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Irrepressible widget-maker RockYou targets Asia, raises \$17M

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[RockYou](#), a company that started out two years ago making simple slideshow widgets for [MySpace](#), and, more recently, applications for social networks including [Facebook](#), is now invading Asia.

It has taken on strategic funding and sweet deals from big regional partners: \$14 million from Japanese carrier Softbank, which is the largest shareholder in Yahoo Japan, and \$3 million from the venture arm of Korean carrier SK Telecom.

Redwood city, Calif.-based RockYou could be setting itself up to make some serious money. The company has managed to reach more than 100 million monthly users across social networks, and has been experimenting with a range of advertising services. But its new partners are giving it access to users who have proven they're happy to pay for virtual goods and mobile services.

SoftBank and RockYou are setting up a joint venture company that will develop widgets for computers and mobile devices in Asian markets, focusing on Japan, China, Korea and Russia. Softbank has notably invested [\\$400 million in Chinese social network Xiaonei](#). Often referred to as China's Facebook clone due to the two sites' similar interfaces, [Xiaonei](#) introduced a developer platform for hosting third-party applications earlier this year, using a version of Facebook's platform.

RockYou will fit in nicely with Xiaonei, as it is one of the largest developers of Facebook applications. In fact, Facebook redesigned its user profile page earlier this year, moving apps to a separate page — in part to try to kill RockYou's [SuperWall](#), a media-sharing app similar to Facebook's wall feature. SuperWall is [still](#) doing fine. Note: Applications are basically widgets with additional features enabled by the hosting site, such as letting a Facebook user invite friends to try the app.

Meanwhile, Xiaonei has just [introduced](#) a virtual currency system for buying and selling virtual goods. Users buy the currency, called Xiaonei Dou, using real money, then pay to buy virtual goods within games built by third parties. Overall, virtual goods are a \$1.2 billion business in China, Sequoia Capital's Roelef Botha [said](#) earlier this summer — larger than the country's advertising market. [Virtual goods](#) are in promising but early stages on Facebook and other sites popular outside of Asia.

The joint venture company will also build apps for [Yahoo Japan, one of the country's most popular sites](#); Yahoo Japan is slated to launch a version of [Yahoo's developer platform](#) at some point. Softbank also [has](#) a business relationship with leading social network Mixi, a popular site that is planning to launch a developer platform later this year.

RockYou hasn't focused on building mobile apps up to this point. But [Softbank is carrying Apple's iPhone](#), and has access to more than 700 million mobile users around Asia. Reaching these users will be another focus of the joint venture.

Meanwhile SK Telecom will help RockYou reach Korean users. SK Telecom owns Cyworld, a virtual world that [gets](#) around 17 million Koreans signing on a month. That site is still figuring out how to offer a developer platform. The U.S. version of Cyworld uses OpenSocial, a developer platform standard used by most Facebook rivals, that RockYou has build extensively for. An OpenSocial implementation on the Korean site wouldn't be surprising.

These two investments are an extension of [RockYou's third round of \\$35 million](#) from earlier this year, bringing the total amount of funding to \$52 million. The company [opaquely](#) discussed this latest funding earlier this summer.