

AUGUST 4, 2015

INTERACTIVE ADVERTISING WITH



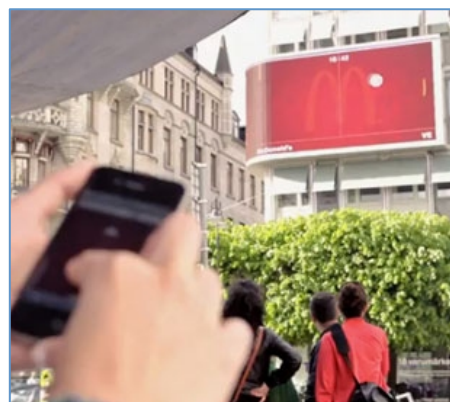
We recently met with Yonatan Zur, a cofounder of Israeli start-up Screemo. The company has built a platform that allows brands to easily create interactive mobile-to-screen experiences that improve customer engagement. Zur was in Hong Kong for the inaugural RISE conference taking place July 31–August 1, and he spent some time with us to tell us about Screemo's technology and solutions.

COMPANY BACKGROUND

Screemo was founded in 2012 in Tel Aviv, and has grown to 14 employees. The startup has participated in Microsoft's Accelerator for Windows Azure and the hub:raum incubator, which is run by Deutsche Telekom. The company's technology is pending a patent and the team is continuously building its IP portfolio in the mobile-to-screen niche.

WHAT IS A MOBILE-TO-SCREEN EXPERIENCE?

A mobile-to-screen experience simply means that a customer can use a smartphone to control content displayed on a remote digital screen. A famous example is the McDonald's pong game launched in 2011 in Sweden. The experience allowed passers-by to play a game of pong on a large outdoor billboard using their smartphone as a controller. The game got progressively harder, and players who were able to remain in the game for over 30 seconds received a McDonald's coupon. The interactive game proved to be a widely successful advertising tool and McDonald's registered a coupon redemption rate of over 30%.



Until recently, developing similar experiences was relatively costly in terms of time and capital for companies, because they needed to engage in design and software development. Screemo has changed this by building the first platform that provides a standardized way of creating interactive mobile-to-screen experiences. The company's



businesses model is similar to that of WiX and Squarespace, which eliminated the need for companies to hire web developers by offering standardized website-building tools online.

By offering the first platform of its kind, Screemo has the potential to scale fast. Below, we take a closer look at how the solution works for brands and what the market looks like for the start-up.

HOW IT WORKS

Brands can leverage the Screemo platform to create interactive experiences that engage customers on any kind of digital screen, such as a shopping display outside a store or an advertising billboard. Once the experience is live, customers scan a QR code or open a link on their mobile browser to enter the application. Then, they can participate in whatever competition, game or poll the brand has set up. Screemo's technology syncs the user experience on the smartphone with that on the screen in real time.

According to Screemo, a company can create an interactive experience by dragging and dropping images or videos onto the platform. The solution then prompts the vendor to choose from a variety of ways for customers to engage with the experience. For example, a vendor can control the percentage of players who win coupons by playing an interactive game. Once the experience is live, the platform turns into a rich source of data on customer engagement, as customers typically sign in for the experience using their social media accounts.

THE MARKET

Screemo estimates its total addressable market is worth \$15.5 billion and segments its user universe into the following categories:

- Creative agencies
- Brands
- Original equipment manufacturers (OEMs)
- Individual users

The team has identified a large opportunity in the advertising space, where creative agencies can leverage the Screemo platform to create interactive advertising campaigns for their clients. Individual brands, as discussed above, are another big customer segment, but they need to be able to design compelling experiences without the help of an agency. Screemo has also started working with OEMs, which are looking to integrate interactive experiences in products such as smart vending machines. Lastly, the platform is suitable for freelance design professionals who can offer interactive experience services to clients.

Screemo is already working with clients from its core user segments. Companies that have partnered with the start-up include KPMG, Deutsche Telekom, Samsung, SAP, Klondike and Ping An. Screemo also worked with Israeli basketball team Maccabi Tel Aviv to run an interactive trivia game for fans during a live basketball game. In that case, the fans were



able to sync their smartphones with the scoreboard at the arena and then answer questions displayed on the screen.

WHAT WE THINK

We really like Screemo. We think the company occupies a unique position as the first mover in an expanding market. We believe that brands and retailers will continue to look for ways to improve customer engagement using digital tools such as augmented reality and gamification, and Screemo's solution is right up that alley. The company offers an easy-to-use, standardized solution that can easily scale across customer segments and industries. We believe the startup has a bright future, and we'll follow its progress closely.

Deborah Weinswig, CPA

Executive Director—Head of Global Retail & Technology
Fung Business Intelligence Centre
New York: 917.655.6790
Hong Kong: +852 6119 1779
deborahweinswig@fung1937.com

Filippo Battaini

filippobattaini@fung1937.com

Sunny Chan, CFA

sunnychan@fung1937.com

Marie Driscoll, CFA

mariedriscoll@fung1937.com

John Harmon, CFA

johnharmon@fung1937.com

Aragorn Ho

aragornho@fung1937.com

John Mercer

johnmercer@fung1937.com

Kiril Popov

kirilpopov@fung1937.com

Jing Wang

jingwang@fung1937.com

Steven Winnick

stevenwinnick@fung1937.com
