Garin Toren of ping

Hall T Martin: [00:00:04] This is the Investor Connect Podcast Program, I'm Hall T Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity, and many other investors for early-stage and growth companies. I hope you enjoy this episode.

Hall T Martin: [00:00:23] Hello, this is Hall Martin with Investor Connect. Today I'm here with Garin Toren, CEO and Founder of ping. Ping is a four-time patented messaging platform that automatically reads your texts, emails, and all other messages, and types out loud when touching your phone is unsafe, illegal or inconvenient. Deployment is currently through Android and iPhone apps, with Alexa already live and Google Home coming next month. Garin, thank you for joining us.

Garin Toren: [00:00:46] Thank you for having me. Great to be here.

Hall T Martin: [00:00:48] Great. Can you tell us a little bit about your background before joining ping?

Garin Toren: [00:00:52] Yeah, I've been a technology founder since my early 20s, and ping is my third venture, so I've been around tech for my entire career.

Hall T Martin: [00:01:03] Well, great. And so, what led you to start work in this space?

Garin Toren: [00:01:07] Actually, the idea behind ping came from actually a personal problem. I actually found myself incapable of driving without touching my phone every few minutes. I've got a seven-year-old and a nine-year-old in the backseat and I explored the space a little bit and saw that really the initiatives that were out there to fix this huge problem were all about "sign the pledge, turn your phone off, put it down". And so, I thought to myself but that's contrary to human behavior. So, you can tell people not to do something, you can put laws in place, but they're still going to do it. And so I thought, well, there has to be a way to give a driver what they want safely and legally and so that was where we came up with the idea of founding ping, because it is perfectly safe and legal to have your messages read to you so you can keep your eyes on the road and your hands on the steering wheel.

Hall T Martin: [00:02:04] Great. So, what's your advice for people investing in this space? What are you telling them to do before they write that first check?

Garin Toren: [00:02:11] So, we've been getting the majority of our investments from the angel community, and we specifically targeted the angel community because we were looking for their network. We could quite easily have had a single venture capital company write us our seed round check, but what we actually wanted was the experience and the contacts in the marketplace, and our angels have introduced us to companies like Ford, Mercedes, Verizon. We've got a number of very, very high-level contacts for that. So, I think in terms of investors into the space, having technology that is defensible is really important. And we probably got a three-year go-to-market advantage. We're the only voice-messaging platform that crosses Android, iPhone, Alexa, and Google Home, and we already have four patents awarded and another three pending. We will also in March of this year, be the first company to create an Alexa skill and we're the first and we're the only way that you can get all your messages read aloud by your Alexa device.

Hall T Martin: [00:03:26] Very good. So, how is this industry evolving? There's a lot of new technologies coming out, but where do you see it going?

Garin Toren: [00:03:33] So, the obvious future, which is still, unfortunately, 15, maybe 18 years away, is when self-driving cars take away the problem of phone usage behind the wheel completely. But, we've still got 15 to 18 years to get through. So, there are a lot of technologies and a lot of players that are trying to tackle the distracted driving problem. Some of them are doing so through cameras that face the driver and face the road. Other technologies which we believe are counting _____ that actually blocks the phone from actually working, and then there's the software-only telematics players. We've got a software-only telematics suite built into the ping messaging platform as well. So, I see a convergence of these technologies that will hopefully one day be actually baked into the phone's core operating system, so your phone will be able to read your messages automatically, you as a parent will be able to see how your teenager is driving, the teenager themselves will be able to get their messages while they're driving safely, and they will also be able to see their driving score that their parents can also see. So, I see the roadside technologies, I see the

emergency notifications, and then I see this all being tied into user-based insurance whereby the auto insurers will be able to insure a driver based on their driving, not necessarily the behavior of the vehicle, because your 21-year-old son might drive your car occasionally and you're a very different driver to him, yet your insurance company, if they're using any kind of [00:05:25] [00:05:25]_____tracking your vehicle, they're insuring the vehicle, not necessarily you. So, basically, I see all these different players coming together to create a world where there actually is no need to pick up that phone while you're driving, or while you're exercising, or when you're in the kitchen making pasta, while you're in the bathroom and your phone's in the garage, any time, can your home, can your refrigerator, can anything be really smart if it cannot give you your messages?

Hall T Martin: [00:05:57] And so, what do you think is the growth rate of this sector?

