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**From:** Jonathan Bellack [jbellack@google.com]  
**Sent:** 9/6/2016 2:01:32 AM  
**To:** Paul Muret [muret@google.com]  
**Subject:** Re: Header bidding wrapper

Hi Paul. This thread is in active ideation mode so all kinds of ideas are flying around.

Personally, I really don't want to productize HB. I think it goes in the direct opposite direction of all our user experience efforts, and we need to double down on Jedi++ to make sure there's no business model that works in HB but not in our server-side solution. I also want to see us do the testing to establish how much HB hurts consumer metrics like latency, data usage, and battery; and advertiser metrics like viewability, CTR, brand lift, etc.

We don't want anybody's HB to get an actual First Look ahead of everything else, because that puts GDN and DBM (and the AdX buyers) at risk. That is the concern about FAN or Amazon investing in HB -- they could persuade publishers to say something like "if we can pay you \$10+, don't even bother checking with Google, just give it to us right away." That makes HB the new yield manager, as Philipp said at ACM. If we wanted the chance to beat that floor, we'd need to start submitting a price into HB too. (That is pretty similar to the server-to-server integrations that the big Service companies want, but for a different reason.)

There will eventually be a limit on how many header calls a pub can send out without killing user experience. I still think the limit will be zero, but for sake of argument assume it's more like 3-5. That will push things toward server-to-server, but that could mean one HB company builds a more open Jedi than ours -- more like Chris's "Sith" product, where it's open season with no rules.

Advertiser de-duping is an interesting idea -- it is what we think the advertisers want, but there isn't a technical way to do it yet, and the pubs really don't want that, because it hurts their yield. It is also not clear how that will play out for us. For example Criteo bids in DFL today as well as through their header tag. Do we want them to be able to reliably detect if they're getting a DFL call from a HB partner, so they stop bidding on those in AdX? That actually makes it easier for them to grow their HB footprint, and could cost the publisher money if separating them out hurts overall competition vs having them in AdX.

Protecting reservations -- yes, as long as we're the system of record for guarantees and guarantees are the most important part of publisher revenues, we will remain a must-call and HB has a limited ability to avoid calling DFP. Similar to above, I would not want to make it any easier for HB to figure out its impact without going through DFP.

If we thought that HB was actually going to be unkillable despite the UX and advertiser harm and the lack of intelligence for reservations, then we might want to actually productize it. We could build HB into GPT tags, try to add our own call/logic to figure out if it's even worth calling other HB companies or just giving the tag to Google, etc. But even that would be subject to a lot of the same concerns about adoption -- would FAN & Amazon even agree to respond to a Google HB call; would publishers believe that our HB code is fair; and would buyers & sellers actually collaborate to keep HB independent to build out that new yield manager vision to reduce their dependence on Google.

A bit of a side point, but so I don't lose it, also worth considering the four types of buyers using HB that we are trying to solve for.

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1 - Networks that buy with HB but not via AdX -- FAN, maybe MoPub if you consider them a network. It is TBD whether there is any Google product or deal good enough to get them to buy through us. Letting them into a First Look auction like you suggest might do the job, but they might never want to go through Google at all.

2 - Networks that already buy via both HB and AdX -- Criteo and Amazon. They have strategic reasons to want direct publisher access and not be dependent on going through Google. They'd probably leave AdX entirely if they could get at all our inventory through HB. First Look -- they are in DFL already, but we haven't been giving them data about it because we suspect they will use it to stop buying DFL on pubs they have HB tags on, or to pitch top DFL pubs to move them out of DFL into HB.

3 - Other SSPs -- these have been the most vocal promoters of header bidding, and the companies Jedi has been designed for, to date. Their business is mostly "other AdX buyers" -- for example, Rubicon makes 80% of revenue from other AdX buyers, 20% from DBM/AwBid.

4 - AdX buyers who are intrigued by the direct access option of HB -- other DSPs, and unique cases like P&G Hawkeye. They are dabbling in going around the SSPs to get assured or preferential access to key publisher inventory via HB. We hope that we can offer them a product good enough that they don't need to do this. They already have DFL, we could be doing a better job educating them about it.

