

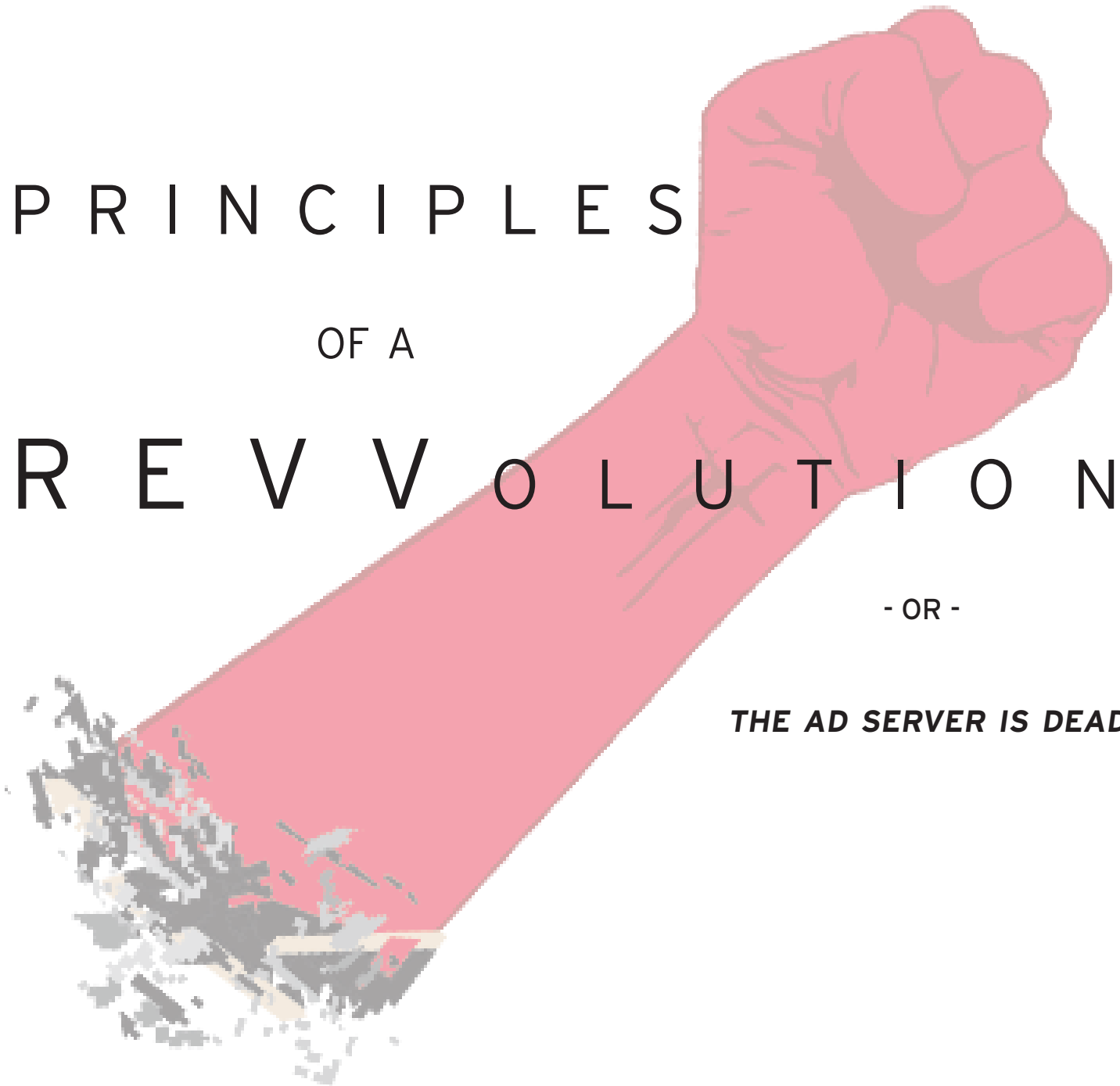
P R I N C I P L E S

OF A

R E V V O L U T I O N

- OR -

***THE AD SERVER IS DEAD***



# CORE BELIEF

The evolution of the digital ad ecosystem has put the publisher at a disadvantage, and the balance in the marketplace will increasingly favor the demand side of the equation - at great cost to publishers - if the industry continues to accept the status quo. Publishers' inventory will face commoditization and CPMs and ad revenues will increasingly erode, threatening the sustainability of the ad-supported digital publishing business. But they're not accepting the current state: publishers are demanding change.

**Open access to high-quality content and media services are vital to a healthy society.** Ensuring that digital content remains a sustainable business is our goal; we provide the digital advertising technology and data platforms to help publishers and media to flourish. **Publishers need technology engineered specifically for their needs.**

We believe that **in doing right by our publishers, we will do well** - not only for our customers, our company and our stakeholders, but also for the entire digital advertising ecosystem. If we can return the **power to the publishers**, content will flourish. In turn, advertisers will at last benefit from the long-promised dream of digital advertising as the most precise medium through which to target audiences, ensuring that they can achieve marketing goals with pinpoint accuracy. As more marketing dollars come online, all players in the digital ad ecosystem - from the marketer, to the agencies, to the demand channels, to publishers and ultimately, consumers benefit concurrently.

But first, **publishers need to reaffirm their relevancy to advertisers.** The shift to selling by audience is the opportunity to do just that. Inventory is no longer valued on content and context alone. The true value of each impression is now based on what is known about a visitor as well as the value of the ad placement. Publishers who effectively sell their audiences - not just their sites, zones, brand and content - will be most successful, because if they can be the very best at delivering a particular audience, then they are of the utmost value to advertisers.

