

Message

From: Bryan Rowley [browley@google.com]
Sent: 1/6/2016 6:50:31 PM
To: Jerome Gateau [jgateau@google.com]
CC: Chris LaSala [chrisl@google.com]
Subject: Re: AWBid Story Feedback

Makes sense. Here you go.

On Wed, Jan 6, 2016 at 1:39 PM Jerome Gateau <jgateau@google.com> wrote:
Hi

Can you resend in a shared doc so we can iterate and/or comment?

Thanks

Jerome Gateau
Director, Global Publisher Solutions and Innovation

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This email may be confidential or privileged. If you received this communication by mistake, please don't forward it to anyone else, please erase all copies and attachments, and please let me know that it went to the wrong person. Thanks.

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On Wed, Jan 6, 2016 at 9:57 AM, Bryan Rowley <browley@google.com> wrote:
Jerome,

Chris and I have been working on the exec summary / storyline for the AWBid discussion and would like your feedback. I know you and Chris are chatting later today. If you have time between now and then, great. If not, please let us know what you think via email.

- **There is momentum from buy-side to expand GDN's ability to buy off Google O&O and Partner inventory (AWBid) because**
 - **GDN YOY revenue growth is decelerating (6.2% Dec. '15)**
 - **GDN on AdX is growing slower than overall AdX**
 - **GDN on AdX grew at 28% (12/15 vs 12/14)**
 - **AdX grew at 43% y/y (12/15 vs 12/14)**
 - **GDN is winning less on AdX: The share of GDN spend on AdX is was 55% of adx spend (Dec '15) down from 62% (Dec '14)**
 - **GDN is not seen as a programmatic buyer in the industry**
 - **As DBM and GDN grow closer together (Skyray) parity in cross exchange access becomes more likely**
- **The Proposal is.....**
- **There are clear buy-side benefits to implementing this strategy**
 - **Expanding cross-exchange buying of AdWords will help GDN tap incremental budgets from AdWords advertisers**

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- **GDN will democratize programmatic for the masses**
- **Large advertisers that require cross exchange capabilities do not have to choose between DBM and AdWords**
- **This proposal presents challenges to the sell-side, (each gets a slide)**
 - **AdX/AFC value proposition is diluted / compromised if 3rd party exchanges have access to GDN's 2m+ advertisers and targeting capabilities**
 - **Risk that AWBid that sell side revenues decline or miss growth targets if GDN buying is not incremental to AdX/AFC/AdMob spend**
 - **The revenue at risk grows as the % of GDN spend off exchange increases. Hypothetically, if GDN mirrored DBM X \$\$ in 2016 would flow out of our sell-side platforms**
 - **Cannibalization from AWBid buying could accelerate publishers shifting inventory or assigning priority to competitive SSPs/Exchanges**
 - **DFP and Google's 'own the tag' strategy are at risk / DoubleClick cookie is absent from inventory**
- **Some of challenges to the sell-side side can be mitigated**
 - **If all AWBid demand is incremental (e.g. AdWords advertisers have unspent or unconstrained budgets) (Can we get this data?)**
 - **Maintaining the requirement that AWBid buy incremental impressions beyond what AdX would win**
 - **Certain AdX policies are relaxed to make our exchange more competitive**
 - **DRX does XYZ to ensure GDN wins more**
 - **Expand/grow DFP First Look**
 - **Ads Quality enhancements (DRS, RPO, Opportunities/Experiments)**
 - **Optimization.....**
 - **If GDN better incentivizes sales teams to prioritize non O&O display opportunities**
- **DISCUSSION: We have the following questions that require your input**
 - **Stepping back...3 strategies for Google:**
 - **Strategy to ensure that we deliver maximum ROI to advertiser at ALL COSTS (e.g. buy inventory anywhere for as little as possible)**
 - **Strategy to ensure we deliver great ROI to advertiser, but supporting sell-side platform product where we can (e.g. GDN 2nd pricing itself & AWBid buying incrementally)**
 - **Strategy to ensure we access as much inventory as possible via our sell-side platforms (e.g. limit GDN buying to O&O and partner inventory)**
 - **Should GDN buy x-exchange? Should we leverage AdWords as a key differentiator to secure publish inventory?**
 - **Should growing GDN media dollars be done at the expense of sell-side platform dollars? If yes, at what point (if any) does it become an issue?**
 - **Does margin to Google play any role when making this decision?**
 - **Should we alter AdX policies?**
 - **Should we ask the buy-side sales team to increase their focus on selling AdX/AFC/AdMob display inventory in lieu of AWBid?**
- **Other questions**
 - **How do our buying platform policies evolve with respect to using Gaia data (e.g. can AWBid use it to buy off exchange??)**
 - **Do imagine DBM and GDN being able to use GAIA data to buy on both AdX and 3rd party exchanges (if AdX is determined to be more secure than 3rd party exchanges then shouldn't we protect access to inventory via AdX?)**