

# Peer Insights

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R E P O R T

## Q&A with David J. Moore of BritePool CEO

### **Principle Series:**

*BritePool is a platform for advertisers and marketers that provides an identity verification solution, which is essential for the continued growth of online advertising and the continued existence of most ad-supported websites (publishers). BritePool's high value existing platform is created from verified identities (as opposed to probabilistic estimations). Moreover, BritePool is the only identity verification solution that will evolve by attracting consumer consent at scale, so it is uniquely positioned to thrive in the rapidly evolving era of privacy regulations, limits on browser-based ad tracking cookies, and growing consumer concerns about online privacy.*

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## Why is online identity verification essential for digital advertising and how large is the market?

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Many industry trade articles have branded 2019 as the year of identity. Last year, the Winterberry Group prepared a report presented by the DMA, a division of the ANA (Association of National Advertisers). The report, "Know Your Audience: The Evolution of Identity in a Consumer-Centric Marketplace" (August, 2018), concluded that spending by marketers on “services and solutions focused exclusively on solving for identity” will increase at a CAGR of 30%, expanding from \$900 million in 2018 to \$2.6 billion in 2022.

In 2018, digital advertising eclipsed television to become the nation’s largest advertising medium. The need for identity-related services reflect how online advertising has evolved: Today, marketers buy advertising, either directly or through programmatic platforms, as a segment of one: The identified individual.

A central reason for the extraordinary success of Facebook and Google, which are almost entirely ad-supported entities, is these services inherently require users to sign-in: Giving these platforms near perfect identity information, which can be combined with internal and purchased information for selling targeted advertising.

In contrast, the majority of ad-supported websites do not require sign-in. Through antiquated, browser-based ad tracking “cookie” technologies, device ID’s and other probabilistic activities these publisher websites attempt to match anonymous visitors with identities. The net result is typically estimated at a 30% match rate, meaning Google and Facebook are inherently 3X+ more efficient ad vehicles simply because they know the identities of their visitors.

Now, the existing identity resolution systems used by non-signed-in ad-supported websites are poised to disappear. Looming state and federal privacy regulations will sharply curtail data sharing, all of the major browsers have announced (or implemented) limitations on ad-tracking cookies, and consumers mistrust of the use of their online data is growing. Evidence indicates that without identities, ad-supported websites will realize a fraction of their current ad rates (ranging from 32% to 63%), with 50% or less as the dominant theme. In short, the age of privacy may also herald the era when free ad-supported Web media disappears.

BritePool is unique in it’s approach to building a one-to-one identity match through consumer consent at scale. Other identity services are attempting technical “Band-Aids” that will not survive as tracking cookies disappear, and new privacy legislation requires consumer consent and notification. Publishers and advertisers will benefit from BritePool’s verified identity product to support efficient, targeted advertising.

## How can BritePool expect tens of millions of consumer sign-ins, when websites have failed at this since the earliest days of Internet media?

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As a broad-based industry platform encompassing many publishers, BritePool has a scale, focus and dedicated expertise that individual publishers cannot match.

While sign-in is an adjunct to the business of an ad-supported website, it is the focus of BritePool’s business. Bob Perkins, BritePool’s COO, leads the consumer sign-in effort. He is the former Senior Vice-President of Marketing at Piza-Hut, former CEO of Chiat-Day New York (the advertising agency) and widely regarded as one of the nation’s leading direct marketers.

BritePool has developed a model of consumer value to support a transactional approach: Consumers who opt-in, to permit the responsible use of their data for ad targeting, receive tangible rewards.

In addition, BritePool’s opt-in efforts will be aided by looming new privacy regulations.

On January 1st, the California Consumer Protection Act (CCPA) will be effective. The CCPA requires websites to provide consumers with a conspicuous notice on their home page that consumers may “opt-out” of the sharing of their data. BritePool has worked with the nation’s leading privacy attorneys, to offer a compliant solution for publishers that will prevent consumer opt-outs, and encourage consumer opt-ins. BritePool’s CCPA-oriented offer to consumers of “reward me for the use of my data” is the only service that will actively work to prevent the loss of identity information in California, and it offers significant value to high-traffic sites. As other states (or the federal government) adopt similar privacy laws, BritePool will have a proven, plug and play solution that delivers value for sites by preventing opt-outs, and builds BritePool’s base of signed-in consumers.

