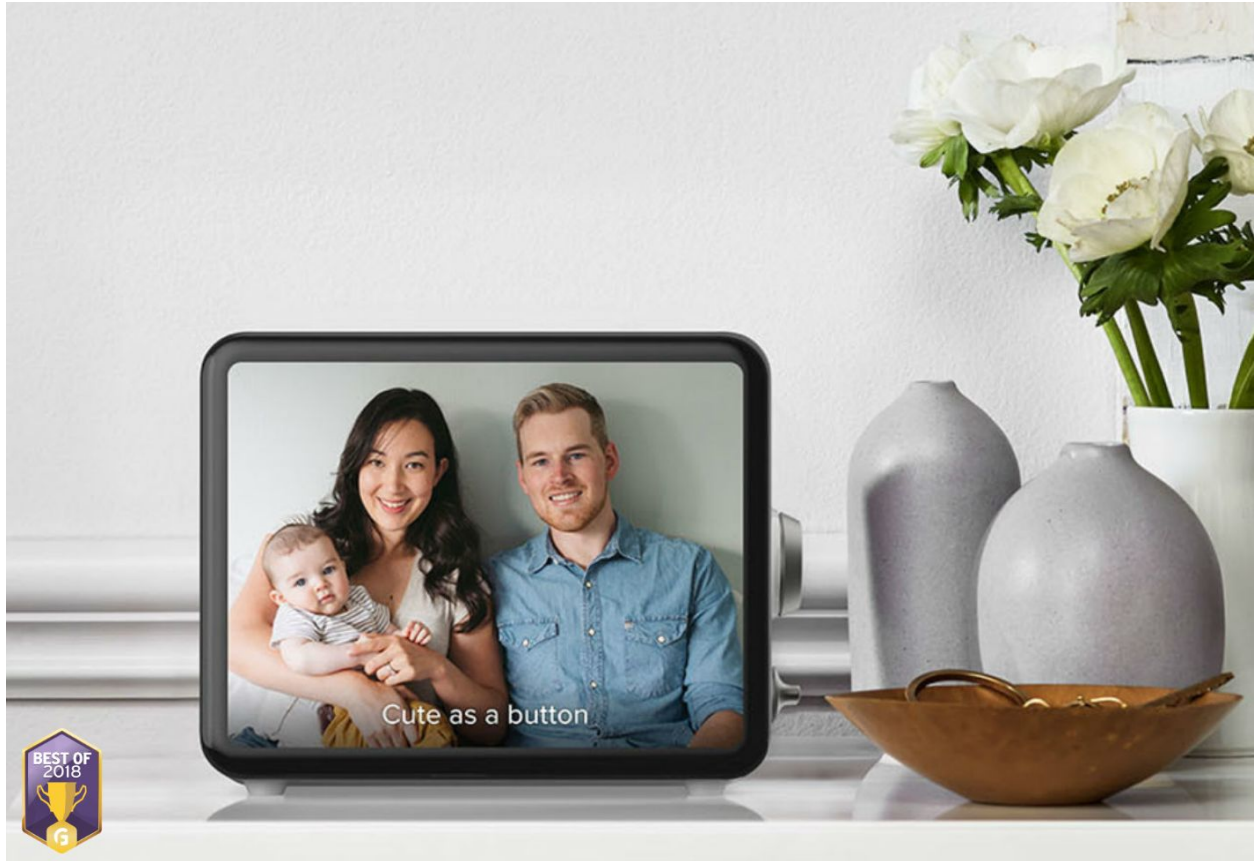


## Top Deal: A Social Media Network Bringing Families Together, One Loop at a Time



[https://www.seedinvest.com/loop/seed/highlights?utm\\_source=KingsCrowd](https://www.seedinvest.com/loop/seed/highlights?utm_source=KingsCrowd)

### **Key Deal Stats:**

- Company: [Loop](#)
- Raising platform: SeedInvest
- Raise Type: RegD 506(c)
- Valuation Cap: \$8,500,00
- Security: SI Securities LLC, Convertible Note
- Minimum Investment: \$5,000
- To date and as of May 8th 2019, Loop has raised \$2,462,000

*The Loop team has been selected as a "Top Deal" by KingsCrowd. This distinction is reserved for deals selected into the [top 10% of our due diligence funnel](#). If you have questions regarding our deal diligence and selection methodology please reach out to [hello@kingscrowd.com](mailto:hello@kingscrowd.com).*

## **The Problem:**

The stalwarts of the social media industry including Facebook and Instagram continue to become mired in controversy around privacy breaches and user data exploitation. These concerns are twofold for families who want to share family photos, which include their children.

About 52.2% of users are not confident about their privacy on the internet and there is growing reluctance among users to post pictures of their family online.

This hinders long distance family members from having a way to be connected to their loved ones in this digital age. Currently users are in the position of having to choose between privacy and connectedness. There is a strong and growing demand for a private and family friendly social media platform.

The founder, Brian Gannon experienced this problem first hand when he wanted to send pictures of his young son Alex to his father who lived across the county. Although it was still possible, nothing truly solved the

problem; social media was too public and devices such as phones added friction between communication.

## **The Solution:**

### *What is Loop?*

Brian's research at Stanford Design School led him to discover a solution that incorporated private messaging, and a home display, which eliminated the problems of privacy while maintaining simplicity in design.

[Loop is a social platform](#) that offers the convenience of social media without the privacy tradeoffs. Its innovative hardware and software solution provides an experience that surpasses any app solution alone.

To date the company has driven over \$1M in sales of it's \$250 Loop device, which will have an incorporated paid subscription model built into it soon.



Beams instantly anywhere in the world. Enjoy effortlessly in the home.

