new thinking, new technology for the creative sectors

A MediaTainment Finance supplement

*AOL v. YAHOO: THE FATE OF TWO AD-TECH PILLARS

*PANDORA’S MUSIC BOX PACKED WITH DEALS, STREAMING AND ROYALTY ISSUES

*VIRTUAL AND AUGMENTED REALITY - THAT’S ENTERTAINMENT

*EXCLUSIVE TECHMUTINY INSIGHTS - SPECIAL REPORT ON START-UPS, THE CREATIVE SECTORS AND THE CHALLENGES

Full contents - Page 2

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CONTENTS

News Analysis
AOL v. Yahoo: The contrasting fates of two ad-tech pillars 3
Pandora’s music box of deals, streaming and royalty issues 6
Pleasing the digital crowd with Virtual and Augmented Reality 9

Numbers That Count
Bluetooth and Wi-Fi rule global audio entertainment at home 12

Start-ups’ Standpoint
Bookwitty.com (book discovery and sharing); Future Visual (Virtual Reality e-commerce); Mbryonic (Virtual Reality music); Rotor Videos (music videos); SmartGurlz (mini drones for girls); The Owl Field (3D audio storytelling) 20-25

Disruption Directory (tech impacting the creative sectors)
Advertising/marketing; architecture/design; books/print media; fashion; film/video; games; live entertainment; music; photography/art; social media; television 26-56

About TechMutiny 57

SPECIAL REPORT
Based on actual interviews via the exclusive TechMutiny Insights survey, we look at the funding challenges facing start-ups and investors serving the MEC (media, entertainment and creative) industries. 14
AOL v. YAHOO: THE DISPARATE FATES OF TWO AD-TECH PILLARS AMID RUMORS OF A POTENTIAL MERGER

Could AOL Inc. and Yahoo Inc. end up merging under Verizon Communications, the telecoms behemoth that currently owns the former? Because it is make or break time for AOL Inc. and Yahoo Inc., the two pioneering US-based Web portals that started in the 1990s and were, arguably, the foundations of social media. But their focus on content and advertising technology in recent years appears to have boosted the fortunes of the former and could precipitate the latter’s decline, if their respective current state of affairs persists.

Speaking at the most recent edition of tech industry event TechCrunch Disrupt London, AOL Inc.’s CEO Tim Armstrong (pictured) recounted the benefits of last year’s US$4.4bn sale of his company to Verizon.

He reassured attendees at TechCrunch Disrupt (which happens to be part of the AOL international empire) that the company’s tech-centric ambitions would not end with the new owner. “We’re focusing on AOL,” declared Armstrong, who is AOL’s biggest individual shareholder with a 6.7% stake. “In the deals we’ve done, AOL has moved on from investing in content and video. But we’ve stayed focused on what our core strategy is. I did the Verizon deal because it will mean AOL becomes a more important (tech) company than it is today.”

Ad tech acquisitions

The way digital ads are delivered online, on mobile and on social media videos is changing radically. And so are the ways consumers respond to them.

Among AOL’s heavy-duty pre-Verizon investments is a series of advertising tech purchases. It paid US$405m for video advertising platform Adap.tv in 2013. In 2014, it bought native advertising specialist Gravity for US$9.7m, followed by digital ads analytics firm Convertro (US$101m), video ads exchange platform Vidible (US$50m) and TV audience targeting service PrecisionDemand.

They have been integrated into ONE by AOL, the international programmatic ad platform designed to place automated digital ads on the relevant Web pages and sections of all types of digital screens. “We want to be covering everything that happens in the world of tech, including the effect of mobile and apps, as well as the social media companies investing in content,” Armstrong added.

As digital ad blocking becomes a bone of contention in media, he warned about the challenges
ahead. “The page view is structurally flawed for measuring the (online) media business as well as the advertising space. Content and advertising spaces are ripe for disruption,” he said. “Consumers are crying out for that disruption. The monetization of advertising is poorly done right now, but it is the most important space in the world. So if we do it well, it would offer a really huge business opportunity.”

Mobile
Armstrong firmly believes programmatic advertising will yield the most to consumers and advertisers via mobile delivery. “Mobile is your best non-human friend,” he stated. “If it is interrupted by advertising every time you use it, you’ll not be friends for long. It should not be driven by the least common denominator in the advertising experience.”

Content
In addition to retaining the dial-up and broadband Internet services it started with more than two decades ago, AOL has built up a hefty sized portfolio of content properties. These include mega blogging websites The Huffington Post and TechCrunch. The Aol.com websites (featuring emails, search engine, instant messaging, mobile) reach 250 million active monthly users. The AOL On multichannel network offers a cross between TV and premium digital video shows. The company says the advertising it delivers to its own properties and third parties’ websites reaches more than 500 million consumers globally monthly. And the merger with Verizon gives AOL’s ad tech resources access to the personal data of more than 700 million users that marketers can benefit from. New parent Verizon will be using the assets AOL brings to fulfill its own ambitions of being a next-generation mobile entertainment provider. It has recently launched Go90, a US-based ad-funded multichannel mobile network aimed at Millennials, has clinched deals with American football league NFL, beauty and lifestyle digital channel StyleHaul, gamers-targeted online channel Machinima, and documentary content giant Discovery Communications. That is another reason why Verizon might overhaul, but not necessarily get rid of, AOL’s content assets, as had been feared.

AOL rises; Yahoo tumbles
Like Armstrong, embattled Yahoo’s CEO Marissa Mayer (pictured below) is a former senior executive from Google, the search engine behemoth now known as Alphabet Inc.

But since taking over Yahoo’s helm in 2012, Mayer has not been able to steer and steady Yahoo’s still shaky ship.
NEWS ANALYSIS

Where the tech talking ends and the thinking begins

Like AOL, Yahoo originally made its name as a revolutionary Internet brand during the Web 1.0 era, easily a decade before the launch of Facebook and Twitter. Like AOL, Yahoo has bought several ad tech start-ups and systems to boost its share of the fast growing digital marketing services sector. Its key acquisition was Brightroll, an online video advertising platform bought for $640m in 2014. Additionally, it paid about US$200m for Flurry, a mobile analytics company. These came after the astonishing US$1.1bn found in 2013 to take over Tumblr, the social blogging website with more than 275 million blog accounts (from 220.8 million in January 2015), according to Statista.com. But Tumblr’s mission to lure young Millennial audiences to Yahoo’s content sites and advertisers does not seem to have materialized. Not much innovation appears to have happened at Yahoo, despite more than 40 tech acquisitions under Mayer’s reign. The company’s programmatic ad technologies have been placed under the Brightroll brand to streamline services to marketers and ad agencies.

gripping investor activists, especially US-based Starboard Value and SpringOwl Asset Management. Both have publicly denounced Mayer’s strategies for Yahoo. There are now talks of Yahoo selling off its core businesses, but it is not clear whether they include its technology assets. But it is shuttering a host of expensive online magazines that it launched during the past few years. Its Internet assets are also for sale. The media is now rife with talks about Verizon, AOL’s owner, taking over Yahoo. It could lead to a potential bloodbath. After all, why duplicate the ad tech resources?

The media is rife with talks of Verizon, AOL’s owner, buying Yahoo, leading to a potential corporate bloodbath

Like AOL, Yahoo made its name as a revolutionary brand in the Web 1.0 era, a decade before the launch of Facebook and Twitter

Investor mutiny
The only news hitting the headlines are ones of

The Verizon factor
Verizon has 111 million Internet (online and mobile) subscribers in the US alone. Its Internet-delivered TV service has more than 6 million customers. In addition to its Internet properties, Yahoo brings nearly 1.59 billion monthly active users of its various media, communications and entertainment websites. That would be more consumer data to help advertisers reach digital audiences more effectively. Armstrong has denied any plans to merge with Yahoo. But he would, wouldn’t he?
NEWS ANALYSIS
Where the tech talking ends and the thinking begins

PANDORA’S MUSIC BOX OF DEALS, STREAMING AND ROYALTY ISSUES

The legally embattled Pandora, the leading US online music radio service, is ready to take on the fast-growing international streaming music market in 2016.

Numerous acquisitions and strategy developments have made the company a much safer bet should it be approached by potential buyers.

So while Pandora has not publicly made any declarations to sell, this is the year in which it needs to prove to investors it can take on any of the growing number of competitors in the US and globally.

In addition to facing unrelenting formidable rivals, including Spotify, Apple Music and Deezer, Pandora needs the support of a highly critical music industry. Music labels, publishers and artists insist none of the streaming services pay enough royalties to compensate for their copyright and artist talent.

Paying dues and royalties

Pandora’s US-based CFO Mike Herring (picted) says the company understands why rights owners have a beef with 21st century digital services playing music protected by centuries’ old copyright law.

But, he tells TechMutiny: “We’re paying a lot of money in royalties. We’ve already paid more than US$1.5bn to rights owners and we’re the only radio service that has done that. I don’t think it is fully understood how unique that is (in the US).”

He is referring to the fact that US copyright law obliges Pandora (and other digital music platforms) to compensate labels, performers, songwriters and publishers, while the dominant FM radio stations remunerate only publishers and songwriters. It is a complex matter that has led to numerous lawsuits against Pandora.

But with fans’ consumption of music via online and mobile streaming growing fast, while CDs and download sales decline, 2016 must be the year when hatchets need to be buried, Herring asserts.

“The industry needs to work together and figure out how to bring new revenues to bear,” he adds. “The royalties from Pandora are not going to be the whole solution to the problem (of slow music sales). It is also about live music finding new revenue sources.”

Streaming out loud

Streaming technology is creating opportunities
the music sector has never seen before, Herring states. “In the past, it used to be a panel in a room that decided which recordings to release next. With streaming, more artists are finding their own audience. It is changing the music industry in the way recordings are released. Artists are using the medium to build careers.”

Yet, major artists, including Taylor Swift and Radiohead’s Thom Yorke, have been streaming technology’s most vociferous attackers. They claim their songs are played billions of times for a derisory amount of money. Pandora and its competitors point out that times have changed. What they offer, they argue, has improved the amount generated from dwindling CD and download sales. The global music market plummeted to about US$15bn in revenue in 2014 compared to more than US$40bn in the late 1990s, according to trade organization IFPI.

The market share challenge
Founded in 2000, Pandora Radio is possibly the oldest of the Internet-delivered streaming music services. It is certainly the most watched. The vast majority of its hefty 250 million registered users are in the US, with some listeners in Australia and New Zealand.

With a 9.49% share of the US’ radio listening hours, it is smaller than the traditional FM radio stations’ 79.3% combined share, according to online financial services platform Seeking Alpha. But its portion is still significant compared to the 11%-plus for the country’s other online and satellite-delivered radio services in total.

Owning Rdio means Pandora, a market leader in online radio, is for the first time entering the interactive on-demand streaming sector

So what can the mostly advertising funded radio service Pandora, a subsidiary of New York Stock Exchange-listed Pandora Media, do to assure music rights owners that what it says and does are one and the same? The answer lies with the series of radical acquisitions and vital copyright deals Pandora completed just before 2015 ended.

The tech acquisitions
In a US$450m deal, Pandora bought online ticketing company Ticketfly, offering the company a direct route into the live music sector (which is thriving compared to musical recordings). It acquired Next Big Sound (NBS), a leading music analytics platform that keeps track of fans’ social media and other online activities to help artists, labels and brands engage with them. Then came the jaw dropper - Pandora snapped up
NEWS ANALYSIS
Where the tech talking ends and the thinking begins

“What we’re doing is having an ongoing dialog with the industry, the fans and the artists” - Pandora’s Mike Herring

cash-strapped competitor Rdio, an international platform in 85 markets, giving Pandora an immediate global reach. Owning Rdio means Pandora, a market leader in online radio, is for the first time entering the interactive on-demand streaming sector.

“The music on radio is something you know you already like,” Herring explains. “With on-demand, you choose what you want to hear. So buying Rdio is complementary to Pandora; it is a natural extension to our radio service.”