(There's a separate discussion to have for #4 about how sales is organized -- the "AdX buy-side" sales teams like Chip Hall's get credit for both growing outside AdX buyer spend, and providing internal customer service for DBM buying. This is a historical accident from when DBM was independent Invite Media and DBM was really small, but now that DBM is huge, I think it pulls their attention away from the important AdX buyer pitch to easy money from DBM's inherent growth.)

– Jonathan Bellack / [jbellack@google.com](mailto:jbellack@google.com)  
Director, Product Management / Publisher Ad Platforms

On Mon, Sep 5, 2016 at 10:18 AM, Paul Muret <[muret@google.com](mailto:muret@google.com)> wrote:

hi Jonathan,

I've lost track of this conversation a bit. Couple of questions. It feels like there is a need to provide a lightweight hb ssp service that is a true first price auction where everyone in the list gets a first look. The pub sets a floor and if it falls through it can go to some jedi or adx system where we run a single advertiser de-duped second price auction. The third thing I was wondering is that large pubs need to balance this versus reservations, so the hb ssp service should be tied into that as well and do a bit of automatic coordination among the three systems? Is this how you are thinking about it? -paul

On Sun, Sep 4, 2016 at 8:26 PM, Jonathan Bellack <[jbellack@google.com](mailto:jbellack@google.com)> wrote:

For me, the implication of doing Jedi++ without giving up on AdX buyers is that we also need to be planning an AdX++, or some other change in our AdX buyer offering.

I would argue that DFP's attractive inventory footprint is \*the\* reason buyers focus on AdX, even though we are harder to do business with than other exchanges. That advantage goes away in a Jedi++ world where the same inventory is available through any SSP.

We can keep reducing the disadvantages of AdX which will redistribute some spend in our direction. However, we have had a hard time coming up with differentiators that would actually move spend off other exchanges



onto AdX. Quality stuff like anti-fraud is appreciated but not determinative, esp when everyone needs to use third-party validators too. We have also been hesitant to provide AdX buyers with any material Google-only differentiators in targeting or optimization. That handicaps us versus everyone else who pursues AdX buyer spend to the best of their ability.

One option for reaction -- what if we allowed AdX buyers buy through either AdX or Jedi terms? Jedi eases their policy & creative approval regime and drops publisher revenue share, in exchange for agreeing to pay first price. That would create the second-to-first transition mechanism that we were puzzling over. It also would get us a clear signal from publishers about how much they value all the AdX creative controls and policies. (If they want all that for a given buyer, they will block them from Jedi and only allow them via AdX. If money talks they will allow anyone to buy on Jedi terms.)

And in reverse, we could remove the AdX substantiation policy so that SSPs could buy on AdX terms. I doubt many of them would, but there is no particular reason any more to disallow it.

Opening both Jedi and AdX to everyone would therefore move almost the entire debate about policy, protections, revshare, etc into our platform. Buyers and sellers could duke it out until a new equilibrium is formed, without needing to resort to header bidding.

(Note that this assumes we also open all AdX-visible inventory to Jedi -- First Look and programmatic direct, not just open auction at the remnant tier. That seems inevitable as part of Jedi++.)

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A totally separate point which I write so we don't forget later is what to do about AdMob and AFC, since they allow AdX buyers but not Jedi at this time.

On Sep 4, 2016 9:43 PM, "Jim Giles" <jimgiles@google.com> wrote:

I agree with Eisar's question about making the end state a self-fulfilling prophecy sooner than we have to. I look at the independent exchange idea as the "nuclear option" that we should be able to invoke at any time in the future if we see things going badly enough that we need to do it to ensure at least neutral access for our buy-side.

We haven't yet tested how far we can get with Jedi (and with a Jedi++ that attempts to be much better than HB). We know publishers already like Jedi -- if we make it attractive, fair, and transparent for ssps, key networks, and adx buyers it might be enough to keep hb in check. I think the idea for dbm/gdn to attempt to avoid HB buying can also go a long way.

On Sun, Sep 4, 2016 at 6:06 PM, Eisar Lipkovitz <eisar@google.com> wrote:  
[adding Bahman+Vivek Rao]

On Fri, Sep 2, 2016 at 10:19 PM, Jonathan Bellack <jbellack@google.com> wrote:

(late night jetlag ramblings, apologies if this does not make sense in light of day)

+Max

This is really useful guidance and sounds like a path forward.

