DrivenIQ: Company Overview

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"To quote Peter Lynch, 'the person that turns over the most rocks wins the game.' As a premium member, this DrivenIQ deal is just one example of Co/Investor Club aiding me to do just that alongside other quality investors."

– Stephen Apolant

On October 14, 2021 Capstone Technologies Group (OTC: CATG) issued a six-month working capital note payable by DrivenIQ Corporation. At the same time, one of DrivenIQ's former partners was bought out, leaving Capstone with a significant minority interest. As an advisor to these transactions, Avenel Financial Group has prepared a report breaking down the service offerings of DrivenIQ.

Business Overview

DrivenIQ is an omni-data technology solutions company that builds custom 1st party data, location geo-device, AI & CRM-based custom micro-audiences for brands, enterprises and retailers. They make custom precision audiences, from audience curation to ad and media delivery. With a precision-data-driven focus, their goal and vision are to identify the "persona" and "in-market" audience profile first, develop geo-zoning precision technology to target only the household, and then determine when and where the "media" messaging should be delivered. 1st Party Data and in-market intelligence allows them to eliminate ad waste, achieve higher ROI, and ultimately provide real traffic and measurability because they start and end with the DATA first. With strategic data, AI partnerships & DSP-based relationships, and a niche-based automotive clientele, DrivenIQ is poised to flip how current marketing and advertising are done digitally today.

DrivenIQ's entire technology stack was built and developed around 1st party data. Since they have strategic 1st party multi-use relationships, they can provide exclusive in-market partnerships and the client 1st party DATA as a market differential. By positioning themselves around data, and data independence, they align themselves with their clientele to be ahead of Google FLoC and the "cookieless" future. This also puts them ahead of 95% of all ad agencies or marketing competitors - utterly dependent on 3rd party data audiences – also evident by their historically low churn rate. Additionally, they are not limited to Auto, as this technology and concept will apply to enterprises, big box retailers, SaaS, or any organization looking to find ways to become more innovative and more refined in their audience and ad attack strategy.

Google relationships: Because of a very close relationship with a partner of Google, they have been able to position themselves in Alpha and Beta programs direct with Google, very few other companies in their field have yet to do, setting them for massive revenue upshot, and unique ability to secure market groundswell relatively quick.

The Opportunity: A Cookie-less Future

Cookies are information saved by web browsers in order to recognize the device that website visitors use in the future. When returning to a website with cookies, the site can use the cookie to remember the users last visit and keep track of their visits moving forward. Cookies help websites save consumer preferences and customize consumer browsing
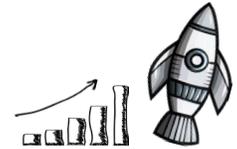
experiences with the information collected. However, Apple's 2021 release of IOS 14 reduced "the number of days that cookie data could be stored on an Apple device to 7 days as well as giving users the opportunity of 'opting out' of tracking." As a result, the update has made it increasingly difficult for marketers to collect information and ultimately deliver customized advertisements to their target audiences.

According to the Interactive Advertising Bureau, "although over three-fourths (77%) of the industry claim to be prepared for the loss of cookies and identifiers (+15% YoY), most are not taking the necessary steps to adapt their data approaches and operations:
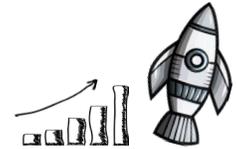
- More than two-thirds (69%) are not increasing use of AI

- Two-thirds (66%) are not adjusting their measurement strategies this year

- 59% are not increasing their investment in first-party data

Despite its threatened future availability and efficacy, investment in third-party data increased 8.1% year-over-year, double the rate of increase seen last year.

Two-thirds to three-fourths of the industry does not expect revenue and finances to be affected, although increased CPMs and decreasing margins demonstrate that major investment is needed for the tools and infrastructure that would allow measurement to function in the post third-party cookie and identifier ecosystem."

With the use of their AI, DrivenIQ offers a solution to the recent IOS privacy changes by utilizing postal addresses to identify in-market households and target ads to a specific set of opted-in consumers, subsequently identifying and matching corresponding in-home mobile devices for additional cross-device targeting. The IOS update allows users to opt out of 3rd party tracking cookies inside native applications and on browser sites. DrivenIQ leverages the WiFi inside the homes at these addresses in order to re-target other mobile devices. DrivenIQ has transitioned to the new era of cookie-less advertising by generating and combining zero, 1st and 2nd party data into a single customer view.

