Bailador companies capitalising on key tech trends identified in Mary Meeker's 2019 Internet Report

Mary Meeker's Internet Trends 2019 report is now out and once again Bailador's portfolio companies are capitalising on the key tech trends.

The report compiled by the famous venture capitalist is now in its 24th year and is keenly anticipated around the world for its spotlight on emerging trends in tech. Click here to see the full 333-page report.

KEY TRENDS	BTI PORTFOLIO COMPANIES
Seven of the top 10 largest companies in the world are now tech	BAILADOR
Commerce continues to migrate from physical to digital	SiteMinder · rezdy · BROSA · lendi Your home for home loans
Data volume and utilisation is evolving rapidly & broadly	instaclustr · BROSA · lendi Your home for home loans · SMI STANDARD MEDIA INDEX
Data and AI drives automation & efficiency	straker TRANSLATIONS · Stackla
Communications moves from text to visual	Stackla · VIOSTREAM
Increased focus on data privacy, security & quality	DocsCorp · Stackla

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Key trend: Seven of the top 10 largest companies in the world are now tech

Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

The top four companies globally by market capitalisation are technology companies. In the top 10, Berkshire Hathaway, Visa and Johnson & Johnson are the only non-technology companies to make the list.

The above is not surprising when you consider that over 50% of the global population are now internet users, including 89% of the US population and 78% of the European population. Although the rate of internet user adoption has slowed, there is still significant opportunity to increase adoption across the Asia-Pacific region, especially in China and India.

The information technology sector now makes up 20% of the US S&P 500 Index compared to Australia where the IT sector makes up only 3% of the ASX 300 Index.
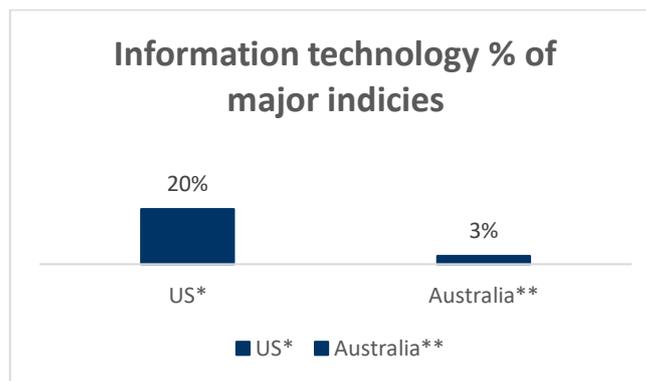
*Information Technology as a % of the US S&P 500 Index
**Information Technology sector as a % of the ASX 200 Index. Source: S&P 31 December 2018

Bailador Technology Investments

Bailador is a specialist technology investor that gives shareholders exposure to a unique portfolio of 10 high growth private technology businesses that are addressing global markets. To read Bailador's May 2019 Portfolio Update, please click here.

Key trend: Commerce continues to migrate from physical to digital

Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

In the US, e-commerce sales growth is solid and continues to grow at a much faster pace compared to physical sales (12.4% vs 2%), underpinning the rapid transition of retail sales from physical to online.

Bailador Portfolio Companies

SiteMinder and Rezdy are two portfolio companies that have developed software to enable hotels and tours and activity businesses transition their sales to online and connect them to the demand channels that retail buyers use to book their stays and activities (e.g. online travel agencies).

Brosa and Lendi are two portfolio companies that are focused on leveraging increased willingness of consumers to buy furniture or home loans online via direct to consumer offerings.

