

Mobile gifting co. sends a message

MassChallenge finalist KangoGift wants to change the way we give

By DONNA GOODISON

KangoGift lets people send real gifts — small and large — via text message to their friends' or family members' cell phones.

The Cambridge start-up offers gifts from 70 primarily local merchants ranging from a \$1.39 mini pastry at Finale Desserterie to six weeks of music lessons at Cambridge's Club Passim for \$132.

To pick up a gift, the recipient simply visits the merchant's store and shows the text message, which serves as a mobile gift certificate, to the clerk.

"We refer to ourselves as a mobile gifting company," co-founder and CEO Todd



NEXT BIG THING

Horton said. "Basically what we've done is take the plastic gift card and put it onto the cell phone."

The 2-year-old company last month was named one of 125 finalists that'll compete for \$1 million in cash prizes in the MassChallenge start-up competition. It will relocate from Cambridge to MassChallenge's Boston headquarters to take advantage of free office space and the business accelerator program. Entrepreneur magazine also singled out KangoGift last year for its annual "100 Brilliant Ideas" list.

The company's gift offerings at KangoGift.com are wide-ranging: 90-minute yoga classes, car washes, hot cocoa, pizzas, sushi, jewelry and beauty products to name a few.

"The acceptance of what we're trying to promote with making gift-giving instant and mobile taps into what businesses are looking for these days with trying new things like mobile technology, but also increasing the foot traffic," said Horton, a Yale MBA grad who previously lived in Seoul, Korea, from 2007 to 2009 while working as marketing director for Monster.com's JobKorea division.

KangoGift primarily focuses on specific gifts, but



HORTON

also offers gift cards.

"We think it's more fun and instant and social to send a real thoughtful gift than a denominated amount," Horton said. "In the Boston area, BerryLine frozen yogurt tends to be the most popular item sent. People really enjoy sending ice cream and frozen treats."

The free service works on any cell phone that receives text messages, but smart-



phone users can click a link to see an enhanced gift image. Notification to recipients can also be posted to their Facebook walls.

KangoGift makes money by taking a cut of each transaction from the merchants.

The start-up has raised about \$100,000 in funding, including \$25,000 from angel investor Bill Warner, the

founder of Avid Technology Inc. in Burlington.

Horton plans to use the company's time at MassChallenge in part to increase its corporate business — convincing companies that its service is a new, modern way to instantly reward and recognize their employees.

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Upscale retailers report brisk sales

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by 12 percent — all beating analysts' expectations.

"Luxury is always the last to be affected going into a recession and it's almost the first to come out of a recession," said Cohen. "The distractions of high gas, food and clothing prices mostly impacts consumers who live pay-

everyone can go to a New York fashion show, so we provide the experience online to recapture the enthusiasm."

The approach seems to be working. Internet sales are the fastest growing part of Neiman Marcus' business, representing 15.6 percent of overall sales last year, Reeder said.

Doug Fleener, president



Local ventures make top 100 list of emerging app firms

By DONNA GOODISON

Three local ventures are among the country's 100 most compelling private mobile companies, according to a Silicon Valley media company.

Mobile advertising companies Jumptap of Cambridge and Waltham's Nexage, along with Boston mobile application

2011 venture summit in Redwood City, Calif., next week.

Jumptap, whose mobile ad network reaches 83 million consumers a month, recently closed a \$25 million financing round that will be used to accelerate its product and technology development and increase staffing. It was awarded its 13th