The music trade press is already predicting an imminent UK launch for Pandora, but Herring says the company is still in talks with copyright organizations for any international expansion.

Doing the rights thing
Furthermore, Pandora has started breaking bread and reached agreements with some of its harshest critics. They include ASCAP and BMI, the two leading US publishers and songwriters’ performance rights societies.

It has embarked on clinching direct deals with music publishers, including Sony/ATV Music Publishing, BMG and SONGS Music Publishing, which means it doesn’t need ASCAP or BMI’s permission to use their songs. It has agreed to pay US record labels, via the Recording Industry Association of America, US$90m as compensation for playing music recorded before 1972 (another litigious bone of contention).

And the US Copyright Royalty Board (CRB), which rules on the licensing fees charged to music users like digital radio services, recently made a decision that both Pandora and rights organizations seem to agree on.

With a capital valuation of about US$3bn, Pandora has embarked on a busy and pressured year ahead.

Spotify, already in 60 countries and boasting nearly 30 million paying subscribers, recently said the second half of 2015 saw the fastest business growth in its history.

Deezer has improved its resources with €100m (US$108m) in new investment. And Apple Music, the youngest of the Big Four music streamers, has reportedly signed up more than 10 million paying subscribers already.

But Herring is not fazed. “There is a lot of angst about how creators will be paid. What we’re doing is having an ongoing dialog with the industry, the fans and the artists. We’re now working with labels and publishers to bring Pandora to more users globally.”
CROWD PLEASING VIRTUAL AND AUGMENTED REALITY COME ALIVE

The development of Virtual Reality (VR) and Augmented Reality (AR) will be cranked up this year as entertainment companies integrate an element of both technologies in productions. To date, the closest VR and AR have got to commercial entertainment is with gaming as players, in the comfort of living rooms and bedrooms, manipulate avatars to fight each other to the death in some semi-realistic looking fictional world.

Facebook’s Oculus VR, currently the tech’s most talked about developer, is scheduled to start selling its Oculus Rift headset en masse this year. The device aims to immerse video game players, music listeners, movie viewers, and even concert spectators fully into digitally created worlds, as if they were actually there.

Last year, to demonstrate what is possible, Oculus VR started producing experimental movies at its Oculus Story Studio subsidiary for VR viewing via the Rift headset (see TechMutiny Issue No.9). This year, the Rift faces serious competitors like Microsoft’s HoloLens, Sony’s PlayStation VR, HTC Vive and Gear VR from Samsung Electronics. In response, more creators in the businesses of film, music, TV, games and out-of-home entertainment like theme parks are producing related content. Viewers can experience VR entertainment by downloading apps from the relevant headset manufacturer or content supplier’s website on to a smartphone or other digital device (including Oculus-ready PCs) to be watched via their connected headsets.

Entertainment creators offering VR
* American NBA basketball legend LeBron James, arguably the world’s most valuable athlete, following a recent US$500m partnership with Nike, has released Striving for Greatness, his first original live action film for VR viewing. It was co-created with Canada’s Felix & Paul Studios to view via the Oculus Rift and Gear VR. It is part of James’ ambitions to become a media entrepreneur with his company SpringHill Entertainment.

* In a five-year deal, US TV network Fox Sports has joined forces with California-based digital content producer NextVR to offer immersive high-definition VR live streaming of events Fox Sports has the broadcast rights to, including NASCAR motor racing, golf and boxing.

* Five episodes of Halcyon, a 15-part short-form scripted crime TV series commissioned by Hollywood’s NBCUniversal International Networks, will be available for Oculus Rift viewing. The entire series, set in the future, will also be available on the Syfy cable TV network and be produced by Secret Location, a Toronto/Los Angeles-based digital entertainment studio.
NEWS ANALYSIS
Where the tech talking ends and the thinking begins

*Alone is a survival reality series on the History TV channel in which adults have to compete to see which one survives the longest in the barren wilderness they are forced to live in alone. At stake for the last person standing is the US$500,000 cash prize. To promote the show in History’s leading Asian markets, Singapore, Malaysia and the Philippines, owner A+E Networks arranged for fans to attend an event where they could try on an Oculus Rift and relive the isolation, desolation and adrenalin surge experienced by Alone contestants inside VR-created surroundings.

*UK investment firm Armstrong Ventures recently disclosed its £212,500 (US$303,300) investment in MelodyVR, a British content development firm specializing in live music experiences in VR formats. It is a platform agnostic headset, targeting users of devices that include the Rift, Google’s Cardboard and Vive from HTC. Scheduled to launch this year, MelodyVR is said to have clinched deals with several concert and music festival promoters whose shows will be VR-viewable via MelodyVR’s new app.

*UK-based international theme parks operator Merlin Entertainments is unveiling the world’s first VR rollercoaster at its UK-based Alton Towers Resort this April. Called Galactica, the coaster’s passengers will be wearing dedicated headsets that catapult them into outer space where they reenact astronauts’ space travel. And every twist and turn of the ride, including the 20-meter drops, is synchronized with every move they make in the virtual world (pictured below and on page 9).

Augmented Reality looks large
AR is another viewing experience that tech developers are hoping will change the way people communicate or are entertained. While VR places the viewer in the middle of the action, AR changes the viewer’s physical surroundings by superimposing hyper-realistic virtual images on them. For example, the viewer looking through the smartphone screen can find out what a blue car would look like if it were red, or how a new dress would suit the wearer if it had short sleeves instead of long ones.

The biggest player in the AR arena is Magic Leap, a Florida-based company. Its on-screen promotions feature hyper-real images of a tiny elephant residing in a pair of cupped hands or a gargantuan whale dropping from nowhere into an arena packed with young spectators (see the following page).

But it isn’t only tech behemoths like Facebook (via Oculus VR), Google, Microsoft and Sony that are developing VR and AR systems. At the TechCrunch Disrupt event in London last December, UK-based start-up Blippar demonstrated its new next-generation AR app. Pointing the Blippar-installed smartphone at any random object will automatically identify the object and direct the user to any required related information, including e-commerce, medicinal information or recipes online.
NEWS ANALYSIS

Where the tech talking ends and the thinking begins

Real cash betting on VR and AR
Digi-Capital, the international digital media consultancy, recently reported that about US$686m was invested in VR/AR developments globally in 2015. It also forecasts VR/AR revenues hitting US$150bn by 2020, spearheaded by their use in games, media and entertainment experiences. In Japan, mobile games publisher Colopl has launched a US$50m fund to support VR start-ups. AR endeavors are outright out-of-this-world experiences. Most are hybrids that include traditional linear narratives with an element of 3D, holographic images and scenes shot with 180 and 360-degree cameras. There are also rumors that the motion sickness, dizziness and nausea caused when viewing through the first experimental headsets have not been totally eliminated. But most feedback has been positive.

In February, Magic Leap raised an additional US$793.5m in a Series C round of funding, boosting its valuation to a reported US$4.5bn. And it isn’t even launched yet. Alphabet Inc., the new corporate name for search engine pioneer Google Inc., and Chinese e-commerce goliath Alibaba Group Holding are among Magic Leap’s investors. Within the past year, iPhone maker Apple Inc. has filed a patent for a VR headset, acquired Metaio (an AR tech developer) and bought VR/AR specialist Flyby Media. But the VR and AR entertainment-oriented tech companies are convinced they have seen the future, and it is almost here.
Almost all audio media and entertainment delivered to consumers in their homes will be via wireless devices by 2019, according to a new global Wireless Audio report published by UK-based Futuresource Consulting.

By then, “virtually 100%” of all home audio devices, including speakers, soundbars and headphones, will be wireless. The figure is based on current growth rates that have seen Bluetooth technology dominate the wireless devices market. Futuresource calculates that Bluetooth-enabled versions will account for 93% of the global wireless speakers market by the end of this year, from 84% in 2014.

Sales of Bluetooth speakers alone will grow 68% in 2016, followed by a 36% average annual growth rate to 2019.

Wi-Fi’s share of wireless listening products is much smaller. However, an increasing number of brands, led by Sonos, have started manufacturing speakers that use that technology for multi-room listening.

The sound of streaming
And of all the 86 million home audio devices shipped last year, more than 80% enable fans to stream music, video, games and other digital content via wireless platforms.

Music dominated the type of entertainment content consumers streamed, thanks to international digital services like Spotify, Deezer, Pandora and Apple Music.

While Bluetooth technology overwhelmingly dominates the wireless speakers market, an estimated 14 million units of soundbars (several with Bluetooth tech) are expected to be shipped in 2016, yielding US$2.4bn in sales.
NUMBERS THAT COUNT

The statistics illustrating technology’s influence on the evolution of media and entertainment

Bluetooth, Wi-Fi in major markets
The above findings follow Futuresource’s granular study about consumers’ purchasing habits for the same audio devices (Bluetooth and Wi-Fi speakers and headphones) in five major economies (China, France, Germany, UK and the US) during 2015 for Futuresource Consulting’s Shopper Journey survey.

About 50% of the participants interviewed said they understood the difference between Bluetooth and Wi-Fi speakers, although more than 70% did not appear to understand the full capabilities of either technology.

The role of smartphones, tablets
However, once they had made their purchases, they easily figured out how these devices connected with their smartphones and tablets. Instead of putting on headphones, 68% of those interviewed said they preferred to use wireless speakers when listening to music stored on their smartphones because of the improved acoustics. Some 54% said the same about listening to music on their tablets.

While the majority of the interviewees relied on word-of-mouth recommendations and manufacturers’ websites before making purchases, an equally significant number preferred to make purchases in bricks-and-mortar stores, followed by online shopping.

Some 39% purchased their speakers online while 38% went in-store. For headphones, 44% said they bought theirs in physical stores, followed by 35% who shopped online.

68% said they preferred to use wireless speakers when listening to music on their smartphones

Note: Responses from all five countries.
The above extracts are taken from the first report from Futuresource that provides insight into the shopper journey for Bluetooth/Wi-Fi Speakers and Headphones. The fieldwork was completed using an online survey in July 2015, with 1,000 responses targeted in each country. For more information, please get in touch with Sarah Carroll via sarah.carroll@futuresource-hq.com.

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HYPE FOR MULTIBILLION-DOLLAR UNICORNS DISTORTS REAL PICTURE FOR GROWTH START-UPS

Are private and government investors doing enough to support tech start-ups in the media, entertainment and creative (MEC) sectors, areas touted as drivers of the global economy’s future? Interviews for TechMutiny Insight, a new TechMutiny research report, indicate investors are failing to notice growth-stage chasms where cash is truly needed to support viable start-ups that could otherwise struggle and then disappear. The hype surrounding digital tech behemoths like Facebook, Snapchat, Uber and start-up “unicorns” with their multibillion valuations is widespread.

But there is an element of the narrative that is rarely talked about: the successful and enterprising start-up in danger of running out of money and facing potential ruin for a rarely analyzed reason. It is stuck between initial angel or government seed funding and the multimillion finance from institutional venture capital (VC) and MEC corporate investors. This worrying scenario is usually unforeseen because few start-ups are advised about how to find backers just as their ventures are ready to scale.

The start-ups’ challenges
Night Zookeeper, a UK-based international venture that inspires school kids to learn by using technology to meld games with reading, writing and creativity, has embarked on a campaign for a Series A round of VC funding. Despite winning numerous tech pitch contests and being invited to speak about its rapid growth, Night Zookeeper has had to use its own resources to self-publish a related children’s book that is being read internationally. “We’re now used on five continents. We have 60 kids per school buying this although we’re not experts in book publishing,” says Joshua Davidson, Night Zookeeper’s Founder/Managing Director (pictured).
“We see a high level of enthusiasm for our brand. But I don’t think many senior media and entertainment executives that we’ve spoken to have necessarily understood the full potential. So we’re still looking for a publisher for the book because we would prefer to work with the experts.”

From Stockholm, Henrik Eklund (pictured below) is constantly globetrotting to promote Newstag, an ad-funded personalized international video news service that he founded.

