

VentureBeat

Vantrix raises \$14M to cut costs of delivering mobile video

May 11, 2010 | [Dean Takahashi](#)



[Vantrix](#) is announcing today it has raised \$14 million in a third round of funding to deliver mobile video at the lowest possible cost to carriers. This company is obscure, but it is the reason you can get decent video via the internet on an iPhone, iPad or other smartphone.

The Montreal-based company has figured out a way to cut bandwidth costs for mobile phone carriers who are struggling under the weight of the internet video they have to deliver to cell phone users. Typically, when you watch a YouTube video, the video starts playing and you see a line advance that shows you how much of the video has been downloaded to your computer or device. Quite often, the entire video is downloaded, even though most of the time a user will stop watching partway through.

What Vantrix does is download only the amount of video that is being watched. If the user cuts off the video early, there is no bandwidth wasted because only the watched video will have been sent. Patrick Lopez, chief marketing officer at Vantrix, says this saves mobile carriers as much as 50 percent on bandwidth costs. Vantrix, which runs the Mediadvance platform, calls this business “mobile video delivery and optimization.”

That’s why the company has 60 mobile carriers as customers, including 35 added in the past two years. The list includes Sprint, Orange, Telefonica, T-Mobile, TeliaSonera, and Tata Telecom. Those customers reach more than 700 million subscribers worldwide.

Over the next five years, mobile internet traffic is expected to grow 40-fold by 2014, accounting for two thirds of global mobile internet traffic. Vantrix contends it can save a company with 5 million mobile phone users as much as \$100 million a year with its solution.

Tudor Ventures, a division of Tudor Investment, led the round. Other investors include Summerhill Venture Partners, JK&B Capital, BDC Venture Capital, Innovacom Venture Capital and Entrepia Ventures. The new working capital will be used to help expand operations.

Vantrix was founded in 2004 and has 106 employees. Competitors are Mobixell, ByteMobile, and Ripcode. To date, the company has raised \$38.5 million.