Google

Buyside Deep Dive

for Suresh

Part 1: 19 March 2018 (Suresh in Kirkland)
Part 2: 28 March 2018 (Suresh in New York)
Part 3: 29 March 2018 (Suresh in New York)

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Part 1

19 March

Topic	Time	Presenters
Introduction: Product Portfolio, Team Structure	20 min	Payam, Max, Vlad
Business Overview: Ecosystem, Revenue	60 min	Tobias, Roshan
Product Demo: DBM	40 min	Roshan, Karin

Part 2

28 March

Topic	Time	Presenters
Product Demo: DCM **Product Strategy:** 2018 Strategy Overview, DV360	60 min	Luke, Karin, Deepti

Part 3

29 March

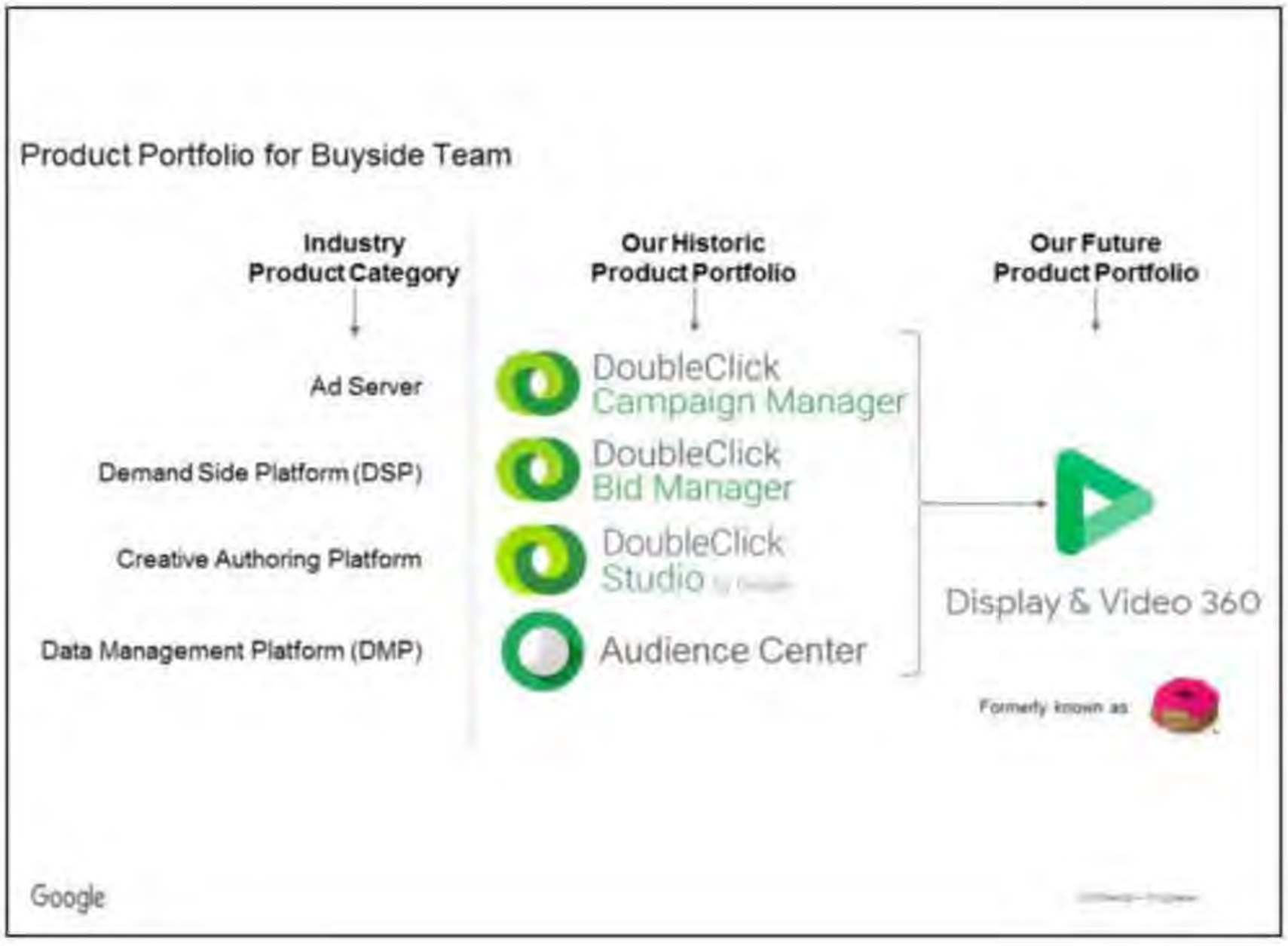
Topic	Time	Presenters
Product Strategy: Pivot to Video, Other Bets	120 min	Deepti, Glenn, Luke

Google

Product Portfolio and Overarching Strategy

Payam | 10 min

Google


Product Portfolio for Buyside Team
Industry Product Category
Our Historic Product Portfolio
Our Future Product Portfolio
Ad Server
Demand Side Platform (DSP)
Creative Authoring Platform
Data Management Platform (DMP)
DoubleClick Campaign Manager
DoubleClick Bid Manager
DoubleClick Studio
Audience Center
Display & Video 360
Formerly known as
Google

Overarching Buyside Strategy: Be the Decision Engine

Android: Be the leading mobile OS



Drive O&O traffic

How?
Open source | Free | Broad ecosystem support

DV3: Be the leading OS for large marketers

Drive O&O & network spend

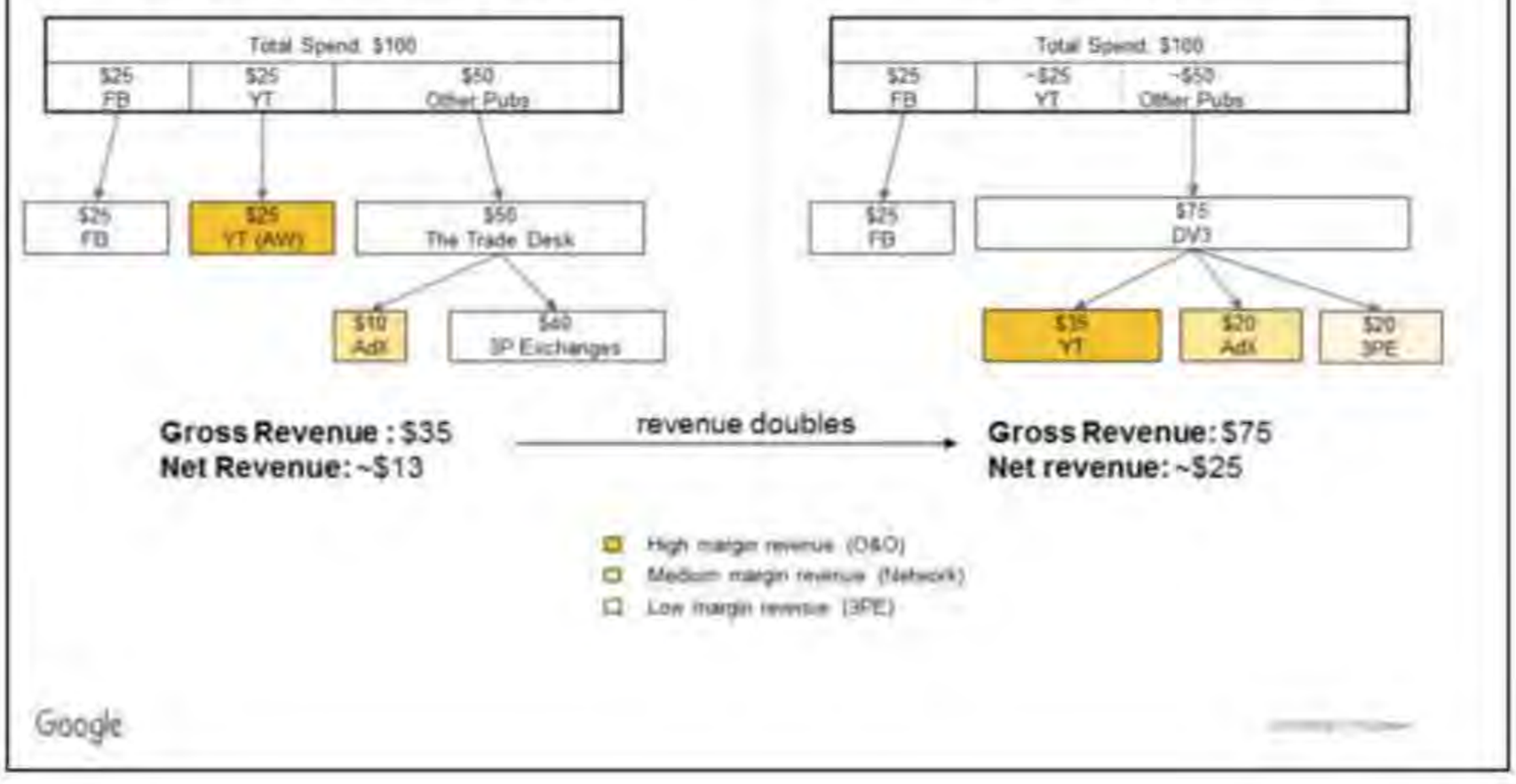


How?
Choice | Channel consolidation | Source of truth | Superior ROI

DV3 becomes decision engine

Google

Let's take a look at how this strategy plays out in practice



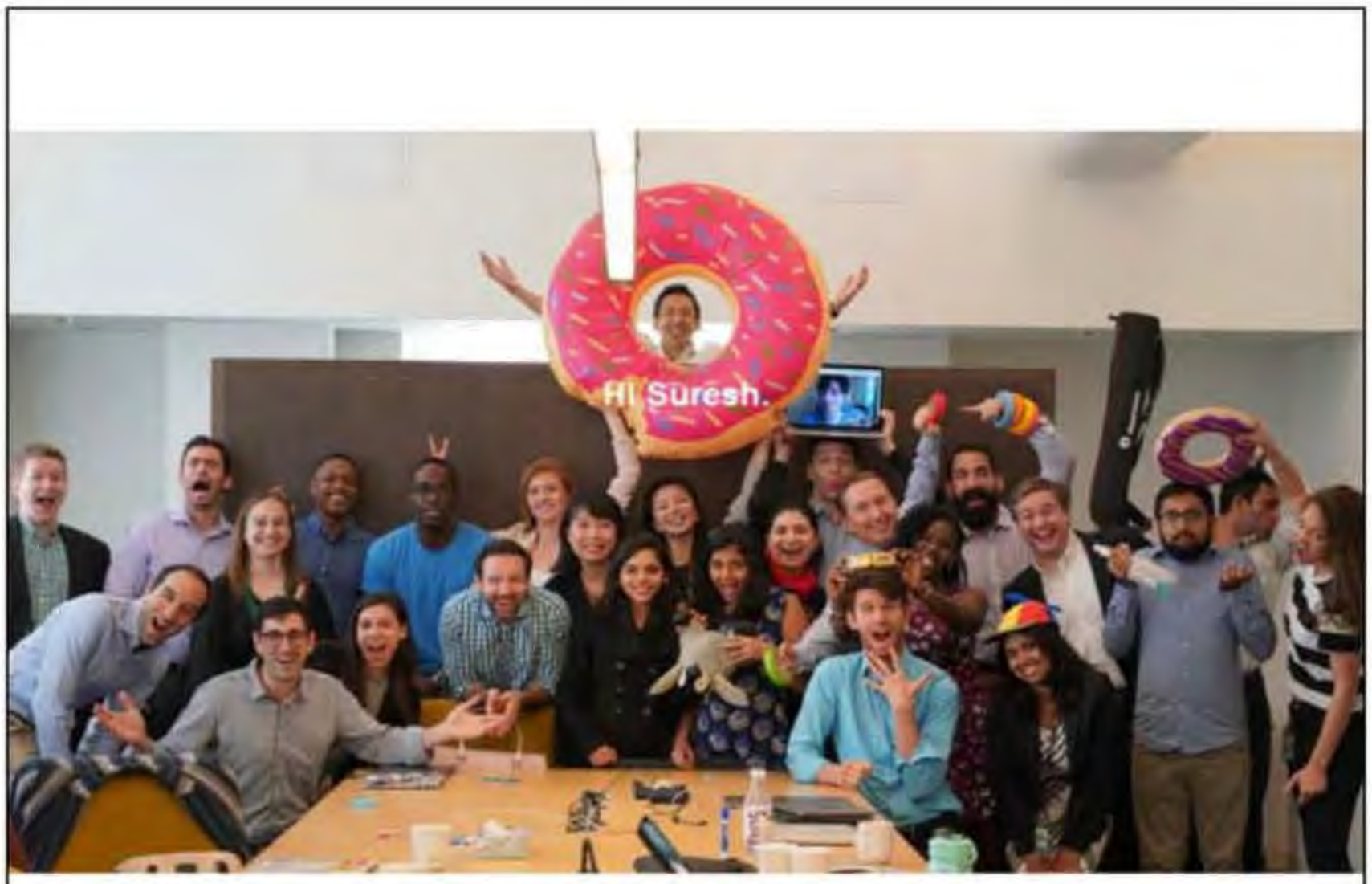
Team Structure

Payam, Max, Vlad | 10 min

Google



When we bought Invite Media in 2010, we had revenues of $20M/year. Our revenue has since grown 300x to $6B/year. While our PM team has only grown 6-fold.


Hi Suresh.

Product Team: 30 PMs, 6 pods across 3 sites (NYC, KIR, MTV)



Google

Engineering Team: ~280 engineers across KIR and NYC

KIR team: DBM, Audience Center. ~140 eng



Vivek

	Fang FE, 41 eng. FE infra, deals, API integrations		Ganesh Brand, 25 eng. Custom bidding, forecasting, experiments, lift.
	David BE, 24 eng. Serving support for features, inventory quality, programmatic TV		Alek TrueView and Planning, 22 eng. TrueView, Audio Ads, Planning
	Felix Reporting, 12 eng. Data processing business logic and billing. Infra is being consolidated on top of common infra.		Chris Audience Center, 13 eng. DAC, Audience Module in DV360

Google

Engineering Team

NYC team: DCM, Studio, DBM creatives and reporting. ~140 eng



Vlad

 Niranjan DCM, 53 eng. DCM, Cronut, Creatives management for DCM/DBM	 Steve Brand, 12 eng. Reporting infra (Warp)
 Ranajeet Studio, Formats, 34 eng.	 Franky Verification, 15 eng.
 Yuval Reporting, 24 eng. Infra, DCM reporting, DBM reporting FE and DT	

Google

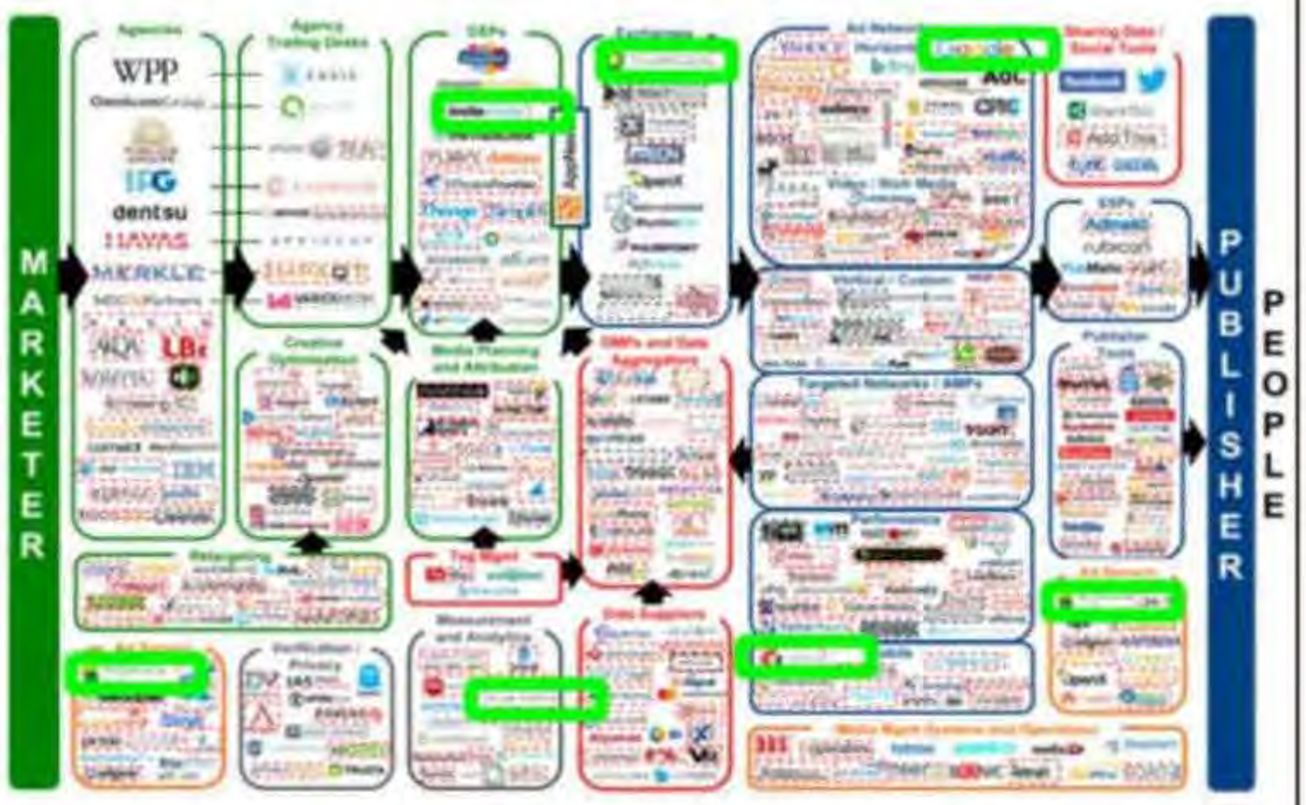
Ecosystem

Tobias | 40 mins

Google

We are operating in a complex and highly inefficient ecosystem.

Google products in green.



Google

Market Dynamics on Demand Side

Google



1. Turn - acquired by Amobee, a singtel company. Not a strong competitor. Mostly display.
2. MediaMath - Still a commonly known DSP business, but not known to be strong. Independent.
3. Appnexus - Runs a sell side business and a large exchange. Rumored to be shutting down buyside platform
4. Adobe® Media Optimizer - Acquired tech, part of Adobe's marketing cloud.
5. DataXu - Small DSP, not known for strength. Mostly display.
6. Rocket Fuel - Had a very rocky public market run, recently was acquired by a large DCM competitor to pursue a 'cronut' strategy.
7. Triggit - Out of business.
8. Tubemogul (Adobe) - large and highly competitive video DSP. Acquired by Adobe recently. Strong video competitor.
9. Adap.tv (AOL Video) - Video DSP, acquired by AOL, now part of 'OATH' buyside stack.
10. Videology - Independent Video DSP
11. Criteo - Competitive performance ad network.

12. AdLearn Open Platform by AOL - Display focused DSP that is now part of the combined AOL/YAHOO business, OATH.
13. YAM+ (Yahoo) - see above.
14. The Trade Desk - Probably the most fast growing / aggressive competitor to DBM, focuses on all formats
15. Appendix competitive mega company bubbles Slide 107: Competitive Landscape

theTradeDesk

- **$308.2M revenue** at **16.4% margin** in 2017 (52% YoY), 403M 2018 goal
- Platform **manages total of 1.55bn spend** (51% YoY), 2.1bn 2018 goal
- 657 active customers

Focus on:

- Growing omni-channel (reporting >100% growth in audio, connected TV, mobile video, native)
- Global expansion, especially in China.
- Building an industry-wide identity footprint, amassing publishers, ad exchanges, and SSPs.
- Increase the company's data offering, **which** remains a large untapped opportunity.
- Building the tools to revolutionize media, planning and buying.

Google

https://seekingalpha.com/article/4152132-trade-desk-moving-world

http://investors.thetradedesk.com/phoenix.zhtml?c=254422&p=irol-newsArticle&ID=2334119

and 42% in Q4 ($102.6M),



The narrative that will resonate with marketers is that FB knows who you are, Google knows what you search for and Amazon knows what you buy. Amazon's pitch is focused on the quality of their rich shopping intent data which is reflected on their mid to lower funnel targeting products created using this data. Some examples are lifestyle segments like “recently moved”, “bought a house” or in-market segments like “I want to buy a playmat for my 6 month old” or “car parts” (data collected from Amazon Garage) or retargeting which uniquely positions them to bring users back to purchase on their site allowing them to close the shopping loop.

Market Dynamics on Supply Side

Google



50+ Exchanges with direct agreement
50+ Sub-exchanges via Bidswitch and other aggregators
Many of these are struggling, no real unique position in the market, actually buying/selling amongst each other - for example Rubicon.
$155.5M revenue at 18.5% margin in 2017 (-44.1% YoY, margin dropped from 25%)
Focus on:
Eliminated 100 positions in 2017, $20M reduction of capital expenditures, expects to EBITA positive in Q4, 2018
Eliminated buyer fees (DBM was impacted by this)
Revamped auction to be first price as default

Exchanges and SSPs: margin compression as header bidding makes yield management ineffective, buyers are smarter

rubicon	slashed take rate in half over 2017
AppNexus	reduced their take rate even further (8.5%)
INDEX EXCHANGE	~50% of their inventory comes from exchange bidding

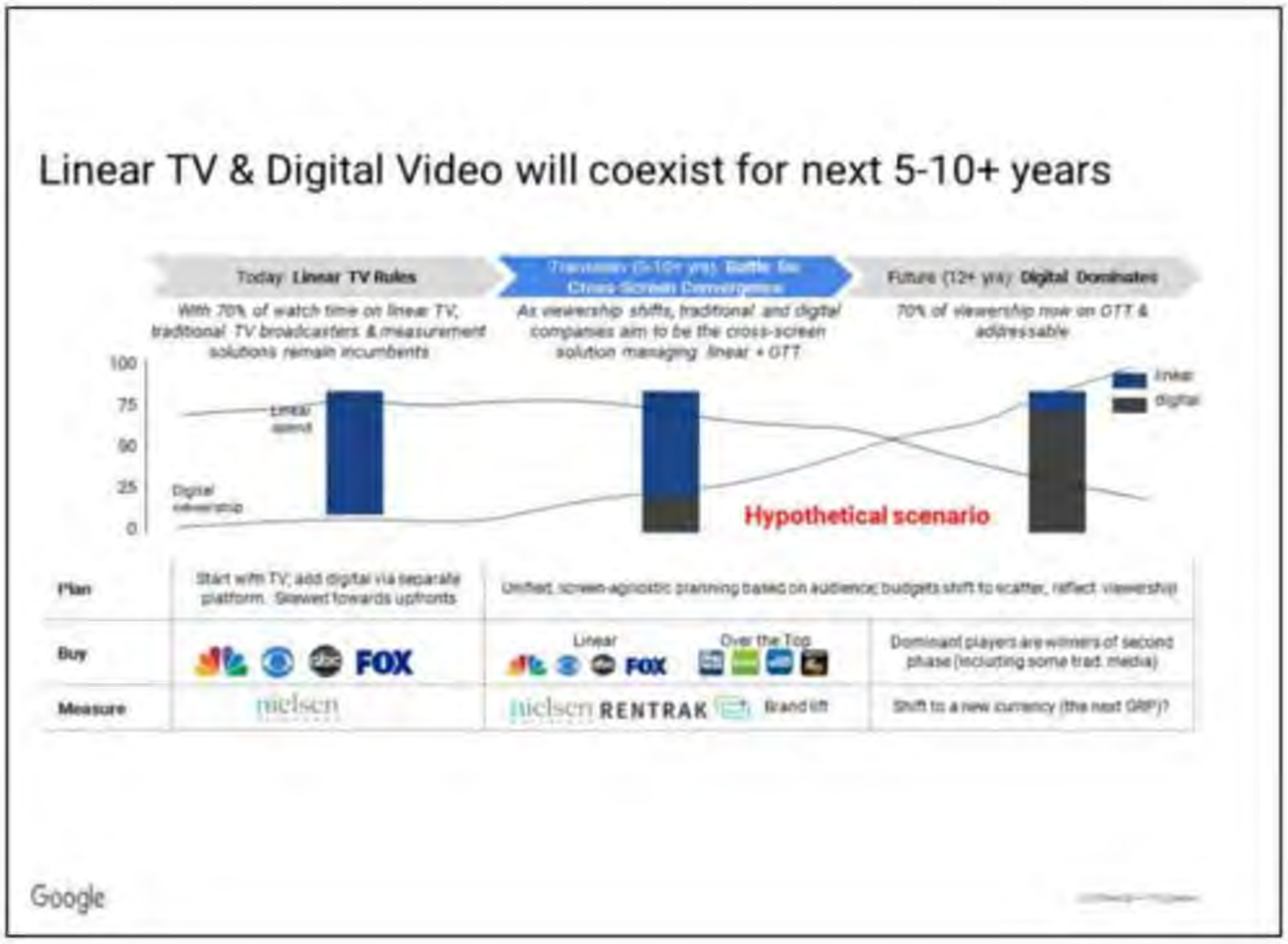
Google





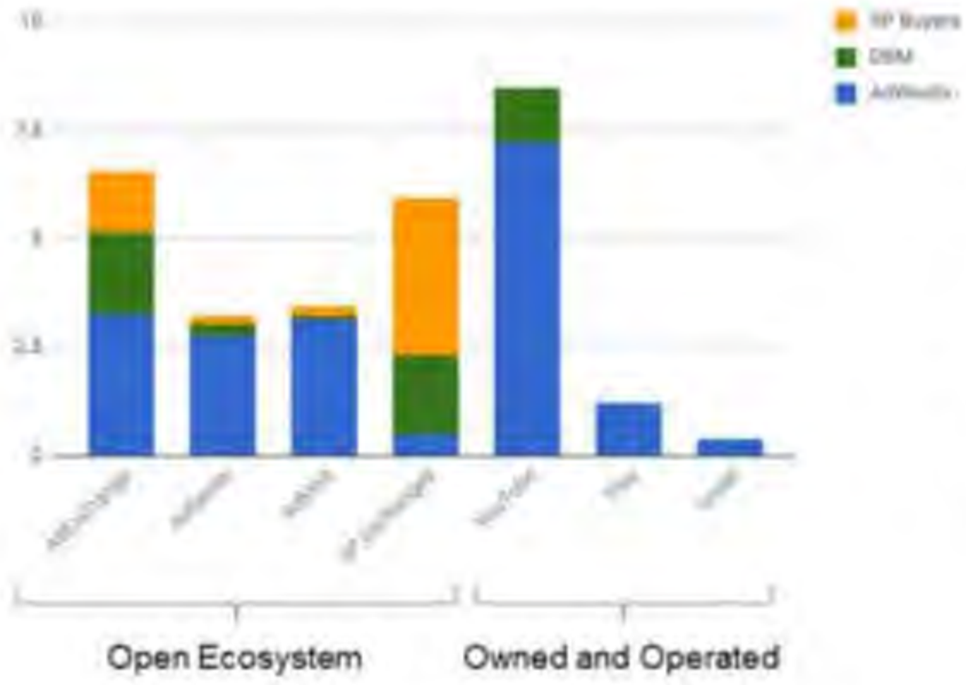
Cookieless isn't only Mobile and logged in...

"Platform to be developed in collaboration with NBCUniversal, Disney, Altice USA, Channel 4, Cox Communications, Mediaset Italia and TF1 Group. **The partnership is aimed at better ad planning, targeting, execution and measurement across screens.**"



- Slow transition -- linear will still be important for next 5-10 years (and longer in many markets) → importance of cross screen planning and buying
- To plan for the future, need to better support OTT -- and especially connected TV. When we talk about app strategy, we usually are just thinking of mobile app. But apps on cTV gaining traction, and even more complex than solving for mobile (more device types; HH level instead of individual)

DBM estimated to be largest DSP accounting for ⅓ of 3P Exchange spend



	AdWords	DBM	3P Buyers
AdExchange	$3,268	$1,864	$1,404
AdSense	$2,748	$276	$204
AdMob	$3,120	$112	$216
3P Exchanges	$508	$1,808	$3,616
YouTube	$7,204	$1,248	$0
Play	$1,204	$0	$0
Gmail	$368	$0	$0

Estimates based on 4 x Q1 revenue, 3P buyers on 3P exchanges estimated as 2 x DBM revenue

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Inventory access
Exchanges becoming less relevant / Walled gardens growing / Increasing share of app attention controlled by FB / premium video inventory accessible through subscriptions only

Erosion of identity on the open web
ITP / EU restrictions / long-term role of 3P exchanges / Goog vs FB identity / “open” identity platforms / partners moving to fingerprinting or going under / Impending de-cert / push for ADH on Google side / Failure of FB negotiations

Sustainable profitability
Protecting rate card / shifting spend to more profitable media / shifting reservations to programmatic / strategic role of buyside

Amazon threat
Amazon putting pressure on Retail/CPG business / entering DSP space

/ getting first-look access to inventory through HB

Brand safety spillover
Masa / FB brand safety issues / impact greatest on video

'Biggest Ad Fraud Ever': Hackers Make $5M A Day By Faking 300M Video Views

Google Issuing Refunds to Advertisers Over Fake Traffic, Plans New Safeguard

Russian Hackers Stole Millions From Video Advertisers, Ad Fraud Company Says

Domain Spoofing Be Gone: Ads.Txt Will Filter Out Imposter Sites

White Ops reports biggest ad fraud botnet found yet: 'Methbot' targeting high-CPM video inventory

The botnet has been siphoning an estimated $21 to $33 million in ad revenue per day, making it the largest ad fraud scam uncovered to date.

UBER SUES DENTSU'S FETCH MEDIA FOR FRAUD

Adobe says it will help advertisers and publishers find out if they are getting ripped off by ad tech companies

Big brands fund terror through online adverts



Google

Two major botnet attacks in 2017 led to major cleanup effort across Google and Industry

Chefbot

- large, sophisticated botnet attack
- botnet was discovered by **White Ops** (third party)
- Nissan impacted w/ $5.7M spend in Q2 alone.

Blackout experiments

- Showed that large amount of inventory continues to transact even when publisher ad server is shut off



What we did

- We proactively refunded **~$32M** net revenue impacted in 2017 (Q2 + Q3)
- Negotiated with all exchanges to have 30 day refund terms; limited default buying to exchanges w/ refund terms
- Initiated major internal effort to align spam crediting/debiting system (ongoing)
- Externally communicated what protections we offer
- Launched ads.txt and pushed as industry standard (>80% of DBM revenue covered)

2018

- Negotiating licensing deal w/ White Ops
- Investing in Supply chain optimization

Google

Header Bidding democratizes access to inventory - while walled gardens are inaccessible to Google

*"**Amazon** pitches publishers a new header bidding wrapper."*

DIGIDAY

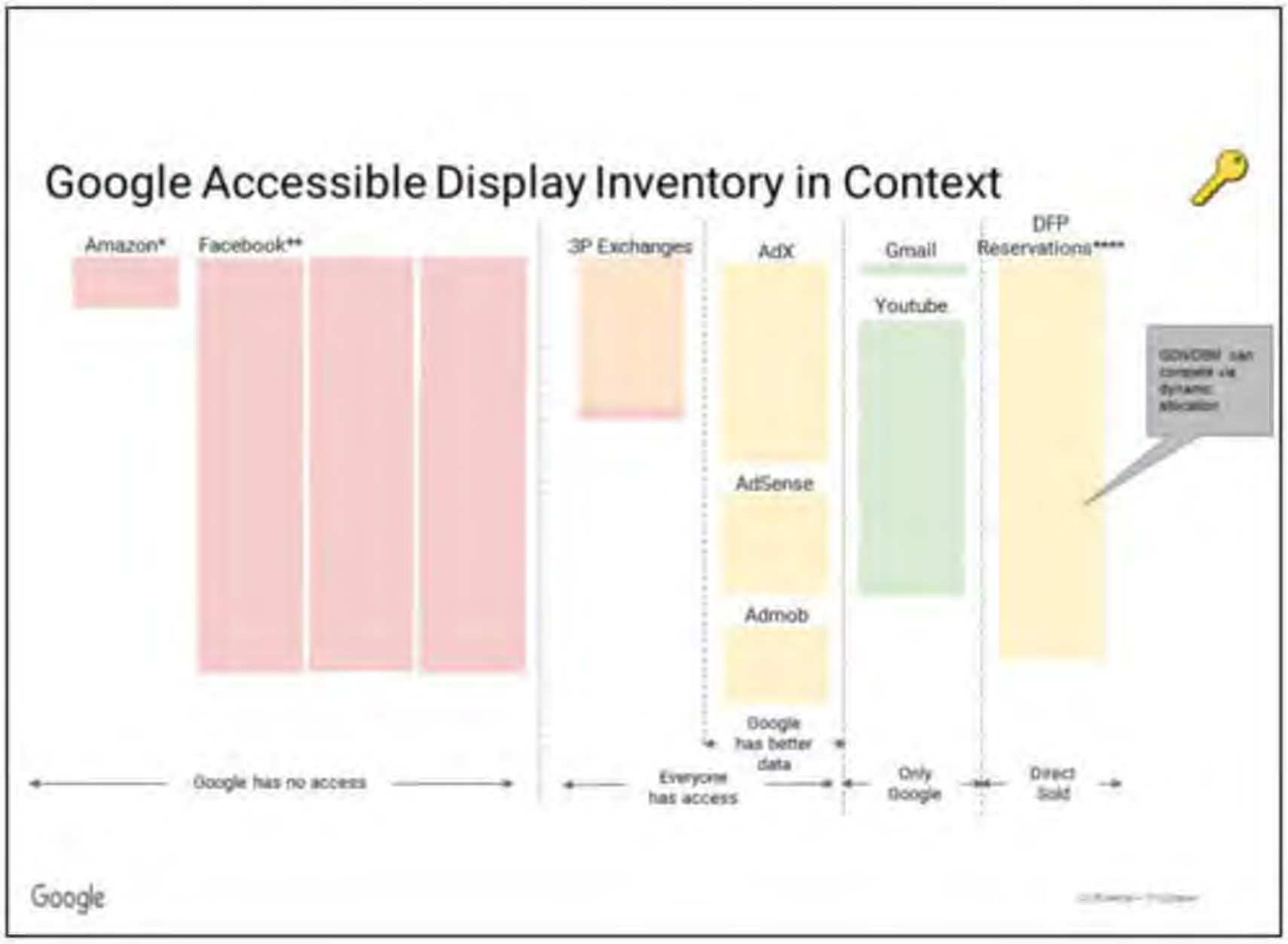
*"**Facebook** Is Finally Offering Header Bidding to Publishers on a Broader Scale"* **ADWEEK**

*"**AppNexus** and **Index Exchange** Are The Header Bidding Leaders"*



48% of US tracked GAIA do not open a browser on their mobile device in a given day. 20% don't open a browser over 3 weeks. Apps even more important to capture NBU opportunity.

Google


Google Accessible Display Inventory in Context
Amazon*
Facebook**
3P Exchanges
AdX
AdSense
Admob
Gmail
Youtube
DFP Reservations****
Google has better data
Google has no access
Everyone has access
Only Google
Direct Sold
Google

External factors, such as Safari ITP, EU restrictions contribute to erosion of identity on the open web w/ many players having to decide to comply, do full-on fingerprinting or go under



- Apple announced and launched within 3 months
- 10% queries impacted
- Clicks search fell (27% 1-day loss)





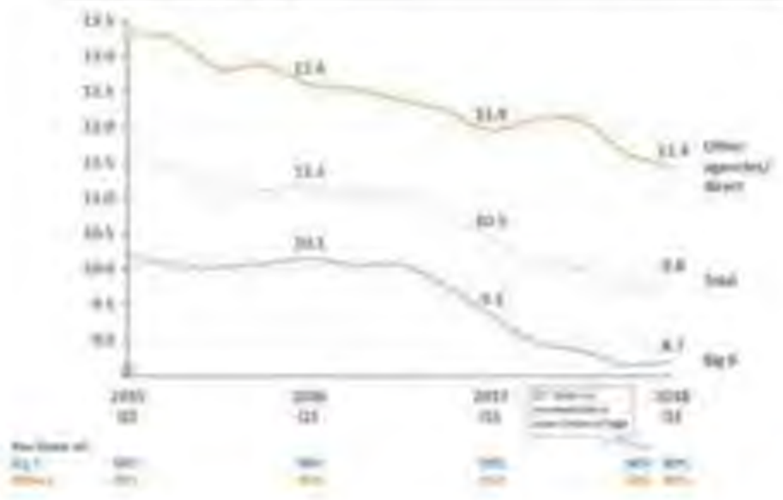
GDPR

EU General Data Protection Regulation

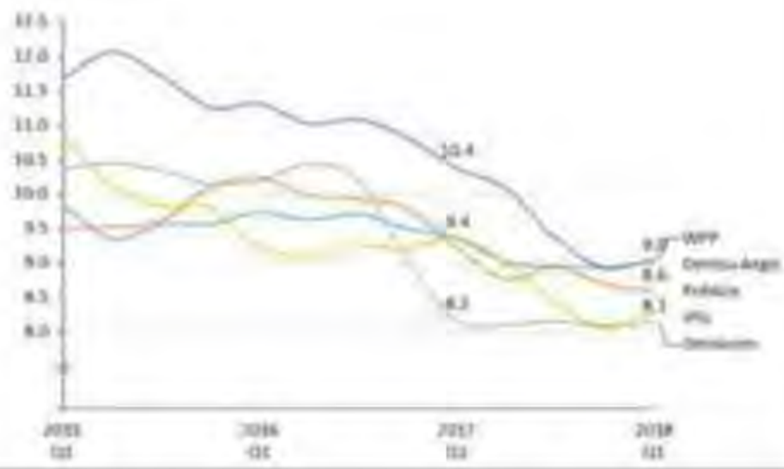
Google

DBM Auction: Declining prices across the portfolio, not driven by any particular buyer segment

Auction prices are declining both for Big 6 and other buyers



All Holding companies pay now between 8%-9%



Google

Starting Q1 2017, Advertiser

18+

"Guardian pulls ads from Google after they were placed next to extremist material"
March 16th, 2017 The Guardian

"Taxpayers are funding extremism"
March 17th, 2017 THE TIMES

"Advertisers need to go back to basics to protect their brands from serious damage [...]."
March 17th, 2017



Google

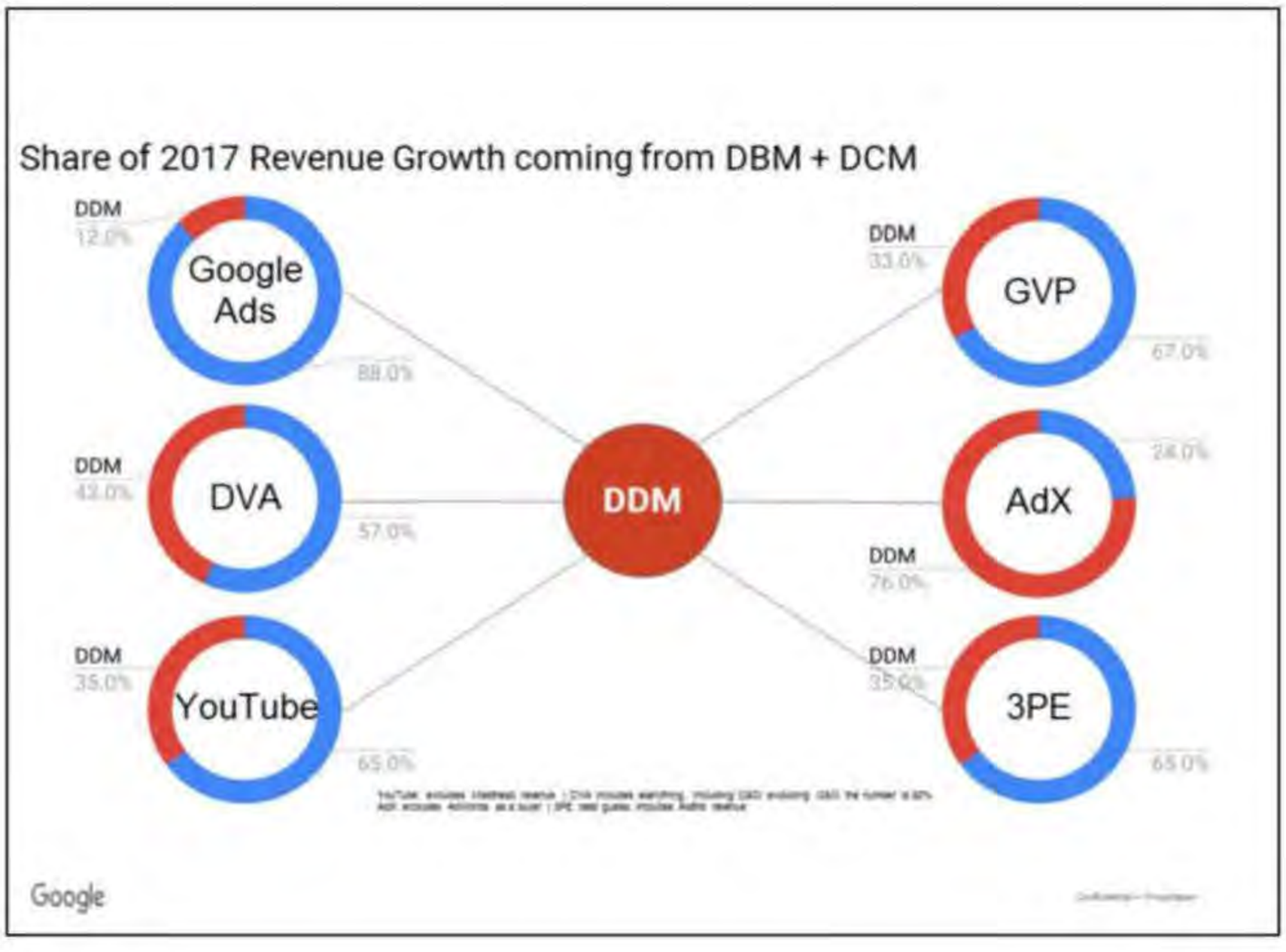
Revenue

Roshan | 20 mins



Google




Share of 2017 Revenue Growth coming from DBM + DCM
DDM
12.0%
Google Ads
88.0%
DDM
42.0%
DVA
57.0%
DDM
35.0%
YouTube
65.0%
DDM
33.0%
GVP
67.0%
DDM
24.0%
AdX
DDM
76.0%
DDM
35.0%
3PE
65.0%
DDM
Google

DDM Revenue Overview

102% of Plan ($5.48, 32% YoY) in 2017

Product	2017 Plan	2017 EoY % Achievement	2017 Actual	
DBM Media	$4,765M (92%)	102%	$4,835M (55%)	
DBM Fees	$563M (11%)	100%	$563M (11%)	% mediacost fee model
DBM Total	$5,328M (50%)	101%	$5,399M (52%)	
DCM Fees	$168M (4%)	111%	$187M (7%)	CPM fee model
DRM Fees	$70M (10%)	121%	$84M (9%)	
DDM Total	$5,565M (47%)	102%	$5,670M (49%)	

Google

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yes, strength was in video and tracking, even despite the served-to-downloaded launch, which was expected to have something like almost a -10% impact (growth more than made up for it)

DBM 2017; Deals were 28% of media cost and fees



Buyside Rate	Open Auction	Always On	Preferred Deals	Private Auction	Programmatic Reservation	DBM Tag Reservation
ADI	10.42%	10.14%	9.59%	9.49%	3.65%	NA
Third Party Exchange	10.10%	9.89%	9.56%	9.40%	4.00%	3.57%
TrueView	3.64%	NA	NA	NA	3.50%	NA

