

Vicinity Media targets rapid growth through private equity deal

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Johannesburg based digital media company Business Positioning Systems (BPS) has announced a private equity deal with two ex RMB Executives to fund the expansion of recently formed business Vicinity Media. Vicinity's proprietary technology provides hyper-relevant advertising based on consumer profiles including location, search term, handset type, local weather conditions, demographics, time of day and day of the week.

With capital underwritten by 4 Decades Capital, owned by former senior investment bankers Mike Pfaff, (former RMB CEO) and Derek Prout-Jones (former RMB Chief Investment Officer), the private equity deal results in a 30% share in the new business, which according to Vicinity's founders represents a significant vote of confidence in the future of proximity driven mobile media.

Derek Prout-Jones says, "4 Decades Capital decided to fund Vicinity Media for a number of reasons - we liked the space very much; we believe the universe of digital advertising is rapidly expanding and, within this the prospects for reaching customers via their mobile handsets is perhaps the most attractive space to play in. Specifically, the opportunity to develop a first-to-market location-based advertising product seemed to be a very exciting business model to back. Importantly, we also liked the shareholder base and management team, which includes individuals with a host of experience in media and advertising, mobile application businesses and technology development skills."



Left to right front: Charles Talbot, Daryl van Arkel, Neil Clarence

Left to right back: Anthony Stonefield, Derek Prout-Jones, Mike Pfaff, Andre Steenkamp

Under the leadership of location-based advertising specialists Daryl van Arkel (CEO) and Neil Clarence (COO), the powerful Vicinity platform has performed so well as a product within the BPS stable that the duo decided to launch it as a stand-alone operation. The new venture brings together an experienced management team alongside van Arkel and Clarence, namely:

- Charles Talbot; Head of Publisher Acquisitions who brings with him extensive experience working with Local and Global media, and navigation companies.
- Anthony Stonefield; Chief Innovation Officer Listed as "one of the top 50 mobile content executives" by Mobile Entertainment Magazine
- Andre Steenkamp; Chief Technology Officer a seasoned high tech professional having led technology teams and projects in some of the USA's largest tech firms.

van Arkel comments, "Location-based mobile (LBM) advertising has been an emerging trend globally for a number of years, and we have been pioneering this space in South Africa over the past five, we are confident we have the team, the technology, and now the backing to take this venture to the next level. We will make sure LBM reaches its potential in both the local market and throughout Africa and beyond. Our significant results have attracted the eye of respected investors

who in years gone by avoided investing in technology.

It's interesting to see a number of former RMB heavyweights investing in the local mobile space. This illustrates that the wider local business community is positioning itself to take advantage of the projected growth being shown in this medium that is bearing fruit in developed markets."

Interestingly, according to [CB Insight's 2013 Venture Capital Annual Report](#), venture capital funding for mobile crossed the \$1 billion mark for the first time in both the third and fourth quarters of 2013. This trend evidenced locally by conventional investors showing mounting interest in mobile tech.

van Arkel goes on to explain that Vicinity brings a Relevance Revolution to mobile - the paradigm shift from traditional mobile advertising to taking advantage of the intrinsic value of your mobile phone knowing your location. "Mobile banner ads are often irrelevant to the consumer profile and their physical location. Broadly speaking, conventional mobile advertising is an old school view on promotion in that it's mostly mass reach - which has its merits for certain strategies, however for retailers in specific locations - zoning in and communicating with consumers in the surrounding areas plus having the tech to direct them in-store, is invaluable."

Neil Clarence adds, "The timing of the investment is perfect for us. We have seen a prolific growth in demand for relevant mobile advertising and this injection of smart capital enables us to focus on adding names to our growing list of publishers and clients, and continually developing our tech platform. Going to market, our point of difference is twofold; firstly, we geo target across mobile web and apps and secondly, we provide a true acquisition layer to mobile advertising, by offering relevant, measureable, results-driven campaigns. Already we're seeing results that are at times twice the industry (and global) standard. An example is a recent MTN campaign that targeted users within a 3km radius of stores and achieved a Click Through Rate of 4%. That's industry leading by some way. We plan to scale the technology across emerging markets and to attract the best people to our business development team in each territory, as we've managed to do locally."

VICINITY

Vicinity Media is a premium mobile advertising network that offers true proximity targeting to advertisers. Vicinity harnesses best of breed technology and location expertise to deliver street level location targeting and driving mobile users into advertiser locations. Vicinity targets users further based on search term, handset type, time of day or day of the week, ramping up the relevance of mobile campaigns to never before achieved levels. Vicinity Media is bringing a Relevance Revolution to mobile.

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