
From: Swarna Kakodkar </O=THEFACEBOOK/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=FAEE99E6878142ADAA1E75AF7389E037>
To: Erwin Castellanos; Brian Boland; Alvin Bowles; Rob Goldman; Brett Vogel; Henry Erskine Crum
BCC: Scott Shapiro (Product Marketing)
Sent: 8/12/2016 9:37:48 AM
Subject: RE: DFP Mediation for mAPP Native

Erwin and I caught up but are still stuck on how to resolve. Any thoughts from the group?

Main technical issue is that DFP pubs want to moderate between direct and network demand, and can't do that if AN is not living in DFP. However, AN in DFP gives DFP the opportunity to have "first look" which punishes us.

Erwin is exploring AN sponsorship for all mobile app native, but doesn't think it's a long term solution because pubs will eventually start selling the placement with direct deals and will need to mediate between direct and network demand.

We haven't found any middle ground or creative solutions.

From: Erwin Castellanos
Sent: Tuesday, August 9, 2016 4:05 PM
To: Swarna Kakodkar <swarnakakodkar@fb.com>; Brian Boland <btboland@fb.com>; Alvin Bowles <alb@fb.com>; Rob Goldman <robgoldman@fb.com>; Brett Vogel <brettv@fb.com>; Henry Erskine Crum <henryec@fb.com>
Subject: Re: DFP Mediation for mAPP Native

Swarna,

Sure happy to provide color.

- 1) I've been helping them sort through some of this, and there might be a chance to do this. It will require us to do a true sponsorship with Weather and we have to take the entire ad slot for an extended period of time. This means taking inventory that isn't addressable to us, ie non-matched users and non-viewable impressions. It will still require Google to be notified, and its unclear if Google will call their bluff and say it's not a sponsorship and a true ad buy.
- 2) Weather is willing to let MoPub mediate their native formats, but if it is kicked off from DFP. They won't run MoPub independent of DFP.
- 3) I'm not sure Atlas will solve the problem for them because they need to be able to mediate and do direct sold for Native. Weather is looking to re-design their app with our help. They want to bring in AN to deploy Native and find a high performing recipe. From there Weather wants to start selling part of it themselves and have AN as backfill. So as they see it, having to adopt any party outside of DFP breaks their analytics and is not scalable for them. In their words, it take them back 5 years when they had a bifurcated ad delivery system and they can't scale their business that way.

Remember, publishers with big sales teams are not willing to disrupt their current ad tech stack to accommodate an ad network. Their number 1 goal is to build better efficiencies for their own direct sales and delivery teams, if we break analytics/forecasting/billing it's proving to be a massive roadblock. I like Boland's idea of direct DFP integrations only, no mediation. For these guarantees we can lock the publisher into giving us exclusive set amounts of traffic that can't be bid on by others. Unclear how we restrict that from a product stand point though, or is that just enforced in contract?

The sentiments shared by some of these publishers is that "FB needs to work with our existing tech stack or be left out of our inventory. FB + Google not working together is bad for the industry."

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From: Swarna Kakodkar <swarnakakodkar@fb.com>

Date: Tuesday, August 9, 2016 at 3:40 PM

To: Brian Boland <btboland@fb.com>, Erwin Castellanos <erwinc@fb.com>, Alvin Bowles <alb@fb.com>, Rob Goldman <robgoldman@fb.com>, Brett Vogel <brettv@fb.com>, Henry Erskine Crum <henryec@fb.com>

Subject: RE: DFP Mediation for mAPP Native

Hi Erwin,

Can we confirm the three issues Weather raised are unsolvable? (1) Seems like DFP posturing. (2) Can all Weather Native mApp (direct and network) be mediated by a non-DFP solution (MoPub) or AN mediation when that is ready? (3) Could we offer Atlas tracking for AN measurement? For AN mobile, Atlas will be significantly better measurement than DFP anyway.

Given that AN makes up 70% of network native mApp, I'm hoping we have leverage to push these pubs to other solutions even if it is more cumbersome. And strongly agree with Brian that we'd prefer not to trust DFP to treat us fairly.

Let us know your thoughts,
Swarna

From: Brian Boland

Sent: Tuesday, August 9, 2016 2:57 PM

To: Erwin Castellanos <erwinc@fb.com>; Alvin Bowles <alb@fb.com>; Rob Goldman <robgoldman@fb.com>; Swarna Kakodkar <swarnakakodkar@fb.com>; Brett Vogel <brettv@fb.com>; Henry Erskine Crum <henryec@fb.com>

Subject: Re: DFP Mediation for mAPP Native

Erwin –

Thanks for raising this question. We have been worried about the strategic issue that arises once Google sits between the publisher and Facebook. We have historically seen them take very aggressive steps once they have a footprint. I would hate for DCLK to use AN to gain a strong mediation foothold and then bias their system against us – much like they do on desktop where “dynamic allocation” gives Google the opportunity to cherry pick the best supply.

That said this is a very important topic and the blockers you are highlighting are real and from quality publishers.

Rob / Swarna / Brett / Henry I would be very interested in your thoughts on this one. I could see an argument that the most important thing for us would be to get integrated and then work to move from a mediated to a direct relationship. I do worry about the dynamic allocation effect which is what we are trying to work around with header bidding. This is tough.

B

From: Erwin Castellanos <erwinc@fb.com>

Date: Wednesday, August 3, 2016 at 9:07 AM

To: Alvin Bowles <alb@fb.com>, Brian Boland <btboland@fb.com>

Subject: DFP Mediation for mAPP Native

Guys,

Wanted to have a conversation with you about our lack of support for being mediated by DFP for mAPP Native.

Today, we allow DFP to mediate AN for all formats on Mweb, Video, and all formats except Native for mApp. I realize our strategy for our top performing product is to stay direct with a publisher, but the lack of support for this is starting to impact some very large deals we are chasing. Here is a running list of effected publishers, **rough estimates put this blocker around \$55M a year for a small subset of targets like ESPN, Fox, etc...**

I know first-hand how difficult it is for a premium publisher to commit resources to plugging us in direct, outside of DFP. Weather, while they thought they could do this, have run into major roadblocks that is preventing us from moving forward without plugging into DFP, or via MoPub (which is initiated inside DFP and is considered a hack to get around DFP support.) The challenges we've encountered with Weather are 1/ DFP has an exclusive ad serving clause in their contract with weather which forces weather to seek approval to serve ads outside DFP for sponsorship type deals or special circumstances, 2/ calling us directly from the app and bypassing DFP breaks their analytics for forecasting which impacts direct sold, and 3/ weather doesn't have a basis of measurement to check for discrepancies with AN. All 3 of these issues have prevented us from moving forward even with \$5-\$20M guarantee. I personally thought we could overcome, and I've been hitting wall after wall over the past 2 weeks.

Google is telling Weather they could be up and running with Native Mediation support for AN by the end of Q3, so Weather is now looking at us as being the blocker. Is there anything you can share on this topic, curious to understand if we feel we'll ever be comfortable with this for Native MAPP, especially since we let a pubs mediate us on every other format. This has sparked some debate internally in the past two weeks because weather has identified if they adopt Mopub, plug that into DFP, then call AN from Mopub, they can get around this blocker. The challenge with this is that it adds one more layer of possible failure and coordination to make our ads work. 3 systems working together are far worse than 2.

Thanks for your time and insights on this super important topic.

-E