

Emmie Chang of Hoo Inc.

Speaker1: [00:00:04.77] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode. Hello, this is Hall Martin with Investor Connect today I'm here with Emmie Chang CEO and founder of Hoo Inc., of Hoo Inc., live as a livestream platform intended for interactive content designed like a TV show. There are a new way for performers to interact with their audiences and for audience to interact with their friends. Or more importantly, performers can monetize directly on the platform by charging whatever they want for content that they own it. News by combining a scalable livestream with unlimited small group video chests to create your online presence among friends, discuss Wes Anderson films with top film producers and your friends and come on stage to showcase your knowledge or broadcast a YouTube concert with your friends. The team is comprised of NYC alum and experienced tech team that has built multiple streaming platforms in the past. Emmie thank you for joining us.

Speaker2: [00:01:02.91] Great to be here all. Thank you for having me.

Speaker1: [00:01:05.10] So what was your background before founding? Who?

Speaker2: [00:01:07.50] My background. I'm primarily a tech entrepreneur, but I spent a long time in education. So prior to this I built a cryptocurrency trading platform and helped US stock exchange with building some innovation projects. So I was in finance and technology and right before that I was involved in education technology. So I was teaching kids to code right out of college before it was cool. And then I ended up building a marketplace around kids activities in summer camps. And that was the one that was funded by Y Combinator.

Speaker1: [00:01:40.35] What led you to start work in the space?

Speaker2: [00:01:42.18] Well, I've always thought that people the Internet for me, when I was younger, I had AOL and that pretty much dates my age. But we chat rooms are really, really cool. I grew up in a suburb outside of NASA Johnson Space Center, and it was really neat to grow up in that environment. But I also didn't see things outside of my world until the Internet. Let me

go into chat rooms and kind of explore. And I think that kind of freshness of the Internet and exposure, we've lost that right now. And so with we've gone through a whole cycle with Facebook being almost 20 years old and working with covid, and I see this resurgence of people wanting to connect on the Internet to how do we make connection on the Internet fund and how do we build things that can enhance this and add to your personal experience and your human experience versus detracting in the way that, you know, some of the things that the social dilemma talks about

Speaker1: [00:02:36.51] Is what's your advice for people investing in startups? What do you tell them to do before they write that first check?

Speaker2: [00:02:41.10] As far as writing, investing in startups, I think the best way to view it is to say when you're investing in a startup, you're not doing a financial investment per say, you're investing in the person and it's almost like you are investing in that person to become friends with them and help them reach their goal. And so and one of the benefits of helping someone reach their vision is that you could get one hundred X return from your check. But if you think about it from a way of I'm going to put this money in, I'm going to get a seven percent annual return on it over a period of time. And if I lose it, I feel really set. I don't think that is the best way to invest. So it's definitely a it's almost like investing for entertainment. And you, regardless of your experience of the outcome, you get to be part of someone's vision, whether it's they're building a fast product or a consumer product, you get to be part of that person's journey and that companies charity. And that in itself should be enough for you as an investor when you're giving it the money as an early stage.

Speaker1: [00:03:41.22] So let's talk about the livestream network. How do you see the industry evolving these days?

Speaker2: [00:03:46.62] I mean, definitely Livestream has been around for a long time. You know, early stage with Ustream was one of the earliest ones. And you've got a whole bunch of things like YouTube, Live and Twitch. They've been around for a long time. I think with covid, we just had a catalyst for all sorts of things on the Internet. And one of the biggest things that we've learned in the last year is that just putting something live that was in person on the Internet and just replicating it is not the way to grow. So that's sort of like back in the day we had these

magazines and you had magazines online and you click the button on the right and the page turned for you. And you were like, that was an online magazine in the newspapers online or literally like you can scroll around and have the front page of a news newspaper. Right. That's sort of what livestream is. I think even in twenty, twenty one, they've just repeated a concert and put it on the Internet. But really what it could be is how do we connect people through interaction with video and all the different aspects that we have on mobile phones with everyone has a television, everyone has a mobile phone, a lot of people have laptops. How do we combine all these things to give that interactive live experience? And that's where the industry is going, I think. And you're seeing some of that coming through right now.

