Google

High Value CPM Tags

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Global Partnerships, Publisher Solutions & Innovation

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Executive Summary

Header Bidding is a growing phenomenon in the industry and Google has developed DFL and EBDA for its full stack partners which allows them to grasp this opportunity in an efficient and effective manner. However, Google has a share of wallet of 97% globally which realised a $300M ARR for DFL.

Google could pursue 3 models to improve high value AdX access in a third party ad server which could unlock a **$103M** revenue opportunity for Google.

- DRX tag with DFL & high floor added at the top of the adserver stack;
- Header Bidding-enabled DRX tag with DFL and high floor with prebid passing price to adserver;
- Leveraging 3P adserver mediation capabilities to place a tag on the page dynamically.

The third method has already been implemented on one partner, LeBonCoin (Schibsted), which generated a **$2.3M** annual revenue uplift.

Google can fully support Non-DFP partners in the market with one of these three solutions, which will result into:

- More high value inventory for AdWords buyers;
- Increased yield for Global Partnerships.

To capture this full opportunity there are a few key asks.

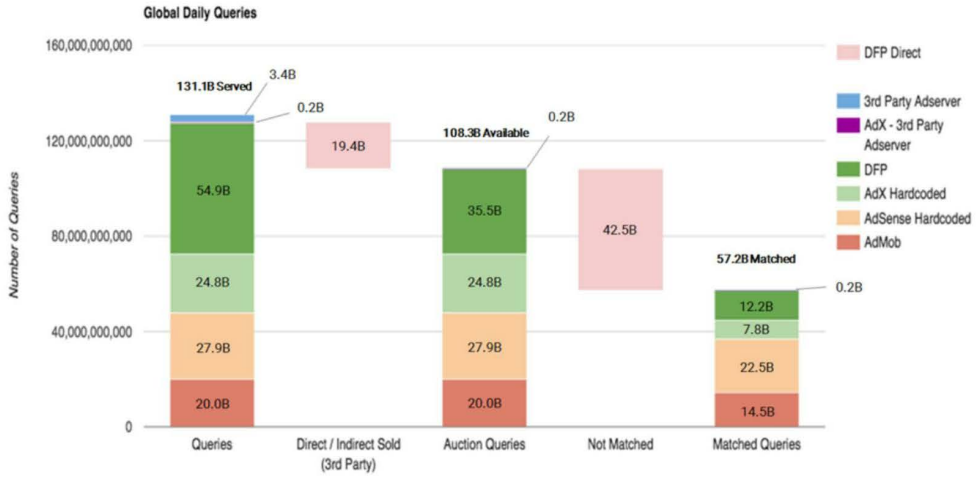
- Explore adding CPM values in the DRX ad response;
- Further open up the EBDA feature to pilot partners;
- Commercialise implementation to Sales & gTech.

With these efforts, DRX can open up an additional revenue opportunity of **$103M per annum** while creating meaningful relationships with partners we previously haven't had a partnership with.

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Option 2 - Google + External with DFP as Proxy

