

Terminal Ad-vantage

Ideacts Innovations serves up ads to captive eye-balls at cyber cafés across India



Maninder Gill, Saurabh Khullar & Rudrajeet Desai, co-founders of Ideacts Innovations

Though personal computers have become a ubiquitous part of our homes and workplaces today, cyber cafés still remain the sole Internet access point for around 40% of Indian Internet users. Considering that, it was just a matter of time before the forces of advertising hit upon the opportunity to engage this captive audience right within the confines of the café. Idea became reality in 2001, when Maninder Gill, Rudrajeet Desai and Saurabh Khullar started Ideacts, perhaps India's only cyber café advertising company even today.

Desai, CEO of Ideacts Innovations, says, "Around the year 2000, Internet cafés were starting to mushroom in India and not many people bought their own PCs. It made us realise one day that computer screens at cyber cafés could be used for something far more interactive. That's how the concept of a smart desktop application occurred to us." Gill, who is the technology head, developed a basic application that would enable ads to be screened on computer desktops in cafés. In return, the café owners would be paid a fixed sum every month. "We got advertisers like Yahoo!, Hungama and Kinetic

Honda and managed to tie up with 45-odd cafés in Pune," Desai reveals, "We made some money, which we blew on parties. But then the dotcom bubble went bust and we got in trouble. Plus, being 20-year olds, we were not being taken very seriously either."

Ideacts then ceased operations and the trio went to work in fields as different as media, technology and finance. "In 2007, we thought that the market had matured sufficiently for us to restart," says Desai whose last role was at Group M where he helped launch its mobile communication division. This time around, they began operations from Bangalore. "We pooled in our savings and bank loans, collectively worth Rs 10 lakh. Our families did not quite get the concept, but they understood our entrepreneurial ambitions," he adds. Maninder took five months to develop 'Clink', Ideacts's proprietary desktop application, using VC++ .Net and Microsoft SQL Server. Clink was designed to be compatible across operating systems and hardware configura-

tions. With the product in the bag, Khullar and Desai began approaching cyber café owners and advertisers in Bangalore. "When I introduced myself as the CEO, café owners were immediately suspicious. They would ask to speak with someone else from the company, to make sure we were genuine. Advertisers, too, were surprised at how young we were, but they were game to take a chance with us," Desai recalls.

Clink, which is essentially a combination of a desktop application backed by an ad serving network, found takers because it was easy to understand and worked even on old computers with basic hardware. Every day, Ideacts updates ads, and displays them under various 'tabs' on the screen, alongside topical content. "Clink creates advertising inventory right on the desktop. The ads are visible before the user starts the Internet serving session. Since cafés are public access systems, advertisers gain by a greater number of unique eyeballs and greater frequency per user," Desai explains.

In November 2007, Ideacts Innovations raised \$5 million from Sequoia Capital. Around the same time, the company expanded to Pune and began tying up with cafés there. "The value we give our advertisers lies in meticulous tracking of every click on their ads. At the same time, we

ensured that the download speed and integrity of content was not compromised in any way," Desai says. On the café owners' side, the team made sure they all got paid on time. "We've never had a single default so far." To date, Ideacts has worked with 120 advertisers including Yamaha, Pepsi, Intel, Nokia, and Nike. Apart from the 19 cities where it has operations, cafés in other cities have enrolled online as well taking the total spread to 58 locations, 21,000-plus PC terminals in over 3,500 cyber cafés. It is also working with new cyber café owners to set up their hardware systems.

With cyber-crime authorities and police insisting on identification and usage records of Internet users at cyber cafés, Ideacts is now gearing to augment its offering with a new security and accounting system. The software, due for launch next month, is designed to help café owners keep digital records of customers and track usage across their terminals online instead of the current system of writing down in log registers.

Though Ideacts is yet to break even, its growth plans are on track. It has received a fresh round of funding from Sequoia and SVB Financial Group with which it plans to enter Tier II and Tier III locations in the coming year. "We are targeting 30 new cities in our first phase of expansion this year. That's where the highest growth in Internet users will be coming from," says Desai.

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