Key trend: Data volume and utilisation is evolving rapidly and broadly
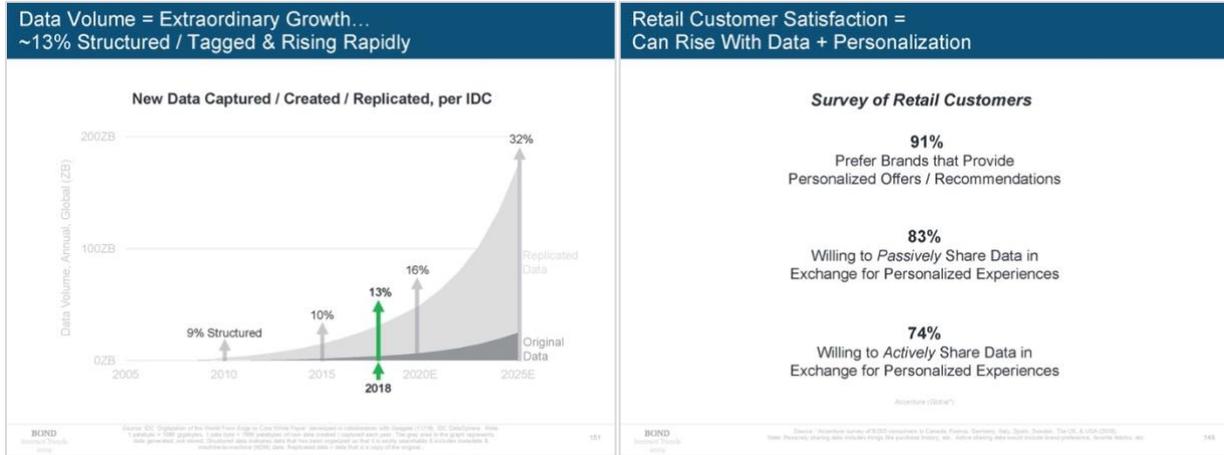
Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

Data growth is changing the way things work rapidly and globally. Data collection, analysis and utilisation is evolving from humans-to-humans to humans and computers.

Before 1995, 'winning businesses' leveraged human insights (e.g. feedback from sales teams, employees and focus groups) to improve customer experiences. With the development of the internet, mobile devices and cloud computing, 'winning businesses' moved to digital data and insights to improve customer experiences.

Today 'winning businesses' leverage products developed by other 'data plumbing' companies in order to collect data, manage connections and optimise data insights to improve customer experiences. Furthermore, customers are happy to share data so long as it gives them a better experience.

As a result, data capture, propagation, storage and utilisation has undergone exponential growth.

Bailador Portfolio Companies

Instaclustr is a platform that manages the most powerful big data technologies, enabling businesses to harness the power of their data. This is especially the case for many B2C companies which require big data analytics tools to analyse billions of points of data across millions of customers.

Brosa and Lendi are two portfolio companies that have leveraged data to deliver a more personalised and targeted experience for their customers purchasing furniture or applying for a home loan.

SMI analyses large quantities of advertising spend data to help media companies, content producers and financial services make better strategic decisions.

Key trend: Data and artificial intelligence drives automation and efficiency
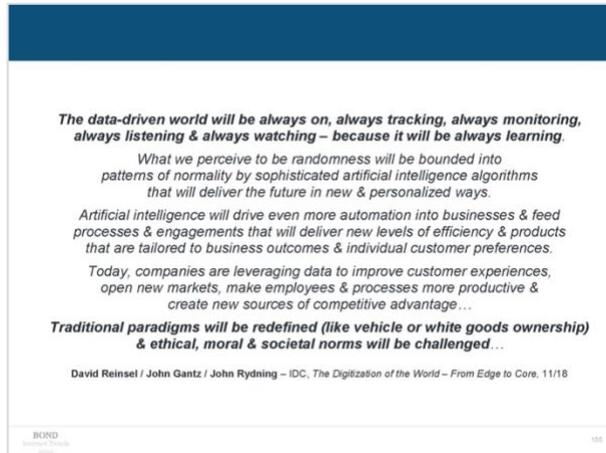
Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

Data is now viewed as the "application" and the most successful companies have intelligently integrated it into everyone's daily workflow. If used properly with artificial intelligence, data can not only drive automation and deliver efficiencies, it can also improve customer satisfaction.