Our Google stack today serves ~97% of the global queries

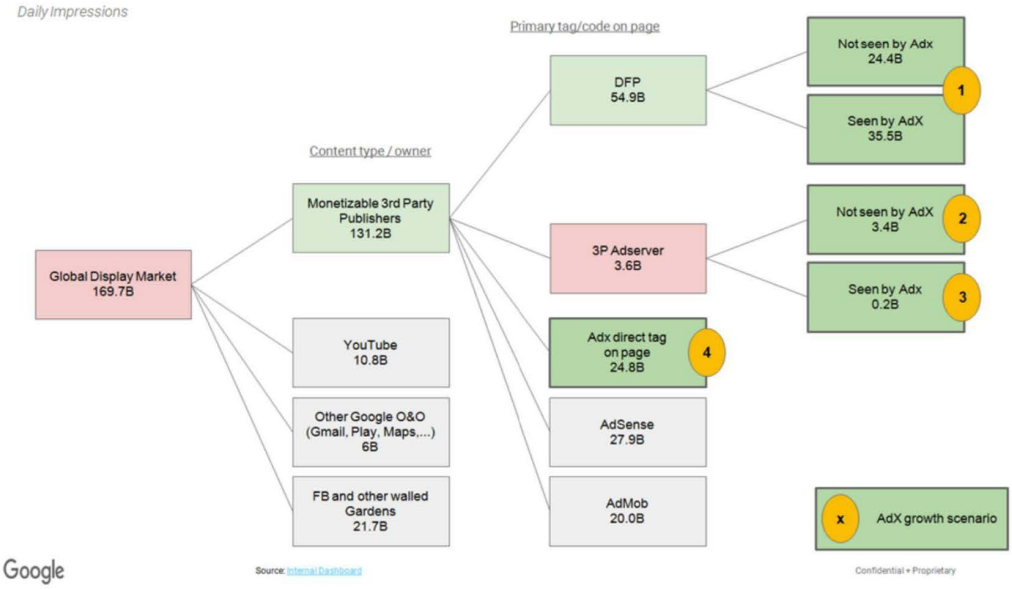


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Source: Internal Dashboard

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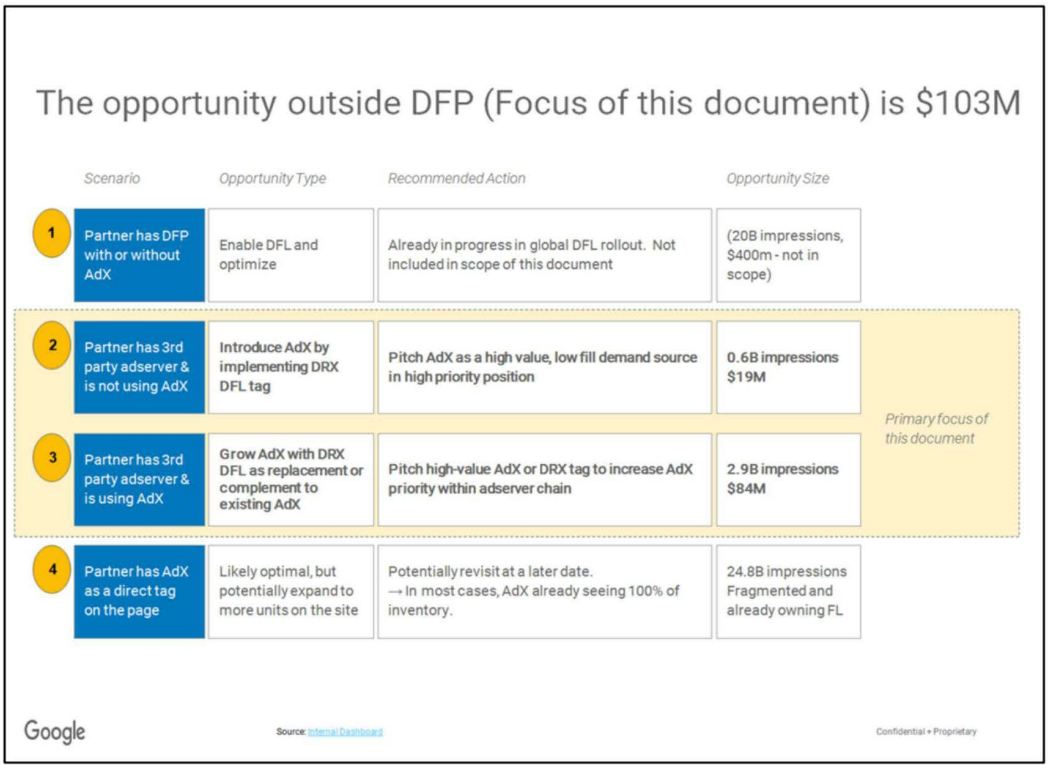
We consider 4 scenarios where either DFL or a high-CPM DRX tag could grow overall AdX access



Google

Source: Internal Dashboard

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Business Case

AdX - No DFP - Get details from Pauline

No AdX - DFP - Get details from Pauline

No AdX - No DFP - Check Momars SOW exercise

Compare with LPS pipeline - Get details from Lutz

We are currently pursuing 3 models to improve AdX access in a third party ad server