Just to be clear this is my opinion, laid out here to be argued against and not a forgone conclusion nor decision.

Four things on my mind.

One is how we handle privacy and user experience policies. The somewhat depressing truth is that we are almost the only buyer or seller who cares about this stuff enough to turn away business. Effectively, any policy above the legal minimum (like limiting Jedi to players we decide are "reputable") drives some portion of demand & supply out of our product, keeping HB alive. DFP does not have this problem because our platform policies are way more relaxed, and/or unenforced.



I am willing to move the line on Jedi differently than AdX but not where DFP is. In practice I don't believe HB will be a real threat just because we left out few players and some pubs can make few \$\$ extra. HB will survive but not thrive.

Please make a proposal for some policy relaxing and we can discuss options.

So part of being more aggressive could be to finally go all the way and put all of AdX under platform policies. For example, drop the whole heuristic cross-device debate and let anything flow, unless/until government cracks down on it.

Second, is there a deeper issue with us owning the platform, the exchange, and a huge network? The analogy would be if Goldman or Citibank owned the NYSE. I think Jim originated this thought, but what if we partnered with the other big buyers and key publishers to create a neutral third-party exchange organization? One obstacle to that is with the ad server & exchange lines blurring, to do that in full you'd almost have to drag DFP into the neutral body too. But the strategy of Google owning DoubleClick was always to protect fair access to inventory against hostile third parties. A neutral NYSE type exchange accepted by us, FB, Amazon, Verizon, could ensure that kind of fair access maybe even on a more permanent basis. Or maybe they all feel like HB gives them attackers advantage and they will keep playing for walled garden wins.

I agree with the analogy, indeed an exchange shouldn't be an immensely profitable business, it's like a public good used to facilitate buyers and sellers.

As we discussed many times, if we started all over again I would conclude that sell side margins are higher than a natural equilibrium and buy side margins are too low. Moreover the real value in sellside margins come from X+Y+reservation functionality.

With that in mind, maybe we need to redo DRX as a product, i.e. yank out the exchange piece and "open source" it, leave the new DRX to be "reservation+mediation+policy" and create new pricing for it.

This would naturally lead to a new equilibrium in the ecosystem and expose the fact most SSPs aren't actually adding enough value to justify the proliferation and complexity to pubs and buyers.

Should we do it now? see below

Third, are we being too hard on ourselves by assuming HB is inevitably going to win? This industry has a history of loving tech that is good for short-term \$ but so bad for users they have to back off later. (Pop-ups for example.) Do we think HB can develop enough to be an acceptable tech? Is the latency and extra client-side calls really sustainable? Right now AMP and PWA (and FBIA FWIW) do not support it, is that a sign of things to come? Will the lack of auditability lead to fraud problems? Or should we assume HB will eventually solve all those problems one way or the other, reducing us to look like we are the odd man out by refusing to submit a price into the header?

This is the real question, even if I agree with this end state, why should we make a self fulfilling prophecy happen much faster than it needs to?

Fourth, what is the real future for today's AdX buyers? Sam talks about how only a few of them are smart enough to build effective bidders, and it is a pretty concentrated market in the first place. Maybe we should rethink it entirely, to say that our RTB is only for a select few companies. Everyone else should either go through another SSP, or we offer them a revamped DBM for Networks, which makes them more like a FB API partner, using our tech because the data leakage of RTB is gone.

Take this a step further and what would happen if we decided to outsource the entire RTB market to other SSPs? We triple down on Jedi, and get out of the AdX buyer business. So we give up all the hassle of dealing with individual buying entities, enforcing policies, etc. We just do the pipes for getting stuff to flow, and it is up to the pub to deal with the hassle of managing all those middlemen. We turn to making GDN+DBM



management and business options extra awesome, to give buyers & sellers more reasons to work directly with Google instead of through the messy outside world.

I think the last two paragraphs are completely off, buyers represent real value, they have relationship with the people who hold the purse strings, they do targeting and bidding, they need to keep up with the volume of traffic.

We could consider an expansion of the hosted bidder model, we can add value by helping in bidding and infra, this is sort of the DBM white labeling story.