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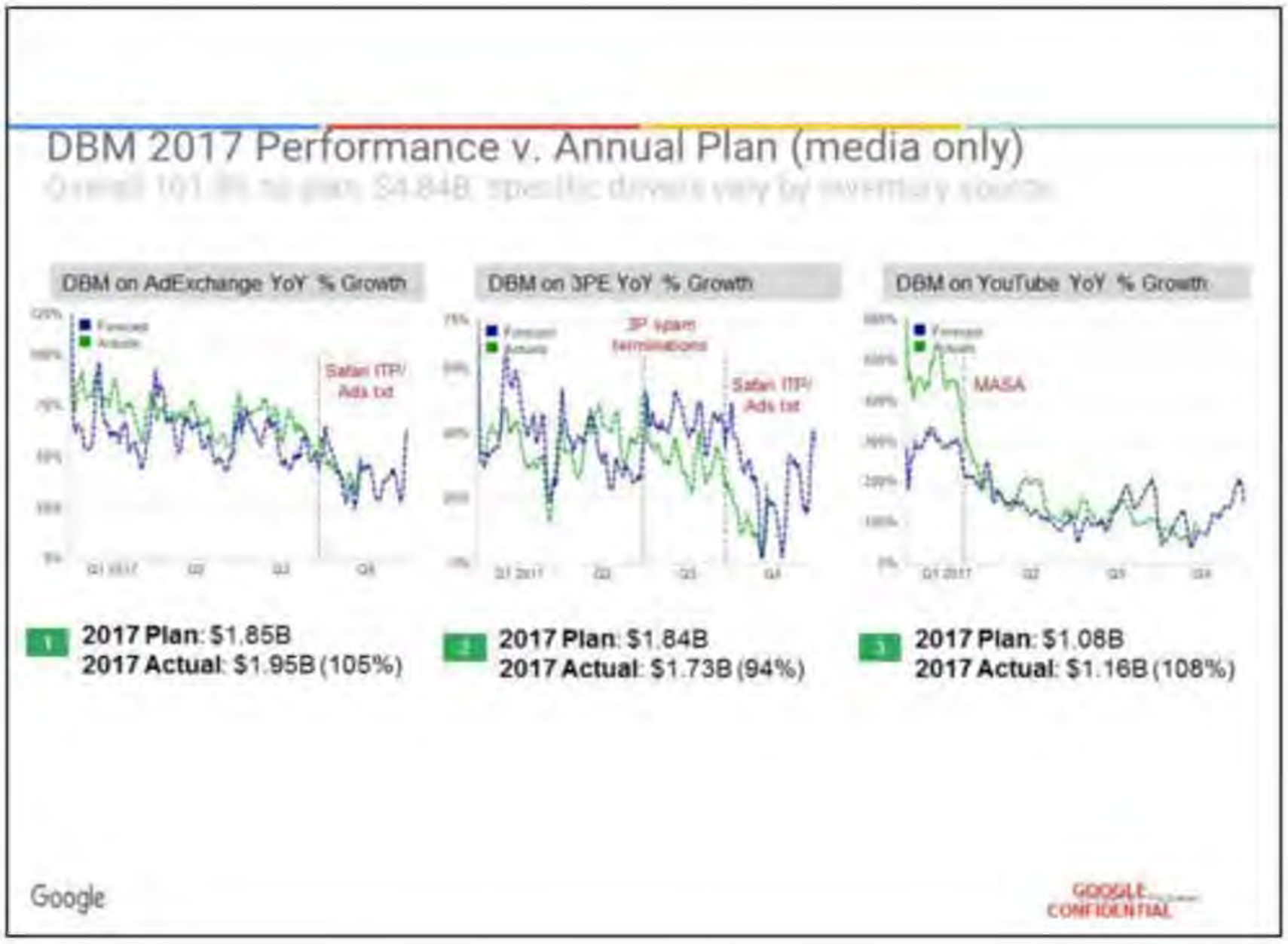
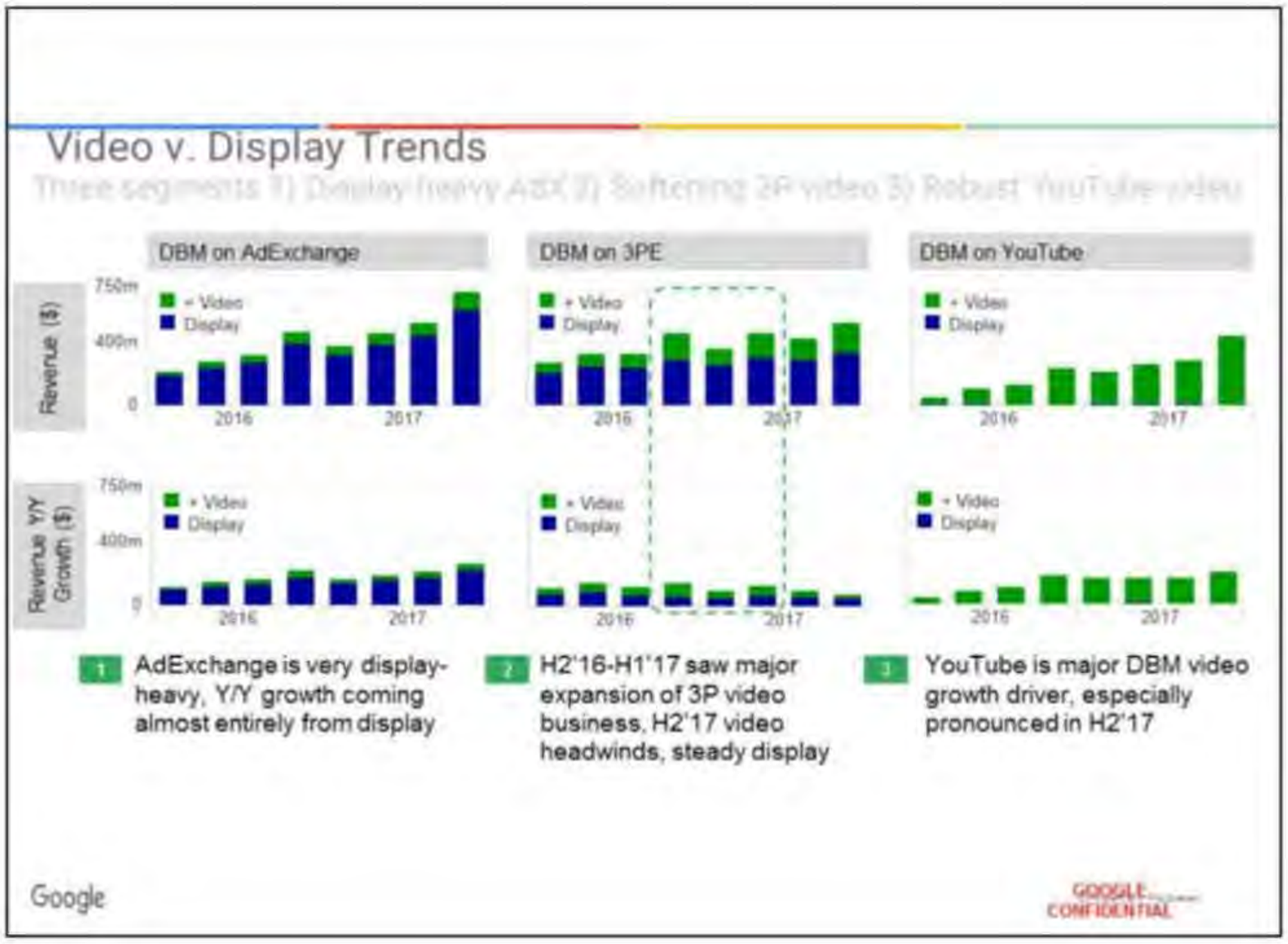


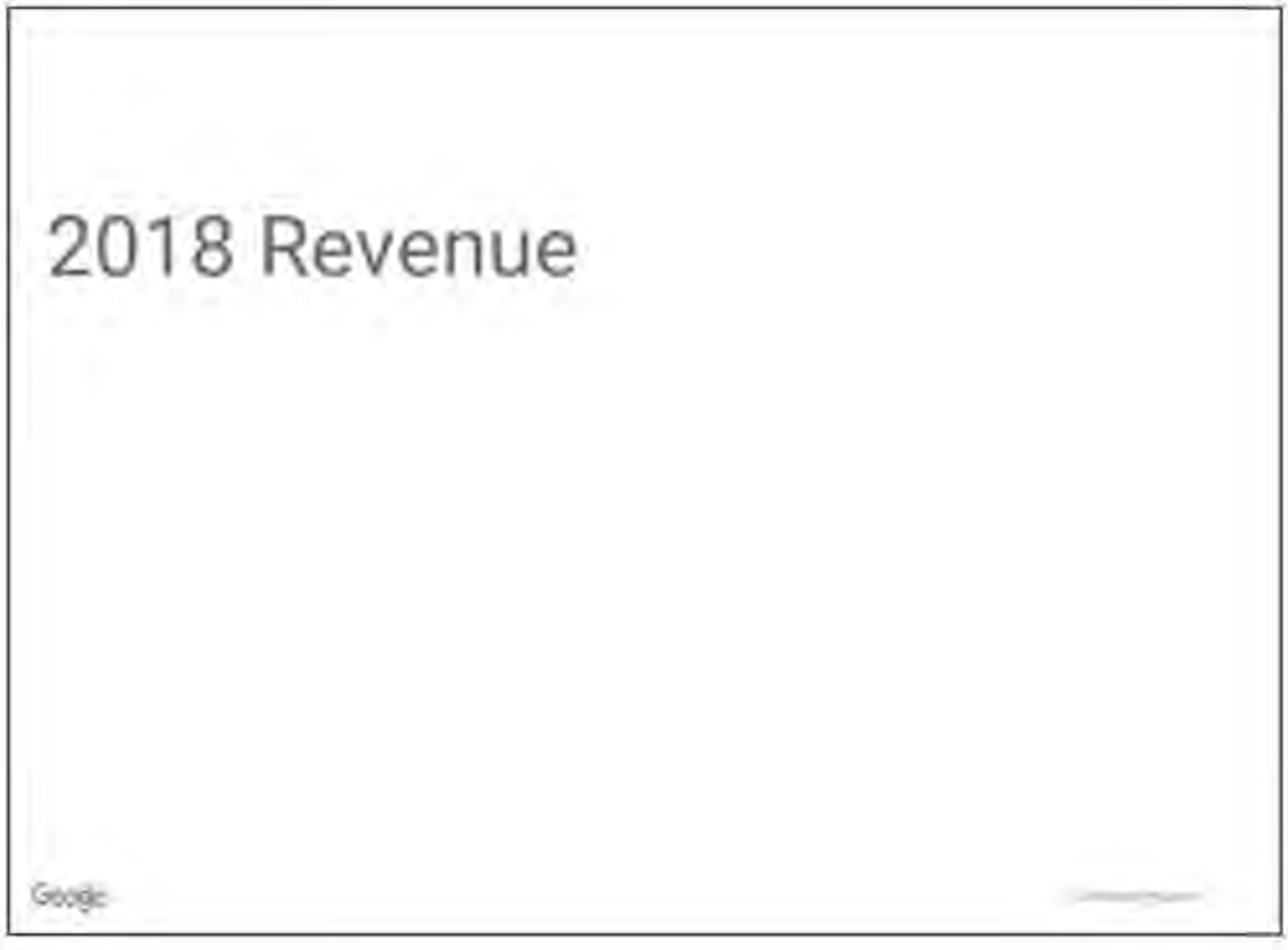
DBM on AdX: Moderate overperformance on AdX through most of 2017; slight deterioration in Q4 due to negative impact from Safari ITP and Ads.txt, although still trending above annual plan

DBM on 3PE: Strong SoY performance trending well above plan, especially thanks to heavy spend from a few top advertisers, e.g. Renault. We've seen growth (and performance) slip from Q3 as a result of deprecating 3P relationships and additional downside/risk in Q4 thanks to Safari ITP and Ads.txt (more later)

DBM on YT: Forecasting was somewhat difficult w/ limited data; did see pullback from Ford and CPG clients.



AdExchange is very display-heavy and YoY growth is coming almost entirely from display; 3P saw video expand in 2016-2017, but inventory quality/fraud concerns (spam and Ads.txt), YouTube is video-only.


2018 Revenue
Google

DDM Revenue Overview

$7.9B DDM revenue in 2018, +40% YoY (v. 51% in 2017)

Product	2017 Plan	2017 EoY % Achievement	2017 Outlook	2018 Forecast
DBM Media	$4,765M (53%)	102%	$4,835M (55%)	$6,940M (43%)
DBM Fees	$563M (31%)	100%	$563M (31%)	$726M (30%)
DBM Total	$5,303M (51%)	102%	$5,395M (54%)	$7,666M (42%)
DCM Fees	$169M (-4%)	111%	$187M (7%)	$190M (2%)
DRM Fees	$70M (-10%)	121%	$84M (9%)	$87M (3%)
DDM Total	$5,565M (47%)	102%	$5,670M (49%)	$7,943M (40%)

Google

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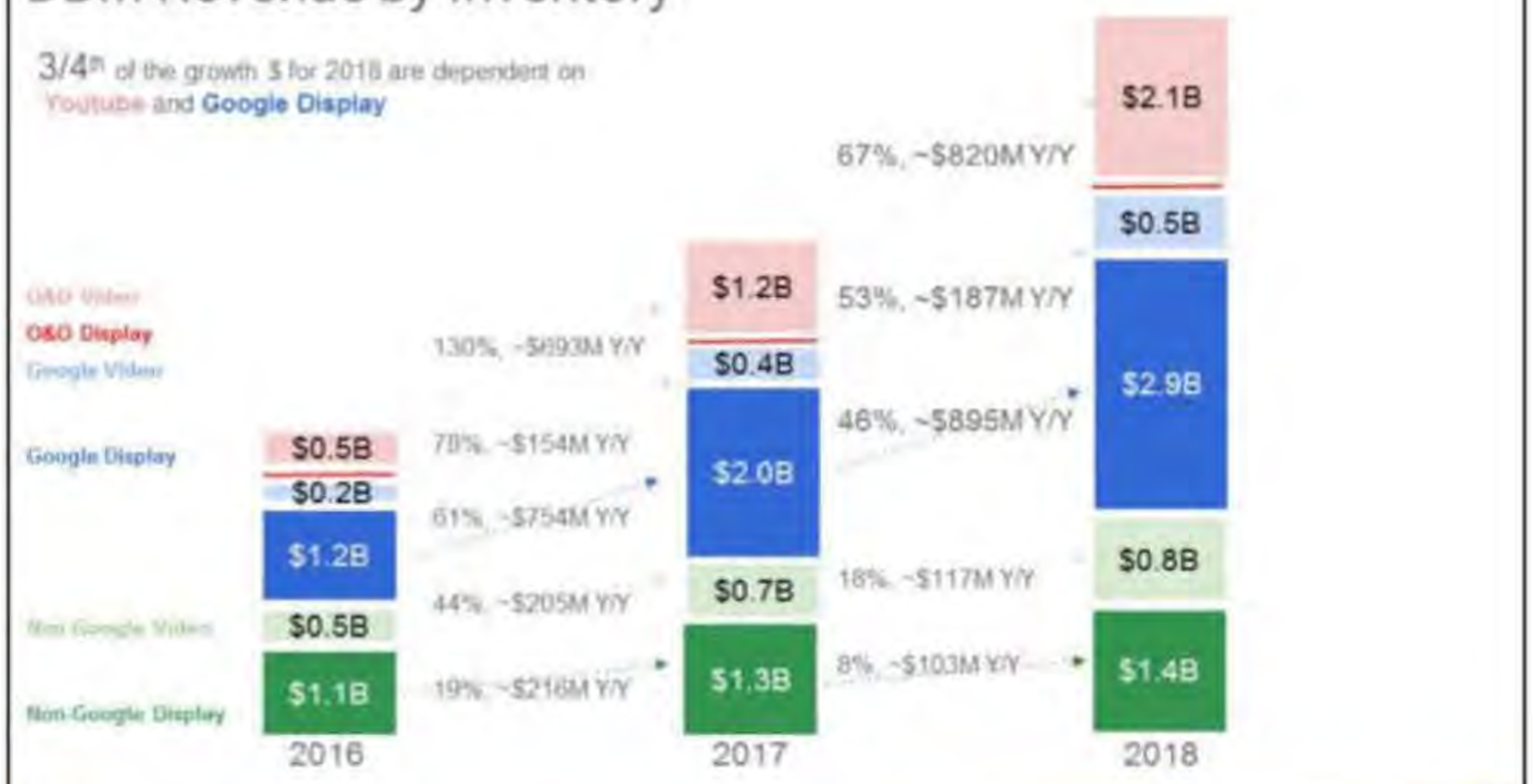
DBM Revenue by Inventory

3/4th of the growth $ for 2018 are dependent on Youtube and **Google Display**

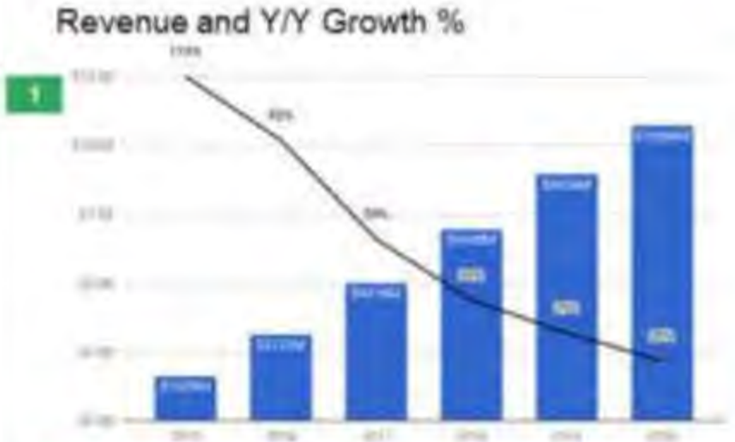


Google

DBM media only, including YT

$6.9B revenue in 2018, +39% Y/Y growth

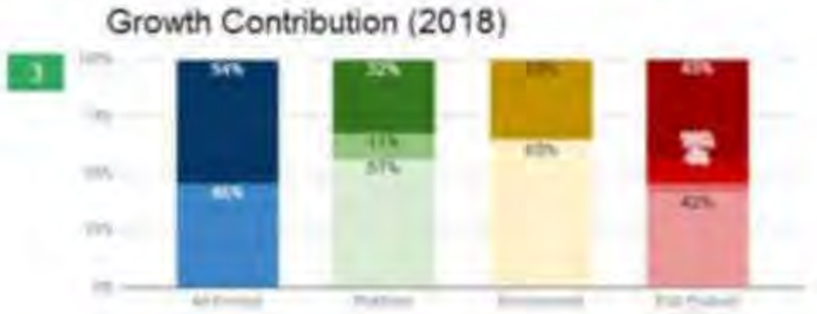
Revenue and Y/Y Growth %



Revenue Splits (2018)



Growth Contribution (2018)



1. Relatively sharp growth decline 2016 to 2017 as product matures (especially DBM on YT); anticipate 20 ppt growth drop in 2018 to 39% Y/Y
2. Despite majority of growth on mobile, DBM continues to be the most desktop-heavy front-end
3. Although majority of growth on video overall, excluding YouTube, video growth contribution falls to 23% of total DBM growth

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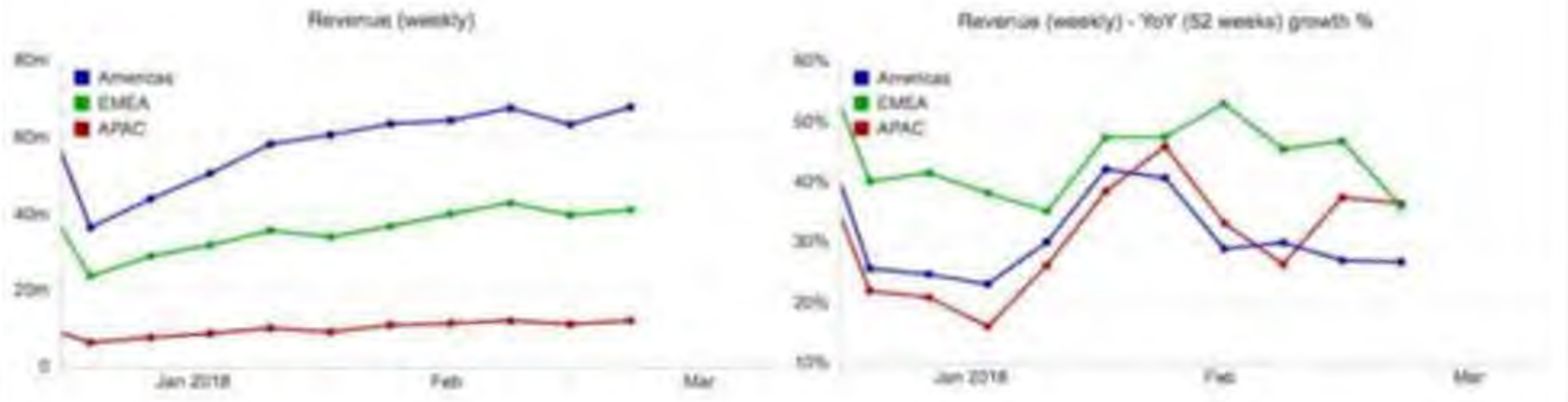
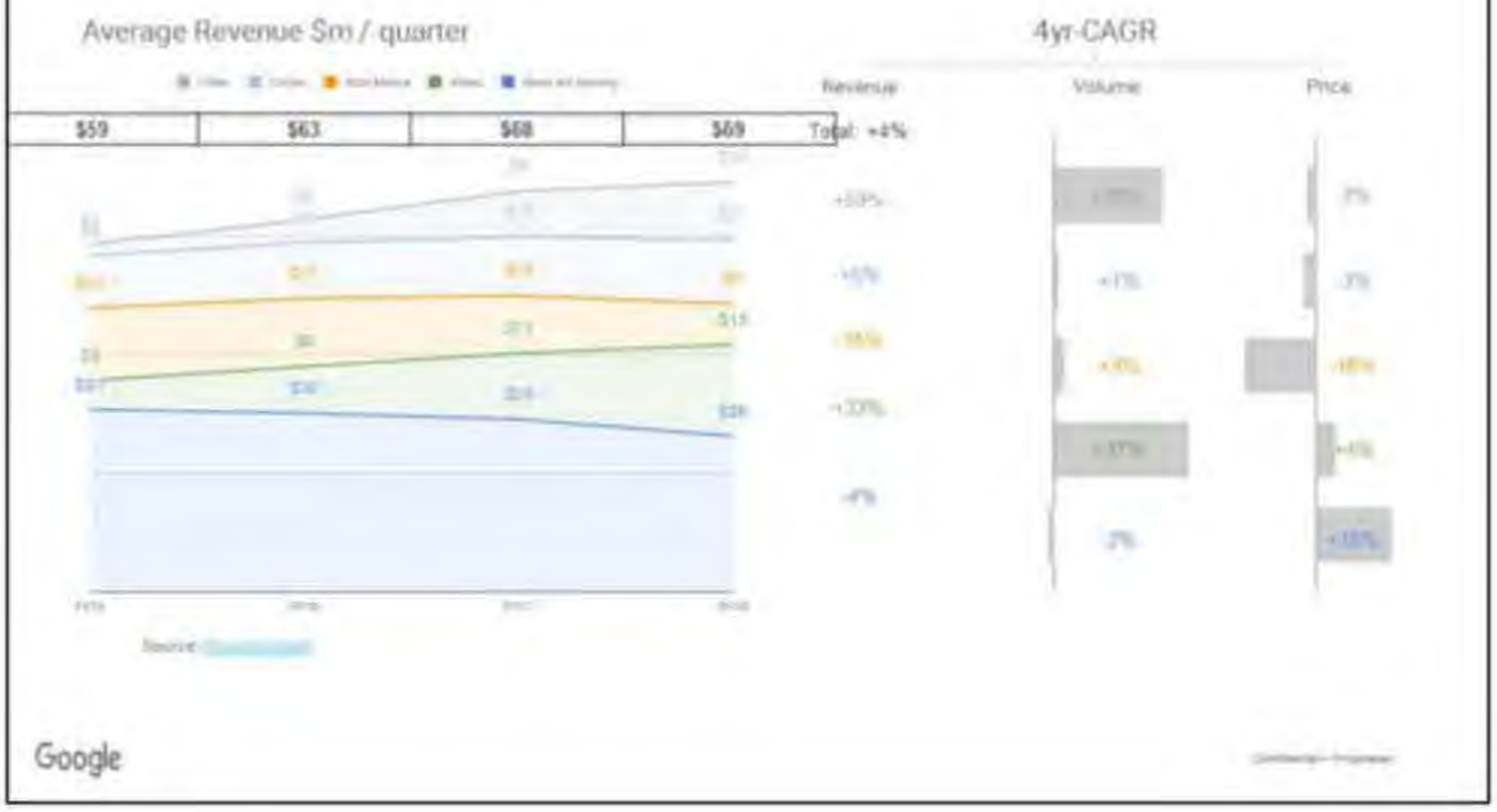
Americas still dominates, but faster growth in ROW



Google

DCM: Video is growing by 39% y/y in 2018



Google

Demos

Roshan, Karin | 40 mins



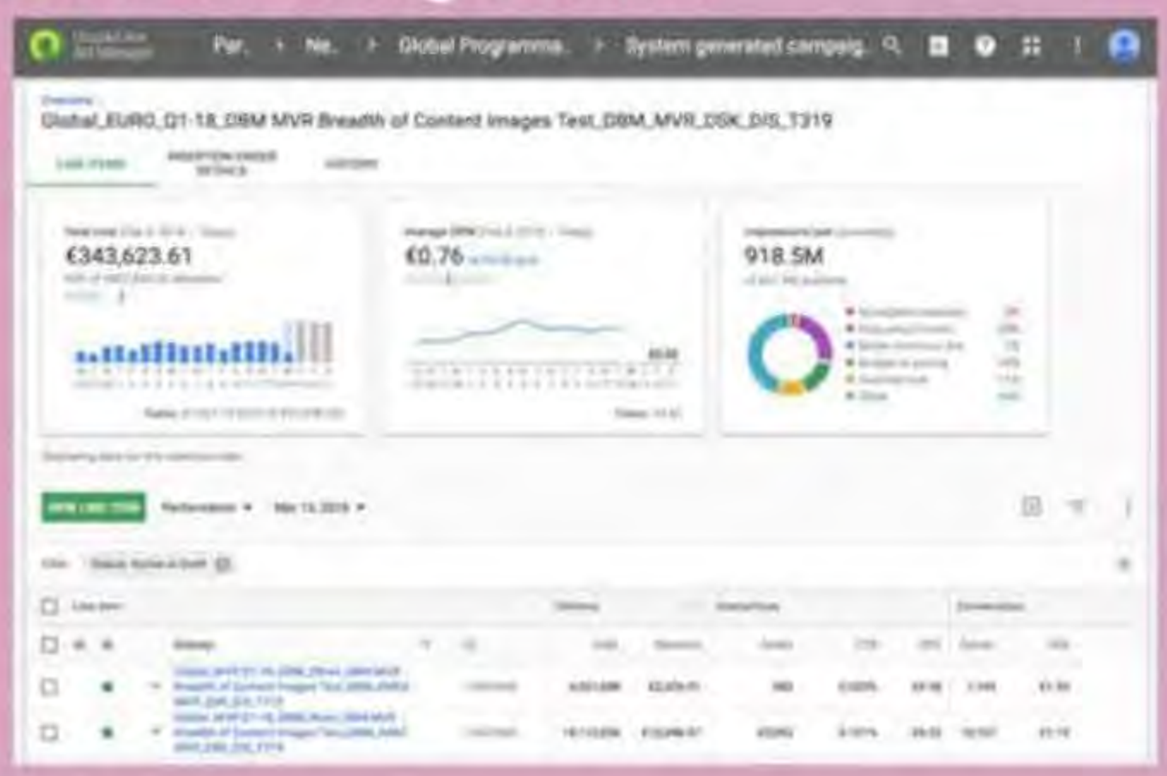


- There are 12,000 active DCM networks/accounts, and 5,000 DBM accounts
- In DCM, there are 930K active advertisers across all accounts.
- There are 40K DCM advertisers linked to DBM (exclusive DBM autocreated, which means customer-initiated, real advertisers).
- Not to complicate things, but if asked, the reality is that every DBM link doubles the number of DCM advertisers b/c of DCM0 (so the real number of participating advertisers is more like 80K)
- In DBM, 65%ish of advertisers are linked to DCM.
- Of all linked DCM advertisers, 86% of them are only linked to a single advertiser in DBM (a direct, 1:1 link to connect programmatic and reservations attribution/creative).
- Of all linked DCM advertisers, 98% of them have fewer than 5 linked advertisers in DBM, which means it is relatively uncommon for a DCM advertiser to cross-link to many DBM

advertisers or DBM partners

- However, those who do cross-link tend to be our biggest customers like:
- Top linked advertisers: Best Buy (439), Zalando, Amex, Telstra, Google, KLM, Verizon, Diagio, HBO
- For linked advertisers, there are 9M active synched/shared creatives in DBM
- In DCM, there are 68M active placements/creative tags generally.
- Almost half of DCM MuM is programmatic,

DoubleClick Bid Manager Demo



Google



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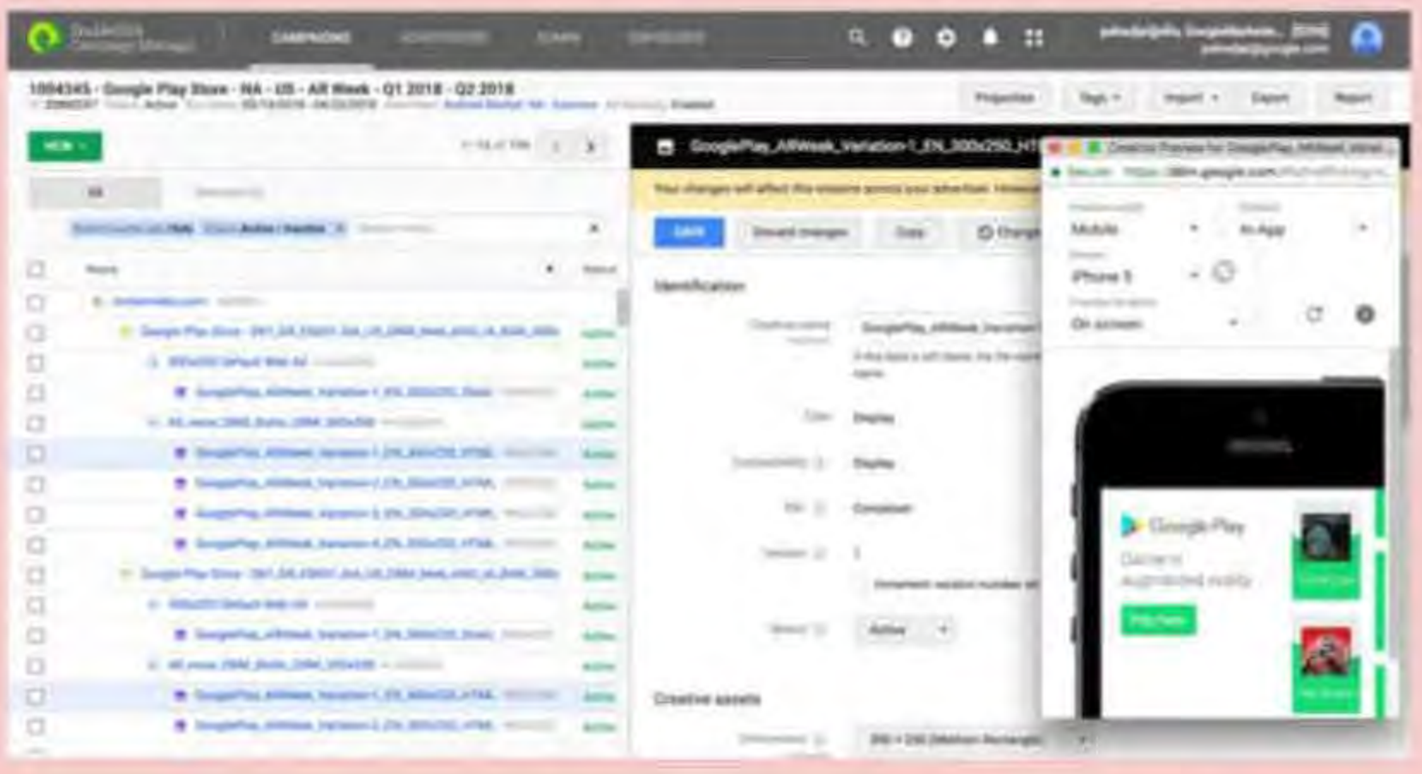
DoubleClick Campaign Manager Demo



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19 March

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Business Overview: Ecosystem, Revenue	60 min	Tobias, Roshan
Product Demo: DBM	40 min	Roshan, Karin

Part 2

Today

Topic	Time	Presenters
Product Demo: DCM **Product Strategy:** 2018 Strategy Overview, DV360	60 min	Luke, Karin, Deepti

Part 3

29 March

Topic	Time	Presenters
Product Strategy: Pivot to Video, Other Bets	120 min	Deepti, Glenn, Luke

Google

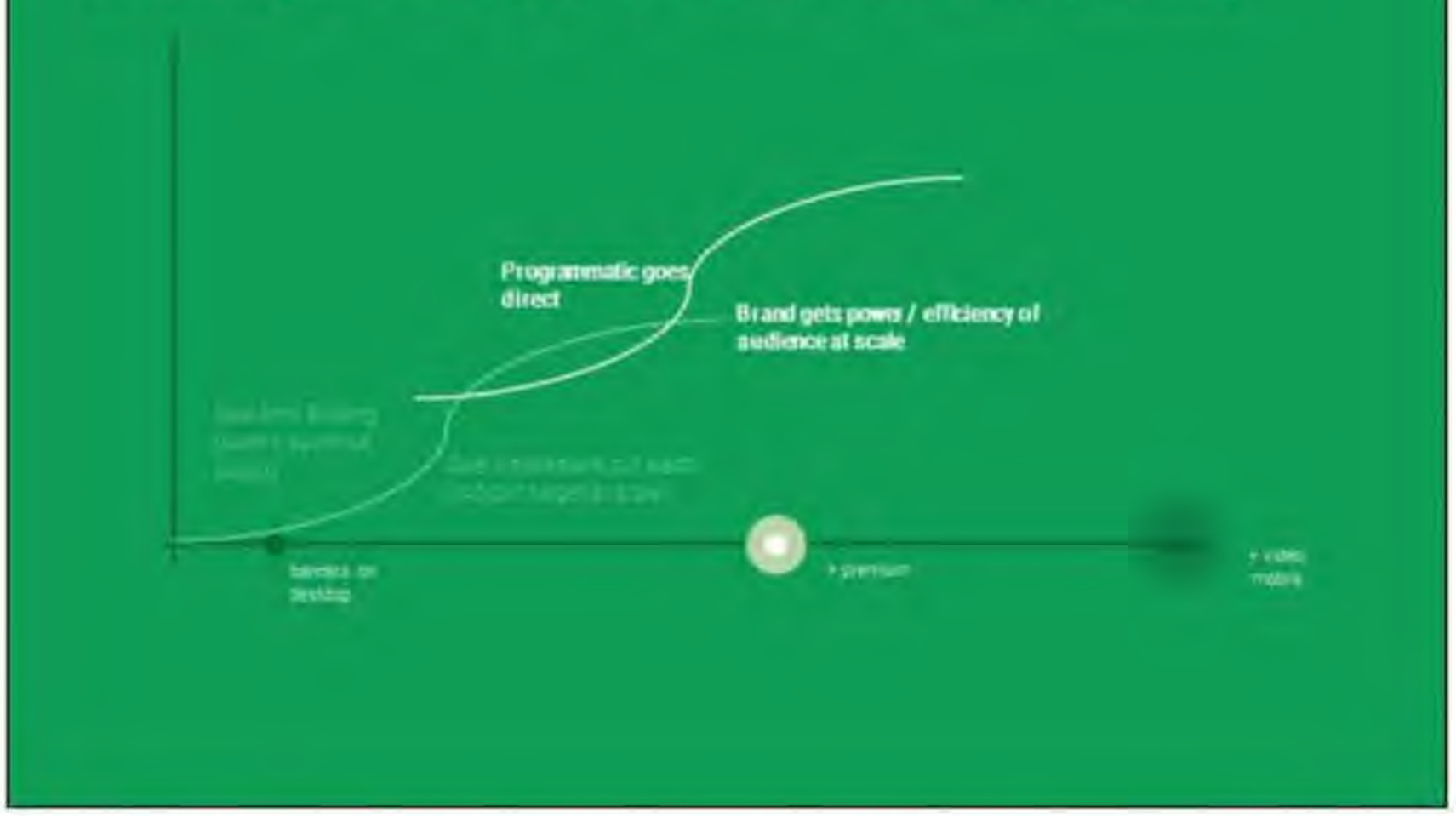
Buyside Product Strategy 2018 Intro

Luke | 10 mins

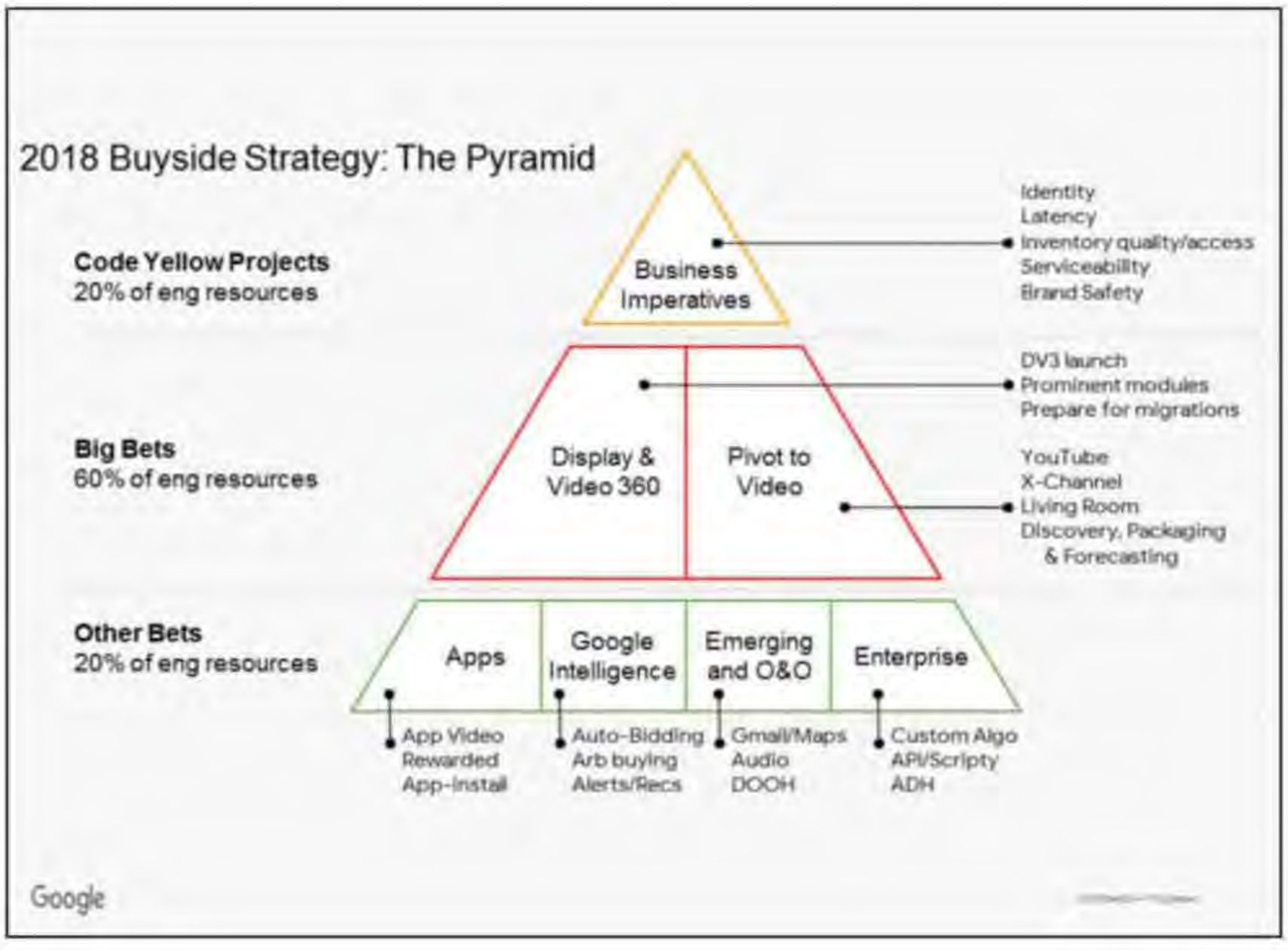
Google

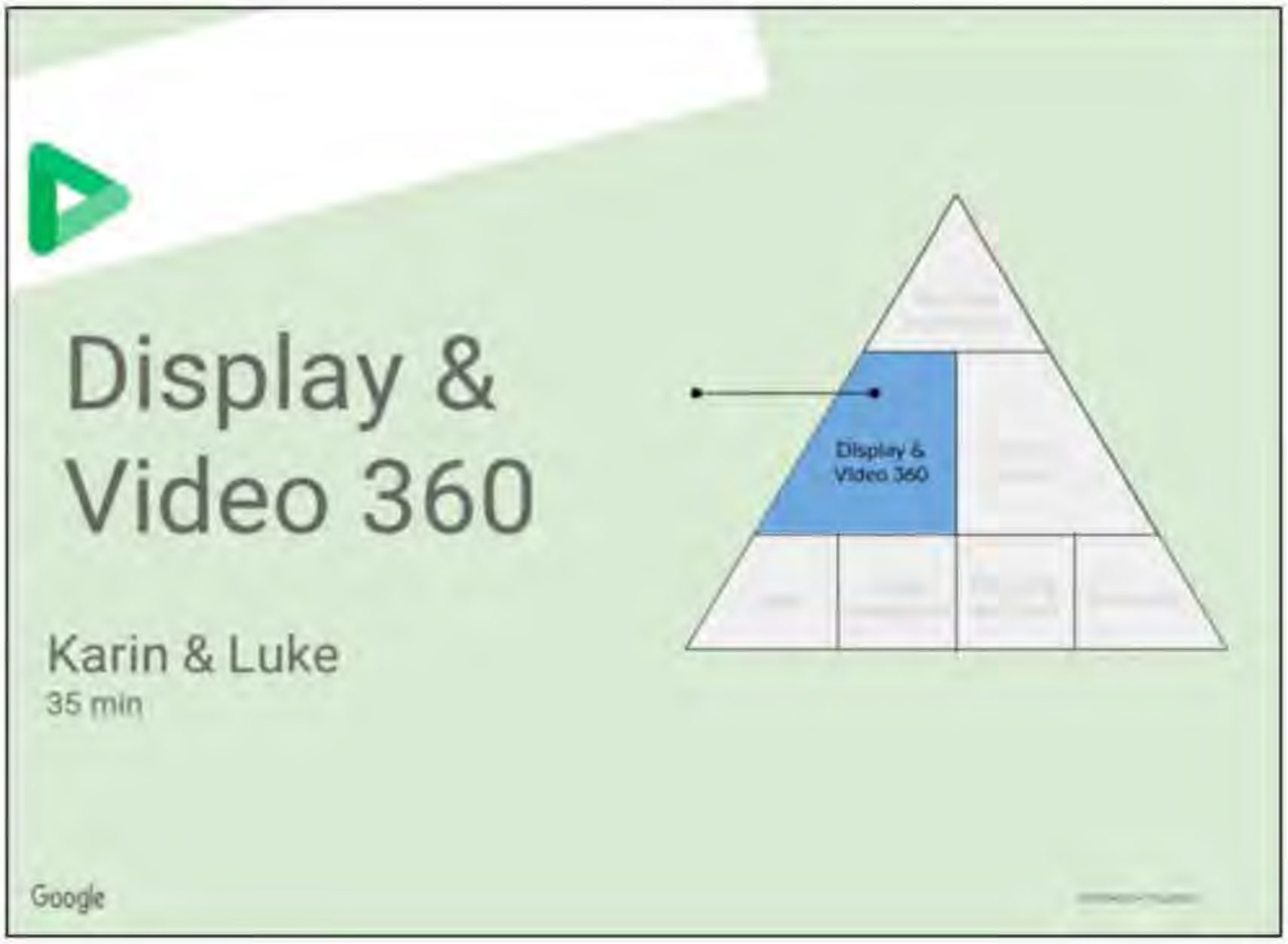

2009: Real-time bidding on remnant inventory
Real-time Bidding powers audience buying
Direct marketers cut waste and can target at scale

2013: Programmatic goes direct, on full-desktop inventory




2016: Programmatic extends everywhere, cross-screen/device
Multi-screen, multi-environment
Cross-device, new formats and APIs for walled gardens


2018 Buyside Strategy: The Pyramid
Code Yellow Projects
20% of eng resources
Business Imperatives
Identity
Latency
Inventory quality/access
Serviceability
Brand Safety
Big Bets
60% of eng resources
Display & Video 360
Pivot to Video
DV3 launch
Prominent modules
Prepare for migrations
YouTube
X-Channel
Living Room
Discovery, Packaging & Forecasting
Other Bets
20% of eng resources
Apps
Google Intelligence
Emerging and O&O
Enterprise
App Video
Rewarded
App-Install
Auto-Bidding
Arb buying
Alerts/Recs
Gmail/Maps
Audio
DOOH
Custom Algo
API/Scripty
ADH
Google



Creative
https://docs.google.com/presentation/d/1Y8pRpXe7iggl91tdZfizDkX8ovgKRQ5gNjftnr2C83o/edit#slide=id.g259e59bee2_0_349

Inventory
https://docs.google.com/presentation/d/1nkf9hGGsOdvzjFsJyiVmxEh8Jn2LYnU5NF0DeruWIE4/edit#slide=id.g29c52578b1_0_59

Audience
https://docs.google.com/presentation/d/1yaxUNxb1fB8Y5ejKUciC7A_OWvEw3TJ_JgiAzm3C1Hs/edit#slide=id.p