### Bailador Portfolio Companies

Straker Translations [ASX:STG] is a world leading language translation platform delivering both improved customer experience and margins through its AI data driven technology, generating superior translation speeds and accuracy.

Stackla has a real-time content discovery and aggregation platform which, combined with its AI-powered recommendation engine, helps brands select and promote appropriate User Generated Content (UGC) at scale.

Key trend: Communication moves from text to visual
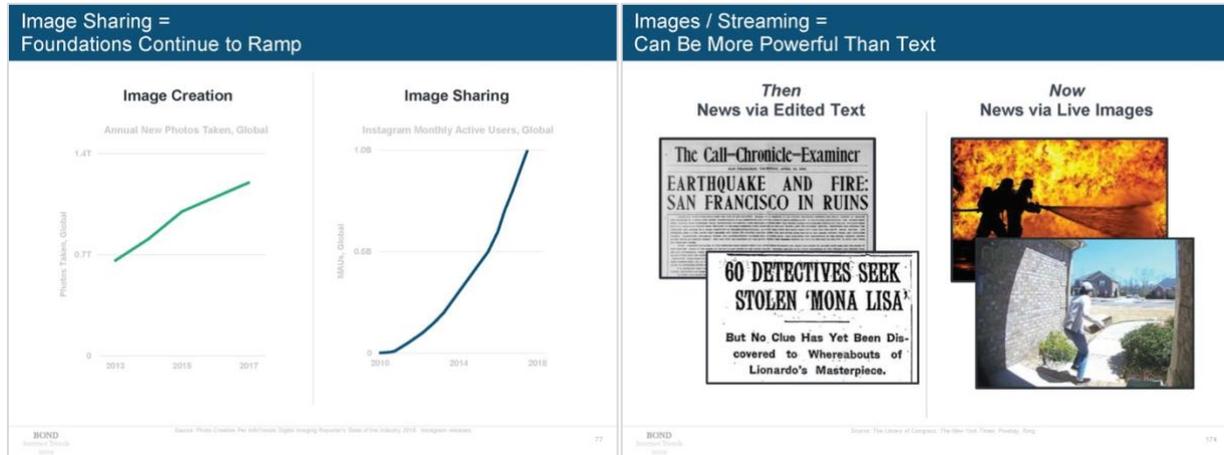
Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

Images are the oldest form of transportable communication. Whilst communication via text and numbers has been foundational for centuries, the last two decades has seen a ramp up of image and video creation and sharing. The key drivers to this include the rapid rise of smartphone and camera-based technologies, storage, cellular data use and WiFi reach.

Engagement on images and video continues to ramp. As an example, Twitter launched in 2006 as a text-only platform but in 2019 more than 50% of tweets are image or video related content. Furthermore, image-based design fluency and story-telling is increasingly self-taught.

Bailador Portfolio Companies

Stackla helps brands personalise their marketing by leveraging User Generated Content (UGC) across both images and video.

Viostream helps Government and corporate enterprises harness the power of video in their communications. Viostream enables organisations to create, publish and watch live or recorded video from any device, and have complete control over where this is distributed.

Key trend: Increased focus on digital privacy, security and quality

Source: Internet Trends 2019, Mary Meeker, Bond, 11 June 2019

Data privacy is one of the key concerns stemming from increased internet usage, data volume and utilisation. Privacy concerns are moderating as a result of regulators and businesses improving consumers' privacy control. The use of encrypted messaging and traffic for digital media is rising rapidly.

Problematic content is amplified through social media distribution and usage. Regulators and businesses are driving efforts to moderate problematic content and amplify good content.

Bailador Portfolio Companies

DocsCorp is a document productivity software company which utilises a unique technology that offers a double defence against data breaches and enables customers to secure and control document metadata.

Stackla has a real-time content discovery and aggregation platform which, combined with its AI-powered recommendation engine, helps brands select and promote appropriate UGC at scale.