

# CRYPTO TOKEN



## Episode 137: Gavin Douglas on Integrating Successful Participation TV Technology onto the Blockchain

**Kelley Weaver:** Welcome to Crypto Token Talk, a crypto 101 podcast exploring how blockchain applications like Bitcoin, Ethereum, and other crypto assets could change the world. Learn from blockchain experts, thought leaders, and founders of some of the most innovative companies and world-changing ideas of our time. I'm your host, Kelley Weaver, CEO of Melrose PR, a leading blockchain communications agency. Thanks for joining us today.

All right. Today I'm here with Gavin Douglas, who is the CEO of iPowow and the HIT protocol. Welcome, Gavin.

**Gavin Douglas:** Hello, pleasure to be here.

**Kelley Weaver:** So tell me a little bit about who you are and your background.

**Gavin Douglas:** So my background started in television in 1995, and I was working for ... The reason I'm doing what I'm doing now, basically, is because back in '95, '96, I was working in London for a small TV company that was trying to make interactive television. And they had an Oprah Winfrey type character, an English version, in a studio with 5,000 telephone lines and 5,000 little boxes in people's houses in south London with little ABCD plastic buttons on them. Great idea.

And the premise was the Oprah Winfrey English style would ask her guests questions and ask the audience a question. Do we want to talk about Brad Pitt's movies, his marriage, his yacht, or his new child? And the audience would click on the buttons around London, and the lights in the studio would flash, and the conversation would change direction. Obviously, it was 1995, '96, so unfortunately the old technology blew up. They couldn't handle it. The boxes didn't work. So we all lost our jobs and I went off to work for the BBC, where I made a whole bunch of different shows, including Jeremy Clarkson's Top Gear, the car show which is now a fairly well-known show around the world, and continue to make television.

So I made Big Brother, MasterChef, So You Think You Can Dance, a bunch of documentaries with National Geographic. A bunch of sport down in Australia, and news. Some stuff here in LA, back in London. So it was kind of a 15 year process from then of making television, editing, writing, scripting, directing, producing. But every single meeting I was in, I was the pain in the ass producer in that meeting who wanted to get the audience involved every time, because I had this crazy idea in the back of my head that I'd seen could operate properly,

but hadn't worked. And nobody was doing it, nobody was getting half a million people to vote at once on something in the studio. It was text to vote, we'll tell you next week. It was call to vote, we'll tell you next week.

But I had it in the back of my head that it was possible if we got the right platform worked out. And then obviously iPhones appeared and then the cloud platforms appeared. So in 2009, I was sitting with a bunch of engineers in Australia who had a cloud platform, and I said, "Can you take a mobile phone, my new iPhone, and put a red dot on one end and a green dot on the other, and write yes or no on them, and connect it to your cloud platform, and put the results on the television screen at the end of the board room?" And they all said, "Why would we want to do that?" I said, "Trust me, it's going to be great."

So they did it in about five days' time, [inaudible 00:03:16] whatever they could do to make the cloud platform attached to an iPhone, attached to the television monitor. We sat down with 10 iPhones and moved the graphic. Clicked on the green buttons and the red buttons and the graphic moved on television. And the hairs on my arms went up, literally on the back of my neck. I was like, "Wow, this is it. 15 years later."

So we raised \$3 million. I came to live in Venice Beach, California and left Sydney behind, and haven't moved back. Moved into ESPN, Fox Sports, all the major news outlets, and they all said, hell yeah, we'll try that. So 2011, '12, '13, '14, '15, that's what we did. We then moved into taped television, Modern Family, and news. And then we started moving, expanding from linear television into Twitch and Red Bull esports type things, which is single screen.

So if you imagine what we were doing for six years was a call to action on TV. You pull your phone out of your pocket, you click on a button or two, move a slider, and it affects what's happening on television. What we were then expanding into was single screen. So you're watching something on your mobile phone, and you're interacting with it with your finger, which sounds like what people do all the time on YouTube, but really all you're doing is pressing play and stop. What we're talking about is fully interactive video.