Honestly I wouldn't do anything here unless it's super simple, overall not broken so don't fix it unless there are simple fixes.

On Sep 3, 2016 12:16 AM, "Eisar Lipkovitz" <[eisar@google.com](mailto:eisar@google.com)> wrote:

Chris, this is thought provoking but I don't know I agree with your conclusion. I'll get there a little later.

The first question we need to ask ourselves, especially following the ACM discussion today, is why do we care that HB exists?

My conclusion is that there are three threats to our open auction/remnant business from essentially commoditization of the traditional SSP.

- A) We lose advantageous access to the inventory
- B) We (dbm+gdn) are left with no/disadvantaged access.
- C) Our AdX buyers move away

I am of the opinion that (A) already happened, and it's irreversible, so only question is whether we want to slow it down further to buy time. As such let's really focus our attention on (B), which would help with (C) but sadly the latter might not be sustainable either.

Now, let's remember that we still have DFP, which provide a lot of value add, sadly we are unable to charge a media fee for it but it should be our best bet to ensure (B).

Now going back to Chris' points around policy, and buyer level enforcement. I don't think Publishers would allow a massive proliferation of participants in the HB (AKA client side Auction) ecosystem. The end game would be a mix of SSPs, few niche buyers ("networks") like CRTN, FAN, Amazon and \*maybe\* some hybrid DSPs. All of them would essentially offer the same value to the publisher but might have different policies, which are primarily designed to protect their buyers.

As such I think these pieces get commoditized, so we probably can charge 5%-8% for all these services Chris and Jim cite. [let's call them X]

There is another piece of value [let's call this Y], i.e. the ability to establish relationship with the publisher and do it in a less time consuming way. That's what Jedi is solving for, it's essentially our own version of Chris' open-adx but done server2server which has a lot of benefits to the user/pub.

Sridhar's insight today is that the "networks" don't care about X and don't need us for Y, they have sufficient aggregate demand with low fill high CPM, they handle policy and spam and are reputable. In terms of margins, they don't split buy/sell side, it's a single number, like GDN buying on Ad Sense.

SSPs would be willing to pay for Y, as the Jedi beta is proving but will be in the same boat we are trying to defend the value of X from dropping too low.



The purpose of SSPs is to give access to other DSPs and/or networks that are too small to fit Sridhar's model.

Now you enter Ali's idea to do transparent 1st price auction, this is a solution to a different problem (let's call it Z), i.e. how AdX should be competing with other SSPs to have more of the independent small DSPs incentivized to buy through AdX. It's also a way to protect DBM/GDN from buying the same inventory through other SSPs.

I think that angle (Z) should be dealt with it separately.

Putting it altogether, here is my current thinking.

1) We should do Jedi as a primary way to reduce the chances of a world war III and a mess that might lead to (B) and make it easier for (C) to happen. As such the main tweak I would make would be to go more aggressive than the previous guidance.

2) Offer Jedi only to reputable SSPs and "networks" because Pubs need solution for [X], so if you can't provide policy enforcement and robust payment and spam detection to your buyers you can't join.

3) Do something on the buy side to protect our advertisers and AdX buyers. One option is to make sure Jedi/DFP creates a robust fingerprint that all DSPs can detect duplicate impressions. An alternative would be 1st price auction as a way to level the playing field, so if the same impression is sold through multiple SSPs, the only inherent reason for another exchange to be buyer friendly is lower sell side margin.

0) In addition to (3) and something we are already doing, have DBM/GDN build a mechanism to stochastically detect dirty auction.

On Fri, Sep 2, 2016 at 2:10 PM, Ali Nasiri Amini <[amini@google.com](mailto:amini@google.com)> wrote:  
+ Tobias

On Fri, Sep 2, 2016 at 9:56 AM, Chris Harris <[ckharris@google.com](mailto:ckharris@google.com)> wrote:

@Jim - I agree that clearing the market and reporting are value added services worth charging for, I tried to capture clearing with my bid/price line item.

@JB - I agree that client < server, that's why I juxtaposed with a set of server side equivalents, but then it begs the question about what happens when someone moves the "salient feature set" to server side... and I don't think it changes the landscape much (it's just a better implementation of the same threat).

