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1020 Placecast could consider acquisitions for international expansion in 2009, CEO says; evaluating commercial banks now

1020 Placecast, the San Francisco-headquartered location-based online ad network and technology company, could consider acquisitions in 2009 as part of its strategy to expand internationally, said founder Anne Bezancon. "I think international expansion is a critical part of building a large company," she said, adding it could involve acquisitions, partnerships, and organic growth.

"We are not in a position to consider an acquisition before 2009," she said. "By then, we'll know which countries we're going after and how we're doing it."

Were the "right" kind of buy to materialize before then, she said 1020 could consider it.

Meanwhile, Bezancon said 1020 is now "evaluating several candidates" for commercial banks. "We are in the traditional situation of a successful, fast-growing start-up in Silicon Valley," she said in explanation of the types of services she expects in a bank.

Bezancon declined to discuss whether 1020 would raise additional money for buys or otherwise. She did note it should not be difficult to find investors. "I had 20 VC's to choose from for my Series A round," she said. "I have frankly already a lot of people lined up."

1020 raised a Series A last August, but Bezancon declined to say how much was contributed. Voyager Capital and Onset Ventures invested in the business.

She also declined to discuss the company's ownership structure.

The pace of acquisitions in the internet advertising space has been brisk over the last two years. For instance, San Bruno, California-based Adify was bought by Cox Enterprises earlier this week for USD 300m.

"We are aware of how much movement is going on in the space," she said, declining to comment on 1020's attractiveness for acquisition.

"I would encourage people to follow us and see what news we come out with," she said. She said focusing strategy on an IPO versus serving customers was not necessarily the best technique.

"Somebody who is doing what they're doing, which is taking IP lookup or geolocation targeting to near exact targeting is obviously something that would benefit anybody who is reaching local advertisers today," said Will Margiloff, CEO of ad network and interactive marketing company Innovation Interactive.

That could make 1020 attractive to traditional yellow-page makers who are moving online, he said. Top competitors in the space include Idearc, LM Berry & Company, RH Donnelley, and Yellow Book USA.

Yet Bezancon said her company is not now focused on local advertisers, preferring national brands or large regional ones. The business has more than 20 clients, whose campaigns have included Amtrak, Hyatt, and FedEx. Instead, she said 1020 is working on partnerships with groups that could attract more local advertisers.

She declined to specify whether deals could include local video advertisers such as Spot Runner or Spotzer.

Though founded in 2005 by Bezancon and Daniel Parkes, vice president of engineering, 1020 did not begin a public relations push until recently.

"Silicon Valley has a tendency to talk about things before they exist and before they generate a real business, and I chose to go at it the old fashioned way," said the native of France.

The business has developed patented technology to allow media buyers to purchase online advertising based on an internet user's location - as opposed to the nature of the content he is viewing.

"We are very much focused on extracting the value from the fact that people are in one place at one time," Bezancon said.

To accomplish that, agency clients choose where to place ads via a software dashboard that identifies location by communicating on the fly with entities such as airport wireless internet providers. Once a user's location is recognized, 1020's software buys ad space on the web pages being surfed from third party ad networks who count those sites among their ad inventory.

"We have extensive real time reporting capabilities, down to the venue," she said. The company can also customize campaigns on the fly based upon these locations.

Bezancon declined to disclose revenues, but said she had a 100% renewal rate with clients.

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