So that went very well. Twitch, one of our greatest partners at the moment, and Red Bull, have done a ton of stuff with single screen. But that movement married with the movement of the world. The whole world of entertainment started moving. The tide started going out on television, the tide has started to come in more and more rapidly on online video. So even the TV companies now are shifting a lot of their content online, clearly.

Kelley Weaver: Right, streaming.

Gavin Douglas: Right. Cord cutting's happening on television. Local stations, ratings are going down and down and down. Everything on online video, on demand, video on

demand, OTT is all happening online now. Who wants to watch an ad on television if you can avoid it online?

Kelley Weaver: Right. When you said in 2009 we started doing this, that was when you started ... launched iPowow.

Gavin Douglas: That's when we started talking about it.

Kelley Weaver: Okay.

Gavin Douglas: Yeah, 2010, is when we raised the money and launched iPowow.

Kelley Weaver: Okay. And you and who else?

Gavin Douglas: Me, the engineers, of whom most of them are still around. The CFO is still around. And then we went through a couple of company restructures in 2013, 2014. But the main thing is that from 2010 when we started to 2017 and a half, let's say, when we started the HIT protocol thought process, we hired just TV producers, because it seemed to me that in order to make interactive television, you have to hire TV producers. At the beginning, a lot of people were saying, "You need engineers and you need data scientists, and as you know, you need to have storytellers."

Kelley Weaver: Interesting.

Gavin Douglas: It's the only way to get the viewers to jump on the platform or become part of the narrative is to have storytellers doing the job. Obviously, we got fabulous engineers who have now rebuilt that platform in the cloud three times from scratch. So there's no legacy bits lying around to trip us up in the future. And it's funny because the technology side with the engineers and the media side with the producers eventually had to come to some kind of love in, because the first two years, it was fully hostile. The engineers were like, "It'll be ready when it's ready. It's technology, don't push us, and it'll be great, but you've gotta give us time." And the media guys were like, "The deadline is Tuesday morning at 3:00 AM in New York. It's gotta be ready by then or we're out of business."

And so that ... And the storytelling too. There's ways to bring users and viewers into a story and keep them there and form a community around a television show that is an art form.

Kelley Weaver: Yeah, completely.

Gavin Douglas: And it takes 10 years to get that inside your head. You can't teach it to someone in three weeks. And now that our engineers have been rebuilding this platform three times and doing UX and UI for eight years now, they all understand the storytelling process. So they're almost engineer-producers, and our producers

are now producer-engineers. So we've got this whole family mix of very talented people working for us now.

Kelley Weaver: So what gets you excited specifically about the HIT protocol and the opportunities that that presents?

Gavin Douglas: So what gets me excited about the HIT protocol is the fact that we're taking an established business, iPowow, which works in a media landscape that already exists, where 95% of that media is one way. So it's not interactive, it's just a viewer or millions of viewers watching a stream of video on the TV on your wall, or you're watching it on your phone. It doesn't matter where you're watching it, you can't interact with it. Our real focus here is to turn that around and transform it such that people start ... Producers of content start creating more interactive content, and viewers are able to interact with that content, because it's clear to everybody that viewers want to interact with content. That's what they do on their phones on Facebook, so why can't you do it on a piece of news or a piece of sport or a piece of video of any sort?

And so the HIT protocol and the HIT token drives that forward, and we're using blockchain technology obviously for the token side of stuff, because obviously, the token becomes the currency, if you like, of the entire system. But it is more important to remember that the viewer has to be the focus here, because if the viewer doesn't watch, the viewer doesn't interact. And if the viewer doesn't like the story, the viewer won't turn up. So we've had to remember that for eight years, and we're going to keep remembering it, because when advertisers jump on board and the networks jump on board and everybody starts doing the usual shuffle of how we're going to do this, quite often the viewer gets kicked out the door. It's just, we're going to do this because this is what the advertiser wants, this is what the network wants.

So we're standing there for the little guy, [inaudible 00:09:35] to the viewer, saying, "This isn't going to work unless it works for them."

Kelley Weaver: The most important little guy, by the way.

