

Message

From: Scott Silver [ssilver@google.com]
Sent: 6/12/2014 1:20:23 PM
To: Eisar Lipkovitz [eisar@google.com]
CC: Oren Zamir [oren@google.com]; Sridhar Ramaswamy [ramaswamy@google.com]
Subject: Re: slide deck on how DBM vs GDN vs AWBID is being pitched internally

Hey there -

I definitely think we should get rid of the "FUD" here, making clear we a few principles why the 2 products exists and how they evolve over time. My opinion is that a) the economics are neutral for a buyer (margin, CPD) b) spam safety / "hidden" goodness that could be shared should be shared c) segmenting based on customer desired features (e.g. more or fewer controls, access to non-GDN inventory, etc, data usage, integration with other tools). In other words, I'd like people to use the products because of the features they offer, not because of their economics. A further point in this line of thinking is that the two products should be different at a feature level, otherwise they both probably shouldn't exist long term. To make this clear a world in which awBid and DBM are the same product with different brand names also doesn't make sense.

But we probably should end the email thread and get on to this topic as soon as we have the DFP/AdX stuff sorted in the next couple of weeks.

Perhaps we can get started at end of June?

Scott

On Thu, Jun 12, 2014 at 12:00 AM, Eisar Lipkovitz <eisar@google.com> wrote:

Well I agree that those reasons you highlighted are questionable but honestly when I read the deck I didn't notice these specific points. I skimmed it again and was still unable to find them, I'm sure they are somewhere there but frankly not as the top reasons and the doc is really highlighting the fact that AW/GDN should be the default unless the advertiser has a good reason to demand DBM.

I'm not saying the presentation is perfect, surely there are some points of unnecessary confusion and the deck could be amended but I'm still having hard time with this meme where we intentionally move people away from AW toward DBM

More comments inline

On Wed, Jun 11, 2014 at 11:25 PM, Oren Zamir <oren@google.com> wrote:

Eisar - this is where I disagree. I don't think DBM addresses advertisers' needs so much as it provides a way around our decisions to handicap the AW advertisers (and a marketing ploy).

Let's look at the claims
from the deck as to why to use DBM
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"Only DBM currently has the capability of handling many non-Google data sources" - this is a misunderstanding. When we implemented 3p data we did it for AW and DBM in parallel. We tried it for AW buyers, but found that the data performs poorly compared to google data and therefore we decided not to

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commercialize it. So if a customer wants 3p data we should first explain to them that we have better data (and for free) and not direct them to DBM. And if they insist - we can whitelist them on AW.

That's a good point, but the sales team will do what works, your approach might work but I'm not in a position to have an opinion, some set of people will demand control/options even if they are totally wrong. We should chat with sales.

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Cross Exchange

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- this is purely our decision to hold back a set of advertisers

(AW customers)

in order to promote adx. We are

pitching

DBM as having 2.

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x more inventory than AW, but it is not spam protected (and in our AWBid work we have found that there is a HUGE amount of spam on many of the exchanges). We could easily enable cross exchange in AW for selected advertisers (and make sure it is spam protected). And of course, more inventory with worse performance is not always a good tradeoff.

I think this part is definitely worth a discussion. I believe Neai's position is that this is a one way street, if we do that we can't go back, so we absolutely need to be super thoughtful about it.

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Cheaper inventory

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- there are several reasons that contribute to this, but are all due to policies on our side:

1. 3p exchanges might have cheaper inventory

2. lower margins on DBM (eg, in AWBID we decided to take 32% margin on 3p exchanges while DBM takes 10-15%).

3. our decision to take money from AW advertisers and pass it on to AdX pubs (and Google) for "strategic" reasons (by second pricing AW on Adx, which we decided not to do for DBM)

That's something I totally agree we need to analyze.

"More control over inventory" - I have no idea why they claim this.

"Delivers a larger volume of VTC at a lower cost" - I can poke so many holes in this claim, but I suspect it is not backed by any actual data... (just as FYI - we actually ran a bunch of experiments trying to measure true incremental VTCs on GDN, which is hard to do but did give us some interesting results, and have implemented bidding strategies to game VTC attribution).

The only reasons I consider to be "good" reasons from the deck are:

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ata silo - we can solve this in AW if we really need

to. But a part of me also believes that the demand for this will drop significantly if we demonstrate how much this affects performance.

It is also telling that when DBM moved from a per advertiser data silo to a DBM wide data sharing practice, there was no advertiser churn (I am actually not even sure if we bothered telling them...)

2. FBX, Y! - can we get our BD team to try again on this front?

I know you guys are rethinking some of these. But the point I wanted to make was that many of the engineers working on GDN feel that there is a lot of FUD and dishonesty in this discussion and it is hurting their trust in the Display leadership and causing them a lot of frustration. I hope that at the end of the process we can have a frank and open discussion with them (sad to say, but we really never had that).

I'm hardly dismissing your points above though it might appear that way. Maybe I'm wrong but my personal attention was on the sale side thus far as my intuition tells me this is the more urgent problem to tackle and where we can really make a difference. If more/most pubs use Adx, many of the buy side problems go away.

We certainly need to have the buy side discussion as well
-Oren

On Wed, Jun 11, 2014 at 9:30 AM, Eisar Lipkovitz <eisar@google.com> wrote:

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> I read the deck and it seems quite thoughtful in terms of addressing the real needs of various buyers in the market today. As Scott said we are actively having conversations and expect to have a clearer strategy we can articulate both external and internally.

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> My personal preference would be to figure out a path toward complete convergence while still maintaining two "brands" for various business reasons. I also firmly believe we need to get more pubs (and more of their existing inventory) onto AdX, that's actually super critical, so reach/inventory would rarely be a reason to choose DBM.

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> On Wed, Jun 11, 2014 at 6:25 AM, Scott Silver <ssilver@google.com> wrote:

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>> I saw your mail and acknowledge it.

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>> Eisar and I (and Neal) want to make clear the positioning of DBM and GDN (awBid, as appropriate).

>> We don't know the timeline yet, but definitely in the next month or so we should clear this up.

>> The economics, IMHO, should not be driving these decisions.

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>> Scott

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>> On Tue, Jun 10, 2014 at 11:34 AM, Oren Zamir <oren@google.com> wrote:

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>>> This is an example of one of many threads on this topic (I have omitted the senders as I am sure they did not intend this email to go viral...). But they are some of our best T6s and T7s.

>>> Bottom line is that our top engineers do not understand or buy into our strategy. This is hurting their morale and their trust in all of us as a leadership team.

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>>> ----- Forwarded message -----

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>>> Ya, this is insane.

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>>>> I just got out of a meeting with booking.com (top 5 global remarketing advertiser) and they were just pitched DBM as converging with GDN in terms of feature parity --- automated bidding and optimization --- (in 2015) but with more inventory access and more customizability.

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>>>> I don't understand why we want to give DBM all the crown jewels of GDN optimization when there's a clear difference in margins in both.

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>>>>> Interesting deck worth reading.

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https://docs.google.com/a/google.com/presentation/d/1HaG4B8juuGcYKDJiPIb5TDkKT7gqGVQ3vprW0nULd8s/edit?usp=drive_web

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>>>>> Of note, DBM is sold as "DBM has broader inventory access than the GDN and typically can provide cheaper impressions from lower-cost sources outside of AdX"

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