One of my favorite lines from the website is, “Loop includes a gorgeous home display that brings back the communal experience of televisions and radios from the 50’s and 60’s.”

Put simply, Loop is about cutting out the BS of today’s social media and making it focused on the user first. No ads, no data sharing, no privacy breaches, no exploitation of children. Just genuine sharing of family photos between family and friends in a wholesome manner.

By going back in time in many ways, they are taking steps forward from the current state of degraded social media. That is a really unique value

proposition that has clearly resonated with thousands of target audience users already including parents, millennials, and even teens.

## **The Business Model:**

### *The Main Pitch*

Loop is a private social media network for families operating through a device with a high resolution display that is connected to a phone app.

Users are able to send photos through phones or to other Loop devices and it appears instantly on the device's screen. Their future goal of the company is to be recognized worldwide as a trusted place for families to stay connected.

### *Payment Plan*

For a single Loop, consumers are being charged \$249 and \$199 per Loop if they purchase a bundle of three or more units. The app that connects to the device is free to download. Content shared through the app can also be seen by family members without a Loop device through their phones.

### *Subscription Plan*

In Q2 2019, Loop plans to unveil a premium subscription service that charges \$3-\$9 per month for cloud backup, video support, and auto-synchronization with online sources such as Apple photos, Google, Flickr, etc. making it easier for users to access their photos.

Up to 40% of their gross marginal profit is projected to be made from full price hardware and 70-80% of it from the subscription service fees.

### *Customer Acquisition*

Loop considers themselves a “direct to consumer” (DTC) brand. Currently they are utilizing online advertisements to drive traffic to their website. In Q3 they plan to sell their products through Amazon.com and in 2020, they are expecting to reach the shelves of retailers.

Previously, Loop had performed a nationwide test at Best Buy and their products had sold out in a matter of 4 weeks. Currently, Loop is in discussion with HSN/QVC to test a direct TV model as well as generating awareness with Adobe to integrate Loop with Lightroom, which could open up their services to millions of photographers and their highly curated content.

### *Network Effects and Viral Growth*

Loop has natural networking effects. It's product becomes more valuable with each additional family member that joins the network. Current users are encouraged to invite more and more people into their system. Once Loop hits critical mass, it will catch on and grow in the viral sector alongside big corporations such as Facebook.

### **The Founding Team:**

#### [Brian Gannon, CEO](#)

Gannon is a graduate of MIT and has a degree in electrical engineering and an MBA. He spent his early career as a computer chip designer at Fujitsu before joining Boston Consulting Group as a management consultant.

Gannon spent eight years at Maxim Integrated as a product manager where he launched 30 products that shipped over 400 million units. Brian also led the acquisition of Mobilyen (leader in H.264 video compression) and later led a \$100 million business as a general manager with a team of 100 in Silicon Valley, China, India, and England.

#### [Sital Mistry, Head of Software](#)

Mistry is a graduate of UC Berkeley and worked as a software engineer at Hiplogic, one of the first social home screens for smartphones. Later, he

worked at Zynga and managed the software engineering team for “Words with Friends” which still remains to be one of the most popular mobile games in the world.

### [Ethan Ballweber, Head of Design](#)

Ballweber is a graduate of RISD which is one of the top design schools in the world and is an expert in industrial design and UX. Prior to Loop, Ballweber worked on numerous consumer products including WIMM which later became Wear, Google’s smartwatch.

In addition to the strong founding team, Loop is backed by some terrific investors including famed Angel investor, Jason Calcanis. The team is also backed by [Resolute Ventures](#), which has backed companies such as BarkBox, Clutter, and Happier.

### **Market Opportunity:**

#### *Product Differentiators*

Loop is focused on family and offering users privacy. Their business model is based off of selling hardware on top of collecting subscription fees from their consumers. This frees them from the need of selling data to advertisers like other social media networks such as Facebook.



The unique combination of software and hardware provides an enhanced user communication experience to more traditional social media platforms. The home display also adds a stickiness that improves retention and engagement for consumers.

### *Market Size*

Loop is referred to as “Snapchat for families” and plays in the social media realm, which includes [3.4B users worldwide](#), and is an [\\$11B+ industry in North America alone](#).

Not only does Loop have an opportunity to capture “family” users from Facebook and the like, but it may also serve to broaden the market of applicable social media users with its easy-to-use and secure platform. Needless to say, there is a large multi-billion dollar market opportunity in front of Loop to pursue.

The rise of vertical “focused” networks is just beginning to emerge. For example “NextDoor” is a social media network for neighbors and is gaining significant traction.

With privacy and trust taking center stage as a core issues around current social media providers, Loop has a unique opportunity to capture outsized share of the social media industry in the coming years.

## *Exit Valuation*

Snapchat, a comparable company to Loop, was worth \$31B after its public debut in March 2017.

If Loop continues to grow and make its projected progress throughout the years, it has the potential of becoming one of the next big social network companies in the industry because it meets the heightening need/demand for privacy.

### **The Rating: Top Deal**

Loop is a Top Deal. With a strong founding team that is filling a major market gap in social media, a recurring revenue model, clear product market fit with over \$1M in sales to date, and a strong early investor base this is an exciting investment opportunity.

Even with the likes of Portal by Facebook, it feels as though Loop will compete and win more often than not within their core user base, because of their ability to provide actual privacy and an authentic message of truly caring about family rather than exploitation of your data.

While players like Amazon could acquire Loop, we actually see this more as a standalone business that IPOs in 5 to 10 years as a leader in the new world of tailored social media..

Loop has the potential to reshape the way people think about social media. By incorporating both trust and privacy into their business, Loop meets the demand for a secure social network for families who feel unsafe sharing information through larger platforms.

This is one you might want to consider if the \$5K minimum isn't too high for you. Be sure to invest [HERE](#).