Gavin Douglas: Right, he pays your bills and buys your stuff and watches your shows. So that's really for me what gets me excited. After 15 years of waiting to get iPowow off the ground, and now eight years of waiting for something called blockchain and tokens to really sink into this industry, I'm really excited to put all three of those together. It's going to be fascinating.

Kelley Weaver: One of the examples that you gave me early on that really helped me to remember when I've seen this in action is during sports games. I feel like it's used a lot when you're watching a sports game and people can basically say who they think is going to win or interact. Like, ESPN uses this a lot, right? Or ...

- Gavin Douglas: Yeah, ESPN have used it a lot on SportsCenter and on sports. And some other places you might have seen it is Miss Universe.
- Kelley Weaver: Oh yeah.
- Gavin Douglas: We had 215 countries voting at once. The graphic pops up on television. Vote now for your favorite. People vote for eight minutes, and the vote is locked, and the person walks out on stage to hand the envelope to Steve Harvey. So that was our graphic of our envelope. Steve Harvey takes it and-
- Kelley Weaver: Not your mistake.
- Gavin Douglas: ... does what he does. So that's one very specific use case of a one-off. But it's used on sports, it's used on news, it's used in different places for trivia and that kind of thing.
- Kelley Weaver: And obviously this is a crypto focused and blockchain focused podcast, so how did you first discover blockchain technology? How did that come across your desk?
- Gavin Douglas: Obviously, 2017 was an extremely exciting time in crypto and blockchain. I'd heard of it years before in 2014, '15, '16, '17. But '17 was the headlines and CNBC screaming about it, and ICOs are happening and billions of dollars are being raised. So it was hard to keep away from those kind of headlines.
- And so when it got to about the end of 2017, we were looking for an expansion point beyond just online video. Obviously, there's television that we'd already worked out how to do. Online video, which we'd already worked out how to do. What's next? So inside our platform, all of our clients are able to add leaderboards. So you put a leaderboard up on TV and say which one of the viewers is getting the most questions right, or who's the most active? Who's the most participatory? And you reward them for that on leaderboards. And that means you have to give them points, either based on how quickly they answer, or how many they get right.
- So it seemed to us over the December Christmas period that those points on those leaderboards could easily be swapped out for tokens if we migrated our platform to the blockchain, tokenized our entire platform, went back to the major networks and the online video clients, and said, "It's not just a point system on a leaderboard that is dead and lifeless and doesn't do anything. This is a token that has a life to it. It's a cryptocurrency. It has data, it has history, it accrues value across time." And I say that in one sentence now, but in December, it was like, how do we do this?
- Kelley Weaver: Well, you're playing on people's competitive nature by doing the leaderboard and point system in general to begin with.

- Gavin Douglas: Right.
- Kelley Weaver: Which is really cool. And then adding this element where these points now have some value outside of just bragging points, right?
- Gavin Douglas: Right.
- Kelley Weaver: They have some actual value where people are now not only competitive for ego reasons, but it could fund them reasons.
- Gavin Douglas: Money.
- Kelley Weaver: Exactly.
- Gavin Douglas: Money. Yeah. So the point system really was a transition point in my brain. We already do that. iPowow already does that across the world. We have a platform that works. We have massive service agreements with all the major networks and the show producers.
- Kelley Weaver: And the shows presumably love that.
- Gavin Douglas: The leaderboard side of stuff, the points. It works. So it wasn't too difficult a step for us to go, we simply replace one with the other, and obviously for us, it's very important for our business that it's seamless for the viewer. That we don't go out there and go, "It's cryptocurrency and it's scary." Every second headline they do about ICOs is it's a scam, it's a fraud. We don't want any of that. We have to use the best parts of the blockchain that we can with the best advisors and the best engineers to make it completely seamless. And we believe that that's going to push blockchain technology forward and it's going to push entertainment forward 'cause it's going to be more interactive.
- So what we realized very quickly in January is that the leaderboards might go away. It was the transition point from points and leaderboards to crypto or to a token called a HIT token in this case that was important. What we do with that HIT token is a number of different things. One is rewarding people just for watching the show. So you get five HIT tokens for watching Anderson Cooper on Thursday night for an hour. You get 50 if you watch him all week. If you're watching your favorite show on YouTube, you get five more HIT tokens.
- Kelley Weaver: You're gamifying the tuning in process.
- Gavin Douglas: Yeah, yeah, without actually having any trivia games, but leveling up, because the more you watch a certain show or the more you watch a certain network or the more you interact with a certain brand, or the more you watch a certain type of commercial, and you get paid for it, the more money you make and the higher up the level you go. Bronze, silver, gold, that kind of thing.

