SMALL BUT PERFECTLY FORMED

This article appeared in Contagious Magazine issue 47
Contagious equips companies across the globe achieve the top 1% of marketing creativity.

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The disruptors, the game-changers, the finders of new markets and the upstart startups. Meet this quarter’s ones to watch.

Personalisation is no longer a luxury. At least that’s what this issue’s startups suggest. From customisable car insurance to a personal shopper at your fingertips, new companies are using tech to make tailored experiences the norm. We speak to Spring, a global startup accelerator that’s using design thinking to challenge cyclical poverty, and Eve, a mattress company that’s causing a stir by talking about everything but sleeping.
Mobile application Grabble capitalises on the fact that the migration to mobile has wrong-footed a lot of retailers, even those with established online offerings. They’ve spent millions building amazing ecommerce experiences, but now that they’re trying to convert those to mobile, they’re falling apart, says co-founder Daniel Murray.

School friends Murray and Joel Freeman left careers in marketing and business consultancy to become entrepreneurs. Initially conceived as a social commerce site, Grabble pivoted to become a mobile-first app serving up curated fashion picks.

The team tasked developers to build prototypes based around what they saw as the most engaging mobile experiences. The ‘Tinder for fashion’ interface impressed in testing and the app launched in November 2014, targeting students in the ‘sweet spot’ between football matches and X Factor on a Sunday night, with an image fed taxpayer campaign on Twitter. Murray says: ‘Our campaign lasted about 15 minutes, but we were trending for hours because suddenly all the students started tweeting about us. “What the hell is Grabble?” This helped it become the top new app on Apple’s app store. Seamless shopping

So what is the hell is Grabble? Users browse through fashion and beauty products and swipe right to ‘grab’ and save them to a special folder, or left to reject them. They receive notifications if the saved items are placed on sale, and Grabble’s mission to help people ‘live a stylish life’ has been embraced by 400,000 users so far. The app, currently available in the UK and shortly launching in the US, has 125,000 monthly active users, each using the app on average, 11 times a month. ‘If you were comparing that to print, it’d make us one of the more popular magazines in the UK,’ says Murray.

Content for commerce

The print comparison is pertinent, as Grabble has become increasingly content-led, publishing three articles a day around topics such as florals for all occasions, beauty travel essentials and clothes for weekend getaways. All content is shoppable, making the process seamless as possible. ‘Basket abandonment is massive in ecommerce and it’s even higher in mobile. Everyone’s trying to tackle it, but we just abandoned the basket. We let you buy things in a couple of taps,’ says Murray.

The content-led approach is constantly refined, based on user data. This lets Grabble unpick the ‘secret sauce’ around how long an article should be, how many images and how much video it should contain, for example.

This approach appeals to brands as well as people. Grabble is starting to work with the likes of Niles, Harvey Nichols, M&S and Hunter to develop what Murray describes as modern undergraduate, with shoppable curated branded content included in the app.

Satisfying the busy and bored and providing a new retail platform in the process? We’ll grab a slice of that.

Fred Macnamara lost all patience with the insurance industry two years ago. ‘I couldn’t drive anyone’s car at short notice without the rigmarole of calling up my insurer and having an hour-long discussion,’ says Cuvva’s founder. I just reached peak irritation.

Rather than accept the status quo, Macnamara decided to change it. He interviewed insurance underwriters and customers to try to understand the quirks of the industry and the annoyances people had with it. After six months of research, I found that the friction with temporary car insurance is so high that the transaction almost never happens. And so, spotting an opportunity to solve the problem, Cuvva was born.

In the fast lane

‘I built the entire company to serve my own needs,’ explains Macnamara, ‘but I also made the correct assumption that there are quite a lot of people just like me. Those people might need to borrow the family car for an errand, they may need a (sobriety) friend to drive them home from the pub, or they might want to share the driving on a long journey. Either way, Macnamara is confident that there’s a big enough user base to tap into – with Cuvva taking a small slice of commission per transaction.

Last year, the startup received support from the Financial Conduct Authority’s Innovation Hub, which helps disruptive companies reach their potential by offering expertise and resources. Next up, it was accepted into the Barclays Accelerator, and is currently undergoing an intensive 13-week programme at the London-based incubator. ‘Here we get access to an enormous, entrenched network of experts,’ says Macnamara. ‘You can speak to people who have already exited companies for upwards of $100m. That gives us an unfair advantage.’