Speaker1: [00:04:54.78] It was the growth rate of the sector today.

Speaker2: [00:04:56.85] I think I just looked it up. But definitely if you look at all streaming streaming as a whole, if you put in like Disney Plus and Hulu Plus and all these Plus live stream on Twitch, they say it's going like 10 to 15 percent a year. But I think it's probably growing much faster. It's hard to say because the monetization is still limited. You've got a lot of users going on. I think the average was let people spend 16 minutes on average on. Live streamed interactive networks that includes Instagram, YouTube, etc., but they still spend four hours in front of a television. I'm sure those numbers go up with you.

Speaker1: [00:05:33.00] And so how many companies are engaged in it today?

Speaker2: [00:05:35.76] I would say there's probably two to three dozen that have been funded in huge volumes. One of the most notable ones was a company called HOPPEN last year. They raised their seed round in February and by November they were a unicorn. So I think that was one of the fastest growth companies in a long time. But they also went from zero to 20 million dollars revenue in the matter of six months. And the market really helped fueled that because of these online conferences and things like that. So I do think that a lot of companies are growing and those are about two to three dozen that have been funded at that level with 50 to 100 million dollars. I think that a lot of companies are now still springing up and we'll see a lot more in the future as well.

Speaker1: [00:06:20.25] So what are the challenges in the livestream space today, aside from monetization? What else you see that you have to overcome?

Speaker2: [00:06:26.49] I think definitely really experimenting with what resonates with people, right. So there's a product called Netflix Party. I think that they changed their name, but it's basically a group watch party where you're hanging out with friends and watching something that, you know, ended up getting over 20 million users, but no one used it more than once. So I think one of the biggest challenges that it's very novel and then a lot of people are interested in checking it out. But the retention rate is low because we really haven't been innovating on what can be the live experience on the Internet. It's not just that book or that magazine with the flipping pages on the Internet. It took us a while to figure out blogs and real online publications like The New York Times. Online is a much different experience in The New York Times paper version. So I do think that, you know, as founders, it's important to continue to innovate and figure out what that experience is going to look like on the Internet.

Speaker1: [00:07:19.23] So how does it fit into this landscape?

Speaker2: [00:07:21.81] So, you know, I'd like to think that we are trying to push the envelope in this arena. With the advent of clubhouse last year, we sort of saw clubhouses, massive growth. We sort of saw this pent up demand for people to connect around content. And even though is just audio, you could see that people were meeting people on there. I asked a dozen people or so why they love clubhouse, and they said it's because I meet interesting people. I can click on the audience, I can DM them, and it's a way that I can speedily go through meeting people that might be beneficial for my business or for something that I want to learn. So I do think that for us, who we've taken all these things in the last year and I've evaluated them and analyzed them, I've run tons of tests like 30 to 40 tests with big influencers all throughout Los Angeles. And we think we've got an interesting model that's launching in the next couple of weeks.

Speaker1: [00:08:12.14] So do you find it attracts more users? Because it's very easy to engage? It's not heavy like a webinar where you have to plan for it and sign up and all that. You can just drop in and move around very easily. Or what do you think is the attractive part of it?

Speaker2: [00:08:26.10] I think it's about fun. Webinars aren't fun. Zun isn't fun. I mean, I've been on everyone's been on a Zoome birthday party at this point or Zoome happy hour for work. It's work. And I kind of use the analogy that you can throw a birthday party in a conference room at your office or you can take that same bird and you can have pizza, you get a beer, you have cake and you just put that same party into the bar downstairs. And it's a whole different experience. Right. So if you if you think about a bar downstairs, it actually has four walls, has music. It might have a video screen, it has a door and has windows. Same thing as a conference room. But the experience of being in the bar downstairs in your office, holding a birthday party versus the brush the conference room in your office holding it is a vastly different experience. And that's what I think that's what we're building is this fun interactive experience through user experience and just the intent of everything. And also lightweight fun.