- Kelley Weaver: It makes a lot of sense, because your attention the biggest thing that you can give, really.
- Gavin Douglas: Right.
- Kelley Weaver: So you're monetizing your personal bandwidth, I suppose.
- Gavin Douglas: Yeah, if you like, we're monetizing people's attention. And given the fact that the average American watches five hours of television a day, there's a lot of attention.
- Kelley Weaver: Is that true?
- Gavin Douglas: Yeah. There's a lot of attention to be had. But it's now creeping down because the online video is coming up. So it's split between TV on the wall-
- Kelley Weaver: Right, but five hours of screen consumption.
- Gavin Douglas: Yeah.
- Kelley Weaver: Wow.
- Gavin Douglas: That's a lot of video. And if you apply a HIT token to that just in North America, that's an awful lot of attention time, and that's an awful lot of HITs.
- Kelley Weaver: And it's what presumably your whole background, all the producers are scrambling for how can we get people to tune in? That's constantly on their minds, and this is a very cool way to be certain that you're playing into that and being confident that you're going to get people willing to tune in.
- Gavin Douglas: Yeah, so what we say ... What we've taken from the networks themselves is the three Rs. Ratings, retention, and revenue. So if you get the ratings and you get the retention, you get the revenue. And we're introducing the fourth R, which is rewards. So we're rewarding people for watching, which then has an effect on the other three.
- So the networks that we've spoken to so far, just quietly, 'cause we've only just launched this semi-publicly in the last week, the networks are all over this. They see it as a new marketing tool for their shows, a new community building tool for their shows. It means that they can start having interesting data analysis of people's viewing habits because you're logged in with your email address, your name, and age and gender in order to earn the hits. Whether you're watching on linear TV on the wall, or whether you're watching in your phone, you're still logged into the same account, and-
- Kelley Weaver: And you're opting in. The consumer gets to decide what they're sharing, right?

- Gavin Douglas: Yeah, yeah.
- Kelley Weaver: Or I suppose if you're participating in general, you're opting in. But that way, it gives the rights back to the consumer a little bit, in this age where data is so sensitive.
- Gavin Douglas: Completely. So what we've done for the last eight years is all consented to opting in data. We've never done anything else because we realized that the day would come that GDPR in Europe would happen, and it would affect everybody else. We didn't see it happening, but we knew that we had to be on the right side of the line, because we're working with CNN and ESPN and Coca Cola, and you can't be on the wrong side of the line for them.
- Kelley Weaver: Right, right.
- Gavin Douglas: So that again, going back to the viewer, because they're in my mind the most important people in this landscape, the viewer is opting in knowing that their data is transparent and where they're going and what they're watching and what they're buying is part of that data pool. That they've opted in and given consent to it.
- Kelley Weaver: Because they're also getting rewarded for that.
- Gavin Douglas: Money.
- Kelley Weaver: Exactly.
- Gavin Douglas: Which they can then use those HIT tokens, let's say, after three months of watching different shows, and they're gaining different amounts of HIT tokens for different ones. They've got a couple of thousand HIT tokens in their account. They can then go to a digital shopping plaza where you have an ESPN shop, a CNN shop, a Disney shop, a Coca Cola shop, a Best Buy shop, and buy either digital goods like screensavers from Star Wars, or reduced ad loads. So you'd be able to see an episode of whatever your favorite show is without adverts, because you're spending 50 HITs to do that. Or even a bike for your kid's birthday, real world goods. So it's across the whole gamut of possibility in terms of how you use those HITs to purchase goods.
- And then of course in the background, that HIT token that you're spending, or HIT tokens that you're spending, all have data attached to them, which then goes back to us, and we can then look at the viewing habits and the purchase habits of the people involved.
- Kelley Weaver: I'm really curious about your transition and your journey. You've explained a little bit of it so far, but you had a successful business and you have a really strong background in this one area, TV and entertainment and engaging audiences. And then you saw an opportunity with blockchain. How did you