Measurement
https://docs.google.com/presentation/d/1bpW60UlEkwUMp-ZxthbxRlfYxNLLT11SE4iQ27ygTuc/edit#slide=id.p

Show less

Id	Date	Text
2	03/27/2018 17:56:16	I guess we could make that point in voiceover on slide 60 but given the prior session I think Suresh will be interested in the reservations >> programmatic margin opportunity
1	03/28/2018 14:22:13	I can voice over this but the margin thing is actually tricky because he very keenly noticed the gross vs net thing, so it's not purely a margin story
1	03/28/2018 14:26:08	+karinbi@google.com Working through these slides today (sorry for the delay). I think we need to include a slide on the point of Cronut from our strategy perspective (i.e. long term goal of shifting reservation >> deals >> programmatic). I think that's an important point to make with Suresh upfront _Reassigned to Karin Hennessy_
3	03/28/2018 14:26:08	Well, yes, not margin %age, but it definitely leads to more margin $$ for Google But yeah, your call

HIGHLY CONFIDENTIAL

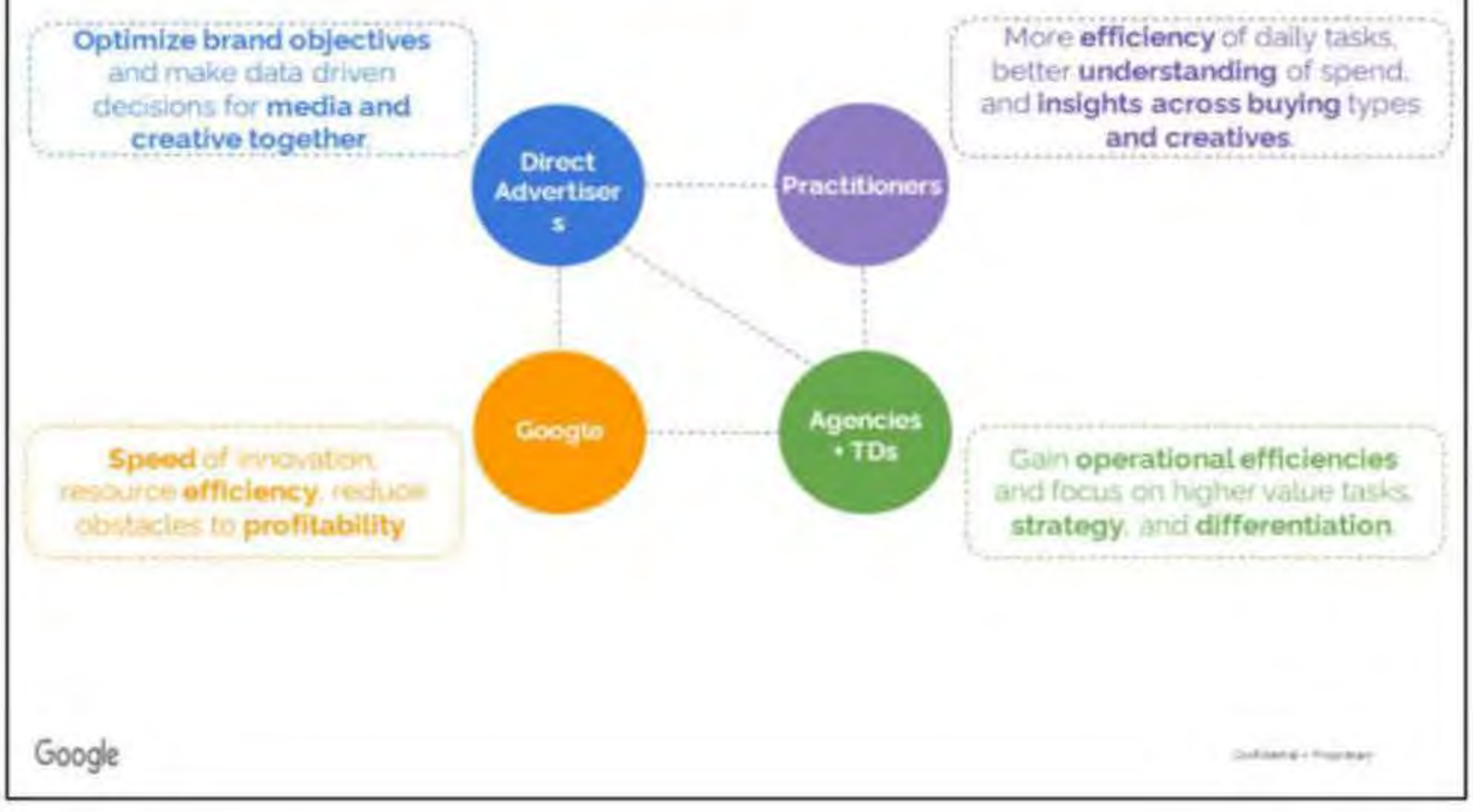
We are launching a unified enterprise display & video advertising platform



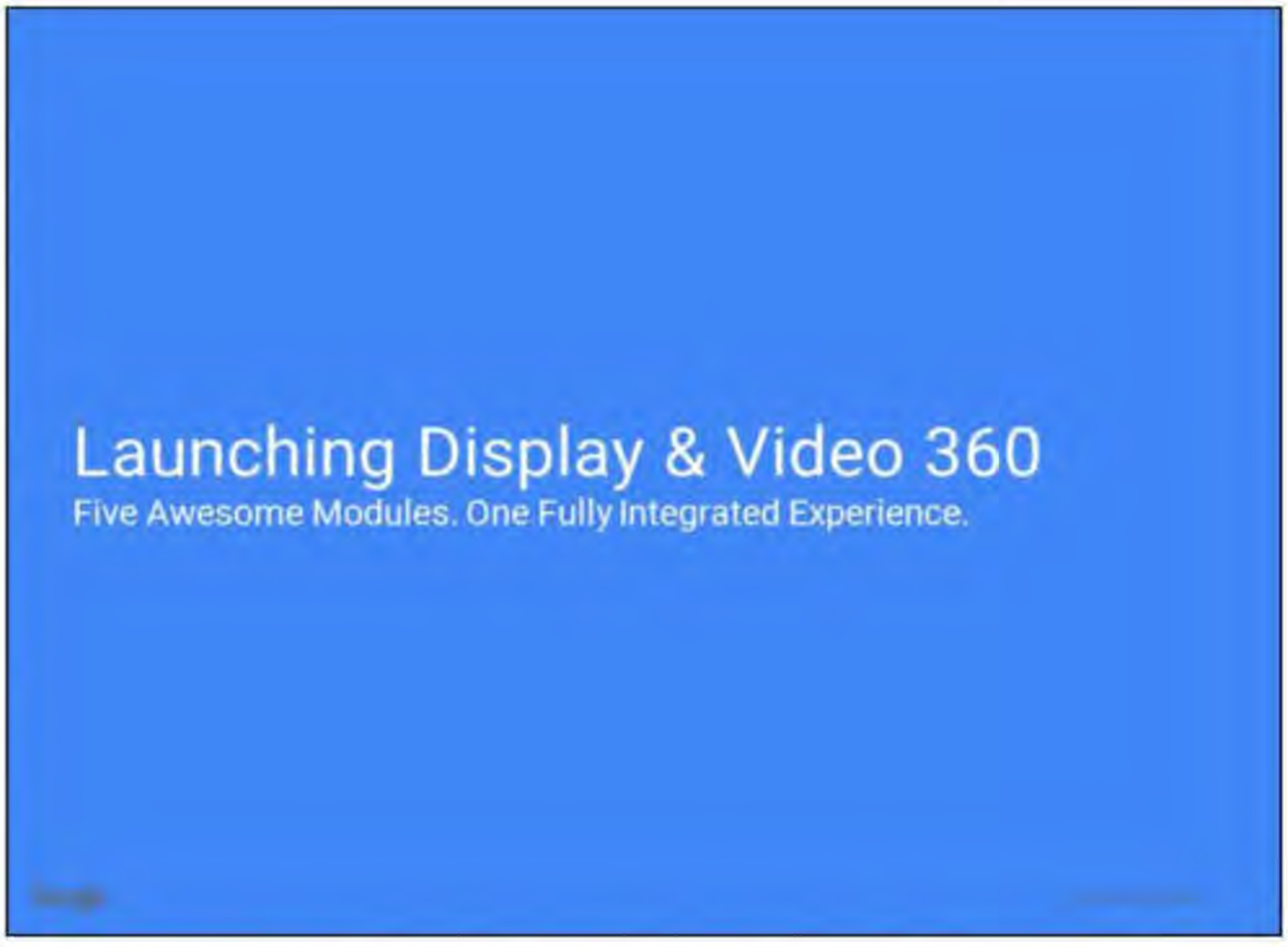
Aimed to be the leading OS for large advertisers

Google

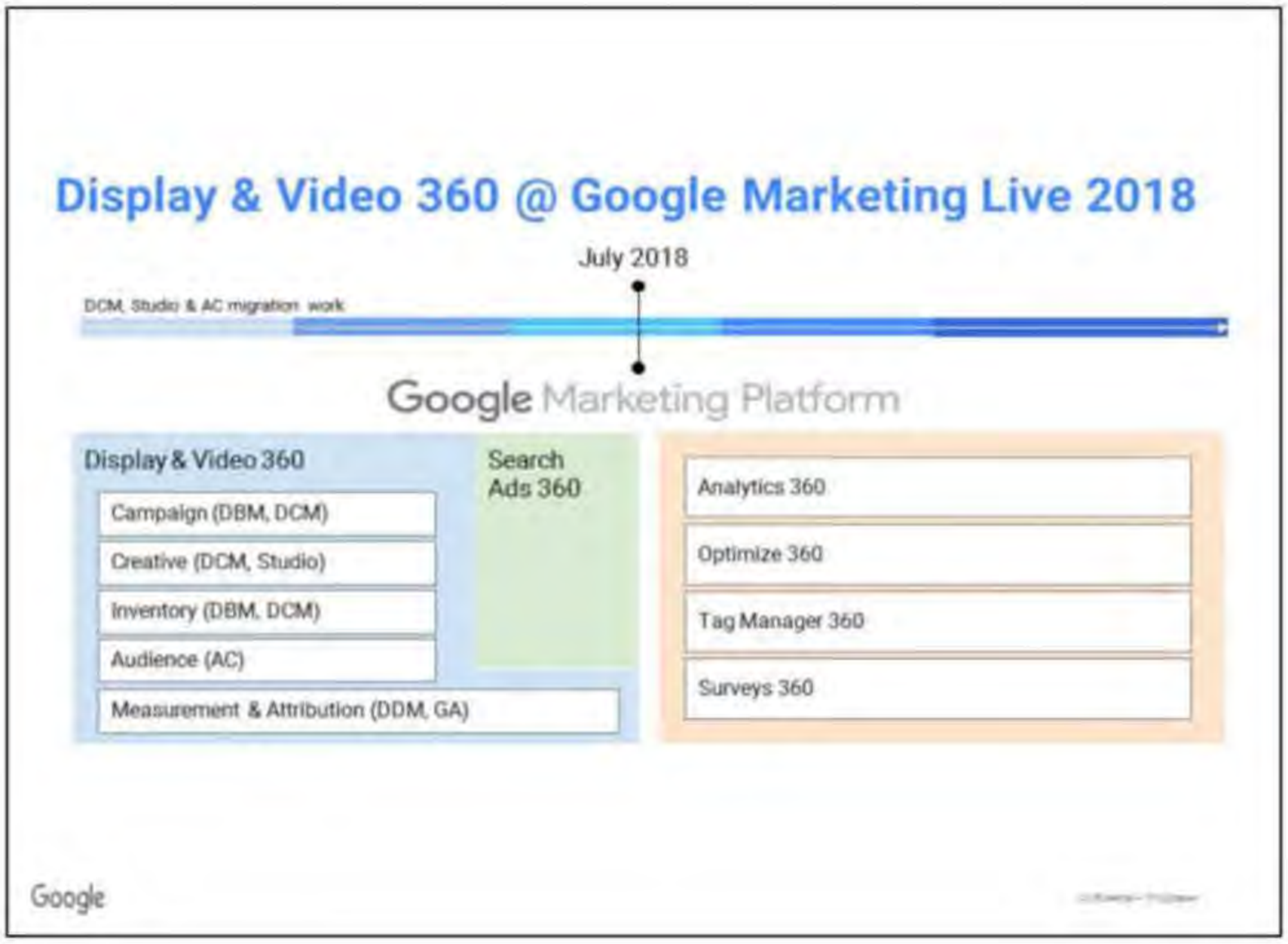
Display & Video 360 benefits



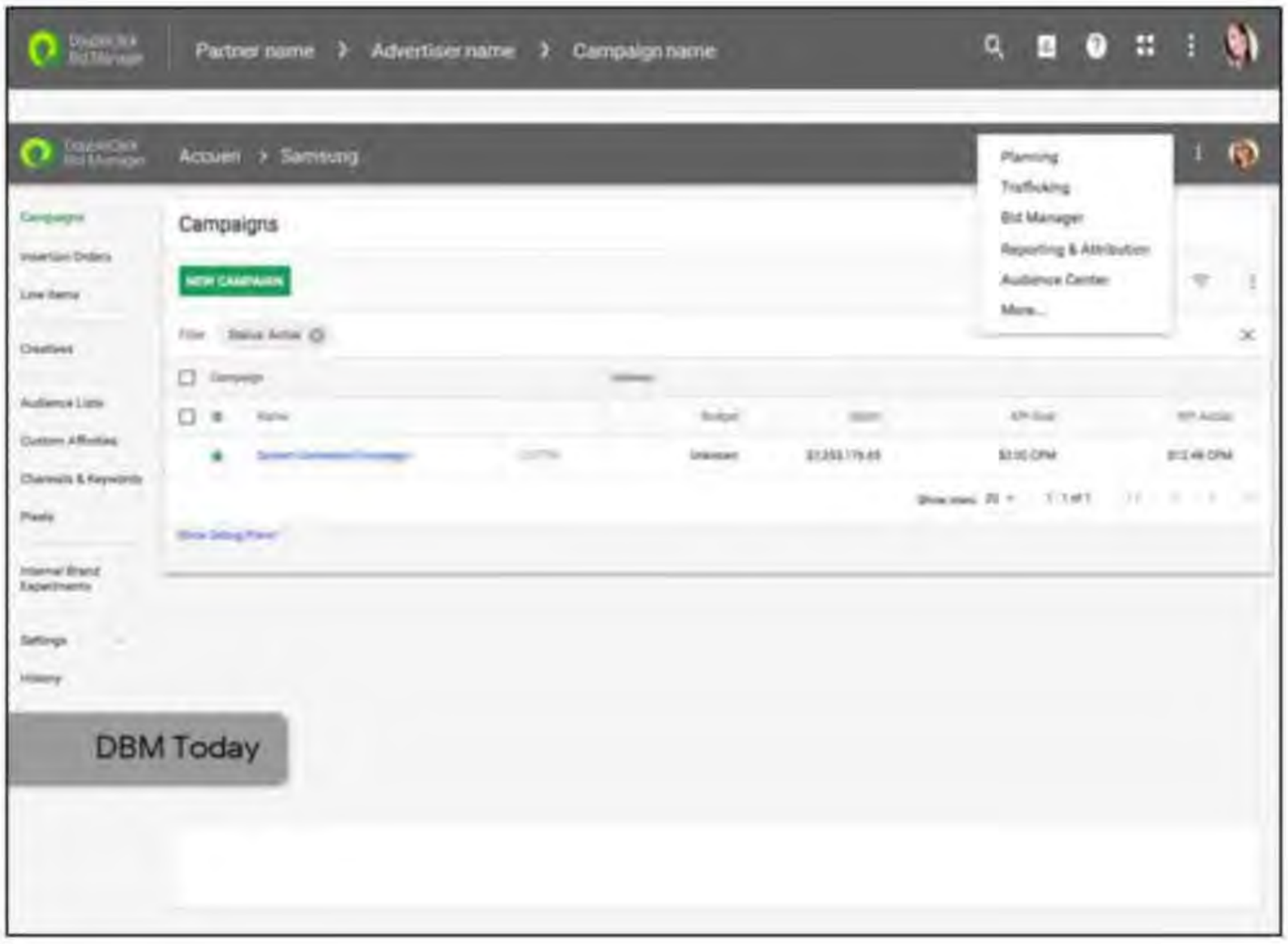
Google

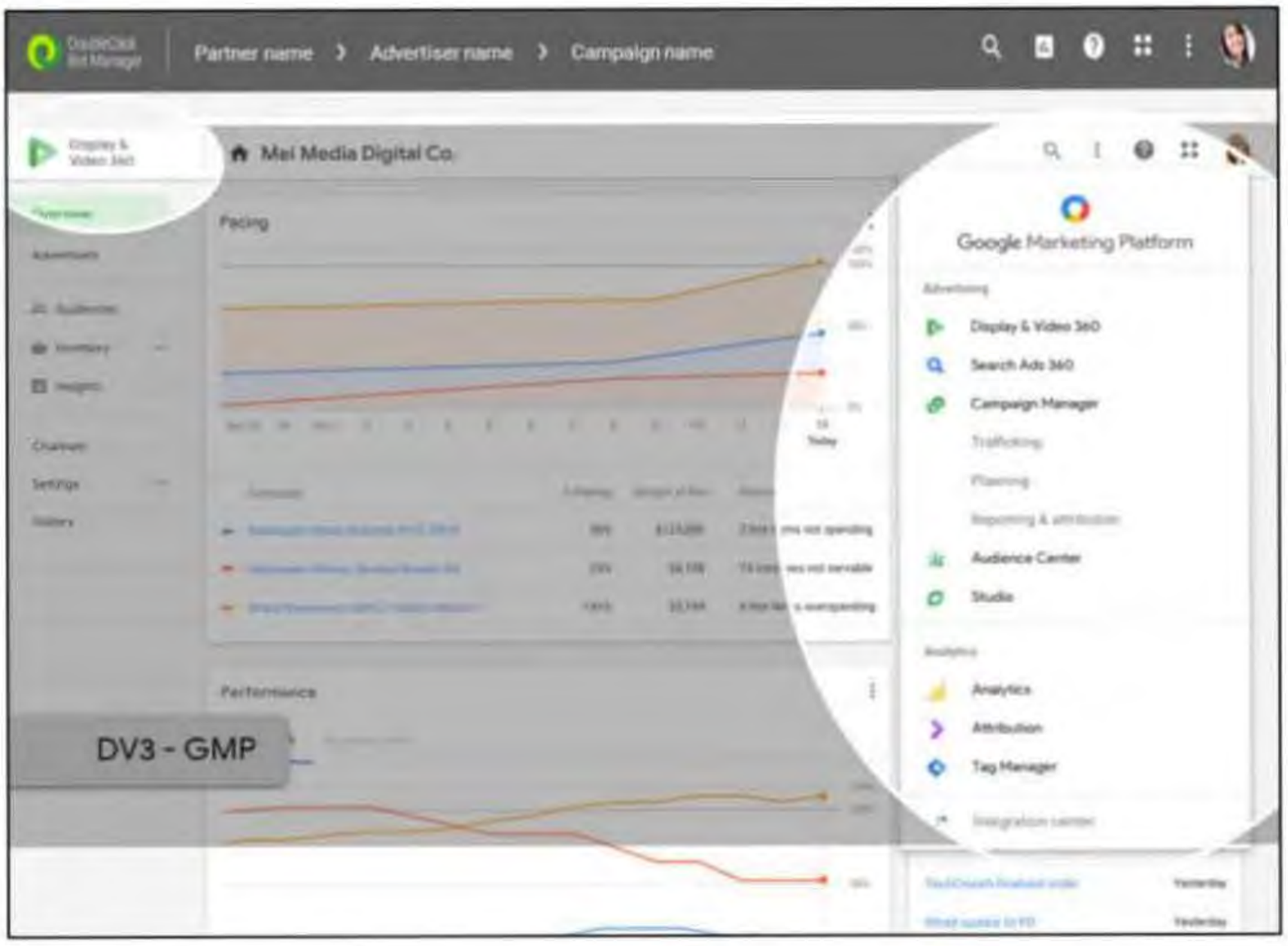

Launching Display & Video 360
Five Awesome Modules. One Fully Integrated Experience.

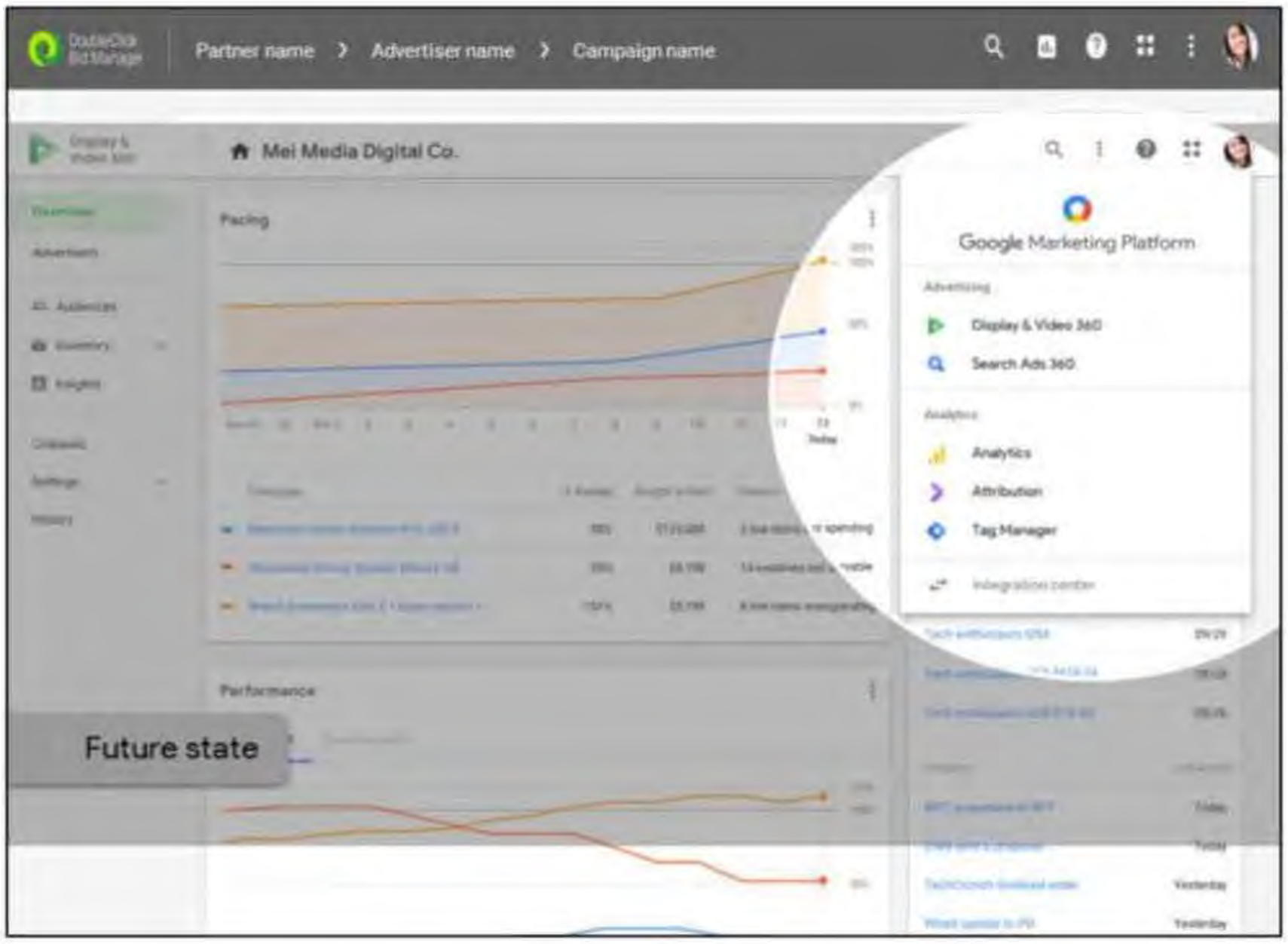

Google
Marketing
Live 2018
Google

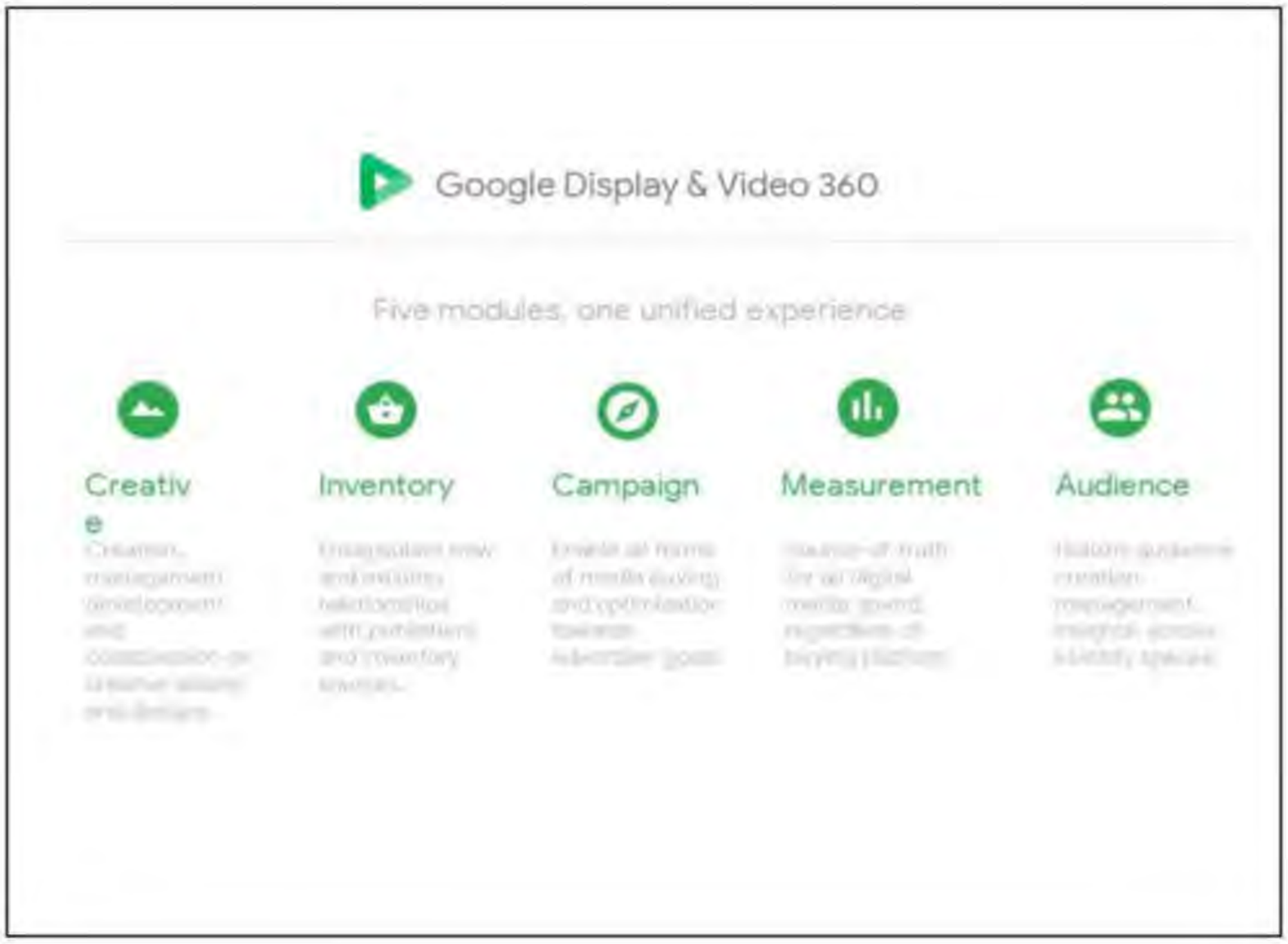


Measurement

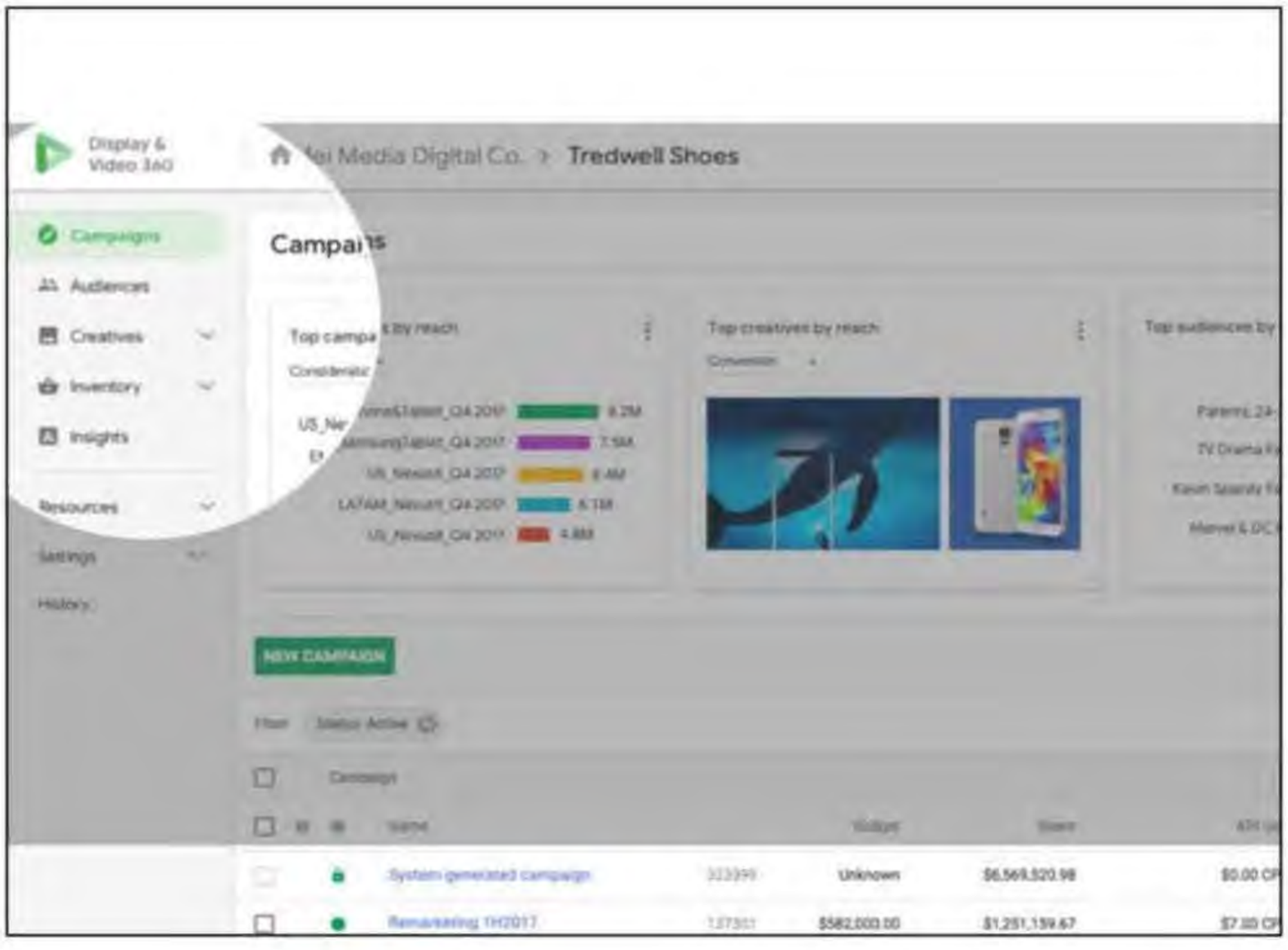

Partner name
Advertiser name
Campaign name
Accueil
Samsung
Campaigns
NEW CAMPAIGN
Planning
Trafficking
Bid Manager
Reporting & Attribution
Audience Center
More...
Campaigns
Insertion Orders
Line Items
Creatives
Audience Lists
Custom Affinities
Channels & Keywords
Pixels
Internal Brand Experiments
Settings
History
DBM Today


Partner name
Advertiser name
Campaign name
Mei Media Digital Co
Pacing
Performance
Today
Google Marketing Platform
Display & Video 360
Search Ads 360
Campaign Manager
Audience Center
Studio
Analytics
Attribution
Tag Manager
DV3 - GMP

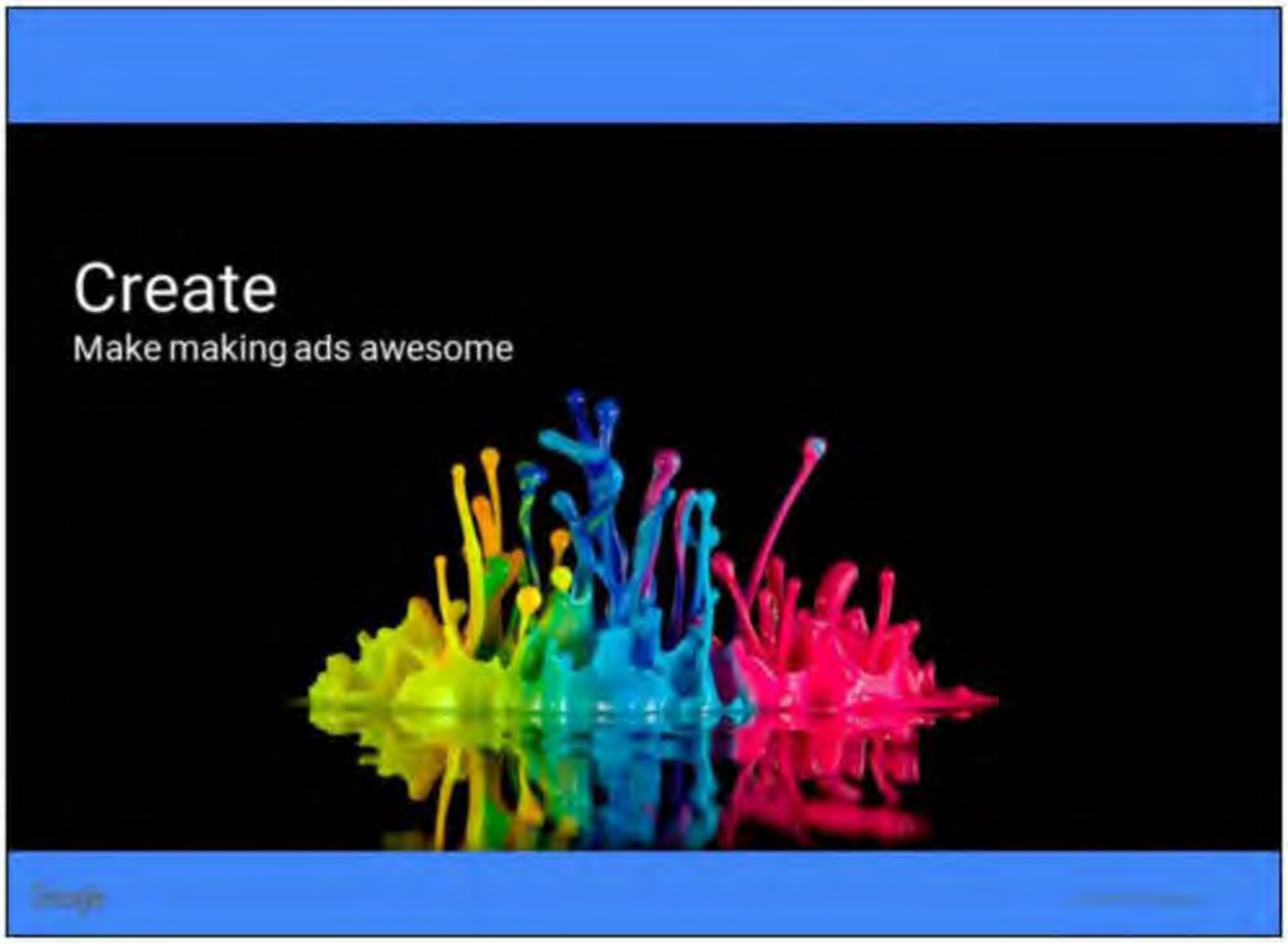

DoubleClick Bid Manager
Partner name
Advertiser name
Campaign name
Mei Media Digital Co.
Pacing
Performance
Future state
Google Marketing Platform
Advertising
Display & Video 360
Search Ads 360
Analytics
Analytics
Attribution
Tag Manager
Integration center



What is the module framework?
Key workflows
Point solutions in the market


Display &
Video 360
Campaigns
Audiences
Creatives
Inventory
Insights
Resources
Settings
History
Tredwell Shoes
Campaigns
Top creatives by reach
NEW CAMPAIGN
Filter
Status: Active
Campaign
Name
System generated campaign
Unknown
$6,569,520.98
Remarketing 1H2017
$582,000.00
$1,251,159.67


Lightning Rounds
Creative. Measurement. Mic drop.


Create
Make making ads awesome

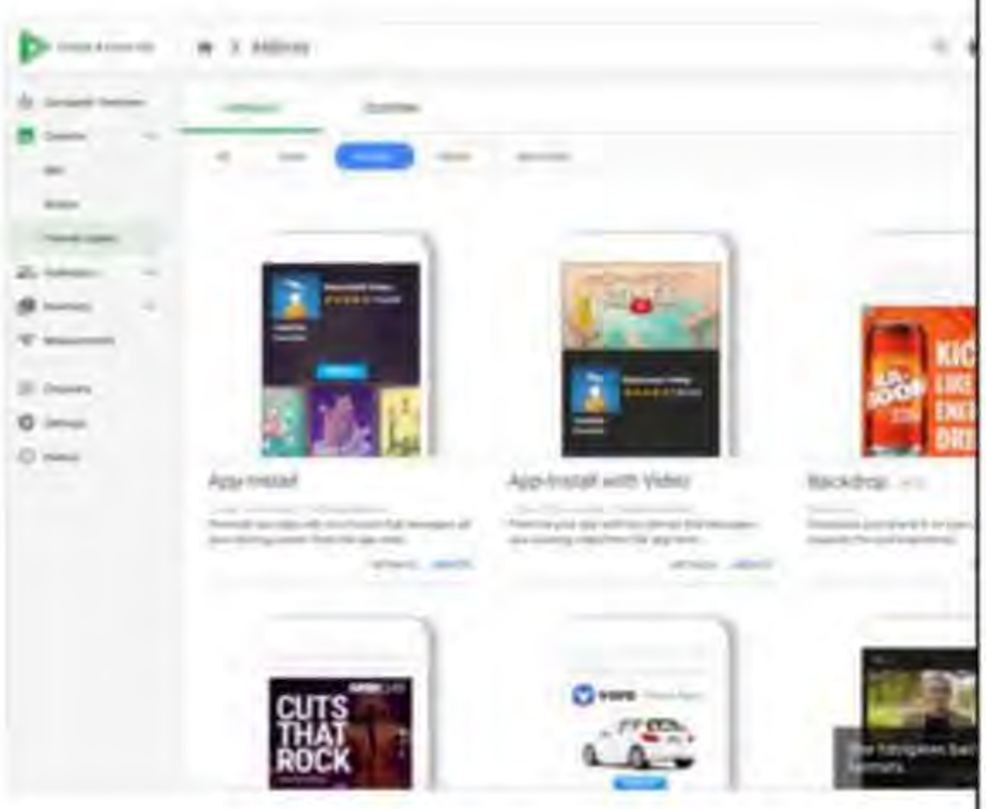
Creative Workspace

- Personalization – your most recent campaigns and creatives front and center.
- Campaign Home – Goals and objectives, creative brief, insights, and the launchpad for creative tasks.
- Collaboration – integrated activity feed keeps media and creative agencies looped in.
- Visual UI – lists are boring, seeing your creatives is delightful.



Format Gallery

- High Impact Formats – Discover new innovative formats.
- Test Drive – See how your assets look in different formats.
- Integrated – Format recommendations based on your campaign goals and past performance.

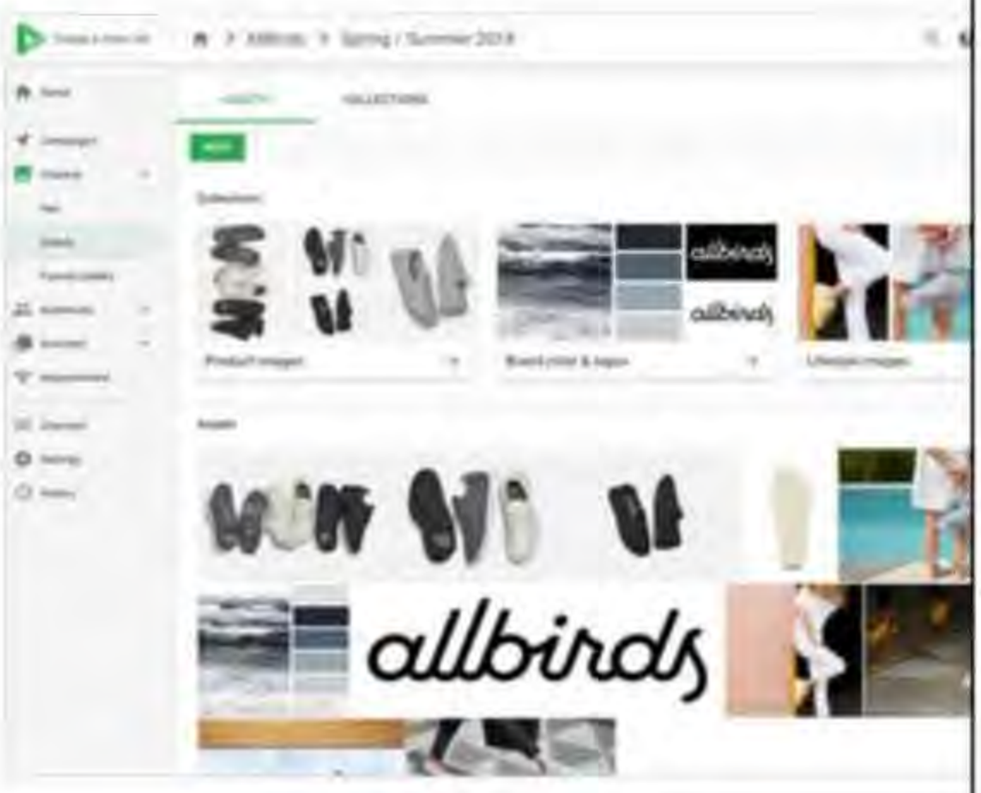


Google

Confidential and Proprietary

Asset Library

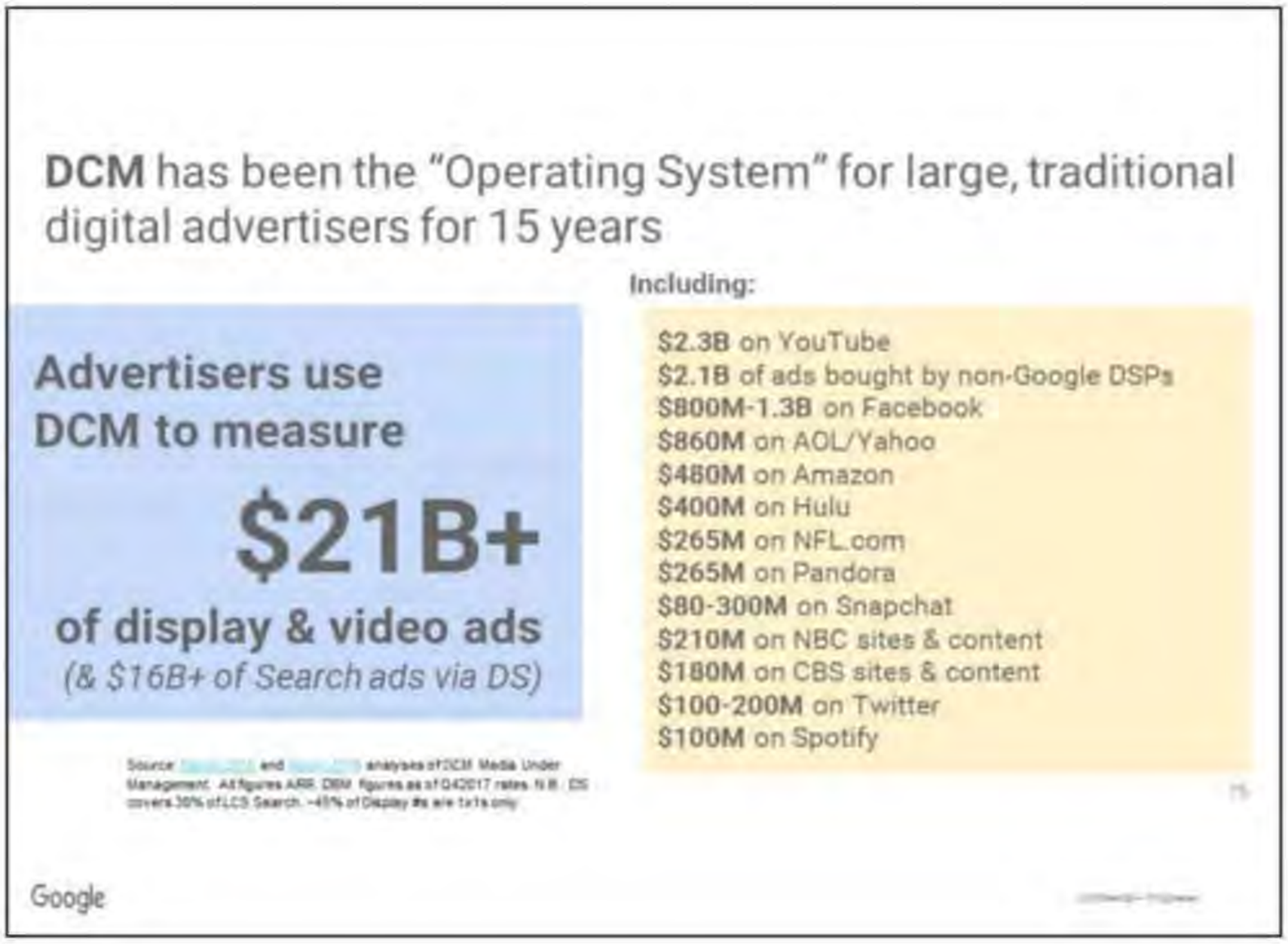
- Organized – smart asset tagging makes finding and reusing assets a cinch.
- Collections – build moodboards, collect inspirations, and collaborate on creative ideas.
- Powerful – image and video transcoding, live hot swapping, Machine Learning for creative insights.
- Concepting – (flesh out)



Measurement

Which ads worked?





