

Oovvuu

Using Watson to create profitable long form video

Oovvuu exploits growing news consumption and demand for video by using a machine learning platform to insert relevant videos into articles. The platform, Compass, uses IBM Watson and proprietary technology to read articles, and watch videos. It then matches and inserts them with advertising, generating new earnings for broadcasters. Oovvuu customers include the BBC, Al Jazeera, ITV, the ABC, SBS, News Corp, The Guardian, Google, Amazon and 39 others.

Background

Oovvuu was founded in 2014 by ex-MSN, News Corp and Fairfax executive Ricky Sutton, video tech specialist Greg Moore and former Southern Star executive Ross McCreath. Staff include ex-News Corp head of product Stuart Waite, former Ooyala lead engineer Andrew Muller and former Dateline producer Andrew Sainsbury. The advisory board includes former Google executive and Ooyala founder, Bismarck Lepe, Facebook's global head of revenue, Florian Pestoni, and BBC.com's commercial director Tristan Leaver. Oovvuu joined IBM's global entrepreneur programme in 2016, and IBM last week named them as an ANZ start-up to watch. Oovvuu will present with IBM at NAB in Las Vegas in a fortnight. Amazon also enrolled Oovvuu in Activate, alongside Airbnb and Slack.

Business model and strategy

Oovvuu's proprietary Compass platform tracks 750,000 global articles an hour, identifying millions of opportunities to embed videos. Compass accesses videos from broadcasters, via the cloud, and inserts them. Oovvuu is operational in 54 countries. It has partnered with potential competitors, YouTube and Amazon. Oovvuu generates income by charging revenue shares for ads served before and during videos, as well as subscription, sponsorship and technology licensing fees.

Market size and Competition

According to independent research house, Future Market Insights, the global video-on-demand market is expected to double to US\$100b by 2026 and surpass the TV ad market by 2021. IBM has the market at US\$105 billion by 2019.

Long-form video is increasingly becoming the focus for major content companies, such as Facebook, which has announced a shift away from live streaming to long form video. While Amazon and YouTube are competitors to Oovvuu for advertising share, they are already partners for content. The closest competitor to Oovvuu's business model is Vemba, a Canadian syndicator which distributes ad-funded short clips to 100 publishing partners worldwide. Its model, however, is focused on short, rather than long-form video.

Share details

Investment to date	\$0.3M
Number of shareholders	5-10

Market size

Future Market Insights estimates that global video-on-demand generated US\$48b in revenue in 2016 and is forecasting this to double to US\$100b by 2026.

Upside Case

- Has partnered with 35 global broadcasters and several global publishers
- Strong management and advisory team with expertise in online and video management
- Backed by global players, IBM, Amazon, Ooyala, Brightcove

Downside Case

- Main competitors are global players such as YouTube and Facebook
- Publishers have been slow to adopt
- Potential capacity constraints – small team in Australia

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