



## Straightforward Snipit Synopsis

Incessant curiosity and a deep entrepreneurial spirit are anything but foreign concepts to Hyran Media Services President Peter Hartmaier, whose latest startup is **Snipit** which facilitates mobile phone users to interrelate with whatever they hear on radio.

Such interaction could involve any element from music to commercials to station promotions. "Radio and users are mobile - the link between them is the mobile phone," the Toronto native remarks. "The thing that's [presently] missing is a very simple consistent interface to get access to what's [airing] on radio. You effectively need a mouse click for radio content. Snipit provides that using a common access [text messaging] from all cell phones. Text messaging is very simple and works on every cell phone. A person listens to what's on radio and always sends the same text message - [station call letters, slogan, etc.] - to the short code `SNIPIT.' That works for all Snipit-enabled radio stations."



A key distinction exists between technology versus practical technology. "You can always build something but it has to work for the masses," Hartmaier reasons. "All that technology has finally come together. Technology and cool stuff [however] isn't worth anything if people can't make money [from] it. Station automation systems provide raw data and text messaging is ubiquitously available. You can generate a total experience on the phone with essentially off-the-shelf technology just by combining it in a unique way. When we filed a patent pending for [Snipit], we gathered up unique design elements. That kicked off the final design people now see with [it]."

Nothing is recorded and no actual content is held.

Describing or likening this radio search tool as our medium's version of the TV Guide Channel, for instance, would be inaccurate and misleading since that indicates what's coming up. "We don't have any visibility of what's about to play," Hartmaier notes. "We can tell someone what **has** played and get someone access to everything that has [aired]. We thought [Snipit] was a catchy name and played with the spelling to make it a six-digit acronym because short codes are six digits."

## **Seed Planted**

While listening to his car radio one day in the late-1980s, Hartmaier heard a commercial he found intriguing but couldn't pull out a piece of paper and write down the advertiser's phone number.

That scene, of course, far pre-dated text messaging although the experience planted the Snipit seed to Hartmaier whose background is in engineering. "I did a lot of work in cell phone technology and telephony in general," he explains. "I've been working on this for [the better part] of ten years and it's come together the last several."

During the three decades Hartmaier has been in the telecommunications field - the last two-thirds of that time in the cell phone business - he's done some complicated network design for major North America carriers. "I recently worked for a company that built applications in cell phone technology and understand [such things as] handset rollout, adoption rates and device dependencies on new technology," he explains. "I've seen all the idiosyncrasies and complexities of hooking up new systems. All this stuff in the backroom is what I've been doing for a career. Connecting radio stations [with] cell phones is all pretty straightforward in my eyes [but] it seems to be [foreign] to radio station people."

Seattle-based Hyran Media Services is the entity that brings Snipit to the marketplace and runs back-office data processing systems. "It also provides sales infrastructure to stations so they can sell Snipit as part of their advertising portfolio," states Hartmaier. "We have five other people [in the company who] are in New York and Seattle."

## **High-Profile Role Model**

Shared similarities between radio stations and websites include content and advertising with Hartmaier's business model based on exactly that of a typical website. "Someone clicks on an advertiser and there's a revenue share that goes on with that click-through [among] the advertiser, website owner and service provider which is Snipit," he explains. "It's an advertiser-funded model."

Whenever an ad is selected, the client is charged the same as if it were advertising online which Hartmaier believes is a fundamentally important point. "A station can now [tell advertisers they can use] radio and get the same click-through ability they get online," he remarks. "They only get charged based on click-throughs. Advertisers don't need to advertise online when they get the same results on radio. They can get immediate results from people who interact with the ads. There's no driving them off to the internet."

Stations utilizing Hartmaier's Snipit service aren't charged with upfront costs. Furthermore, no monthly minimums are required. "People click on ads and money changes hands; it's exactly like on the internet," he states. "People in radio think [listeners] won't click on an ad unless a car or [vacation] trip is being given away. Our philosophy is you don't need that. People will seek out ads because they need buying information."

Enticing products up for grabs are not exactly synonymous with Google's home page with Hartmaier candidly commenting, "It has to be the most boring website on the planet. There's a search bar and nothing but white space. When you want information [though], that's where you go. There are ads in the background but they are all information. As a company, Google will make more money this year than the entire U.S. radio industry. Last time I looked, radio is projected to make about \$20 billion and Google just north of \$30 billion. Google has proven this business model in a big way and it's implemented by Snipit."

After performing a six-week campaign on a Seattle outlet, Hartmaier discovered consumers actually click on ads at a greater rate than he assumed in his original business plan. "Using some broad conservative assumptions, a 300,000 cume station should be able to expect \$20,000 a month in additional revenue [from Snipit]," he maintains. "It probably won't happen in the first month but as people get to know Snipit, those are achievable numbers. We believe they can be higher as [stations promote it]."

Prior to putting any more investment in the technology, Hartmaier conducted some "toe-in-the-water" discussions before making formal Snipit-related presentations to radio stations this past January (2008).

