

Media Dojo Tear Sheet

Ooyala

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Summary: First off, *ooyala* means cradle in Telugu, a South India language. Founded in early 2007, ooyala provides end-to-end services and technology for powering video on a number of different screens. Strip out the jargon and ooyala's service model looks like UPS/FedEx for online video. Its main product ("Backlot") enables content owners to transcode, manage, deliver, analyze, and monetize their video assets. Another area is interactive video in which elements of video streams (e.g. a character's hat) are made clickable in order to link out to e-commerce, search, maps and other services. Headquartered in Mountain View, CA with sales offices in New York City and London, ooyala was started by Google alumni from both the AdSense and web search areas.

The Problem Being Attacked: Video is difficult to monetize except by the crudest methods--- transactions, subscriptions or advertising for eyeballs. The aim of the company is to increase the scope for monetizing video by managing the entire ecosystem on behalf of the video content owner from video ingestion to distribution to ad serving to analytics.

The Approach to the Problem: Since launch, ooyala has focused on bread-and-butter issues of managing video assets using the cloud and thereby driving a lot of cost out of the system. With that trend well established, the next stage is to make video more interactive and engaging in order to open more chances for monetization. The founders realized they had a good bit of computer vision expertise in the company. The idea is to use computer vision techniques to mark or paint objects inside a video stream (e.g. character clothes, cars, other props) to make them clickable and then link that click to some kind of information or service.

Customer Base: ooyala works with brands and video content providers including Armani, AOL/Bebo, Joost, TV Guide, National Geographic (JP), Electronic Arts, Glam Media, Slide, Televisa etc.

Ownership: private with main investment from Sierra Ventures. \$10m raised.

Unique Point: True to its Google DNA, ooyala is betting that video is best monetized through near micro-transactions that can be automated and scaled quickly. The cloud-based infrastructure substantially reduces the overall cost of managing, distributing and ad serving for video. That alone lowers the threshold for making profit. By making video clickable and able to link out to services, ooyala opens up new avenues for monetizing it. And we're back to vacuuming nickels again.

Cloud Angle: The key point to remember is that ooyala's management already used many flavors of internal cloudlike services while at Google. Amazon S3 = Google GSS, Amazon EC2 = Google Borg (gotta love it). This means that ooyala has been cloud fluent from day one. But they're not banging the cloud drum loudly. The cloud infrastructure is simply a better way to gain scale quick in order to offer more effective monetization of video content assets and advertising. Sound familiar?