The app allows subscribers to curate their own network from news supplied by global agencies that Newstag has significant distribution deals with, including Reuters, AFP and AP.

It reaches users in 200-plus countries accessing more than 5 million streams (from 2 million last August) weekly on the platform.

Additionally, subscribers have the option to donate their share of the ad revenues to a worthy cause of their choice.

When initial traffic metrics indicated Newstag was recording 18 million streams weekly, investors were never off Eklund’s phone. Yet, it wasn’t the response he needed.

He says: “The market, including myself, gets swept away by high numbers even though they are not relevant. That leads to a situation where you can have amazing numbers in the billions, which in the old media model would correlate to billions in dollars, but in reality is just an output that will continuously fall in value as the supply is endless.”

He argues that investors need to reevaluate how they measure success because they tend to lose interest when the Big Data figures start to fall, even though the numbers are then more credible and hence viable.

“The old model was based on scarcity and if you have a scarce resource that many want, the price will go up, hence the hunt for high volumes,” Eklund says. “But in a world where abundance is the norm, the personal experience becomes the scarcity. In this context, it is more valuable to have 1,000 people having a personalized experience than exposing your brand, message, value, to 18 million eyeballs.”

Money! Wherefore art thou?

France-based Everfeel created a game in which avatars of the players socialized and communicated with each other in real time via voice activation only, no keyboard required.

Despite positive responses from targeted consumers and gaming reviewers, Everfeel’s financial problems kicked in when the company needed to reinvest in technology to scale.

“Our angel investors were great but we needed €2m-€3m (US$2.25m-US$3.38m) and they just didn’t have that kind of money,” states Everfeel’s founder Tobias Nevin.

By then, it was too late, the original business-to-consumer concept was shuttered and the
technology has since been sold to an e-learning firm that uses the software for online teaching.
Nevin and others interviewed for the report are among the still growing start-up community with ambitions to offer disruptive technology that could revolutionize the MEC sectors.
Support from business angels, family, friends, accelerators and government-backed organizations comes relatively easily for sound and proven business ideas.

Digital technologies accounted for 22.5% of the global GDP in 2015, growing to a 25% share in 2020

But once revenue, customer and personnel growth become established, start-ups customarily turn to cash-loaded VCs and corporations to bolster the research and development (R&D) and marketing that turn an expanding business into a robust brand.
The VCs and other equity investors understandably impose stringent conditions before they commit millions to any expanding business.
But, in between angels and VCs, another level of funding is needed. And that doesn’t seem to exist.
“The difficulty arises when you are ready to get to the next level. What happens afterwards? I have been told there is a lot of money there, but not many start-ups manage to find it,” declares Ciprian Borodescu, CEO/Co-Founder at Webcrumbz, the Romania-headquartered venture behind Appticles.com, a mobile publishing specialist targeting print publishers, content creators and bloggers. His company recently raised US$50,000 from a US accelerator as part of its bid to enter that market

Global digital economy
The MEC sectors are among the industries that benefit from tech disruption as consumers worldwide listen to music, watch TV and films, play games and purchase fashion via smartphones, laptops, tablets and Smart TV sets.
Authorities in the world’s major cities, from New York to Nairobi, from London to Shanghai, want to emulate the gravity-defying successes of Silicon Valley. They see digital tech start-ups as the roots to next-generation economic growth.
Digital Disruption: The Growth Multiplier, a 2015 study by Accenture Strategy and Oxford Economics, concluded that digital technologies accounted for 22.5% (about US$19,100bn) of the global gross domestic product (GDP), and predicts this will grow to a 25% share in 2020, bringing in about US$24,600bn that year.
Furthermore, governments in developed and developing markets are highlighting the extent to which the creative industries make positive contributions to their local economies.
CISAC (the global umbrella organization representing the world’s royalties collection societies) and UNESCO commissioned consultancy group EY to pin down the value of the global creative industries, including music, books, TV, architecture, advertising, movies and the visual arts.
The resulting report, called Cultural Times – The First Global Map of Cultural and Creative Industries, published in December 2015, concluded that cultural and creative industries contribute
US$2,250bn to global GDP and employ about 29.5 million people worldwide. Digital tech is taking MEC creativity to new heights, observes Jeremy Silver, the investor, strategist and author who, as Executive Chairman at London-based Semetric, helped sell its analytics firm Musicmetric.com to Apple for a reported US$50m last year.

“Digital technology offers many more efficient ways of enabling creativity. Take visual effects in film, for example: high powered computers are being used to visualize an animation in real time so that the actors playing that role can see their own fully rendered performance as they work. In terms of driving creativity, that is a big deal.”

Evolving creative corporations
However, UK tech entrepreneur Jonathan Chippendale says the tech start-up community and the targeted investors must remember digital MEC businesses are still in the transition phase. Chippendale is CEO at Holition, a rapidly growing London-based creative services agency specializing in technology. It helps high-end brand owners and marketers adopt groundbreaking but customer-friendly systems that involve Augmented Reality, Virtual Reality, 3D holographic images, and intelligent clothing. It is also a specialist in virtual try-ons (where customers can see a digital simulation of what they look like in clothing or cosmetics before making a purchase).

Clients include luxury brands Alfred Dunhill, De Beers, Lacoste, Dom Perignon and retailers at London’s Heathrow Airport. But, he points out, it is still not easy getting many established brands to understand that digital technology could be adopted as part of their marketing creativity sooner rather than later.

“Technology, by nature, is innovative and because it is new, brands don’t have the tools to assess its value. Innovation means higher risks, despite the greater rewards. It can take only seconds to move on from something new just because you find it difficult,” Chippendale explains.

Which is why he believes MEC tech start-ups might be having a harder time finding understanding investors now.

“As a tech start-up, you need two to three years of R&D, and no one is going to support that. What investors want is a working prototype that can be inserted immediately into the brands. That can take two to three years without bringing in any revenue.”

Everfeel’s Nevin admits that being an inexperienced entrepreneur did not help his original cause, but he learned from what he went through: “We needed a business model that brought in revenue straight away.”

The cultural and creative industries contribute about US$2,250bn to global GDP and employ about 29.5 million people worldwide

The hard slog
Those interviewed for the TechMutiny report genuinely believe their ventures can generate stable revenues and offer robust employment opportunities.

They do not dispute that the multibillion-dollar Spotifys, Ubers and Snapchats backed by venture capital’s millions and millions are where they are because of labor-intensive commitment, incessant networking, and calling in favors.

Moreover, they are prepared to endure real and
threatened lawsuits from incumbents whose businesses are truly being disrupted; that experience is not for the faint-hearted.

The hard work required should not be underestimated, notes Laurence Miall-d’Août (above), CEO of next-generation TV audience measurement venture TVbeat.

Business is good, she says. “We have done very well so far. We’re launching with Freesat (BBC and ITV’s jointly owned FTA digital satellite TV platform) in February. We shall be offering live (audience) analysis in the UK. We’re operational in Slovenia, Slovakia, Bosnia; we’re finalizing a deal in Russia and Spain; and we have trials in Portugal, Switzerland, Holland, Denmark and Belgium.”

But to get to this upbeat stage since TVBeat’s 2013 launch, mistakes were made when seeking big-money investors.

“They want to see the right management team; they want to see a real prototype or the minimal viable product (MVP); and your product must be market-ready. We crashed into all those three barriers. We didn’t have a proper CTO. We struggled to find the right team. The prototype was not scalable because the MVP was not there either. We therefore had to delay everything, including the commercial launch, by one year.”

Webcrumbz’s Borodescu adds that having the right team is crucial to getting the attention of investors at any level. “It might be because those investors are being more cautious. If you need US$2m, they expect an income of US$10,000 a month, growing at 10-15%. Everyone has to go through this learning curve. It’s all about the experience of the founding team.”

Another hurdle today’s MEC tech start-ups have to confront is the knowledge that even multibillion-dollar tech start-up brands like Uber, Spotify, Oculus Rift and Magic Leap are still not profitable despite the millions poured into them and their high annual revenues.

As Holition’s Jonathan Chippendale says: “I think it is a bad time to be a start-up. I think it is very difficult. I don’t think we would survive if we had to start today.”

Investors are people too

So are investors missing a point about how to help today’s innovators become tomorrow’s brands? Maybe investors should be less risk averse and not get distracted by hype. Instead of acting like over-cautious conservative bankers, they should become the 21st century’s daring explorers and adventurers who back genuine next-generation enterprises.

From his experience, start-up strategist Jeremy Silver says financiers tend to know what they are doing. “It is dangerous to generalize about investors. You must separate angels from VCs and VCs from corporate investors, but one thing is consistent, there is more interest in (MEC) content than there has been for some time.”

Hadar Cars, Investment Manager at Stockholm-based Industrifonden, a leading venture capital institution originally founded by the state in 1979, concedes there has been some caution on the part of investors recently.

Industrifonden’s annual industry report for 2015
disclosed that the average size of investment rounds in Sweden fell 65% during the last quarter of the year, compared to the third quarter. Cars believes it is a temporary blip – at least in Sweden. “Funding activity is still quite strong here. So I am not worried yet. The entrepreneur community is much larger than it was 10 years ago and today’s entrepreneurs are much more innovative and knowledgeable than before.”

British banking conglomerate Barclays has been operating an accelerator program in London to support the growth of start-ups. It is also partnering this year’s government-backed Innovate UK’s Future Retail Innovation Contest. The start-ups with the winning innovative concepts for retail brand owners will walk away with a £35,000 (US$50,702) prize. One will also work directly with Barclays, which wants to enhance not only its online banking services, but also its bricks-and-mortar branches with in-store experiences that are relevant in the digital age.

“Our challenge for contestants is to support Barclays in continuing to improve our in-branch customer experience,” explains Bharat Grover, Digital Manager at Barclays. “We therefore want to hear from innovators who have great ideas and concepts to help our customers access the right information and services in a manner which is simple, personal and timely.”

He also reminds start-ups how far the investment community has come.

“Twenty years ago, nothing like this existed,” he said of the Innovate UK competition. “You had an idea and people would laugh in your face,” he says.

Start-ups are needed

Grover also concedes that brand owners constantly need to innovate and the start-up industry has been a boon to that need. “We have to think beyond (traditional) banking to deliver magical experiences to make a difference to customers’ lives. When we see the benefits start-ups can bring, we like to see how we can align those benefits for our consumers. The effort and energy put in is what you will get out of it.”

Jeremy Silver’s advice is to pin down what makes innovators and inventors go into business at all.

Barclays Bank is partner to the 2016 Innovate UK’s Future Retail Innovation Contest with winners walking away with a £35,000 prize

“As a start-up, there are things that motivate you which is why you start in the first place. I don’t think it makes sense to stray far away from that passion. That might make it difficult to make money immediately. But if that gets you out of bed, great. Then, find the people who have the expertise and knowledge in that area.”
START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

Product/Service: Bookwitty.com (book discovery platform)

Developer: Bookwitty (Montreal, Canada)
When launched: Beta launch in November 2015; commercial launch due April 2016
Targeted users/sector: Lovers of books; authors; critics; bloggers

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
It allows users to find, share and write content on books and a variety of topics, both specific and general. Through user-generated content, people can discover and purchase books, even the most inaccessible. Although there are a number of book recommendation and e-commerce sites out there, no one platform provides a fully contextualized experience developed around the author, theme and ideas of the books listed. The social media functionalities available on Bookwitty.com will not only allow people to find books they are looking for, but will also allow them to interact with content surrounding the books - such as related articles or videos - as well as interact with authors and other users that have similar interests. What’s more, our global network of partners allows us to deliver any book, in any language, worldwide, at a fair price.