Pixel	Non-DBM	DBM	Total
non-1x1	198,553,196,653 316,342,870,149		117,789,673,496
1x1	231,136,718,192 266,256,925,422		35,120,207,230
Total	429,689,914,845 582,599,795,571		152,909,880,726
1x1/total	54%	23%	46%

https://screenshot.googleplex.com/mD9wAte4hus

During the transition to DV3, we can't take DCM's successful position in measurement for granted

Increasing success from point players in brand, attribution, app

MOAT
visual iq
TUNE

Facebook increasingly 'closed' to measurement standards due to fears about viewability

groupm
WPP

Agencies looking to differentiate with cross-platform approaches

Google

For GML, we're pushing **DV3 measurement** end-to-end



Google

Migrations

Move things, gracefully.



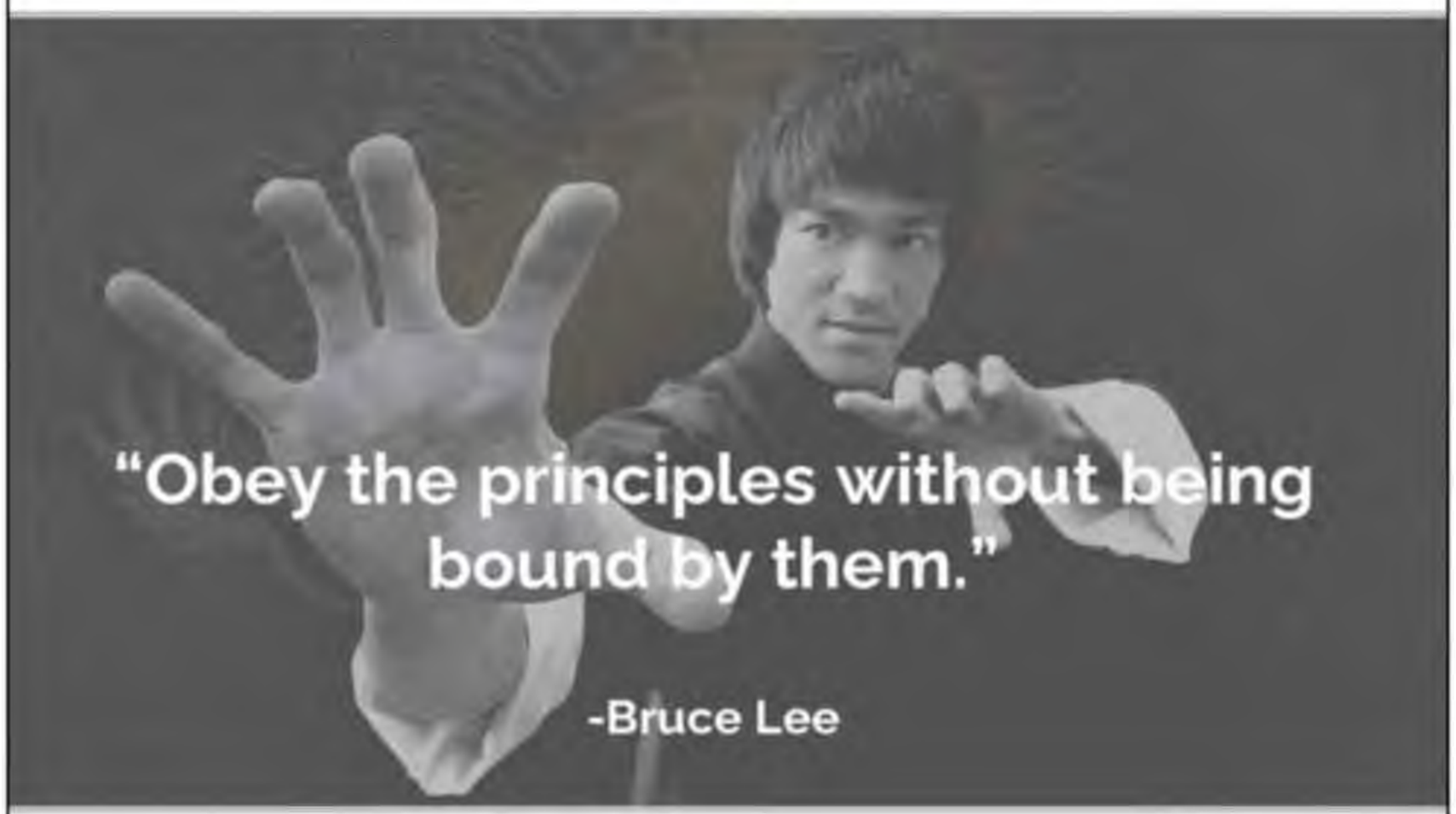
- There are 12,000 active DCM networks/accounts, and 5,000 DBM accounts
- In DCM, there are 930K active advertisers across all accounts.
- There are 40K DCM advertisers linked to DBM (exclusive DBM autocreated, which means customer-initiated, real advertisers).
- Not to complicate things, but if asked, the reality is that every DBM link doubles the number of DCM advertisers b/c of DCM0 (so the real number of participating advertisers is more like 80K)
- In DBM, 65%ish of advertisers are linked to DCM.
- Of all linked DCM advertisers, 86% of them are only linked to a single advertiser in DBM (a direct, 1:1 link to connect programmatic and reservations attribution/creative).
- Of all linked DCM advertisers, 98% of them have fewer than 5 linked advertisers in DBM, which means it is relatively uncommon for a DCM advertiser to cross-link to many DBM

advertisers or DBM partners

- However, those who do cross-link tend to be our biggest customers like:
- Top linked advertisers: Best Buy (439), Zalando, Amex, Telstra, Google, KLM, Verizon, Diagio, HBO
- For linked advertisers, there are 9M active synched/shared creatives in DBM
- In DCM, there are 68M active placements/creative tags generally.

Id	Date	Text
4	03/27/2018 18:08:40	rkamra@google.com Suggest we cut for time

Google



Google

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Display & Video 360 Unification Principles

Simplify account, product and commercial states while building for users of the future.

Single Product Experience

Offer a single product to our customers. Customers may decide to use a subset of modules.

Unified Contract

Offer a simpler, unified contract, but grandfather customer base to enable migration

Single Account

Merge full stack customers where possible to help realize value of consolidation.

Keep our customers

Making thoughtful cost/benefit trade offs and try to satisfy or improve customer use cases.

Google

Slide 148

Id	Date	Text
5	03/28/2018 14:06:34	rkarnib@google.com Suggest we keep this as the last slide, it's probably an important discussion to have with Suresh but we won't make it past this slide :)
2	03/28/2018 14:06:34	fine with me, moved it!

Google

Part 1

19 March

Topic	Time	Presenters
Introduction: Product Portfolio, Team Structure	20 min	Payam, Max, Vlad
Business Overview: Ecosystem, Revenue	60 min	Tobias, Roshan
Product Demo: DBM	40 min	Roshan, Karin

Part 2

28 March

Topic	Time	Presenters
Product Demo: DCM **Product Strategy:** 2018 Strategy Overview, DV360	60 min	Luke, Karin, Deepti

Part 3

Today

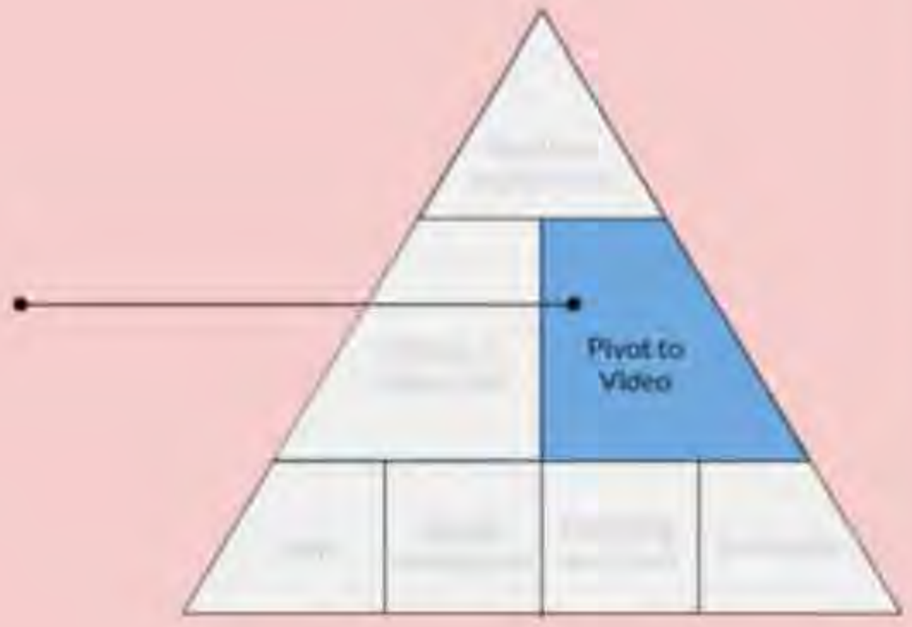
Topic	Time	Presenters
Product Strategy: Pivot to Video, Other Bets	120 min	Eve, Sara, Deepti, Glenn

Google

Video

Deepti & Glenn

90 min minutes

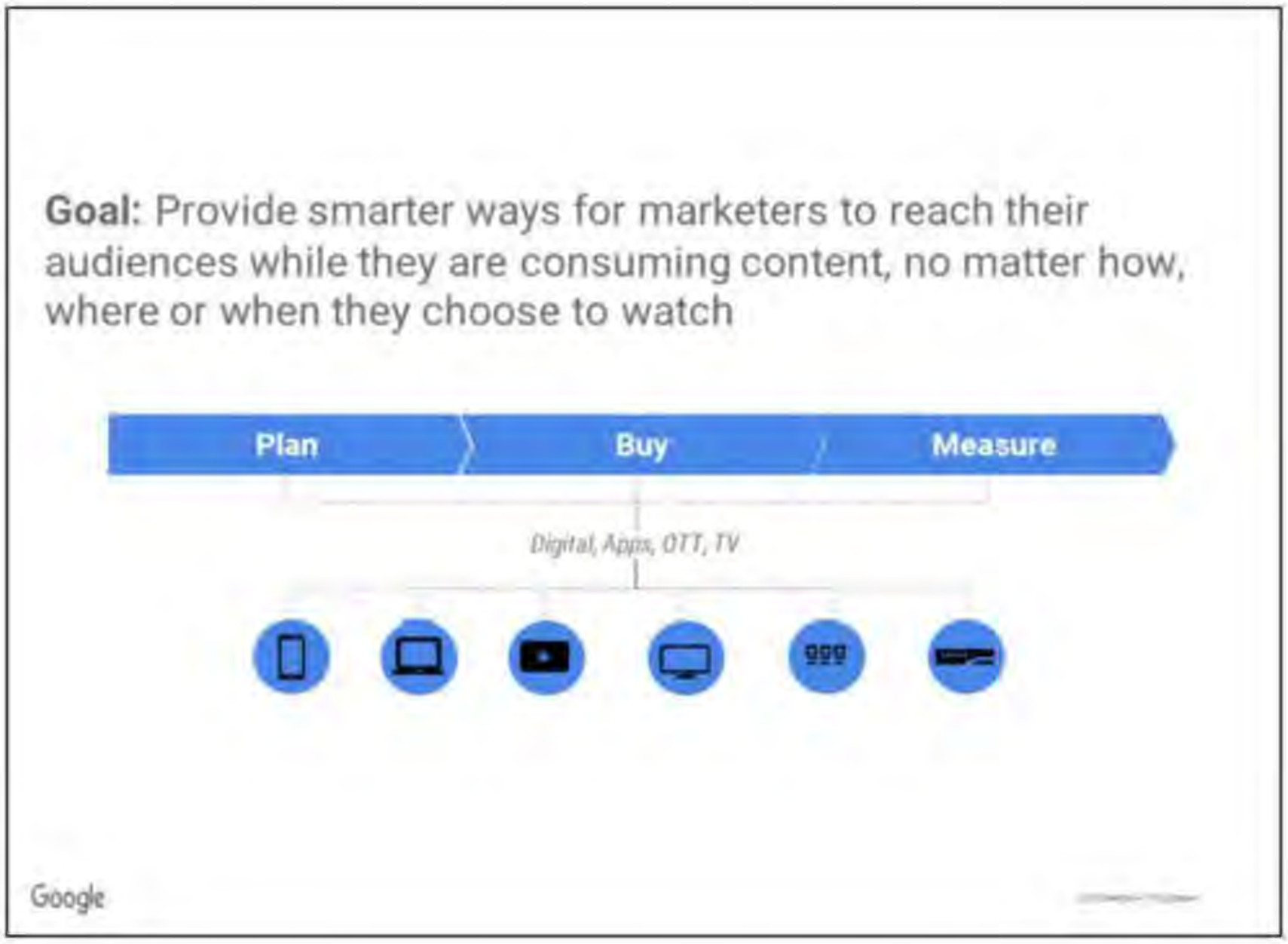


Google


Market Overview
Google

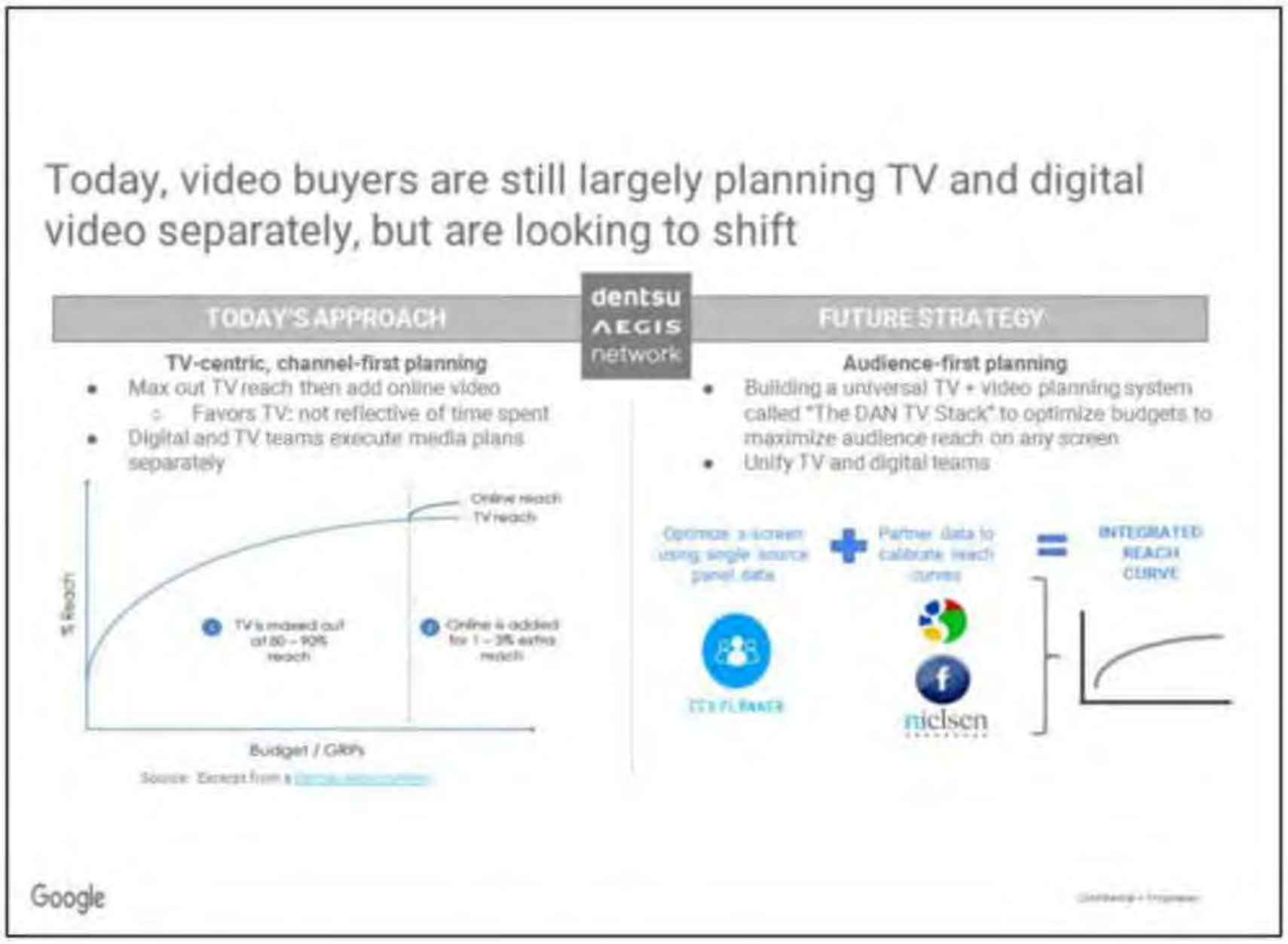


- Market = not just digital video, but also traditional TV and emerging growth areas like Over the Top services.
- Traditional TV still holds majority; OTT and digital growing fast → Overall pie is growing
- Creates a significant opportunity for our business



- As all of these options for consumers creates complexity for advertisers and agencies
- Our goal is for DDM to be the platform where advertisers can plan, buy and measure across all video content
- HOW/WHERE: devices and all channels
- WHEN: live, on demand

This vision / goal is well-aligned with what our customers are trying to do



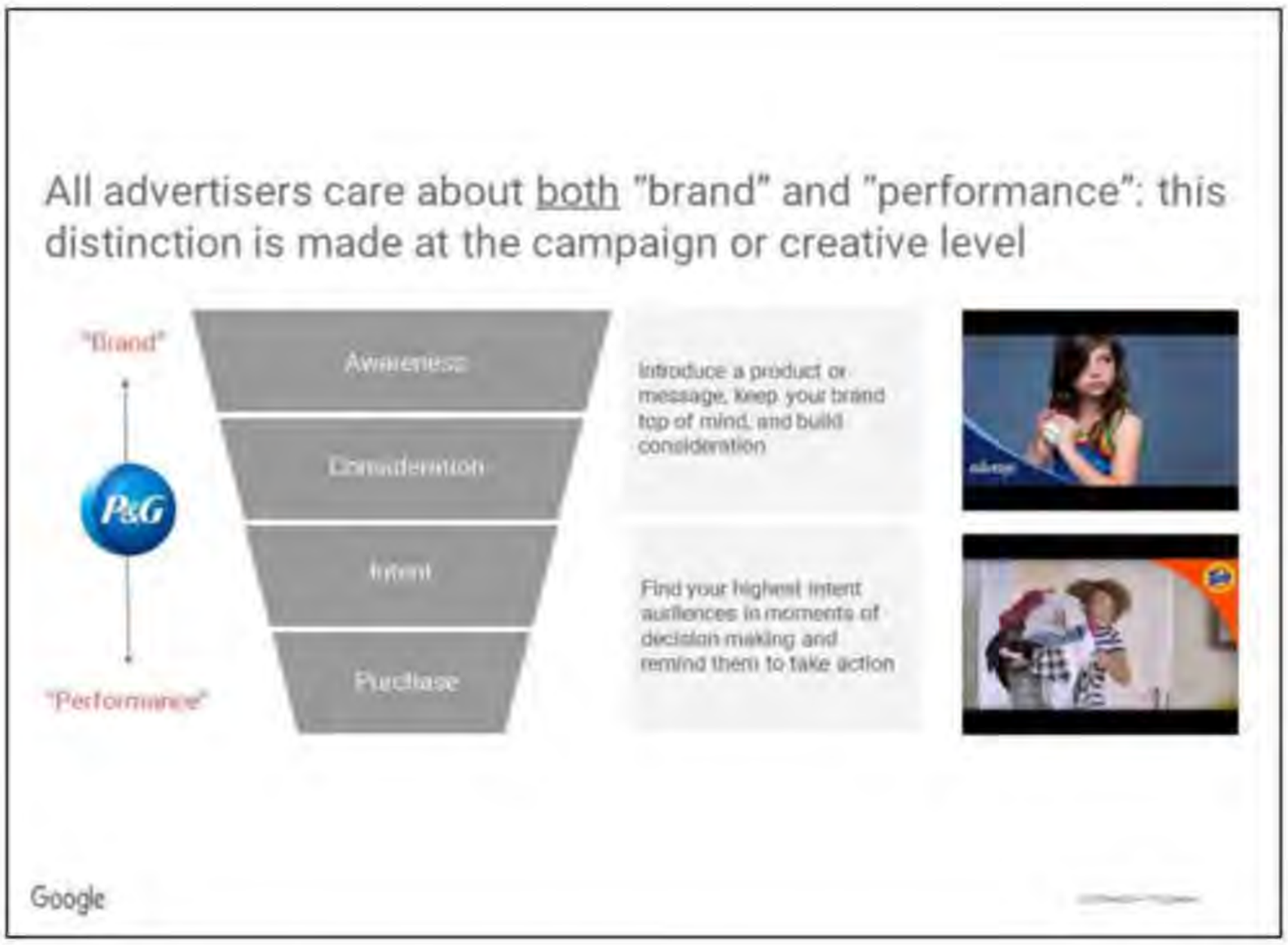
Summary: Clients want to plan across TV+digital video

- Historically, advertisers used to think about video and TV separately.
- They would plan TV first and then the digital video teams would get the leftover budgets
- But that's starting to change now
- Advertisers are starting to think about TV and video together
- They are looking to plan them together and build an integrated reach curve to help them understand where to spend their budget most effectively
- Dentsu Aegis or DAN is one of the big 5 holding companies
- As an example, they've built a universal planner that lets them pull data from many different systems and optimizes for reach across platforms
- These agencies are also starting to unify the TV and the digital teams in order to accelerate this trend



- Summary: DBM's customers come from both traditional TV mindsets, and more digital mindsets - and therefore have different needs

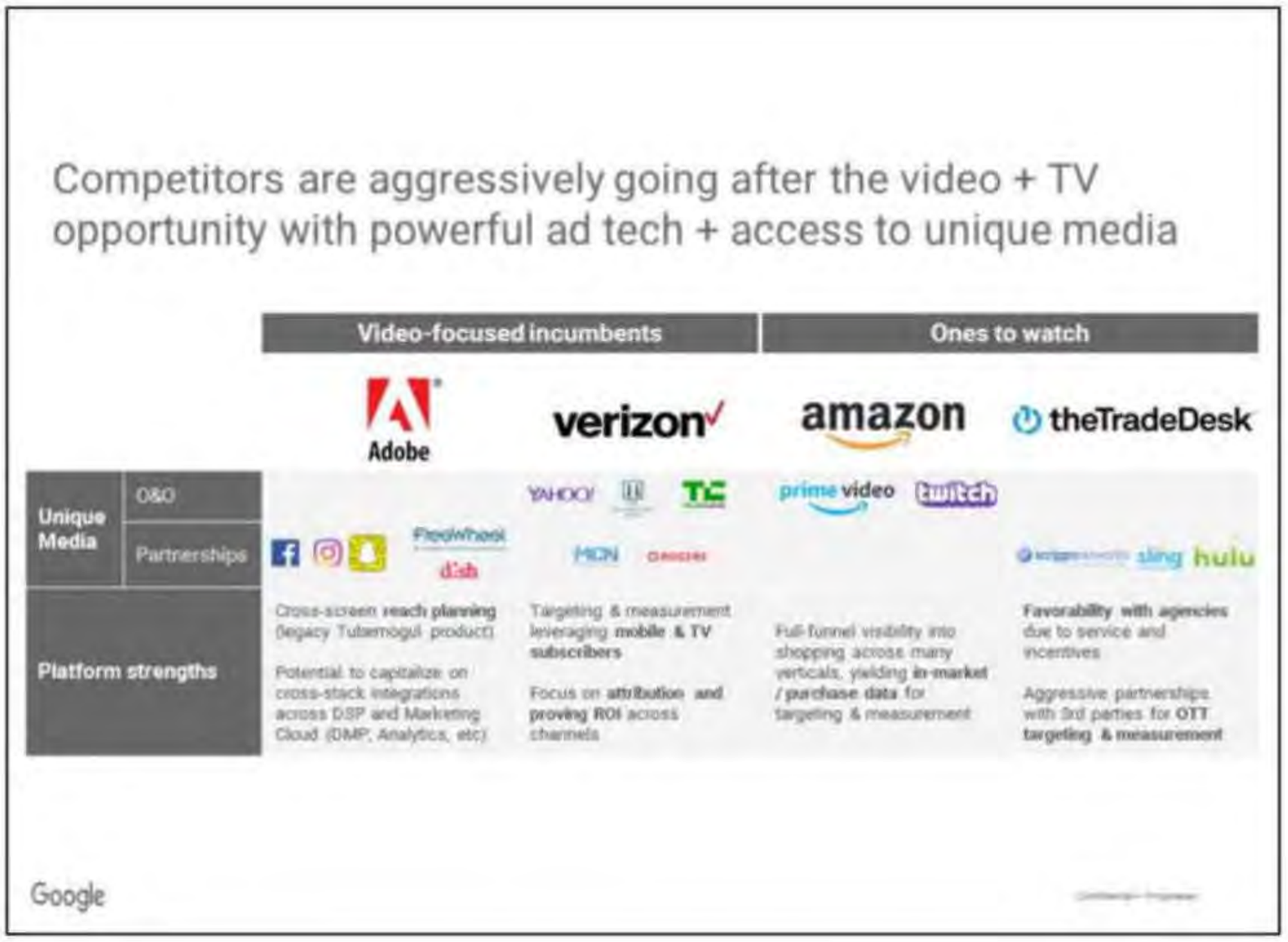
- On the one hand we have traditional TV buyers like P&G and Chevrolet, that want to buy on reach for their target demographic
- And on the other hand side we have advertisers like Netflix and Booking that use very precise targeting and care about conversions
- TV buyers use formats that are very similar to TV like non-skip pre-rolls and mastheads, while the digital first buyers use digital strategies like 1p targeting
- They differ in their KPIs too. The TV buyers use metrics from the TV world like cost per point and frequency while the digital buyers use metrics like conversions and completed views



- Traditional tv buyer often equated to brand, where digital buyer is performance
- For example, even a traditional TV buyer like P&G has campaigns and creatives that go after both of those things
- At the end of the day they also have products they are trying to sell
- For example at the top of the slide is their “Like a girl” ad that went viral which was obviously geared towards building brand affinity, no specific call to action
- And on the bottom is an example of the tide ad with a clear call to action

Most of them are leading users through a funnel

Need to solve for both brand and perf use cases to enable this



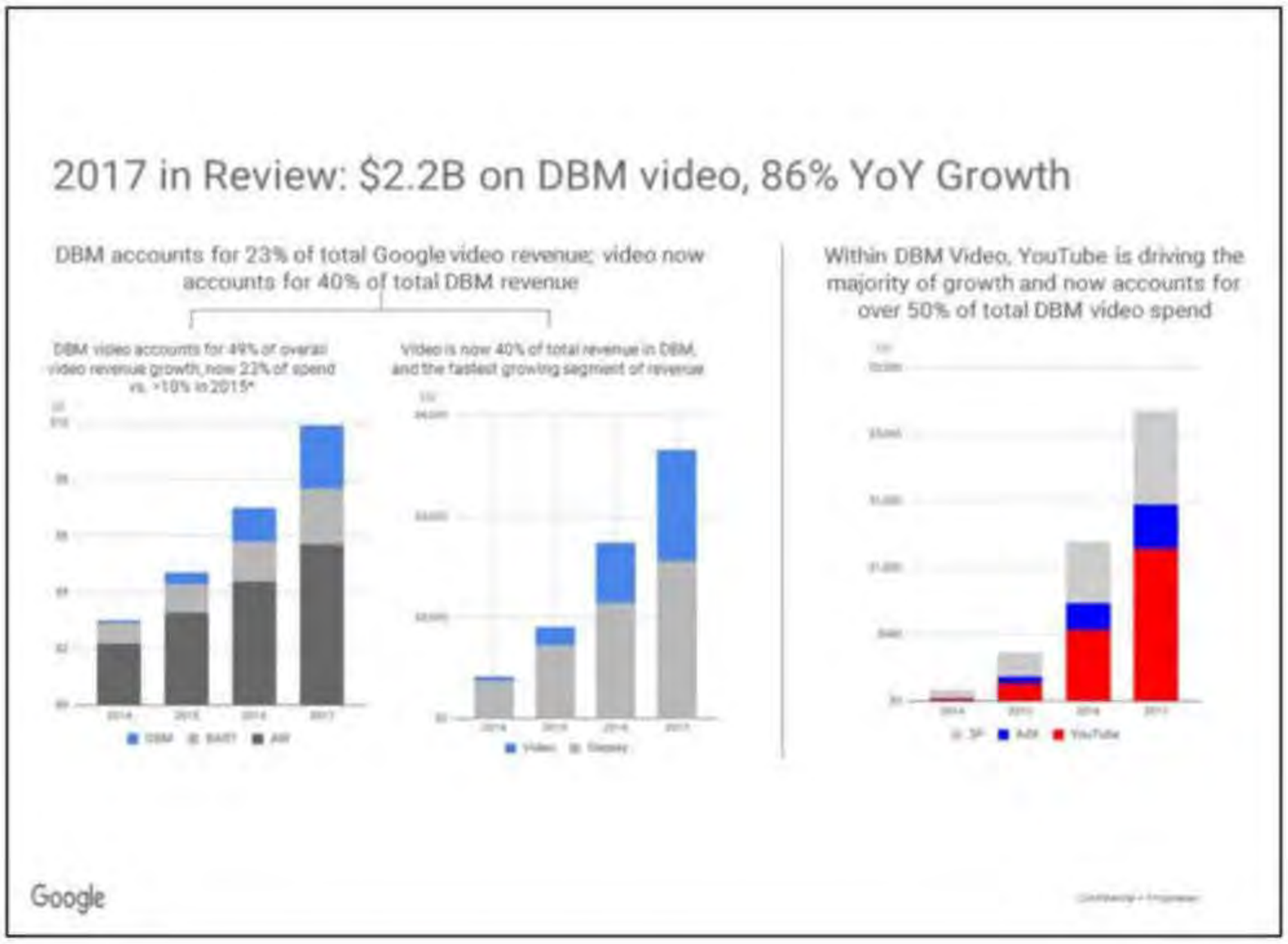
- competitors going after this opportunity with cross-screen video advertising for brand and performance use cases, each with different strengths

- Adobe is a full stack competitor and their main strength has been cross-screen planning
- Verizon's DSP is Oath which is basically a combination of AOL One and Adap.tv. They are interesting to look at given the strength of their data and O&O assets.

And then we have the emerging digital first competitors like Amazon and The Trade Desk
- Amazon is full-funnel, but important to note that they have strengths in certain verticals (like retail), and weaknesses in others (travel, telco, fin services, etc)
- Trade Desk has become quite popular with agencies due to their services and incentives. And they are going for aggressive partnerships with 3rd parties on the OTT front.

Revenue Overview

Google

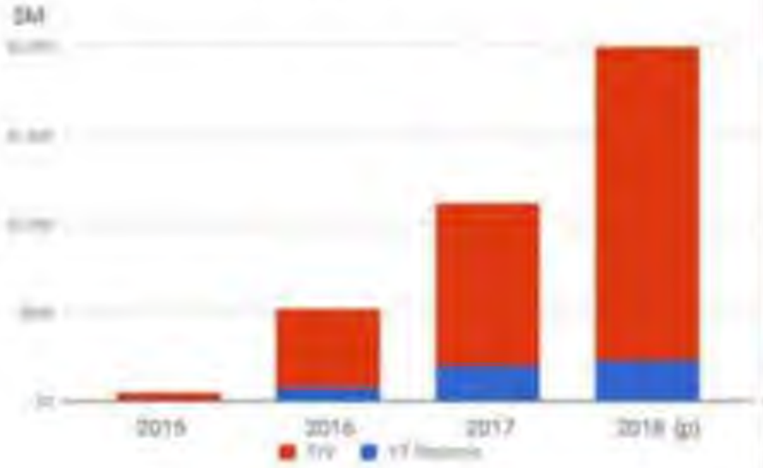


- Last year was a huge year for DBM video
- Now it is a massive part of not only DBM business, but also of the overall Google video business
- The chart on the left shows video as part of DBM. So Video is now 40% and still the fastest growing part of DBM.
- The second chart from the left is DBM as a percentage of overall video revenue. It is now roughly 23%.

- Within DBM video, YT is driving majority of the growth and is now more than 50% of the video revenue
- This also varies by the region
- There are some regions which are very heavy on YT like Australia

2017 in Review YouTube: $1.2B driven by TrueView

2018 OKR to deliver $1.8B of YT revenue via DBM - 50% YoY Growth, with ~90% from auction TrueView



- $1.21B in FY 2017 (87% auction, 13% reserve)
- $431M in Q4 '17, representing 75% YOY growth
- 22% of total DBM revenue in FY 2017

Multiple Studies Show 60-80c of every DBM TrV $1 are incremental to Google

Fargo Forecasting: 64-81c
Forecast AW TrV spend for DBM adopters to create counterfactual, compare with actuals

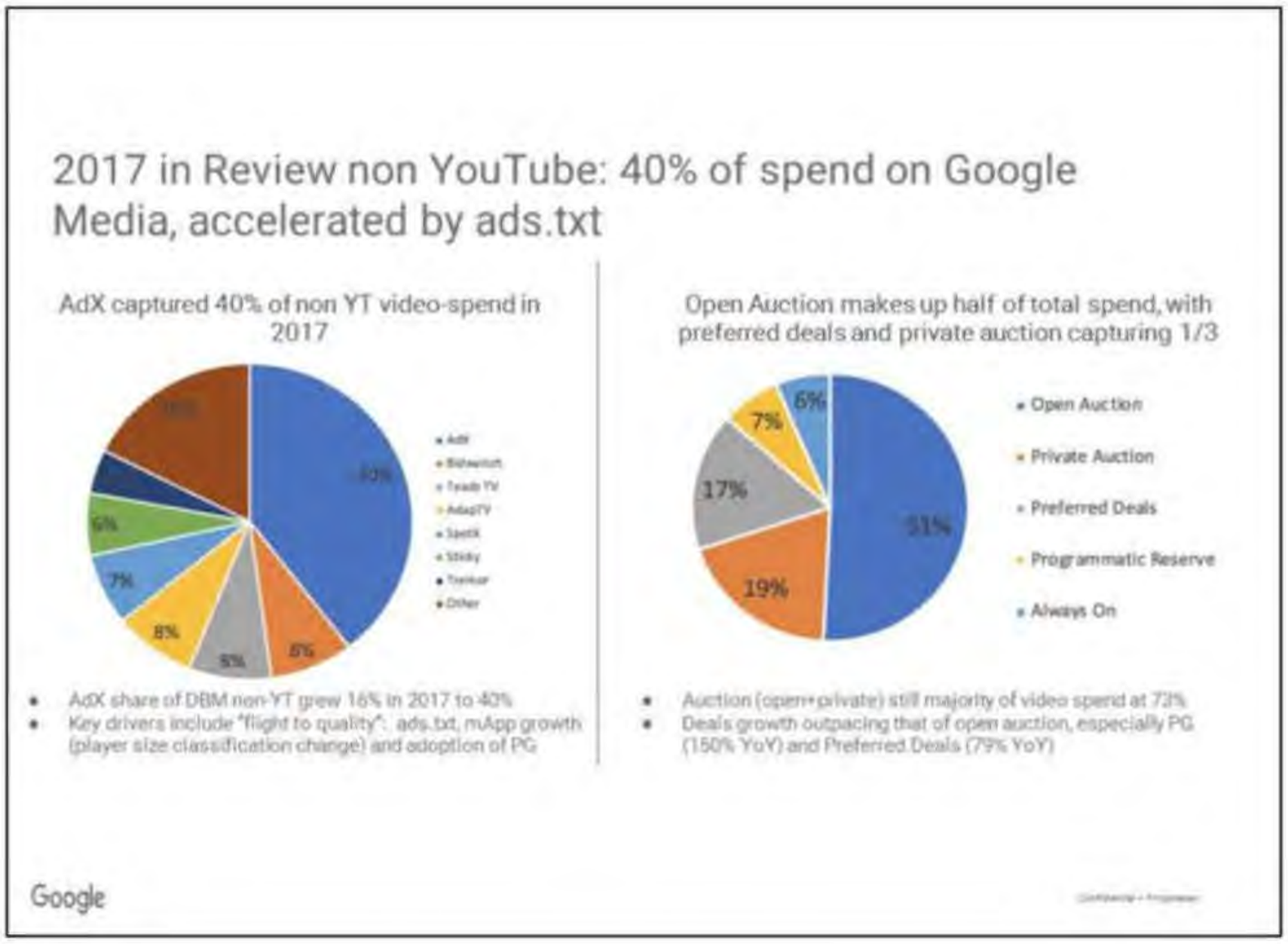
Casual Impact: 61-75c
Forecast AW TrV spend using statistical relationship between adopters vs. non; compare with actuals

Key reasons driving incrementality:

- Media & workflow consolidation
- Accessing new dollars allocated to programmatic
- Unique feature sets (freq capping across media)

GEICO Allstate hp Johnson & Johnson SEARS

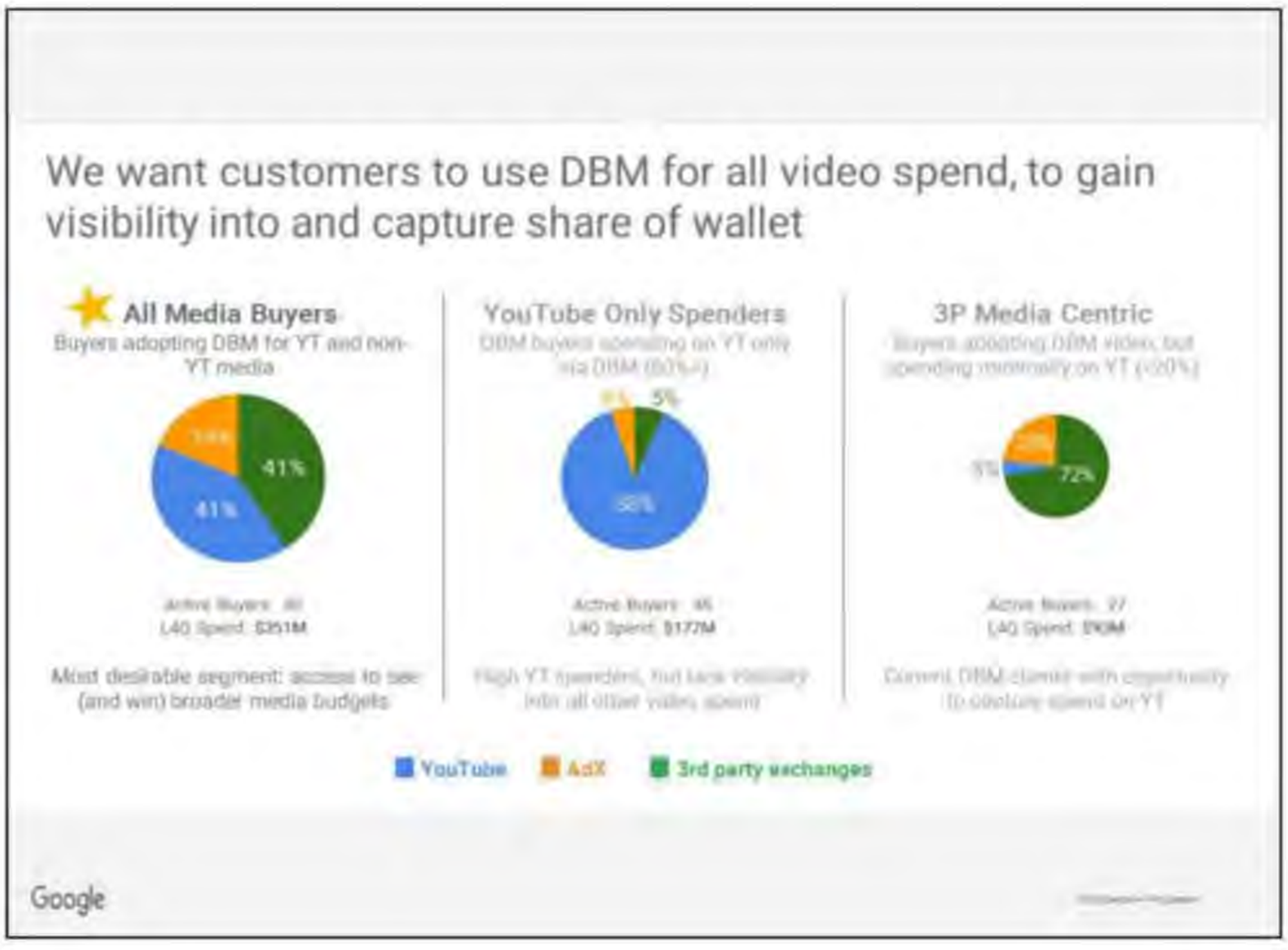
Google



On the non-YT side, here's how the revenue splits by exchange and by deal type

- On the exchange side, AdX was almost 40% of the revenue in 2017 compared to maybe about 30% a year earlier.
- This was driven in part of the ads.txt launches where we stopped buying unauthorized inventory

- On the deals front, auction is still majoriy of spend at 73%
- But deals are growing much faster, with PG at 150% and PD ar 79% yoy



Summary: Just from a strategic perspective, we want everyone to buy all media with us- both YT as well as 3P
If advertisers only buy YT, then we don't get visibility into all of their video spend or get a share of their spend
Similarly, if they only buy 3P video from us, then we have limited ability to influence their how they spend thier budgets

SWOT for DBM Video

Strengths

- Unique access to **YouTube** as anchor for digital video buying
- Leading buy-side **platform** (DDM) across search and display, with strong client adoption
- Partnership with **DRX** offers unique opportunity for unique inventory access and efficiency

Weaknesses

- Lack of penetration in **traditional TV** solutions (inventory, planning, measurement)
- Limited e-media adoption for impact-based **measurement** solutions (brand / search lift)
- Video capabilities not yet fully front-and-center in platform

Opportunities

- Unique Google cross-device **identity** & measurement
- Leverage strong adoption with **consumer** products (chromecast, YouTube TV, android TV) to disrupt TV market, and accelerate digital / connected TV growth
- Expand our display **performance** business to video
- Move to **addressable** / data-driven TV buying creates opportunity to capture incremental TV budgets

Threats

- Inability to access premium inventory due to walled gardens, **relationship** dynamics (e.g. FW, Amazon, FB)
- Strong competition from **walled** gardens, TV incumbents and agile video point-players
- Inability to prove **efficacy** over existing TV models and change the currency (or others do it first / better)
- "Light-touch" **investment** in linear TV may not be enough to win market long-term

Google

- We are only covering video specific ones

Product Strategy

Google



- Our strategy is actually really simple: (1) we want to be the best platform for buying digital video and (2) we want to capture the TV opportunity (3) And we want to make all of our products discoverable by users.

- To be the best platform for digital video, we want to do 3 things
- First, we want to invest in our crown jewel, YouTube, which is also our big differentiator compared to other platforms
- Second, we want to give customers a reason to consolidate all their digital spend with us by offering cross-channel features.
- Advertisers buy YT in DBM and pay a tech fee to consolidate their video spending in one platform
- In return they expect to realize gains in efficiency and effectiveness
- To realize these gains, our best features must work across YT and non-YT (cross-channel) seamlessly
- If all channels are siloed, there is no advantage over buying via multiple platforms
- Being strong in cross-channel allows sales to upsell DBM buyers who mostly buy YT, getting larger share of wallet
- We'll get to what these features are in a few slides.

