Pic: Daniel Hambury

Facebook's little brother: Moshi Monsters is the Bebo for tots

Mark Prigg, Science and Technology Editor
24.03.10

Surrounded by huge posters of strange cartoon beasts, Michael Acton Smith runs one of the world's fastest-growing websites from a nondescript industrial estate in Battersea. But while most grown-ups haven't even heard of Moshi Monsters, its founder has none other than YouTube, Facebook and Bebo in his sights.

The site has become a phenomenon since Acton Smith, 35, started work on it in 2004. Players log on to adopt and care for a virtual monster, which can interact with other creatures in their own virtual world. It is one of the world's biggest sites for children, and this week reached a staggering 15 million members — including Gordon Brown's sons. Tonight the firm is throwing a party at the London Aquarium for its users.

"The business is very profitable, revenues are growing 20 per cent month on month, and I'm extremely pleased with where we are," says Acton Smith, surrounded by party bags that are being given to guests. "We don't have to ship physical products and we have a direct link to our customers — it's an amazingly wonderful business model."

It is a year since the company launched a £5-a-month subscription service, although it does not say how many of its members have joined this.
Now Acton Smith's aim is to make the website the children's equivalent of adult social networking sites, following the example of Facebook co-founder Mark Zuckerberg: "Moshi Monsters is a social network for kids before they graduate to Facebook, and it gives them a place they can be kids. We also want to add video to the site — YouTube is incredibly successful, but isn't safe for children."

Acton Smith, who lives in Soho, previously set up Firebox.com, a gadget-selling site of which he is still a director. He stresses that privacy is paramount on a venture aimed at children, and the team have spent months planning a strategy. "We thought a lot about protecting the users, but we think we got it spot on.

"We collect no information about users, you can't send private messages or post photos (although once invited you can pin notes to friends' message boards) and we also monitor and filter conversations where appropriate. The key was to get the balance right between keeping kids safe and making it fun."

Acton Smith came up with the idea for Moshi Monsters while he was touring the world looking for toys to sell on Firebox: "I'd go to toy shows, and I saw the huge popularity of pet toys, from pet rocks to tamagotchi. When broadband began to take off I realised this could be done online, so we simply let the monsters inhabit a virtual world."

Children visiting the site adopt a creature from one of six basic designs, then customise its appearance and name it. Monsters must be regularly fed, and can interact with others in the virtual town created by the site (subscription members get access to more areas of the game).

There were a few false starts before the concept took off. Acton Smith first designed Perplex City, a game based on a combination of trading cards and real-life searching, which culminated in a winner finding £100,000. It did reasonably well but was too complex for many, Acton Smith admits.

Moshi Monsters, he says, is the opposite, designed so players can dip in and out. "We didn't want a site that children would spend hours on, and the average length of time people play for is 10 minutes. However, they do this before school and when they get home."

It is designed so that children lose interest after a short period. They can also do spelling or maths puzzles, against the clock in 60-second rounds. "We wanted to keep the site educational, and also ideal for short bursts — the idea is that a child spends five minutes playing a few games per day, not all day randomly wandering around the virtual world."

"We actually originally called the site Puzzle Monsters, but it didn't test well and was too educational. We realised we can't make it too obvious — Moshi is about stealth education, and fun and enjoyment was our first focus." Friends of Acton Smith were in New York recently when their daughter started naming the countries of flags flying outside a hotel. It turns out she had been playing a flag identification game on Moshi Monsters.

The site was originally designed for seven- to 11-year-olds, but it now has a broader age range with children as young as three regularly logging on and playing alongside teenagers. There is a slight bias towards girls, something Acton Smith puts down to its graphics. "I'm a frustrated graphic designer, and spent lot of time thinking about how monsters should look — we wanted edgy, with a Japanese influence. They're incredibly cute and girls really seem to like them."

The site even allows players to obtain virtual pets for their virtual pets. Called moshlings, 48 of these creatures exist, and are obtained by planting the right combination of seeds, which has led to a huge community swapping the codes needed to get the right moshling.

According to web monitoring firm Hitwise, Moshi is now one of the quickest growing sites online. "Moshi Monsters is growing a lot faster than its competitors," said Robin Goad of Hitwise. "Last month it was the sixth most popular games website; a year ago it ranked 60th. Club Penguin, currently the largest children's site, has increased in visits by 11 per cent in the last year. Moshi Monsters has increased by 424 per cent".

Players come from all over the world. A third are from Britain, a third from the US, and a third from elsewhere. "We have players from Japan, the Philippines and countries everywhere," says Acton Smith. "Kids are playing the site to help them learn English, which is pretty amazing. I think the key to our success is the action of looking after a pet. Nurturing is a very important play pattern for children."

Moshi world is polished and slick: "I was completely inspired by Pixar. There is a huge attention to detail with the animation, and to get the tone right so we are

not speaking down to kids. There's also a financial incentive for parents — instead of going to shops and spending £40 on a game, they can play Moshi for free."

Angus Bankes of north London, whose four children, aged six to 14, all use the site, said: "It's really impressive to see them all enjoying it in different ways. I've been very impressed with it and they have the monitoring spot on, so we have no concerns about the children interacting on it."

Next on Acton Smith's list is traditional merchandising: "We've just signed a book deal for this Christmas and we're also working on trading cards, plush toys and a videogame, along with an iPhone version of the game."

Even the music industry is a target. "We've licensed the track Hey Mickey and rewritten it to Hey Moshi — there's even a dance to go with it. Maybe we can create the next Macarena, and we've made a music video. Who knows, maybe I'll don a monster outfit and go on tour."

Acton Smith is also a key player in London's emerging social scene of technology entrepreneurs but says this country is lagging behind: "In the US, entrepreneurs are revered like rock stars, but in London we seem to want to knock successful people, and we have to overcome that. I think good entrepreneurs make things happen, they roll their sleeves up and do it."

London's dotcom pioneers have begun to band together in a bid to take on Silicon Valley. Many are centred around Shoreditch, and a low cost "incubator" called Tech Hub is set to begin operating soon, giving start-ups access to cheap office space and mentors in the industry.

"London is really becoming a world centre for online firms," said Mike Butcher of dotcom news site Tech Crunch UK, who is an adviser to Tech Hub. "We are a real hub for the whole of Europe and a landing pad for people from the US. "It's an incredibly exciting time for the London start-up scene, and projects like Tech Hub will hopefully mean it gets even better. Having someone like Michael taking an active role in helping new start-ups, and even investing in them, makes a real difference."
www.moshimonsters.com