

Q&A with Ronen Hamatian, CEO of Madrivo a Premier Performance Marketplace for Affiliates and Advertisers who own the best Household Brands providing Digital Marketing and Lead Generation



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CEOCFO: Mr. Hamatian, what is Madrivo?

Mr. Hamatian: Madrivo is a premier performance marketplace for affiliates who live up to our quality, volume and compliance standards, and on the other side, advertisers who own the best household brands and offers in their verticals. Through that marketplace our goal is to connect engage consumers with valuable products that improve their quality of life. I can proudly say that we're making a positive impact on tens of millions of consumers every single month.

CEOCFO: What are the mechanics of the marketplace? How does it work?

Mr. Hamatian: Madrivo started as a group of publishers, a group of super affiliates in the email marketing space that came together and created Madrivo to represent this traffic power in front of US advertisers. Therefore, when we went down to the market we were a combination of three of the largest mail affiliates in the world. That was a big value proposition for advertisers because the ROI on email is multiple times higher than any other marketing channel. Therefore, we attracted many of the top advertisers who gave us their best promotional offers with best payout, highest budgets and so on, which we leveraged to attract other top affiliates in the email space as well as display, native, social, video and push notifications.

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Madrivo is unique due to the combination of performance and control; advertisers get the traffic to their owned and operated sites, while only paying on qualified leads/ forms/ applications based on their criteria. It's all about lowering their risk and increasing their gain. Makes it a no brainer for them.

We grew fast and were fortunate enough to get into the Inc 5000 Magazine as the “13th fastest growing advertising company in the \$20+ category” in the United States. The reason that we have fast growth is because we were able to leverage our position in the marketplace and the unique value proposition we have to attract many good advertisers and many good affiliates who came and ran the offers. As we have grown, we made a very conscious decision to keep our standards very high. By the standards I mean quality of traffic, and the compliance level that we do not compromise on. That is how we were able to get to where we are today. To define quality a little more, we measure quality of our traffic by close communication between our analytics team and each advertiser, allowing us to have a deep understanding of the lifetime value of the consumer that we deliver to them. We are getting repeated feedback from several Fortune 500 companies that we are one of the highest, if not the highest lifetime value of the consumer that is generated from our traffic and leads.

CEOCFO: Did you recognize in the beginning that providing that level of quality would make a difference? Some people a bit uncomfortable with affiliate marketing, so how did you know it would work?

Mr. Hamatian: Especially networks! In the beginning we had three very large publishers that said, “Madrivo, we are going to trust you to bring us all the offers.” We went out to the advertisers saying, “We are a network,” and that had a very negative connotation. We quickly understood that the term was abused by a few less-than-professional companies. That’s when we decided to define our big WHY. What is the reason Madrivo exist? We really made a clear decision from the beginning that we want to shape affiliates marketing space. We are going to do that by connecting top quality affiliates with brands that improve consumer’s lives. I know that it sounds a little fluffy, but at the end of the day we made a very conscious decision that every offer we run is something that we would be proud to put on the front page of Time Magazine or proud to show Grandma. We’re unique in a sense that we never run deceiving offers like diet pills who take advantage of consumers or skin care offers that give unrealistic expectations to consumers. In addition, E-Cig offers that tell people they can quit smoking, but that don’t have the studies to back up that E-Cigs are better than cigarettes and have all kinds of supplements that were not approved by the FDA. Therefore, we always stayed away from those. When we work with advertisers we have every single piece of advertisement, subject line, creative, landing page; every piece of advertisement goes through a licensed attorney. Again, that makes us very unique in that sense. The goal is to make sure that we are connecting consumers to offers we’re proud promoting.

We did a few case studies that you can find online. For example, we did a study where we generated about six hundred thousand leads for mortgage refinance. We did it through a program that is called Home Affordable Refinance Program (HARP) that saves consumer’s homes if they are upside down on their mortgage and they have to refinance their home. Through the case study, we concluded that we helped save about thirty thousand homes. That gives the people here at Madrivo a sense of purpose. While some CPA networks’ impact on the world is a bunch of angry consumers, Madrivo has an impact of saving thirty thousand homes in just a few months.

Another example is in the solar space: three hundred million dollars worth of solar installation that makes the planet a little cleaner. We did one hundred and eighty million dollars worth of home security installation, which makes America safer. We have life insurance and other insurance case studies that show our impact is very positive on the world. When people come here to work they know they contribute to a cause. Yes, they are making great income to afford the good things in life, we have a very enjoyable culture and have fun at work, but more importantly we are making a significant positive impact on the world.

