

## Carnegie Mellon video thumb selection startup, Neon, secures VC Seed funding

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Neon, the Carnegie Mellon University startup that uses cognitive neuroscience to improve online video clicks, has secured venture capital (VC) funding in a Series Seed round led by True Ventures, a Silicon Valley-based venture capital firm. Silicon Valley-based firms Mohr Davidow Ventures (MDV) and XSeed Capital, and entrepreneur Steve Blank also participated.

The funding will allow Neon to continue developing a product that automatically selects the most visually appealing frame from a stream of online video to be used as the video's thumbnail. Thumbnails—the entry points for Web users to interact with videos—are becoming more important to video publishers as the number of online videos increases.

Neon got its start after participating in the National Science Foundation's (NSF) Innovation Corps (I-Corps) program, a public-private partnership, taught by leading entrepreneurs and [Venture Capitalists](#). John Burke, founder of True Ventures; Jon Feiber, general partner at MDV; and Steve Blank were all instructors in the I-Corps program.

"It's exciting to have the opportunity to invest in a product that is grounded in hard science and can have such a tremendous impact on the media marketplace," Burke said. "I have worked closely with Sophie Lebrecht (Neon CEO and co-founder) through the National Science Foundation's Innovation Corps, and jumped at the chance to invest in Sophie and her team. True is thrilled to support this groundbreaking company."

Initial results from an online pilot test showed that a thumbnail chosen by Neon significantly increased clicks as compared to a thumbnail hand-selected by a Web designer. Against a randomly generated thumbnail, which is how the majority of online video platforms select thumbnails, Neon's thumbnail increased the clicks even more. The current [beta testing](#) period will give Neon even more insight into how the product can increase user engagement. Eventually, Neon aims to apply the same technology to improve image selection across a variety of Web services, such as, connected TV, photo sharing, e-commerce and advertising.

"I wish to congratulate Neon for the hard work and dedication that has made the company's success possible," said Rep. Dan Lipinski (IL-3), ranking member of the House Science, Space, & Technology Research Subcommittee. "Today's announcement is a major accomplishment not just for Neon, but for the Innovation Corps program, which was essential in helping turn cutting-edge research into an innovative product and fostering the relationships that facilitated the move to the marketplace."

Rep. Lipinski continued, "When I saw the Neon team's ideas at the final I-Corps presentation last year, I knew that big things were ahead. I look forward to watching as I-Corps helps turn more federally funded research into products that promote economic development and boost American competitiveness. The investment we make is minimal compared to the potential returns in American jobs. Neon's success is more proof that I-Corps is something that should be expanded to other agencies throughout the federal government."

Neon's product is one of the first to use cognitive and brain sciences to increase audience engagement. It is based on neuroscience research conducted in the Center for the Neural Basis of Cognition, a joint program between CMU and the University of Pittsburgh that was supported by the NSF's Temporal Dynamics of Learning Center. The underlying technology is co-owned through Carnegie Mellon and Brown

University and licensed through Carnegie Mellon.

"It's a rare opportunity to have investors who have been partners and champions of the company before there was even a product—when it was just an idea," said Lebrecht, who participated in the I-Corps course. "And now, with the addition of new investors XSeed, we have the added benefit of investors who have extensive experience growing companies founded on science. I am confident that with this team and our academic partners from Brown and CMU, Neon will be able to create products that transform how online images are selected."

Carnegie Mellon is well known for its entrepreneurial culture. The university's Greenlighting Startups initiative is designed to speed innovations from the lab to the marketplace. In the past 15 years, Carnegie Mellon faculty and students have helped to create more than 300 companies and 9,000 jobs. The university averages 15 to 20 new startups each year.

**More information:** [www.neon-lab.com/](http://www.neon-lab.com/)

Provided by Carnegie Mellon University

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