The industry is at last coming to reconsider a **long-held assumption: all deals sold directly by an in-house sales team are good, and conversely, deals coming through third party channels, like ad networks, are intrinsically bad.** This inaccurate assignment of good and evil in thinking about sales channels in the digital advertising world emerged because publishers did not start out with technology controls and protections in place to ensure that third-party deals were efficient, effective and safe. But with the advent of a platform that empowers publishers to effectively manage all sales channels, direct and indirect, this myth is quickly losing credibility.

For digital content publishers to thrive, we must address the fact that the **technology available to them in the marketplace today (and on the horizon) is at best outdated, and at worst putting them at risk**, offered by companies whose interests conflict directly with their own. Revising legacy

technology, upgrading it, and tacking on bells and whistles isn't enough to address the challenges for content producers today. Working with companies whose primary goal is simply to access more inventory on behalf of their own advertisers is not only a dangerous business strategy for publishers, but may also contribute to the imbalance within the online advertising ecosystem. Companies offering ad serving technology today focus simply on enabling publishers to deliver the ads that their sales teams sell; they haven't evolved to keep up with the lightning-paced evolution on the demand-side. And in so doing, **the ad server is killing publishers.** the Rubicon Project is here to give publishers the weapons to fight back.

Publishers and their partners are at a crossroads. But this time, they don't have to follow the well-traveled road. **The ad server is dead, and there is a better choice.**

Power to the publishers.

# PRINCIPLES

I. **COUNTERACT RISKS CREATED BY LEGACY TECHNOLOGY:** the advertising technology available to publishers is woefully inadequate and has been at the heart of the challenge in monetizing digital content. the Rubicon Project is committed to providing publishers with digital advertising and data technology to correct the following ills:

- Channel Conflict
- Commoditized Inventory
- Marginally Profitable Sale Teams
- Lack of Data Tools
- Loss of Data to 3rd Parties
- Media Waste
- Lost Impressions/Discrepancies
- Legacy Advertiser-Focused Technology
- Malware/Spyware Threats
- Ad Quality Risks
- Complicated/Costly Media Billing
- Manual, Inefficient Sales Process
- Inability To Meet Advertiser Demands
- Inefficient Access to Demand
- No/Low Control Over Channel Relationships
- Price Erosion/Inefficiency

II. **COMMITMENT TO TRANSPARENCY:** The digital advertising ecosystem is suffering from rampant arbitrage, which hurts not only publishers, but also advertisers, and legitimate demand channels that offer their partners transparency in buying and selling. Demand channels are in a powerful position: they know exactly the audience they need to reach for their advertisers, and are able to buy that precise audience at rates significantly below market, while simultaneously re-selling at a higher price. This is arbitrage, and arbitrage is bad for publishers - and their advertisers, too. We commit to protecting publishers - and in so doing, advertisers - from the risks of “black-boxed” and imbalanced arbitrage-driven systems that prevent publishers from recognizing the true value of their inventory.

III. **EFFICIENT & SAFE ACCESS TO ALL SOURCES OF DEMAND:** There is a proliferation of companies focused on servicing advertisers who spend online. **Continued global expansion and an underlying shift in how digital ad dollars are transacted** [e.g. increased use of auction-based pricing, and development of demand-side platforms (DSPs), and real-time bidding (RTB)] **will result in more disparate sources of demand for publishers.** The advent of DSPs and RTB tools for demand channels adds revenue opportunity for both sales partners and publishers but also comes with the cost of further fragmentation and risk. Our priority is to help publishers gain access to all possible sources of demand through industry-leading technology that automates that access - but with careful consideration of the impact of those technologies on pricing control for publishers. **We will provide publishers with a safe, efficient and profitable way to transact with all demand channels available to monetize their inventory.**

**IV. PUBLISHERS NEED THEIR OWN DATA PLATFORM:** Advertisers, agencies and other third parties currently have more data on publishers' users than the publishers have themselves. Agencies and ad networks have been investing heavily in audience data; they are the largest customers of the third-party data provider market. More often than not, they know more about publishers' audiences than publishers do. We are investing heavily in the tools publishers need to maintain control over their own data, and the data platform through which they can build better advertising businesses. Our open data platform (engineered for easy integration with third-party data providers) is fully linked into our REVV™ ad technology platform, to ensure efficient and safe synthesis with ad serving, delivery and optimization.

**V. CORE PROTECTION FOR CONSUMERS:** Consumers do not have enough control or visibility into the data associated with their online identity. We must enable publishers to offer consumer controls and transparency to their users, and commit to working only with demand partners who offer the same consumer protection.

**VI. SUPPORT AROUND THE GLOBE & ACROSS ALL DIGITAL MEDIA:** We will empower publishers to monetize all digital content through efficient, effective and safe technology and data platforms that address every geography/region where their audiences consume media, covering all levels of inventory.



# APPROACH

**Our approach has been and will remain publisher-centric:** the Rubicon Project innovates digital advertising and data technology for publishers to keep digital media free for consumers and to help content flourish. If an independent, publisher-focused technology innovator doesn't take action, it will be increasingly untenable to sustain content-creating businesses with digital advertising.

In 2010, we will extend our REVV™ platform to offer additional **ad serving, forecasting and campaign management functionality** for publishers across all **premium and non-guaranteed media sales**, and enhance the technology to deliver:

- Automated Demand Access
- Self-service Advertising Sales
- Pricing Intelligence & Controls
- Yield Management
- Channel Management
- Brand, Ad Quality and Malware Protection
- Centralized Publisher Data Platform

Our ongoing innovation in technology & data will empower publishers to regain and maintain complete control and visibility over which sellers can sell what ads and what inventory and/or audience segments, to whom, where, and at what price.

The future of media warrants innovation in a platform engineered specifically to accelerate ad revenue for publishers. **the Rubicon Project is the right choice.**

Power to the publishers.