

Media Valuation Platform, Integral Ad Science helps Companies establish a True Advertising Quality Score by Understanding where they should Advertise Based on Environment and Which Media Placement they should be Focused On

**Business Services
Global Media Platform**

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**Scott Knoll
CEO**

BIO:

Scott Knoll was most recently the founder and President of Aperture, the audience targeting and measurement technology platform that provides business intelligence to blue chip brands, agencies and online publishers. Scott has more than 18 years of global experience in Internet technology, digital advertising and traditional media. Prior to Aperture, Scott spent 6 years as a senior executive at DoubleClick Inc., directing the launch and development of the DoubleClick ad network in nine countries, including Australia, Hong Kong, Japan, China, Taiwan, New Zealand, Singapore, and Korea. Scott served as managing director of DoubleClick Asia Pacific and Vice President and General Manager of Global Marketer Solutions.

Previously, Scott co-founded and served as COO of Verified Person, and has held management roles at

Time Warner Inc. and Andersen Consulting. Scott holds a Masters in Business Administration degree from Harvard University and a Bachelor of Arts degree from Princeton University.

About Integral Ad Science

Integral Ad Science is a media valuation platform, focused on adding value to every player in the industry (buyers, sellers, publishers and trading platforms), Integral Ad Science has the only platform that evaluates the media environment and establishes a TRAQ Score (True Advertising Quality). This holistic measure of media quality supports advertisers' ability to plan, execute and target their audience in an environment that associates their brand with quality and drives ROI. Integral is headquartered in New York with operations in San Francisco, London, Tokyo and Sydney.

**Interview conducted by:
Lynn Fosse, Senior Editor**

CEOCFO: Mr. Knoll, Integral Ad Science recently changed its name. Why the change and what is your current focus?

Mr. Knoll: The original premise of the company was to help advertisers avoid inventory that was inappropriate to their brand because of profanity, adult content, or illegal download materials. We are still helping companies do that, but the scope of what we provide in terms of helping advertisers has expanded greatly. Thus, we decided to change our name to reflect this wider scope of product that we offer.

CEOCFO: Would you tell us about some of the services you are offering today?

Mr. Knoll: Initially, the focus was on protecting brands. We moved from there to helping brands understand if their ads were actually being seen or not and in which environment were their ads not only seen but also seen with fewer other ads around it. Which environments did their advertising have the best impact in? We now help advertisers measure to see what the true impact of an ad was on a campaign and then we help them find environments where they can improve their impact going forward. This was a result of a couple years of R and D effort and expansion of our product line. We went from protecting to helping companies with their strategy of finding advertising that is more effective.

CEOCFO: What do you understand at Integral that makes your approach better, easier, or more effective than your competition?

Mr. Knoll: There are three things that you can control at the most basic level of advertising: the advertising message, the audience you are targeting and the place (and time) in which they see the message. After all the goal of all advertising is to reach the right person, in the right place, with the right message. This is not easy, but within the online channel – for the first time - you can control all three at once. There has been a lot of money raised in this marketplace and many companies built around the premise that online marketing is all about finding the right person. Big data typically applies to the ability to sift through someone's activity on the web-sometimes even their offline activity-and then pinpoint them with the right message. The piece that the industry

has completely forgotten about is the right place, to the point where Integral Ad Science has built a multimillion dollar business around keeping brands off of inappropriate pages, such as on pornography sites. What that told us was that if people cannot even keep their impressions off horrible content, clearly they have no control over where their ads were appearing. With a lot of research that we did, we realized that placing brand ads in the right environment on the right page is more important than any other aspect of online media buying. Thus our focus has been on helping companies to find where that right place is. One of the challenges in the traditional way of buying advertising is picking a magazine, website, or some sort of media property as a proxy for an audience. We might pick Time Magazine for affluent individuals, but when people started moving to buying a person the benefit was that you could actually automate that process. It is hard to automate the buying of media sites process, and that is what we have been able to do. We have been able to look at pages and understand what the very granular aspects of a specific ad placement that is working, and then help to go find more of these ads on similar pages in an automated way. We do that with data science and machine learning technology.

CEOCFO: Are there particular types of companies using your services?

Mr. Knoll: We can help any company that is advertising online because of the nature of our solution and the nature of the relationships that we have with the largest ad platforms and the largest advertising agencies. We work with many Fortune 1000 Companies- that is our sweet spot. We work with a couple of the largest advertisers in the world online, and then we work with a numerous other advertisers who do a lot of CPG advertising offline who are moving online, and their brand is very important to them so they want to be very careful in the media that they are buying.

CEOCFO: How do you reach prospective customers and has that changed over the last year or so?

Mr. Knoll: It has changed a little bit, but primarily we work with advertising agencies who buy advertising on behalf of brands. In the last couple of years, we have gone beyond that to go talk to brands direct because these companies care the most about whether their brand is safe and whether their advertising is effective. This does not mean we cut out the agency; we just have to have a lot of success in telling the story to the brand because they get it. We have also aligned with many partners over the last eighteen months that have become an important channel for us to reach new clients. One of these partners is Nielsen, and we partner with Nielsen so that we can work with their important client base. We have some other partners such as Turn

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who happens to be a buying platform that many brands and agencies use to reach customers. We are available in their product and it is very simple for someone to leverage our data that way.

CEOCFO: When you are speaking with a company, what is the light bulb moment when they understand your offering is superior?

Mr. Knoll: Typically, we can show them a page on the web that has about 50 ads on it, and show that their ad is on this page multiple times. They quickly realize that they are wasting a lot of money not just on inappropriate content- this content is not inappropriate it is just completely ineffective. When we can show them their own ad that is targeted to an audience and a page that makes no sense, it will open their eyes. From there we can show

them how to recalculate what percentage of their ads look like that and where they can find the ads that are actually driving the action that they are looking for. It all starts with that first moment of showing them how they are actually wasting money. it is hard for an advertiser to know that because they cannot see where their ad is every day, but we can.

