only. This new growth led by the pandemic and its elusiveness not only increased its

downloads but was valued at 1 billion dollars (January 2021) after a Series B round of funding. Before this valuation, it was valued at 100 million dollars (May 2021).

By January of 2021, it had 2.1 million downloads, with a significant uptick in early February after Elon Musk announced he would be on Good Time. This club covers daily light-hearted wrap-ups of what's happening in tech and culture. This club has also hosted many different celebrities, most notably Mark Zuckerberg, Naomi Osaka, CEO of Robinhood Vlad Tenev, and CEO of Coinbase Brian Armstrong. With its mass following, Clubhouse shot up to be #1 in the app store in more than 30 countries.

Due to the audio-only concept with rooms being temporary, many found this a platform for discussing political discourse. Specifically, those in the Middle East where one person in Saudi Arabia said, "there were hundreds of rooms — some with thousands of participants — talking about political and social issues. These kinds of live gatherings would be difficult if not impossible to hold in person." [Tae Kim, 2021] Another more recent example is the Israeli-Palestinian conflict, where there have been rooms coming from both sides of the spectrum with one lasting eight days straight, discussing their political takes in a bid to open perspective. With open-unfiltered conversations like these, Clubhouse is one that many have sought refuge in, gaining knowledge and viewpoints compared to Twitter and Facebook, which are more censored. The presence of bots has been documented in the context of the online political discussion (A. Bessi & Ferrara, 2016; E. Ferrara, 2017; Luceri et al., 2019)

### III: Incentives

Since December of 2020, Clubhouse has launched various incentives for its creators and hosts. One of their first launches was a Creator Pilot Program, where more than 40 influencers got access to Clubhouse's newest feature and weekly meetings with the founder.

In April of 2021, Clubhouse partnered with Stripe, an online payment processing platform. It brought in the form of a monetization tool, allowing users to donate to creators by tapping on their profile, where they'll be charged a small fee.

In addition, all the money given will be going directly towards the creator [Figure 2]

On March 14th, 2021, Clubhouse announced yet another creator program called, The "Creator First" Accelerator Program, except this time Clubhouse is giving creators monetary compensation on top of any needed equipment, including ring lights, airport pros, iPhone, etc. Inclusive of monetary and materialistic items, Clubhouse says they'll also connect creators with guests and talents that may be wanted for any shows/events they decide to host.

Given this incentive to launch one's influencer/creator career, there were thousands of submissions, with 40 people being accepted into the inaugural class on May 26th, 2021. From pilot shows about psychedelics to UFOs, this creative motive may bear the risk as there is a continuous decline in those who use Clubhouse.

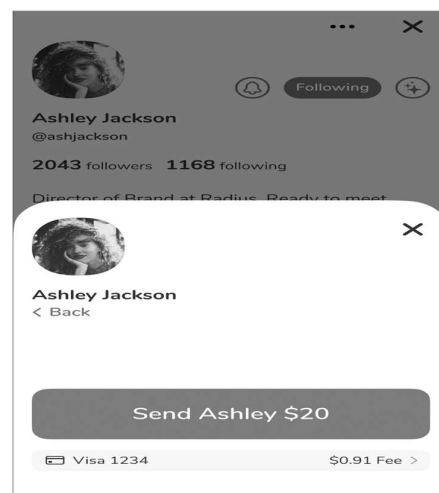


Figure 2. Clubhouse's new payment feature

### IV: Decline

Despite its successes within the first eight months of launch, Google Trends shows a hefty continuous decline starting from April with few upticks here and there. Clubhouse also had an 89% decline in downloads, dropping from its peak at 9.4 million in February to 922,000 in April [Figure 3]

This brings into many different hypotheses as to why the decline despite the many factors that play in. In this paper, there will be no coverage on the

ethicality of the app but instead will focus on auditory versus visual learning and its factor into why Clubhouse is declining.

The demographics of those on Clubhouse is 56% of Clubhouse users are age 18-34, 42% are age 35-54, and 2% are age 55+ [9]. With a good portion of the population being in Gen Z, research studies have shown that because they were born into a technological age, their brains are wired to be catered towards visual imagery and are therefore more fond of interactive games that provide challenges. Furthermore, a member of Generation Z has an average attention span of 8 seconds. [12] This is why social networking apps like Twitter, Tik Tok, and Instagram are popular amongst the generation. People get stuck in a dopamine loophole where they cannot get out of it as it's pure endless scrolling and entertainment that's more often less than 60 seconds. Clubhouses themselves have rooms such as 'News News News' where you can get daily news information in just under five minutes.