On Fri, Sep 2, 2016, 8:31 AM Jonathan Bellack <[jbellack@google.com](mailto:jbellack@google.com)> wrote:

I do think that pubs understand client side is worse for consumer experience, but there is hi data to prove it yet, or that the user penalty outweighs the revenue gain.

On Friday, September 2, 2016, Jim Giles <[jimgiles@google.com](mailto:jimgiles@google.com)> wrote:  
Hi Chris, I think you have it.

There is some other value that ADX (and Jedi) provides beyond protections, etc -- unified reporting and clearing are other examples. Because of all that those benefits, I still think that ADX would have value even in a world where there was a neutral bare-bones uber-exchange. I think the best outcome is that we own the "uber-exchange" and can charge for it, but some partners may just never trust us no matter how fair or open we are.



I agree with your conclusion that client-side or server-side doesn't matter much to buyers from a technology perspective -- it is more about what they get with each option -- eg, client side they get more independence from Google, reduced fees, get around EDA.

-Jim

On Fri, Sep 2, 2016 at 12:56 AM Chris Harris <ckharris@google.com> wrote:

After talking w/ everyone yesterday, I just wanted to write down what I think I understand the threat that header bidding represents... and see if you guys think I've finally gotten my arms around it... ;)

I kept being confused, because to me 'header bidding' is basically a (very poor) implementation of a client-side exchange. I understand that it's often viewed as "strictly better than mediation" because it's (a) pub managed and (b) a per-impression auction, but I still think the mental model of a hacky way to implement a bare-bones publisher-run exchange is a better comparison.

At first, my mental model was:

- Any mechanism that performs per-impression auctions needs cooperation for the real-time call (for bid info).
- Buyers will either be willing to integrate or not for reasons other than client-side vs server-side (e.g. this doesn't matter to them much).

Thanks to our conversation, you guys convinced me that was flawed/incomplete, the reasons 'header bidding' is a threat has nothing to do with either of those items. This hacky exchange has a few down-sides (latency, etc.) that are important overall, but aren't really a threat to other exchanges. It *does* have a few important properties that are a real threat though

- No policies (spam, click protections, content filters, etc.)
- No buyer-level enforcement/accountability on bids & prices
- No sell-side margin or fee

These three things are a pretty big deal... and do represent a significant "differentiated offering." However, I feel like these are business decisions that are fully under our control, right? We could choose to forego our policies and buyer-level enforcement in AdX... and charge less.

So why don't we?

- We have our policies to "protect" the buy-side or the user. This should produce higher yield/revenue for publishers. If it doesn't, we probably shouldn't have them.
- We have buyer-level enforcement of bids & prices to protect the publisher from shady buyers. This should also be improving publisher yields/revenue so they can manage their inventory w/o fraud/cheating/credit risk.
- If the above two points *are* providing value... we should be able to charge for it.

As a thought experiment, I feel an analogy to Wordpress is relevant here...

What if we built "open-adx.org," where we offer open-sourced software that you can run on your own servers that is a 'no frills exchange.' It just makes calls in parallel, runs the auction, and returns the winner. That's it. The open source server-side competitor to header bidding. We also have "open-adx.com," where we host it for you on Google Cloud, and you pay for Cloud hosting fees (no sell side margin).



My question is... in this world, where people can have a policy-less exchange for very little cost... and we still have AdX as it stands today... we provide a list of tons of services, and we charge you for them. Are we still in \*strategic\* trouble?

It doesn't seem like it's a \*strategic\* threat to me... it seems like we could be subject to significantly more pricing pressure, because people can get some of the service AdX offers today (integrations w/ buyers done already) w/o the others... so it's unbundled some of AdX's offering. But I would hope that we could still articulate the significant AdX value-added services well enough to charge significantly more than zero...

Am I missing something significant?

Chris

On Wed, Aug 31, 2016 at 7:11 PM Ali Nasiri Amini <amini@google.com> wrote:  
+ Chris

On Aug 31, 2016 9:36 AM, "Ali Nasiri Amini" <amini@google.com> wrote:  
When do we have this live brainstorm? Should we ask Chris to set up a meeting?

