



What is the product your company is going to build?

YupGrade is a tablet-friendly online game that lets you earn real rewards for your real-world learning.

YupGrade's reward selection will first include downloadable book and magazine content, and may eventually feature credits for online classes. These rewards can be earned by completing challenges to share news articles about meaningful topics like an international crisis or a local cause. We'll also soon support location-based real-world learning activities like visiting a museum or natural landmark, or participating in a local volunteer event.

YupGrade lets players use the activity service of their choice to earn YupGrade rewards. We're now grading activity from Twitter and Facebook, and we're planning on supporting Google Buzz and several other popular microblogging and location-tagging services in the near future.

What makes your product unique?

Most educational games combine the most shallow and repetitive parts of both education and games.

YupGrade is neither shallow nor repetitive, helping its players learn how to use their familiar activity tools to accomplish a broad selection of real-world learning achievements. And YupGrade's book, newspaper, and magazine rewards are both intellectually rich and appeal to the quickly growing market for paid digital content.

YupGrade will be a grading platform for the web, giving developers and other startups the chance to use YupGrade to grade and reward all varieties of learning achievements. And while we're now mainly using a simple prediction market grading rubrics that favors trend-spotting behavior, we'd like to give developers a way to create and share their own grading criteria.

Who are your competitors?

Game developers like BooYah or Zynga could compete directly with us, as could many social bookmarking sites or location-tagging services. While we have a good relationship with the founders of the news-sharing site Fwix, Fwix is only a few development cycles away from competing with YupGrade.

Facebook, Twitter, or Google could also begin competing with us at any time. This is especially true given that these companies are likely to be fond of the socially responsible, paradigm-busting nature of using social media for learning.

High-profile competition will help us attract attention and respect, and we can't wait for the chance to out-perform Google.

How will you make money?

YupGrade has a freemium business model, offering both free virtual rewards and book and magazine rewards for purchase. The cost of paid rewards is split between the players in a competitive challenge and paid for by the creator of a cooperative challenge.

YupGrade's paid rewards feature will be powered by a digital content affiliate merchant platform. We expect Google, Apple, Amazon to all offer such platforms within the next two years, and we have first-hand knowledge that one of these companies has scheduled such a platform for a beta release by summer 2010.

The widely publicized friction over eBook pricing is one reason we're particularly bullish about the quick emergence of digital content affiliate merchant networks. An affiliate network allowing paid digital content to be purchased from within games and priced with virtual currencies is one of the publishing industry's best hopes for maintaining desirable price points while opening new distribution channels.

We are also planning a freemium YupGrade Insights feature that will use YupGrade activity grades to help determine the quality and effectiveness of publications, tutors, schools and teachers.