soundpays
A BETTER WAY TO PAY

Payments | Toronto, ON | Founded: 2015 | Employees: 10 | http://www.soundpays.com/

PHONE: 1-800-341-1875
BLOOMBERG: https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=327826012
LINKEDIN: https://www.linkedin.com/company/soundpays/?originalSubdomain=ca

COMPANY OVERVIEW

Soundpays is a mobile wallet payment solution that uses proprietary algorithms to help automatically identify the product they saw in an advertisement and purchase it instantly. Their current business strategy focuses on offering a free app to get consumers onto their platform, and then charging advertisers/merchants for the advertising technology that is needed for consumers to purchase through the advertisements.

SENIOR MANAGEMENT AND ADVISORS

Peter Misek: Chairman and Founder (2015 – Present). Currently: Founding Partner at Framework Venture Partners (2018-Present), Director at Wattpad (2016-Present), Director at GoViral (2016-Present), Director and Audit Committee Chair at Wave HQ (2015 – Present). Previously: Board Advisor (2001 – Present) and Venture Partner (2014 – 2015) at DN Capital, Partner IT Venture Fund at BDC (2015 – 2018), Managing Director at Jefferies LLC (2010 – 2014), MD at Canaccord Adams (2005 – 2010), Economic Advisor at Province of BC (2008 – 2009), Managing Partner at Orion Securities (2004), Director at Scotia Capital (2001 – 2004), VP at JPMorgan Chase (1998 – 2001), Manager at NM Rothschild & Sons (1998 – 1999), VP at Deloitte (1995 – 1998).Education: CFA (2001), CPA (1997), unspecified undergraduate degree from Brock University.

Steve Doswell: CEO (2016 – Present). Previously: CEO at First Information Security (2014 – 2015), Chief Market Development Officer at EKOHEALTH (2012 - 2014), Sr. VP Sales and BD at PCA Services (2008 – 2012), COO at AOL Canada (2007 – 2008), Executive VP BD at Dexit (2001 – 2006), VP and General Manager, Canada at Ericsson (1998 – 2001). Education: MBA at Concordia University (1986), B. Com at Carleton University (1982).

HISTORY AND FUNDING

Soundpays was started by Peter Misek and Jason Squire in 2013. Peter, an advisor to Shazam, suggested this idea of making payments through an app. Although it did not work out there, he was allowed to take it elsewhere. Peter and Jason worked to solve the issues with sound waves in noisy environment. The pair continued to develop the Soundpays app and a working prototype for of their algorithms decoding ultrasonic soundwaves. They secured their first seed funding in 2015 and released their app for Android and iOS users. Jason Squire was the CTO of Soundpays but left in 2017.[1] Soundpays has had two seed funding rounds, through which $520, 000 was raised. Their latest seed round was on August 1, 2016. Their main investor is Mistral Venture Partners, based in Ottawa.[2]

KEY CORPORATE DEVELOPMENTS

Press releases and Blog: http://www.soundpays.com/newsfeed
Aug 1, 2016:   Soundpays raised an undisclosed amount of seed funding from Mistral Venture Partners
Dec 4, 2015:   Soundpays partners with various charities for launch of their mobile wallet in Canada

BUSINESS HIGHLIGHTS

STRATEGY

Soundpays strategy is to develop an alternative consumer payment solution. First, a consumer sees an advertisement (TV, video, digital, etc.) and sees a product that they want to purchase. The consumer can open the Soundpays app, automatically identify the product they saw, and purchase the produce instantly. This entire

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[1] https://torontoguardian.com/2017/07/soundpays-local-business/
[2] https://www.crunchbase.com/organization/soundpays#section-funding-rounds

purchasing process takes less than 3 seconds.[3] Soundpays has a strategy of providing consumers a way of quick and secure purchases directly from an ad, while not having to visit third-party sites and not having to pay for the app. They attract consumers onto the platform, but their main customers are advertisers and 3rd party integration onto existing applications. For advertisers, they have a more direct access to consumers, as now consumers can purchase the product almost instantaneously.[4] For merchants, they can sell to consumers with any mobile phone without adding new hardware (unlike Apple Pay and Google Pay).[5]

PRODUCTS / PRICING

Soundpays has an interesting product and pricing strategy. For consumers, they make everything free. The app on the Google Play store and Apple App store is completely free. Through this they attract consumers on to the platform. The way that they make money is the advertising technology they sell to the advertisers. This technology allows advertisers to interact with the Soundpays app, through which consumers can go on and purchase the product. The three main types of advertisements that they target are:

- **Online Video:** Soundpays can convert any web-based video into its own payment platform. They do this by incorporating Soundpays technology during the encoding process.[6]
- **Digital Signage:** Any digital sign boards or advertisements (common at malls) can be turned into checkouts, where consumers can buy the product.[7]
- **TV Broadcast:** Any consumer watching a TV advertisement anywhere can then be able to purchase whatever product they see on the screen using Soundpays.[8]

Soundpays also has some business with 3rd-party integrators and has three main offering categories for them:

- **Embedded SDKs:** Through Soundpays SDK, third party applications can implement Soundpays features (decoding soundwaves) into their existing application.
- **White-Label:** Companies can deploy their own mobile wallet, with Soundpays pre-build, but fully features solution.
- **App-To-App:** Allows applications to push users and their shopping cart to Soundpays secure electronic checkout.

TECHNOLOGY

Soundpays payment solution is based around inaudible ultrasonic sound waves. These sound waves are embedded into a video that is broadcast through any type of speaker. The sound waves are received by the mobile device and decoded by proprietary algorithms in the Soundpays app. The information about the embedded product is then shown to the user, who can elect to purchase it. [9]

DISTRIBUTION / LOGISTICS AND MARKETING

Soundpays distributes its application through the App store and Google Play Store. There is not a lot of information available about their marketing strategy to attract consumers and advertisers onto their platform.

COMPETITORS

There are two established competitors for Soundpays in Canada. However, none of them offer the ability to decode soundwaves, like Soundpays does.

- NanoPay Corporation – patented full-distributed asset transfer system
- Smoothpay (or Smooth Commerce) – develops mobile payment, loyalty, and engagement solutions.[10]

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[4] http://www.soundpays.com/faq

[5] https://www.crunchbase.com/organization/soundpays#section-overview

[6] http://soundpays.com/merchant-advertiser

[7] http://soundpays.com/merchant-advertiser

[8] http://soundpays.com/merchant-advertiser

[9] http://www.soundpays.com/faq

[10] https://www.crunchbase.com/organization/soundpays#section-competitors-revenue-by-owler