

Message

From: Brad Bender [bradbender@google.com]
Sent: 4/7/2016 11:30:43 PM
To: Woojin Kim [woojink@google.com]
CC: Eisar Lipkovitz [eisar@google.com]; Paul Muret [muret@google.com]; Scott Silver [ssilver@google.com]; Keum Yoon [kyoon@google.com]
Subject: Re: PRIVILEGED: following up on AWBid plans

Re: the first concern I thought we agreed to have sell-side messaging to offset (vs being gated on specific "make AdX awesome" features), per marketing that is starting next week with DFP First Look at Programmatic I/O and sharing that we have begun testing exchange bidding in Dynamic Allocation, followed with two additional posts in early May covering additional yield optimization efforts underway (reserve price optimization, optimized private auctions). Given the above I think we should still push to announce at GPS given how foundational x-exchange is to our credibility in the programmatic space.

Happy to take up the conversation about when to expand AWBid to other targeting types - purely from a focus perspective I think expanding exchanges for remarketing is job 1 but understand the second concern listed.

Brad

On Thu, Apr 7, 2016 at 2:10 PM, Woojin Kim <woojink@google.com> wrote:
Scott added some clarification in person:

- His primary concern in all this is not as much around all-demand v. RMKT-only. His primary concern, if I understood him correctly this time around, is that the AWBid announcement will partially or completely (depending on whether it's RMKT-only or all-demand) hurt one of AdX's competitive advantages, and the joint workgroup for Making AdX Awesome has not yet come up with other competitive advantages to replace this. He would like us to consider gating AWBid announcement on our ability to come up with a new competitive advantage for AdX. (My belief and understanding from past reviews was that this was not a gating item.)
- His secondary, smaller concern is that if we do lose publishers to other exchanges because of these announcements, then doing RMKT-only AWBid is adding insult to injury because we'll only buy RMKT on those pubs and not buy all demand on those pubs. This is certainly a valid perspective for those pubs we lose in the process. It sounds like RMKT-only AWBid has the interesting dynamic of: (1) it'll reduce the chances of losing the pub; (2) but when we lose them, we unfortunately end up spending less on those pubs than we could be.

On Thu, Apr 7, 2016 at 1:55 PM, Woojin Kim <woojink@google.com> wrote:
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To follow up on our OKR discussions, the current plan is to scale up AWBid by adding more exchanges (8 live so far; +4 in Q2; more thereafter; end-goal is to match DBM's list of partners), and keep it to RMKT demand only.

Scott expressed the opinion that scaling up to all exchanges but limiting to RMKT demand only is not a good solution because we're compromising AdX's market positioning (by announcing AWBid) but reaping partial benefits from it (because we're doing it for only a subset of demand). Wouldn't it be better -- if we're announcing it -- to go all in and do AWBid for all demand?

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We've considered the option of doing it for all demand and decided against it (with Bellack/sellside guys). Announcing AWBid for RMKT and announcing AWBid for all demand are two very different things from sell-side's perspective. If we announce RMKT-only AWBid, then we are still giving a competitive advantage to AdX -- they're still the only SSP/exchange that will get the entirety of GDN demand, and they would still be our 'preferred' partner. On the other hand, if we go with all-demand AWBid, that fully compromises AdX's competitive advantage w.r.t. its exclusivity to GDN demand.

If we stick to RMKT-only flavor of AWBid -- one, again, where AdX still maintains an advantage compared to other exchanges -- going live with a handful of exchanges v. all exchanges (i.e. scaling on breadth) doesn't make that much of a difference to sell-side, because AdX will still maintain an advantage over each and every one of them w.r.t. GDN demand access.

On the buy-side, the strategic urgency is on the RMKT side -- this is where we face the most competition and face the volume gaps relative to competition. On mid-funnel targeting types, we feel a much smaller pressure and have not felt as much urgency from advertisers to go cross-exchange.

That's why we have concluded RMKT-only AWBid is a superior tradeoff of risk/reward compared to all-demand AWBid. This perspective will certainly change if the landscape changes and we feel a lot more competition in the mid funnel.

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