

## Moshi Monsters has big ambitions for little people

By Georgina Prodhan

April 9th, 2010

LONDON, April 9 (Reuters Life!) – It may seem a leap from offering virtual pet monsters for adoption to building the next Facebook but Michael Acton Smith, the man behind kids' online craze Moshi Monsters, believes he could do it.

Fifteen million users, mostly children aged seven to 11, have already signed up for Moshi Monsters, and the site is swiftly catching up with market leaders like Disney's Club Penguin.

Moshi Monsters offers a safe environment for children to exchange messages with their friends, do puzzles and nurture their adopted monsters — cute, brightly coloured creatures that utter Japanese-sounding noises and live in Monstro City.

Increasing numbers of affluent parents — many of them “soccer mums and dads”, according to online intelligence firm Hitwise — are more than happy to hand over five pounds (\$7.65) per month to keep their tots off sites designed for older audiences.

“We didn't want a Wild West where anything could happen,” Smith told Reuters in a recent interview. Smith is chief executive of London-based Mind Candy, the social gaming company behind Moshi Monsters.

Unlike most websites, which try to make money through advertising or selling virtual goods while offering free services, Moshi Monsters relies completely on subscriptions for its revenue, and says it is already very profitable.

### FACEBOOK FOR KIDS

Mind Candy is one of a clutch of social-gaming companies that have sprung up in London in recent years. The most well known is probably Playfish, the creator of Pet Society that was recently bought by Electronic Arts for \$275 million.

Playfish struck gold by building its games on Facebook's platform, giving it instant access to the social network's 400 million users. Smith, in contrast, decided to go it alone, seeing no suitable platform for his target age group.

“We want to create a Facebook for kids,” Smith said. “We’re still in the early days, but we might consider opening it up to third parties.”

Facebook’s growth really took off when it began to allow third-party developers to build applications for the community. In the case of Moshi Monsters, Smith emphasised that both content and ways of sharing it would be strictly controlled.

Piers Harding-Rolls, games analyst at media research firm Screen Digest, says: “In the longer term, it becomes a more difficult proposition if you’re out there on your own. There’s going to be multiple aggregated platforms.”

“But by that point Moshi Monsters and Mind Candy might have a substantial brand and platform of their own.”

Moshi Monsters is already branching out into the real world. It held a recent party for fans in London, and has created a version of the 1980s hit song “Mickey” called “Hey Moshi”, complete with dance video.

“We will license other cover tracks,” Smith said, adding that he was also in talks with “major partners” on Moshi Monsters merchandise including trading cards, which children swap to collect sets, books and video games.

“The kids’ space is still very much under the radar,” he said. “Unless you’ve got kids, you don’t realise.”

(Additional reporting by Matt Cowan, editing by Paul Casciato)