Three main models under consideration

1 . DRX tag with DFL & high floor added at the top of the adserver stack

- Variation: transfer HB line items from main adserver to DFP to reduce passbacks
- Variation: eliminate HB tags completely and enable in Exchange Bidding
- Option: pay the publisher for the 3P ad serving cost of passbacks

(Any DFP fees are waived)

Possibl e today

Needs Jedi GA

Needs PBSX approval

2 . Header Bidding-enabled DRX tag with DFL and high floor with prebid passing price to adserver

- In top position of adserver
- Only gets called when able to fill at high price
- Avoids passback cost

Needs PM development and strategic approval

3 . Leveraging 3P adserver mediation capabilities to place a tag on the page dynamically

[OAS method with Schibsted FR]

- Ad server generates a mediation script on the page
- DRX is called in 1st position and passes back if unable to fill
- Script manages waterfall, avoiding passback charges

Ideal solution for OAS pubs

Implemented and live on 1 partner

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Scenario 2 – Partner has 3rd party adserver & is not using AdX

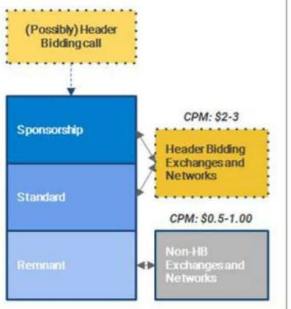
Partners with 3P adserver and no AdX: Value Proposition

Value Prop Hypothesis

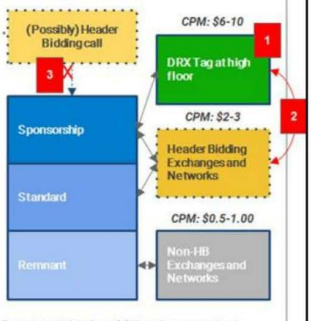
Large non-DFP Partners not using AdX are doing so because of perception of low eCPM / high fill demand

Most would accept a high-CPM, low fill AdX tag (eg. $6-10 at 1-2% fill) in top priority position. Could be either retargeting only or all demand.

Current Setup - No AdX *(typical)*



Target Setup and evolution



Step 1: Add high-floor DRX tag in top position in adserver (with or without DFL)
Step 2: Move header bidding Line Items into DFP
Step 3: Remove Header Bidding call and implement direct integration with HB exchanges using EBDA

Google

Detailed setup options, variations and business cases in the next section

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Scenario 2 – Partner has 3rd party adserver & is not using AdX

Partners with 3P adserver and no AdX: **$19m** opportunity

1

Total Google Opportunity

Partners to pitch: 100 Domains
(represents 74% of the opportunity, other ~900 domains represent the other 26%)

Fill rate: 1.29%

eCPM: $6.97

2

Top leads

EMEA
1. sfr.fr
2. 1001fonts.com
3. telesport.co.il
4. lachainemeteo.com
5. franceinter.fr

APAC
1. inazumanews2.com
2. jprime.jp
3. free-fortune.jp
4. blwen.com
5. toriizaka46.jp

AMS
1. wordfind.com
2. imikimi.com
3. vix.com
4. astrologyzone.com
5. gradesaver.com

** Estimation*

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Full lead lists can be found here

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Id	Date	Text
1	11/21/2016 14:17:55	We are not going to pitch 797 domains. What is the 80/20 split?
1	11/21/2016 14:17:55	Focussed here on the top 100 domains. This covers 74% of the opportunity.
2	11/21/2016 14:21:01	where is the appendix?
2	11/21/2016 14:21:01	Not referring to the appendix anymore but to the opportunity trix. Let me know if you believe it is needed to be added in the appendix.