### **Education Process**

Some facilities are in demo mode, although Hartmaier doesn't yet have any commercial contracts for Snipit.

Succinctly summarizing reaction as "interesting," he expands by declaring, "You have an industry that's almost in turmoil [from] all the interactive initiatives coming at it. [Snipit] comes across [a station executive's desk] as another great idea. Our challenge is to separate ourselves from all those other options. We wrote a white paper [in which we stated] Snipit is a much more scaleable solution for radio stations. We believe it addresses the revenue leakage to online. It's the way of competing against online advertising by radio stations. It's a new concept and a different way of selling advertising."

Several officials have told him Snipit currently doesn't fit with many other radio sales models or existing sales programs. "We're trying to educate radio station executives," Hartmaier remarks. "[Many managers at] CBS Radio [stations he's contacted have] stated their AOL deal. Some stations also have their own short codes."

### **Soon To Be Outdated**

Others meanwhile may have existing momentum going on from further text messaging initiatives. When Hartmaier challenges someone on it though, he remarks, "They realize what they have absolutely does not do what Snipit does. Stations might have mobile marketing campaigns or station-branded short code initiatives and they can light up a few advertisers [through mobile marketing]. It is good money [but] Snipit and mobile marketing are not competitors in that area."

Both of them can co-exist, Hartmaier contends, on the same radio station. "We provide links to the mobile marketing campaign in the Snipit list," he points out. "The only reason you have short codes in use today is that it's the only way you can get access to this content ubiquitously."

As this whole business expands and Snipit evolves Hartmaier predicts short codes will disappear in favor of a button or a soft key on the phone. "A person can listen to a song on a Zune device, press a button and tag that song for a later download. There's no short code involved. This desire to have station-branded short codes is a lot of promotion for something that technology is going to eliminate. Over time, people will lose that short code concept."

Participating Snipit listeners can obtain artist/title information regarding a song heard on their favorite station and be provided with links so they can purchase that track. "Frankly, the music business is so overrun right now with [many] people selling all kinds of songs," Hartmaier opines. "As far as we're concerned, we are not in the music business. We don't actually sell songs but [enable] links and, out-of-the-box Snipit will send [listeners] to iTunes. We put some ads from the radio station's inventory around song links we email to listeners. That gets more exposure for those ads and generates some revenue."

## Preaching Patience

When Hartmaier was ten years old, his father had an opportunity to leave Toronto and go to California. "I was out of school and as [one can] imagine, I had a blast in Southern California," Hartmaier joyfully recounts. "I had a cheap \$2 skateboard with metal wheels. During the summer, I wore out the sole of my right foot."

Six months later, the family moved back to Toronto where no one knew about skateboards. "As a ten-year-old, I told my dad we should import skateboards from California," Hartmaier recalls. "Someone must have thought about it before and there was probably a reason why it was a bad idea. Of course wherever you go in North America today, you see every kind of expensive skateboard and everyone has them. It is a huge industry. It's just one of those things. I already have seven patents to my name – this one [for Snipit] will be the eighth. There is stuff out there that people just don't think about."

In Hartmaier's estimation, no one is doing anything quite like Snipit and if they were, he points out, "We'd dust off our patent pending to see how [similar it is]. Some companies do downloadable clients to the phone which then provides them interactivities."

Two venture firms funded his previous mid-1990s startup and it prepared him to anticipate much of what's now happening with Snipit. "There are ups and downs with huge, huge emotional swings," Hartmaier confides. "One day you are so high you can touch the moon [but] the next day you might want to shoot yourself because everything is coming down. You feel like it's a waste of time and wonder how you ever got yourself into this. I did not expect the level of inertia that exists in the radio business and struggles [radio people] are having with new technology."

Admitting he underestimated how much work it would be to convince people about something he considers to be reasonably clear-cut, Hartmaier deadpans, "This is not rocket science technology. There are far more complex things out there. I've never been one [who] follows the crowd [so] that part of this has been very frustrating. Some other initiatives might seem glitzier and more visual but hopefully Snipit demonstrates there's a very defined money flow. I'm always positive and optimistic that Snipit will persevere. This is a great technology. It is going to change the industry and help radio stations achieve their goals."

Things tend to take longer than anticipated for those involved with an embryonic situation but there have also been times Hartmaier has found encouragement. "I've talked with people in the industry who have taken the time to look at [Snipit] and tell me it's very innovative," he declares. "Some consultants who've seen it [understand] its value and that has been encouraging. Perhaps I'm a bit over-demanding. My frustration is no one wants to be the first to try it [but] we will keep at it."

--Mike Kinosian, [mike@insideradio.com](mailto:mike@insideradio.com)

Archived [here](#) are last week's "Inside Story" (11-6-2008) about the Satellite Sisters' terrestrial radio to podcast transition and this week's "Mike Kinosian Interview" of Clear Channel executive **Susan Karis** (11-10-2008) archived [HERE](#).