On Aug 26, 2016 9:06 PM, "Eisar Lipkovitz" <eisar@google.com> wrote:  
I've noticed a timely comment on OPG's weekly report

"[Tier 1 / Header Bidding] Updated analysis for Header Bidding in Tier 1 shows that in Q3, 75% of all line items and 14% of all impressions are header bidding. Just under 50% of networks now work with header bidding partners, up from about 40% six months ago."

Not sure what is the source of the data but the horses are leaving the barn.

Sam, yes that's exactly what I have in mind, we need to embrace by offering something better for the publisher in terms of reducing the integration pain, latency to the user and provide accurate reporting to understand the value of various channels,

As for the Gavin Dunaway article, firstly you guys should just hire the dude, he writes well and it a clear thinker.

The money quote is "What the buy side wants, it typically gets – there's something to be said for appealing to the people holding the purse strings."

I really think we are going to change the game by being open/transparent, especially to buyers. Publishers might not want the latter but we have a big buyer on our side that is free to speak up and we can empower AdX buyers.

Let's brainstorm more live next week. Irrespective on what we do here, I would like to get the buy side to go into code yellow around protecting advertisers from double calls for the same impression. SkyRay migration will be done in 2 weeks, so I would like this to apply not just to AWBid but chiefly to DBM.

I am totally fine opening up our sell side inventory to SSPs who bring unique/incremental demand not to folks who play a dirty auction game and move value from advertisers to publishers.

On Fri, Aug 26, 2016 at 10:11 AM, Sam Cox <samcox@google.com> wrote:  
+1 for Jim as well.



Clear superiority means that we accept the use cases that are out in the market and develop our technology to capture their benefit, while mitigating the risks of the existing header based deployment. From a strategic standpoint, I think we will need to look at our response to Header Bidding holistically, - including its current and future potential as a product, as opposed to incrementally. Continuing to be reactive will mean that the market will always be out in front of us, and damaging us in ways that over time may prove to be unrecoverable because companies that are investing in this technology are going to seek to monetize this distribution channel over time and are unlikely to abandon a distribution channel as powerful as this once it is implemented. A good example of this is Criteo with its RTA tag deployment, and Amazon's current position. This is also why the race to be the container (or independent of it) is so important to the marketplace.

+ 1 for Jonathan

If we are going to convince the market to stop engaging in a behavior that we deem to be short sighted and bad for the user, we need to provide a compelling alternative quickly that solves for both current and obvious future potential use cases of the header. By providing leadership in this way we can hopefully show that there is little value in investing in header deployment as we have eroded current and future advantage simultaneously. An example of this would be to make Jedi our "exchange wrapper," the alternative to the "header wrapper", and build out features to support parity with header wrappers. Combining other technologies in our current stable (deals, DFL, Localhost) in a "fee smart" way, and providing playbooks to customers on how to deploy intelligently, we could quickly make it silly to integrate any other way and manage our own risk in the process.

Best,

Sam Cox

Samuel R. Cox | AdX Group Product Manager | Buyside and Policy

"It is not enough that we do our best; sometimes we must do what is required." - Winston Churchill

On Fri, Aug 26, 2016 at 12:07 PM, Jonathan Bellack <jbellack@google.com> wrote:

+1 to Jim. Another reason to think about going all in is with exchange bidding we could help pubs do A/B tests to expose how much or little yield each additional demand source offers. If our theory is it is mostly multilisting then this would expose the lack of real benefit.

There is also increasing chatter about use of header bidding to set up deals with preferential access. This could grow even into a replacement ad server. That suggests we need to keep expanding First Look aggressively (not just remarketing) and also push on programmatic deals to make sure buyers don't think they do better by going around it through tags+HB.

On Aug 26, 2016 11:32 AM, "Jim Giles" <jimgiles@google.com> wrote:  
I agree with your conclusions Eisar.

What it makes me think about, especially given #3 and the risks of #1, is whether we should move from a jedi strategy of "just slightly better than header bidding", to a strategy of "clearly superior to header bidding".



Many publishers tell us that they do header bidding because it drives up ADX's price. Beyond that, most still find it pretty inconvenient to use for all of the reasons we have talked about before (latency, reporting, transparency, billing). Jedi still can still help drive up the price without all of the negatives of header bidding -- making it clearly superior could reduce the need for publishers to further adopt header bidding.

