



DESTINATION STARTUP

socialcontext.ai

One-Sentence Summary of What You Do: Socialcontext.ai provides an AI-powered brand safety floor that protects and enables the monetization of diversity, equality, and inclusion news and social media content.

Affiliated Institution: University of Colorado Boulder

Have you formed a company yet? Yes

Funding/Financing: Direct/Indirect University Support, Venture Capital

Please describe your company and the problem you are trying to solve: We've spent years building tools to detect specific linguistic behaviors in social media and online news. Socialcontext.ai, will expand the value that supply-side advertisers expect from their Brand Safety Floor (BSF) provider. BSFs keep advertisers safe by excluding sensitive news and social media content from programmatic advertising exchanges. While this is necessary, when content gets excluded, ad platforms can't monetize it. Socialcontext.ai is the BSF designed to monetize more content. Current BSFs use entity recognition and sentiment analysis. Our AI goes beyond sentiment to detect specific linguistic behaviors — the specific behaviors advertisers want to avoid, including incivility, threats, and vulgarity. Our AI doesn't just exclude, it detects socially equitable behavior. Our BSF also allows publishers to monetize content others mark as sensitive or political. Our algorithms are designed to detect diversity, equality, and inclusion news. Socialcontext.ai helps advertisers put their digital ad dollars forward to support diversity, equality, and inclusion. This will incentivize publishers to generate more socially equitable content. Using deep learning and rigorous content analysis procedures, we build externally valid, transparent AI. This is achieved through consultation with academic experts who study race, communication, and information science. In 2020, we launched our MVP, Diversity News, which we are investigating a methodological patent on. This year, we are working with Sovrn, CNN, and Twitter on a trial basis, with the hope of gaining them as paying customers. We will publish case studies with the Internet Advertising Bureau on brand safety thought leadership.

What is/was your go-to-market strategy? The display-advertising industry is valued at \$74B (+5.5% YoY despite the recession) and corporations spend at least \$8B on diversity. One 2019 study found publishers lost at least \$2.8 billion in revenue from BSF content exclusion. An alpha test suggests we can unblock at least 56% of this content, which gives us the potential to unblock an additional \$1.4 billion in digital advertising revenue. We will solicit SSPs (our customer) directly via industry conferences and organizations. We are members of the Internet Advertising Bureau (IAB). We're investing time to become thought leaders through the IAB's Tech Lab. We are planning



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a series of presentations and case studies. Promotion will be done via media relations. We've identified sponsor booths at the mar/ad tech conferences, including DigiDay's Publisher Summit. An initial agreement exists with WarnerMedia to test our unblocking capabilities on CNN's website. Sovrn, a leading SSP in Boulder, is willing to test our BSF to see how much inventory we can unlock. Twitter's Marketing Data Science unit has also agreed to test. Six major competitors in brand safety exist, notables include Admantax, Oracle Contextual Intelligence, and Integral Advertising Science. Competitors use named-entity recognition and sentiment analysis to detect topical focus and the polarity of news content. Advantages of socialcontext.ai are: We increase SSP monetization, other BSFs do not - The ability to detect socially equitable behaviors, including: diversity, equality, and inclusion - More precise and externally valid filters, achieved via deep learning - Transparent evidence of scientific rigor.

How will/do you generate revenue? Our financial model can be viewed here: https://docs.google.com/spreadsheets/d/1UE42OuCO2y8TXMzIZtB4K6RG_3GPInufnHcRTZZV7YU. To summarize, we use a SaaS pricing model that charges customers monthly based on the amount of web page content we process for them (e.g., the total units they request from our API). Sovrn has an inventory of 40,000 web pages, each generating dozens of webpages a day. This is at least 30 million queries a month, and even at modest API pricing models, at least \$30,000 per month. Small DSPs will be most likely to adopt our service as they look for a competitive advantage. Mid-sized subscriptions will be the most common, and will likely generate the most revenue due to the volume of content they need processed. Our Customer Acquisition Cost (CAC) decreases from the first to the second year of our operations, while the customer's Lifetime Value (LTV) increases along with the LTV-to-CAC ratio. We don't consider Google, Amazon or Facebook as customers in these models, but the scale of one "big" player would generate at least a million in revenue a month.

How will this showcase benefit your company or technology? Our revenue model includes four avenues of revenue: direct sales of hardware to customers, sales of training services, custom engineered solutions for special applications, and reoccurring revenue through subscription based fees for our cloud-based database and visualization services+N26

Who are the members of your team and why is this the right team to get the job done?

- Chris Vargo is a professor of advertising at the University of Colorado Boulder. At Leeds School of Business, he teaches in its business analytics graduate program. He teaches machine learning and media analytics in digital advertising contexts. Chris publishes computational social science and studies online behavior. Previously, Chris worked in marketing and information technology.



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- Scott Bradley is a senior engineer of software, circuits, and systems in the Knight Lab at Northwestern University where he builds software. Scott designs and supports the Knight Lab's DevOps support systems. Prior to the Knight Lab, Scott was a lead developer in the founding years of Narrative Science, a Northwestern-led startup now in Series D funding with 100 employees. Scott's previous roles included the development of social media focused software and Natural Language Processing (NLP) solutions for Northwestern University's Infolab, as well as NLP development on the Metaphor Project with the Linguistic Cognition Laboratory at the Illinois Institute of Technology.
- Toby Hopp is a professor of public relations at the University of Colorado Boulder. He teaches public relations and social media. In his academic research, Toby analyzes social media data through predictive modeling, machine learning, and network analysis. Toby is a subject matter expert in discussion science and related fields including civility and social capital, which shapes the core vision of socialcontext.ai.
- Our team has worked together for six years. We understand digital advertising, analytics, and artificial intelligence.

