

Reyn Aubrey of PocketChang

Speaker1: [00:00:04] 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. Interested in learning more about investing in startups, launching a new startup need to raise funding to start funding espresso as a daily podcast and a short, concise format delivered to your inbox every day Monday through Friday, the time it takes to drink an espresso and to learn about startup funding to subscribe, go to invest Shkolnik Dog and put your email into the Pop-Up Box. Hello, this is Hall Martin with the best connect game here with Reyn. Aubrey CEO Pocket Change. Pocket Change is a social media platform created to reverse the chaos created by Social Media 1.0. They do many things differently, including paying for a donation to charity. Every time someone post likes or comments on something on the platform, every word, content, moderation, policy and a built in community culture that is good. They are launching the platform June 17th and have already raised money for angel investors and gotten press and influencer attention. Reyn, thank you for joining us. Thanks so much for having me. So what was your background before founding pocket change? What did you do before this?

Speaker2: [00:01:19] Yeah, I was always entrepreneurial. I had done a couple of smaller ventures in high school and including our consumer products company that ended up outselling Wal-Mart and Target on that specific product and then decided to jump into pocket change in a big business that was social.

Speaker1: [00:01:36] And so what led you to start work in this space?

Speaker2: [00:01:40] It was really seeing how much chaos was created by the existing social media and believing that technology could be used, the same techniques that were used to make us all divided and hateful, and all of this could actually be used to bring us back together and heal. So that was sort of one of the original theses of pocket change, was using technology to do good.

Speaker1: [00:02:04] And so what's your advice for people investing in social media? What do you tell them to do before they write that check?

Speaker2: [00:02:10] It's a great question for me, it's all about I mean, like most investing, it's all about investing in the jockey, right? You're most most social start ups end up being a reflection of what the founder leadership team are all about. You saw that with all the big ones, Facebook and Twitter, Instagram, snap. And I think that that's really important. I think with the new generation of social startups like us, like clubhouse, like parler, you're seeing the the culture of the of the platforms becoming reflections of the founding team. So my advice would really be to make sure that the founder and the founding team is in line with whatever the mission of the platform is.

Speaker1: [00:02:51] So let's talk about the state of investing in social media. How do you see the industry evolving from here?

Speaker2: [00:02:56] Yeah, I mean, it's a it's a really interesting industry because it's been dominated for a long time by the existing players. And then over the last year, you've seen the explosion, the clubhouse of parler, even tick tock. It's a space where I think right now we're going through sort of a little bit of a revolution where people are realizing that what we've got isn't working and isn't good and everyone is sort of searching for four new platforms. So I think it's a really exciting space to be in. And I think that there's a lot of attention being brought on the space over the last 12 months and over the next 12 months especially.

Speaker1: [00:03:34] And so what is the growth rate of social media today? You hear about different segments and so forth, but what numbers do you have?

Speaker2: [00:03:41] Yeah, overall, I mean, it's it's difficult to gauge because you have the existing major platforms who are growing at between three and 10 percent year over year, but they're massive, massive platforms. Then you have explosions like clubhouse who are growing thousands and thousands of percentages each month. So it's difficult for the most part. You see a lot of smaller, smaller scale, a lot of things slowly, slowly increasing. And usually you reach an inflection point. There's a pop and then the platform explodes.

Speaker1: [00:04:13] Right. Then how many companies are engaged in social media work today?

Speaker2: [00:04:19] In the in the social space, I mean, you probably have thousands of social platforms if you narrow it down a little bit more to my specific space, which is sort of social NexGen, social platform, social platforms for good, there's about maybe really real ones doing it, maybe 15 or 20 in the space, actively working on the exact same problem.

Speaker1: [00:04:43] Great. And so let's talk about the challenges in this space. When somebody wants to do a social media platform, what are the hurdles they have to overcome?

Speaker2: [00:04:53] It's the biggest hurdle is is getting enough body heat on the platform that's consistently one of the biggest challenges, you know, getting enough people on the platform where there's enough content being created and enough content there to consume and then enough interaction going. So that's one of the biggest ones is is getting that flywheel spinning, if you will. And then you also have a lot of the headwinds of people talking about how do you moderate content, how do you how do you deal with this information? How do you deal with hate speech? How do you deal with increasing regulations from Apple and Google? So you have those kinds of headwinds, but those are kind of the big ones on the ground, sort of tactically. It's all about the body heat. And then in terms of the larger business, it's all of the headwinds that the news and everyone is talking about right now.

