

Message

**From:** Jim Giles (Google Docs) [comments-noreply@docs.google.com]  
**Sent:** 8/6/2018 11:37:59 AM  
**To:** chrisl@google.com  
**Subject:** SellSide Guiding ... - Just how much pressure we are under? ...

Jim Giles replied to a comment in SellSide Guiding Principles (2018)



**Jim Giles**

putting pressure on the 20% fee and it is becoming more clear that the market bears the fee primarily because of exclusive access to our AdWords network demand

Just how much pressure we are under? Is the fee the problem, or the fact that the other channels drive yield by manipulating auction dynamics and floors?



**Chris LaSala**

we are NOT seeing pressure on the AdX 20%, but I am making a statement that it is because it provides nearly exclusive access to GDN demand. If GDN bought liberally through all 3PEs, I think the 20% would crater. What I am suggesting is that 'comparing two bids and running an auction' is proven to not be worth 20%. we should discuss this today if we don't all agree.

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**Duke Dukellis**

generally i would say networks went straight to mediation for two reasons: direct relationship and 20% fee avoidance. hard to attribute how much to each.



**Jonathan Bellack**

Sam's intel from Cannes is that AdX is losing third-party demand at a rapid clip. MediaMath, Turn, TTD, etc are growing but not spending on AdX. We're not noticing it because our own demand is growing so fast, but there is clear weakness in the AdX buyer segment and continued adoption of header bidding. This points pretty clearly to a pricing problem IMHO.



**Jim Giles**

Is the theory that buyers are not as competitive in the auction on our platform and that is why they are spending less, or that publishers are asking them to buy through other channels? My understanding was that there are other factors that may play as much or more of a role like policy, adx-specific rules, and protections.

Open

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