- Third we want to make app video a big part of our advertiser's portfolio since apps are where we're seeing the most growth in supply

- On the TV front, we want to set ourselves up for the future by being the platform of choice for buying connected TV in the long run
- But because TV is going through this transition phase, we need to invest in both connected TV and programmatic linear TV and position this as a living room package for our customers

- And of course, having access to all of this inventory is meaningless if advertisers can't find it
- So we want to invest in discovery and packaging, so advertisers can easily find what they are looking for

We launched YouTube in DBM in 2015 to capture incremental budgets as the industry adopted programmatic platforms



Benefits of YouTube via DBM today:

- Manage ALL YouTube + non-YouTube video media across auction and reserve in one place
- Compare performance of all media using key metrics like Brand Lift, Unique Reach and de-duped conversions
- Consolidated reporting and billing across all media in one system



Google

DBM offers the same key formats and targeting for YouTube as AdWords and BART

Forecasting	Formats	Audiences
		
TrueView forecasting during campaign construction	TrueView (In-stream, Actions, Shopping, Discovery), Bumpers	Google's search-informed intent signals and cross-device data

Core YouTube | Digital Video & Apps | TV | Discovery & Packaging

Google



- Cross channel is a very important pillar of our strategy
- Advertisers buy YT in DBM and pay a tech fee to consolidate their video spending in one platform
- In return they expect to realize gains in efficiency and effectiveness
- To realize these gains, our best features must work across YT and non-YT (cross-channel) seamlessly
- If all channels are siloed, there is no advantage over buying via multiple platforms
- Being strong in cross-channel allows sales to upsell DBM buyers who mostly buy YT, getting larger share of wallet

Examples include planning features that help advertisers understand their unified & de-duplicated reach across YT and RTB
Then there are the buying/execution features like helping you manage your budget effectively, both with unified pacing controls but also features like ABA
Similarly cross-channel frequency management which helps you save wasteful impressions and drives more efficiency

- Lastly on the measurement front, having unified reporting helps you understand your unified reach
- If the campaign goal is brand awareness, comparable brand lift studies help you understand the effectiveness of spend on driving awareness
- And if your goal is conversions, conversion tracking attributes conversions appropriately, de-duplicating across all your impressions

YouTube in DBM: Areas of Opportunities

Get to Parity with AdWords for Betas

- Launch alphas, betas and labs simultaneously in AW and DBM for key features (new ad formats, targeting capabilities)

Manage Silo'd Buying

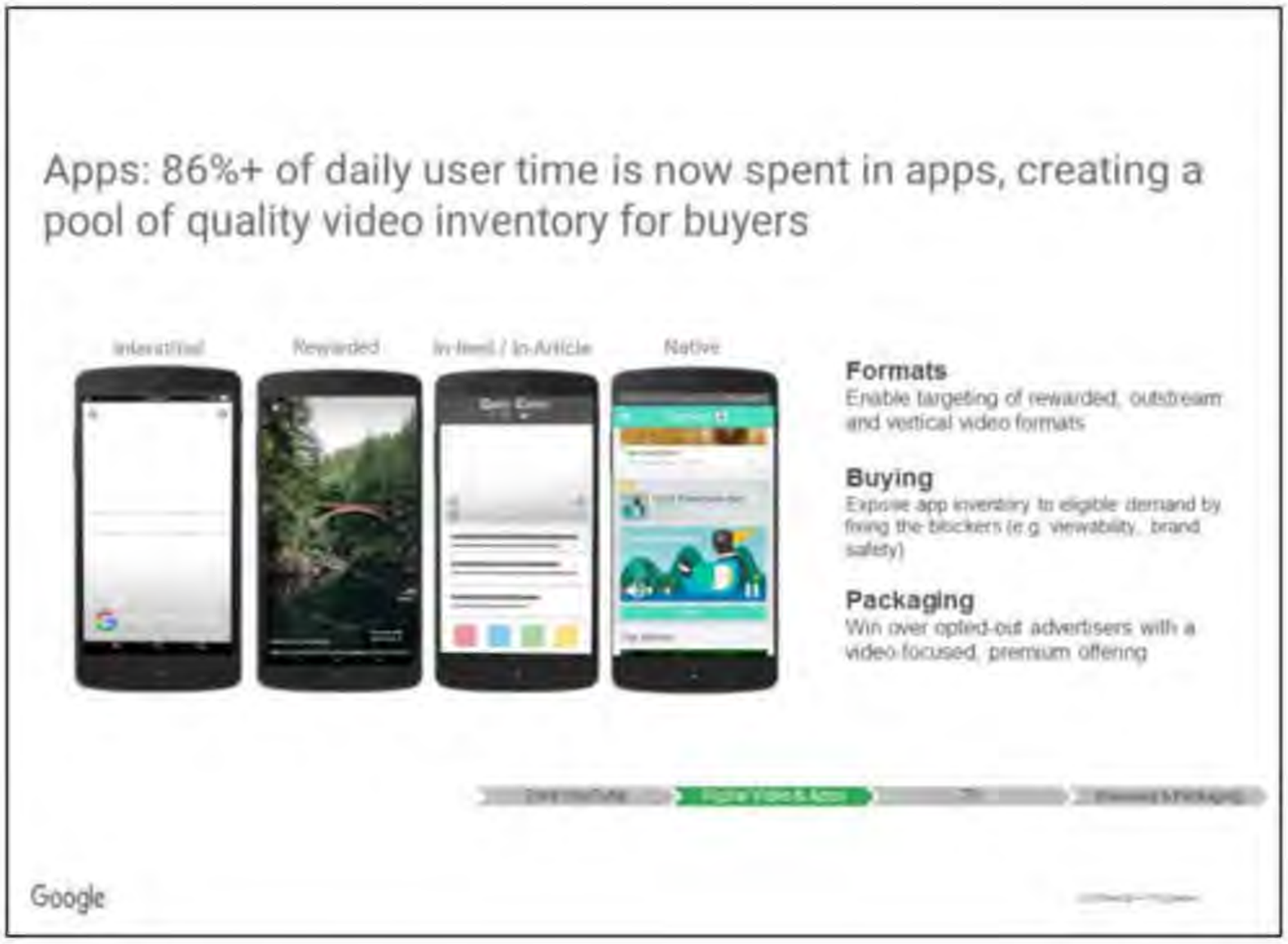
- Help buyers more easily manage across YouTube and non-YouTube video given unique YouTube formats, audiences and identity spaces

Create Clear Platform Differentiation

- Re-establish clear customer value proposition (4% fee) and support more programmatic capabilities on-and-off YouTube (frequency management, cross-channel buying)
- Commercialize clear customer segmentation between AdWords and DBM



Google



We'll talk more about apps in the "Innovation" section but our overall strategy includes 3 pillars:

- Offer more targeting options that enable video buyers to find the inventory they are looking for
- Minimize reasons to say "no", by fix the blockers including viewability and brand safety
- Create reasons to say "yes" by creating packages of video-focused inventory that meet their key criteria

p inventory to eligible demand by fixing the blockers (e.g. viewability, brand safety)



- Roughly the same strategy for CTV as well
- Minimize reasons to say no by making CTV a first class citizen in DBM
- Believe it or not, right now advertisers can't explicitly target or report on CTV devices
- We want to fix that by making CTV a first class citizen

- Same as apps, we want to enable better discovery and packaging of CTV inventory

- The last thing here is somewhat unique to CTV though
- One of the challenges we face with CTV is that we don't have a very well developed notion of identity
- This also means that we can't do some of the things we do for digital, like demographic targeting
- We want to invest in that this year and

Peentoo
So far, no one is filling CTV inventory well, so we've taken a more thoughtful approach
The reality is w/ indirect monetization via server side DAI, buyers lose out on some key signals

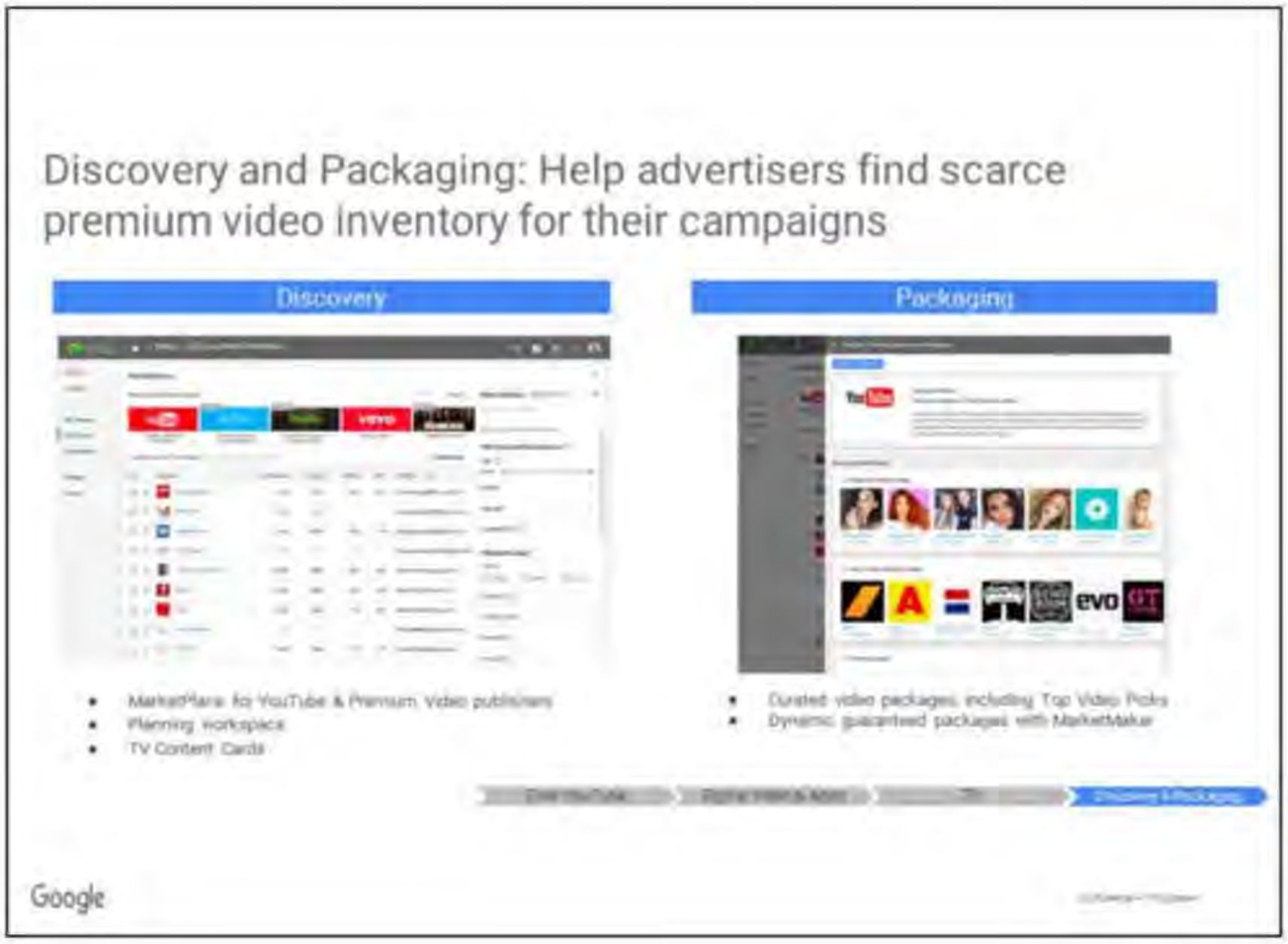
generally this causes low fill for CTV inventory
Working hand in hand w/ Roku and Apple TV to ensure proper signals are being passed to buyers
You all have seen the fruits of these efforts - we launched HBO deal last month, $31 CPMs, we sourced the demand from our DSP - DBM
We have an entire programmatic deal team whose role is to connect buyers and sellers and source these deals and we look forward to continuing to add value to your current stack with this demand



- As we discussed earlier in the presentation, programmatic TV is becoming more important given the convergence of digital and linear TV and how they are increasingly planned together
- We are somewhat behind Tube in this space, but we're making good progress
- We have a few integrations under way with WideOrbit (local broadcast), Google fiber (which is our own MVPD) and Clypd (national cable)
- The beta tests that we've done so far with WO have shown very promising results
- We managed to get quite a bit of scale at very attractive CPMs and had no problems spending hundreds of thousands of dollars
- The goal this year is to get enough scale with these integrations that we can go to market with a compelling offering

- Our key product differentiator for programmatic TV is the search lift measurement we provide to customers
- This will help them understand the effectiveness of their TV spend across multiple channels and day parts
- So for example, for our programmatic TV beta that we recently ran with a customer we saw that while their ads in the primetime slots were more effective,
- If you adjusted for cost, they were actually less efficient
- They found that insight very helpful and wanted to use that for future planning purposes

The last product we're building for bridging the TV spend with digital spend is TV ad explorer
This feature gives customers access to linear TV campaign data directly in DBM through a new reporting dashboard where advertisers can analyze TV campaign performance.



Discovery

- Having access to all this inventory is meaningless unless advertisers can actually find it
- Therefore we are investing heavily in improving our discovery capabilities with marketplace
- Marketplace is a tool in DBM that lets you discover publishers you could strike a deal with
- You can input your key targeting criteria like demo & country and we'll tell you the top pubs
- We are also introducing this section in marketplace called spotlight which you can almost think of as featured publishers
- Initially it will be based on static input from sales/internal teams, but in the long run it'll be picked automatically by our algorithms

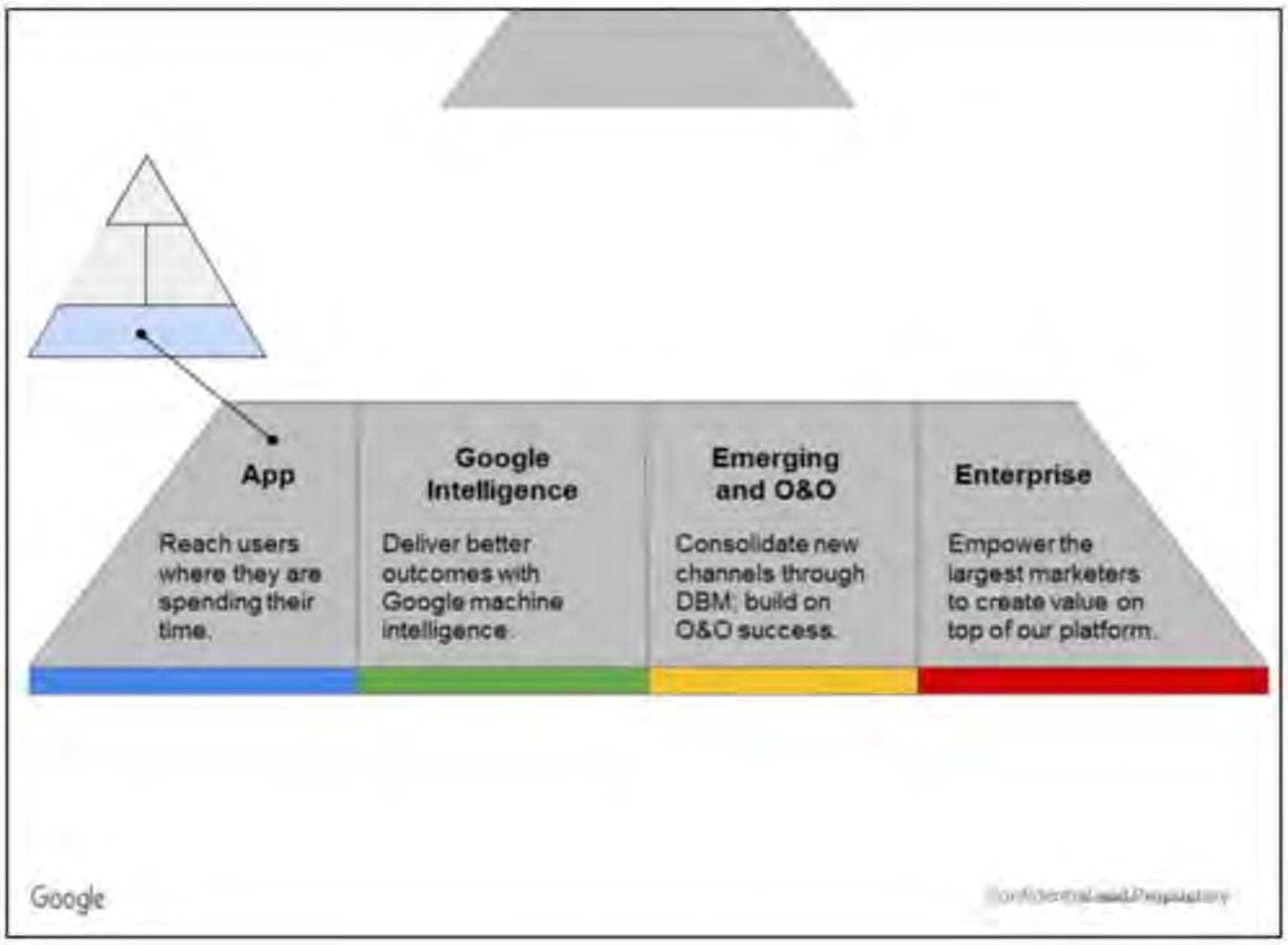
Packaging

- On the packaging side, we're working to introduce curated sets of packages that span multiple publishers
- Google can play a role here by providing supply to advertisers through efforts like Top Video Picks or MarketMaker, and third parties can offer bundles of inventory as well.
- For example, the screenshot you see here is how we surface lineups in YT

Other Bets

Deepti | 30 minutes





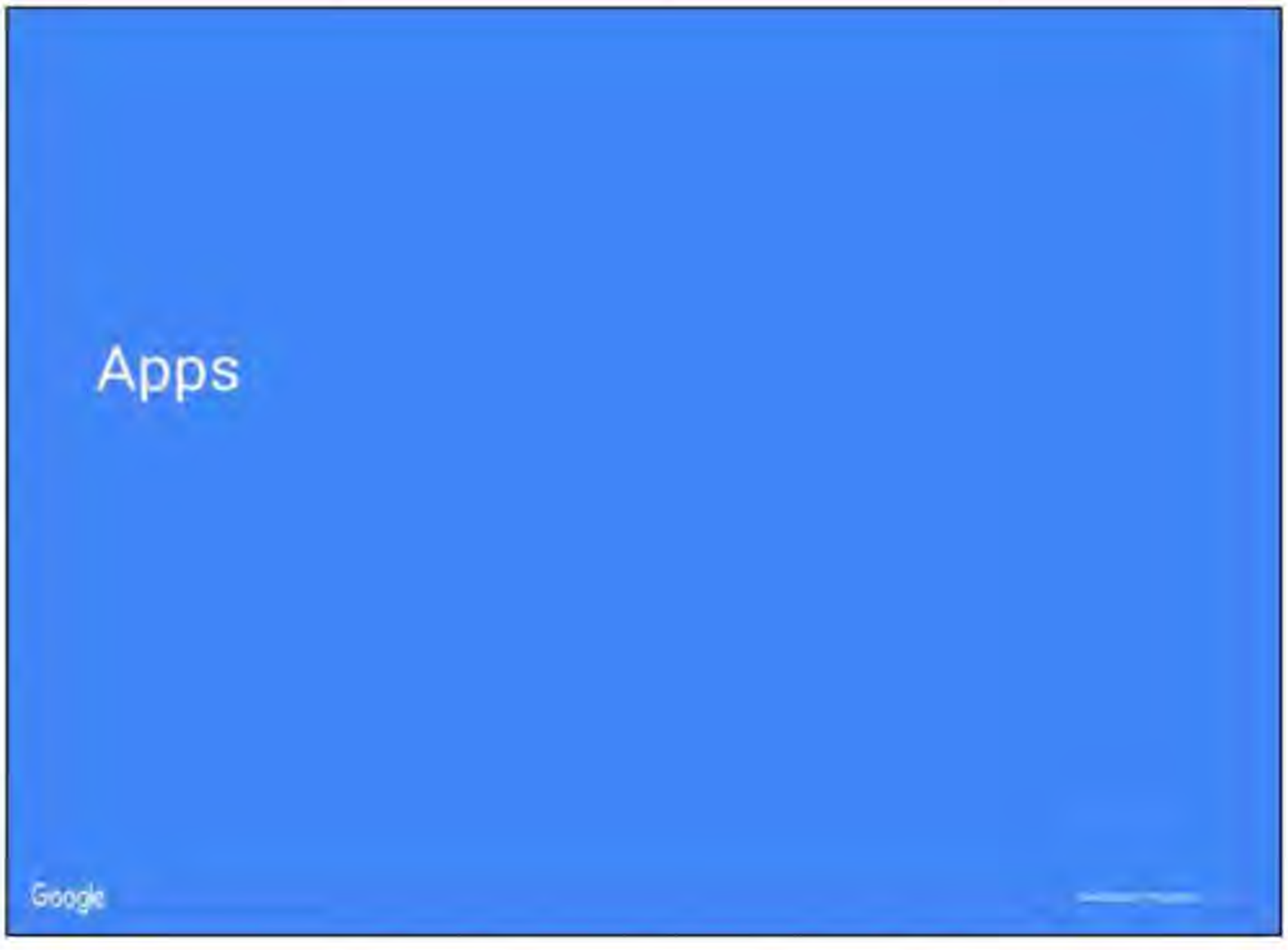
As Luke talked about, these are our other bets

App
critical innovation bucket
user time dominated by apps

Google Intelligence
leverage Google's core competency
balance automatically vs. augmenting a user's decision

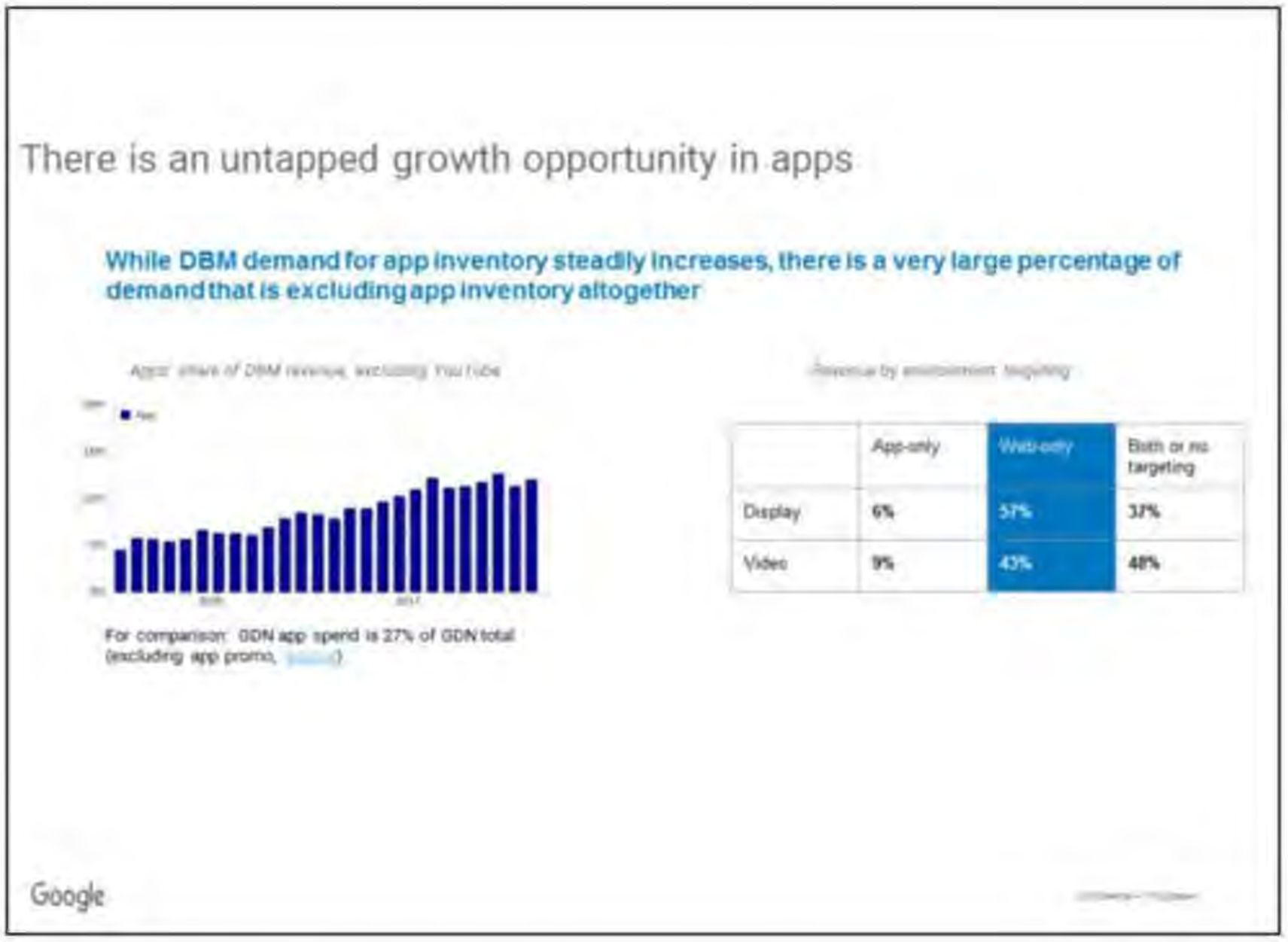
Emerging and O&O
invest in nascent channels that will provide NBD
build differentiated offerings (planning, targeting, measurem.)

Enterprise
70% of DBM revenues, DBM has 35% share of wallet
Expected to grow w/ TV spend moving to digital
empower largest advertisers/agencies to operate at scale


Apps
Google

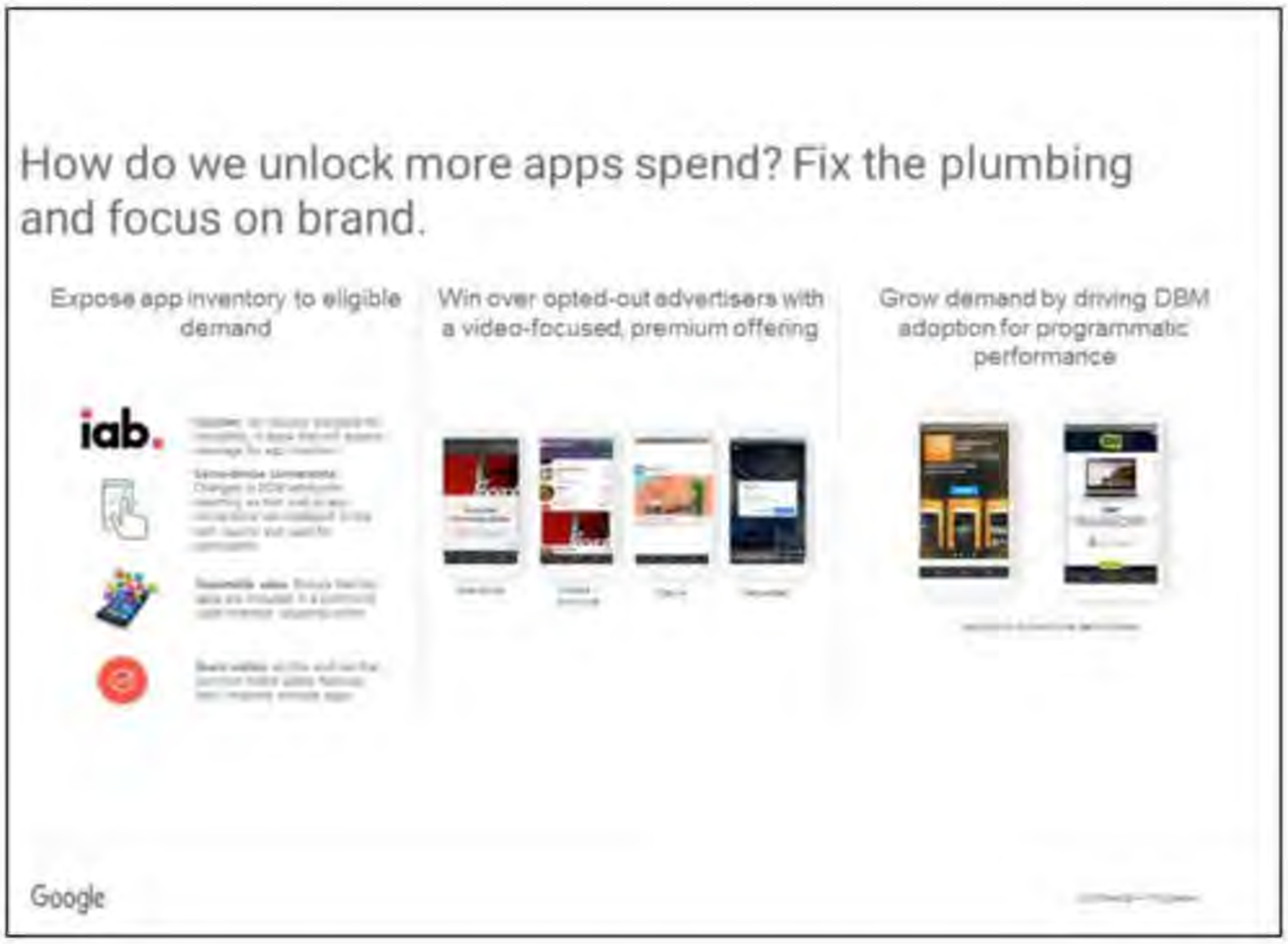
Id	Date	Text
1	03/26/2018 18:21:06	+deeplab@google.com FYI, added the following 3 slides:

Google



Summary: There's an uptapped opportunity in apps

- As you can see, we've made a lot of progress in the last couple of years with apps,but there's still a long way to go
- Over the last year, app spend as % of overall DBM spend has gone from 6% to 13% which means that apps has been growing twice as fast as DBM
- And while that's great, 13% is still lower than where we'd like it to be and so we want to invest in increasing that further over the next year
- A big reason for this number being lower is opt outs
- As you can see on the right hand side table, a big fraction of our spend is opted out on apps

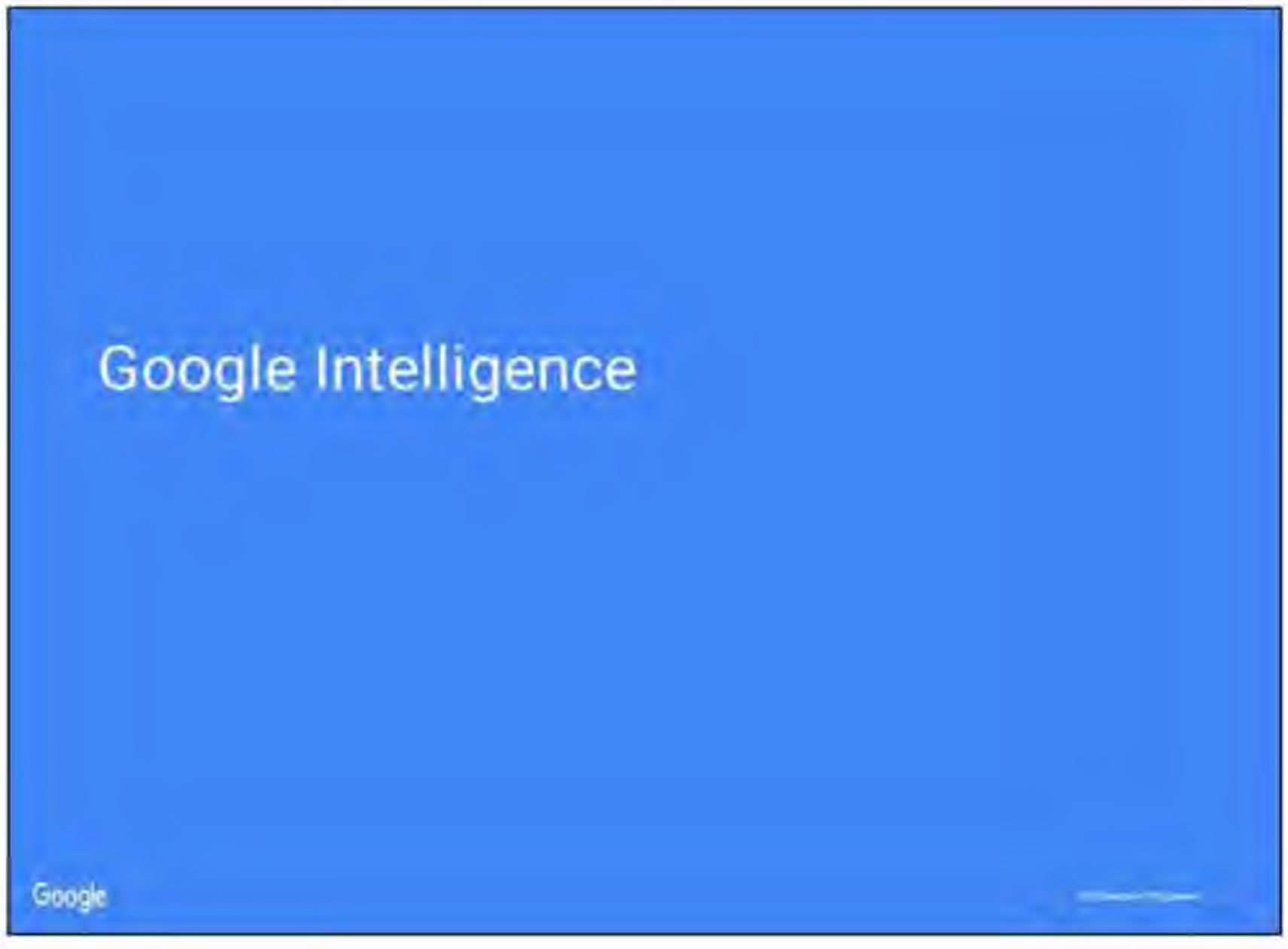


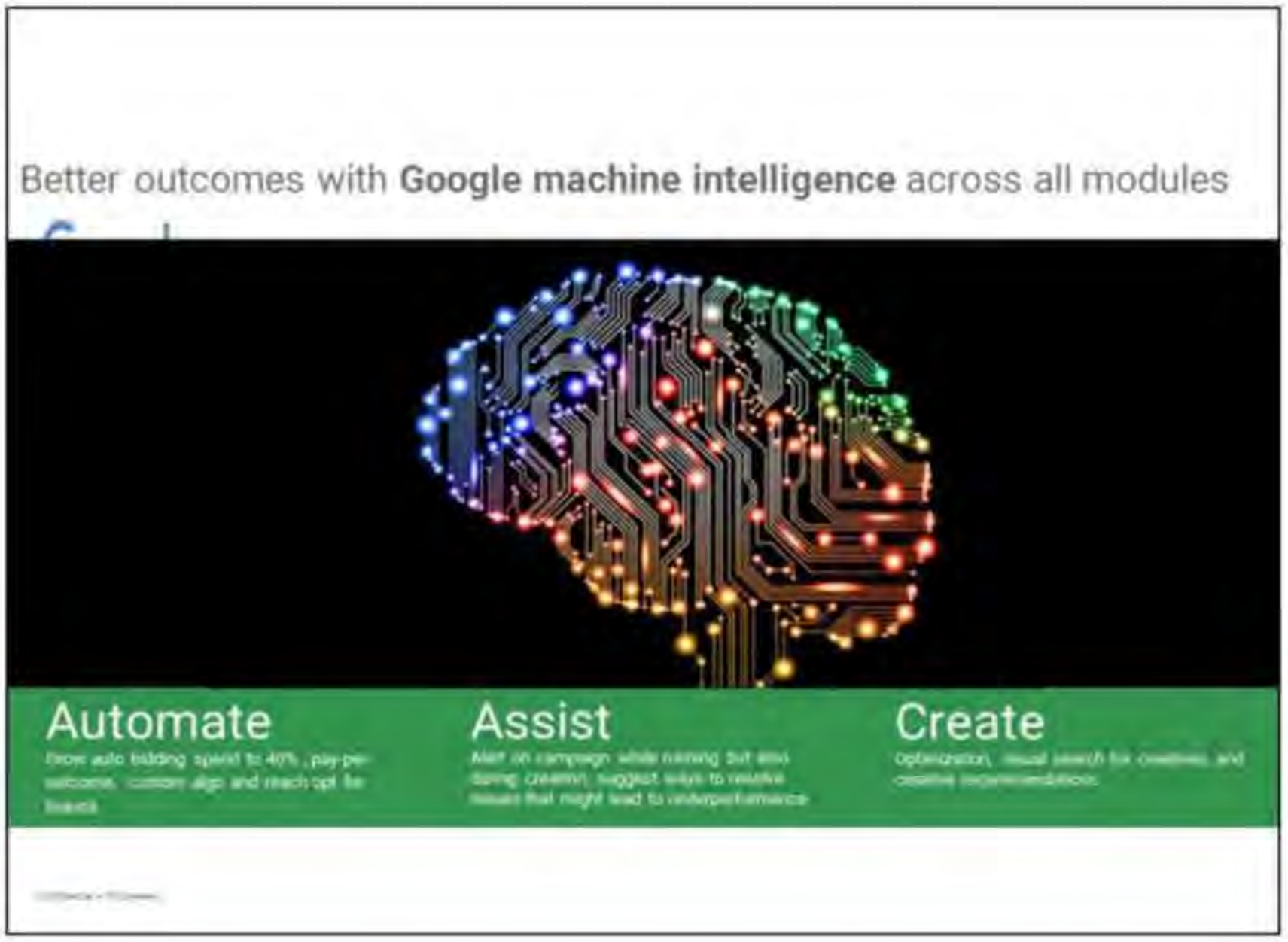
- In many cases, it's not because they don't want to advertiser on apps
- Success of walled gardens like instagram, fb and even yt on apps has shown that advertisers are actually okay with spending on apps
- The challenge on DBM has been fixing the basic plumbing and battling the perception that exchange bought app inventory is not premium

We have a 3 pronged strategy to fix that:
1. First is to match the existing demand to the existing supply by fixing basic plumbing. These are things like viewability which many of our customers consider as prerequisites for spending on apps.

2. Second is actually creating a package with apps that our advertisers would consider premium and would meet other key requirements like high viewability
Instead of going to customers and asking them "why aren't you opted in", we want to go to them with this package and see how they react

3. We want to grow demand from performance customers
This includes all our initiative around app promo but also making traditional DBM performance spend flow with fixes like same device conversions


Google Intelligence
Google



Summary: As Luke mentioned, this is our main strategy for being able to charge higher margins

Automate
- First thing here is automation. We want to increase the overall adoption of our automation features to 40% (it's around 26% today). And it was 15% a year ago.
- This includes pay per outcome which is where we charge customers for clicks but pay pubs for impressions so we can charge them a higher non-transparent margin
- We also want to invest in a reach and frequency optimization feature for brand customers, so we bring automation benefits not only for our perf customers but brand as well

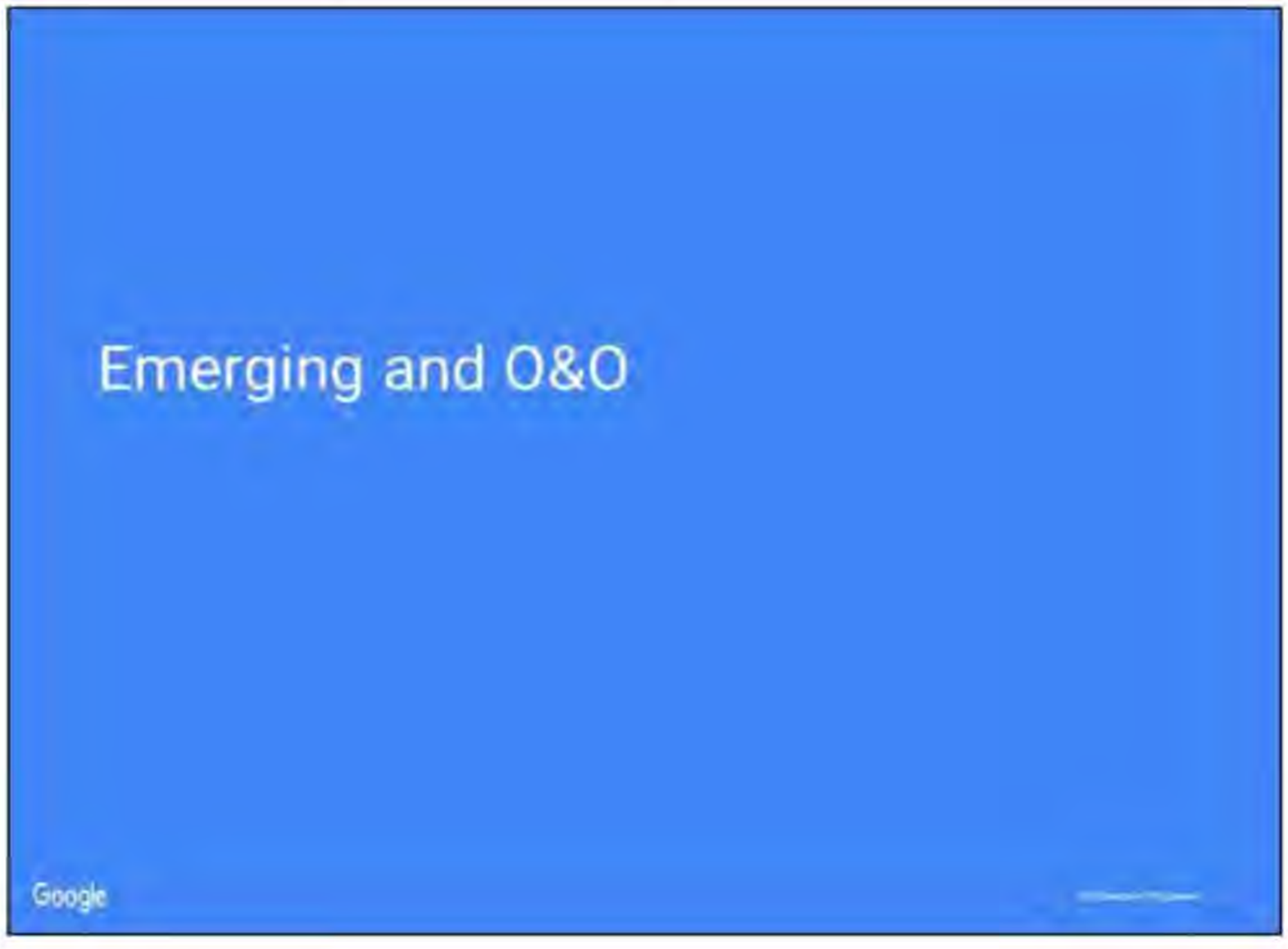
Assist
- For customers who don't want full automation, we still want to provide them guidance on what to do next
- This includes alerting them when things are not going right, and also providing suggestions on how to improve their performance
- We recently launched budget reallocation suggestions in DBM and are continuing to add more (including raise bids, add additional targeting)

Create
-We're launching optimization for creative selection, which we know improves

performance for all customers who have more than one creative concept. This is the first step in helping advertisers measure the impact on performance good creative can have.
-For the first time, Google's expertise in visual search to the asset selection and creative development process - helping designers find and manage their artwork easier than ever
-We'll also introduce creative recommendations to help advertisers understand what messages and formats worked well for them, or might work well for their category or brand objectives.

We've been using machine learning in ads for years (adspam, bidding, classifiers, viewability).

Now expanding use cases to create additional value for customers:
Auto Bidding
Grow spend to 40%
Reach opt for brand
Incremental conversion opt for performance
Assist
Alert on campaign while running but also during creationS
Suggest ways to resolve issues that might lead to underperformance
Creative
Creative optimization
Visual search for creative content recommendations


Emerging and O&O
Google



- The third “other bet” that we have is emerging channels.
- These are new ways we are expanding the inventory that DBM can buy that we expect to bear fruit in the next few years

- We have brand new type of media like OOH and audio
- We have our own o&o that we want to expand into
- And we also want to provide direct access to publishers through project yavin aka demand platform

Picture shows actual ad from sales driven pilot in the UK via PG using DBM/DRX.

OOH is worth $38B ARR. Exciting new market with new formats. We are uniquely positioned to measure.

Gmail/YT are a success story, we want to expand into other owned and operated properties across Google.

Direct Access, while still providing the broadest access to inventory, we want to be more explicit about the quality of our access and actively work on ensuring we have the best shot at winning each impression.

Id	Date	Text
6	03/19/2018 18:19:45	+tmaurer@google.com If we're not talking about Demand Product on Day 1, here's another place we could add any key points on Day 2 _Reassigned to Tobias Maurer_
7	03/19/2018 18:19:45	+deerpti@google.com FYI

Google [redacted]

Audio Ads in DBM allow buyers to seamlessly execute their audio campaign via programmatic pipes.