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
The idea behind Bookwitty came about when we began writing French and English articles about famous Arab and Iranian authors in order to make book suggestions for people who wanted to discover foreign literature. At that time, we were managing an online Lebanese bookstore out of Beirut, when we started noticing hundreds of orders for these books in other regions, such as London and Paris. Starting off as white label operators, we were servicing bookstores and websites with a complete international book catalog, as well as with marketing and technical services. This gave us time to truly think about our business and how to set it up. It took us years of working on the perfect recommendation and search engine technology, supply chain network, and book offer, before we decided we could launch our own brand and platform. That being said, knowing the amount of content needed on the platform to ensure Bookwitty works as expected is frightening at times. However, the feedback we have received from contributors and bloggers has given us confidence that we are on the right path.

Any recent developments to announce?
The beta version was launched in November 2015 at the Book Riot Live event in New York, which was attended by over 1,000 book lovers, authors and other book industry professionals. The platform is in constant evolution, and new features...
START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

are added on a weekly basis. The next big release will include a personalized dashboard for users, allowing them to see new content and people that are relevant to their context and interests.

Current Investors:
MEVP (Middle East Venture Partners);
Co-Founder Sany Naufal; Co-Founder Cyril Hadji-Thomas

Contact details:
URL: www.bookwitty.com
Twitter: @Bookwitty
Facebook: facebook.com/bookwitty/
Email: GetInTouch@bookwitty.com; cindy.carvalho@bookwitty.com

Product/Service: Shopping & Immersion Platform (SiP)

Developer: Future Visual (Brighton, UK)
When launched: November 2014
Targeted users/sector: Retail

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
The tool we are building with (major UK retail cooperative) John Lewis is the Shopping & Immersion Platform (SiP). It will sit as the interface between customers and their retailer. This raises two questions. How will VR change the retail industry and how will SiP change the customers’ experience of Virtual Reality with the retailer? The experience of immersion that VR creates provides an incredible opportunity for retailers to tell a better story to their customers. During the (government-supported) Innovate UK trial with John Lewis, we will be using SiP to help John Lewis partners (effectively their employees) have a more sophisticated toolset with which to demonstrate products to customers. Looking at those product lines for which it is difficult to keep a full inventory will be a business case we will solve with SiP. Many of the larger items on sale are built to order and so it is impossible to give customers a genuine understanding of what that product might look like (before they receive it). We can fix that using SiP and VR. We can also provide customers with a full range of materials and colors of any of the products in SiP.

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
Overcoming the biggest fear is a daily experience that you consistently face as a new business. One way to overcome that fear is to look at opportunity and experience. We have been in this space before. For example, before Web 2.0 and smartphones gained traction, the founder of Future Visual, Tim Fleming, formed his film production company in 2007 after seeing video on the iPod touch; he just knew it was going to be huge. VR
START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

is going to have a similar impact. It will take time to scale but we know that the experiences we can create with it are more powerful than the other formats out there, such as flat 2D TV, smartphone and tablet screens.

Any recent developments to announce?
We recently won a £35,000 (US$50,000) prize in the UK government’s IC tomorrow innovation competition. We are currently talking to funds and will likely be making an announcement soon.

Current Investors: Founder Tim Fleming

Contact details:
URL: www.futurevisual.com
Twitter: @futurevisualvr
Email: studio@futurevisual.com

Product/Service: VRME - Virtual Reality Musical Experiences

Developer: Mbryonic (London, UK)
When launched: Trial scheduled for 2016
Targeted users/sector: 15-35 year old music fans

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
Our Virtual Reality technology will provide artists with new ways of reaching and engaging audiences through the power of music. The platform allows artists to create bespoke immersive performances in a virtual space easily and cost effectively. We believe this will create a new market for ‘virtual concerts’, which are more engaging than traditional music videos and more accessible than live events.

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
Virtual Reality is still very much in its infancy and we are some way from having an addressable market that can support a commercial venture. We know that the potential opportunity is huge but our biggest challenge is managing the high risk of being an early mover into this market. We have many hurdles to overcome: technical, user experience, market awareness and access to headsets. These will need to be tackled not just as a company but also as an industry. Developing a platform requires considerable resources so we are taking a staged approach to validate the market demand first. Thankfully, we have been able to take this first step with the support of Innovate UK and its IC tomorrow contest and our partner at Columbia Records. This has given us the resources and confidence to trial our platform with users to gain invaluable insight. And we hope to raise more investment.

Any recent developments to announce?
We recently won funding from IC tomorrow and Columbia Records to run a trial of the service in 2016.

Current Investors: Founder Tom Szirtes

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Twitter: @tombryonic
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START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

Product/Service: Rotor Videos

Developer: Kanisi Ltd (London, UK)
When launched: March 2015
Targeted users/sector: Musicians; record labels; music fans

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
There is a huge demand for compelling video content these days. This is particularly true for the struggling music industry. Fans expect video content. YouTube is now the largest music platform in the world. Musicians and record labels need to create and deliver video content very quickly and regularly. This is a big problem with the current video creation solutions out there. Rotor can create engaging and compelling (entertainment) videos in minutes with just a few clicks. This includes music videos, lyrics videos, promotional videos, fan videos and more. Music video is currently the most social and most consumed content there is. It’s also a key component for the future of the music industry. We’re unlocking access to that content. With Rotor, we are building the required technology from the ground up. We have a team which previously developed tech that was acquired by Google for YouTube and has worked on YouTube’s advanced algorithms.

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
The initial team all came from either a technical or creative background, so we had no problem building something, but we had such limited experience in how to develop a business. Our biggest concern was how to turn our concept into a scalable business that provides a useful tool for the larger industry of musicians and record labels. It was all well and good having something working on our local machines and making videos individually. How could we create something in the cloud that was useful to hundreds of thousands of users and how do we reach those users? That’s where advisors, mentorship and accelerator programs brought value to us. The caliber of mentors we had assigned to us at Microsoft Ventures was second to none, as was the fast-track learning of “lean” principles. We’ve also accumulated some top notch advisors and advocates who have helped steer us along the way and allowed us to learn how to take this product all the way.

Any recent developments to announce?
We have a great new team. We’ve also appointed a new developer, a post-PHD academic and an audio DSP (digital signal processing) engineer who previously worked for Samsung. Finally, we have a new commercial director, who was previously finance director at Sony Music UK. We’ve started our next phase of development to reach the full version of the website and release our mobile app. We’ve started an investment round that we are close to closing.

Current Investors:
Invest NI; Norbert Sagnard; JVM Fund; Gillian Fagan; Co-Founders Diarmuid Moloney and Eoghan Kidney

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Twitter: @RotorVideos
Facebook: facebook.com/RotorVideos/
Email: diarmuid@rotorvideos.com
START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

Product/Service: SmartGurlz mini-drones

Developer: SmartGurlz (Copenhagen, Denmark)
When launched: November 2015
Targeted users/sector: Girls aged 6+

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
We’ve created the first and only mini-drone especially made for girls. Less than 15% of Computer Science majors internationally are girls; SmartGurlz wants to change that. Our products convert smartphones and tablets into learning devices that connect with mini-drones. Our mini-drones, called Siggy, don’t look like drones either. They are stylized self-balancing Segway-like vehicles that carry our full range of SmartGurlz dolls. They are drones because one can do reconnaissance/exploration with our live stream cameras. Girls gain basic skills in programming and coding language with our e-learning platform, which is called SugarCoded. This teaches coding via story-based puzzles that are executed via our mini-drones. It is a game-like platform embedded with spatial words and concepts that kids learn when “solving” the puzzles.

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
Our fear has been the complexity of the product – we are making the most advanced technical toy for girls – and our ambitions are high. For us, a solution has been breaking down the problems into smaller bits and attacking each issue – one step at a time. We have also been really good at finding other experts who can help us, including engineering students at Aalborg University and a robotics professor from the Technical University of Denmark.

Any recent developments to announce?
We recently received a grant of US$100,000 from Innovation Fund Denmark. We are currently working on a basic version of augmented reality, which can bring a toys-to-life experience to SmartGurlz.

Current Investors:
Co-Founders CEO Sharmi Albrechtsen and CTO Jesper Nissen.

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START-UPS’ STANDPOINT

The challenges start-ups face the moment they go public with their visions

Product/Service: The Owl Field (3D audio storytelling)

Developer: The Owl Field (Edinburgh, UK)
When launched: August 2015
Targeted users/sector: Consumers; publishers of audio entertainment (audiobooks, audio dramas)

How will your technology change the industry you are in; what gap is it filling; what is the unique selling point?
The current set of storytelling options available to the publishing industry ranges from printed books to audiobooks, but the future of entertainment is immersive media like Virtual Reality and 3D (binaural) audio. There is currently a gap where virtual audio storytelling is concerned. The Owl Field fills that unmet need bridging the gap between traditional audiobooks and Virtual Reality. Using modern 3D audio technology that mimics how humans localize sound alongside innovative sound design that maximizes realism, we’re able to place the listener as the main character at the center of the story. And from a first person perspective, we can have everything in the story happen around them in a 3D audio soundscape. Characters, sound effects and music surround the listener just as they do in the real world. Our format is a new storytelling option for authors and publishers, a fresh way for people to enjoy their favorite content, a way to attract new listeners to audiobooks, and a Virtual Reality experience for people living with sight loss.

With innovation, the fear is often about whether or not it is possible, and how much time would be required to find out. We knew early on that there would be a market for this type of virtual experience, but we also knew it would take a couple of years not only to develop the sound design, but to develop the storytelling concept as well.

Any recent developments to announce?
We are honored to have won the bronze prize for The Bookseller’s FutureBook BookTech Company of the Year 2015 in recognition of how our format could become the Virtual Reality future of audiobooks. The award has been a tremendous boon and we’re now entering 2016 engaged in a number of conversations surrounding funding, production, and distribution deals. Our upcoming production, due early 2016, will feature exciting new elements that further deepen the listener’s immersion, interactivity and personalization.

Current Investors:
Founder Michel Lafrance

Contact details:
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Twitter: @owlfield
Facebook: facebook.com/owlfield
Email: info@owlfield.com

How did you or the founders overcome your biggest fear when you realized the concept was becoming a business reality?
Product: Cue, deep health-tracking app
Need to know because Japanese ad agency giant Dentsu and its investment unit have backed start-up Cue at a time when marketing in the highly regulated health sector is big business. Cue has melded the concept of fashionable portable fitness tracking apps with pharmaceutical diagnostic laboratories to develop a “lab in a box” that enables healthcare workers to test for a variety of symptoms, including fertility and influenza, while on the go.
Creative function: healthcare
Creative target: pharmaceutical marketers; biotechnology specialists
Company: Cue, based in San Diego, California, US
Key executive(s): Cue CEO Ayub Khattak; Chief Product Officer Clint Sever
Investors/Owners: Dentsu Ventures
Distribution platform: proprietary health-tracking gadget
Launched: 2010
URL: http://cue.me

Product: Dentsu Aegis Network (DAN), global media and digital communications agency network
Need to know because the global agency has persuaded Tencent Holdings, the high-profile Chinese media, entertainment and tech conglomerate, to integrate its masses of data with the agency’s own. The combined resources aim to help marketers and brand owners track consumers’ response to campaigns and change strategies in real time, as needed.
Creative function: Big Data; data-driven marketing; programmatic advertising
Creative target: marketers; ad agencies
Company: Dentsu Aegis Network China, based in Shanghai, China
Key executive(s): DAN China COO Nokuaki Kyushima; Tencent Corporate Vice President Steven Chang
Investors/Owners: DAN; Tencent Holdings
Distribution platform: database
Launched: 2016
URL: www.dentsuaegisnetwork.com
**Product:** Endeit Capital, venture capital firm
**Need to know because** it has amassed €125m (US$136m) at the final close of its new fund after successfully exiting from Unruly Media, the UK-based international ad tech company which was sold to News Corp for £58m (US$83m) last year. Other Endeit Capital exits include selling Dutch TV producer Eyeworks to Warner Bros., and Dutch ad tech firm Improve Digital to Swiss media and marketing service provider PubliGroupe.

