

Management:

Kunal Gupta, CEO
Rishi Bhat, CTO
Dov Cohn, VP Business Development

Industry: Software/Telecom

Stage of Dev.: Early Stage

Employees: 5

Founded: 2004

Tech Platforms: BREW, J2ME, Symbian, Windows Mobile, Palm OS, SyncML, SQL, PHP, AJAX

Financing Sought: \$400K

Use of Funds: Product development, capital equipment costs, marketing, and professional services expenses

Capital Raised to Date: \$707,000

Current Investors: Ben Franklin Technology Partners, Founders, Glowcast Ventures LLC, MentorTech Ventures LLP, Various Private Investors

Business Overview:

Established in 2004 by three University of Pennsylvania students, Fone2Fone Inc. specializes in developing mobile social networking applications. Styky, the company's first application, was launched in September 2007. Unlike any other mobile application on the market today, Styky combines a complete set of popular and desired functions—social networking, contact synchronization and backup, and mobile marketing—all in a single application. Unlike other social networking applications that were developed for the web and later on ported to the mobile phone, Styky offers an attractive and intuitive mobile user interface without shortchanging functionality.

Products/Services:

Styky is one of the first mobile applications to leverage an individual's mobile phonebook as their most important social network and the hub of their networking activities. Users can communicate and share all their mobile content directly from the Styky contact list, as well as access a promotions section that provides custom offers and coupons. Additionally contact lists, photos and user information are all automatically backed up and stored on the Web, as an added benefit to those who lose their cell phones or change carriers. Styky is targeted to college students and young professionals, ages 18-24.



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Fone2Fone Inc.

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There are several distinguishing features that characterize Styky:

- Styky's integrated messaging and photo sharing keeps users easily in touch with people in their phonebook, a user's most powerful and most used link to their social network.
- Styky's mobile coupons provide a personalized stream of money-saving offers conveniently stored on the user's phone.
- Styky is designed with an innovative updating process that automatically loads updates directly to a user's phonebook.
- Styky ensures against lost contacts by housing and backing up each user's phonebook on its servers.
- Styky uniquely capitalizes on the viral power of a social network to significantly bolster response rates for advertisers and sponsors.

Target Markets:

Fone2Fone will primarily target college students and young professionals (>16.5MM wireless users), largely leveraging a viral friend-to-friend referral strategy. As early adopters of new technology, this group uses cell phones, mobile applications, computers, and social networks at a rate of 30% to 100% higher than the general population in measures such as wireless data usage (*Telephia/Harris Interactive 9/02*).

Revenue Model:

Styky is offered as a free service to its members and generates revenue from advertisers and sponsors. Electronic coupons are viewed at the discretion of the user and redeemed on site. A September 2006 study by *Informa Telecoms and Media* predicts mobile advertising spending to reach \$1.5BB in 2007, more than double 2006 levels, and \$11.35BB by 2011. And according to EJL Wireless, mobile couponing will comprise 42% of the overall mobile advertising market by 2011.

Marketing Strategy:

In order to initially promote the application and setup a broad foundation for the network, new media outlets, such as Facebook apps, blogs, and widgets, will be utilized. Additionally, Fone2Fone will employ a number of public relations and guerilla marketing tactics to drive penetration at selected colleges and with particular groups, starting with the University of Pennsylvania and the city of Philadelphia.

Competition & Barriers to Entry:

A number of competitors feature components of Styky, and a company that is able to weave all of them together using the mobile phonebook is yet to be seen. The main competitors are Verizon's Backup Assistant in the content backup and restoration arena, Facebook and MySpace in the social networking space, Plaxo in the contact update sphere, and in the mobile couponing sphere, CellFire. With particular regards to social networks, unlike its competitors, Fone2Fone's network does not rely on members growing the network by manually making connections, one person at a time. To Fone2Fone's advantage, members' mobile phonebooks serve as the root of their networks. In the contact update sphere, unlike other companies, Fone2Fone copies updates directly into members' mobile phonebooks, while competitors merely send email or SMS messages. And in relation to mobile couponing, no competitor has specifically targeted the college market, nor has a company leveraged a mobile social network as a distribution channel the way Fone2Fone is.

Distribution/Sales Model:

The application is distributed to the end user via the wireless carrier portal and via the mobile device accessible Internet (WAP), in combination with a common short code campaign using 4STYKY (478959). Content aggregator partnerships with companies such as Handango will provide an additional channel for delivering the application to the end user.

Technologies/IP:

Styky is currently compatible with 75 mobile devices supported by AT&T, T-Mobile and Sprint, and runs across three mobile platforms: J2ME, Windows Mobile, and Palm OS. A distribution agreement is also underway with Verizon. Version 2.0 of Styky is being enhanced to also support Symbian and BREW.

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