

March 19, 2008

Questions for Anand Subramanian

**Offering Ad Sector
Access to Key Data,
Plus Way to Use It**

By **EMILY STEEL**
March 19, 2008; Page B2A

Here's the idea: Just as traders turn to a terminal to monitor real-time financial data and place trades, media buyers need a similar trading desk to make it easy to buy and sell online ads.

ContextWeb, a New York-based startup, plans today to announce a system that it says fills that need. The system -- called the Adsdag Exchange Agency Trading Desk -- lets media buyers see how their online display ads are performing on any site across the Web. The company already runs the Adsdag ad exchange, an electronic platform for advertisers to buy and sell online ad space. ContextWeb's ad exchange now works with more than 4,000 Web sites and facilitates 10,000 transactions per second.

Technology firms have talked for years about building a tool to help agencies and advertisers buy online ads quickly and efficiently across all sites on the Web. Six agencies, including **Omnicom's** OMD and WPP's GroupM are testing the system. "This whole idea is predicated on the assumption that there is some form of insight that turns plain vanilla into 32 flavors. The question is, for it to be raspberry or rocky road, does it give you a return on investment that will be better than plain vanilla...we'll find out," says Rob Norman, chief executive of GroupM Interaction Worldwide, a division of WPP and one of the program's beta partners.


ContextWeb doesn't exactly have the market to itself, as companies ranging from big analytics firms to a New York startup called Clickable are developing similar systems. ContextWeb doesn't charge advertisers or agencies to access the data, just to make the trades. With so many ads still brokered through phone calls and relationships, ContextWeb says it expects a long process of educating agencies and advertisers about its trading system.

Anand Subramanian founded ContextWeb in 2000 with the goal of creating an easy-to-use ad exchange. Below are excerpts from an interview with him about his venture, as well as trends in the online ad industry.

The Wall Street Journal: *How does your new system work?*

Anand Subramanian: Let's say an agency is working with National Geographic, Lonely Planet and Concierge.com for a particular campaign. What happens is, typically right now, when they buy ads from each of these different parties, they get data [from each of the Web sites]. They don't know what is going on beyond that. They go, 'Look, National Geographic is working great, let's buy more of it,' or 'Lonely Planet is not working that great, let's drop some.' We are in the position to give you the breakdown with

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit:
www.djreprints.com.

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

Company: ContextWeb, a closely held New York ad technology firm

Title: Chief Executive Officer

contextual placement. We are in a position to tell you that travel to Italy works better than travel to Africa.

WSJ: *Say I buy ads next to content about travel to Italy, and they perform well. How do I buy more?*

Mr. Subramanian: If you find something is working, you just click and hit the "buy" button. A screen pops up, and you do everything online. All of the inventory comes from the ADSDAQ exchange. The good thing is [advertisers] will only spend that money if it is working for their metrics. They don't have anything to lose. They are only buying things that they know work for them, instead of trial and error.

WSJ: *What exists on the market that is similar?*

Mr. Subramanian: Other companies do a similar thing on the search side. So, for example, you have companies like Clickable. There are other big management systems that fundamentally take a holistic view of all your buys across Yahoo, Google, MSN and all the search places together to help you manage the campaigns. We are talking about this on the display side.

WSJ: *Google and other technology firms have talked a lot about building a so-called dashboard to help agencies and advertisers buy online ads quickly and efficiently on the Web. How does this new product compare?*

Mr. Subramanian: Most people are just giving a dashboard and saying 'Here, look at this data.' But we are saying, 'Look at this data, and here's how you act on this data. You can buy, or you can sell.' The exchange itself is an integral part of this product, which nobody else has, whether it is Google or anybody else.

WSJ: *What are you up against?*

Mr. Subramanian: There will be an education process. We are working very closely with agencies. We have to make sure people understand how to use the system, how to bring the most value to their customers.

WSJ: *Does the perception of a conflict of interest make it necessary for an independent, third party to provide such a system?*

Mr. Subramanian: It needs to be a player that has an agnostic viewpoint in the industry. Here is an example. We are actually showing you data for free from sites that you are already buying from. We would rather that agencies act on the data. When they act on the data, we get paid for it, rather than charging for the data itself. We don't have any incentive to charge. We are not charging anything for this. We are giving it away for free.

WSJ: *So how do you make money?*

Mr. Subramanian: We are giving this data away free for people who are part of this beta program. We expect when they see this data, they will say, 'Hey, I want to buy more of this inventory.' At that time, they will make the transaction happen on the ADSDAQ exchange.

WSJ: *You're an ad exchange. Can you explain the differences between an ad exchange and an ad network?*

Mr. Subramanian: The biggest difference is as an exchange, you are allowing control on both sides. Advertisers can control their bid prices, and sellers control asking prices. [With] most networks, the way they work is they will go and sell the inventory to the advertiser and give a percentage to the publisher.

While the network is in the business of doing the deal, we are in the business of facilitating the deal.

WSJ: *Ad networks have emerged as a popular trend, with more than \$2 billion of deals done via ad networks and exchanges last year. Venture-capital investment reached nearly \$300 million, according to media investment bank DeSilva & Phillips. Are there too many ad networks?*

Mr. Subramanian: Absolutely. With any place that becomes a gold rush, there is a whole bunch of people who come in. Some of the best stick around and the others will fade away.

Write to Emily Steel at emily.steel@wsj.com¹

URL for this article:

<http://online.wsj.com/article/SB120589618763447709.html>

Hyperlinks in this Article:

(1) <mailto:emily.steel@wsj.com>

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

RELATED ARTICLES FROM ACROSS THE WEB

Related Articles from WSJ.com

- [Google to Unveil A New Ad Service For Web Publishers](#) Mar. 13, 2008
- [The Coming Ad Revolution](#) Feb. 11, 2008
- [Social Sites Don't Deliver Big Ad Gains](#) Feb. 05, 2008
- [Heft Alone May Not Draw Ads](#) Feb. 04, 2008

Related Web News

- [Mobile Ads: Slow to Take Off](#) Mar. 10, 2008 businessweek.com

More related content

Powered by Sphere 