**Creative function:** investments in digital tech and media start-ups

**Creative target:** digital tech and media start-ups

**Company:** Endeit Capital, based in Amsterdam, The Netherlands

**Key executive(s):** Co-Founder Joop van den Ende; Co-Founder/Managing Partner Hubert Deitmers

**Investors/Owners:** Joop van den Ende, Hubert Deitmers

**Distribution platform:** investment vehicle

**Launched:** 2006

**URL:** https://endeit.com

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**Product:** Funnely, automated social advertising service

**Need to know because** the start-up, which specializes in helping e-commerce operators develop social ad campaigns on Instagram and Facebook, has raised US$988,000 to broaden its reach of customers. It plans to use the funds to add more large advertisers to its current clientele of mostly small businesses.

**Creative function:** advertising, marketing, sales

**Creative target:** e-commerce ventures

**Company:** Funnely, based in San Francisco, California, US

**Key executive(s):** Co-Founder/CEO Lucila Campos

**Investors/Owners:** Verizon Ventures; MITS Fund; 500 Startups; Pallasite Ventures

**Distribution platform:** software as a service

**Launched:** 2013

**URL:** www.funne.ly
Product: Innovid, personalized online video advertising service  
**Need to know because** it has collected US$27.5m in a new round of funding, which includes US$15m from a Series D round led by New Spring Capital, plus debt loans from Silicon Valley Bank. Its software-as-a-service model gives advertiser clients, including Procter & Gamble, more control over how and where their digital ads are placed.

**Creative function:** interactive video advertising  
**Creative target:** marketers; advertisers; ad agencies  
**Company:** Innovid, based in New York, US  
**Key executive(s):** CEO/Co-Founder Zvikwa Netter  
**Investors/Owners:** New Spring Capital; Sequoia Capital Israel; Genesis Partners; Cisco Ventures; T-Venture  
**Distribution platform:** Internet TV; smartphones; computers; video games consoles  
**Launched:** 2007  
**URL:** [www.innovid.com](http://www.innovid.com)
**Product:** Taboola, content marketing and discovery platform  
**Need to know because** international tech media conglomerate AOL Inc. has taken an equity stake in the firm, which is famous for developing the widgets of sponsored, recommended content found at the bottom and sidebar of news websites. The tech, which reaches 750 million monthly unique visitors worldwide, is used on AOL’s US, UK and Canada websites.  
**Creative function:** native marketing; content marketing; content monetization  
**Creative target:** online publishers; online advertisers; ad agencies  
**Company:** Taboola, based in New York, US  
**Key executive(s):** Taboola Founder/CEO Adam Singolda; AOL Content and Consumer Brands Executive Vice President/President Jimmy Maymann  
**Investors/Owners:** AOL Inc.  
**Distribution platform:** Internet; widgets  
**Launched:** 2007  
**URL:** [www.taboola.com](http://www.taboola.com)

**ARCHITECTURE/DESIGN**

**Product:** AMIE (Additive Manufacturing Integrated Energy), for sustainable urban living  
**Need to know because** the joint initiative led by architecture house Skidmore, Owings & Merrill (SOM), the US government’s Oak Ridge National Laboratory and the University of Tennessee has built what is claimed to be the world’s biggest 3D-printed polymer building. The achievement confirms that 3D printing tech is now scalable enough for large-sized structures.  
**Creative function:** sustainable living  
**Creative target:** home builders; car manufacturers  
**Company:** SOM, based in Chicago, Illinois, US  
**Key executive(s):** SOM Partners Brian Lee and Philip Enquist  
**Investors/Owners:** SOM; Oak Ridge National Laboratory  
**Distribution platform:** 3D-printed building  
**Launched:** 2015  
**URL:** [http://web.ornl.gov](http://web.ornl.gov)
**Product:** Architizer Source, global database of architectural products

**Need to know because** Architizer, the US-based social media network for architects and their clients worldwide, has nabbed US$7m in a Series A round to build a database featuring a gamut of physical building products and tools required by architects to bring their designs to life. It will be added to Architizer’s existing search database of over 40,000 architecture companies working on 120,000-plus projects valued at more than US$4 trillion. Architizer Source is currently in beta mode.

**Creative function:** architectural construction

**Creative target:** architects; construction firms

**Company:** Architizer, based in New York, US

**Key executive(s):** CEO/Co-Founder Marc Kushner

**Investors/Owners:** August Capital; Shop; Handel Architects

**Distribution platform:** database

**Launched:** 2009

**URL:** [www.architizer.com](http://www.architizer.com)

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**Product:** #SwiftFanBook, crowdsourced book about Taylor Swift

**Need to know because** multinational Simon & Schuster (S&S) is about to publish a scrapbook-like book created by fans for fans (also known as Swifties) of the American singing star. A competition launched online in December saw Texan Tenay Barker win US$2,500 for coming up with the winning title, Taylor Swift: This Is Our Song. Massachusetts-based Tyler Conroy won the US$10,000 prize to be the book’s honorary author. The fan who submits the best ideas for the book’s design by the start of March will win US$5,000. The book is scheduled for a 24 October 2016 publication.

**Creative function:** crowdsourced book publishing

**Creative target:** Taylor Swift fans

**Company:** Simon & Schuster, based in New York, US

**Key executive(s):** S&S Senior Editor Jofie Ferrari-Adler

**Investors/Owners:** Simon & Schuster (S&S)

**Distribution platform:** print media

**Launched:** October 2016

**URL:** [http://swiftfanbook.com](http://swiftfanbook.com)
**Product:** Founders Factory, European start-ups incubator and accelerator

**Need to know because** UK media publishing conglomerate Guardian Media Group has sealed a deal to become Founders Factory’s exclusive partner to invest in media tech start-ups. It is part of Founders Factory’s ambitions to help 200 media and education start-ups get off the ground between now and 2021, including up to £30,000 (US$43,000) in direct investment for each venture.

**Creative function:** investments

**Creative target:** media tech start-ups

**Company:** Founders Factory, based in London, UK

**Key executive(s):** Founders Factory Chairman/Co-Founder Brent Hoberman

**Investors/Owners:** Guardian Media Group

**Distribution platform:** start-up incubator

**Launched:** 2015

**URL:** [https://foundersfactory.co](https://foundersfactory.co)

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**Product:** HelloGiggles, online lifestyle magazine aimed at professional women

**Need to know because** it has been acquired for a reported US$30m by Time Inc., owner of consumer magazines like People, Entertainment Weekly, TIME magazine, Sports Illustrated and Essence. It was co-founded by actress Zooey Deschanel.

**Creative function:** publishing

**Creative target:** young professional female readers; advertisers

**Company:** Hello Giggles, based in Los Angeles, California, US

**Key executive(s):** Co-Founder/CEO Rivka Sophia Rossi

**Investors/Owners:** Time Inc.

**Distribution platform:** Internet

**Launched:** 2011

**URL:** [www.hellogiggles.com](http://www.hellogiggles.com)
**Product:** IAC, digital media conglomerate  
**Need to know because** it is merging a host of its web-based publications and sites, including the multichannel topics network About.com, with news platform The Daily Beast. The objective, reportedly, is to give advertisers more options for their digital marketing campaigns via a one-stop shop and to boost the combined brands’ value.  
**Creative function:** publishing; advertising  
**Creative target:** advertisers; investors  
**Company:** IAC, based in New York, US  
**Key executive(s):** Chairman/Senior Executive Barry Diller  
**Investors/Owners:** NASDAQ-listed  
**Distribution platform:** Internet  
**Launched:** 1995  
**URL:** [www.iac.com](http://www.iac.com)

**Product:** The News Lens, Taiwanese independent online newspaper  
**Need to know because** the venture, which publishes in both English and Chinese, is about to embark on its international expansion ambitions to market the brand to readers in Hong Kong, Southeast Asia and then mainland China. The move has been encouraged by the 500,000 Chinese-speaking monthly users accessing the product in countries outside Asia.  
**Creative function:** journalism; newspaper publishing  
**Creative target:** international news readers  
**Company:** The News Lens, based in Taipei, Taiwan  
**Key executive(s):** Co-Founder Joey Chung; Chief Content Officer Mario Yang  
**Investors/Owners:** include 500 Startups; North Base Media; individual investors Hari Kumar and Jim Wu  
**Distribution platform:** Internet; iOS and Android apps  
**Launched:** 2013  
**URL:** [www.thenewslens.com](http://www.thenewslens.com)
**Product:** Pottermore, Harry Potter-themed digital books venture  
**Need to know because** the Harry Potter e-books previously distributed exclusively by the Pottermore website will now be available via a greater variety of e-book stores and outlets. The move is said to follow the end of an exclusive partnership with Sony Corp in 2014. Sony had made the digital books accessible via its Sony Reader e-book, which is now discontinued, and created related content linked to its PlayStation games. The termination of the Sony agreement also ends about £24m (US$35m) in annual licensing royalties for Pottermore.  
**Creative function:** e-book publishing  
**Creative target:** Harry Potter fans  
**Company:** Pottermore, based in London, UK  
**Key executive(s):** JK Rowling  
**Investors/Owners:** JK Rowling; The Blair Partnership  
**Distribution platform:** e-reader devices  
**Launched:** 2012  
**URL:** [www.pottermore.com](http://www.pottermore.com)

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**Product:** The Tab, digital student newspaper  
**Need to know because** the UK venture has raised US$3m in seed funding to expand into the US market. What began as Cambridge University’s first online newspaper now has editors and correspondents in 80 North American and UK universities.  
**Creative function:** irreverent satirical news  
**Creative target:** higher education students  
**Company:** The Tab, based in London, UK  
**Key executive(s):** CEO/Co-Founder George Marangos-Gilks; Editor/Co-Founder Jack Rivlin  
**Investors/Owners:** Balderton Capital  
**Distribution platform:** Internet  
**Launched:** 2009  
**URL:** [http://thetab.com](http://thetab.com)
### FASHION

**Product:** Beauty Buzz, beauty trends and data analytics platform  
**Need to know because** it analyzes data generated from the users of the YouCam Makeup app, which helps consumers select the best cosmetic colors for their makeover. The app also identifies colors being worn when users take selfies. With more than 100 million downloads, YouCam Makeup owner Perfect Corp has now launched Beauty Buzz to use the data to rank the top beauty trends.  
**Creative function:** mobile beauty and cosmetics platform; virtual makeup  
**Creative target:** makeup artists; live performers  
**Company:** Perfect Corp, based in Taipei, Taiwan and San Jose, California, US  
**Key executive(s):** Perfect Corp CEO Alice H Chang  
**Investors/Owners:** Perfect Corp  
**Distribution platform:** iOS and Android apps  
**Launched:** 2016  
**URL:** [www.beautycircle.com](http://www.beautycircle.com)

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**Product:** Life Alert, emergency service installed in smart jewelry  
**Need to know because** veteran US fashion entrepreneur Iris Apfel has joined forces with WiseWear, the wearable tech specialist, to launch a series of upscale wearable tech bracelets. In addition to being able to receive emails, calls, texts, and track your fitness via Bluetooth in real time, the smart bracelets will feature Life Alert, the US emergency service, to enable (the usually elderly) users to send for help via one tap. The bracelets will be available via WiseWear’s Socialite collection.  
**Creative function:** wearable tech; healthcare tech; distress messaging  
**Creative target:** jewelry designers  
**Company:** WiseWear, based in San Antonio, Texas, US  
**Key executive(s):** Co-Founder Iris Apfel; WiseWear Founder/CEO Gerald Wilmink  
**Investors/Owners:** WiseWear  
**Distribution platform:** Bluetooth  
**Launched:** 2016  
**URL:** [https://wisewear.com](https://wisewear.com)
**Product:** Original Stitch, custom made shirt designer/manufacturer  
**Need to know because** the venture famous for offering customers 1 billion-plus permutations to design and order their own original shirts has raised US$1.1m from private investors, including Japanese telecoms group NTT DOCOMO. The cash will be used to develop body scanners to ensure even more accurate body measurements.  
**Creative function:** fashion retail; e-commerce  
**Creative target:** fashion-conscious men; clothing retailers  
**Company:** Original Stitch, based in San Francisco, California, US  
**Key executive(s):** Founder Jin Koh  
**Investors/Owners:** NTT DOCOMO; Inspire Ventures; William Lohse  
**Distribution platform:** Internet  
**Launched:** 2015  
**URL:** [https://originalstitch.com](https://originalstitch.com)