make that transition and put those pieces together? What was your process like and who did you talk to? What resources did you look to to really conceptualize this, because you sort of talked a little bit through your process in December, but I'm wondering ... because I feel like the audience could get a lot out of that. Maybe they are in an industry where they see an element that could be disrupted by blockchain, but what was your process like?

Gavin Douglas: So from December, it was fairly straightforward with a few steps. It was straightforward because we already had the platform that worked, and clients and revenue and a point system that felt to us a lot like a token system.

Kelley Weaver: Right.

Gavin Douglas: So that was fairly straightforward. The non-straightforward bit was the steps it takes to get to to a [TGE 00:20:14] event, which we're still in the midst of now, and it's been an incredibly complex set of dead ends, because nobody ... Everybody knows this, I guess. We know this now, that nobody knows really anything in crypto. It might be 2018 and it's not 2017, and everybody might be looking at established companies, the top 50 on the Forbes list are looking at blockchain, not just small companies like ours. But nobody really knows where it's going to go or how it's going to happen, and we've hired three sets of law firms across the world to help us. We've hired two sets of advisors to help us, and I'm on the phone with all of them every day.

So I think that's-

Kelley Weaver: So you're surrounding yourself with experts.

Gavin Douglas: ... that's where most of our information came from, is finding the right group that we trusted with the right information that had the right experience, advisors or legal teams to answer the questions that we had that came up every day. Yeah.

Kelley Weaver: And did you have any resources or books that you read about blockchain that you liked, or places where you find news? Or are you mostly surrounding yourself with experts and asking questions?

Gavin Douglas: Mostly surrounding ourselves with experts and asking questions. And as you get more and more into the crypto conversation, different websites pop up and different people pop up more often, but I personally, having spent so many years in TV and not necessarily having a guru or mentor in television because nobody knows anything, it's an art form, building a business in crypto is the same sort of thing. It's an art form. Yes, there's a science and there's technology and it's got all that bedded down. But to actually build a proper business on it and use it in a unique way that nobody else is doing is more of a business and an art. It's not necessarily, here's the science. It's one, two, three, four, success.

- Kelley Weaver: Right.
- Gavin Douglas: It's, I don't know. That's what we want to do, is number four, so let's go and do it. And you kind of figure it out as you're going along.
- Kelley Weaver: So you mentioned that the response has been incredibly positive from your existing clients and things like that. Talk a little bit more about that, what they've been like when you've brought this up only just recently, that you're going to be implementing this new way of rewarding the consumers.
- Gavin Douglas: So with the very few people that I've spoken to in the last month who I have very close relationships with in the TV networks, 'cause we've been working with them for a long time, each one of them separately has said, "Wow, this is a really unique idea." It touches the points of interest and the problems they're trying to solve. They haven't even thought about blockchain. They were just trying to solve, how do we get more people to watch our show?
- Kelley Weaver: Right.
- Gavin Douglas: And how do we build a community under our show, and how do we reward them and incentivize them without offering them a car and offers and coupons and bits of paper? And how, the most important things for the networks and the video content creators, is forming some kind of direct conversation with the viewer, because the viewer can be watching their stuff, but then what the networks want is to have some kind of direct connection to the viewers, which they don't have right now. It's a completely one way street. You watch the content, you turn it off. They don't know what you do next.
- Kelley Weaver: Because you're on your other device looking stuff up.
- Gavin Douglas: Yeah. And even if you're on your other devices, you're flipping from one to another, and they might know you're there for five seconds or five minutes, but they don't know where you're going next. In their minds, the HIT protocol and the HIT token follows you around, because you're picking up the tokens on the show, and then you go to your other favorite show on your phone, and you're picking up more tokens. And you go to look at your TV on the wall. You're picking up more tokens, and they're all going to your account, and it's all connected. So that's what they're quite excited about.
- And the brands too. We talked to a few advertising agencies in New York that we work with, and they have already jumped on as our strategic partners, because really, that's where the money comes from. Unfortunately in this world, that's reality, the content has to be paid for by somebody somewhere.
- Kelley Weaver: In the traditional iPowow sense, are the brands the ones who are paying for these activations at the bottom of the screen?

