

# The rise of in-text advertising: Kontera

By delivering highly relevant in-text advertising and information solutions, Kontera stimulates conversations between brands and consumers, providing advertisers with great and efficient buys. Founded in 2003, Kontera has seen rapid growth in recent years. The company's network now reaches more than 100 million monthly unique users, and earlier this year it was named the 5th fastest growing ad network by ComScore.

"Our unique story-level targeting technology brings a brand's messaging to consumers when they are most engaged and receptive — while reading content or consuming information within the text of a page," says Hal Muchnick, president of the San Francisco-based firm. "We enhance the consumer experience, driving increased user interaction and excellent campaign performance for advertisers, as well as substantial revenues for publishers."

Kontera directly addresses the convergence of intent-based marketing, such as search-engine ads, with the brand building and awareness power of display ad units.

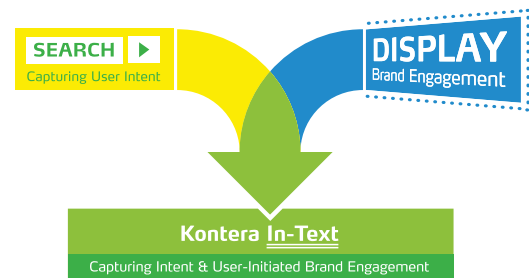
Noting that the firm's creative services division works closely with brand advertisers and agencies to develop engaging solutions, that are designed to maximize the impact of each campaign, Muchnick says, "Our creative capabilities and sophisticated technology allow us to deliver great value-added brand advertising programs."

One of the advantages of Kontera's story-level content targeting is that the ads are always relevant to the page, regardless of the overall site category. Compared with "relevant" ad networks that target users based on site demographics, Kontera delivers a better user experience and superior advertiser performance, according to Muchnick.

Story-level targeting enables Kontera to showcase a BlackBerry ad within a story about smart phones featured on SmartMoney.com, a financial site. "BlackBerry reaches its target audience—people who are researching or interested in the latest smart phone developments — even though they are on a financial site, rather than a technology site," says Muchnick.



Connecting to User Intent  
While Delivering Brand Engagement



Unlike keyword targeting alone, Kontera's semantic analysis technology can resolve critical word ambiguities, determining whether the word "accord," for instance, applies to a car or to an agreement. This technology also identifies highly relevant articles, appearing on non-endemic sites, without requiring the site to be specifically "tagged" within an advertising category. That means that advertisers are able to cost-effectively expand their campaigns to high-relevance articles on non-endemic sites where qualified consumers increasingly get their information.

"Because our advanced semantic advertising technology can match an advertising message to content with exceptional relevance, we can deliver strong brand engagement and ROI, with starting click through rates that exceed 10 percent and a superior cost per engagement," says Muchnick. In addition, Kontera's learning algorithms optimize the performance of advertising campaigns, in real-time, based on users' interactions with different keyword phrases and related concepts.

Publishers appreciate Kontera's ability to boost revenues while reducing page clutter and conserving valuable real estate, says Muchnick. The ad units only appear when a user mouses over and engages an in-text marked key phrase, thus monetizing a "new" area on the page "Kontera generates revenue that is incremental - we do not cannibalize any existing revenue streams."

In its infancy Kontera was spotted and backed by Sequoia Capital, the venture capital firm that helped create several notable on-line advertising giants, including Google, Yahoo, YouTube and Link Exchange. Today Kontera is rapidly expanding its global operations. Its US offices include San Francisco, New York, Los Angeles, Detroit, Chicago, and Atlanta. For more information, visit [www.kontera.com](http://www.kontera.com). ■