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Scenario 3 – Partner has 3rd party adserver & currently using AdX

Partners with 3P adserver and AdX: Value Proposition

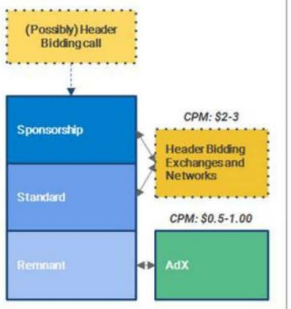
3

Value Prop Hypothesis

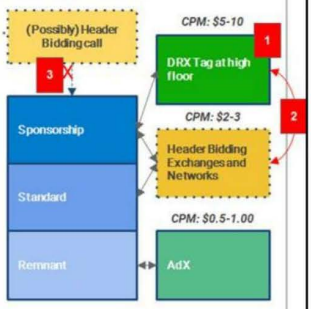
Large non-DFP Partners using AdX usually put it in last remnant position because of low eCPM / high fill, to complete the chain

Many would accept an additional call to AdX from a high-CPM, low fill AdX tag (eg. $6-10 at 1-2% fill) in top priority. Could be either retargeting or all demand

Current Setup - AdX in last position *(typical)*



Target Setup and evolution



Step 1: Add secondary high-floor DRX tag in top position in adserver (with or without DFL)
Step 2: Move header bidding Line Items into DFP
Step 3: Remove Header Bidding call and implement direct integration with HB exchanges using EBDA

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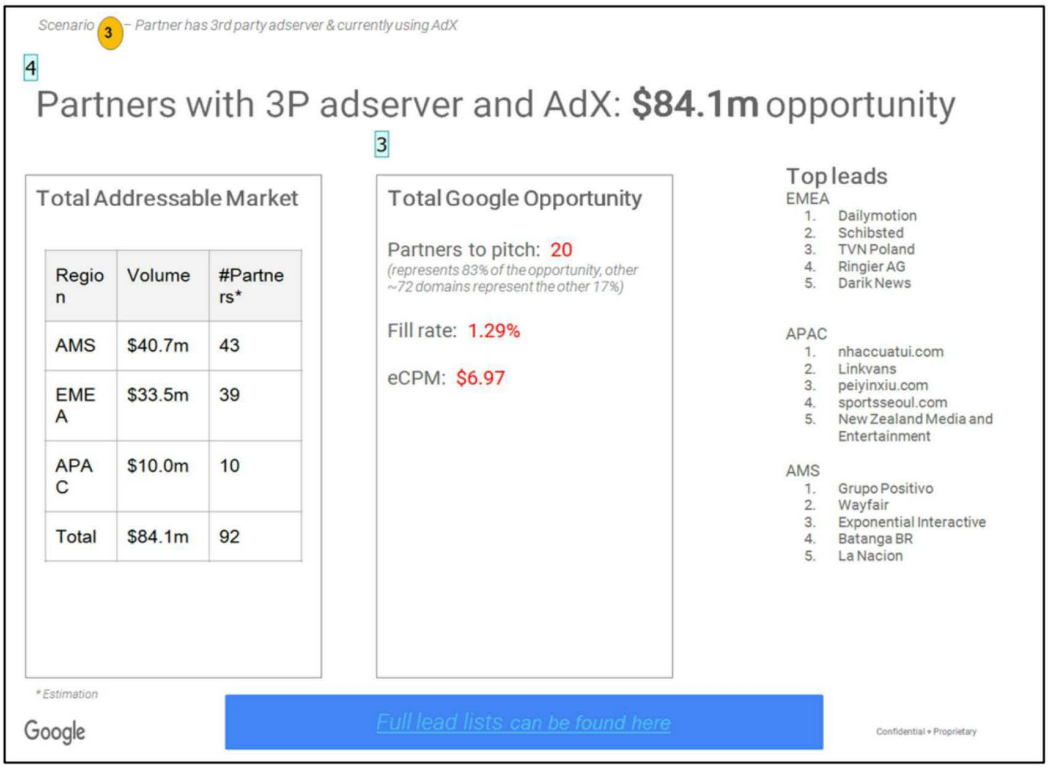
Detailed setup options, variations and business cases in the next section

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Id	Date	Text
3	11/10/2016 10:24:48	We need to revise this. A second call will be penalised by GDN. We need to move the existing tag up the chain

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Lead list can be found here.