Driving change

Perhaps Cuvva’s most valuable asset is that it offers an antidote to what Macnamara calls ‘a very, very antiquated industry’ – one that’s still designed with traditional car ownership in mind and doesn’t flex to incorporate the nuances of the sharing economy. As for delving into other types of insurance, Macnamara isn’t interested, for now. ‘Our vision is to be the company you go to for hourly car insurance. If you need to borrow a car, you’ll just get it Cuvva’d,’ he says. ‘Once we become a verb, we’ll be happy.’
The perfect start

Wiczorek wasn’t always in the mattress business. He used to be an ad man, with stints at JWT, Mother, WCRS, Fallon and 4Creative. Just as he was due to set up his own agency, his cousin (now CEO of Eve) Jas Bagniewski called and asked if he might do a project for a new online mattress brand. He ended up signing on as an equity partner.

His first job was to build the new brand up from nothing. So he locked himself away to study Eve’s competitors in the sleep space. ‘They were all talking about sleep, dreams, silent nights. Their logos were dark blues and purples. Their TV ads all had whispering voiceovers.’

Determined to avoid the clichés of traditional mattress marketing, Wiczorek enlisted the help of Been There Done That, a community of creative and strategic thinkers.

They suggested looking to energy brands for inspiration instead. ‘We had already flipped the business model by selling online. So why not mix up the branding to match?’ he explains.

‘We decided to celebrate that get-up-and-go feeling you get after a good night’s sleep — the perfect start to the day. If everyone else was a sleep brand, we would be the morning brand.’

That insight informed everything — from the name ‘Eve’ (which means life in Ancient Greek) to the logo (designed to look like a rising sun) to the bright yellow fabric that adorns the side of the product itself. Wiczorek considers it to be a central touchstone of the Eve ethos, one that will inform future product development and even its CSR strategy. Not only that, it also helped to convince the investors. After revealing the positioning and communications strategy to its incubator, Octopus Ventures, Eve received a £3m ($4.3m) funding kick.

Startups meet advertisers

Launched in February 2015, the mattress company has experienced incredible growth — roughly 30% month on month. In January 2016 it saw revenues of more than £1m ($1.4m).

Wiczorek attributes that success to the team’s combination of business acumen and creative expertise. Where Wiczorek brings branding know-how to the table, his co-founders bring experience from online retailer Zalando, startup studio Rocket Internet, Accenture and JP Morgan.

‘When I first came on board to build the Eve brand, I thought we’d be launching in a year’s time. Jas told me that we’d be launching in a month,’ remembers Wiczorek. ‘If you take four bearded creatives, it’s going to be very difficult to launch a successful company. If you take four driven startup people, it’ll grow but it’ll be rare that you’d get something that’s interesting and resonates immediately with the consumer. For us, the alchemy of both of those viewpoints is a competitive advantage.’

Beyond sleep

Those diverse attributes can be seen in Eve’s approach to advertising. It launched an above-the-line campaign on the London underground, tapping into Been There Done That’s network to recruit Paul Bedford, one of the UK’s most awarded long copy creatives, to pen the ad push. With the help of a social listening company, the brand found that while its largest market was producing short-form content — Instagram posts and tweets, for example — they actually preferred to consume long-form content. In true startup fashion, the whole campaign took Eve roughly seven weeks to deploy. And according to Wiczorek, it transformed the company’s bottom line: Eve now accounts for 1% of the UK mattress market and has 34% brand awareness in London.

‘But it doesn’t intend to stop there. We want to move from a sleep brand to a life quality brand,’ explains Wiczorek. The company has already launched its second invention — a pillow — and other new product development plans are in the works. From baby cot mattresses to sleepwear, according to Wiczorek, nothing is off the cards. Eve is destined to give our lives a bit more get up and go.

Kuba Wiczorek, Eve

EVE

Building a mattress brand that’s all about perfect mornings, not nights

We decided to celebrate that get-up-and-go feeling you get after a good night’s sleep — the perfect start to the day. If everyone else was a sleep brand, we would be the morning brand

Kuba Wiczorek, Eve
Companiesthroughout the world spent $1.25tn on business travel in 2015, according to the Global Business Travel Association. That’s only monetary value. Add to that the time and energy people put into researching the most cost-effective flight routes, cabin classes and cancellation policies and the process becomes tedious too.

