

Rubicon's launching Yield Management that competes with both DFP & AdX

1. What has actually changed? AdX, Admeld, Pubmatic and Rubicon, any SSP has always recommended to let all demand sources compete against each other, including AdX. AdX has always been viewed as a demand source by Rubicon/Admeld/Pubmatic and not as equal SSP. Usually hardcoded manually with eCPMs in the SSP.

DKB>> The AdX demand could not actually compete with the Rubicon values. Our policies require that if we beat the passed minCPMs then we actually win the impression. The new proposal has everyone's (exchanges, networks, buyers) winning auction prices and bids passed to a larger first price auction. In this case the highest value wins. If AdX had a bid (we are not participating) that passed the min we may still not win the actual impression and that is not allowed by our policies.

How does this offering differ in detail? How does AdX compete in real time and dynamically with other demand sources in Rubicon?

DKB>> AdX is not participating with this. Currently AdX competes with other booked demand sources and reservations in DFP via EDA. We look at the booked average CPMs for the line items and we have to beat that value. This is all based on averages and not real time data.

Does AdX pass win CPM dynamically to Rubicon?

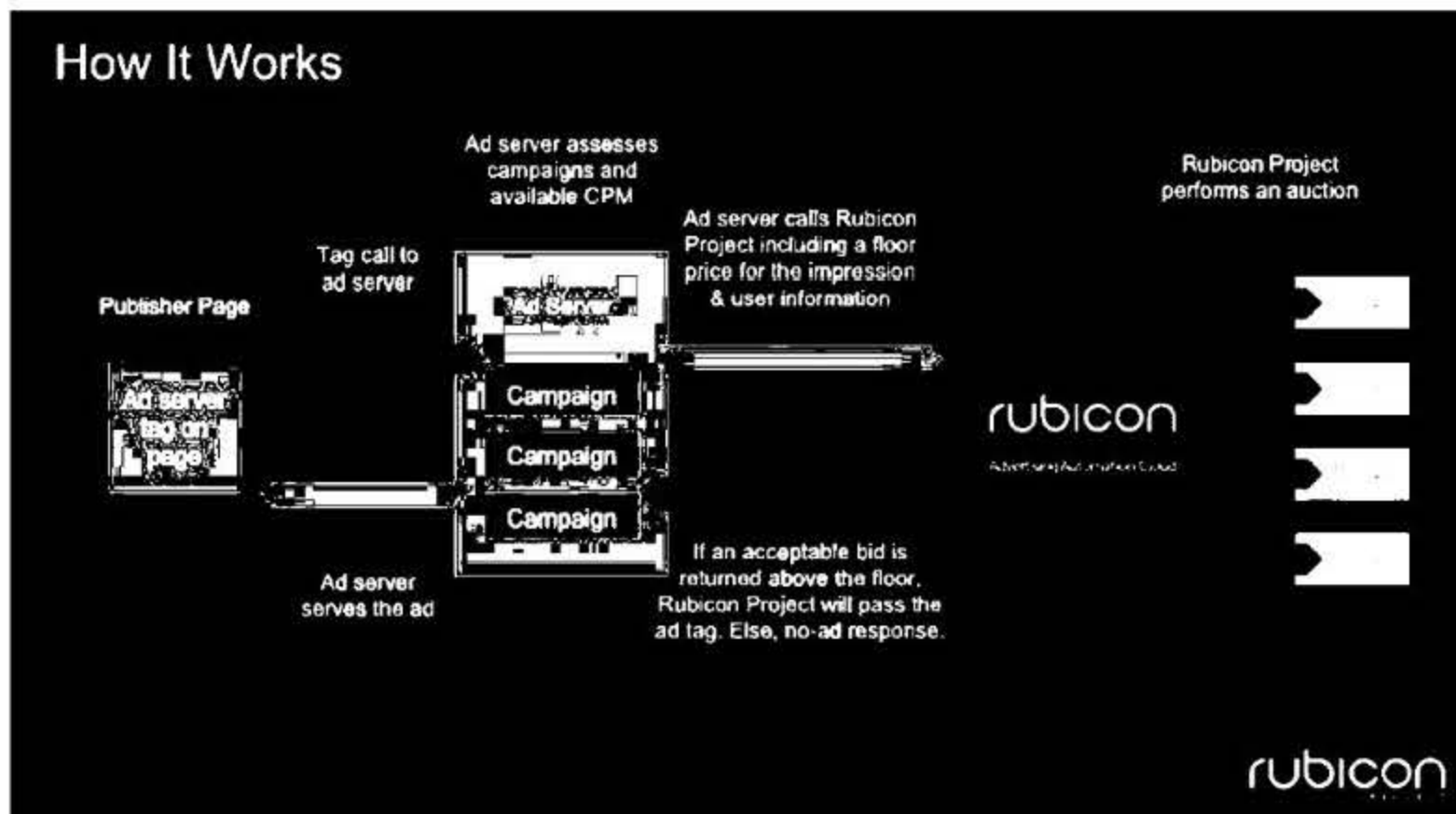
DKB>> We are not participating and will not be passing anything.