Id	Date	Text
4	11/23/2016 12:00:44	What is the pareto split on these 92?
3	11/23/2016 12:00:44	Added the split. 20 domains represent 83% of the opportunity.
5	11/23/2016 12:51:15	Is this opportunity net of the existing AdX revenue? (i.e. purely incremental)
4	11/23/2016 12:51:15	This opportunity is based on the PBS Coverage dashboard. https://origami.googleplex.com/page?menu=pbs_coverage_insights&menuGroup=domain_insights#tab My gut would actually say that this data would be including AdX. As I would assume the domain dashboard would show the total amount of pageviews of a domain (incl. potential AdX filled page views). When looking at these 92 partner and their annual revenue (based on the past 7 days) this would be $26M. Something we would need to deduct from this opportunity. We can also make it a range eg. $60-$86M annually.

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Project Plan

Pre-Launch	Initial Launch	Expansion	Global Commercialisation
Due date: Dec 9 Create sales training Create external slides **Due date:** Dec 16 Get sign off from internal stakeholders for technical set up. **Due date:** Dec 31 Get commitment for waiving DFP fees for partners during initial test. **Due date:** Dec 31 Create hitlist and engage with Sales team for initial test partners. • JP Politiken (Pre-Bid) • WayFair (Appnexus) • [TBD]	**Due date:** Jan 7 Train Sales & TAMs on client pitch and implementation guidelines. **Due date:** Feb 28 Get Proof of Concept (1-3 partners) for the different cases.	**Due date:** Jan 7 Train additional Sales & TAMs on client pitch and implementation guidelines. **Due date:** April 30 Expand to 10 more partners from hitlist. **Due date:** April 30 Have dashboard in place to track revenue (uplift).	**Due date:** May 31 Train Global Sales team and TAMs on solution.

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Id	Date	Text
6	11/29/2016 15:13:56	We need to have an action plan and timing for the project
5	11/29/2016 15:13:56	Made a small project plan. Do let me know if you have any items which you think we should add.

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What is needed to support this?

A part of this opportunity can be tapped into with our current technology and by repositioning it as a high value exchange which could be optimised across their current Header Bidding solutions.

For the other part of this opportunity we will need to position DRX as a Header Bidding solution which will require some development efforts.

	Our findings	Ask
Product asks	EBDA is one of the pillars for this implementation, by enabling DRX to call header bidding via a server side integration this should limit the latency.	Continue development on EBDA with relative urgency to decrease the time spend via a potential (tag based) work around.
	6 Our product limitation limit us from working with non-full stack partners in the high-CPM space. The product gap for this opportunity is around the fact that DRX does not share the CPM in their ad response.	Commit development resources to add CPM to the DRX ad response. By developing this, DRX is able to be optimised across different demand sources in the primary adserver.
Commercialisation ask	Commercialisation effort (PSI, GSL & PM) is required in order for sales and gTech to understand the implications of these type of implementations and advise the client properly.	Commit commercialisation efforts from GSL, PSI and PM to ensure proper documentation is in place for all teams.

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Id	Date	Text
7	11/23/2016 14:39:10	Who are we asking to commercialise this? We should be commercialising. Need to frame the ask specifically towards those stakeholders that will help this be a success
6	11/23/2016 14:39:10	I've changed the ask around a bit and highlighted the different teams that are included in the commercialisation. PSI, GSL and PM should be leading this as a combined and holistic effort.

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Summary

To fully support all partners and potential partners in the market with the high-CPM value demand of DRX we will need to commit to a few actions:

- Explore adding CPM values in the DRX ad response;
- Further open up the EBDA feature to pilot partners;
- Commercialise implementation to Sales & gTech.

With these efforts, DRX can open up an additional revenue opportunity of **$103M per annum** while creating meaningful relationships with partners we previously haven't had a partnership with.

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Thank you

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Appendix

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Additional Resources

Name	Description	Link
DFL Tag Set Ups	A deck on the different Header Bidding implementation and DFL Tag implementation possibilities.	Here
Lead List	A lead list of partners we can contact for this proposition.	Here
DRX High CPM Tags Master Sheet	All data that was used to make the lead list and calculate the opportunity.	Here
Break Even Calculation	Break even calculation in case additional adserving costs are invoiced to the partner.	Here
Internal Sales Training [Draft]	Internal training for sales teams.	Here
Appnexus Compete Tracker	Can be used as strategic Appnexus Leadlist	Here

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