The area in which one's brain is in charge of multitasking is the Brodmann area 10, affecting memory and various executive functions. [4] Studies have shown that those born into technology or who surround themselves with technology end up being better multitaskers [7] Alternatively, when the individual controls the cognitive, perceptual, and response requirements of the tasks, when learning platforms are developmentally appropriate, and when practice is permitted, multitasking strategies can not only be successful. Still, they can result in enhanced visual and perceptual skills and knowledge acquisition. [Rother & Posner, 2014] Multitasking does have its cons, from diminished learning capacity to a decreased mental capacity, but its contribution of reduced attention span is one connective to Clubhouse.

Zoom fatigue is when one experiences discomfort, including anxiety and stress from constantly being on a video-platform screen like Zoom. With over 46 billion minutes of webinars, 3.3 trillion annual meeting minutes, and 467,100 business customers documented, statistics show how prevalent and widespread online video conferencing has become. The effects of one

being on Zoom primarily is staggering on not only one's mental health but impairs the ability to view hand gestures and emotions coming from one's facial expression. Without these natural cues, professor Jeremy Bailenson of Stanford University's Virtual Human Interaction Lab states that users are forced to look and send extra cues to monitor nonverbal behavior consciously and send cues to others intentionally generated. [Bailenson, 2021] Another observation was that those who experienced Zoom fatigue also recognize that audio-only interactions deteriorate as groups get more prominent.

The lack of facial and overall visual cues is one hypothesis for Clubhouse's possible decline. Although one may not mind it, visual cues serve as a mapping for systematizing communication. One can then present organized information in a consistent form to ensure fruitful conversations and experiences. While examining nonverbal cues like facial expressions is essential to see how one conveys their emotions.

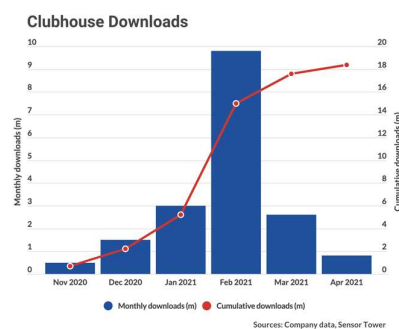


Figure 3. Sensor Tower data shows for the first time since November 2020, Clubhouse fell below one million.

#### V: Conclusion

In hindsight, despite its decline in searches, Clubhouse is still doing well in its successes, maintaining a fair share of rooms with hundreds of people still in each one. Through its creative endeavors in expanding pilot shows and rooms hosting musicals, including The Lion King and Star Trek, Clubhouse is a great social networking site overall for meeting new people, learning new things, and relaxing. Likewise, Clubhouse will continue to push out updates in fixing bugs and

introducing new features for both Android and Apple users. Though they are still 'invite' only, it is much easier to gain an invite with over 6 million registered users nowadays.

The visual and behavioral cues combined with the lack of long attention span and multi-tasking make it much more difficult for those in Generation Z who are prone to be visual learners to focus in just auditory settings. Still, with a large demographic being Generation Y and the influence of podcasts and audiobooks, many seem to be okay with just an auditory environment. The issue with talking over one another is inevitable in this case and could very well be a factor in making it more difficult for one to focus on speakers. Still, despite that, Clubhouse is a platform that is maintaining stability. Maybe soon enough, Clubhouse can address other issues, including privacy ethics, to support and encourage new users to join. They could also invite Elon Musk and Mark Zuckerberg again as well for an advantageous boost in searches and to lure in previous/less active use [Figure 3]

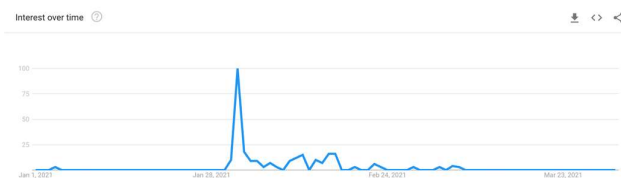


Figure 3. Google Trends shows that the search term 'Elon Musk Clubhouse' had a massive spike right when he announced on Twitter on January 31st he was going to be on 'Good Time'.

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