KEYNOTE

Making Money out of Innovative Communities on the Internet

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Abstract: Online advertising has been around for more than a decade, and today most Internet users are familiar with the contextual ad targeting in online search, of which Google AdWords is a dominant example. The pay per click model (PPC) introduced by Goto.com (later Overture) in 1998 has been the main revenue model since Google adopted it in 2002, but the advertising industry is under increasing pressure to find a better alternative model as the conversion rate for ad clicks to actual purchase is very low.

There is a huge potential for improving the experience as seen from both, advertiser, publisher and end user point of view. Enter the cost per install model where advertising cost is directly tied to the response of potential customers. While this reduces risk for advertiser spending, it demands precise customer targeting to create added value for the end user and secure revenue for the publisher.

The authors present a system for content-based targeting where the user behaviour within Zedge’s massive mobile community is the core signal for segmenting users into preference groups that are used for targeted advertisements. Large scale clustering using Hadoop and machine learning is combined to optimize the performance.

Biography: Tom Arnøy is the CEO and Co-founder of Zedge. He has been intimately involved in overseeing product development, strategy and technology in Zedge, and has since 1998 been involved in multiple Internet and mobile start-ups.

Tom is a passionate product centric entrepreneur, always believing that things can change and improve to the better.
**Biography:** Dr.-Ing. Per Gunnar Auran received his PhD on 3D sonar imaging and object analysis in 1996 from the Norwegian University of Science and Technology, and his MSc on parallel image processing using transputers in 1991 from the Norwegian Institute of Technology, Trondheim. He has worked with large scale search relevancy since early 2000 and recommendation and personalization systems since 2004 for Fast Search and Transfer AS, Overture and Yahoo! Search.

In 2009 he co-founded a start-up company specializing in recommender systems whose technology was acquired by Zedge in 2010 where he now is the Data Analysis team lead.