



**Interview with Amiad Solomon
CEO, Peer39.com**

**For podcast release
Monday, November 22, 2010**

KENNEALLY: Anyone in the online community is familiar with keywords matching, but what if content could be matched? That's the question we're going to be asking shortly from a founder of a company called Peer39 that processes more than a billion articles a day to uncover meaning and make the right matches. Joining me from New York is Amiad Solomon, founder and president of Peer39. Amiad, welcome to *Beyond the Book*.

SOLOMON: Thank you. Nice being here.

KENNEALLY: Well, it's good to have you join us today, Amiad. We'll tell people briefly about you. You are, as we said, the president and founder of Peer39, which together with your scientists, research and development groups, you've developed the core patents that cover Peer39's semantic analysis technology and business practices. Prior to founding Peer39, you were a sales and business development executive at IDX and you are recognized as one of the world's leading experts in the application of semantic technology to next-generation online advertising. You also serve on the content board of directors for the Software Information Industry Association. So we really are very happy to have you join us.

And you're talking about a particular aspect of a much broader subject, which many of our listeners in the publishing and media world are really coming to grips with right now, and that of course is the Semantic Web. Tell us briefly, for those who may not be that familiar as you are, what the Semantic Web is about and where does semantic advertising come in?

SOLOMON: I think the Semantic Web, many aspects and for many years has been spoken about machines or capabilities of really understanding content and applying it to either publishing in the publishing industry or monetizing or different aspects of the online industry as well as offline. The Semantic Web has been a concept that has been discussed and talked about for quite a few years now and we decided at Peer39 to take one angle at it, which is the semantic advertising aspect, which is monetizing the content or monetizing the websites that are using content, and really focusing our semantic technology and semantic efforts around that area.

KENNEALLY: Well, what semantic is about, of course, is what I was trying to say in the introduction, going beyond keywords, which is a very simple way of calling something up



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for someone to review, right? You put in Chris Kenneally, you get the matches for *Beyond the Book*. But what you're talking about is going much deeper because the content has been tagged in all kinds of important ways and then matching not to the words, but to the real meaning of something. Explore that with us and try to help us understand how this all works.

SOLOMON: Yes. So this is exactly the point. I think the difference, the big difference, between semantic and contextual technology is really the capability of understanding the meaning of the words versus just looking up keywords. Maybe I'll give an example that could explain what I'm saying here.

Take sets of two words, tiger woods. Tiger woods, if we look at it contextually, actually means a tiger in the woods and can mean many things for advertisers. So it could be zoology or travel if you literally take the words and their meaning. A semantic technology will understand that the combination of those two words actually means something very different, which is sports or golf and so on.

That's one example and there are many, many examples which we can give, which a semantic technology actually understands that the keywords themselves are not enough or not sufficient when you want to target ads or when you want to analyze content or you want to recommend content. You basically have to have capabilities of understanding words within context, within sentences, within pages, to have the best targeting or the best capability of analyzing information.

KENNEALLY: It would seem to me a lot of reasons why publishers, particularly news publishers who are publishing content online on a continuing basis, ought to care about this. You mentioned revenue. We can talk about that in a second, but first of all, I would think that meaning is something which is, of course, subjective and perhaps at one point in his career, Tiger Woods meant a lot of great things. Right at the moment, that's under fire, so really, meaning is important when it comes to brand.

SOLOMON: Yeah. It's very fascinating actually. Let's dig a little bit more into the Tiger Woods example. So I think it's actually fascinating because what we've seen – maybe even I'll take a step back and just kind of explain how our technology works and try to simplify it.

So we basically have a lot of computer power, hundreds of servers, crawling the Internet in every (inaudible) moment to analyze content and understand how is content perceived on the Internet. So Tiger Woods is a good example because Tiger Woods is perceived as obviously the golf player and a very famous golf player, but we're seeing now those type of trends and those types of content being shifted. And now to our advertisers, we pass a



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category not only around golf or around sports, but actually around issues around family and other areas which he's very associated with.