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**Product:** My UV Patch, wearable sun protection skin patch and app  
**Need to know because** the first wearable tech product from beauty and cosmetics giant L’Oréal is a disposable tiny and thin “stretchable sensor” that users can wear on their skin to determine when to apply sunscreen. It helps prevent skin cancer by monitoring their absorption of ultraviolet rays. Wearers use their mobile to take a photo of the patch to be analyzed by the app. It will be sold under L’Oréal’s La Roche-Posay brand.  
**Creative function:** wellbeing; sun protection  
**Creative target:** cosmetics vendors  
**Company:** L’Oréal, based in Clichy (Hauts-de-Seine), Paris, France  
**Key executive(s):** Global Vice President of L’Oréal Technology Incubator Guive Balooch  
**Investors/Owners:** L’Oréal  
**Distribution platform:** iOS and Android apps  
**Launched:** 2016  
**URL:** [www.loreal.com](http://www.loreal.com)
Product: Tictail, international e-commerce platform
Need to know because the online market offering emerging and independent fashion, jewelry and interior designers their own selling space has opened its first ever physical bricks-and-mortar store in New York. The move follows a series of pop-up stores it opened in the US and Europe. It currently features more than 100,000 brand owners selling more than 1 million different products.
Creative function: e-commerce; bricks-and-mortar retail
Creative target: fashion designers and vendors
Company: Tictail, based in Stockholm, Sweden and New York, US
Key executive(s): Co-Founder/CEO Carl Waldekranz
Investors/Owners: including Creandum; Project A Ventures; Balderton Capital; Acton Capital Partners; German Startups Group
Distribution platform: Internet
Launched: 2012
URL: https://tictail.com

Product: Vinted, digital secondhand fashion marketplace
Need to know because the venture, which allows anyone to sell, buy and swap quality second-hand clothing, has raised US$27m in a Series C round of funding led by international German media group Hubert Burda Media. Currently established in the US and Europe, the new funds will be used to expand its international reach.
Creative function: fashion e-commerce; social marketplace
Creative target: fashion designers and vendors
Company: Vinted, based in Vilnius, Lithuania
Key executive(s): CEO/Co-Founder Justas Janauskas
Investors/Owners: Hubert Burda Media; Accel; Insight Venture Partners
Distribution platform: Android and iOS apps
Launched: 2008
URL: www.vinted.com
**Product:** Flipagram, storytelling app featuring music and videos

**Need to know because** the platform, designed with artists-fans relationships in mind, has announced that 1,000-plus musical acts became “Flipagram Verified” in 2015. These agreements allow Flipagram’s registered subscribers to include up to 60 seconds of free music from millions of song previews as the soundtrack to their Flipagram personal video stories. Flipagram’s growing popularity with artists comes after the company signed licensing deals with the major and independent music rights owners and organizations.

**Creative function:** video sharing; social music; storytelling content

**Creative target:** music and video rights owners

**Company:** Flipagram, based in Los Angeles, California, US

**Key executive(s):** CEO/Founder Farhad Mohit

**Investors/Owners:** include Kleiner Perkins Caufield & Byers; Index Ventures

**Distribution platform:** iOS, Android and Windows apps

**Launched:** 2013

**URL:** [https://flipagram.com](https://flipagram.com)

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**Product:** Go90, mobile-delivered youth-oriented streaming video service

**Need to know because** after going live as recently as last September, the free Millennials-targeted mobile-distributed video platform has already clinched deals with major content rights owners. They include coverage of the NBA’s professional basketball games, international record label Sony Music Entertainment, YouTube multichannel network (MCN) StyleHaul, and the live transmission of this year’s Super Bowl, American football’s biggest event. The Disney-owned MCN Maker Studios has also agreed to produce original content for Go90.

**Creative function:** mobile video production and distribution

**Creative target:** Millennial audiences; video producers

**Company:** Go90, based in New York, US

**Key executive(s):** Verizon’s Vice President, Content Strategy and Acquisition Terry Denson

**Investors/Owners:** Verizon Communications

**Distribution platform:** iOS and Android apps

**Launched:** 2015

**URL:** [www.go90.com](http://www.go90.com)
Product: Showyou, video aggregation and discovery service
Need to know because the company that competed against YouTube by aggregating the videos from a host of other online video channels has been acquired by Vevo, the world’s biggest online music video multichannel network. Vevo will now integrate Showyou’s technology into its own backend system. Vevo, which relies a great deal on YouTube to make its music videos available globally, hopes this move will help cut down its dependence on the video sharing giant.
Creative function: video sharing; video aggregation
Creative target: video producers and rights owners
Company: Showyou, based in San Francisco, California, US
Key executive(s): Vevo CEO Erik Huggers
Investors/Owners: Vevo
Distribution platform: Internet; mobile apps
Launched: 2011
URL: www.vevo.com

Product: MUBI, curated movie streaming platform
Need to know because the venture, famous for making its rare, premium independent, cult and award-winning international movies available to subscribers for only 30 days at a time, is entering the Chinese market. This follows a US$50m investment from Huanxi Media Group, a film investment venture listed on the Hong Kong Stock Exchange. MUBI is also launching a joint venture called MUBI China, which MUBI will 70% own.
Creative function: streaming movies; independent movie production; online cinema
Creative target: independent movie producers
Company: MUBI, based in London, UK
Key executive(s): CEO/Founder Efe Cakarel
Investors/Owners: include Huanxi Media Group; MMC Ventures; Felicis Ventures
Distribution platform: Internet; smart TVs; iOS and Android apps; games consoles
Launched: 2007
URL: https://mubi.com
Product: Spotify, global streaming music platform
Need to know because: after a series of trials, the streaming music pioneer is officially offering video content, and not only music videos. Subscribers, currently in the US, UK, Sweden and Germany, can receive different entertainment videos from TV networks like the BBC and ESPN. Other content suppliers include youth-oriented Maker Studios and VICE Media. The company is also reportedly in talks to raise another US$500m.
Creative function: online video entertainment; streaming audiovisual content
Creative target: video producers; TV networks; music labels and publishers
Company: Spotify, based in Stockholm, Sweden
Key executive(s): CEO/Founder Daniel Ek
Investors/Owners: include Accel; Creandum; Discovery Capital; Groupe Arnault; Fidelity Ventures; DST Global; TeliaSonera; Li Ka-shing; Kleiner Perkins Caufield & Byers; GSV Capital
Distribution platform: multiplatform
Launched: 2006
URL: www.spotify.com

GAMES

Product: Next Games, Finnish digital games developer
Need to know because: the company famous for the hit mobile game The Walking Dead: No Man’s Land, based on AMC Networks’ global TV blockbuster, has raised US$10m to develop new titles. The Walking Dead app has been a best seller in more than 80 markets.
Creative function: mobile games
Creative target: gamers
Company: Next Games, based in Helsinki, Finland
Key executive(s): CEO Teemu Huhtanen; Head of Marketing Saara Bergström
Investors/Owners: IDG Ventures; Jari Ovaskainen; Lionsgate; AMC Networks; Lowercase; IDG Capital
Distribution platform: iOS app; Android app
Launched: 2013
URL: www.nextgames.com
**Product:** Softkinetic Systems, next-generation 3D Vision tech developer

**Need to know because** it is now a subsidiary of Japanese media, entertainment and electronic goods conglomerate Sony, which is keen to own Softkinetic’s much lauded “time-of-flight” image sensor technology. Its goal is to develop next-generation content with realistic 3D images and gesture-recognition software on the screens for gaming consoles, computers and mobile devices.

**Creative function:** 3D imagery

**Creative target:** creators of games and other on-screen content

**Company:** Softkinetic Systems, based in Brussels, Belgium

**Key executive(s):** CEO Michel Tombroff; President André Miodezky

**Investors/Owners:** Sony Corporation

**Distribution platform:** multiplatform

**Launched:** 2007

**URL:** [www.softkinetic.com](http://www.softkinetic.com)

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**Product:** Utomik, unlimited streaming games platform

**Need to know because** the start-up is scheduled to move from a closed beta status to an open beta one having recently boosted its catalog by licensing 200 new games from Plug In Digital, the Paris-based online games distributor. Utomik’s unique selling point is the use of cloud tech to allow its monthly subscribers to start playing games before they are fully downloaded.

**Creative function:** online games; multiplatform digital games

**Creative target:** gamers

**Company:** Utomik, based in Palo Alto, California, US

**Key executive(s):** Co-Founder/CEO Doki Topps

**Investors/Owners:** Private investors in Switzerland and The Netherlands

**Distribution platform:** cloud technology

**Launched:** 2014

**URL:** [http://utomik.com](http://utomik.com)
**Product:** World Golf Tour (WGT), online golf gaming website  
**Need to know because** it has been acquired by Topgolf Entertainment Group, operator of the US/UK golf-themed out-of-home (OOH) family entertainment centers with ambitions for further international growth. Experts observe the purchase will introduce Topgolf’s 8 million annual visitors to WGT, while also expanding the reach of WGT, a free online game with more than 14 million multiplatform players worldwide. WGT will now be part of Topgolf’s new Topgolf Media division.  
**Creative function:** online games; digital games  
**Creative target:** online games developers; OOH operators  
**Company:** WGT Media, based in San Francisco, California, US  
**Key executive(s):** WGT Co-Founder/CEO YuChiang Cheng; Topgolf Chief Creative Director Chad Nelson  
**Investors/Owners:** Topgolf Entertainment Group  
**Distribution platform:** Internet; mobile apps  
**Launched:** 2007  
**URL:** [www.wgt.com](http://www.wgt.com)

**Product:** Galactica, Virtual Reality theme park rollercoaster  
**Need to know because** it is said to be the first of its kind in the theme park industry. Galactica launches this April at UK theme park Alton Towers Resort. The ride promises to get its passengers as close as possible to outer space to commemorate the maiden voyage of British astronaut Tim Peake last December. Combining artificial intelligence tech and VR headsets worn by the coaster’s passengers, people can re-enact the experiences of real life astronauts. The rollercoaster itself is 840 meters long and travels at 75km an hour at a maximum G-Force of 3.5Gs.  
**Creative function:** out-of-home entertainment  
**Creative target:** aspiring astronauts; theme park operators  
**Company:** Merlin Entertainments, based in Poole, Dorset, UK  
**Key executive(s):** Alton Towers Resort Marketing Director Gill Riley  
**Investors/Owners:** Merlin Entertainments  
**Distribution platform:** rollercoaster; Virtual Reality tech  
**Launched:** 2016  
**URL:** [www.galacticatours.com](http://www.galacticatours.com)
Product: PlayPass, cashless ticketing service provider
Need to know because: Eastern Electrics, the popular independent UK electronic music festival, has become the first UK-based 100% cashless live music event using PlayPass’ RFID (radio frequency identification) technology. The first wholly cash-free Eastern Electrics takes place on 6 August. Spectators’ wristbands not only act as ID badges, but can also be topped up with cash using their credit cards. Any unused credit will be refunded using the same wireless infrastructure.
Creative function: live music ticketing; ticket sales
Creative target: music festivals; live concerts
Company: PlayPass, based in Antwerp, Belgium
Key executive(s): PlayPass CEO/Partner David De Wever; PlayPass UK Business Development Director Steve Jenner
Investors/Owners: business angels
Distribution platform: Internet; RFID
Launched: 2012
URL: www.playpass.be

