



Press Release

Interview by: Benoît Meli
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“Mobile internet is already a profitable business”



Laurent Déméné, CEO of Haiku, and a pioneer of mobile internet, talks about his current business and what is at stake in the market for mobile applications and services.

JDN: Haiku was one of the pioneers of mobile internet in France ...

Laurent Déméné: Yes. We started in this business in 2002 as a content provider. Our ambition was to build a business by selling ringtones, logos or horoscopes only on mobile internet. Our business model proved to be not sufficient and we had to change our approach of the market in 2005. Market was growing too slowly, on one hand, and content acquisition was becoming too expensive for us, on the other hand.

How did you re-position the company?

We became a player of multimedia convergence between web and mobile internet. From 2005, we started managing the mobile portal of NRJ Mobile, then from 2006, we started working with Virgin Mobile. We also work for Bouygues Telecom since 2008.

What do you mean?

Few of the projects we handle are “mobile only”. We do not see mobile as a fashionable gadget, but as a genuinely complementary distribution channel in a convergent strategy. Our customers, such as Universal, AOL, Dailymotion or Accorhotels, already have a significant content or e-commerce business on the internet. Our mission is to help them adapt and grow their services on the mobile channel to create additional revenue streams.

These incremental revenues must also generate additional costs...

Yes, but they are marginal. In particular because the webservices used by the mobile applications or services are connecting to our customers’ back office, which is already being amortized on the “traditional” web channel.

Did this re-positioning allow you to increase your revenues?

Yes. Our sales amounted to 2.2. M€ in our fiscal year ending June 2009. We posted a net result of 330 K€. Our business grows since over 2 years at a quite interesting pace. We are talking about a 20-25% yearly growth. In a little over a year, we also doubled in size, and our headcount is over 30 now.

Do you owe this take-off to the iPhone?

As we say in French, iPhone is only the Apple that hides a tree that hides the forest. There is a global conjunction of elements that contributed to the growth of our sector and our own.

The iPhone, and more generally the development of sales of touchscreen phones is the most visible factor. This has triggered an increase in usage by the public and acceleration in the mobile strategies of companies. But one needs not to forget the increase of quality of connections since the launch of 3G services in 4 years ago as well as the launch of flat-rate packages by carriers. The launch of the iPhone was timely and well positioned in 2007. The story would have been different 2 years before.

How does the launch of other smartphones and other operating systems impact your business?

It obliges us to stay, more than ever, in direct connection with innovation to be able to address a multitude of environments. We were already doing that on the mobile internet. Our platform adapts the user journey to the specifications and characteristics of over 2000 handsets. The launch of new operating systems and applications in addition to mobile internet increases this necessity. It is a complex challenge, which justifies our existence. This is still a specialists' business.

Should the market aim at the industrialization of applications production?

Yes. Today, the market works based on a model of one application for each targeted operating system. This leads us to ask our customers to operate choices. In other words, developing an application for all OSs means developing one application per OS, which of course has a tremendous impact on costs, for both developments and maintenance. Industrializing the production of what we call cross-platform applications will allow us to offer a global presence at a reasonable cost to our customers.

Does the growing number of market places operated by carriers and handset makers also make the business more complex?

We are talking about something different, here. Being able to increase value through the presence on all market places is a key issue for our customers. The multiplication of targeted environments and distribution opportunities is another field where we have to collaborate with them, on both technical and commercial levels.

What is Haiku's next step in the convergence?

Beyond mobile, we want to work on applications on all connected devices, as for instance set-top boxes or TV-sets. We are still in an approach mode, since standards are not yet completely clear, as well as the way the market is going to structure itself between content providers, carriers and vendors. But, on a very atomic level, it is really close to what we do. We also work on prototypes that could impact our customers' as well as carriers' businesses. It is a bit early to discuss these matters.