

Brickfish hooks \$11.2M

Startup aims to harness viral marketing into advertising force.

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By Ken Schachter

Viral marketing startup Brickfish has reeled in \$11.2 million in first-round financing, the company announced Wednesday.

DCM, formerly known as Doll Capital Management, led the first-round funding and was joined by Draper Richards, Draper Associates, Mangrove Capital and OCA Ventures.

Brickfish seeks to institutionalize consumer-driven viral and guerrilla marketing by creating an online platform that will enable marketers to reach consumers through blogs, photos, audio or video clips. The system will reward consumers for reviewing, spreading and creating new product-related content.

The startup's approach differs from that of large advertising agencies such as WPP, whose M80 unit recruits teams to promote a movie or product both online and offline.

"We've systematized the platform and we're automating it," said Brickfish CEO Shahi Ghanem.

Unlike Google, whose search engine lends itself to a cost-per-click model, Brickfish sells CPE, or cost-per-engagement, Mr. Ghanem said. Engagement can take a variety of forms, including reviews, downloads or the creation of content.

While someone might passively view a Bud Light commercial on TV or download it from YouTube, Brickfish viewers would be encouraged to download it, review it and create ancillary content.

One Brickfish campaign asks web surfers to design an online banner for Columbia Records artist Switchfoot. In exchange, the contest winner sees their design featured online and gets a phone call from the band, a Switchfoot CD and a Sony MP3 player. In a promotion for the Reebok Freestyle Hi sneaker, the contest winner gets a \$1,500 gift certificate and a pair of the shoes.

Though Brickfish has gathered about 60,000 members since putting the site in beta in August, Mr. Ghanem said the company makes money through its campaigns, not

site traffic.

For the typical campaign, Brickfish gets \$25,000 to \$50,000, he said.

On Wednesday, Mr. Ghanem was in New York to drum up business with corporate clients and their ad agencies.

The company plans to roll out a new software platform to automate viral campaigns in the second quarter. The initial rollout will be aimed at major advertising agencies, with a broader launch in the third quarter, said Mr. Ghanem, former president of DivX, maker of digital video compression software.

Dixon Doll, DCM's co-founder and general partner, will join the Brickfish board of directors.

"We have a proven, world-class, successful entrepreneur who has identified a very important mega-trend on the intersection of the web and the advertising space and they're doing a lot of things to automate and create a leveraged environment," Mr. Doll said. "It's a trend clearly in its infancy, but from everything we see and from the advertisers we talk to, we feel this is a big mega-trend that's going to catch fire."