CEOCFO: What makes a good ad?

Mr. Hamatian: A good ad will attract consumers who will interact and be engaged with a product or service for a long period of time. A mediocre ad will get them interested and maybe sign up for the product or service, but an excellent one will have them stick around. It has to do with data segmentations, finding the right consumer at the right time with the perfect value proposition, and a call to action. That’s how you attract truly engaged consumers who will stay with your brand for many years to come.

CEOCFO: How do you engage with a new client? What is the process? When you are working with clients what are the steps they need to take?

Mr. Hamatian: That is a good question! We have two types of clients. We have advertisers on one side and on the other side we have affiliates.

Advertisers usually come to Madrivo because they heard we’re the go-to network for high quality email traffic at the highest level of compliance. We have a unique due diligence process led by our CFO who has a PHD in economics and

15 years of banking experience, and by our legal team that's been involved in internet advertising since 2003. We ask more questions than others, for the sake of focusing only on the top offers that are available.

Advertisers often tell us that we ask them for more things than anyone else. We go into legal agreements in a little bit more detail and have a licensed attorney looking at their landing page and creatives. We ask more questions about their financial stability. Some get impatient, but they understand we're doing it for the right reasons. They like the fact that our due diligence is just as good on the affiliate side, which promises them better traffic with less headaches. We're always working to simplify and streamline our process. Yes, it takes a bit more time to launch; however, when they start working with us they understand why it's worth the effort.

Client testimonials prove that the people who are chosen to join our marketplace; both the advertisers and affiliates consider us to be their top choice due to pristine experience. Knowing that you are part of a group of affiliates without any bad apples makes you understand how much more value you'll gain from being a part of Madrivo.

CEOCFO: *On your site you have a section about advanced and unique online strategies. Would you give us an example of what might be an advanced and unique online strategy? How might you customize the strategy?*

Mr. Hamatian: To reach out to the right consumer, at the right time with the right message takes a lot of expertise, machine learning and data analytics. We developed a product called Techtelligence that takes the big data in from our exclusive partners and presents recommendations of which offer with which version of a landing page will work with what types of consumers and on what day of the week with the best creative. Then we share those analytics through our testing with affiliates who then leverage that to be more profitable out of the gate. One thing that helps us do that is having a group of affiliates who are exclusive to Madrivo. They run one hundred percent of their traffic through Madrivo. They are also willing to share analytics about the offers with us and we can in turn take that and share it with other affiliates, help them optimize and save them the headaches, resources and cost associated with testing. We give an affiliate the proven creative ads that work and explain to them which placement, which ISP, etc. will work best and essentially maximize their return from every marketing effort and every dollar spent.

CEOCFO: *What is your geographic range today? Where are your clients?*

Mr. Hamatian: The vast majority of the offers are in the US. That is on our CPA network side of the business. On the programmatic side of the business, which is a company called Madrivo Digital, based out of Tel Aviv, Israel; over there the clients are a little more diverse, worldwide. Once we start with a client in the US and have a solid proof of concept, we expand to other markets, mostly in Europe and Latin America.

CEOCFO: *What should we expect next year from Madrivo?*

Mr. Hamatian: Definitely big growth in our team, business lines and market share. We had an explosive Q4 that helped us make 2017 our best year yet with large growth from 2016. Based on January's great start, we are expecting an even bigger growth from 2017 to 2018. We are looking to get deeper into the consumer life cycle and help advertisers acquire more consumers via channels like push notifications, native ads and social media advertisements - all on a performance basis. As we progress into the consumer's life cycle it requires our involvement in analytics. I would expect the programmatic email to grow even more and essentially do more of what we have been doing, because it works.

CEOCFO: *Your enthusiasm comes through loud and clear. Did you anticipate the level of enjoyment you experience at Madrivo?*

Mr. Hamatian: You know, the adrenalin rush is something that everyone in Madrivo loves. I'm very lucky to have an incredible team. Everyone is truly all in - all the time, which is one of our core values at Madrivo.

My family and I spent last month in Maui and it probably one of the best family vacations we have had, we had a lot of fun scuba diving, traveling, zip lining, swimming with turtles and so on. My family comes first and that time with them is the most precious. In addition to that, having the adrenaline rush in business is something that is borderline an addiction and I think it is a good one! At the end of the day as long as it is going in the right direction and the mission to improve people's lives on a big scale, not only client's and consumers' but the employees (over here and seeing the personal growth of our managers and our staff in each and every one of those people); it gives me a sense of satisfaction that you cannot get anywhere else.