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Briefing: News Corp Unified Pricing Floors Discussion

Sam Cox and Rahul Srinivasan are meeting with News Corp's global advertising leadership team to discuss last week's announcement of Unified Pricing Floors. The meeting is meant to ensure News Corp feels their concerns are heard directly by our product team, and to continue educating and myth busting on the meaning of UPF so they understand what's in it for News Corp with these changes.

Meeting details: (GVC) Friday April 26, 11:30AM ET

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Meeting Objectives

1. News Corp understands UPF, misconceptions are addressed, and News Corp understands what's in it for them with UPF
2. News Corp feels heard by our product team, and understands the thought and process behind the changes we announced
3. Ultimately, we want to ensure the feedback from this announcement doesn't jeopardize the Ad Manager deal up for renewal on 7/31/19 (currently in GPX review).

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Key messages to communicate:

We want to ensure we approach this conversation with an empathetic tone, and a focus on what's in it for News Corp:

- **Thoughtful changes made to address ecosystem issues:**

- We've made these changes after watching publishers make changes in efforts to reduce the auction discount, over the last 5 years
- When we made these changes we didn't see it as removing controls, we saw it as removing inefficiencies that we were inadvertently enabling.

- **Publisher perspective taken into account:**

- We did listen to your feedback on data transparency. Your team was instrumental in helping us understand the need for data transparency (a big part of the updates we just announced)
- Do we want to include a mea culpa here on UPF?

- **We want your feedback and want to ensure all of your use cases are supported:**

- Google Product wants to understand all of the use cases for things like per buyer mins, so we can find ways to support legitimate use cases as best we can, and support them in the way that makes the most sense.

Partnership Background

Ad Manager Relationship: News Corp is a top global AdManager partner, with significant business in the US, UK and AU.

- ~\$150M 2 year AdManager deal up for renewal on 7/31/19 is currently in GPX review. News Corp is engaging in the negotiations, but frequently threatens to "switch ad servers," as they did during the 4/18 event.
- While News Corp business units are power users of DFP, the corporate team uses Appnexus to power their O&O ad network called News IQ from end-to-end, including ad serving. This is their next best option, if they were to move off of DFP, but business units would likely be resistant to this change.
- Despite challenges at the executive and corporate level, relationships with the business units are very productive. See comment [here](#).

Recent Developments

- **Positive reception to first price and data transparency:** News Corp was very excited about our announcement of a move to first price - Steph Layser called it "an appropriate move towards transparency in ad tech and auctions." They were also very vocal in requesting AdWords data transparency, and were very happy when we announced they would start receiving this transparency.
- **Ratcheting up of anti-Google rhetoric by News Corp leadership:** During the last two months, we have seen an increase in public commentary from News Corp and News Corp's CEO, Robert Thomson, against "Big Tech" generally and Google specifically:
 - Most recently in a [speech](#) in Australia where he spoke about original journalism vs. "digital drivel" and commented on our AI Ethics Counsel being disbanded.
 - In late March, News Corp continued its efforts to drive global regulation against the tech industry, with their [submission](#) to the Australian Competition and Consumer Commission where they recommended splitting up Google to the "correct market structure."

Upcoming Engagements

- **4/29 Jason Bigler meeting** with the same News Corp global advertising leadership team, with the exception of Steph Layser. The meeting is positioned as a listening session, where News Corp can share their priorities so as Jason ramps up he can have their perspective in mind.
- **5/16 Robert Thomson keynote speaker at the INMA World Congress.** He typically uses speeches like this to denounce "Big Tech," and has used examples from recent interactions with business teams (such as this speech where he talks about a "bug in Google News").

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News Corp Feedback on Unified Pricing Floors & Google Response / POV:

Roll Out of UPF

News Corp believes "Google is trying to push their agenda versus caring about what publishers want." They want more transparency into our decision making process.

How many (if any) publisher did you talk to before rolling out Unified Pricing Floors?

They are questioning:

- After all of the feedback we got on Thursday, why is "everyone at Google not thinking about bringing buyer floor rules back, instead of just gathering use cases and feedback."
- "Google said 'it's so great that we're gathered here in this room' [on Thursday], but this was already decided and built so why are you pretending to get our feedback?"

Amanda Gomez, VP Revenue Operations at NYPost: "You help us make money, and a lot of it. I don't agree with all of your decisions but because of that, I'm going to work with you."

With unified pricing, it's great that everything will be competing on the same level, I don't necessarily have a problem with that. The way that it went down and came about is the issue"

Yi-Fang Yen, SVP Advertising, Realtor.com: It seems like your new Product team isn't meeting with large publisher partners for product roadmap planning in the way they did previously. What does the strategic thinking look like now? How are you classifying customers? Are we no longer a large / strategic partner?