Speaker1: [00:09:23.58] Right? Well, I've tried clubhouse and it reminds me of the water cooler. I'm not at the desk working anymore. I'm out having a drink or a coffee and we're chatting with people and we're not too far from work, but we're we're able to move around to other things. And if we don't like the conversation, we can leave. If we do, we can stay. And it's it seems like it's that water cooler effect. But what's your take on it?

Speaker2: [00:09:42.93] I think there is a water cooler effect. I definitely think that that's pent up. I don't know how much of a water cooler we're going to want once we get back into the real world again, because I'm in Miami right now and we're sort of doing real life water cooler. I forgot what real life water cooler. I'll go down to a restaurant, a coffee shop and see a few friends. And that's the casual water cooler. Right. So I don't actually spend a lot of time on clubhouse as much because of that. But I think that the effect that we have is that we actually are more intent driven when we go to an event now. And I've noticed that with myself because Internet has just made everything because of games, it's more efficient. So if I'm going to spend effort to go do something, I'm going to want to actually make sure that. Something I want to do and I know the people I want to hang out with are interesting, and so the way we look at who is, hey, you can go watercooler all day long at the at the clubhouse, but when you're ready to go see a concert and hang out with friends or you're ready to go do a book book reading a book club or things like that, come over here and hang out with us because we know you're ready for it and you're here to mingle. And you came here with an intent and purpose versus just hanging out.

Speaker1: [00:10:50.24] Great. Well, when is who coming out? When can we use it?

Speaker2: [00:10:52.94] Well, we'll be launching just profile pages. So the question is, who are you and who are you? Where is your presence on the Internet will be running these profile pages in the next couple of weeks and then shortly thereafter will be inviting influencers and creators to make their own events. And then we'll see how those events grow. I'd love to host an investor connect show on there where we actually bring in investors and we talk about the same things. I think there's also a visceral feeling that's much different when you're on video than when you are on audio, because everyone just immediately changes because we're human. When you see someone's face, you're immediately nicer. You have all these different social norms that I think we forgot about in class. And with that, your interactions can change. And the way that you discuss things actually change. I think it's a much richer experience, but we'll have to see. We'll hopefully launch and we'll see how the market takes it right.

Speaker1: [00:11:46.97] When the lesson is that we have here, what else should we cover that we haven't?

Speaker2: [00:11:50.15] I think that one of the things I'd love is for investors to actually take risks on social networks and for founders to continue to keep building interesting social apps. I think in twenty twenty one, if our best bet for connecting today is still Facebook groups or you have something like Subrata, those products are built nearly 20 years ago. And I think that there need to be a way that we connect with people in a different way. And it could be around very genre specific niche items or it could be very broad. But do you think that this is the future and consumer is super hot? It's super risky, but when you hit, you hit. And I think it has the most impact that we can in people's daily lives. And so I do urge investors I would love for them to invest in more. And I would love founders to continue to build these kind of projects.

Speaker1: [00:12:38.03] That would be great. So how best for listeners to get back in touch with you?

Speaker2: [00:12:41.72] You can go ahead and find me like I'm on. I'm a clubhouse under I mean, just E.M.S. I'm on Twitter. I mean, Emem, I can shoot me an email. It's just EA at HBO Live. So it's really easy and I'm pretty available for most things.

Speaker1: [00:12:56.63] We'll put that in the show notes. I want to thank you for joining us today.

Speaker2: [00:12:59.90] Thank you so much.

Speaker3: [00:13:02.21] Investor Canek helps investors interested in startup funding in this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect, Doug. Paul Martin is the director of investor Canek, which is a five Wannsee three non-profit dedicated to the education of investors for early stage funding. All opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.