Product: MyMusicTaste, Korean crowdsourced concert promotion platform
Need to know because: it has raised US$10m in a Series A round of funding to expand outside Asia. The round was led by SoftBank Ventures Korea. The website helps artists, their record labels and management to determine when to go on tour abroad, based on actual demand by fans. It also prevents concert cancellations due to not knowing whether there is an actual demand for an artist’s concerts.
Creative function: concert promotion and marketing
Creative target: concert promoters; record labels
Company: MyMusicTaste, based in Seoul, South Korea
Key executive(s): CEO Ethan Jaeseok Lee
Investors/Owners: include SoftBank Ventures Korea; Samsung Venture Investment; DT Capital Partners; Bokwang Ventures Investment; Golden Gate Ventures
Distribution platform: Internet
Launched: 2013
URL: www.mymusictaste.com
**Product:** Songkick, music gigs discovery and ticketing service  
**Need to know because** it is suing Live Nation Entertainment, the concert promotion behemoth that owns online ticketing giant Ticketmaster, for allegedly abusing its dominant position in the live music sector. Songkick is designed to enable artists to sell their concert tickets directly to fans, making it popular with many music creators. But it accuses Live Nation of violating the US’ anti-trust legislation by discouraging artists from making their tickets available via Songkick. The case has been filed at the US District Court in Los Angeles. Songkick raised US$16m in a Series C round last summer to merge with CrowdSurge, a white label artist-to-fan ticket vendor. It raised another US$10m in December.  
**Creative function:** live music; ticket sales  
**Creative target:** artists; music venues  
**Company:** Songkick, based in Brooklyn, New York, US  
**Key executive(s):** CEO Matt Jones; Chairman Ian Hogarth  
**Investors/Owners:** Access Industries; Index; Sequoia Capital; Index Ventures  
**Distribution platform:** Internet; mobile apps  
**Launched:** 2007  
**URL:** [www.songkick.com](http://www.songkick.com)

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**Product:** TicketBreak, digital ticketing service  
**Need to know because** it has been purchased by US rival Ticketfly, now a subsidiary of the US’ leading Internet radio operator Pandora Media (see this issue’s News Analysis), for an undisclosed sum. It was bought from Canadian independent music company MapleCore. Ticketfly now has TicketBreak’s business partnerships with 48 venue owners and live music promoters. The move hikes Ticketfly’s North American business while introducing TicketBreak partners and clients to Pandora’s extensive music tech assets.  
**Creative function:** concert ticketing; live entertainment ticketing  
**Creative target:** venue operators; ticketing vendors  
**Company:** TicketBreak, based in Toronto, Canada  
**Key executive(s):** Ticketfly CEO/Co-Founder Andrew Dreskin  
**Investors/Owners:** Ticketfly  
**Distribution platform:** Internet; mobile apps  
**Launched:** 2013  
**URL:** [www.ticketbreak.com](http://www.ticketbreak.com)
MUSIC

**Product:** Aurous, peer-to-peer file sharing music platform
**Need to know because** it has been shut down after failing to learn the lessons of predecessors like Kazaa and the original Napster: record labels and rights owners (in this case, via the US-based Recording Industry Association of America) do not like technologies that allow people to access and share their valuable catalogs of recorded music for free. They sued and Aurous is out for the count. It also agreed to a US$3m settlement.

**Creative function:** peer-to-peer file sharing

**Creative target:** music fans

**Company:** Aurous, based in Florida, Miami, US

**Key executive(s):** Founder Andrew Sampson

**Investors/Owners:** Unknown

**Distribution platform:** Internet; app

**Launched:** 2015

**URL:** [www.aurous.me](http://www.aurous.me)

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**Product:** 7digital, streaming music service provider

**Need to know because** 7digital, whose technology powers several of the world’s streaming music services, has taken over Snowite, its financially struggling counterpart in France, for an undisclosed sum. Snowite, which is currently subject to French insolvency procedures, will be integrated into 7digital, which includes UK public broadcaster BBC, US online radio network SiriumXM Radio and Samsung among its clients. Snowite brings with it French retail group FNAC and Vivendi, owner of recording giant Universal Music Group.

**Creative function:** business-to-business streaming music

**Creative target:** record labels; music publishers; music vendors; rights owners

**Company:** 7digital, based in London, UK

**Key executive(s):** 7digital CEO Simon Cole; Snowite CEO Laurent Bouquet des Chaux

**Investors/Owners:** 7digital (once acquisition is completed)

**Distribution platform:** Internet and mobile apps

**Launched:** 2004

**URL:** [www.7digital.com](http://www.7digital.com)
**Product:** Guvera, Australian streaming music service  
**Need to know because** it has raised AU$100m (US$70.7m) just as it reached a milestone of more than 15 million registered users globally. The cash is reportedly being used to expand its fast-growing business in India and prepare the company to file for an IPO to list on the stock exchange.  
**Creative function:** streaming music  
**Creative target:** record labels; music publishers; rights owners  
**Company:** Guvera, based in Gold Coast, Queensland, Australia  
**Key executive(s):** Founder/Director of Innovation Claes Loberg  
**Investors/Owners:** AMMA Private Equity  
**Distribution platform:** Internet; iOS, Android, Windows and Amazon mobile apps  
**Launched:** 2010  
**URL:** [www.guvera.com](http://www.guvera.com)

**Product:** Fact Tracks, playlist of annotated lyrics  
**Need to know because** it is the result of a partnership between Genius, famous for its massive database of crowdsourced lyrics and being backed by rapper Eminem, and streaming music giant Spotify. It aims to get Spotify listeners to interact with the lyrics of a recorded song as well as the music. The tech has been integrated into Spotify’s Behind the Lyrics section. It offers excerpts from the songs’ words, social chat among the Genius community, debates about the meaning of the lyrics, and contributions from the songwriters.  
**Creative function:** social chat; lyrics publishing  
**Creative target:** songwriters; lyric writers; rights owners  
**Company:** Genius Media Group, based in New York, US  
**Key executive(s):** CEO Tom Lehman  
**Investors/Owners:** include Andreessen Horowitz; Dan Gilbert; Marshall Mathers (Eminem)  
**Distribution platform:** iOS app  
**Launched:** 2016  
**URL:** [http://genius.com](http://genius.com)
**DISRUPTION DIRECTORY**

Outline of the latest in global groundbreaking technologies

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**Product:** Hatsune Miku, Japanese-made virtual pop star  
**Need to know because** the invention of music tech company Crypton Future Media is back with plans to tour North American cities from April to June. Hatsune Miku is a 3D holographic animation of a teenage girl with long tresses that performs songs “live” on stage using Yamaha’s singing voice synthesizer Vocaloid. Her repertoire of songs is crowdsourced from fans and songwriters. Already a mega star in Japan, this is her second attempt to raise her profile in the US. She was one of the opening acts for Lady Gaga during her Artpop Ball tour last year.  
**Creative function:** artificial intelligence; digital live performance  
**Creative target:** music creators; venue owners  
**Company:** Crypton Future Media, based in Sapporo, Japan  
**Key executive(s):** CEO Hiroyuki Itoh  
**Investors/Owners:** Crypton Future Media  
**Distribution platform:** 3D holographic image  
**Launched:** 2007  
**URL:** [www.crypton.co.jp/miku_eng](http://www.crypton.co.jp/miku_eng)

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**Product:** iHeartRadio, US Internet radio network  
**Need to know because** at a time when rival Pandora ([see News Analysis page](#)) is getting all the attention for the radical restructuring and expansion of its business, iHeartRadio announced it has reached a milestone 80 million registered subscribers in January, from 70 million in June last year.  
**Creative function:** online radio; digital music distribution  
**Creative target:** artists; record labels; music publishers  
**Company:** iHeartMedia Inc., based in New York, US  
**Key executive(s):** iHeartMedia CEO/chairman Bob Pittman  
**Investors/Owners:** iHeartMedia Inc.  
**Distribution platform:** Internet  
**Launched:** 2008  
**URL:** [www.iheart.com](http://www.iheart.com)

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**Product:** Instrumental, YouTube social music multichannel network

**Need to know because** it received a massive endorsement in December 2015 when Warner Music Group, one of the only three major record labels, agreed to invest in it. The investment enables Instrumental to move on from its previous incarnation as Popshack. WMG also hopes to benefit from Instrumental’s expertise in discovering, developing, managing and marketing next-generation music acts, whose career is centered on YouTube and social media networks.

**Creative function:** artist development; social music media; A&R

**Creative target:** music acts; record labels; music publishers

**Company:** Instrumental, based in London, UK

**Key executive(s):** CEO Conrad Withey

**Investors/Owners:** includes Warner Music Group; Blenheim Chalcot; Bill Roedy

**Distribution platform:** YouTube channels; dedicated website

**Launched:** 2015 (as Instrumental)

**URL:** [www.weareinstrumental.com](http://www.weareinstrumental.com)

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**Product:** Jukedeck, online developer of royalty-free music

**Need to know because** Jukedeck, the multi-award-winning start-up that demonstrates its artificial intelligence (AI) technology by singing a rap version of their mission at tech-pitching contests, has sealed a £2m (US$2.9m) loan to extend its business. Jukedeck’s AI tech allows video producers to create their own royalty-free soundtracks at the touch of a button.

**Creative function:** video production; soundtrack composition

**Creative target:** video producers; music composers

**Company:** Jukedeck, based in London, UK

**Key executive(s):** Co-Founder/CEO Ed Rex; Co-Founder/COO Patrick Stobbs

**Investors/Owners:** Cambridge Innovation Capital; Parkwalk Advisors; Playfair Capital

**Distribution platform:** Internet; artificial intelligence

**Launched:** 2014

**URL:** [www.jukedeck.com](http://www.jukedeck.com)
Product: MelOn, South Korean streaming music service
Need to know because it is worth US$1.6bn, at least according to messaging app owner Kakao Corp, which bought MelOn and its owner Loen Entertainment for that amount. The deal gives Kakao a 76.4% stake in the venture, which has 28 million users. The move is said to be part of Kakao’s strategy to add alternative revenue sources to the income from its KakaoTalk app. And industry observers have also noted it gives Kakao a head start in the domestic streaming business before major global players like Spotify enter the market.
Creative function: music streaming
Creative target: record labels; music publishers; rights owners
Company: Leon Entertainment, based in Seoul, South Korea
Key executive(s): Loen Entertainment CEO Shin Won-soo
Investors/Owners: Kakao Corp
Distribution platform: Internet; mobile apps
Launched: 2004
URL: www.melon.com

Product: Music Stories, Facebook music discovery app
Need to know because social media goliath Facebook launched Music Stories app late last year to permit subscribers to improve the ways they can use their Facebook pages to discover and share music on streaming platforms, such as Spotify, Apple Music, Deer, Rhapsody and KKBox. To sample the tracks, Music Stories enables users to do so without leaving Facebook as long as they are subscribers to the music services.
Creative function: streaming music
Creative target: artists; record labels; music publishers
Company: Facebook, based in Menlo Park, California, US
Key executive(s): Consumer Product Guy Michael Cerda
Investors/Owners: Facebook
Distribution platform: Internet
Launched: 2015
URL: http://media.fb.com
Product: SoundCloud, online music and audio sharing platform  
Need to know because it has been snapped up by Spotify, the world’s biggest music streaming platform, for an undisclosed sum. The move comes as Spotify seeks new ways to engage its more than 75 million registered users as competition from rivals like Apple Music and Pandora intensifies. Previous investors had included Enterprise Ireland, Spark Labs Global, ACT Venture Capital and Radical Investments. Spotify also bought New York-based audio messaging app developer Cord Project at the same time.
Creative function: content monetization  
Creative target: record labels; music publishers; rights owners  
Company: SoundCloud, based in Berlin, Germany  
Key executive(s): Co-Founder/CEO Alexander Ljung; Co-Founder Eric Wahlforss  
Investors/Owners: The Chernin Group; Index Ventures; Union Square Ventures; Kleiner Perkins Caufield & Byers; Index Ventures; German Startups Group  
Distribution platform: Internet; iOS, Android and Amazon apps  
Launched: 2007  
URL: www.soundcloud.com

