

Interview with Sherry Gunther, Masher Media

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*Story by Benjamin F. Kuo*

Last Week, Calabasas-based **Masher Media** announced it had received a round of angel funding from the Tech Coast Angels to fund its

development of **MyMiniPeeps** (www.myminipeeps.com), a virtual world for children.

We spoke with Sherry Gunther, CEO and founder of the firm, earlier this week to get a better look at the company and the dynamics behind the virtual world market nowadays--as well as why Sherry decided to make the jump from the world of entertainment media to online. Sherry has previously been a producer and Executive Producer on well known animation series The Simpsons, Family Guy, Duckman, Edith Ann, Rugrats, Dexter's Laboratory, Cow and Chicken, Johnny Bravo, and The Powerpuff Girls and Looney Tunes.

What's special about your virtual world?

Sherry Gunther: MyMiniPeeps.com is a unique, online community for kids ages 6-13, which is both a social networking community as well as a game site. It's unique, in that it encompasses the concept that the kids are empowered to run the community, instead of just hanging out and visiting it like most sites. We allow them to participate, and help shape the community, as they play the games and quests.

How did you get into this - looks like you came from the entertainment world?

Sherry Gunther: I spent about 20 years in the entertainment and television animation area. In 2005/2006, I really saw that the trend was shifting from television to the Internet. As I watched my kids' eyeballs move over, as well as looked at the research data and advertising data which saw TV's share shrinking, I started looking into new media. I saw lots of emerging opportunities in the area which allowed for innovation, so I created and cofounded ZooKazoo.com, my first effort in the space, which was a kids social networking site as well. That really allowed me to explore the space from the inside, and I saw that there is a tremendous amount of analytics you can get from kids behavior, based on where they visit, where they don't, and where they spend their time online--not to mention from their own feedback that they're happy to share. I saw that kids seem to get bored by kids sites by age ten or eleven, and then they start moving onto sites that shouldn't be online and really aren't appropriate for children. They're looking for deeper social networking, and more of a gaming element on sites. I saw there was a real opportunity to create a site that has all of those things, but in a more appropriate environment.

There seem to now be a slew on kids-focused virtual worlds. Why start another one?

Sherry Gunther: Initially, when I entered with ZooKazoo.com, it was not a crowded market, it was a nascent market. But, I'd admit with MyMiniPeeps I did have a moment of hesitation--it is a crowded space right now. I decided I only wanted to do it if I could differentiate and create something that allowed for innovation and differentiation, to carry us above the crowd. I felt that empowerment and role playing, as well as our more complex meta-game and social networking

elements of the site would really differentiate the site. Kids really need a deeper level of interaction. They're bored of chatting, and mini arcade games which have nothing to do with the experience in the environment. When I first started ZooKazoo.com, my then 9-year old daughter asked--what can I be? Can I be an editor? Can I be a tutor? Can I take on a role? She really wanted to be able to run the place. That gave me the view into kids' minds. They really want it to be "my place", they want to be part of what makes the place what it is, be involved in making it run. That led me to the whole role-playing aspect of the site, which allows kids to take on new roles as they master skills, jobs, and the environment.

Can you talk about how parental control works with the site?

Sherry Gunther: I think one of the differentiators in MyMiniPeeps is our special parent portal, which allows a parent--to the degree they want--to vet and get involved in their children's play online. The parent portal allows them to interact with other parents, get access to kid related resources, and additionally allows them to monitor and to some degree control a child's play online. That includes things like how much time they can spend online, to approving content they are uploading, to viewing which buddies they are spending time with online.

Moving over the business side of things, what's the business model behind this world?

Sherry Gunther: Primarily, MyMiniPeeps will be freemium mode. It will be free to play, but by purchasing a premium, \$5.95 a month subscription you can then unlock the ability to buy items with points. You'll be able walk around with and chat with people, and earn points in the in-world currency within the game, but you can't spend that currency on purchasing items for your avatar, customizing your avatar, or your home, until you become a premium member. It's a subscription model from a business point of view, and that's where most of our revenues will come from. The other aspect of our site is microtransactions, which we will be integrating into game play.

One of the issues we often hear from virtual worlds serving kids is that they're very dependent on getting their parents to pay for things. Have you thought about the issues there?

Sherry Gunther: The only reason to include microtransactions, is we've found a very clever way where children don't have to nag mom for additional money, yet they have ability to spend on those microtransactions. I can't say much about it, except that the ability to spend on microtransactions is tied into their roleplaying online, and we've found an interesting way to resolve those issues.

Are you using your own technology for the virtual world, or are you leveraging technology from others?

Sherry Gunther: We're using existing technology. There are wonderful tools out there, and our real focus is to use cutting edge technology so that we're ahead of the pack in that regard, and to really focus on the content itself.

Are the tools really there now for you to be able to do that?

Sherry Gunther: That's been the advantage of a maturing market space. There's more competition, but there's a lot more available to you as a developer. It's not to say that there is

not a challenging road ahead, in terms of making sure that we're able to create the sophisticated interaction we'd like. But, the platforms themselves exist, which makes the job quite a bit less risk in terms of the development process on the technology side.

An interesting point that the Tech Coast Angels made in your funding announcement was the time it took to get from presentation to funding. Was that because of any special effort on their part, or was it just the opportunity here?

Sherry Gunther: One of my very first investors is a member of the Tech Coast Angels, as was an investor that came on fairly recently. Plus, exposure through USC led me to the Tech Coast Angels. I found the process incredibly great. We were able to present at the screenings in Los Angeles, Orange County, and San Diego, and met lots of very interesting people who asked lots of great questions. They were very helpful in the process, and we found out pretty quickly doing the rounds of screenings that there was tremendous interest in the group. Within less than a month, we were able to close an early part of the round at \$300,000.

Finally, having come from the entertainment industry, how have you found working in the technology area?

Sherry Gunther: Honestly, content is content. There's always technology involved in delivering content. In my previous life as a studio executive and producer, it was about film, then it was about video, then it was about technology in the production process, animation, coloring, delivering it to the networks, and moving to HD. There's always technology involved. What I truly feel is absolutely paramount to any successful entertainment project, is the content itself. It's never about technology. The technology is there to facilitate your ability to deliver a better experience, but it's really about the characters, the story and experience, whether you're passively watching a show or interacting with a property. What this medium allows us to do-- which is so wonderful--is allow kids to interact at a much deeper level than passively watching a television show. They're able to create an alter ego, communicate, explore, problem solve, in a much more active, experiential way when they're online, versus passively watching TV. Another different, and quite refreshing thing coming from television, is the immediacy--the instantaneous feedback you get. In TV, you'd spend nine months producing a series, and until the day it aired, you wouldn't get a sense of whether people liked it--and by then, it had already aired. What's neat here, is you get analytics on a daily, and even hourly basis. You can see what gamers are responding to, how they are using the tools you provide them with, and how they create their own little games within the interaction, which prompts you to create further abilities for them to go deeper into that type of play. It's really kind of a constantly evolving experience. Your ability to give kids what they want is magnified in this medium.

Thanks!