Audio lets advertisers reach mobile users in new context

197
minutes per day spent on mobile

27%
spent in audio only mode

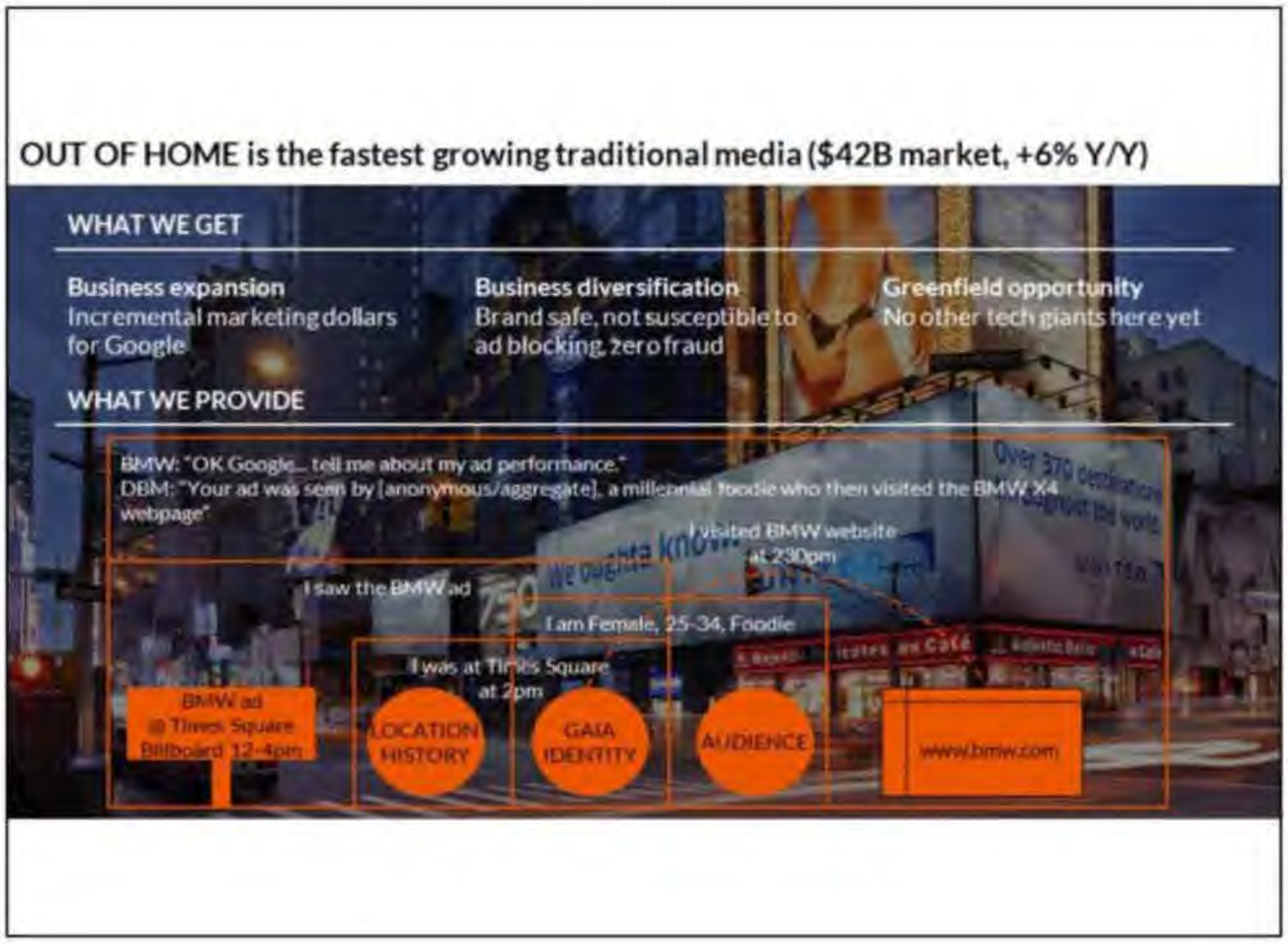
Audio Ads in DBM are a great opportunity for our buyers for a few key reasons

Digital Audio Drives Brand Results
Audio drives **+60% Brand Recall** and **+52% Brand Interest** over benchmarks. Nielsen Catalina Solutions found that for top brands, each $1 to spend drove $6 in sales.

Seamless
Direct integration with DBM allows buyers to use this new format with the same programmatic functionality they know and love.

We are fully launched with **Soundcloud**, **Spotify**, and **Google Play Music**

Id	Date	Text
1	03/27/2018 14:38:31	27% of mobile time spent is in audio only mode



- OOH is also a perfect example of the kind of disruptive thinking we can bring to a new industry and also generate incremental budgets for Google
- We can use the assets we have like the location history, GAIA identity and the audience data to change how advertisers buy this inventory
- Let's say a user was at time square at 2pm and saw a BMW ad and later visit the BMW website
- We can put all of that together for the customer and provide the level of insights that no one can

O&O properties collectively have monetization goals exceeding ~$1B ARR for 2018 and ~$3B+ by 2020. Each of these properties have the potential to be $B+ properties as evidenced by similar-sized competitors.

	2017 DAU	2017 Revenue	Est 2018 ARR	Est 2020 ARR
Gmail	450M	$400M	$750M	$1B
Image Search	340M	$0 (display) $130M (PLAs)	$100M (display)	$650M (display)
Feed	110M	$0	$50M	$830M
Photos	120M	$0	$50M	$350M
News 2.0		$0	$50M	$220M*
Instagram	~500M	~$4B	$4.0B (2018E)	
Pinterest	~90M	~$400M	$770M (2018E)	
Snapchat	187M	$825M	$1.2B (2018E)	

* Excluding properties like Play that are 100% tied to Universals

Google

We are just scratching the surface of what we've done with O&O

https://www.forbes.com/sites/greatspeculations/2017/11/13/how-much-revenue-can-instagram-drive-for-facebook-in-the-future/#591a33517b4f
https://www.fool.com/investing/2017/03/26/instagram-is-set-to-make-a-killing-in-advertising.aspx
https://docs.google.com/spreadsheets/d/1FxT-KnwBnTRQkyNouN16OFNPf01TjA8FUIQ024mTaiQ/edit#gid=1274630613
https://www.sec.gov/Archives/edgar/data/1564408/000156459018001409/snap-ex991_6.htm
https://www.theinformation.com/pinterest-after-just-missing-2017-revenue-target-plans-sales-ramp-up
https://screenshot.googleplex.com/5Mpiy3HnakE.png

Gmail 2020 ARR:
Momentum: $900M
Assuming 20% YoY: $1.08bn. So let's use a round $1bn

IS - $850M (based on book rev estimate for 2021, this includes also queryless

monetization)
Photos - assuming pursuit of both formats, 5X growth for assistant tab visits, and 3X growth of big-image views by 2020, we get around $600M (lower scenario would be 3X growth for assistant visits, and 1.5X for big-image: $350M)

Feed Ads estimates are $1.8B ARR by EOY 2020, $2.5B ARR by EOY 2021, $3.0B ARR by EOY 2022.
Here is the modeling we did with the Finance team:
https://docs.google.com/spreadsheets/d/1KSkwhMsdCmmv7920RFNDiqz61YpJ0jSD3xfuyZgq6mo

SNAP: Brian Nowak, a Morgan Stanley who covers tech well (and usually asks Ruth a question on our earnings calls), has them at 1.3B for 2018E (59% YoY).

Insta: Nothing reliable because FB doesn't break out Insta, but seems like $6.8B for 2018 is a standard estimate. That's massive YoY of 87% rev compared to estimated $3.6B for 2017A, but I think it makes sense given their massive user growth (they more than doubled between Q2 and Q3 2017 to over 500M DAU).

Pinterest: Let's say they can grow at Snap's clip of 57%. Pinterest's rev grew 63% YoY from 2016 to 2017. That puts them at $770M.

ARPU check for 2017 numbers:
Insta = $7.28
Snap = $4.41
FB overall = $29.04
Pinterest = $11.95

Seems reasonable, although Insta seems too low to me so the revenue estimates I found may be low. Added numbers to the slides. It wouldn't be objectionable to increase Insta to as much as $7.5B (I currently have it at 6.8). Their ad load isn't so far off that of FB, and CPMs aren't encumbered by FAN there


Enterprise
Google

Big 5 Agencies continue to be an important revenue source for DBM...



- At the end of 2017, Big 5 Global agencies accounted for 60% of total DBM revenue
- The share of revenue has consistently grown over the last 3 years

Google

Last but not the least we want to talk about enterprises

- Big 5 agencies continue to be a big part of our revenue
- At the end of 2017, big 5 agencies accounted for 60% of total spend
- And as you can see, the share of revenue has grown over the last 3 years

Video (45% 2017)
2017: $390M
2018: $550M

Non-Video
2017: $494M
2018: $893M

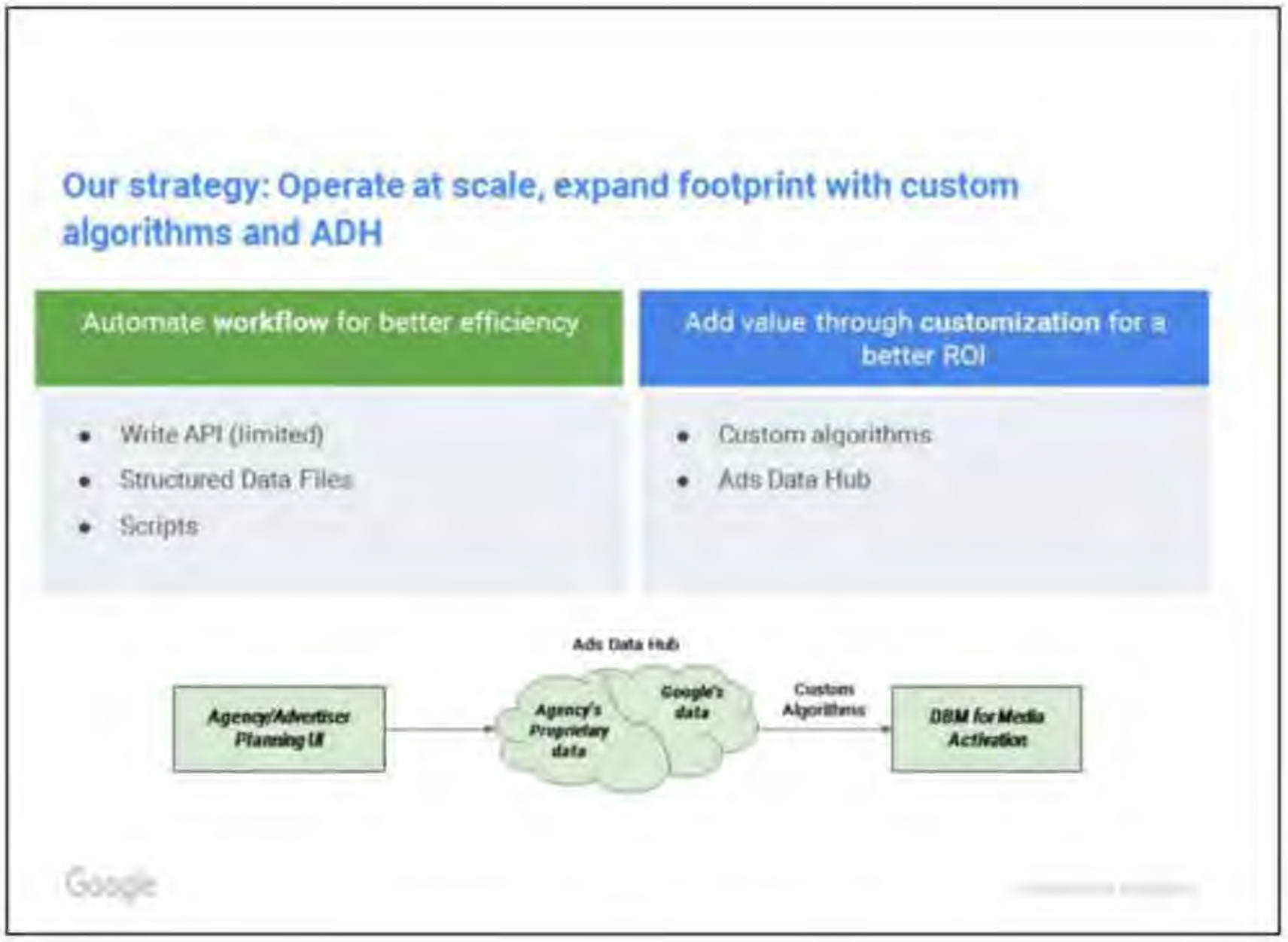
But we need to strengthen our product p'ship to address declining growth...



- Recently, we have lost some share to competition as they've been more flexible to customization:
  - **Trade Desk** is agency favorite for **quality of service** and **usability**/ease of use point of view. Though they don't have any proprietary data or full-stack offerings
  - **Appnexus** allows really deep **customization** where agencies like WPP/Xaxis and DAN/Accordant have custom bidder build into Appnexus. But it's not a DSP for everyone, agencies with real assets make the most of their offering
  - **Amazon** AAP offers their **shopping data** in a way that helps us predict future buys and targeting. They close the gap between ads & shopping for true ROI
  - **Adobe** is emerging a strong **full stack** player, with a slew of recent acquisitions and is offering strong/closed-loop solutions to agencies

Google

- I know that we've mostly covered this content in the intro session, but just to reiterate
- We hear a lot about TTD and AppNexus from agencies in a different context



Agencies have two main goals- automate workflow for better efficiency and add value for their clients through customization

- For automating the workflow, we want to provide agencies a menu of options that they can pick from depending on their use case
- They can use the Write API for creating campaigns, but you can't use that for editing targeting or bids due to disintermediation concerns
- To help them edit targeting and bids, we offer structured data files where you can make changes in bulk in a CSV format and then upload back to us
- We are also exploring offering a scripts like functionality that agencies can use to automate their workflow but within our platform

Our second pillar is customization. And the main goal here is to enable the agencies to build on top of our platform, so they can add value and justify the margin they charge customers
- Custom algorithms is a really cool feature that helps customers use their 1P data or unique insights to optimize towards a business objective
- We've seen some really good success with our early customers and our goal is to scale that more broadly this year

And then we have ads data hub, that lets customers bring in their 1P data into

google cloud and join with Google data to derive unique insights

Video (45% 2017)
2017: $390M
2018: $550M

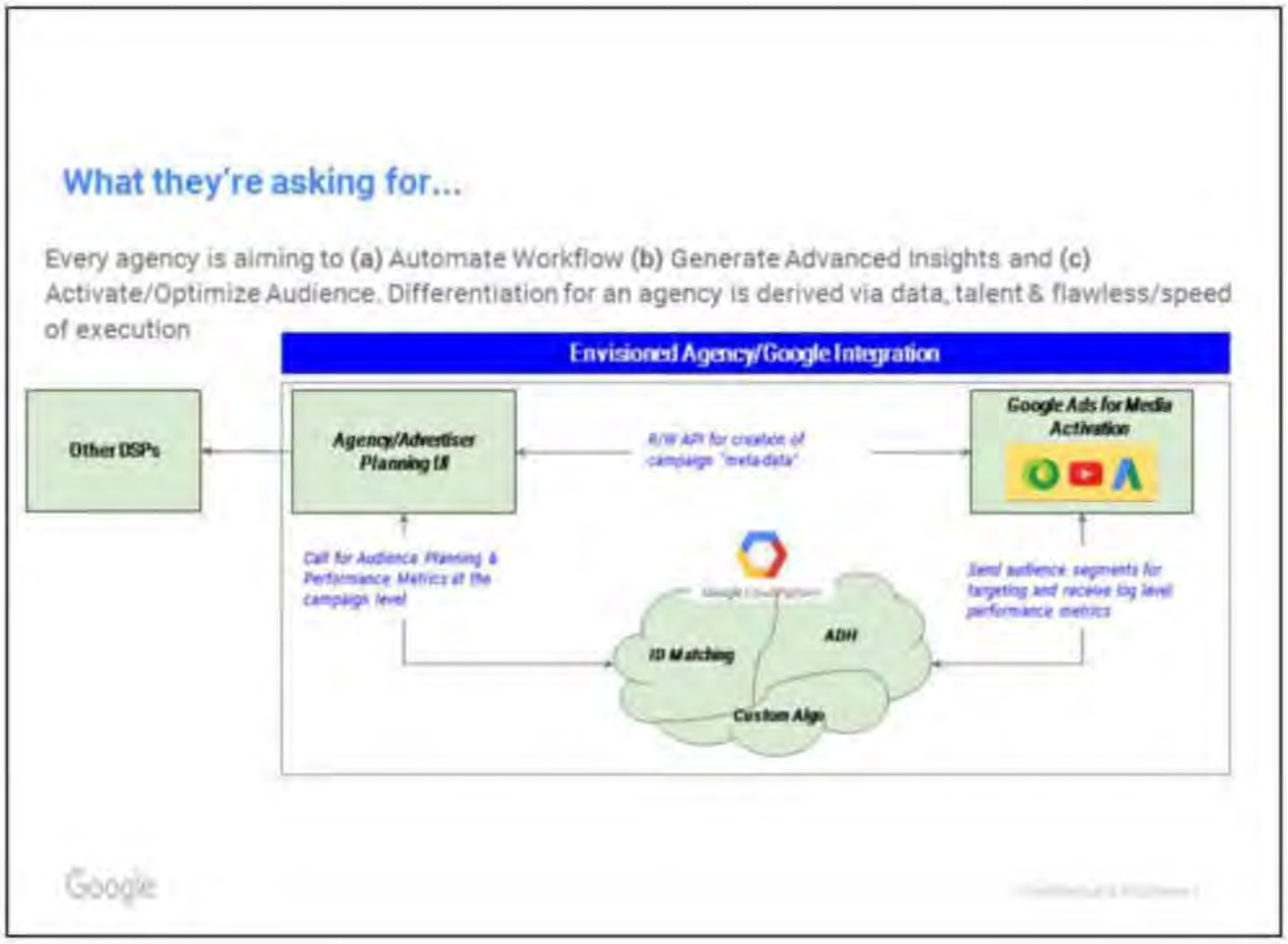
Non-Video
2017: $494M
2018: $893M


APPENDIX
Google

Three focus areas (further detail)

	Focus area	Current challenges	What we're doing
1.	Expose app inventory to eligible demand	Popular features have **low coverage** in app inventory (viewability measurement, 3rd party brand safety lists, verification, etc.); reporting on **same-device conversions** is broken	Prioritizing and addressing each issue, some large efforts will have a big impact ("Fountain" for viewability), many small fixes will have a large impact in sum. Report on same-device, cross-ID space conversions in line-item reporting
2.	Build a great package of inventory, formats, and control to win over opted-out advertisers	Agencies, large buyers, and internal sales teams have a **negative view** of exchange-bought app inventory due to **perception** of low quality and low brand safety	Work across buy- and sell-side to create a package of high-quality inventory that is safe & measurable with great formats. Sell it proactively to well-suited advertisers. Get momentum and feedback.
3.	Grow demand by driving DBM adoption for programmatic performance	Large performance advertisers use **competing DSPs** for in-app spend. App promo features still being built out for a full offering	Deep-dive with advertisers to understand which features could bring their budget to DDM. App promo: Easy conversion tracking with AAP integration. Leverage Cloray to serve GDN templates. Build out video formats.

Google



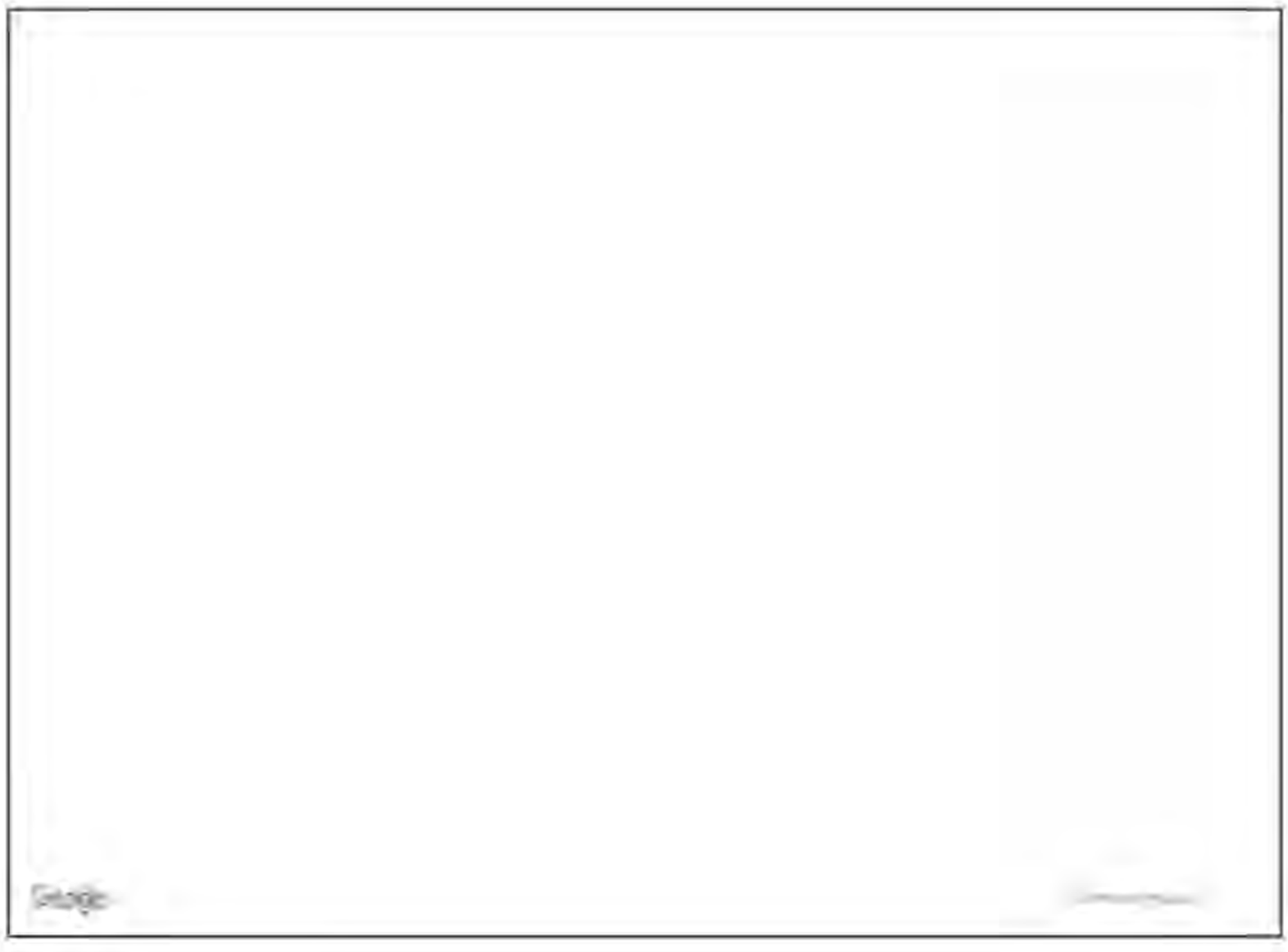
Video (45% 2017)
2017: $390M
2018: $550M

Non-Video
2017: $494M
2018: $893M

2. Cross Channel Video leverages our tech and data to realize the benefits of consolidation across YT and non-YT



- To realize gains from consolidation, our best features must work across YT and non-YT (cross-channel) seamlessly

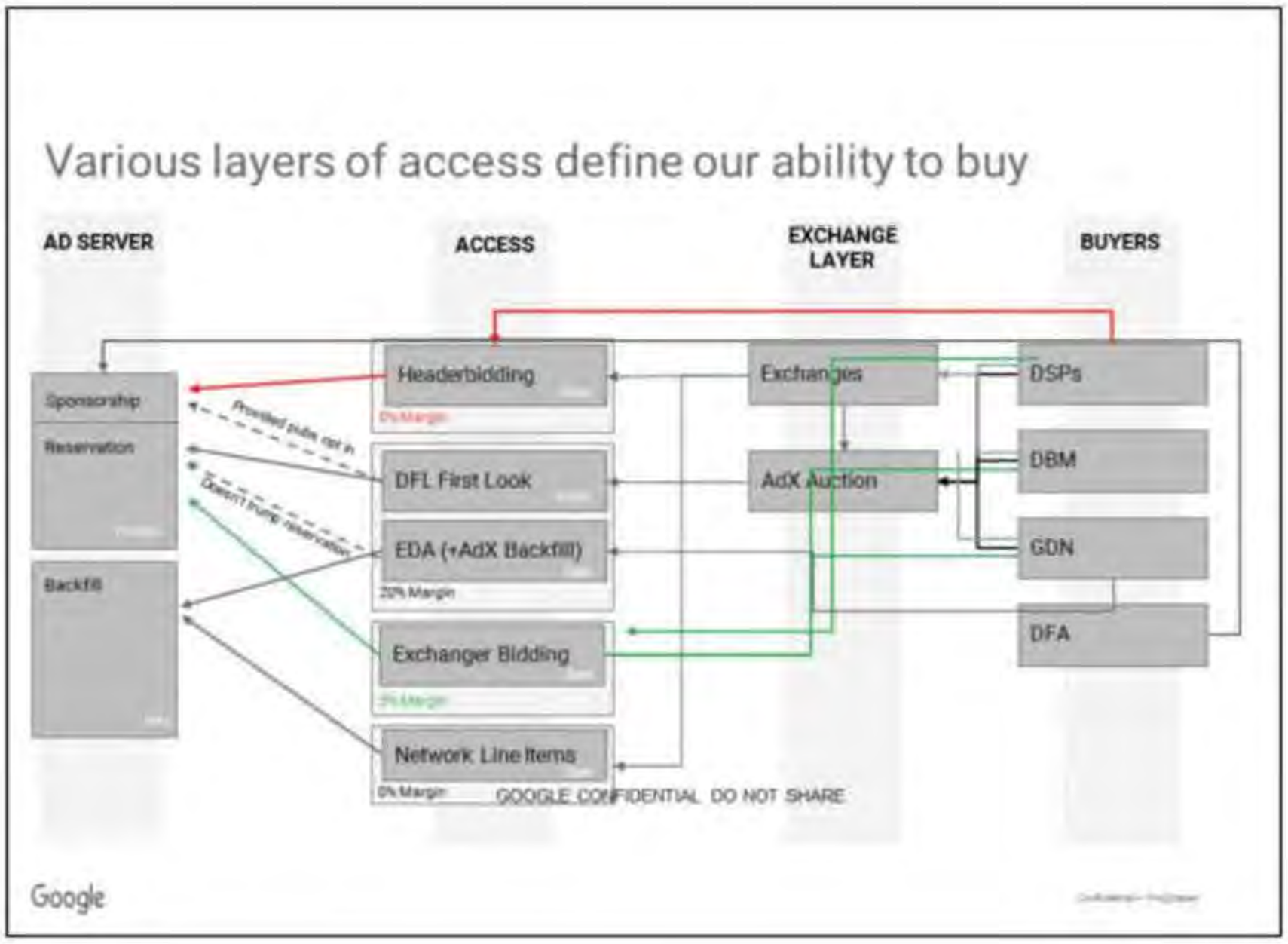




There are other tech partners which we are in contact with but not utlising and may make use of in future such as video contextual classification tech, native format tech providers.


Advertising Revenue ($B) and Growth Rates (%) of
Google vs. Facebook vs. Other, USA, 2015 – 2016
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$-
USA Advertising Revenue ($B)
+20% Y/Y
+62% Y/Y
+9% Y/Y
2015
2016
Google
Facebook
Others

Google


Various layers of access define our ability to buy
AD SERVER
ACCESS
EXCHANGE LAYER
BUYERS
Sponsorship
Reservation
Backfill
Preferred pulls out in
Doesn't trump reservation
Headerbidding
0% Margin
DFL First Look
EDA (+AdX Backfill)
20% Margin
Exchanger Bidding
Network Line Items
0% Margin
Exchanges
AdX Auction
DSPs
DBM
GDN
DFA
GOOGLE CONFIDENTIAL DO NOT SHARE
Google

Executive Summary

(scope is GDN + DBM unless stated otherwise)

1. Level setting how we source inventory today
   a. evolution of display ads ecosystem
   b. inventory makeup (50 exchanges, adx, adsense, admob)
   c. DSPs used to be all around enabling broad access as neutral buying tool, but 2, 3, 4 challenge this

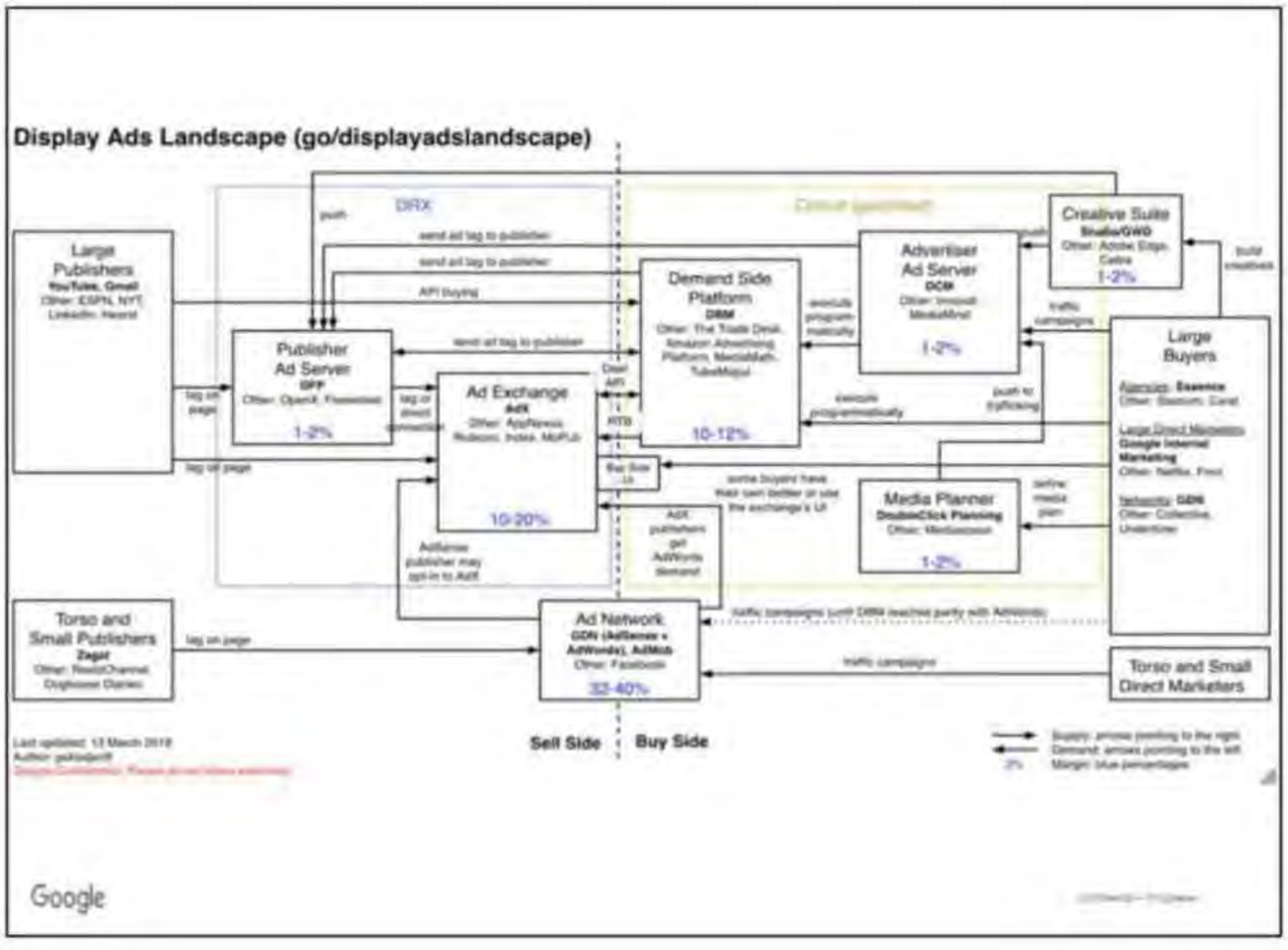
2. inventory quality is a huge challenge
   a. Spam
   b. counting discrepancies
   c. misrepresented inventory
   d. brand safety concerns
   e. Price gouging strategies

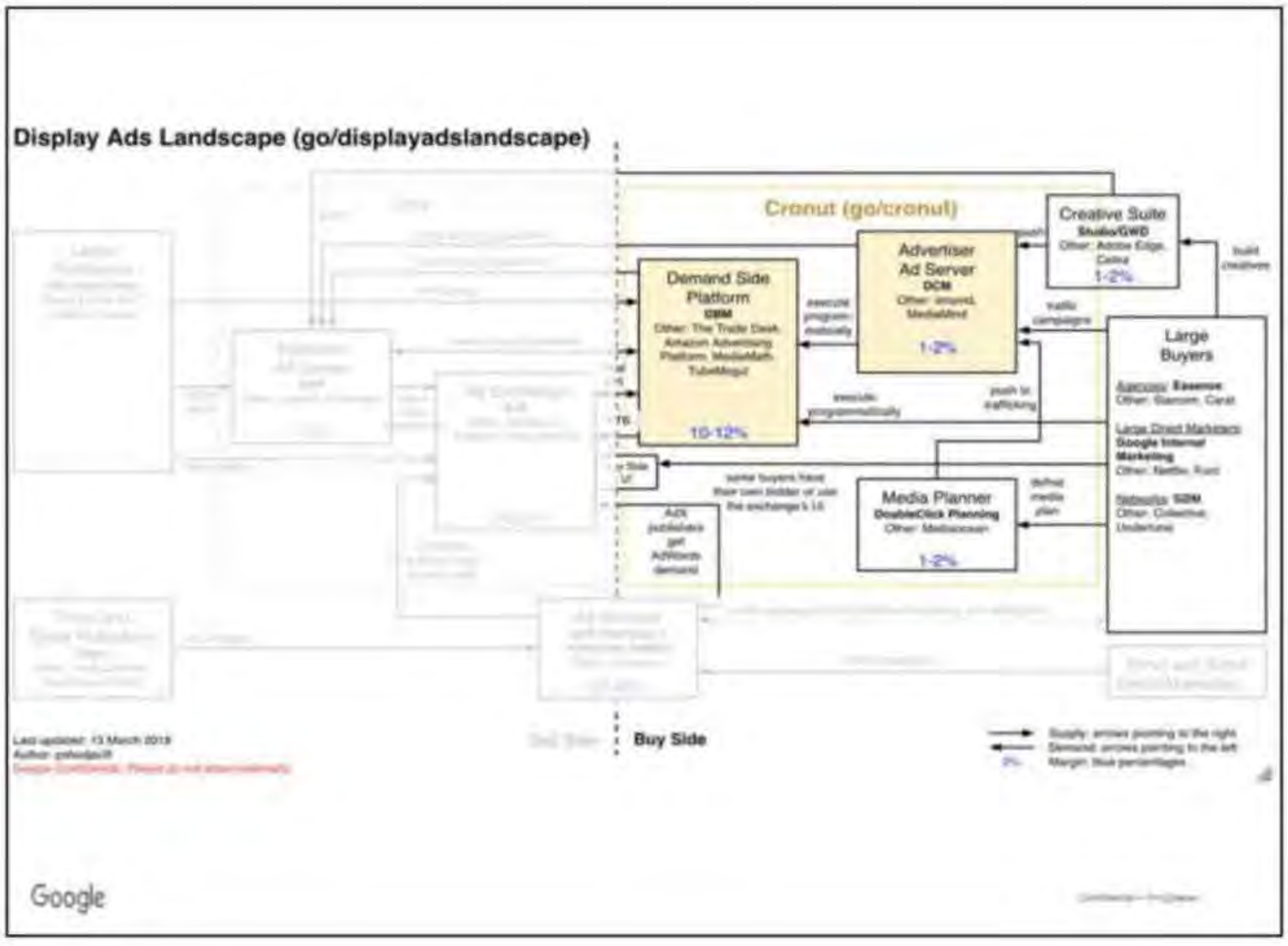
3. competition has changed significantly
   a. used to be Turn/MediaMath and many others, now its heavily consolidated (TTD, AAP, FB)
   b. walled-gardens create all kinds of issues for us / what we have access to vs. not
   c. unique value of DFP access is challenged by Header Bidding and ecosystem incentives
   d. [illegible]rgin challenges, in addition to sell-[illegible]osion

4. New types of inventory are emerging
   a. challenging our policies/infrastructure

5. External factors
   a. ITP
   b. GDPR
   c. Brand safety

(for each of these problem statement, what we are doing on DBM and impact, how it compares to competitors)


Display Ads Landscape (go/displayadslandscape)
DRX
push
send ad tag to publisher
send ad tag to publisher
API buying
send ad tag to publisher
Large Publishers
YouTube, Gmail
Other: ESPN, NYT, LinkedIn, Hearst
Publisher Ad Server
DFP
Other: OpenX, Freewheel
1-2%
tag on page
tag or direct connection
Ad Exchange
AdX
Other: AppNexus, Rubicon, Index, MoPub
10-20%
Direct API
RTB
Buy Side UI
Demand Side Platform
DBM
Other: The Trade Desk, Amazon Advertising Platform, MediaMath, TubeMogul
10-12%
execute programmatically
Advertiser Ad Server
DCM
Other: Innovid, MediaMind
1-2%
push
Creative Suite
Studio/GWD
Other: Adobe Edge, Celtra
1-2%
build creatives
traffic campaigns
Large Buyers
Agencies: Essence
Other: Starcom, Carat
Large Direct Marketers
Google Internal Marketing
Other: Netflix, Frito
Networks: GDN
Other: Collective, UnderOne
execute programmatically
push to trafficking
define media plan
some buyers have their own bidder or use the exchange's UI
Media Planner
DoubleClick Planning
Other: MediaSpecial
1-2%
tag on page
AdX publishers get AdWords demand
AdSense publisher may opt-in to AdX
Ad Network
GDN (AdSense + AdWords), AdMob
Other: Facebook
33-40%
traffic campaigns (until DBM reaches parity with AdWords)
traffic campaigns
Torso and Small Publishers
Zagat
Other: ReadItChannel, Doghouse Diaries
Torso and Small Direct Marketers
Sell Side
Buy Side
Last updated: 13 March 2018
Author: gokrejcir@
Supply: arrows pointing to the right
Demand: arrows pointing to the left
3% Margin: blue percentages
Google


Display Ads Landscape (go/displayadslandscape)
Cronut (go/cronut)
Creative Suite
Studio/GWD
Other: Adobe Edge, Celtra
1-2%
Adverteer
Ad Server
DCM
Other: atmind, MediaMind
1-2%
Demand Side
Platform
DBM
Other: The Trade Desk, Amazon Advertising Platform, MediaMath, TubeMogul
10-12%
execute programmatically
push to trafficking
Large
Buyers
Agencies: Essence
Other: Starcom, Carat
Large Direct Marketers
Google Internal Marketing
Other: Netflix, Ford
Networks: SDM
Other: Collective, Undertone
Media Planner
DoubleClick Planning
Other: Mediacosm
1-2%
define media plan
AdX publishers get AdWords demand
Buy Side
Supply: arrows pointing to the right
Demand: arrows pointing to the left
Margin: blue percentages
Google

Overarching Buyside Strategy

Step 1: Be a media-agnostic platform for large marketers
Why? Large buyers control vast majority of spend and want media-agnostic tools to manage their business.



Step 2: Consolidate all channels through programmatic technology
Why? So we can maximize share-of-wallet with large advertiser.

Step 3: Deliver superior ROI across all channels
Why? So we can influence spend and grow Google O&O/network revenue.

Google

rubicon PROJECT

- **$155.5M revenue** at 18.5% margin in 2017 (**-44.1%** YoY, margin dropped from 25%)

Focus on:

- Eliminated 100 positions in 2017, $20M reduction of capital expenditures, expects to EBITA positive in Q4, 2018
- Eliminated buyer fees (DBM was impacted by this)
- Revamped auction to be first price as default

Google

http://investor.rubiconproject.com/news-releases/news-release-details/rubicon-project-reports-fourth-quarter-and-full-year-2017

Inventory quality major concern starting early 2017

"What gives advertisers pause on programmatic?

Media Buyers	
1. Bots/Fraud	27%
2. Verification	22%
3. Lack of human interaction	22%
4. Placement transparency	19%
5. Poor inventory quality	19%
6. Brand safety	17%
7. Pricing transparency	17%

Advertiser Perceptions

Based on Q1 2017 Programmatic Intelligence Report collecting feedback from top 200 advertisers in US and ~1000 key decision makers

Google

'Biggest Ad Fraud Ever': Hackers Make $5M A Day By Faking 300M Video Views

Google Issuing Refunds to Advertisers Over Fake Traffic, Plans New Safeguard

Russian Hackers Stole Millions From Video Advertisers, Ad Fraud Company Says

Domain Spoofing Be Gone: Ads.Txt Will Filter Out Imposter Sites

White Ops reports biggest ad fraud botnet found yet: 'Methbot' targeting high-CPM video inventory

UBER SUES DENTSU'S FETCH MEDIA FOR FRAUD

Adobe says it will help advertisers and publishers find out if they are getting ripped off by ad tech companies

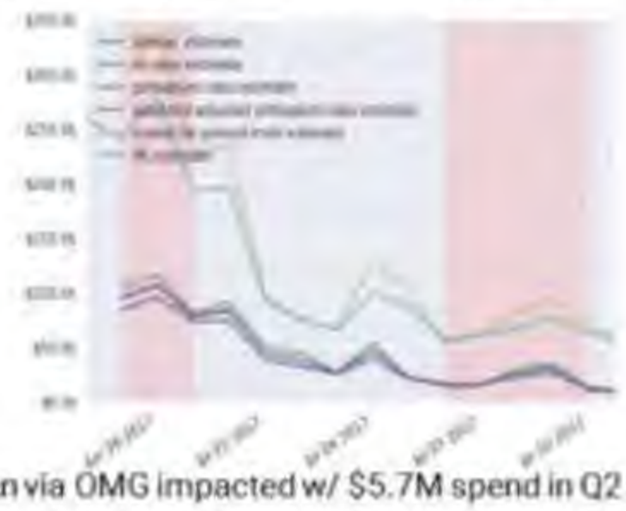
Big brands fund terror through online adverts



Google

Two major attacks over 2017, impact in excess of $32M

Chefbot: large, sophisticated botnet attack, likely via infected residential computers; ~$32M net revenue impacted in 2017 (Q2 + Q3); botnet was discovered by **White Ops** (third party ad fraud)



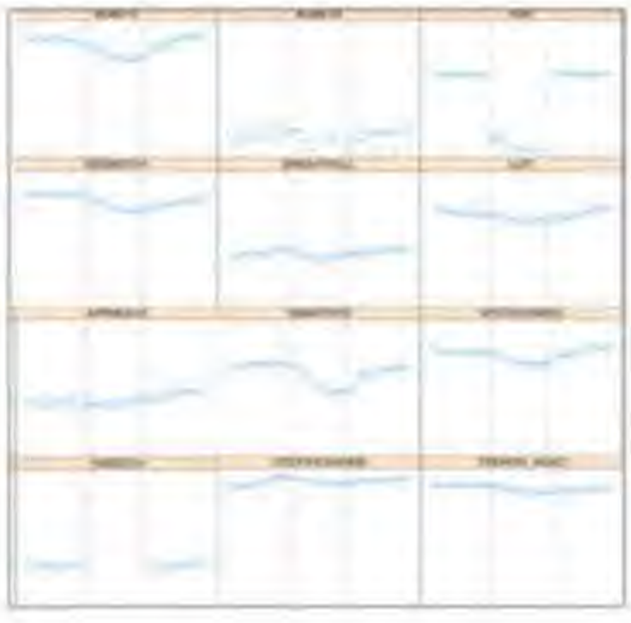
Nissan via OMG impacted w/ $5.7M spend in Q2 alone.

- We proactively refunded ~$32M net revenue impacted in 2017 (Q2 + Q3)
- Negotiated with all exchanges to have 30 day refund terms; limited default buying to exchanges w/ refund terms
- Initiated major internal effort to align spam crediting/debiting system (ongoing)
- Externally communicated what protections we offer
- In active negotiations with White Ops to strengthen our ability to detect botnets pre-bid

Google

Misrepresented/Counterfeit Inventory

Blackout Experiments: when turning off publisher ad serving for 5 minutes, impressions on many exchanges continued to serve.



Established Adx.txt as industry standard, launched support across Buy- and Sell-side.



- **80% of DBM** spent adopted.
- Unauthorized inventory overlapped w/ botnet traffic.