What things did we see with auction dynamics to lead us here?

Why is this change good for publishers?

News Corp is speaking for the entire publisher community - many other pubs share these concerns.

Google Response / POV:

- Pivot to why we made this change - why is this important for the ecosystem, and why was UPF key
- We did listen to your feedback on data transparency. Your team was instrumental in helping us understand the need for data transparency (a big part of the updates we just announced)
- In addition, one of the biggest requests we have gotten from the publisher community was to eliminate last look, which was part of these announcements.
- The move to 1P auction and UPF was a result of past feedback from our global community of publisher and advertiser partners, large and small, and that our current outreach is the next step.

Google Response / POV:

Google Response / POV:

We have received private feedback from many publisher partners - large and small - that they welcome these changes.

One example: Jason Tollestrup, VP, Programmatic Strategy and Yield at The Washington Post in Digiday: "Fair competition is the best thing for the programmatic industry. Google's removal of last look is an example of this, and we have always supported these types of initiatives. The switch to first-price auctions will help us remove many of the rules we currently have in place enabling buyers to see the true value of ad inventory on our site."

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I noticed the Thursday session was being recorded - maybe release the recording to help exonerate any inaccuracies? [Steph Layser on [Twitter](#)]

Google Response / POV:

We don't need to confirm or deny whether it was recorded. What we can say is that this was a closed-door business meeting, and we want to respect the privacy of attendees.

Competitive Concerns

Google participation in AdX marketplace

"The difference between financial markets and programmatic is that in financial markets don't bid into their own marketplaces like Google does with AdWords demand" [Steph Layser, 4/18 event]

Google Response / POV:

We will give you comfort that we have no advantage.

We explicitly keep these two products separate and limit information flows. (see, e.g., [go/platformsdatapolicy](#) and [go/platforms-data-faq](#)).

Other ad tech players operate exchanges as well as buy- and sell-side tech (I believe this is true of at least AppNexus and Verizon Media/Oath).

Barriers to switching ad servers

90% of all pubs are on DFP, and it feels like you can make changes to your products because we can't get all of AdSense demand anywhere else. What if we want to change ad servers? [Steph Layser, 4/18 event]

Google Response / POV:

We should not concede that it is difficult to change ad servers.

Say we don't like the ad server changes but I don't want to miss out on the full AdWords demand - when will Google go into another HB or S2S Solution? Because keeping your AdX demand from working optimally with other adserver tech feels like flexing monopolistic power here. [Steph Layser, [Twitter](#)]

Publishers have full flexibility in deciding which ad server they want to use. We heavily invest in Google Ad Manager in order to enable access to the broadest range of demand (exchanges, networks, programmatic direct), valuable insights, and actionable optimization opportunities for publishers.

If publishers want to work with different ad serving platforms, or build their own to cater for specific needs:

1) Google Ads and Display & Video 360 are already buying publishers across exchanges or SSPs.

[Limitation not all google Ads demand is currently available on 3rd party exchanges]

2) All AdX demand can also be called from 3rd party ad servers using AdX Direct tags.

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[Not relevant] 3) We have an option available to integrate Google demand (Google Ads + DV360) directly with publishers that have built their own auction logic. At the moment this product is in limited Alpha; we have started integration with a small set of publishers.

[Limitation: only available for in-house ad servers]

4) Google demand is not unique - advertisers and agencies buy off of many different exchanges and networks.

It's well known that in line with market trends and publisher feedback we unified the AdX and DFP UIs and contracts back in 2016. On unification we ensured that, although the functionality of the previously two separate products was more closely aligned, the ad serving functionality remained

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distinct and could be used separate to the programmatic functionality (and vice versa). This remains true today and will remain true when we transition to first price.

If TAM insisted on changing AdWords pricing, Google would not be amused. They don't face that kind of problem with Smart Ads, AppNexus, etc. ('maybe AppNexus...').

Google Response / POV:

If AdX tags are on another platform, we are subject to that platform's floor pricing.

AdWords concerns

- Buyers floor adwords differently, because there is an auction before it goes into the AdX auction
 - So if they floor it differently, which eats away at Google's margins but also gives more money back to publishers
 - The difference is that Google has visibility into all of the other competitors in that ad stack [Steph Layser, 4/18 event]

Google Response / POV:

We are working on ways to give you comfort that our auction is clean and that there is a partition, meaning Adwords does not have information prior to submitting bids

Every buyer's mission is to win at the cheapest price possible. Every buyer must determine which of it's multiple bids to submit into the AdX Auction. Every buyer is ingesting information in the most intelligent way to inform their bids. Every buyer using historical info to understand what the next impression is worth.