So if you can take a capability of a machine, take the Web and look at the Web as your data set and data information that is always evolved and is always up to date, and basically crop that information and apply it to your customers, that can apply to advertising but it could apply to many newspapers or many magazines or the entire publishing industry which wants to be up to date and wants to understand the correct meaning of content when published.

KENNEALLY: Yeah, it is fascinating and as you were pointing out, there's a positive and a negative to this, and really, finally what it's about is the user experience, right? You want to be able to bring to the user, to the person doing the search, the right information at the right time and if you're in the newspaper business, with the right ad accompanying it.

SOLOMON: Yes. Absolutely. And I think that the move to having refined customer experience is true not only for the search pages but also for the content itself, and that has to do with the quality of the content, the meaning of the content, but also to what other articles you recommend on the content, such as people who read this also are reading this and so on, and to advertising around those pages.

KENNEALLY: Right. And for the newspaper business right now, of course advertising online is critical to try to make up some of the revenue that they've been losing over time. There is not yet the kind of one-to – speaking of matches – the kind of one-to-one match for when an ad goes out of the print edition into the online edition, so you really want to make every penny that goes into the online publication as valuable as possible. How do you work with publishers to do that? What kinds of results have you generated so far?

SOLOMON: That's actually a very true – I think that most publishers online do not charge for content. Therefore, their main source of income is advertising and I think that all publishers are looking for ways to increase their revenue and increase their relevance while not hurting the user experience in other areas.

We provide our technology today, as you mentioned before, to over a billion pages a day – actually, closer to a billion and a half pages a day now – of basically publishers that are sending us their pages or sending us the URL, just the address of their pages. Our system goes and crawls those pages, analyzes the pages and what the meaning of that article is, and we pass those variables, we pass that information about what the page is to advertisers.



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So advertisers now have – they're not just running on a site, they're just not running at a store without understanding what they're running. They can actually tailor a specific ad to that specific page.

It started as an idea. It's now becoming a reality. We're processing now 16,000 times a second those requests, and in return, are providing advertisers the capability to target or to reach an exact audience on the newspaper or on the magazine or on the website that ad occurs.

KENNEALLY: And so the advertiser, Amiad, I guess that's important because, clearly, you want to reach people who are going to be receptive to the ad. But for the publisher, this works too, because it means they can charge more.

SOLOMON: Absolutely. It goes both ways. We're a big believer that you can't just charge the advertiser more without any reaction from the publisher and the user. What we've found is, the more the ad is in context and semantically fits the page, a, the user's interactions hit more. We see click rates, which is the amount of people that are clicking of ads, two to five times – 2 to 5X – 200 to 500 percent higher than just irrelevant ads that are running on a page. And of course, the advertiser pays more for that and the publisher gains more money.

So it's a win-win for everyone. It's a better user experience, advertiser gets a targeted audience that is actually interested in the ads that appear on the page, and obviously, the publisher can maximize their revenue on those pages.

KENNEALLY: We're talking with Amiad Solomon, founder and president of Peer39, which is taking a very specific approach to the oncoming Semantic Web and looking at how semantics can serve advertising for publishers of all kinds.

I guess one of the things that surprised me as I looked into this subject is that apart from the things we've spoken about – the user experience, the monetization that will be happening, the information that the advertisers are gleaning – there's something else here that we should all care about and that is about privacy. Explain how what you're doing may ultimately take us beyond cookies.

SOLOMON: Yes, so that's a very interesting angle, too. Traditionally and in many cases, networks or advertisers what we call drop cookies on users. So when you go on a website, there's a small file of code that is being installed on your computer to track you. So if you're reading – you're going to a web – you visit a website about cars or about fashion or about travel, there's a little piece of code that tracks you and basically, advertisers want to



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reach you and want to target ads to you because they know you're interested in those particular areas.