Product: Soundwave, music social networking and discovery app  
Need to know because it has been snapped up by Spotify, the world’s biggest music streaming platform, for an undisclosed sum. The move comes as Spotify seeks new ways to engage its more than 75 million registered users as competition from rivals like Apple Music and Pandora intensifies. Previous investors had included Enterprise Ireland, Spark Labs Global, ACT Venture Capital and Radical Investments. Spotify also bought New York-based audio messaging app developer Cord Project at the same time.
Creative function: social network; music discovery  
Creative target: music rights owners; music fans  
Company: Soundwave, based in Dublin, Ireland  
Key executive(s): Soundwave CEO Brendan O’Driscoll  
Investors/Owners: Spotify  
Distribution platform: iOS and Android apps  
Launched: 2013  
URL: www.spotify.com
**Product:** Tunemoji, first ever emoji music store on Facebook  
**Need to know because** a group of angel investors have agreed to inject US$1.2m into the project by Emoticast, the UK emoji-themed apps developer, thanks to its ability to enable Millennials to use emojis (digital stickers) accompanied by legally licensed music when sending messages to friends.  
**Creative function:** social media; social music messaging  
**Creative target:** social media platforms; music rights owners  
**Company:** Emoticast, based in London, UK  
**Key executive(s):** Co-Founder/CEO James Fabricant; Co-Founder/CCO Bobby Simms; Head of Cute Mr Cat  
**Investors/Owners:** Business angels Scott Cohen; Jason Epstein; Alan Cannistraro; Jorg Mohaupt  
**Distribution platform:** iOS and Android apps  
**Launched:** 2015  
**URL:** [http://emoticast.com](http://emoticast.com)

**PHOTOGRAPHY/ART**

**Product:** MiMedia, cloud-based personalized photo storage service  
**Need to know because** the service designed for consumers to store large amounts of their personal photographs (as well as other content files like music and videos) has nabbed US$15m in a Series C round of funding. It appears to be positioned as a more family-friendly version of rivals like Dropbox.  
**Creative function:** content storage and distribution  
**Creative target:** photography rights owners; consumers  
**Company:** MiMedia, based in New York, US  
**Key executive(s):** CEO/Founder Chris Giordano  
**Investors/Owners:** include Micromax Informatics; R&R Venture Partners; Whitebarn Associates; Thorney Investment Group  
**Distribution platform:** cloud technology  
**Launched:** 2009  
**URL:** [www.mimedia.com](http://www.mimedia.com)
Product: Cola, time-saving messaging app
Need to know because it has raised US$1.3m from business angels to develop its product.
Cola’s app aims to help messaging users make informed decisions, organizing an appointment, for example, more efficiently. They can create a “bubble” that allows people to share details within the same conversation simultaneously, instead of having to repeat the text to each of the conversation’s participants individually. Its open API means other app owners can install their own version of Cola.
Creative function: social messaging; text communications
Creative target: messaging and text app services
Company: Cola, based in San Francisco, California, US
Key executive(s): CEO/Co-Founder David Temkin
Investors/Owners: include Naval Ravikant, Brad Garlinghouse and other business angels
Distribution platform: Android platforms
Launched: 2015
URL: http://cola.io

Product: Facebook Messenger, instant messaging app
Need to know because not only is owner Facebook paying as much attention to this platform as its hugely popular WhatsApp and Instagram services, but it has also signed a pact with Uber (the tech phenomenon that has truly disrupted the global taxi business). This means users can book Uber rides directly via Messenger. Messenger, which unlike WhatsApp is intricately linked to Facebook’s bigger platform, currently has more than 700 million subscribers.
Creative function: communications; messaging
Creative target: Facebook’s more than 1 billion subscribers
Company: Facebook, based in Menlo Park, California, US
Key executive(s): Facebook’s Vice President of Messaging Products David Marcus
Investors/Owners: Facebook
Distribution platform: iOS, Android, Windows app
Launched: 2011
URL: www.messenger.com
**Product:** Gmail, Google’s global email service  
**Need to know because** it has hit the milestone of having 1 billion monthly active users, compared to 452 million in 2012. And an estimated 75% access their emails via their smartphones and tablets.  
**Creative function:** online media; digital communications  
**Creative target:** consumers; professionals; advertisers  
**Company:** Google, based in Mountain View, California, US  
**Key executive(s):** Google CEO Sundar Pichai  
**Investors/Owners:** Alphabet Inc.  
**Distribution platform:** Internet; mobile networks  
**Launched:** 2004  
**URL:** [https://mail.google.com](https://mail.google.com)

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**Product:** Peach, social messaging app  
**Need to know because** invented by Dom Hofmann, the co-founder of Twitter’s short videos sharing platform Vine, Peach is described as a private personal version of open platforms like Facebook, Tumblr and Twitter. Like Twitter, it avoids long messages and is limited to tiny micro posts of users’ updates. Despite its immediate popularity, industry response has been to ask whether Peach can survive today’s overcrowded social media sector. But it is said to be one of the most keyboard-friendly social apps thanks to its shortcut commands.  
**Creative function:** social media networking; social messaging  
**Creative target:** social media users  
**Company:** Peach, based in New York, US  
**Key executive(s):** Founder Dom Hofmann  
**Investors/Owners:** Dom Hofmann  
**Distribution platform:** iOS app  
**Launched:** 2016  
**URL:** [http://peach.cool](http://peach.cool)
DISRUPTION DIRECTORY

Outline of the latest in global groundbreaking technologies

Product: Twitter, micro-blogging social media network
Need to know because it has emerged that its subsidiary Twitter Ventures has completed its first ever investment in a hardware product, Muzik, the Internet connected headphones. In addition to controlling the volume and sharing what you’re listening to on social media by swiping and tapping the cups, the Bluetooth wireless connection gives you automatic access to Twitter on your smartphone. Twitter Ventures is among the several investors that have so far poured US$18m into Muzik.
Creative function: music entertainment; audio entertainment
Creative target: music software developers
Company: Twitter, based in San Francisco, California, US
Key executive(s): Twitter CEO Jack Dorsey
Investors/Owners: New York Stock Exchange
Distribution platform: Internet; social media; Bluetooth
Launched: 2006
URL: www.twitter.com

Product: WhatsApp, Facebook’s mobile messaging app
Need to know because it has made a major breakthrough by registering more than 1 billion monthly active users, the goal it had hoped to reach before Facebook begins developing viable monetization models for the platform.
Creative function: mobile multimedia messaging
Creative target: consumers; advertisers
Company: WhatsApp, based in Mountain View, California, US
Key executive(s): CEO Jan Koum
Investors/Owners: Facebook
Distribution platform: Android, Windows, iOS, Symbian mobile apps and networks
Launched: 2009
URL: www.whatsapp.com
TELEVISION

Product: Afrostream, African-themed TV streaming service
Need to know because Orange, France’s biggest telecoms operator, has invested in the venture via its start-up funding unit Orange Digital Ventures. The subscription-funded Afrostream offers unlimited access to TV and movies aimed at African, African-American and African-Caribbean viewers. The new funds will be used for international expansion. It is targeting the potential 1.2 billion people of African descent.

Creative function: streaming TV; online TV distribution
Company: Afrostream, based in Paris, France
Key executive(s): Afrostream Co-Founder/CEO Tonjé Bakang
Investors/Owners: include Orange Digital Ventures
Distribution platform: Internet; iOS and Android apps
Launched: 2014
URL: https://afrostream.tv

Product: Apple TV, iPhone maker’s Internet-distributed TV platform
Need to know because it has tweaked its backend systems to enable developers of apps for Apple TV’s operating system to track their performance in the same Apple ecosystem, instead of using third-party data analytics services like Flurry.

Creative function: data analytics
Creative target: TV app developers
Company: Apple Inc., based in Cupertino, California, US
Key executive(s): CEO Tim Cook
Investors/Owners: Apple
Distribution platform: Apple TV
Launched: 2010
URL: www.apple.com
Product: DisneyLife, Disney-dedicated content app
Need to know because the media and entertainment behemoth is offering its intellectual properties directly to fans with this new subscription-funded app. The app enables families to access Disney movies, TV shows, music, e-books and audiobooks via a dedicated website, iOS and Android handsets, Apple TV, Android-powered TV plus mobile-to-TV media players like Google’s Chromecast. It is currently available in the UK, with plans to roll out to other European countries later. But a deal sealed with Chinese e-commerce conglomerate Alibaba Group Holding in December brings DisneyLife to Asia, too.
Creative function: streaming TV
Creative target: TV and movie content owners
Company: The Walt Disney Company, based in Burbank, California, US
Key executive(s): Managing Director of The Walt Disney Company, Greater China, Luke Kang
Investors/Owners: The Walt Disney Company
Distribution platform: Internet app
Launched: 2015
URL: http://disneylife.com

Product: Molotov, French multiplatform streaming TV service provider
Need to know because the start-up has begun expanding its reach to consumer services by clinching deals with electronic goods giants Samsung Electronics and LG Corporation, whose smart TV products will be shipped with a pre-installed Molotov app. Samsung is also expected to integrate the app into its tablets, smartphones and even smart watches. Molotov has agreements with several French TV networks to have their channels distributed via its app.
Creative function: streaming TV; video distribution app
Creative target: vendors of connected devices; TV networks; online video channels
Company: Molotov, based in Paris, France
Key executive(s): Co-Founders Pierre Lescure, Kevin Kuipers, Jean-David Blanc; Vice President, Operation and Partnerships Jean-Marc Denoual; CTO Colin Gruia
Investors/Owners: include Idinvest Partners
Distribution platform: digital app
Launched: 2015
URL: www.molotov.tv
Product: Whaley Technology, Internet TV start-up
Need to know because two Chinese media and tech giants, Alibaba Group Holding and Tencent Holdings, have joined forces to invest in this venture, which was co-founded by Li Ruigang, chairman of the state-owned China Media Capital. The first Whaley Technology Internet-connected TV sets will be sold via Tmall, Alibaba’s online shopping mall. The screen sizes range from 55 inches to 43 inches.
Creative function: smart TV manufacturing and distribution
Creative target: digital TV content producers and distributors
Company: Whaley Technology, based in Shanghai, China
Key executive(s): Co-Founders Li Ruigang and Li Huaiyu
Investors/Owners: Alibaba Group Holding; Tencent Holdings
Distribution platform: Internet TV
Launched: 2015
URL: www.whaley.cn

Product: Youku Tudou, Chinese online video sharing platform
Need to know because it has been acquired by China’s Alibaba Group Holding, the world’s leading e-commerce conglomerate, a move that has reportedly given New York Stock Exchange-listed Youku Tudou a valuation of more than US$4bn. Youku Tudou will go private after the transaction is completed. Alibaba, which had a 20% stake before the takeover, hopes to introduce Youku Tudou’s multiscreen entertainment services to its even larger global customer base.
Creative function: online TV; online video distribution
Creative target: video content producers; online video channels
Company: Youku Tudou, based in Beijing, China
Key executive(s): Youku Tudou Inc. Chairman/CEO Victor Koo
Investors/Owners: Alibaba Group Holding
Distribution platform: Internet; mobile apps
Launched: 2012 (following merger of Youku and Tudou)
URL: http://ir.youku.com
The quality quarterly newsletter that keeps track of technology breaking the boundaries surrounding traditional media and content platforms, and the technologists making a difference. Our **News Analysis** covers tech activities in the international media, entertainment and creative businesses. Our **Disruption Directory** lists technology products that have been announced or developed for specific creative sectors. Our **Numbers That Count** page features statistics illustrating technology’s influence on media and entertainment’s evolution. Our **Start-ups' Standpoint** section gives emerging technology service providers a platform to state the differences they hope to make and the challenge of fulfilling those ambitions.

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**TechMutiny readers:**
Media, entertainment and tech decision makers seeking a snapshot of the new developments catapulting the creative businesses further into the 21st century.

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