

Moshi gets real to ape monster success

By Tim Bradshaw, Digital Media Correspondent

Published: October 16 2010 04:39 | Last updated: October 16 2010 04:39

Michael Acton Smith never imagined that his website would make him a celebrity. But next weekend, he is bracing himself for a book signing at London's Westfield shopping centre that is expected to attract hundreds of people.

To millions of children worldwide, Mr Smith is "Mr Moshi", creator of the Moshi Monsters world. Halfway between Pokémon and Tamagotchi, Moshi Monsters lets seven- to 14-year-olds create online pets that they must play with, house and feed. Monstro City, where the adopted creatures reside, also offers opportunities to solve puzzles and – crucially – to chat with other monsters.



Michael Acton Smith: 'The heartbeat is the website'

"We wanted to build a site that was as popular for kids as Facebook is for grown-ups," says Mr Smith. "Not only is it one of the fastest-growing kids' websites, it's one of the fastest-growing websites full stop."

In two-and-a-half years, more than 28m monsters have been created. The site attracts 7m monthly users. One-in-three British children owns a monster. Some spend £5 (\$8) a month on a "passport" to let them visit special parts of the Moshi world.

The Moshling Collector's Guide, published this month by Penguin (part of Pearson, parent of the Financial Times), marks the site's first important foray from the digital into the real world.

The run-up to Christmas will also see the release of Moshi Top Trump cards, a gift pack with subscription cards and cuddly toys, and Moshi-themed Silly Bandz, the elastic-bracelet craze sweeping America. More toys, magazines and video games will be available next year.

"We are building a new kind of entertainment company," says Mr Smith.

"The heartbeat is the website – but orbiting around that are all sorts of other products and media that enhance the online experience. We don't want to slap the logo on all sorts of products in an exploitative way."

Having previously co-founded Firebox – the online gadget retailer – Mr Smith started Mind Candy, Moshi’s developer, in 2003.

He poured millions of pounds from investors including Accel Partners, Index Ventures and Spark Ventures into Perplex City, a huge online game that ultimately proved too complex and ambitious. Mind Candy was down to its last \$1m when Mr Smith had the idea for Moshi Monsters in 2007. Angel investment by a mystery hedge fund manager saved Mind Candy from going under in 2008.

Now the company is generating plenty of cash to fund expansion, a new east London office (complete with dotcom-quirky jungle decor) and, perhaps next year, a whole new game.

A greater element of story-telling will soon be added to Moshi Monsters, with special Moshi Missions for subscribers, as Mr Smith strives to prevent the site becoming a “flash in the pan”. “The secret to an evergreen property is a deep and engaging story,” he says.

Moshi’s shift into physical goods takes place as many media companies are trying to leap on to the “transmedia” bandwagon by forming characters and entertainment brands that straddle television, print and digital platforms.

Mr Smith admits to having “lots of nibbles” from would-be acquirers, but he would rather become the next Disney than sell to it.

“I’m having way too much fun running this business at the moment,” he says.

“We are still at the start of something huge. We think we can build the largest kids’ entertainment property in the digital age.”

©The Financial Times Ltd., 2010