- We pass reserve price to all buyers in our exchange, and what they do with that is up to them.
- We never pass info to our demand in a real time way that we didn't pass to other buyers.
- We give buyers tools to make their own decisions - for example QPS throttling. All of our tools are based on buyer input: what kind of inventory and at what capacity. We aren't making decisions here.

Will this include insight into the first (cpc) auction in AdWords? THIS is what we all want to know, our biggest issue - since this functionality paired with stopping buyer specific floors seems like it's specifically there to maintain the margin that the AdWords first auction creates [Steph Layser, [Twitter](#)]

Google Response / POV:

Does Criteo or any DSP share information on their internal auction?

Having an auction, like AdWords does, is commonplace in the industry.

Impact on Header Bidding

- How will this change impact Header Bidding?

Google Response / POV:

We're making headers first class citizens for the first time.

- With the first price change, one of the biggest things we gave up was last look. This was one of the biggest push backs from publishers in terms of our position in the adserver. Now, when that price comes in to the the header, it will not be given to GDN or anyone else - it will be a flat even auction.
- We already gave up last look with EB; the goal here was to gain trust
- We expect this to make header bidding more competitive.

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Previously if a header bidder submitted a \$4 bid, that went to exchange bidders, authorized buyers, and GDN etc - so they would know they would have to bid \$4 or higher to win. In the previous world, they would bid \$4.01 and win - they see exactly what price they were competing against and bid \$0.01 more to win.

Now: header bidders are competing in the auction, just like everyone else. Just like GDN doesn't want Criteo to see their bid, we don't want GDN or DV360 to see the header bidder bid. Everyone competes, without visibility into bids.

All the stuff you do to manipulate those prices is still your prerogative.

Note: We should be careful not to suggest our previous set-up regarding header bidding was anti-competitive.

- All indirect line items have had some advantage under EDA (not just backfill line items)
- Now HBs are bidding in the competition just like GDN/Dv360 bids

NewsUK HB / Prebid Set up differently from other publishers, in that each partner is set up as an individual order and then let Ad Manager decide

- HB/PB = AppNexus as 01
- An easy way to floor partners has been stop requesting bids below 20p
- Concerned that UP will impact their ability to manage in this way

Google Response / POV:

Stopping pre-bid from functioning - workarounds in consideration:

- could potentially set up as sponsorship, but that would stop PDs from transacting
- or could adjust CPMs, e.g. inflate all the line items to above the unified pricing, e.g. by 30-50p, but then we might be missing demand from AdX
- Can they share min bid to win with header bidding? We don't have an online way to do it bc we don't control call outs. But could do data transfer offline.

Google Response / POV:

We don't know all the header bidders a partner works with - we don't have any kind of a relationship with those HB partners - so it's fundamentally impossible for us to pass min bid to win to header bidders.

If you use EB, this is built, because there we have relationships and connections with all of the partners.

If you use HB, you can use Data Transfer, where you can see all of the bids and the winning bid, and you can share this with anyone you like.

- When two bids are the same that are the winning bids - how do we tie break

Google Response / POV:

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Loss of Control due to UPF

Perceived Loss of Control

Steph Layser, VP Ad Tech & Operations, at 4/18 event: "Yield is important, but so is control," "Maybe the flooring doesn't have to do with pure yield, but maybe business rules, or things we need for our own business"

David Minkin, VP, Strategic Planning & Delivery at Dow Jones: "Losing buyer floor controls is a negative impact, that's an unfortunate feature to lose. For example, if we understand the way one buyer is bidding on their inventory vs another buyer, we might want to set the floors differently."

Amanda Gomez: Rules set up in one platform are totally different because buyers buy differently in each platform. Her team knows their profitability in each platform and are trying to manage to this. Given the different demand landscape in each SSP, how should she react to this in this new world?

Note: Amanda is not doing this today, she says she "doesn't have the time, but best case scenario she'd love to do it. And to play devil's advocate she understands the frustration."

News UK creates floor by specific buyers, e.g. retargeters, trading agreements, agencies. Losing this functionality will impact their direct IO business, and they feel they will lose one of their key negotiation tools. "The second a buyer knows your floor, you are at a massive disadvantage for trading purposes. As an optional setting, this (UP) is great, but forcing publishers to use it is a problem."

Examples of SSP behavior differences from News UK:

- Rubicon provide very high CPM and low fill
- AppNexus provide high fill but low CPM
- GroupM trades via AppNexus, so they set floors accordingly

Also concerned about video in UP. In video, News allow Google at a lower price, because it tends to deliver better than other partners. UP could undermine that.

Unified blocking would be an incredibly useful tool

[News UK] - In the absence of buyer specific floors, this could be a way for them to maintain trading deals and stop some of the more savvy ad tech partners, e.g. MediaIQ, from arbitraging their inventory.

