

Thinking outside the inbox

Mobile email services used to be the domain of business executives. Now Swedish entrepreneur Roger Grönberg is bringing anywhere, anytime email to the masses — free of charge, writes **Barry Mansfield**

■ THE MAILMAN

Roger Grönberg,
founder of Momail and
champion of accessible
mobile email

The Canadian company behind the BlackBerry, Research in Motion, has long pitched its wireless device as the ultimate in mobile email, and record sales of €1.13bn in the third quarter of last year suggests founder Mike Lazaridis isn't too worried just yet. But pricey, inflexible tariffs and configuration difficulties mean the BlackBerry is unlikely to unlock the global market for mobile email, especially in emerging territories.

Enter Swedish start-up Momail, whose patent-pending software turns any data-enabled handset into a low-cost pseudo-BlackBerry. The software squeezes sent messages into tiny files, shrinking the cost of sending by up to 90%.

Offering the download free, it's not clear how Momail will make any money. Like so many tech start-ups with a brilliant idea, the strategy appears to be to build a global footprint at breakneck speed and then get bought – in other words, the model that netted Skype's owners, headed by founder Niklas Zennström, €1.76bn when it was sold to eBay in 2005. On its website Momail answers the Frequently Asked Question: "How can it be free?" with: "The service will be financed through future premium services."

In other words, Momail is a loss-making, cash-burning gamble. Yet it did not stop founder, ex-heavy metal star Roger Grönberg, picking up €3.79m in funding earlier this year. Investors include the Swedish 6th Pension Fund and Bonnier Invest, as well as individual investors from Sweden, England, Russia and South Africa.

Fast-talking, charming and articulate, Grönberg is a serial entrepreneur and strategist. He was the founder of Swedish outfit Memory and Storage Technology and vice-president of Euronet Online. Before that he spent time with the Malmo rock group Nasty Idols until 1994, when the band began to break up. A disillusioned Grönberg returned from the recording studios of LA to his native Sweden and found solace in a relatively sedate hobby from his teenage years – software design.

Starting out alone and self-funding in early 2004, Grönberg's breakthrough came when he invented an engine that crushes email into a tiny

data packet and reassembles it at the other end. It was enough to convince several private investors to stump up capital, including compatriot Johan Staël von Holstein, who was among the first wave of 'e-Vikings' to emerge in the late 1990s with the pan-European internet agency Icon Medialab. He chipped in €406,000.

These days von Holstein is focused on helping other entrepreneurs with an incubator called iQube. So far this has invested in 71 companies, including some in the medical engineering, biotechnology and design-oriented fields. The tried and tested routine sees iQube taking 10% equity in these firms and offering them start-up capital and free office space in Stockholm – exactly what happened with Momail. Not the first company to tap into clientless mobile email, Momail found itself locking horns with its paid-for, business-only competitor Seven (see below), confirming the reputation of Swedes for coming up with neat solutions to mobile telephony problems, typically with 'free for all' idealism.

Now with a staff of 10, Momail refined its offering last year by partnering with anti-spam specialist IronPort (which had been snapped up by networking giant Cisco, for €560m, a month earlier) to keep those pesky Viagra ads out of your inbox, and also to guard against mobile viruses.

Launching last August in Scandinavia and two months later in the UK, Momail will quickly roll the service out across Europe this year. With several tens of thousands of users to date (and 1,500 new downloads every week), ultimate success will rest partly on the inherent flexibility of Momail's software. It can run on over a thousand different handsets, including older units. By comparison, Seven is limited to just 200 mobile device models.

That's what leads Grönberg to realistically hope that emerging markets will pick up Momail as well – it'll work on that ancient second-hand Nokia brick picked up cheaply from a market stall in New Delhi or Kampala. And then there's the cost savings inherent in its plucky file-compression feature, which ensures that 'Momailing' is up to 15 times cheaper than sending a text message. According to industry ■■



ANDY SPAIN



ANDY STRAIN

■ **ON MESSAGE** Grönberg will target emerging markets

body GSMA, 85% of the one million people who become new mobile phone subscribers every day live in emerging markets.

“Cheaper messaging, on the face of it, is not attractive to operators, but that’s a temporary problem,” says Grönberg. “If they choose to embrace it, then in 10 years they’ll have so much traffic they’ll reap the benefits. After all, happy users tend to buy more data services. The provider also gets a good reputation.”

Grönberg admits that the ideal exit for Momail would see the company snapped up by a major operator – one with a large enough user base to exploit its potential in developing markets. That could be an ideal result for Grönberg on a personal level, too – he still holds a stake of around 25%.

Not everybody is convinced of Momail’s potential though. “My main fear is that email is a dead technology for Western consumers, and will quickly lose appeal for those in the developing world,” says Paul Johnstone, an analyst with tech consultancy Think Smart. “The West has moved on to social networking. Developing markets don’t smoothly follow the same well-trodden path a few decades later – they bunny hop to catch up with our latest innovations.”

Johnstone believes the future lies in a fusion of mobile instant messaging and social networking. “Personal communication is now very short, in lingo and contained within social networks,” he says. “People want real-time updates to their

Some other recent innovations in mobile messaging

Fring This allows users to live chat with all their MSN Messenger, Google Talk, ICQ, Twitter, Yahoo! and AIM buddies from their handset, incorporating and viewing them all from a single, integrated contact list. Fring can take advantage of a handset’s Wi-Fi (WLAN) capability, as well as 3G (or GPRS).

The application is not digitally signed, however, meaning that users are taking a small security risk. Fring can also be memory-hungry on some handsets and so is prone to crash occasionally.

Mobypicture The Dutch company’s software enables users to upload picture messages to all social networking sites whilst on the move and in one click with support for sites such as Tumblr, Twitter, Jaiku and Flickr and, by extension, MySpace and Facebook. Frustratingly, for users, Mobypicture is not an instant messenger in the Fring mould, but its free service, which enables users to mass publish photos with one address, has been well-received in Europe.

Seven Finnish-US company Seven has beaten rival Momail to enter the Japanese market via its partnership with NTT DoCoMo and has struck up deals with the likes of Sprint, Orange, Cingular and 3. The latter rebranded Seven’s service on the Sony-Ericsson W660i. Seven makes its money from a monthly service charge. Grönberg claims: “Our rivals are mostly aiming for the business-to-business segment, which will never be more than 5% of the total market, even though the market in its entirety will grow.”

public profile on Facebook, for instance, to see pictures of people on their contact list, and to know where their friends are. Start-ups like Mobypicture and Shozu have brought social networking to the mobile phone, to a degree, but the market is still wide open.”

In defence of Momail, push email support and instant alerts for incoming mail make it a close rival to an instant messenger. Users can contact each other by entering the recipient’s number, instead of their email address, so the service seems more than capable of facing down SMS. The question is how quickly emerging markets will embrace social networking, or whether they opt for something a little less formal, like South Africa’s MXit instant messenger.

Momail has been more than four years in the making. On the face of it, the Swedish ex-rocker appears to have covered all his bases. The company’s next step involves working with a GPS company to provide affordable navigation technology to the developing world; Momail, Grönberg believes, will provide the email platform it needs to work.

“We really don’t care about the receiving end,” he explains. “We don’t care how large the device is, whether it has loudspeakers, the colour, or what the display is like. It can be made to work for the PC as well. It can be opened up to work on your laptop. We can always make the most of email for each and every recipient.” ● **EB**