

Interview

Delivering an Experience

**An Interview with Morgan Guenther,
Chairman and Chief Executive Officer, AirPlay Network, Inc.**



Morgan Guenther

EDITORS' NOTE Prior to joining AirPlay in 2005, Morgan Guenther had been President of TiVo for two years after also having served as a Vice President and Senior Vice President. Guenther holds a BA and a JD from the University of Colorado and an MBA from the University of San Francisco, and serves on the board of directors of Integral Development, Avenu, and Tier Technologies.

COMPANY BRIEF Founded in 2005, mass-market entertainment company AirPlay Network, Inc. (www.airplay.com), joins 200 million mobile devices with 110 million U.S. television households to enable consumers to actively participate in their favorite programming through real-time competition and community. For its wireless, Web, and television industry partners, AirPlay offers a proprietary platform and service infrastructure that enables incremental revenue streams without partner capital investment. Led by a team of experienced technology executives, AirPlay is backed by QUALCOMM, Motorola, Sprint, JK&B Capital, ONSET Ventures, and Redpoint Ventures.

Exactly what does AirPlay technology do?

We create multiplayer game communities around your favorite sports and entertainment television. We deliver that experience – that competition – over cell phones, the Internet, and ultimately any connected device. Our mantra is, if you're connected, you can play along live.

And the beauty of our business is the real-time layer – the results of your game play are determined live, in real time, by what's happening on the field or in the program at that moment. You get instant gratification and an immediate understanding of how you're doing against your friends, family, celebrity contestants, or the national TV audience. And you can win prizes.

What is your outlook for AirPlay's business development? What are the next steps?

The premise behind AirPlay was to marry the ubiquitous wireless device – the next great consumer platform – with television and its unsurpassed ability to aggregate audience and passion in the living room. So the idea was really a convergence play where we create connected mobile communities and competitions around live television. TV is a \$60 billion industry, and our business is about changing how the consumer interacts with television. AirPlay is a classic start-up, and we first built and tested the technology, then partnered with top players in the industry, including the NFL, the NBA, Sprint, AT&T, Verizon, and most recently, Endemol. The product is compelling and our results show that we're on to something here. At this stage, it's about transitioning the company from an R&D focus to a marketing focus, and that requires money, a great team, and partners. Game changing technologies like AirPlay's take time to develop, and you need partnerships to drive them – but that's what we're good at creating.

Have prospective investors appreciated the AirPlay concept thus far?

In our world, the first round of financing is about concepts and uncapped opportunities. Many companies could build better, faster, and cheaper solutions from existing technologies, but this is about creating new demand – creating a new consumer experience across several massive industries. Our original investors – Redpoint and QUALCOMM – both understood that and invested early on. We're now in our third round of capital raising, and we're further defining the marketing and product road map and the revenue model, and are developing the critical new partnerships required to drive the business.

In which market segments will you look to establish future partnerships?

Our business crosses several market verticals and multiple areas within the television industry itself. We touch the television, advertising, wireless gaming, and interactive media

industries, and we have an opportunity to significantly impact them all. Television is a very complicated business: You have writers, programmers, content owners, distributors, networks, advertisers, and more. We need network partners to help us to drive the proposition to the consumer. We need content partners, like the NFL and Endemol, to help us build and create the experience itself, and we need corporate and agency partners to help us deliver a compelling advertising proposition that ties watching live TV and commercials into an interactive experience. We'll also continue to develop partnerships on the wireless and gaming sides of the business.

Once consumers download the game to their mobile phone or register online at AirPlay.com, we keep it simple. We want our games to enhance the TV-watching experience, not supersede it. What are you doing when you watch *American Idol* or the Super Bowl or *Deal or No Deal*? You're rooting for someone. Our games are designed to be aligned with that experience and the way we consume television.

Is the AirPlay product targeted toward younger consumers?

Early adopters in the wireless area tend to be younger. But our market is television, and each show – whether it's *The Simpsons*, *Deal or No Deal*, *Survivor*, or NFL football – has its own demographic. Our product enhances television programming, and as such, we think our product appeals to everyone.

Will AirPlay go global?

We started with a focus on the United States, but you'll see us in the international markets either late this year or sometime next year. International markets are complex; there are different demographics and viewing habits, as well as language localization, to consider. But our model will be the same.

For the next few years, what are your key priorities in building the brand?

Number one is financing. This is a big idea and a big business – it requires significant capital. We've raised around \$20 to \$25 million to date and established the consumer proposition. Now, we need to continue building on that momentum. Then it's really all about execution, including our ability to deliver on our product road map and expand our critical partnerships. Throughout it all, though, we have to maintain an unrelenting focus on the consumer. If you're able to do that with a product like this, you'll be fine. ●