

Ideacts opens a new window for ads in cyber cafés

Secures \$5m funding from Sequoia Capital for its new venture

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Here's a bit of interesting fact on the burgeoning internet market:

- A whopping 36% of India's total internet usage is through cyber cafes that have mushroomed in every nook and corner of the country
- Almost 1 lakh cyber cafes are run by independent entities
- Currently, there are only two organised players in this space — Sify iway and Reliance Webworld

These facts are not mere internet trivia, but a significant set of numbers on the cyber cafe business that has got Ideacts Innovation ticking.

This Bangalore-based technology start-up has found a great opportunity for advertisers in this largely unorganised sector.

The company has developed a novel application by which marketers can run ads on a custom interface that would substitute the conventional desktop in these cyber cafés.

Ideacts Innovation says it has received a first-round funding worth \$5 million from the US-based venture fund Sequoia Capital for its venture.

The company, in fact, has already signed up 625 cafés totalling more than 5,000 terminals in eight cities. It is targeting 3,500 cafés with close to 30,000 terminals this year.

It would install the software and market the platform with advertisers. In return, the cafés would get a share of the revenues as well as technical support.

Rudrajeet Desai, co-founder and CEO, Ideacts Innovations, said, "We currently have a revenue-sharing model with the cyber cafés. Besides this, there is also a fixed payment made to these cafés. We have had about 75 campaigns from different brands trying out this system. Large advertisers, including such as Cadburys, Perfetti, Pepsi and Google are already using our platform." The platform entails more than three-fourth of the screen space reserved for ads with the rest being used for links to internet tools.

Detailing its reasons for investing in the firm, R Ramaraj, senior advisor, Sequoia Capital, said, "One way to look at the venture is the number of screens that could be available. In one lakh cyber cafes, there could be at least one million screens available for advertisers."

The firm has funded the likes of Yahoo, Google, Cisco Systems, Oracle and Apple and Youtube.

In India, it has invested over \$1.2 billion in various ventures.

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Ad-lib

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