Serial entrepreneur and OneGo founder Paulnas Grigas is painfully aware of how annoying booking a flight can be. His frustration was the springboard for creating OneGo — a subscription-based service offering business travelers unlimited flights across the US for a fixed monthly fee.

To sign up, people need to pay a one-off registration fee of $495. They can then choose a monthly subscription plan based on the region they want to fly to – West ($1,500), Central ($1,250), East ($2,500) or Nationwide ($2,600).

Travelers can book unlimited flights through the OneGo mobile app. Filtering their search by date, departure and arrival city, time or preferred airline. The monthly fee includes all taxes, delivery costs and times according to the Global Business Travel Association. That’s only monetary value.

OneGo’s partners include major US airlines such as Alaska Airlines, American Airlines, Delta, JetBlue, United Airlines and Virgin America. The service, which is now available across more than 700 routes between 76 airports, also allows travelers to keep earning frequent flyer points with their chosen airlines.

Grigas points out that OneGo supplements the airlines’ unlimited flight programmes, rather than competing with them. “We complement their distribution strategy with our offering,” he says.

Up, up and away
OneGo currently offers economy-class seats only, with a maximum of four active bookings at once. All trips must be booked at least seven days in advance. However, subscribers will soon be able to book business-class seats, make last-minute bookings and cancellations and increase the number of maximum active bookings to eight. “We are adjusting our value proposition, simplifying the process and improving our service by adding connecting flights,” says Grigas, noting that OneGo’s main aim is to add all US airlines to its offering. Looks like this one’s going to take off.

Cute robots that cut last-mile delivery costs and times

You’d think that after disrupting the telecom sector by creating Skype, Ahti Heinla would want a bit of a break. But instead, the Estonian entrepreneur has shifted his attention to robots. “A lot of big things happen — we weren’t interested in small startups or small markets,” he says. “And we realised, just like everybody else, that robots have great potential to change things in the world.” So, along with Skype co-founder Jarno Frix, Heinla created Starship Technologies to solve the biggest problem currently facing online retailers: last-mile delivery.

Fast on the ground
It’s no secret that one of the most expensive and problematic parts of delivering packages is the so-called “last mile”. Up to 28% of delivery costs are racked up during the final stage of the process: shipping from a transportation hub to the eventual destination. Starship’s solution? Four-wheeled, slow-moving bots big enough to carry two shopping bags’ worth of purchases. “In science-fiction films there are no delivery guys, just flying cars,” says Heinla. So the startup thought about how that fiction could be turned into a reality, and realised that there was no reason why robotic delivery couldn’t be done – as long as the bots stayed on the pavement. “People don’t like drones,” says Heinla, “they don’t like flying, buzzing objects.” They do, however, seem to like Starship’s dog-sized bots – ten of which are currently rolling around suburban in the UK, the US and Estonia. “People think they’re cute, like pets,” he says. “They make these friendly gestures towards the bots — once, somebody tried to feed a robot some bananas!”

Not only do the autonomous bots look friendly, they are equipped with microphones and a speaker so behind-the-scenes operators can communicate with the humans around them if they encounter an unexpected road block.

15-minute target
Starship’s biggest draw is the price. The bots are cheap to build, and each delivery adds up to less than £1 ($1.44). That means, for the first time, local businesses will be able to afford to compete with bigger supermarkets online, says Heinla, “and that actually has the potential to change how people consume”. The startup’s robot services are being enticed by a broad range of retailers and delivery firms, at a local and global scale – pilot programmes will begin later this year.

Heinla’s vision is for suburbs around the world to have Starship fleets. He estimates 30 bots per square mile will be enough to make quick trips to the shops obsolete. “Now, when most people order something online they can get it the next day. With robotic delivery it’s possible to start getting things in 15 minutes.”

Heinla and Frix founded Skype on the belief that they could improve the way people communicate while cutting costs. Now, they are doing the same thing for the ecommerce industry.
How an accelerator is challenging cyclical poverty

The poor go unexplored, unexamined and unconsulted
Ramona Liberoff, Spring

In a slum you have vibrant street life and all kinds of micro-enterprises,’ explains Liberoff. ‘It may seem dirty and chaotic, but it functions and has a certain logic.’ The new apartments didn’t cater to the community’s needs. Rather than listening to the people they were designing for, the organisation had imposed what they thought they needed. Sadly, this is a mistake made again and again in emerging economies. ‘The poor go unexplored, unexamined and unconsulted. They get given stuff,’ says Liberoff. ‘Roo talks about things being designed in air-conditioned offices in London and San Francisco rather than in context, and that’s exactly what he’s trying to stamp out as a practice.’