DrivenIQ Services

DrivenIQ offers a wide array of services that enables businesses to identify the consumers visiting their website, capture data on them, own that data and ultimately market to their target audience. The following section identifies and breaks down the different service offerings of DrivenIQ. Note that these services are typically sold in conjunction with one another.


a. Consumer Radar

Consumer radar is a platform built to ingest, target, optimize and report on unstructured individual data elements. It empowers business owners to deliver data-centric marketing campaigns to reach specific people within specific parameters with specific messaging about the products or services they are in the market to buy. Direct access to data such as behavioral data, mobile GPS and offline data variables enables highly differentiated capabilities and industry-leading performance compared to segment dependent platforms.

b. VisitIQ+ Nurture

The VisitIQ+ service enables business owners to pull back the curtain on their website and see who is visiting with the use of their proprietary pixel technology. In other words, it's like having caller identification for your website. The pixel is downloaded onto the client's site where their traffic is scrubbed against 27 different data aggregators and 500m + owned and acquired double-opted in consumers, allowing their shoppers to be identified by name, email, address and phone number. Additionally, the VisitIQ technology allows clients to uncover the specific pages visited on their site while enabling the visitor's information to be inputted to the client's
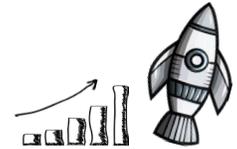
CRM database. The website owners then utilize this data in order to generate their own first party data files which allows for precision marketing. DrivenIQ's proprietary pixel technology was purchased under a strategic acquisition of Visitor Data Inc., a $3.25 million deal that reduced costs and helped launch new revenue streams. While Avenel Financial Group acted as an advisor, the acquisition was funded by Capstone Technologies Group (OTC: CATG) in a series A round and expanded profit margins 30% on average across all DrivenIQ accounts. Meanwhile, after a visitor leaves the site, Nurture technology enables clients to send re-engagement emails to their audience within 45 minutes. If the visitor interacts with the re-engagement email, DrivenIQ will send the lead directly to the client's CRM with a call to action and suggestion as to how the consumer best be reached.

c. Geo-Zoning

Geo-Zoning refers to the technology that allows DrivenIQ to capture shopper's mobile device ID's and Persistent ID's during in-person visits or after online visits to follow and target them across all of their connected devices. Polygon mapping allows DrivenIQ to draw a digital line around the audience members' homes and the advertiser's competitor location in order to deliver targeted ads at the household level. Mobile Device IDs are captured inside every polygon and matched to other linked devices using WIFI as a link. This enables DrivenIQ to serve ads to customers inside highly targeted individual households and follow them no matter what device.

d. TextIQ

TextIQ bridges the gap between traditional direct mail and email marketing with the modern consumer's preference for texting. The mission is to upgrade direct mailing pieces by adding a digital marketing component to the content. Recipients will be able to text for information about a company, which then will allow clients to collect a mobile opted-in database for future use and to digitize mailing pieces.
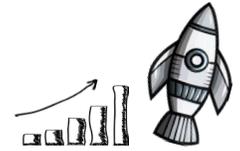
e. Social Radar

DrivenIQ delivers a turnkey, scalable social media solution including Oracle Audience Data for Facebook and Instagram. Social media campaigns managed by DrivenIQ will have the unique benefit of leveraging both in-market first party audiences and Oracle Audience targeting capabilities. This helps clients build custom audiences that will improve campaign effectiveness to drive both website and physical traffic to stores.

f. DriveBid

DriveBid is a patent-pending consumer-facing app built by DrivenIQ. DriveBid will serve as a live-virtual auction site where consumers can list their used vehicles for local dealers to bid on. The app will seamlessly connect consumers "who want the best offer for their trade-in with dealers who need inventory in a real-time, easy-to-use online platform." After all, in a world where banks compete for your mortgage, so should dealers when purchasing used car inventory. With 23 years of tier 1-3 automotive dealership partner management experience, Founder and CEO Albert Thompson designed DriveBid with the consumer in mind, desiring to offer an alternative to the typical and often frustrating consumer-dealership experience. With more than 18,000 dealerships located in the United States, DriveBid has ample opportunity in a fragmented market. While DriveBid is thought of as a separate business internally, the patent-pending technology captures data throughout the bidding process, ultimately enhancing DrivenIQ's primary focus, the collection and ability to draw first-party data insights for their clients.