

## Ranking and Social Media Analytics Solutions for the Investment Community



**Igor Gonta - CEO**

### **About Market Prophit**

Market Prophit's patent-pending technology uses the power of financial Big Data analytics, sophisticated natural language processing, and quantitative algorithms to measure the predictiveness and accuracy of financial blogger's stock calls, track opinion makers continuously and deliver daily performance rankings. Thought leaders who deliver a proven track record of accuracy and predictiveness will earn top ranking status as mavens or "Market Prophits" and will receive the highest Market Prophit Scores (MPS) and highest Market Prophit Ranks (MPR). This ranking tool, when used in combination with Market Prophit's custom social media sentiment analytics solution for market activity, provides market-leading insight and a critical intelligence advantage for the investment community.

**Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

**CEOCFO: Mr. Gonta, your website indicates Market Prophit is extracting the market signal from social media noise. How so?**

**Mr. Gonta:** We pick out the stock related chatter stream out of social media, so we only focus on those conversations where people are talking about buying or selling securities. We filter those out and we convert all of that chatter, using sophisticated, natural language processing into actionable, real time, sentiment signals for investors that we

display in a variety of ways on our website in charts, graphs, tables, heat maps, alerts etc. The other thing we do is we are the first service that quantitatively rank financial pundits in social media based on how accurate their stock calls are, how consistent their stock calls are and how consistent their stock predictions have been. Think of us as the Morningstar for financial pundits in social media. By doing so, you are able to easily discover those bloggers and pundits that have the highest quality of information about the stocks that you care about on any given day, without having to read through the millions of messages, hundreds of thousands of profiles and really trying to decipher who are those pundits with the highest quality content. We think that our unique ranking system reduces the noise in the social media stream and can provide more relevant content and information for retail and institutional investors.

**CEOCFO: What were the challenges in getting the technology together? What is the stumbling block that you had overcome?**

**Mr. Gonta:** There were two. The first one was the natural language processing. It is an incredibly difficult problem to solve, whereby you take spoken English in a particular domain such as finance here and you have to convert and make the machine understand what that language is, what its intent is, and what the sentiment of that language is expressing in the tens of thousands of different ways it could be expressing. There is more than just one way to say, "I am buying Apple" There are a whole list of ways that someone can say that. We have to spend a great deal of time thinking about the right framework to build to understand that language and also making our technology smart enough by leveraging our institutional knowledge of Wall Street of how to understand that language.

**CEOCFO: Has a similar concept to yours been tried in the past?**

**Mr. Gonta:** The two large players in this space are Bloomberg and Reuters. They have come out with social media based products. There is a big competition out there and there are less than a handful of startup competitors such as myself.

**CEOCFO: How does Market Prophit differ from the other participants in this arena?**

**Mr. Gonta:** The primary difference is our unique financial blogger ranking system which we believe provides a powerful filter for the social media stream and a high level of noise reduction. This tool also allows investors to more easily identify and discover easily those pundits who have the highest quality of information. As the amount of non-traditional content in the finance space continues to grow at a tremendous pace, it makes it that much more difficult for the average self-directed investor to be able to process, filter, consume, and most importantly, prioritize which content to pay attention to. Our system solves that problem and addresses a growing need for the curation of Big Data into useable and actionable insights, especially for the every-day investor. We deliver that service to them so they can access this type of unique content as fast as the professionals.

**CEOCFO: *Where are you in the development and commercialization process?***

**Mr. Gonta:** We launched our website last June, which was the first phase of our website. In December, we launched our blogger ranking tool where we are quantitatively ranking bloggers, displaying those stats and signals based on those bloggers. We have gotten a ton of press from mainstream media publications and are gaining lots of traction with a lot of interest from the investment community. Eventually we are going to be charging for our service based on a monthly subscription rate on our website. We are excited about this new category of intelligence for the wider investment community and believe that it will be a must-have tool for all investors.

**CEOCFO: *How are people finding out about Market Prophit?***

**Mr. Gonta:** We do some advertising. We have our website, it is currently in a free beta, we have been written up in Wall Street Journal, Fox Business, Market Watch, USA Today, yesterday we got into Forbes. The other way to find out about our service is simply by visiting our website at [www.marketprophit.com](http://www.marketprophit.com) and also you can follow us on Twitter which is @marketprophit.

**CEOCFO: *Do customers believe or is there some skepticism you must overcome?***

**Mr. Gonta:** There has definitely been skepticism about social media chatter having affects on markets and the ability to glean useful insights from all of the conversations. And there is the issue of noise. How do you know if things are or are not noisy and is there a valuable content? The answer to that question is exactly why I started my company and that is exactly why we have our unique blogger ranking feature. I wanted to develop a service where the market, the stock price itself, judges the content of the individual publishing financial opinions, because the market does not lie. Our company helps investors identify quality pundits by way of our objective, quantitative score. We let the proverbial "put your money where your mouth is" be the guiding force behind our service. So just like a variety of services provide ranks, reviews, scores, etc. in the financial community based on people's track records, we do the same thing for unstructured conversations in social media for opinion makers.

**"Think of us as the Morningstar for financial pundits in social media." - Igor Gonta**

**CEOCFO: *What have you learned along the way that resulted in tweaks or changes?***

**Mr. Gonta:** We have gotten some feedback while we have been in beta. Some of it has been just website related ion terms of content and how people may want to see a chart here or a line there. I think what has changed along is we still believe at our core that this data is valuable and is getting more valuable. News breaks in social media channels more frequently. I think what I have found is that people self-directed investors want the same quality of information as the professionals and that is the whole point of Market Prophit. We are Big Data for the little guy.

**CEOCFO: *What is your geographic reach?***

**Mr. Gonta:** The majority of the traffic does come from the US because the majority of the stocks or the securities that people chat about in social media are North American securities. But we get traffic from all over the world. If I had to rank order, I would say, North America, the UK, France, Germany, and Japan.

**CEOCFO: *What are the next steps?***

**Mr. Gonta:** We just presented at FINOVATE SPRING 2014, which is a big financial technology conference in San Jose last week. We received tons of positive feedback from a variety of folks in the financial community and I continue to see demand for our product. So I am very excited about social media data in finance as a new category of "must-have" information for the investment community.

**CEOCFO: *Why take notice of Market Prophit?***

**Mr. Gonta:** The key take away is that social media is here to stay and especially it is conducive to finance where access to unique, and breaking information is key and now that is being shared at all levels and on many non-traditional media platforms. The amount of chatter in non traditional media sources is exploding and it is not all noise. Now I am not necessarily saying that one should just listen to social media sentiment data and ignore all of other forms of research. But I am saying is that social media data is another category of information to pay attention to when researching a stock.

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**BIO:** Igor Gonta is the CEO of Market Prophit and brings a wealth of experience both in the financial markets as well as on the big data front. Igor Gonta spent 13 years on Wall Street in commodities sales and trading, having worked at Goldman Sachs, Barclays, Credit Suisse, and Constellation Energy. Igor has broad experience and a deep understanding of markets, trading, quantitative analysis, and derivatives pricing. Prior to Wall Street, Igor built large relational databases of banks' accounts payable systems while at Mitchell Madison Group, a strategy management consulting firm. These databases were data mined for information to help categorize and map indirect expenses and identify costs saving opportunities. Igor also did database development for PlanetAll, a social networking, calendaring, and address book website launched in 1996 that was later acquired by Amazon. Igor holds an S.B. and an M.S. in Computer Science & Electrical Engineering from the Massachusetts Institute of Technology.