

# Mobile apps drive Cherrypicks to premier Hong Kong status

Hong Kong firm Cherrypicks survived the dotcom-bust to become one of Hong Kong's prime players in the mobile space. CWHK talks to CEO Jason Chiu **By Stefan Hammond**



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What was the inspiration for Cherrypicks?

**Chiu:** When I worked in high tech strategy at Deloitte Consulting, we often use the term "cherry-picking": selecting the best. I founded Cherrypicks with a team in 2000—our vision was that mobile

## What portable device or devices won't you leave home without?

a) When I leave home, I tend to forget my keys but not my phones. I carry three smartphones and a tablet. When outside I tend to lose my phones but not my keys.

b) What are your must-view Web sites?

<http://www.coolinfographics.com/>, YouTube, <http://www.slideshare.net/>

c) Twitter, Facebook, or LinkedIn? Can we visualize a person's "sociability" by analyzing how connected and active he or she is in various social networks?

communication would become mass media, yet personal for its users. We believed that the advent of mobile data would create an ecosystem.

We were right about mobile but the ecosystem didn't coalesce until Apple released the iPhone in 2007. Our day-one vision and aspiration are now relevant as mobile communication increasingly becomes the norm.

## We're using our technology and innovation from Hong Kong to expand into overseas markets

Who founded the company, and how did you fund it?

**Chiu:** In 2000, we had angel investors like Taiwan's FarEasTone Telecom and Korea's SK Telecom. But further funding was a challenge with the dotcom-bust, 9/11 and SARS. We managed to

survive profitably by serving the back-end infrastructure of large telcos in Asia. One project—with SK Telecom in Korea—involved ringback tones sent via CDMA and required tech expertise and "soft skills"...the deployment intrigued a professor from Harvard Business School, who wrote a case-study about it.

With a proven profit track record (and a vision of mobile social networking), we raised about US\$25mil from VCs in 2005, allowing us to expand into social networking and mobile in the China and Taiwan markets. We've reached a userbase of five million supported by hundreds of employees in ten offices in Asia—six in China.

We needed more funding, but despite our supportive VCs, we couldn't raise sufficient funds and we had to sell the social networking business—at a loss—just before the 2008 financial meltdown. After a management buyout

of the company, we re-focused on pure mobile plays again and have enjoyed strong growth with the rise of smartphones and apps.

Even though our management and development teams are in Hong Kong,

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only about 5% of our group's total revenue came from here. But in 2008, thanks to smartphone-evolution, today over 50% of our revenue comes from Hong Kong. And now we're using our technology and innovation from Hong Kong to expand into overseas markets.

One thing we're proud of: all our intellectual property and design creativity is home-grown here in Hong Kong. Perhaps now the HKSAR government can be helpful to us in the areas such as patent or intellectual properties application, trade and licensing facilitation with overseas buyers and special mobile project funding for community courses. For example, we are currently setting up a mobile giving-platform across all five mobile operators to benefit NGOs and charities.

What was your first product?

**Chiu:** The "m-coupon" service on Orange (now the 3 network) in 2001. And we launched "iButterfly", a coupon entertainment service, on iOS and Android platforms in May 2011. Ironic: two coupon services, ten years apart with a different generation of user-experience, business model, network and device technologies. In '01 we celebrated with Hutchison's team when we accomplished 1,000 mobile-coupon downloads in the first month. Compare that to "iButterfly" with almost half a million downloads in the first month. And now we've been selected by Dent-su—the largest advertising firm in Japan—as their JV partner for regional deployment of the "iButterfly" service outside Japan.

How would you describe your company today?

**Chiu:** We are specialists in the "mobile UX" (User eXperience) and mobile marketing, and we develop our own product platforms. As for our client-mix, we are strong in financial institutions, luxury brands, retails, transportation, media, tourism & travel, utilities and transaction-based clients. We provide creative breakthroughs in large-scale deployments for firms like HSBC, Hang Seng Bank, the Jockey Club, Hennessy, the MTR and TVB. Our R&D efforts include user-experience-related technologies, augmented reality, 3D experience, transactions, social media technologies and cloud-based cross-media innovation.

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How did you get so many of Hong Kong's prime firms as users? What makes you irresistible to such a wide, diverse group of clients?

**Chiu:** We are extremely grateful to our prominent client base. However, we are still a long way from a successful global enterprise. We believe there will be powerful mobile marketing players in Asia, and hopefully we are well positioned to be among them.

Our secret of winning clients is "mind over matter": if you don't mind what others think, it doesn't matter. We have a singular positioning strategy and we stick with that regardless of our competitors and market's initial reaction. When the market seemed to demand mass-production low cost apps, we positioned ourselves as a premium quality, large-scale mobile app player. We

invested in high-end augmented reality and unconventional user experience for years. Today, we are more technical than digital agencies and more user experience driven than mobile developers.

We are very selective—our clients are typically top players in their respective industries or have a strategic reason to partner with us (e.g. the Hong Kong Arts Festival). We believe in quality long-term relationships with a limited number of clients. But this allows us to maximize our creative powers, technologies and resources on those clients.

The MTR is a good showcase of this strategy, our MTR Mobile app

for iPhone/iPad (and soon, Android) has won eight local and international awards to date. I credit our team, who I consider the best mobile marketing team in the world.

What's your roadmap for the future?

**Chiu:** The breadth of experience and our painful lessons in mobile and Internet over the last ten years have forced us to become fast and agile. Without our foresight in UX, Augmented Reality (AR) and 3D, we wouldn't be a world-leader in mobile AR today. I don't have a crystal ball, but I know we can't rely on a particular platform, be it iOS or Android. We need to develop our core competence, which is using technologies to develop creative, relevant and great mobile user experiences. It's the only way for Cherrypicks to be more future-proof. ◀