Google

Buy-side and specifically DSPs (DBM) used to be primarily focused on securing access. However this position is challenged:

Executive overview of following slides:

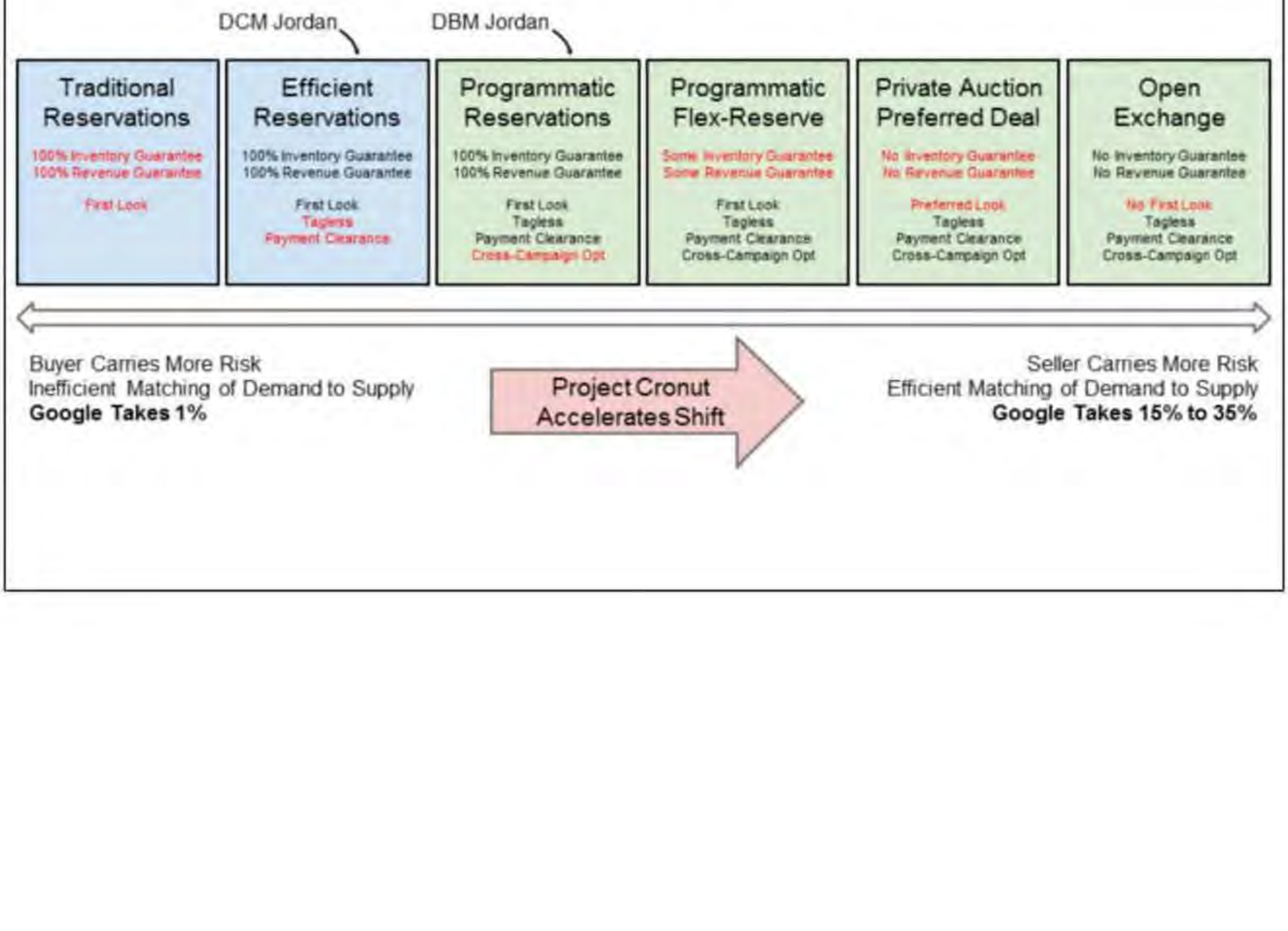
1. **Inventory quality is a huge challenge**
   Botnet attacks, spam, discrepancy deltas led to a loss of about 95M over 2017 - most of which has since been mitigated. In light of brand safety concerns in early 2017, advertisers demand better protections and guarantees on how their $ is spend.

2. **competition has changed significantly**
   # of programmatic buyers is declining as standalone companies in data management, ad buying, and measurement are struggling or being acquired. Survivors are those with scale TDD, AAS

3. **external factors are consistently challenging our business**
   New inventory doesn't always work well with existing policy/spam processes and often leads to revenue not flowing as a default.
   Ecosystem/Regulatory changes have huge impact (Brand Safety, ITP, GDPR)

Google

By accelerating the move to programmatic deal types, Project Cronut creates a more efficient marketplace, defensible product offering and profitable business.



Id	Date	Text
9	03/27/2018 18:29:26	Taken from: https://docs.google.com/presentation/d/1ztPjfx-m50YQYpaMrcFdoegZ57bPxdiG6lNgGQbiWB8w/edit#slide=id.g2a507948c_00
8	03/28/2018 14:23:04	+karinhi@google.com This slide is probably overkill but it's what I had in mind about the margin side of "Why Cronut" _Reassigned to Karin Hennessy_
3	03/28/2018 14:23:04	yeah i think this takes away a little bit from the product story, moving to appendix, we'll cover via discussion if needed



A workspace for creative agencies to design, produce, and manage ads at scale

-- The ad canvas is a visual-first UI for building custom rich media and dynamic creative

-- Integration with GWD allows creative developers to seamlessly push ads directly to A3

-- Format gallery highlights Google's newest high impact formats

-- Storytelling allows cross format creative sequencing - allow brands to create personalized messaging as they move their consumers down the marketing funnel

Id	Date	Text
11	03/27/2018 18:01:21	Maybe we cut this section and just have 1-2 slides each on creative/measurement only?
12	03/27/2018 18:02:33	+kanrob@google.com
10	03/26/2018 14:15:44	I think maybe we cut/rework these five slides? The launches aren't going to be meaningful in this form to Suresh without context & slide 67 already gives the concept
4	03/26/2018 14:15:44	I'll append the 1-slide versions

Inventory

NEARING COMPLETION

- Unified negotiations across deal types and publishers
- Deal type simplification
- Tracked inventory
- Spotlight in Discovery
- Inventory planning workspace
- Reach planning workspace

STRETCH

- Packages in Discovery



Campaign

NEARING COMPLETION

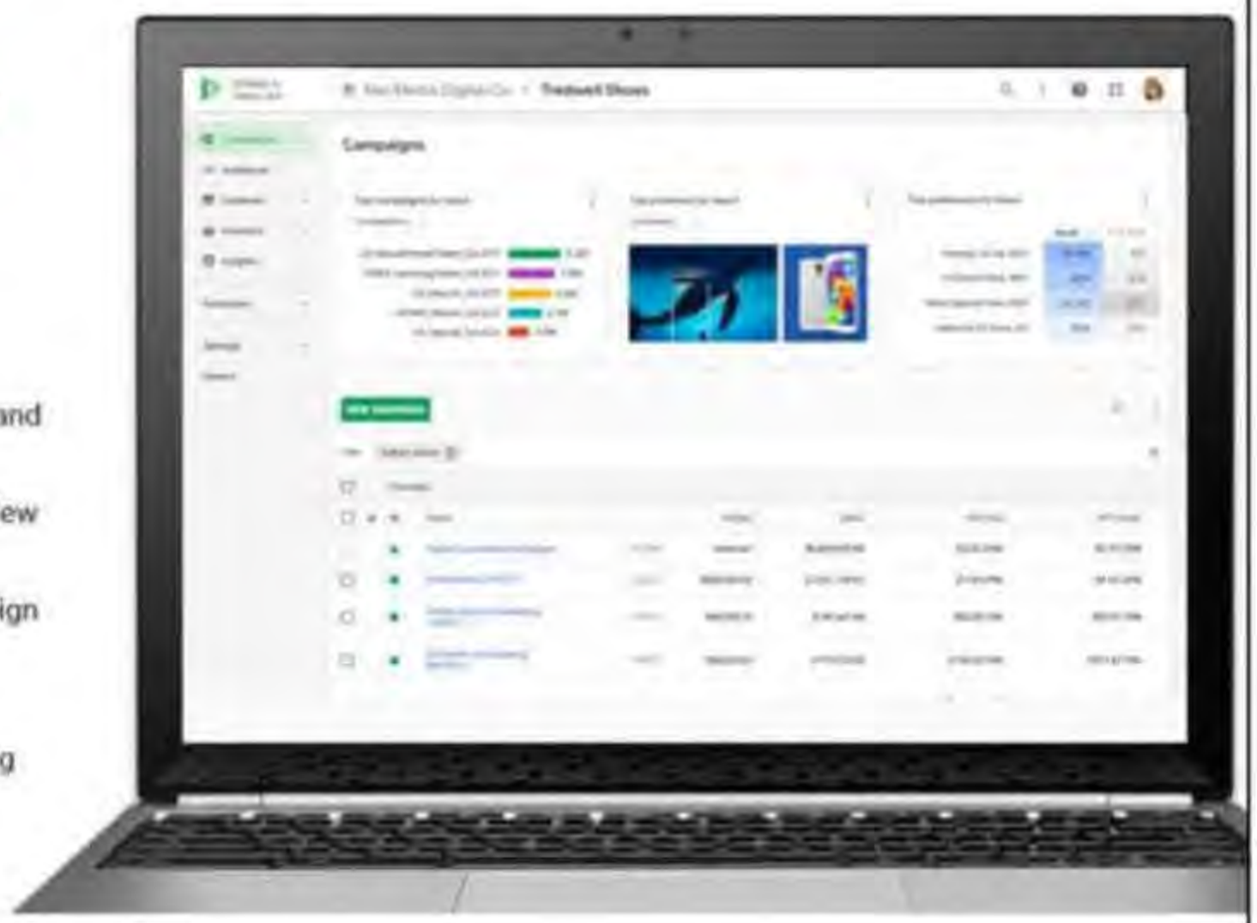
- Campaign object

IN PROGRESS

- CCO/CAO across RTB and reservations
- Campaign trafficking view (CE)
- Reservations in Campaign Context

STRETCH

- Full Reservations buying workflow.



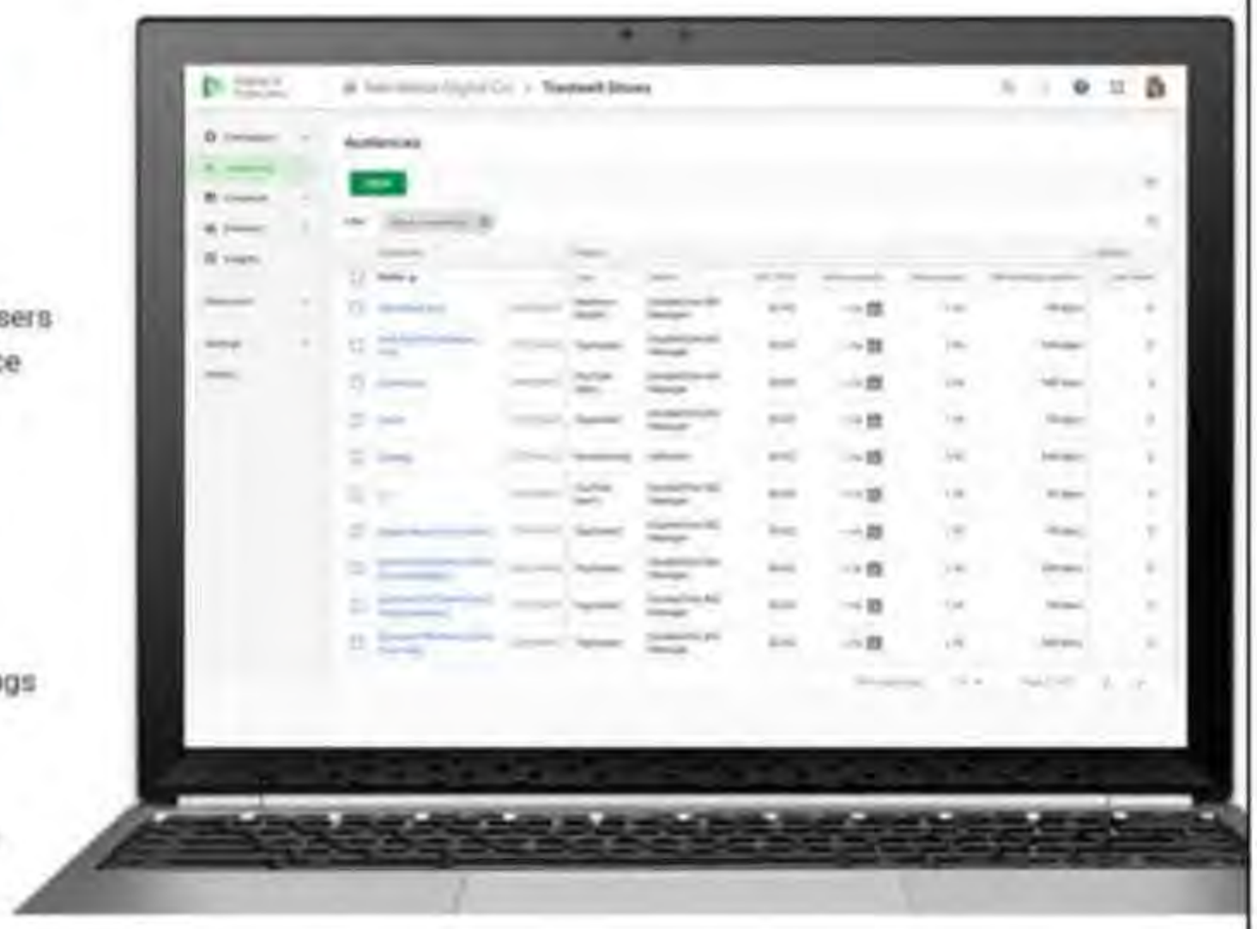
Audience

IN PROGRESS

- Supporting Signed-In users
- New Building Experience
- Event-based audience building
- GAIA list management

PLANNED

- Account Linking (Settings Tab)
- More Google Data
- Audience Composition



Builder and Composition -- management

Signed in users - YT audiences

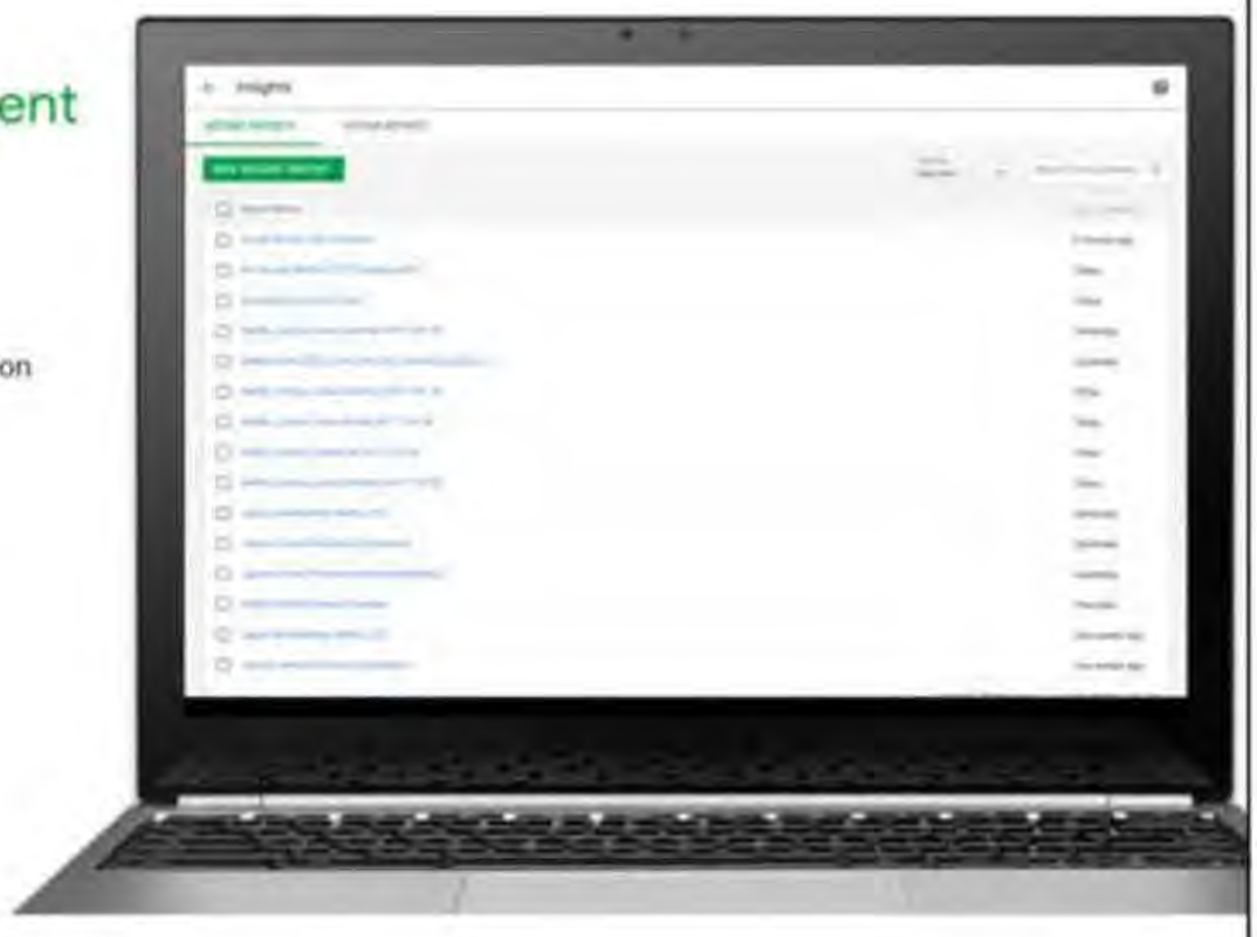
Measurement

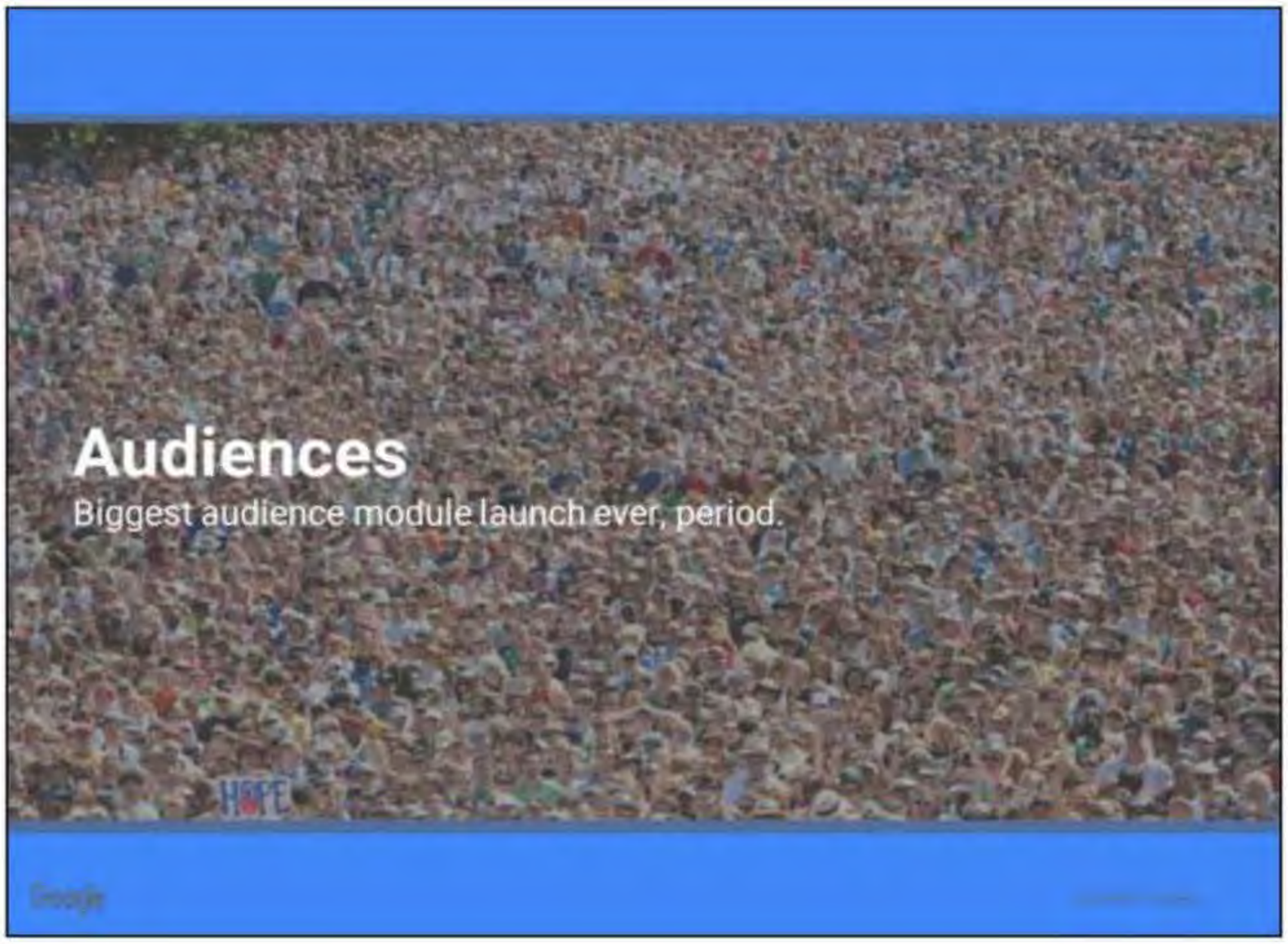
IN PROGRESS

- Instant Reporting
- Ads Data Hub Integration
- Unified Floodlight workflow
- Unified Reporting
- Data Transfer V3

STRETCH

- Landing Page

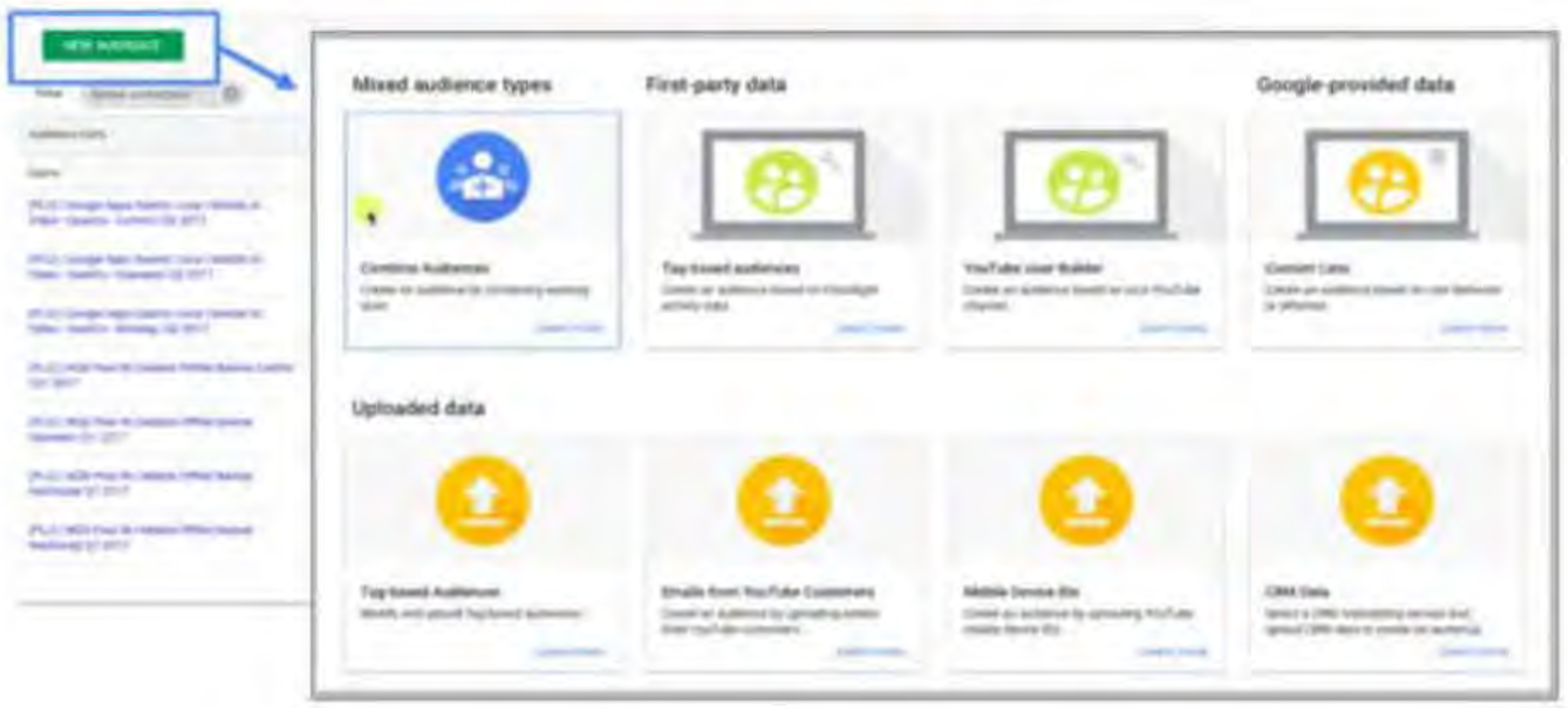



Audiences
Biggest audience module launch ever, period.
HOPE
Google

Id	Date	Text
13	03/26/2018 16:17:40	+kanrb@google.com Suggest we cut this section for time
5	03/26/2018 16:17:40	k

Google

An Audience Builder to Rule Them All



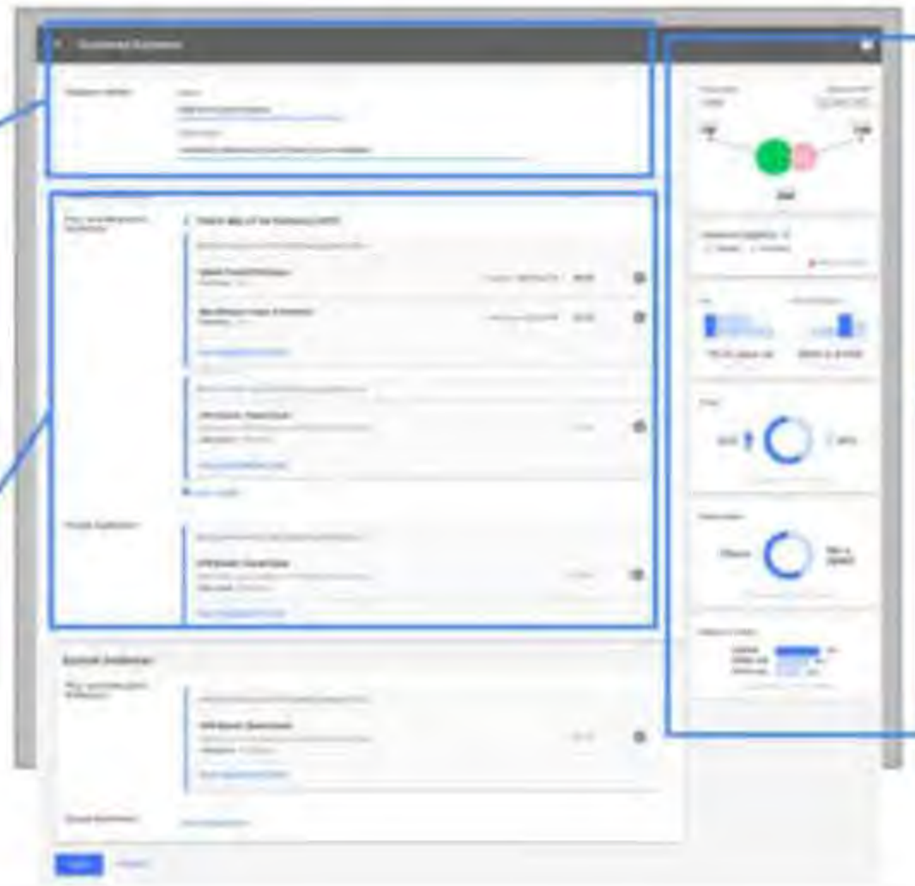
158

Google

A New Audience Building Experience

Create audience **once**, use in many campaigns

Bring in **DAC UX** for combining audiences, with DBM audience creation in **REAL TIME**



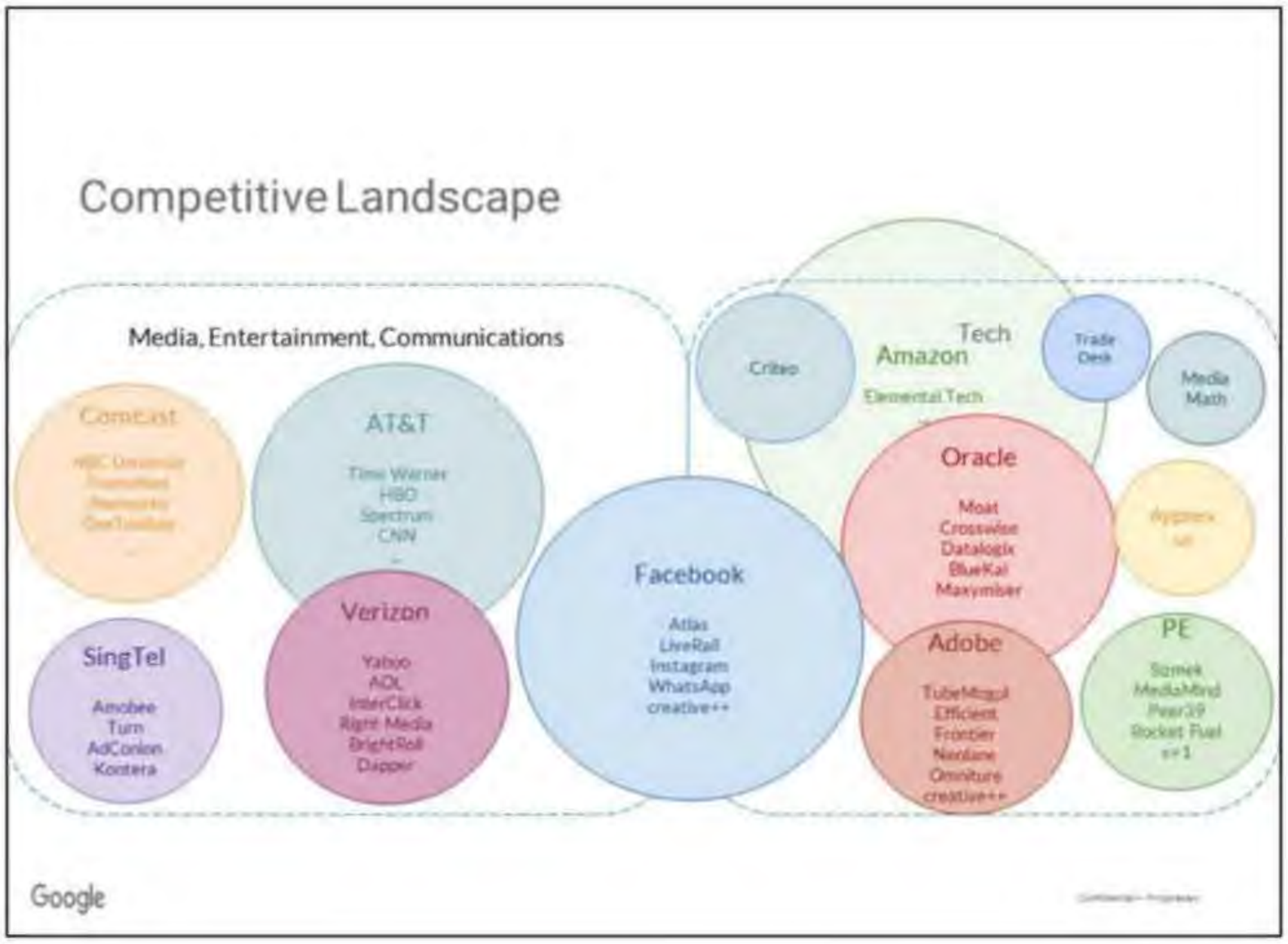
Dynamically updated metrics as Audience is defined:

Demographics
Composition
Eligibility

157

Google

HIGHLY CONFIDENTIAL



More info: https://docs.google.com/presentation/d/140k4P2CyaBPZMf5XHKPZ5aC5-bmgAWNRI3C6pBqY6UQ/edit#slide=id.p

CTV support across DBM Targeting, Reporting, and Creative Management

Advertiser enables Connected TV device type targeting and augments additional detailed targets at the Make & Model level (i.e. Roku, Apple TV, etc.)



Advertiser configures additional targeting & notes that their viewability targeting will not prohibit CTV buying while still being respected across other device types



Other cTV efforts across:

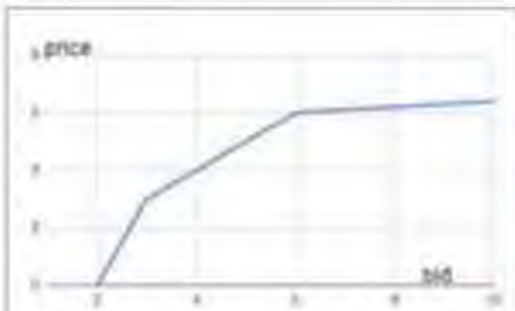
- Reporting
- Creative management
- AdSpam
- Sell side / audience data collaboration

Google

Price Gouging

There are roughly three types of auctions

- Second price (buyer bids truthfully)
- First price (buyer has to shave bids)
- Dirty (called second price,
- but really more like first price)

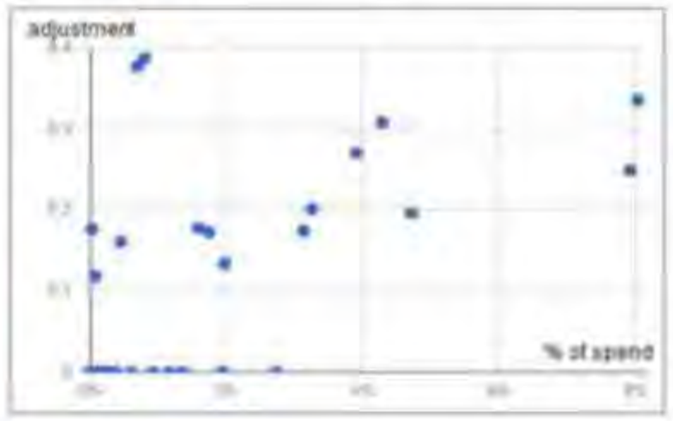


Clearing price is second price above soft floor, first price below soft floor, above hard floor

Exchange	Cost / Bid
[illegible]	27%
AdX	20%
[illegible]	65%
[illegible]	[illegible]
[illegible]	[illegible]

All these auctions are "second price", however the [illegible]

Project Poirot
uses machine learning to detect non-second price auctions and adjusts bids down to win the same impression at lowest price



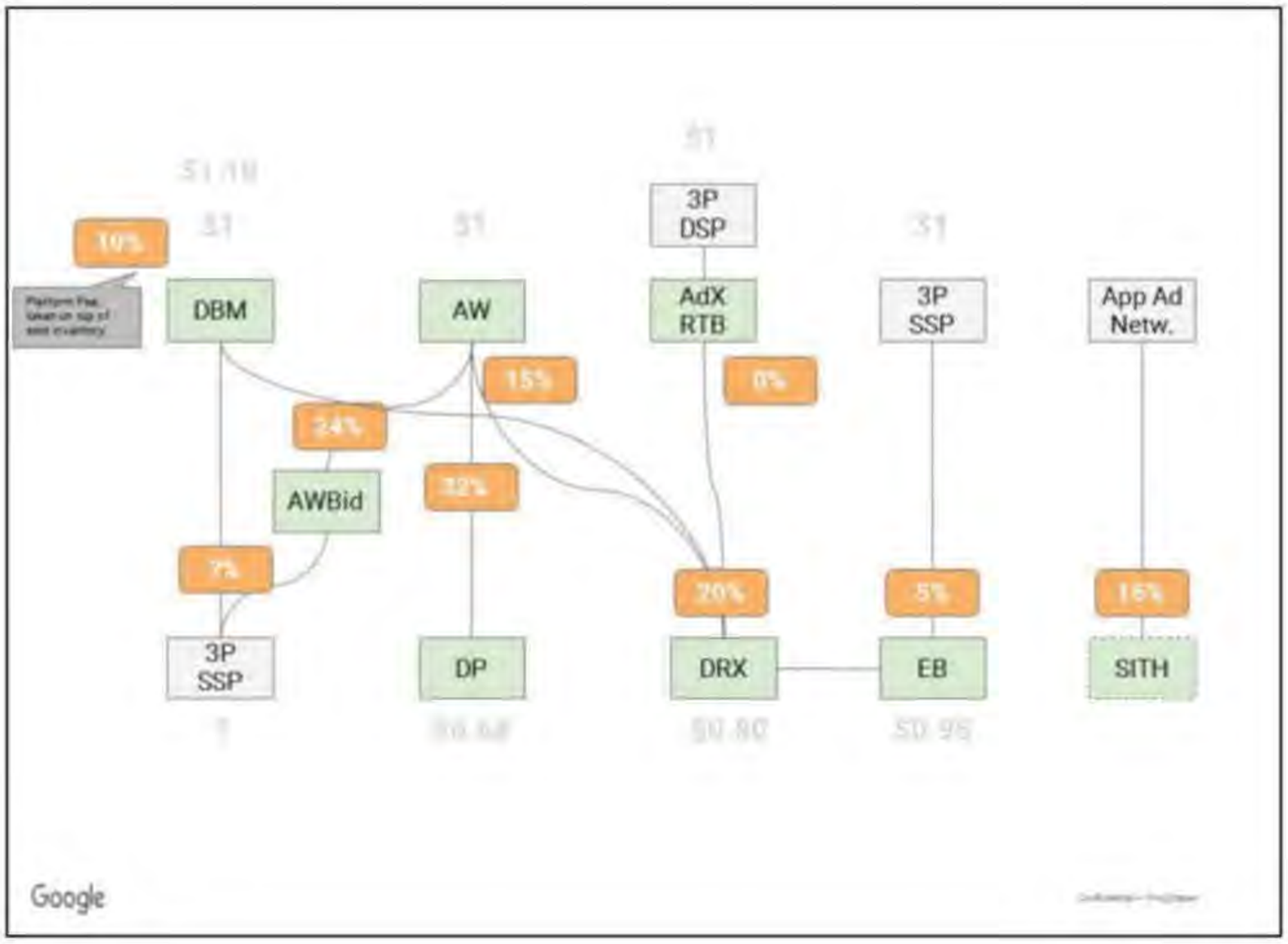
Impact:
+7% AdX ($210M ARR)
-

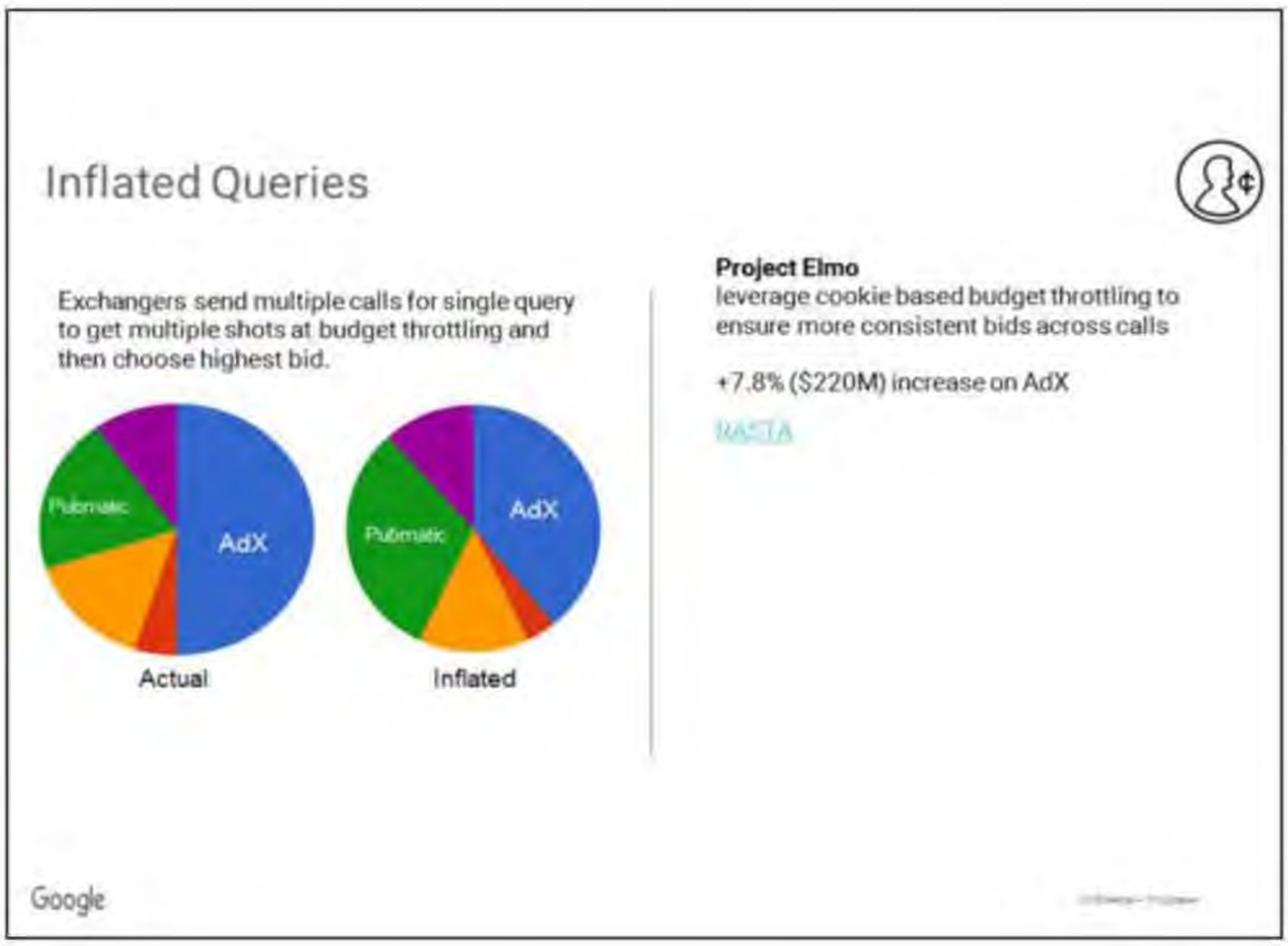
[illegible]

Google

Dirty Auction

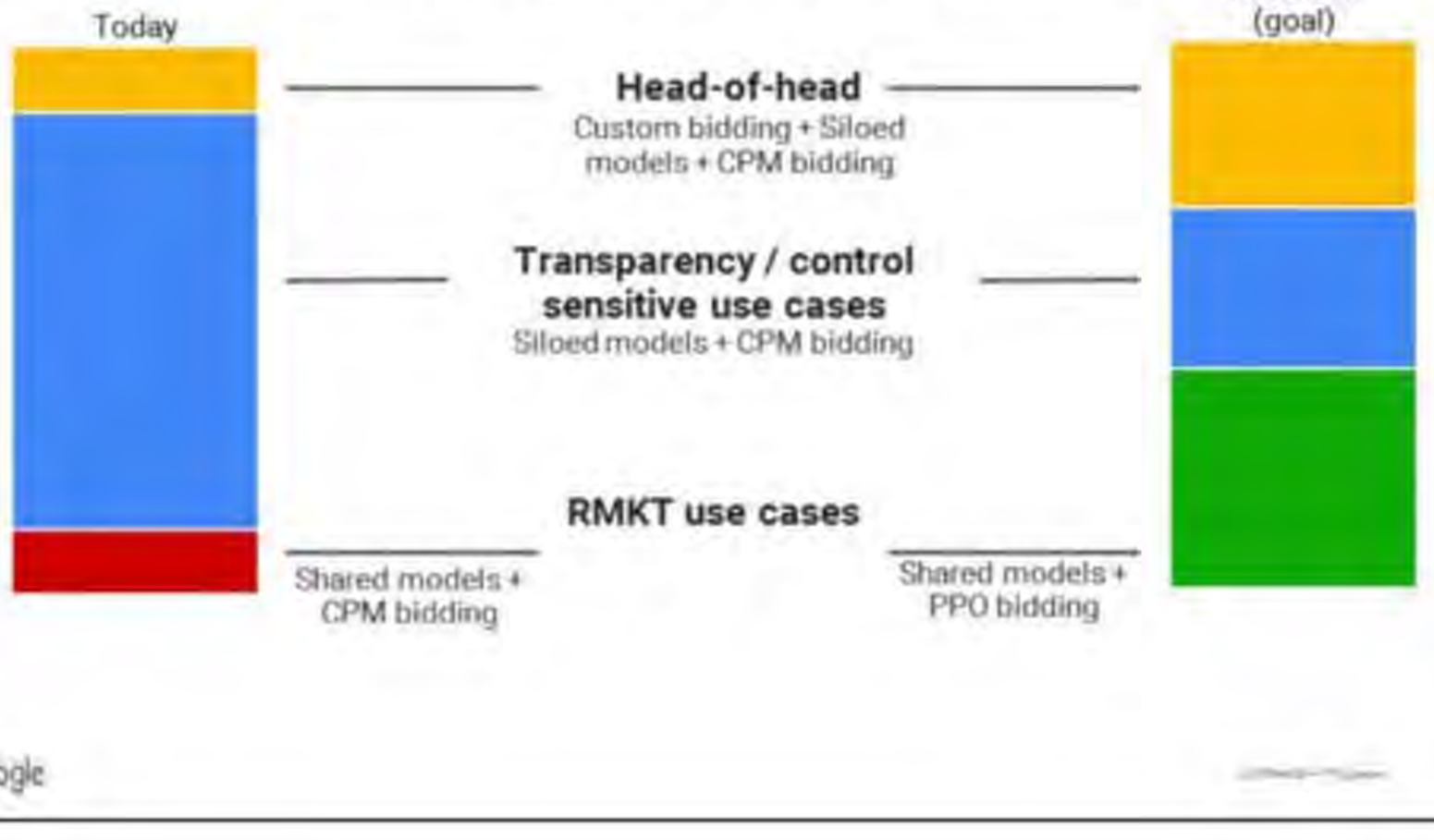
Reserve prices (RP) are common in second price auctions
Dirtiness is introduced using a new type of floor called a "Soft-floor". Unlike with hard-floor, advertiser wins even if bid < soft-floor, in this case price = bid (i.e. first price)!
Soft-floor is a knob that SSPs use to achieve a continuum of auctions from second price (soft-floor=0) to 1st price (soft-floor=infinity), opaque to the advertiser


3P
DSP
10%
DBM
AW
AdX
RTB
3P
SSP
App Ad
Netw.
15%
0%
24%
AWBid
32%
7%
20%
5%
16%
3P
SSP
DP
DRX
EB
SITH
Google



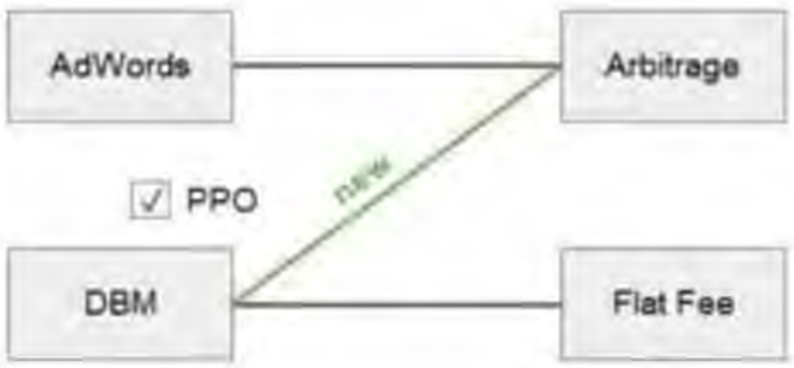
elmo is another 7.8% increase on AdX. so another 220M shifting.

