



A Fundamental Rethinking of RTB Advertising

# Industry Problems and Market Size

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In 2017 digital advertising generated \$208.82B and spending continues to grow rapidly<sup>[1]</sup>. The industry, however, is plagued with fundamental problems no one has solved yet. Billions of dollars are wasted every year on non-transparent intermediary fees and ad fraud. Users, publishers, and advertisers are growing increasingly dissatisfied with the ruling duopoly of Google and Facebook.

But a few short sentences cannot describe the state of an industry as big and complex as digital advertising. So we wrote a paper on it. It provides an in-depth analysis on the current advertising ecosystem and defines the twelve most pressing problems the industry is facing today<sup>[2]</sup>. A copy of the paper is available on request.

## AdTrader's Place in the Industry

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AdTrader was founded in 2014 and was initially aimed at publishers. A year later we launched a product for advertisers and began operating on both sides of the market. Our business grew steadily over time and has been cash-flow positive for most of our existence without any external investment.

Constrained by the problems of the existing infrastructure and unhappy with where the industry was headed, our team has dedicated a lot of research and development to reengineering the RTB framework. Considerable progress has been made and we are excited to go to market with a product built on an entirely new technology and independent of any third parties. The timing is perfect: users are worried about the way their personal data is being harvested and used<sup>[3]</sup>; publishers are struggling to create content with ever depleting revenues<sup>[4]</sup>; and advertisers have suffered from inaccurate metrics and false promises long enough to start demanding more transparency and control<sup>[5]</sup>.

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[1] <https://www.recode.net/2017/12/4/16733460/2017-digital-ad-spend-advertising-beat-tv>

[2] "Problems to solve", [The AdTrader White Paper](#), page 17.

[3] "User data privacy", [The AdTrader White Paper](#), page 20.

[4] "What real-time bidding became instead", [The AdTrader White Paper](#), page 12.

[5] "Benefits of our solution", [The AdTrader White Paper](#), page 25.

# Our Solution

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Our solution is the first to make third-party ad servers redundant and eliminate most problems in the industry.

## Core technologies and their benefits:

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### Unique Cryptographic IDs

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- + Accountability, standardization, better user control.
- No double-bidding, data inaccuracy, and ad repetition.



### AdTrader Bidder

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- + Improved second-price auction model, bidding speed, user privacy.
- No third-party scripts, disruptive ad formats, and high commissions.



### Server-Side Platform

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- + Data is encrypted, stored securely on the client's server, and verifiable.
- No intermediaries, third-party discrepancies, and data leakage.



### Blockchain Transactions

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- + Incorruptible data storage, verifiable ad serving history, trust.
- No complexity, hidden fees, and single point of failure.



### Off-Chain Transactions

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- + Unlimited scale for RTB, added security, privacy through encryption.
- No blockchain scalability issues, high transaction costs, and data leakage.



### Voting Mechanism

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- + Incentivized and democratized decision-making and ecosystem governance.
- No centralized authority and opaque policy-making.



### Smart Contracts

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- + Network integrity guaranteed by a proof of stake consensus mechanism.
- Minimum risk of fraudulent or malicious behavior.



### Native Cryptocurrency

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- + Fast payments, incentivized contributions.
- No long reconciliation periods and costly international payments.



### Custom Communication Protocol

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- + Interoperability between all parties and instant dispute resolution.
- No middlemen and third-parties required.

# Differentiators

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There is currently no solution on the market that:

- Eliminates the majority of ad fraud vectors<sup>[6]</sup>.
- Rewrites the RTB framework to solve its fundamental problems<sup>[7]</sup> and removes over twenty categories of middlemen<sup>[8]</sup>.
- Ensures scalability by decentralising ad serving and adopting blockchain in a way uniquely suited to the high-speed transactions of RTB advertising.
- Addresses users' need to rely on ad blockers to exercise their right of choice<sup>[9]</sup>.
- Offers a small and auditable fee for the entire ad journey, combined with same-day payments.

## Business Model and Strategy

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AdTrader will make money by charging a transparent 3% commission on all bids that go through the AdTrader Bidder. We can also charge fees for providing extra services such as hosting the AdTrader Server-Side Platform on our cloud.

We plan to launch with a fully-functional product initially distributed among our existing clients. The first phase will prioritise product refinement with a small number of clients to ensure the framework operates as intended before ramping up efforts for mass adoption. After a period of real-world testing, we will start to gradually onboard new publishers and advertiser. Incentives will be distributed to new clients to encourage participation.

We believe that our innovations will bring a quantum leap in the transparency of RTB advertising. To ensure maximum impact, we will be open-sourcing our framework and opening up to different kinds of integrations<sup>[10]</sup>.

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[6] "Benefits of our solution - Ad fraud", [The AdTrader White Paper](#), page 26.

[7] "Communication Protocol", [The AdTrader White Paper](#), Chapter VII.

[8] Fig. 7, [The AdTrader White Paper](#), page 14.

[9] "Benefits of our solution - Ad blockers", [The AdTrader White Paper](#), page 27.

[10] "Open-Source and Integrations", [The AdTrader White Paper](#), Chapter IX.

# Investment Size and Use

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We are looking to raise \$3-5M to cover the following expenses:

- **Hiring:** approximately twenty more team members will be needed before publicly releasing our product.
- **Product refinement:** although the core technological components have already been built and are currently being tested, they will require further refinement.
- **Legal costs:** to ensure regulatory compliance and build a patent portfolio.
- **Marketing costs:** to ramp up market adoption.

## Our Team


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Our team has been together for four years. There are currently fourteen of us<sup>[11]</sup>. We come from diverse backgrounds including Software Engineering, Physics, Economics, Media Sciences, and Sinology, but have all become experts in RTB advertising and are united by one passion - making it simple, transparent, and actionable.

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[11] "Our Company", The AdTrader White Paper, Chapter XIV.





If you believe in the potential of a healthy and vibrant advertising ecosystem,  
we would love to [hear from you.](#)