

## Impact of GDN not participating in AdX auctions

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Auction simulations were performed to understand the impact of GDN not participating in AdX auctions. The impact is a 70% reduction in Google revenue and a 65% reduction in publisher payout. Details are provided below. The auction simulation is run on the Bernanke holdback data.

### 1. Queries won by AdX buyers today

AdX buyers obviously continue to win these queries when GDN stops submitted ads. They, however pay a smaller amount of money to Google because GDN no longer second prices them. In such cases,

\* Simulation run on 01/05/2014

<i>Metric</i>	<i>With GDN bids (won by AdX buyer)</i>	<i>Without GDN bids (won by AdX buyer)</i>	<i>With GDN bids (won by AdX buyer), mobile traffic only</i>	<i>Without GDN bids (won by AdX buyer), mobile traffic only</i>
<i>Daily Queries</i>	2.17B	2.17B		
<i>Daily Google Revenue</i>	\$1,609,225	\$1,325,312		
<i>RPM (revenue / 1000 queries)</i>	\$0.742	\$0.611		
<i>Daily Publisher Payout</i>	\$1,287,380	\$1,060,249		

### 2. Queries won by GDN today

AdX buyers now win some of these queries, but a large number (70%) go unmatched (which is interesting). Also interesting is that the RPM on queries won now by AdX buyers is only a third of the RPM on queries won by GDN earlier.

\* Simulation run on 01/05/2014

<i>Metric</i>	<i>With GDN bids (won by GDN)</i>	<i>Without GDN bids (won by AdX buyer)</i>	<i>With GDN bids (won by GDN), mobile traffic only</i>	<i>Without GDN bids (won by AdX buyer), mobile traffic only</i>

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<i>Daily Queries</i>	5.32B	\$1.47B		
<i>Queries with eligible AdX bids*</i>				
<i>Daily Google Revenue</i>	\$3,795,826	\$321,087		
<i>RPM (revenue / 1000 queries)</i>	\$0.714	\$0.218		
<i>Daily Publisher Payout</i>	\$2,611,289	\$256,870		

\* These are queries in which there is at least one AdX buyer bid above reserve. On such queries, it can be inferred that the win rate is

### 3. Cumulative

\* Simulation run on 01/05/2014

<i>Metric</i>	<i>With GDN bids (won by AdX buyer or GDN)</i>	<i>Without GDN bids (won by AdX buyer or GDN)</i>	<i>With GDN bids (won by AdX buyer or GDN), mobile traffic only</i>	<i>Without GDN bids (won by AdX buyer or GDN), mobile traffic only</i>
<i>Daily Queries</i>	7.49B	3.64B		
<i>Daily Google Revenue</i>	\$5,405,051	\$1,646,399		
<i>RPM (revenue / 1000 queries)</i>	\$0.651	\$0.452		
<i>Daily Publisher Payout</i>	\$3,898,669	\$1,317,119		