Garin Toren: [00:06:00] Wow! I think the growth rate of the sector is about as hockey stick as you can get. I mean, the National Highway Traffic Safety Administration estimates in 2017 that it was a $129 billion of cost caused by cell phone usage behind the wheel. So, that's the magnitude of the problem. More recent studies have shown that a third of vehicle crashes can be attributed directly to smartphone usage. So, it's literally hundreds of billions of dollars, is the problem and companies that can _____even to shave a few percentage points off of that problem are going to be extremely valuable companies.

Hall T Martin: [00:06:47] So, you mentioned an industry ecosystem there a moment ago, how many companies do you think are engaged in this sector right now?

Garin Toren: [00:06:54] In the voice-messaging sector, we're paying primarily _____, there's almost nobody. For example, we invented the iPhone technology, we were the first app to be approved by Apple, we're the only app of its type in the Apple App Store. So, I think in the voice-messaging space, very little is being done outside of some native phone functionality, which is limited. In terms of the industry that's targeting the problem of distracted driving - and I think there are hundreds of companies attacking it from different sides - we think we have quite a good differentiator in the fact that both Google and Amazon are moving into the vehicles as the vehicles' native voice assistant. And I

think us being able to give the driver their messages through Alexa while they're driving, is a really good tool for the driver to keep them safe.

Hall T Martin: [00:07:49] Well, great. So, what are the challenges in this space? What are the issues you deal with in bringing your product to market and selling it?

Garin Toren: [00:07:57] Yeah, the biggest challenge - and we're starting to overcome it now - the biggest challenge has been moving away from a mindset of, "my drivers may not touch their phones". I've got - UPS has 200,000 drivers out there and they have policies against the drivers touching their phones, yet you've just got to Google and you will find hundreds of pictures of these drivers touching their personal phones while they're driving. So, the industry has to move beyond this mindset of, if I create a law or if I mandate a policy, that's enough - it's patently not enough. A third of crashes - and when a commercial vehicle like a _____truck or an HVAC truck, when that crashes, the cost is not just the cost of the crash, there's a vehicle off the road, there's a worker's compensation claim, there's a schedule that's been messed up. So, companies are starting to realize that you cannot change human behavior, you have to provide tools to make that behavior safer.

Hall T Martin: [00:09:02] So in this overarching landscape, how exactly does ping fit into it? You're working with many different groups and so forth, where do you position yourself?

Garin Toren: [00:09:11] So, we are licensing, we're a B2B player or a B2B2C. So we are licensing our technology to existing telematics players, we are creating white-label apps for carriers that have an interest in keeping - I mean, you could argue that mobile carriers and phone manufacturers caused this problem, they should be the people most interested in solving it. So, we see white-labeling apps for carriers, we see insurance companies licensing our technology into their apps, we see the audio apps like Audible, and Spotify, and Pandora, and _____ all having the ability while a person is driving to pause the podcast, _____ of their message and then resume that podcast or without the user being able having to actually do anything. So, our technology fits into many, many, many existing technology platforms, all of which have an interest to either give their users a more premium experience in the case of a Spotify or a_____or in the case of a Geico or a State Farm, they want to actually keep their drivers safer to

reduce claims. And the other thing that we can achieve for insurers is we can get the driver to interact with that insurance brand every single day as opposed to two or three times a year. So, the play into insurance is extremely large.

Hall T Martin: [00:10:43] Great. So, in the last few minutes that we have here, what else should we cover that we haven't?

Garin Toren: [00:10:46] The smart-speaker world is exploding, and in our view - and I think I've spoken to many folks who agree - messaging, which is the number one activity that we do on our phones, we do it more than anything else, whether it's text message, WhatsApp, email, Slack, 50, 60, 70, 80% of our phone usage is messaging and certainly in the business sense. So, having a smart speaker that is message-less, is leaving a huge gap in the marketplace and by smart speaker manufacturers incorporating the ping technology into their companion apps, they can actually have any unread message on their phone available for retrieval through the smart speaker, and most pot`ently is when the smart speaker's in the vehicle.

Hall T Martin: [00:11:39] Well, great. So, how best for listeners to get back in touch with you?

Garin Toren: [00:11:42] You can visit the ping website at pingloud.com, or if you want to get hold of me personally, it's garin@pingloud.com.

Hall T Martin: [00:11:55] Great. I want to thank you for joining us today and hope to have you back for a follow-up soon.

Garin Toren: [00:11:59] Great. Thank you very much.

Hall T Martin: [00:12:03] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investorconnect.org.

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