- Gavin Douglas: Yeah, yeah. So that's how-
- Kelley Weaver: So, brought to you by Pantene or something.
- Gavin Douglas: Yeah, yeah. That's how the whole thing works, is that somebody has to get the checkbook out and pay for it in the end. What we're trying to do more specifically with the HIT protocol is cut down on the amount of waste that the advertisers are encountering across all of the video platforms. They'll spend millions and millions of dollars, and they won't really know what the effect has been. Has anybody gone out actually to buy that bike, or is anyone going to buy that car? Because once you turn it off, nobody knows what you're doing.
- At the same time, we're looking to try and keep the viewer in our focus, because it's the viewer that's important. If you annoy the viewer or you don't reward them properly, or they get worried about data, like a Cambridge Analytica type situation, then you've broken that trust too.
- Kelley Weaver: Right. Yeah. It's a complex ecosystem that's facing all of these new problems as content migrates different places, isn't it?
- Gavin Douglas: Yeah.
- Kelley Weaver: So I feel like they're eager to look for opportunities, which is why I think this could really catch on very fast, because it's a new opportunity for a new challenge, a new set of challenges.
- Gavin Douglas: Yeah, yeah. And the opportunity is there for the three sides. It's there for the networks and the content creators. It's there for the advertisers, and it's there for the viewers. And it's like a win-win-win situation where the rewards are in the middle, and everybody understands and is consenting to that kind of relationship, which hasn't happened before.
- Kelley Weaver: Right.
- Gavin Douglas: Before, it was networks pouring television down the audience's throat, and the audience could only vote with their feet. They either watch it or they don't, and this changes that to make it more flexible, and probably more transparent, and probably more fair, if that's even a word. If that's even a word. More fair.
- Kelley Weaver: It is, it is. And I love that every party is participating of their own will and at the capacity at which they decide. That's, in today's world, that's important.
- Well, thank you so much for breaking this down, and I'm excited to see how people engage with these tokens, but I suppose more will be determined as these roll out and we see what the users are doing. Do you have any ideas about how people are going to interact with these tokens once they're issued?

Gavin Douglas: Well, we have instinctual ideas, but we also have what we've done with Twitch as a real-world use case, and what we've done with every network in America with the points and the systems and the leaderboards. So we know how to get people to jump on. One of our projects at the moment with Disney Channel has got a stunning amount of engagement because it was done the right way at the right time with the right production team, and that's points. And so if we can replicate that and bring the right rewards system to it and tokenize it, there's no reason why this shouldn't take off like a speeding car.

Kelley Weaver: Awesome. So how can people stay up to date with what you're up to and keep in touch with you?

Gavin Douglas: So the easiest way is to look at us on Medium and Twitter, and also my email address, which is [gdouglas@ipowow.com](mailto:gdouglas@ipowow.com).

Kelley Weaver: Perfect. And we can put the links to your Medium and all that in the show notes as well, so people can just click.

Gavin Douglas: Great.

Kelley Weaver: Fantastic. Well, thanks, Gavin.

Gavin Douglas: Thank you very much.

Kelley Weaver: That's all for today's episode of Crypto Token Talk. To learn more about blockchain and keep up to date with this fast-paced industry, subscribe at [cryptotokentalk.io](http://cryptotokentalk.io), where you can also find today's show notes. If you have suggestions for topics or guests, please drop me a line on Twitter at [@cryptokelley](https://twitter.com/cryptokelley). Or you can follow the show on Twitter at [@cryptotokentalk](https://twitter.com/cryptotokentalk).

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