We expect more performance based buying modes in DBM to primarily use Outcome-based buying (PPO)



Google

Outcome-based buying (PPO) delivers better performance to advertisers, brings margin flexibility



Intuitively, majority of performance difference GDN/DBM is due to arbitrage, mostly due to pricing and network optimization (Bernanke etc.)

How does this compare to other DSPs? Doesn't matter as much - the rest of DBM really competes w/ other DSPs, this is more about competing w/ Criteo and others.

Four options in GDN today

- Pay per engagement
- Pay per click
- Per per conversion
- Pay per active view

Google

Publisher Ecosystem is Changing

key points

- Some strategic publishers moving off DFP to proprietary Ad Servers
- Walled Gardens refuse to work with Google Platform technologies
- Buyers are now able to bid on a per impression basis as a result of Header Bidding
- Large buyers (Amazon, Facebook & Criteo) are establishing direct relationships with pubs

▶ There's a need for a new product maintaining **Fair access**, privileged **direct relationships** and **first party signals**

Google

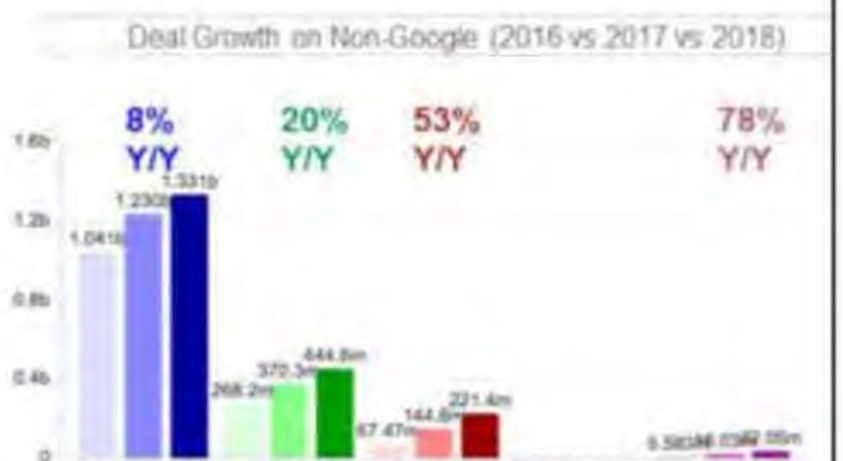
Demand Product as a direct way to access off-platform inventory

	Direct pub relationship	Per-query pricing	First party buying signals	Fair Access	Google Margin
Platform products *DAX, AdMob, AdSense*					High
Off-Platform Products *AdX, AdMob, or other AdExchange*					High
Cross-Exchange *DBM or AdWords/AdMob on other SSPs*			X	X	Low
Demand Product					High

Google

DBM to remain a largely auction driven business with Preferred Deals,PG and TG contributing to less than <15% of revenue



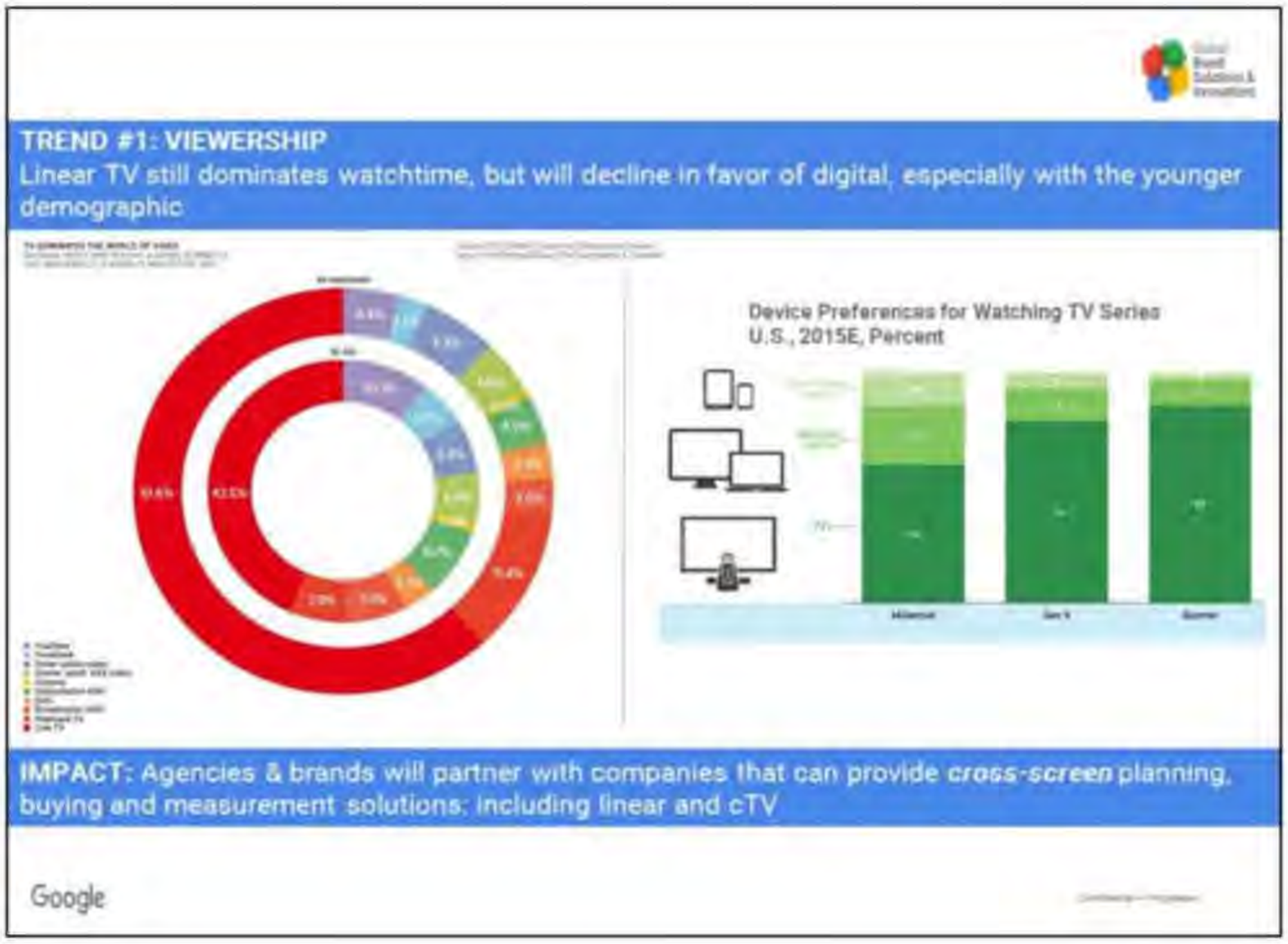




Opportunities

- PG/TG Last year we did not see a lot of holiday spend come via deals. Possible these advertisers have direct relationships
- Safari ITP will mitigate a lot of targeting efforts on iOS web. Deals can help bridge the gap. Browser based PD deals can help maintain reach for the advertiser and not sacrifice pricing for the publisher.

Google



We are definitely seeing a shift in watchtime to digital and over-the-top especaially with millenial audiences - , but linear TV continues to dominate the lion's share of watch time and budgets. This chart is UK, but most countries are still seeing 70%+ of total viewership happen on linear. Whch means this shift over to digital is going to take time. But across buyers & publishers we are seeing the need for cross-screen solutions for planning, buying & measurement that look holisitcally at audiences. This concept of sil'od ad budgets will eventually dissolve.

http://www.digitalstrategyconsulting.com/intelligence/2016/03/tv_trends_youtube_and_netflix_rise_but_tv_still_king.php

Linear TV will decline, but slowly and in key demos
Linear TV is far from dead. In the US, linear TV accounts for 70% of total viewer watchtime and remains the single largest recipient of all ad budgets, capturing 37% of all spend as it continues to offer marketers mass audience reach against brand safe content. In countries like Italy and Germany, traditional TV viewership makes up over 80% of total of watch-time. We are seeing substantial changes in how TV is being watched, and by whom.

OTT will eventually lead, but this will take time

Silo'd TV and Digital ad budgets will dissolve, as buyers think cross-screen for audience reach.

TREND #2: INVENTORY
Premium video is hard to find; plagued by brand safety and IVT concerns


DIGIDAY

NEWS PODCASTS DIGIDAY+ EVENTS AWARDS CAREERS

The FT warns advertisers after discovering high levels of domain spoofing

OpenSlate

2017 Fallout

September 7, 2017

September 7, 2017

September 7, 2017

After a year of trying to prove out PMPs, Netflix is ***pulling away from direct deals*** with publishers as the human effort and spend wasn't worth the ROI. They do like Top Video picks, and wish it was more scalable globally.

NETFLIX


DIGIDAY

NEWS PODCASTS DIGIDAY+ EVENTS AWARDS CAREERS

Ads.txt, created to help publishers fight fraud, isn't being adopted by publishers

IMPACT: Brands are turning to TV, premium reservation deals, whitelists and 3rd party validation to ensure quality – not easy to scale

Google

TREND #3: BUYING
Marketers are shifting from the "brand vs. performance" paradigm, in support of Byron Sharpe's philosophy on *How Brands Grow*



IMPACT: Clients increasingly care about maximizing reach (to build brand salience), but also about measuring "performance" in terms of attribution and sales lift

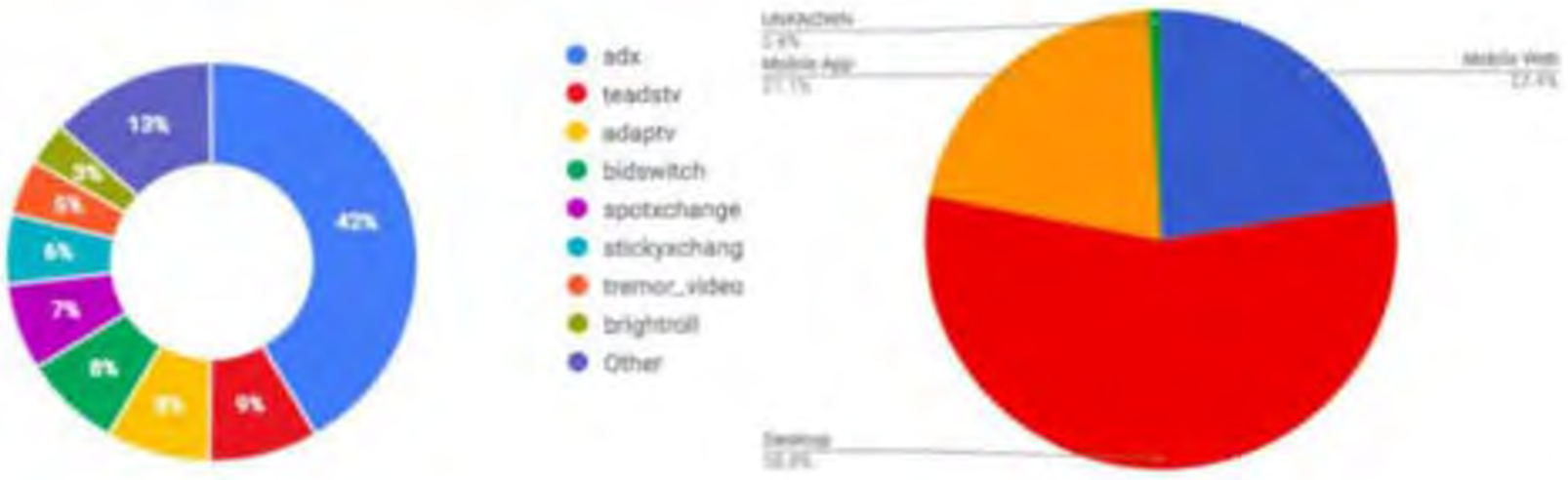
Google

L'Oreal has underlying reach goal, but media planning occurs on a more niche audience (mascara lovers)
For CPG, sales lift; for M&E, tune in

Competitive response

Google

DBM open auction video revenue by exchange and environment



Analysis over 2018-Q1

Google

Market context: 3 key trends

Google


Client segmentation
Google

To grow "All Media" segment, must differentiate with further investment in consolidation, and parity with AW/competitors

PLAN	BUY	MEASURE
• Reach planning and forecasting (incremental, quality reach) • Discover inventory & deals	• Optimize to target reach & frequency • Broad reach on premium inventory (FEP, TV, OOH, etc) • Extensions to linear TV • Bulk campaign and placement management	• Brand lift • Attribution • Sales lift



Google

Agency advanced TV teams are becoming formidable competitors (vs. target customers) to our pTV product



GroupM's addressable TV outfit, Finecast, to find a common currency in the 'walled gardens' of online TV

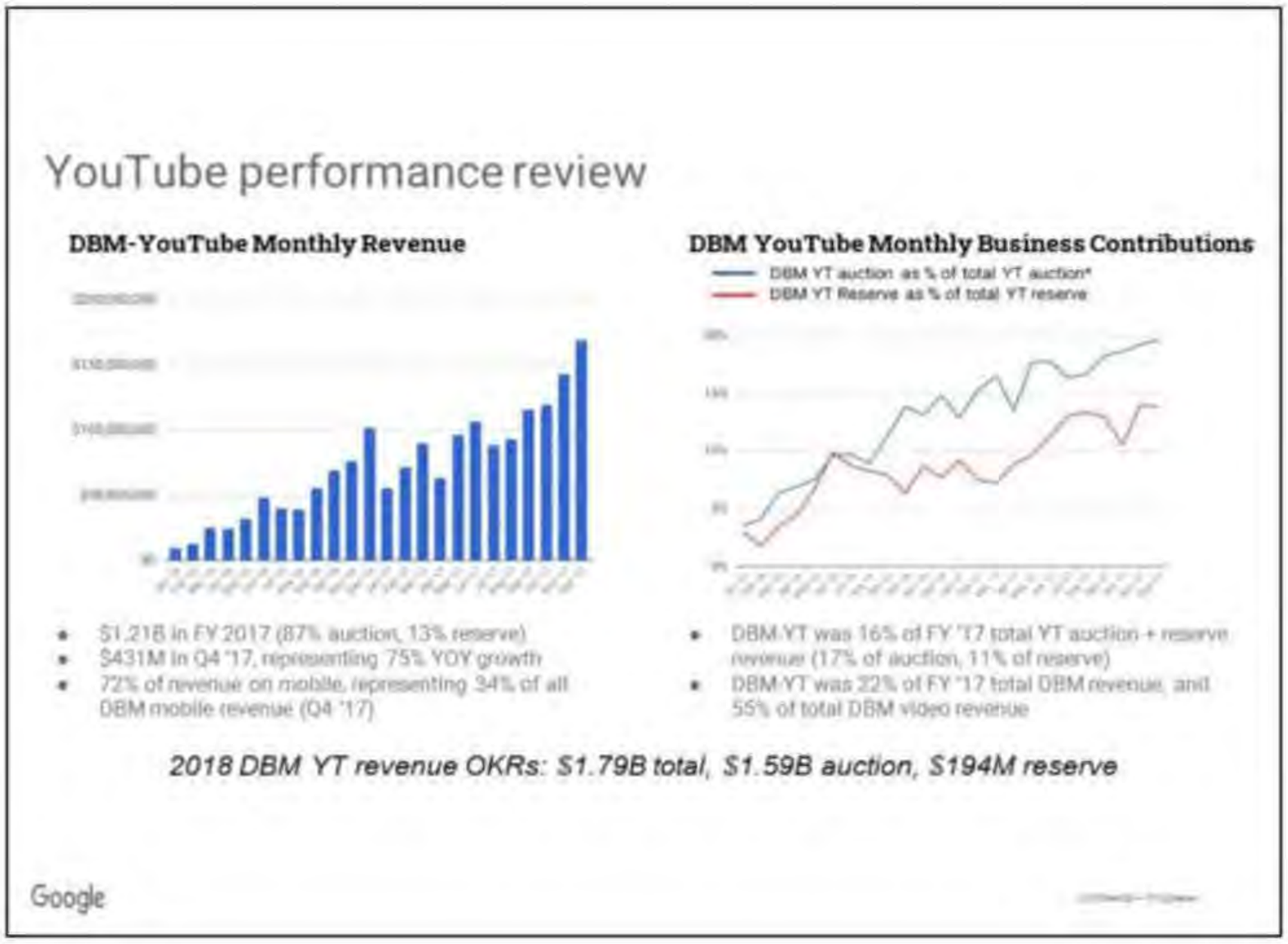
It has inventory commitments from broadcasters Channel 4, Channel 5 and STV, set-top box partners Sky, Virgin Media and BT's YouView, and video-on-demand (VOD) access to Discovery, Disney, Fox and others. It's live partners are currently limited to free-to-air service TVPlayer and STV, but GroupM promises that more are coming soon.

Google



YouTube is increasingly important, have to get that right
But we can't succeed with YT alone -- hence focus on strengthening consolidation, and expanding on efforts in Premium video with deals, connected TV and linear TV
Video is a critical focus for DBMMake it seamless to buy across YT and all video


OLD
Google

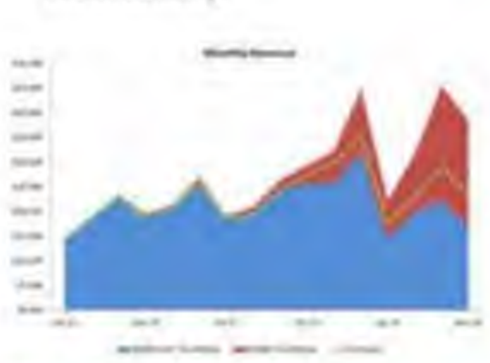


* TrueView + bumpers only. Non-skips, sparkles, etc not included.

Incrementality Analysis - Counterfactual Methodologies

1 Fargo Forecasting

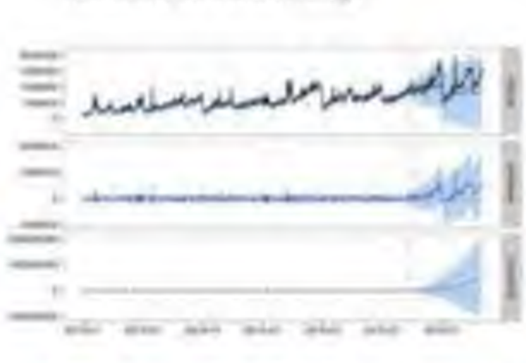
Use Fargo to forecast AdWords TrV spend for DBM TrV adopters to create counterfactual. Compare with actual DBM+AW TrV spend to measure incrementality.



64 [illegible] of every DBM TrV $1 are incremental

2 Causal Impact

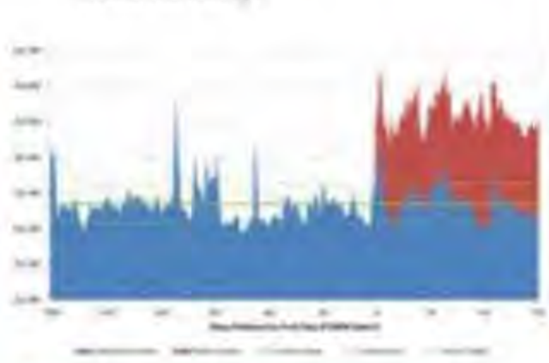
Forecast AdWords TrV spend using a statistical relationship between DBM adopters and non-adopters. Compare forecast with actuals to measure incrementality.



61 [illegible] of every DBM TrV $1 are incremental

3 Linear Regression

Set first date of DBM TrV spend as day 0 (t=0). Train a linear regression model to forecast AdWords TrV revenue and measure incrementality.



Inconclusive due to Q4 seasonality impact

Result: 60-80c of every DBM TrV $1 are incremental. Our best estimate for future impact is ~60c.

Google

[Incrementality details. Incrementality calcs over 9/24/15 (launch) - 04/30/16.]

Id	Date	Text
1	03/26/2018 15:54:07	Move this stat to the previous slide and then delete this slide

Google

Advertisers are increasingly leveraging data to maximize audience reach across screens, while measuring performance

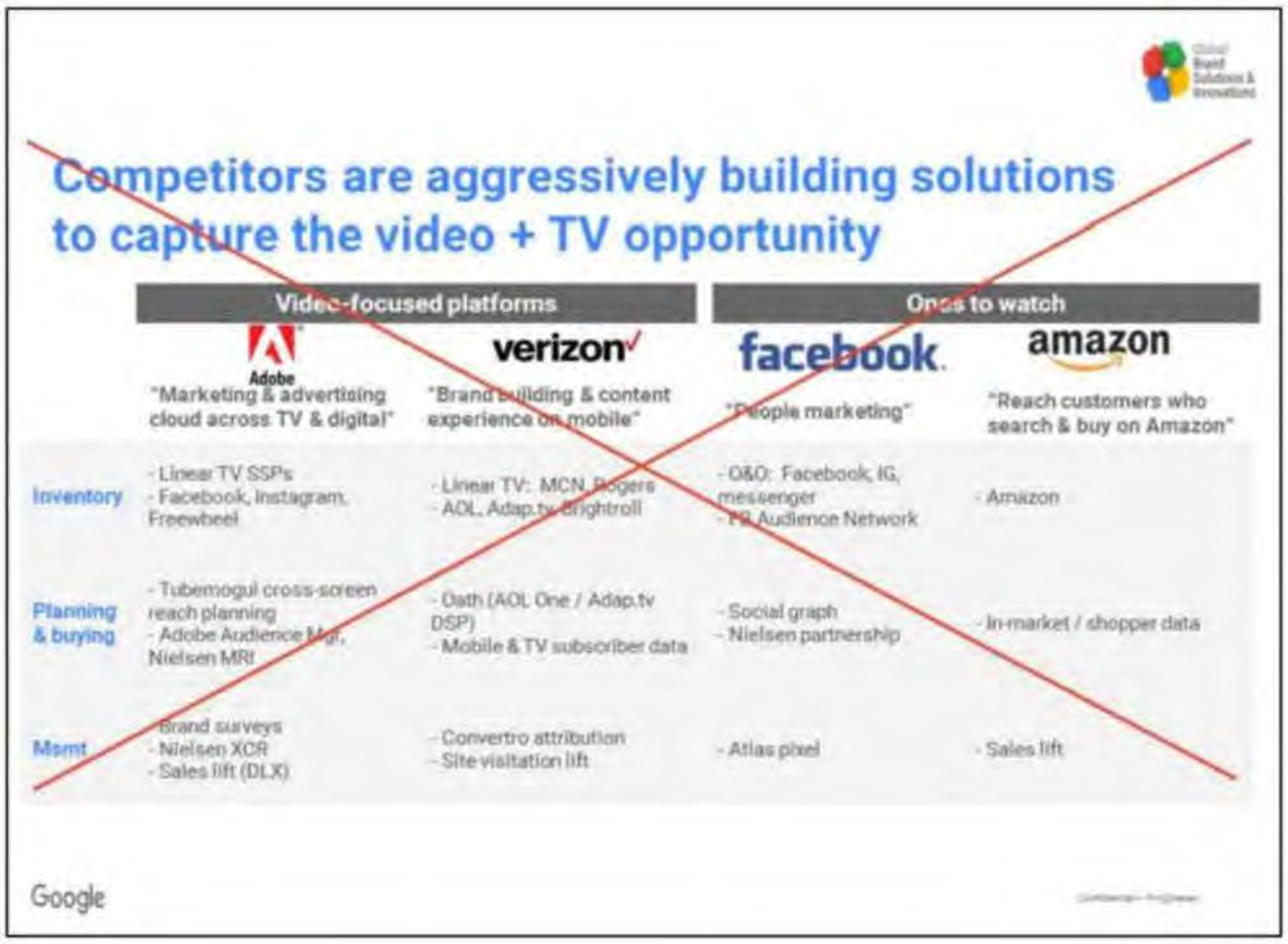
L'ORÉAL PARIS

"I want to reach beauty buyers"

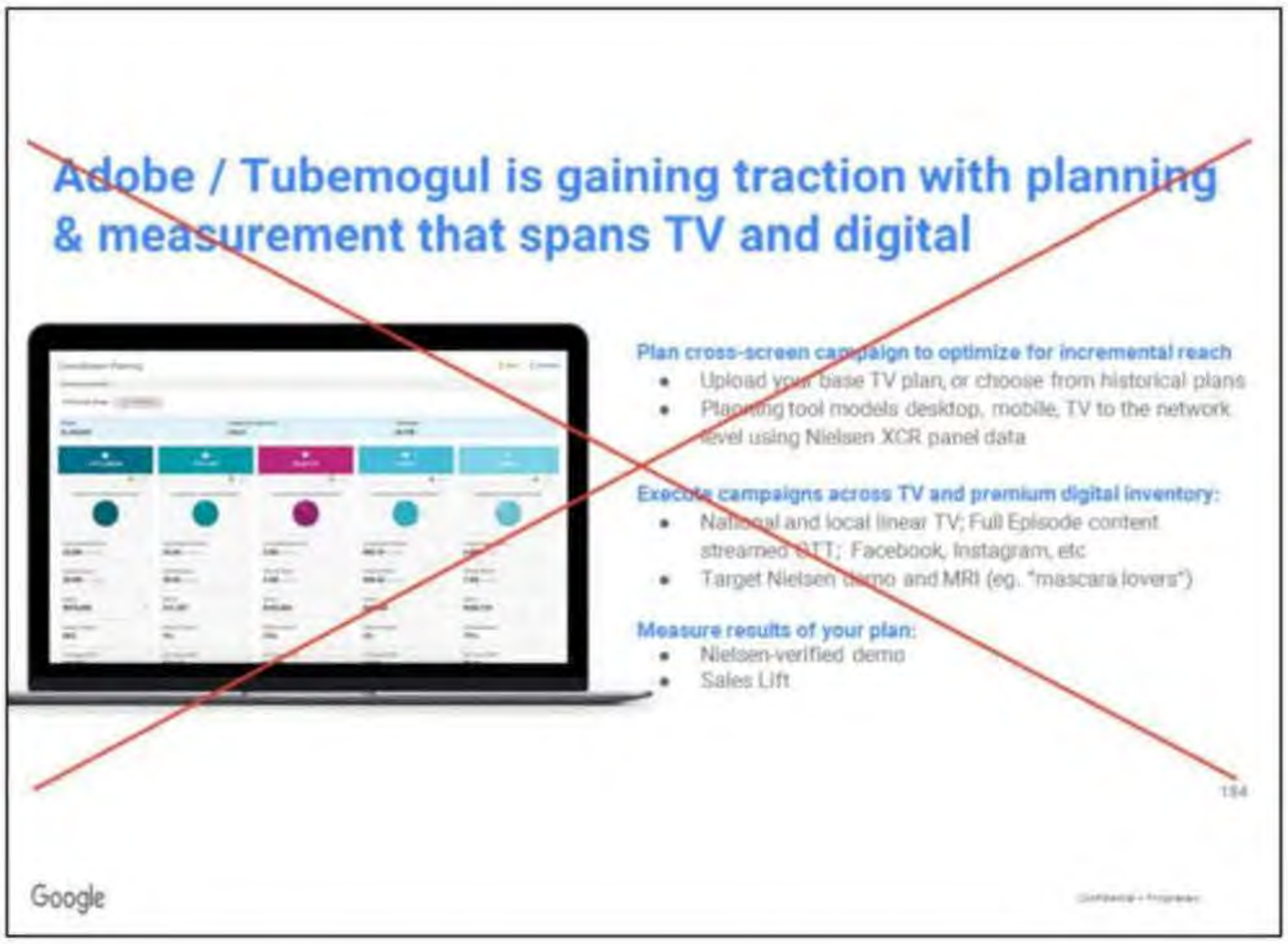
We can help you find people who have...

facebook	amazon	Google	COMCAST	verizon
liked beauty pages (people marketing)	***purchased*** beauty products (purchase data)	***searched*** for beauty products, beauty stores or watched beauty videos (search data)	***watched*** TV shows related to beauty (STB data)	***interests*** in beauty from (mobile & TV data)

Google



The Trade Desk (maybe just for talking) --> doubling down in flexibility for PG/reservation and identity solutions (e.g. cTV announcement)



Next evolution of the PTV product is cross screen planner

Id	Date	Text
1	03/26/2018 22:49:27	missing competitors videology TTD (include content on cTV investments) +brleti@google com are there existing slides we can use to bolster this section?
1	03/26/2018 22:49:27	we decided in the meeting to consolidate the competitive update into one simpler slide that just hits on the highlights for tech competitors, while also addressing the media angle. Check slide 109 (just added) and lmk what you think!

Google

TV/Video is a $200B+ global market; Video viewership and growth will be driven by OTT and Digital Video & Apps

	Traditional TV	Over-the-Top (OTT) Services	Digital Video & Apps
	Linear TV, Addressable TV, IPTV, DVR, VOD	Subscription (VOD): NETFLIX, amazon Virtual MVPDs (Live TV, DVR / VOD): sling, hulu, YouTube TV Direct to Consumer (Live TV, VOD): HBO GO, CBS ALL ACCESS, WATCH ESPN	Watch, Scroll, Snap, Tweet, Play, Listen
			
Ads Market:	$180B ***$192B (2022)***	$6B ***$20B (2022)***	$20-24B ***$60B (2022)***

See Appendix A for more Comcast strategy and business details

Google

Opportunity: **Capture video spend across digital, OTT and traditional TV market as video market converges**



Current Google Digital Video Opportunity:

- YouTube
- OTT (Live Streaming, On-Demand)
- Other Digital Video
  - Short-form Clips
  - Out-stream Video (App Interstitials, Rewarded, In-feed/In-article)

Potential Google TV Opportunity:

- Addressable TV
- Programmatic TV

Google

Expected to increase fast;

As per my projection tV OTT est to grow to $19B YT faster to $25B

Traditional TV still dominates watchtime, but will decline in favor of OTT & Digital Video & Apps, especially with the younger demographic



Traditional TV viewership is still about 4.5 hours per day, but younger demographics are spending more time on digital video vs live TV

March Madness viewership grew +2% YoY overall driven by digital devices (roku, apple TV, desktop, tablet) but traditional Linear TV still dominated watchtime

- Digital Devices: +10x YoY, 420K viewers
- Linear TV: -3% YoY, 8.3M viewers

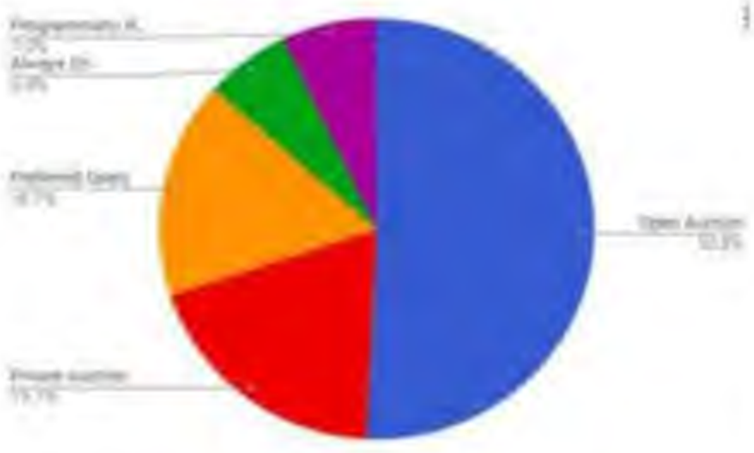
Source

Google

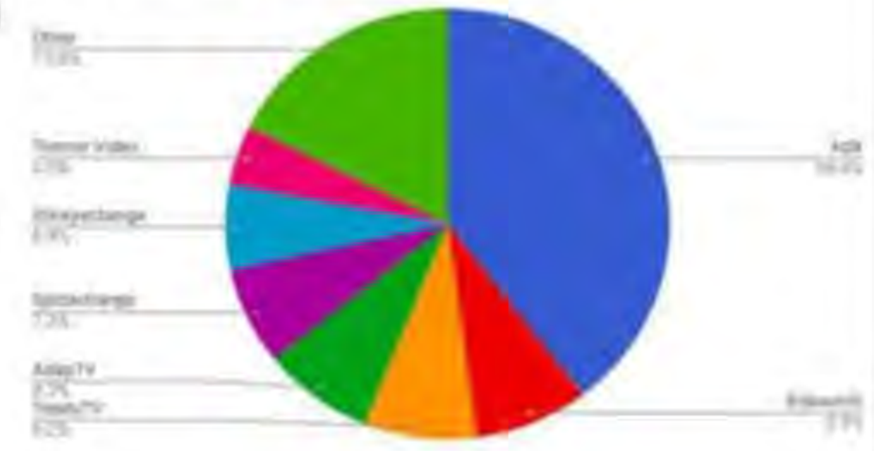
Id	Date	Text
1	03/26/2018 21:26:51	+bitetti@google.com The donut chart on the left always bothers me because its so difficult to read the legend or the percentages. Can we just make the point that TV still dominates on the previous slide as voice over? +deeptib@google.com
2	03/26/2018 21:26:51	I agree with you! I thought we were deleting this slide (#101 and 102), and just keeping 103 ("The Global TV + Digital Video Ads Market in 2022")?

DBM non-TrV video revenue

2017 Revenue by deal type



2017 Revenue by Exchange



- $1B in FY 2017
- 73% auction (open + private), 27% reserve

Google

2. Cross Channel Video leverages our tech and data to realize the benefits of consolidation across YT and non-YT

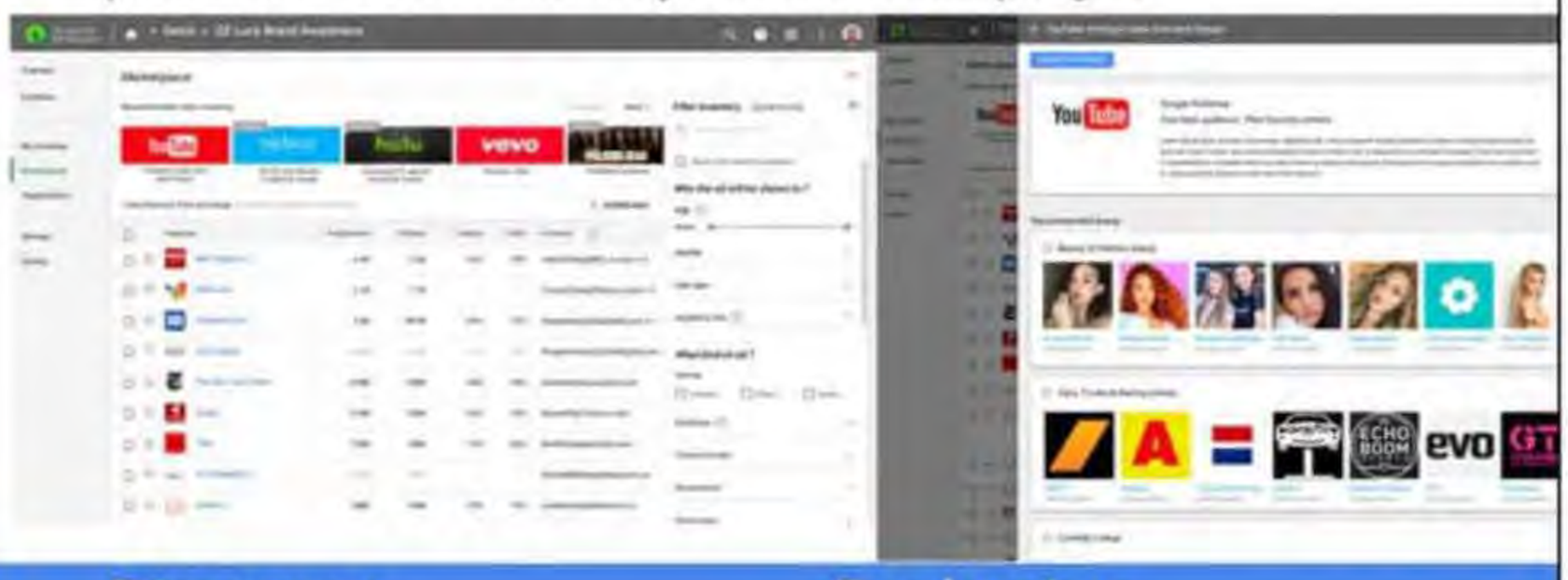


- To realize gains from consolidation, our best features must work across YT and non-YT (cross-channel) seamlessly

Id	Date	Text
2	03/27/2018 02:55:47	+deeplab@google.com add prospective features too? - A/B testing - R&F opt - unified brand lift studies

Google

3. Discovery and Packaging help advertisers find scarce premium video inventory for their campaigns



Google

YouTube anchors our video offering with high-quality, attentive reach at **scale**



Formats

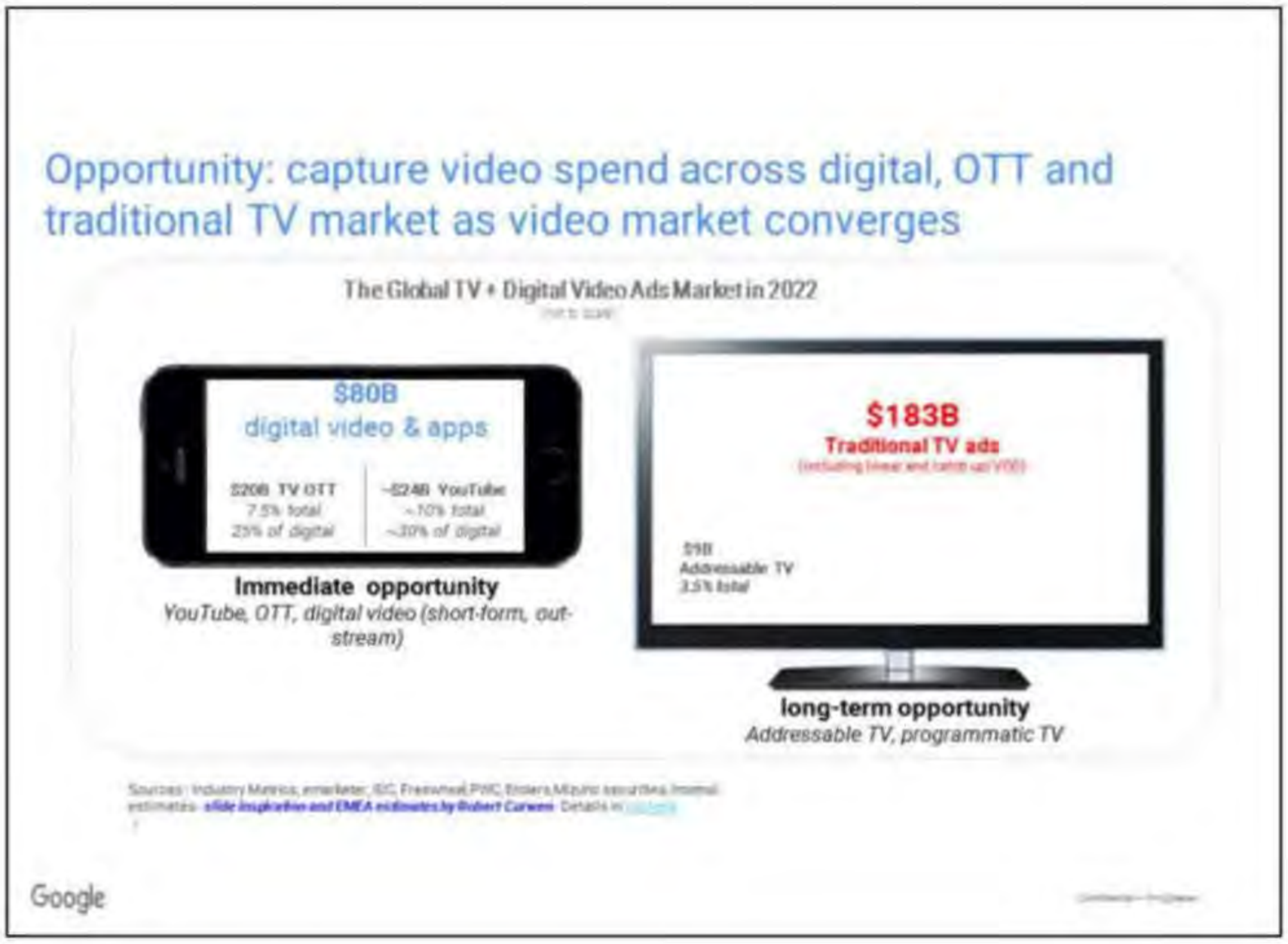
Auction (TrueView, Bumpers) & Reserve
TrueView for Shopping, Action, Crave

Audience

CSAM Audiences
Consumer Patterns, Life Events, YTAA

Measurement

Automated DCM tracking
Comparable brand lift with RTB



Expected to increase fast;

As per my projection tV OTT est to grow to $19B YT faster to $25B

Long tern opportunity



- Our strategy is actually really simple: (1) we want to be the best platform for buying digital video and (2) we want to capture the TV opportunity.
- To be the best platform for digital video, we want to do 3 things
- First, we want to invest in our crown jewel, YouTube, which is also our big differentiator compared to other platforms
- Second, we want to give customers a reason to consolidate all their digital spend with us by offering cross-channel features. We'll get to what these features are in a few minutes.
- Third we want to make app video a big part of our advertiser's portfolio since apps are where we're seeing the most supply

- On the TV front, we want to set ourselves up for the future by being the platform of choice for buying addressable TV in the long run
- But because TV is going through this transition phase, we need to invest in both connected TV and programmatic linear TV and position this as a living room package for our customers

- And of course, having access to all of this inventory is meaningless if advertisers can't find it
- So we want to invest in discovery and packaging, so advertisers can easily find what they are looking for

1 of 5

Differentiating our Buying Front-Ends for YouTube / video to meet client needs

AdWords

buyer's Assistant to Google Media

DBM

DBM applies Google technology to empower buyers to holistically manage all of their media

In order to differentiate the experience of buying Google media,
the **media offering must be identical: Formats, Inventory, Audience and Measurement**

Core YouTube | Digital Cross-Channel | TV Extension | Discovery & Packaging

Google

Id	Date	Text
3	03/28/2018 14:33:16	+brletti@google.com +ewep@google.com do you think we can work this into previous slide? would rather frame this as a challenge than a finalized segmentation, don't think all parties have agreed to this yet
1	03/28/2018 14:33:16	move this out



Imagine this time next year. You've been getting nonstop emails from CMOs about their desire to get on the new platform DV3, ASAP. You're getting constant linked in requests from people working at Adobe and Amazon. Everyone you know from Facebook has stopped speaking to you. PMs that left for Neal's org are begging to come back to DVAA.

It's December 2018 and we've had a banner year, with a massive product launch, explosive growth in video, and major kudos for finally bringing some much needed innovation to ecosystem (formats! Audiences! New mediums!). Everyone wonders how we did it, it was such an ambitious effort. We mobilized 250+ engineers, 40+ PMs, and hundreds of sales, services and other support teams around this charter. Here is what we told them.