## How does BritePool make money?

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BritePool's advertiser product, BritePool Verified, is an identity verification service. BritePool will charge advertisers \$0.35 per thousand ad views to validate the identities of recipients of targeted advertising campaigns, in the rapidly growing area of programmatic advertising.

BritePool Verified will be introduced as a revenue-generating product this Labor Day, and the product exists today. It will immediately offer high value to marketers as the product is based on verified identities, as opposed to identities based on probabilities; and the product is designed to seamlessly transition from cookies-based technology to permission-based identity recognition.

Today, identity services are typically based on information derived through a combination of probabilistic and deterministic models. The identities are not verified but estimates ["I think with an X% accuracy this is John Smith," as opposed to "I can verify this is John Smith"].

In addition, audience recognition for advertising delivery is currently based on browser-based third-party cookies. Apple, Google, Firefox, and Microsoft have all announced or implemented restrictions on third-party cookies, limiting marketers' ability to reach their desired audiences, and undermining the foundation of the current online advertising eco-system. As this capability disappears, BritePool Verified will extend its competitive advantage, with identity recognition through permission-based consumer consent.

The current version of BritePool Verified includes approximately 250 million verified identities. The product is based on three sources of data: (1) Verified identities obtained through an agreement with Throtle ([www.Throtle.io](http://www.Throtle.io)), an industry leading Identity Resolution and data on-boarding provider; (2) Verified identities contributed by BritePool's participating publishers via BritePool's proprietary Single Sign On (SSO) technology, including Publisher's Clearing House; and (3) Identities derived from technology contributed by BritePool partner and investor Sonobi applied to profiles contributed by BritePool investor MediaMath. In addition, this existing base of verified identities will rapidly evolve as consumers sign-up directly with BritePool, providing explicit permission to receive targeted advertising in return for rewards and the responsible use of their data.

An important aspect of BritePool's business model is the revenue-ready nature of BritePool Verified. Revenues generated by the soon-to-be-launched product will help to offset the costs of building the consumer consent database at scale, and substantially reduce the outside funding needs of the Company.



### **David J. Moore of BritePool**

David J. Moore is the CEO of BritePool, a commercially driven, a next-generation identity resolution platform, based on consumer consent, which is designed to meet the challenges of the approaching age of privacy regulation, limits on ad tracking technologies, and consumer concerns related to the use of their online data.

Before this role, he was Chairman of Xaxis and President of WPP Digital. In both capacities, he developed strategies to accelerate Xaxis' and WPP Digital's growth worldwide. Dave brings over 35 years of experience in media and technology to BritePool. He possesses a recognized skill for identifying new ways of making technologies work for marketers, from identifying the potential of early ad networks, search engine marketing, and behavioral targeting, to today's BritePool opportunity: Consumer Identity.

Dave founded and led 24/7 Media's (now Xaxis) growth from start-up to a leader in digital marketing and ad technology. He sold the company to WPP in 2007 for \$649 million. He is a proven executive with expertise in all facets of the digital advertising industry, and a demonstrated ability to drive businesses from start-up to large-scale success.

He is a member of the Interactive Advertising Bureau's (IAB) Board of Directors and Executive Committee, the digital ad industry's leading trade organization. Dave served as the IAB's Chairman from 2009 to 2011 and has been an active member since 2002. Until recently, he was Chairman of the IAB's Tech Lab.

Dave served on the Boards of DASL and DTSL, joint ventures with Dentsu in Japan and Korea. He now serves on the Board of Directors of the Advertising Education Foundation (AEF) and the Board of Directors for Throttle, a leading data technology company. Dave has co-founded Digital Media Training, a professional development company; XpertSavers, a digital transformation company for community banks; and Dimstore Media, a platform that delivers insights about brand perception, message recall, and purchase intent, which Knowledge Networks acquired in 2009.

Dave is an active sportsman, who has completed over 50 triathlons and run 18 Marathons.

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