Speaker1: [00:05:44] So. So how does pocket change fit into this landscape? And tell us more about it.

Speaker2: [00:05:49] Absolutely. So pocket change, like I said, is here to kind of reverse that chaos, we really feel that we've done a great job at addressing a lot of those points that I just mentioned. So we have brand new content, moderation that does a really, really good job of moderating. What's hate speech was not. We're working on things like a context button to help work through disinformation that you get on a lot of other platforms. What pocket change where pocket change sits in the industry is we sit sort of if parlor's out on the edge of people looking for a new social platform, doing it in a really aggressive tear everything down way. And Facebook and Twitter sit on the much more conservative old school pocket change sort of sits in the middle. We think that there's room for improvement in the social space and major improvement. But we're not the company that goes as far as say anything, say everything, let's

rip it all apart. So that's sort of where we sit. We ride that line where the average person who thinks that social media can be more productive and more beneficial than it is can come and actually find a community that agrees with them.

Speaker1: [00:06:58] You talked about some of the challenges with hate speech and other things in content. How does pocket change manage that problem?

Speaker2: [00:07:06] It's all about just like, you know, just like a culture of a company. It's all about it starts at the top and it's about all of the decisions you make from the top leadership team all the way down through to the smallest decision. So pocket change, for example, we've done a really good job of hiring the right people to make sure that everyone is in line with the mission that we're doing, you know, starts with the leadership team. Then we go through. So like I said, we've reworked content moderation. So we've started with guiding principles rather than sort of backing into things. So like one of our guiding principles is treat everyone with respect. It's something that everyone agrees to when they come to the platform and it lends to a more productive dialogue and it goes all the way down through guiding principle. It goes down through the actual decisions that we make day to day on the content moderation, what actually does. Government doesn't get removed all the way down to what our buttons say on our site. So like very, very small example, but our button says reply instead of comment. Saying comment lends people to more likely post something aggressive or mean or mean because it's detached from human reply. Your reply, so we don't have enough time to dive into everything that we're doing. It's that we can spend hours talking about it. But it's really for us, it's a very integrated approach, a cohesive approach top to bottom.

Speaker1: [00:08:30] Where do you plan to take it in the future? What direction do you see it going and where do you see it fitting into the community?

Speaker2: [00:08:37] Yeah, we we see as the existing social platforms like Facebook and Twitter, as they as people start to get fed up with the things that they're doing, with the data, with the toxicity of the platforms, we see a lot of those people starting to come over to pocket change and find their their new home or pocket change. And so we over the long term, we really see ourselves as the place where people can host the piece of their identity, whether they talk about things that are a little bit more meaningful. So on LinkedIn, you talk about your business

persona, your business persona. On Facebook, perhaps it's your familial persona. Instagram maybe is your cool persona. We want pocket change to be your so your cause persona, your what you care about persona. So long term, that's that's how we see pocket change. We think there absolutely is a space for a staple in those major names, a place for people to host that very important piece of their identity. And we believe that pocket change can be that company.

Speaker1: [00:09:37] Right? Well, in the last few minutes that we have here, what else should we cover that we haven't?

Speaker2: [00:09:42] I think the last thing I'll say is that the social spaces is very hot right now. It's filled with lots of different companies attempting to solve the problems of that we've that we've seen arise since the existing social platforms. And I would just say that in the companies that you're investing in, in the companies that you're looking at, make sure that they're actually thinking about all of the problems that have plagued Facebook and Twitter and Instagram. We are in a society right now where people are really divided. People are people are really hurt and they're really struggling. And a social platform that ignores that I think is in a dangerous position because they're not facing the realities of, let's say, Apple and Google's regulation of content on platforms. And what if free speech versus hate speech, what that stuff looks like. So my only advice for looking at social platforms of today is that there's more criteria, I think, than just what are you using numbers like there was ten years ago. So that would be great.

Speaker1: [00:10:47] Well, how best for listeners to get back in touch with you?

Speaker2: [00:10:51] You can send me an email rain or ETN at Pocket Change, Dot Social or you can follow me on pocket change my username, is that right?

Speaker1: [00:10:59] Right. We'll put that in the show notes. Want to thank you for joining us today and hope to have you back for a follow up soon.

[00:11:05] I really appreciate it.

Speaker1: [00:11:11] Investor Connect helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at

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