

Double Fusion raises a round and changes CEO for in-game ad business

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[Double Fusion](#), an in-game advertising company, has replaced its chief executive and raised a round of funding, VentureBeat has learned.

Jonathan Epstein has stepped down as CEO and Alex Sood has been promoted to the top job. Sood previously managed the company's Asian subsidiary. Meanwhile, the San Francisco company has raised a new round of funding from Jerusalem Venture Partners. The company did not disclose the amount of the funding.

The company said the new round will let it continue to develop its business of inserting ads into the environment of games, such as billboards with real-world ads inside racing games.

The in-game ad business was once so promising that [Microsoft paid hundreds of millions of dollars for in-game ad pioneer Massive in the spring of 2006](#). Google also bought Adscape for \$26 million as part of a plan to jump into the game-ads business.

The idea was that in an age of declining TV viewership, advertisers could reach the lucrative demographic of young male gamers — as well as other players with a lot of disposable income — by inserting ads directly into video games where it didn't conflict with the content of the game.

But the recession took its toll. [IGA Worldwide, one of Double Fusion's rivals, put itself up for sale last year](#) but no one bought it. Much of the excitement around ads in games has moved into the mobile space, which is dominated by companies such as [AdMob, which Google is in the process of acquiring for \\$750 million](#).

JJ Richards, general manager of Microsoft's in-game ad business, said in an interview that growth has returned to the business as major brand advertisers have come back to console games. Meanwhile, Microsoft no longer gives huge guarantees to game publishers that they will reap a certain level of revenue through in-game ads. That was one of the practices that got IGA Worldwide into trouble.

Richards also said that standard [Interactive Advertising Bureau](#) ad sizes are now used in various positions in games so that advertisers can use standard ads rather than create custom ones.

"There is now a more reasonable revenue share," Richards said. "We're a lot smarter about the business."

Still, Sood said he was excited about the future of the in-game ad business. He said it is showing real traction and acceptance among brands. Jerusalem Venture Partners incubated Double Fusion early on. Even so, Epstein's departure shouldn't necessarily be viewed as the greatest news. Epstein had been appointed CEO in May, 2006, and he helped the company weather tough times.