- *"Rubicon has just launched their own yield management solution and encouraging pubs to move all networks, buyers and ALL exchanges to compete in Rubicon and NOT in DFP. The exchanges will all compete at the same time to help increase yield."*

DKB>> Rubicon is working hard to convince exchanges to join. No exchanges have publicly come out in support but we have intel that Rubicon has been speaking with all of them to join.

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Where is the change?

DKB>> Rubicon is also treating other networks into the mix as 'buyers'. In this diagram a 'buyer' could be a network, criteo or an exchange instead of just a buyer on the rubicon auction.

2. Intel (not press release) highlights pubmatic+criteo as competing demand source? Are Pubmatic and Criteo going play ball to pass the true eCPMs dynamically to Rubicon new decision engine?

DKB>> The two parties would have to pass back a real bid and the real CPM to win the inventory if they want to be part of this.

3. How does it exactly compete with dynamic allocation as per the intel doc:

Summary

Rubicon has launched a yield management product that competes with both DFP dynamic allocation & with AdX.

I want to understand the actual decision process? How is it possible for Rubicon to compete with EDA if they are running an auction against all non-direct inventory?

How is it possible to compete against EDA?

DKB>> Rubicon will break EDA by booking their tag with an impression target equal to our close to the total impression volume of the pub. This impression goal will make it seem to be always behind schedule. EDA will then in turn not call AdX until remnant priorities (unless AdX is actually booked higher in DFP than rubicon). This effectively breaks EDA as even if AdX could generate a higher CPM we do not compete as EDA sees the Rubicon tag as a guaranteed item that is behind schedule.

Rubicon competes with EDA by having publishers book all their indirect demand within Rubicon rather than as line items in DFP. For instance rather than NetworkA being booked at P12 in DFP rubicon would encourage the pubs to book NetworkA in the Rubicon system instead and not in DFP at all. This change reduces revenue in DFP as ad serving costs are reduced and more importantly removes the competition of NetworkA with other remnant items in DFP.

4. If our response is EDA

We need to get solid data. Query tool: EDA/LIFT is a non-default metric that has to be proactively selected.

Once selected - it is meaningless data (actually portrayed negatively as it shows that AdX would have performed very poorly without the competition of direct highlighting the need for a Rubicon/Pubmatic implementation to provide natural competition) - how can we create a standard report metric in QT highlighting the revenue gained through EDA?

DKB>> We are looking at better highlighting the uplift of EDA vs other line items as part of our work on TYM and also EDA. There is internal data on EDA uplift that can be used too.

5. What is the discrepancy of Rubicon running the auction outside of DFP and how does this stack up with latencies?

Can we measure this at all? Is it 5% 10%? What is the standard? Do we know?

DKB>> We don't know and cannot currently measure it until we can actually scrape other exchanges and networks with TYM and have other metrics.

6. Existing Buy side tech fees and new YM fess - will publishers care?

What is the actual argument here? What is the revenue gain I get as a publisher. I can get an eCPM uplift (if I care to proactively select Lift in the query tool) but what does it mean to me as a publisher in terms of potential revenue loss if I buy into Rubicon's new YM?

DKB>> Would you care if you found out your bank was actually charging you twice the fees you contractually sign up for and they hadn't told you? Pubs really should care as they are not getting a clear view of what Rubicon is really charging from them. Even if the publisher is making more net on rubicon the exchange is actually holding back more money from the pub which will not make pubs happy.

For the new YM product it has not been made clear publicly what the fee structure is. Pubs should be concerned about whether Rubicon is charging additional fees for the first price auction of other networks and exchanges. Is it cheaper to manage via DFP vs putting it into Rubicon. Pubs should want to know what hidden fees Rubicon may be charging partners in YM.

7. What is Pubmatic's Response? (see 2.)

DKB >> Pubmatic has their own ssp functionality but it has had limited adoption as other exchanges or major networks have been unwilling to partner with them.

8. What is our response industry wide? Is Marketing on the case?

DKB>> We do not have a response on this yet as we are waiting for it to play out and until TYM fully launches we don't have a technical equivalent. We continue to push EDA and holistic management of all demand channels rather than just isolating indirect. We will be covering this in DLS this year.

9. Has any pub mentioned this already? what were their thoughts?

DKB >> No direct feedback yet but we are asking around.

10. Do we know if Rubicon mentioned a Revenue uplift?

DKB>> No public data at all or any case studies.

11. Do we have info on Anyone tried this yet?

DKB >> I've been asking but none of our pubs will speak to it. They have been in beta since q4 so it has been active.