CEOCFO: Would you tell us about your geographic expansion and growth?

Mr. Knoll: We had a reseller in London for the UK for the last few years, and late last year we opened our own office and hired a country manager. Now we have a team of nine people in London, which cover not only the UK market but also the EMEA region. We

have a presence now in Australia as well as Japan, and we will continue to expand throughout the rest of the year and 2014. We also have customers in Latin America that we support from the US and plan to grow there as necessary. The interesting thing about our business is that we are solving not just a US problem, but a worldwide problem. Because we do not rely on cookies, we do not have some of the same issues around privacy that a lot of the American companies who are trying to go to Europe are struggling with. My personal back-

ground is launching adtech companies in international markets, and I recognize the big advantage of building a global operation so that is something that we are actively looking at.

CEOCFO: What is on the drawing board?

Mr. Knoll: We are working on a number of advanced analytic solutions that look at data in realtime for advertisers to help them understand how they are doing and then help them improve results quickly. Many companies talk about that ability, but we are talking about changing the specific pages and ads that they are buying, not just the people they are targeting. It can work complimentary with any audience targeting or it can work on its own. We can uncover impressions that no one else is buying, yet ones that have a strong audience and are

definitely well placed ads in good environments that people will see.

CEOCFO: What are some of the features that you offer which companies are not taking advantage of as much as they should and how do you get people to take advantage of the full range of your services?

Mr. Knoll: Ad safety was our original products and one of the reasons that attracted me to the company. It is a real problem that affects everyone. It is one of these visible problems that if you are a CMO of a company, you can lose your job if your brand ends up on a site with horrible content. That is something everyone knows they need and gets us in the door, and then from there we can help them understand how we can help them protect their brand and be more effective. That expansion from protection to helping them be more effective is one that does not necessarily happen day one. It usually happens with a period of working together and we are building trust with them so that they recognize we are not just a one-solution vendor or someone who can solve a quick problem and they do not have to worry about it. We can actually help them solve many problems, but that is not necessarily evident day one because everyone is telling them that in the marketplace. Allowing us to get in there and build trust is the one thing that benefits us greatly because it has expanded our business. We are not there with every client yet, but over the last year we have gone from ten percent of our clients as multi-product clients to about 75% and 80% now being multi-product clients. That is a trend that helps us grow because we not only grow in terms of number of clients but also in the amount of influence with them.

CEOCFO: What is the Campaign ROI feature and how do you measure that? Do you find that it is something people have not measured in the past?

Mr. Knoll: Many people attempt to measure performance and there is a prevailing way to measure it, which is called last touch. It is approximation around who to give credit to, and the original concept of last touch made

sense because search engines were receiving all of the credit they should not necessarily received. In other words, someone would see an ad about a product multiple times when they were surfing the web, and when they decided that it was time to buy that product they would do a search on it on a search engine, click on it, and buy it. The search engine would get 100% of the credit, yet someone would not have searched on it or clicked on it had they not seen it before. Last touch was a way to give credit to the other channel of online display where the consumer saw the product. Instead of trying to figure out everywhere, they saw it, last touch methodology assumes that the last time they saw it was the most impactful and thus gave all credit to this exposure. That is the prevailing way of doing it, and even in other new advanced ways there is still a reliance on one thing that we found which is very incorrect. This is the assumption that every ad has an equal chance of having the same impact- every ad was seen and every ad had the same quality of engagement. What we know now along with other companies is that somewhere around 55-60% of ads are seen for a second or less, so the ad is seen for a very little time or not at all. Not to mention that there is also an issue with fraud where an automated bot mimicking an individual receives an ad rather than a human. If you assumed every ad was legitimate and had equal quality in terms of the environment and the amount of time it was seen for, you are completely wrong because that is not the case. Our approach is different because we can actually look at every ad that was served and compare them to see which ads were seen for enough time to make a difference versus those that were not seen at all or seen for very little time. When you separate the ones that were not seen at all, you separate a lot of ads that under any other methodology would receive a lot of credit. When you are looking at a much smaller pool, it is easier then to identify which ad and which media property should be getting the most credit. We are the only ones who do it that way and strictly look at the ads that were seen to give credit from

there. Going back to last touch attribution, one of the byproducts is that it has been around for a while and there are many companies and methodologies for looking good in last touch. That does not necessarily mean the advertisement works, and a lot of times it does not work very well at all but it looks good under last touch attribution methodology. Our approach fleshes that out and looks purely at those that were seen versus those that were not seen to try to isolate the actual causal impact of the advertising.

CEOCFO: Why should people in the business and investment community pay attention to Integral Ad Science?

Mr. Knoll: First of all, we are one of the fastest growing companies in ad-tech and we are a profitable company that started as doing one thing very well and now can do multiple things very well. We are probably a tenth of the way towards what we can potentially do in terms of the influence we can have over online advertising. If you look at our trends to date and you look at where we can go, it is a very intriguing story and one that continues to become more intriguing. We have been under the radar screen for the most part partially because of the nature of our business and the fact that we changed our name and are not as well known as the big companies. I would say that in the next few years, however, we are going to be as big as some of the biggest ones out there and will definitely be more recognized than how we are today. Whenever I tell people how much revenue we have they are shocked.

CEOCFO: Final thoughts?

Mr. Knoll: What makes us unique is that we are focused on helping companies to understand where they should be advertising based on environment and which media placements they should be focused on. No one else is doing that, and what we are doing and it is very complimentary with what most everyone else is focused on which is finding that right person. We work with everyone because we are complimentary with everyone.



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