There's been a lot of discussions, including Congress, around privacy issues and how much you can actually use cookies to track users and where does it violate the privacy concerns. And that debate is still going on and is in Washington for the last year or two. No resolution has been made yet, but I think that the entire industry is now very, very concerned about not crossing the line and doing – and making actions which are not customer-friendly or would violate any privacy guidelines.

I think what's interesting about Peer39 or about the semantic industry as a whole is that we actually don't use cookies. We don't track users. We look at pages, we look at content, and by doing that in real time, we're ready to provide information about the page to the advertiser in real time without any association to who the user is.

So if I'm reading a page about cars and about a specific make and a specific car, we send that information to an advertiser who in return, provides the relevant ad to that user without knowing anything about the user. And I think that's a very interesting approach, not only in the U.S. but also in Europe, where the privacy concerns are even tighter. And that's just one approach of trying to (inaudible) with online privacy concerns that are rising both from the consumer perspective as well as some – the large advertisers who are very concerned about their users.

KENNEALLY: You're doing a good job of explaining this all for someone like me to understand, Amiad, which is really quite an accomplishment, because I'm the definition of a liberal arts major. But I wanted to just point out – and this is, I think, fascinating. It's another indication of how publishing has become a technology business, when in fact in the past, it was really always about just the content.

I was intrigued with a piece of your website that is a list of all the published works and research publications that Peer39 scientists and researchers have published in the last few years. And very clearly, this is all based in research and a thorough understanding of literally how the Web works.

SOLOMON: Yes. We're strong believers in the research around our field, not only around developing applications but also looking ahead a few years and developing new technologies and new types of ideas around concentration. And publishing is becoming complicated. It's becoming complicated not from a content perspective, but from all the aspects that a publisher has to look at when trying to publish and trying to interest traffic and trying to monetize.



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And we have a fairly large group that is all their work is to think about new, innovative ideas. How can we benefit publishers of creating more relevant content, how to drive more traffic to them, how to monetize better. And they're very busy building the technology and filing patents around those capabilities.

We're thinking publishers all day, we're thinking content all day, and really trying to transform the capability of bringing back to the publishers the tool in which they can monetize and continue to succeed, maybe with a slightly different business model than publishers used to work with. But the Web is evolving and we truly believe that publishers need to evolve with it.

KENNEALLY: I think what the point is here is that you're sharing this information. I'm sure that there are patents involved and a lot of that is proprietary, but I was really struck by how you're sharing your research with others through the science publications.

And I guess as a last question, I'm wondering, do you feel more like a scientist who has a business or like a businessman who has to care about science?

SOLOMON: I founded the company with a CTO and so obviously you get different answers from different people. But we definitely believe that we have a business with a very strong technology. The entire technology that we're building and investing in is all to support a very, very specific cause and a very, very specific goal, which is to enable our publishers and partners to monetize in a much greater way.

Maybe we started with that question. I think the key to be successful in semantics is to choose a vertical and to really own it. It's very hard to build a cross-platform semantic platform that can answer advertising and can answer security and can answer pharma, which is an advertising sector, and we're becoming the standard in that specific category.

But it's really about focus and understanding the needs of all parties involved. It will not be enough for us to work with publishers without listening and being at the IAB or the advertising (inaudible) communities listening to what advertisers need. I think it's more of holistic approach that if you take an industry, just own that niche and go after it. That's always my advice to semantic entrepreneurs who are looking at different applications, is to choose one vertical and own that vertical. We need to talk to all aspects of it, not just (inaudible) to one customer, but understand kind of how it works in the environment and make a system around it.

KENNEALLY: Not an easy assignment, but I think great advice. Thank you very much Amiad Solomon, who is founder and president of Peer39. Amiad, thank you for joining us today on *Beyond the Book*.



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SOLOMON: Thank you very much for having me.

KENNEALLY: And for all of us at Copyright Clearance Center, this is Chris Kenneally wishing you a great day.

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