

Message

From: Fabrizio Angelini [angelini@google.com]
Sent: 4/12/2019 10:35:12 PM
To: Richard Barber [richardbarber@google.com]
CC: Nancy Yoo [nyoo@google.com]; Jerry Miller [geraldmiller@google.com]; Christine Maddalena [maddalena@google.com]
Subject: Re: Unified Pricing Impact to HB Setups

comments in line

I think a couple of potential reasons came up during the meeting. One could be creative quality. A publisher might set a lower floor for HB knowing that the risk of low quality creatives coming through that channel is much lower than the risk of similar creatives coming through AdX (mostly because of AdWords). >> creative quality solved through high floor is a something not really proved, something we should not encourage. We can elaborate on this, but this should not be a legitimate use case

Another reason might be business-related....a publisher could be looking to limit their reliance on us for demand and make sure as much of their demand as possible gets filled through 3P sources. This could be policy related or because they have a lower revshare with those partners. I know those are things we don't necessarily want to hear, but they're real use cases. >> if there is a different rev share, they need to update the CPM, they should book based on **net CPM** anyway

One last use case I can think of is fill. It might be that a publisher is seeing much better fill from HB (possibly because the 3P exchange does things like use IP address for targeting, or has a set of policies that are more lax than ours), and so is comfortable reducing the floors as a sort of volume discount. >> I am not sure about this one. Why would they have higher floors on Adx for this reason ?

I'm sure there are other reason I'm not thinking of. Either way publishers have these lines set up for a reason, it's generating real revenue for them, and I'm concerned we can't really tell them that the revenue won't go away with this change, or how they can re-work their HB setup to ensure that doesn't happen. >> Can we tell them to lower floors ? why would they be ok to have a HB at \$0.2 but a floor in AdX at \$0.5 (besides the ad quality that we need to demystify) ?

On Fri, Apr 12, 2019 at 4:53 PM Fabrizio Angelini <angelini@google.com> wrote:
Richard,

In a nutshell,

- only Line Items with a value CPM above the unified floor will transact
- pubs needs to reset floors based on this principle
- I would ask them: are there reason why you would use for AdX different floors than for Hear Bidders ?

On Fri, Apr 12, 2019 at 4:21 PM Richard Barber <richardbarber@google.com> wrote:

PTX0748

1:23-cv-00108

Hi Fabrizio,

I had to run out of the UPR training a bit early today so apologies if this got covered towards the end of the meeting, but can you help me understand how publishers should be thinking about their header bidding setup after the move to unified pricing?

All HB line items configured with a rate below the unified floor will stop delivering, correct? Should publishers expect to see that revenue made up elsewhere? Do we have any recommended best practices for HB setup in a UPR world?

I'm planning to prebrief both Disney and Bloomberg on Monday, and would love clarity on this piece before then as both use multiple HB partners with thousands of line items configured in Ad Manager.

Thanks,
Richard

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Richard Barber

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*How are TV executives preparing for the convergence of TV and digital video?
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Thanks,

Fabrizio

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Thanks,

Fabrizio