Spring equips its entrepreneurs with skills in human-centred design, helping them tailor solutions to user needs and enabling co-creation between the designer and end user. ‘It’s a democratic dialogue between the user, consumer and the designer, whereas a lot of the world is very top down,’ says Liberoff. For example, Rwandan startup EarthEnable’s work in the field revealed that a rain-floor product can provide immense benefit to girls’ lives. Part of Spring’s first troop, the company provides affordable flooring (75% cheaper than conventional wisdom about what a girl-focused product is,’ says Liberoff, who claims that when most people think about products ‘for girls’, they think pink or sanitary products.

Sustainable impact
Spring is about sustainable change, not charity. ‘Girls are not there to be helped. They are to be served with innovations that are targeted to them,’ says Liberoff. The girls or their families will pay for products or services with what little money they have, if these can empower them to gain more assets or income. For example, Spring startup Sare Millers creates a high protein, high-quality animal feed that enables girls to raise poultry in their backyards. The business in a box’ solution can reduce girls’ dependency on parents and guardians by letting them earn money in their spare time. Empowering girls to earn for themselves opens up further business opportunities. ‘Girls make up 12-15% of the market and yet nothing is developed for them, nothing is marketed to them and nothing is sold to them,’ says Liberoff. ‘It’s like they don’t exist.’ For example, the women’s health sector in South Asia could be huge, as there is a big problem with malnourishment. Yet none of the nutrition supplements in South Asia are targeting girls. Considering that in countries like Pakistan, for example, 50% of the population will be under 25 by 2020, the potential sales opportunity offered by adolescent girls is too big for businesses to ignore. By creating products and services that empower girls, Spring’s entrepreneurs are not only helping to pull their communities out of poverty but are opening up new markets. Doing good has never been so good for business.
Brown hates advertising. 'When I see a billboard it feels like I'm being slapped in the face by the brand,' he quips. 'Ninety percent of advertising isn't relevant to the people looking at it.' It's part of the reason he founded Skignz (pronounced 'sky-nz'), a geolocation-based augmented reality startup that wants to help brands connect its consumers to timely, relevant information.

Opening the Skignz app takes you to a camera view, which you can use to scan around for augmented reality markers that have been overlaid onto your environment. For example, if you're looking for the main stage at a festival, you can open the Skignz app and you'll see a giant arrow in the distance pointing the way. The app also allows users to mark objects or people with virtual pins. Place one above your car, for example, and it will help you find it when you're lost in a stadium car park. Or drop a roving pin on a friend at a festival to keep track of them via GPS. You can even put one above your own head so that taxis can find you in busy areas.

A better experience

Despite holding a master's degree in virtual reality, Brown has long believed that there are more useful applications for augmented reality. 'VR is a very insular type of thing,' he claims. In 2011, he teamed up with Skignz co-founder Gary Baker to explore its potential. The pair came up with the idea for geo-located AR, which Brown refers to as 'the difference between a machine-gun approach and a sniper approach for [brands hoping to attract] consumers' attention.'

He explains: 'I want brands that use Skignz to do more than just sell a product. If a brand was to sponsor an event, instead of plastering the environment with promotional signage, it could actually provide a better experience for the consumer. It can help you find the bar, locate your friends, or tell you who's next up on stage at a festival. That's more valuable to the audience'.

So far, the company has worked with global alcoholic beverage company Diageo to flag bars in busy places, and with London's annual LGBT Pride festival to signpost attractions for visitors. It has also garnered interest from soft-drinks companies, high-street retailers and even construction companies, who have used it to pinpoint workers on large sites and to render planned structures in AR prior to completion.

No competition

While competing AR apps use image-based recognition to trigger content (like a QR code), Skignz works using geolocation. That means that instead of having to scan an image and wait for it to be recognised before anything happens, after opening up Skignz, users can see the AR markers straight away. It also has a smaller file size (less than 1MB) than many other apps in the AR space. 'We seem to have solved a problem that no one else could,' believes Brown.

In the future, the company is hoping to partner with more brands and retailers, integrating with store locator functions on their mobile sites. Brown hopes that these partnerships will organically increase uptake of the app, once people learn how it can work for them. Ultimately, he envisages Skignz becoming ubiquitous. 'In the future, you’ll have a list view, a map view and a Skignz view,' predicts Brown.