There are several things we could do for a "clearly superior to header bidding" strategy (for example, be the only UI the publisher has to use and send rules/settings to the third party exchanges, lower friction for publishers to bring in other exchanges, provide more of the safety/policing that we do on adx already, etc).

It is not immediately clear how to do it, but the most important thing we could do to reduce the user of header bidding is convince/incent/encourage the most important demand sources to come through Jedi/ADX -- Amazon is the one publishers always mention as the reason they would still need header bidding, but there are a few others we would need and we would also want to move traditional mobile sdk mediation demand sources. If we can manage to do this, I think publishers would decide header bidding isn't worth it. Maybe making it free/cheap for a couple of the most important partners or some kind of reciprocal agreement could work.

If we don't go with a "clearly superior" strategy for Jedi, then I agree that we might need to consider a "both" idea.

On Thu, Aug 25, 2016 at 11:19 AM Eisar Lipkovitz <eisar@google.com> wrote:  
That's indeed a great article.

From first principles, mediation technologies can potentially cause us four threats

- 1) Losing first look access to inventory
- 2) Losing relationship with the pub
- 3) Giving up sell side margin.
- 4) Getting competition on backfill.

I would be mostly worried about (1), which usually leads to (2), there isn't much we can do about (4), we have now competition with AdX buyers so the only difference is whether a clean auction is run AND (3).

The market for pure play SSP that is fee based (like DFP) has died, sounds like some of those header bidding wrapper providers are trying to enter this simplified product with this GoogleTagManager (GTM) sell side clone but it's not sustainable.

OTOH if you are a SSP that also runs an exchange you like header bidding at first as it gives you easy backfill access to pubs but as you grow larger you realize you have no moat and others can come along.

Given (3) is really unavoidable in my mind, we have to focus on the end buyers (advertisers) and convince them they want to come through DBM or have their DSP buy through AdX because we run a clean auction. DBM/GDN must offer a header bidding detection to protect buyers from being first priced and we should consider tying Google demand from AdX to the ability of Header Bidding to provide to \*our\* buyers (including AdX buyers) robust signals this impression is being sold to other SSPs.

Simply put today we have this expectation (with the creation of DRX) that if you use DFP we get to see the backfill impression and offer our "always fill"/network of last resort. I am saying if you now wants us to compete against other SSPs you need to tell us it's going on.



Hopefully we can agree on the above so this still leaves the question of whether we should be offering Wrapper or Jedi (or both). Obviously we prefer Jedi, but I want to see the go to market pitch how to sell this to Pubs.

On Thu, Aug 25, 2016 at 7:50 AM, Jonathan Bellack <jbellack@google.com> wrote:  
Great article. This was the a-ha for me: "I think of header bidding wrappers as a stripped down version of a tag management solution designed for header bidding use cases. They typically don't provide a user interface like a tag management system would, but they have a number of key technical and operational benefits that help publishers work with many header bidder partners at once, just like tag management solutions help publishers work with many different tracking pixel companies at once."

-- Jonathan Bellack / jbellack@google.com  
Director, Product Management / Publisher Ad Platforms

On Thu, Aug 25, 2016 at 10:37 AM, Aparna Pappu <apappu@google.com> wrote:  
The Jedi experts know far more but  
this page has a good description <http://www.adopsinsider.com/header-bidding/guide-header-bidding-wrappers/>  
in essence makes it async, single timeout for all providers and translates into the right KV per adserver to match the right line item and the best part it basically picks the right demand source via creatives/macros rather than a line item in DFP per demand source per price range.

On Thu, Aug 25, 2016 at 10:19 AM, Jonathan Bellack <jbellack@google.com> wrote:  
+ our exchange bidding PMs

-- Jonathan Bellack / jbellack@google.com  
Director, Product Management / Publisher Ad Platforms

On Thu, Aug 25, 2016 at 10:06 AM, Eisar Lipkovitz <eisar@google.com> wrote:  
This concept comes up a lot, sounds like SSPs are now offering header bidding as a service, they claim it's better/easier to integrate.

Can someone explain to me how does it work?

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Eisar



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Eisar

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-- Jonathan Bellack / [jbellack@google.com](mailto:jbellack@google.com)  
Director, Product Management / Publisher Ad Platforms