Openings for arbitrage opportunities

- This is actually worse on a 1st price auction, because they know exactly what they're going to pay out
- Not all buyers are created equal so fill/CPM across different SSPs varies; with the removal of buyer floors, this opens up potential to arbitrage opportunities cross platforms

Google Response / POV:

They have almost all the controls they had before, and now have access to the full bid landscape, headers are first class citizens, and they get first price.

Reactive comms:

- They still have full control in AdManager on CPM - can still set CPM line-items in a way that fits their business objectives, and can also give preference via PD and of course via reservation LIs
- They could block other SSPs as bidders in our system, if they only want demand from that SSP to go direct/through HB
- They could explore configuring a floor in their other SSP for traffic coming through AdManager
- We would love to get the use cases that they feel they are losing control on. How is this control benefiting them, specifically? We can't promise to solve for everything but we want to understand.

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Accounting for Revenue Shares

David Minkin: "We also want to manage different rev shares."

Google Response / POV:

The auction is transacted in net, therefore rev shares are already taken into account.

NewsUK: SSPs returning gross/net bids - potential for them to review, but will require work from News - which is not ideal, they would prefer not to have to build in workarounds.

Appendix

Hot topics for News Corp outside of UPF

Competition

News Corp believes digital platforms are using their market power to entrench themselves as intermediaries between publishers and consumers and to ensure that they remain the gateway to the internet.

They specifically allege that Google uses its dominant position in search to force publishers to do things for Google's benefit (eg, permit scraping, require FCF, and adopt AMP). They claim Google's requires publishers to cave to Google's demands or be deprived of search traffic if they resist.

Google Response / POV:

Favoring: Google aims to show high-quality and relevant search results and ads to users. Google developed "universal" and other vertical results to better satisfy user queries in particular areas. Every other major search engine, including Bing and Yahoo!, now provides similar kinds of direct results, which is powerful evidence that customers value them. Competition agencies and courts around the world (including in the US, Canada, UK, Germany, Brazil, and Taiwan) have also confirmed their value.

Snippets and Scraping: Google's displays snippets to help users choose which results to click. Snippets are not substitutes for news articles and drive significant traffic to publishers. Publishers can opt out of snippets while maintaining link results for their articles.

AMP: AMP is an open source collaborative project that aims to instantly load mobile content pages for users, which increases page views for publishers. It is more flexible than industry alternatives (Facebook Instant Articles or Apple News Format) and entirely compatible with paywall models. Publishers create, host, and control pages that use AMP. AMP is not a ranking signal for search.

[Resolved] Advertising Data Transparency / Portability

Several teams at News Corp (Programmatic, NewsIQ, NewsUK) have "major concerns with the transparency of the Google ecosystem," and are asking to "partner to end the programmatic black box." They feel "they should own this data already since it is happening on their page." They are public with this messaging at conferences and speaking engagements.

Their main ask is access to AdWords demand data at the log level. They are working on a complete view of their user base across different News Corp divisions, and building machine learning models that allow them to leverage this data to more intelligently price their inventory, better value users to make decisions on flexible paywalling etc. They are open to brainstorming around how to partner so they gain a better understanding of their audience and get closer to tying data back to a single ID.

News Corp doesn't understand why we can't share this data given that AdWords is a Google demand source "we have

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control over," and feel we aren't being transparent. It is a selling point for our competitors (and initiatives like Ozone) that through these channels News Corp has full transparency into the bid landscape.

Google Response / POV:

This was consistently an issue and ask from News Corp, and was raised at the Nov '18 summit to Jonathan Bellack. The changes announced to enable full transparency and sharing of this data were very well received by News Corp.

GDPR / IAB Compliance

News Corp have three key questions with GDPR:

- They continue to push for using legitimate interest for news / News Corp
- With legislation potentially upcoming in California, how are we preparing?
- When is Google going to adopt the IAB framework?

Google Response / POV: Jonathan will defer to legal on this point.

Preferred Deals Prioritization

They have lots of issues with recent product updates. In particular, they feel that placing it above all their other remnant inventory does not allow for fair competition. They had been using it as a bulk buy trade with a negotiated agency rate for the year. Obviously they can't do the same at a fixed CPM with Private Auctions and agencies won't commit to the impressions with PG, so they feel that what was a good product for them has been lost. It would be great if we could influence product at all on this, as so far they have been unwilling to allow any flexibility on priority for Preferred Deals.

Google Response / POV:

- The primary feature of Preferred Deals is its priority. Publishers should only be selling Preferred Deals when there is a strategic or business reason for offering priority to a buyer. Further, we believe they should be charging accordingly for that priority,
- Preferred Deals are a mechanism that allows publishers to provide buyers with "preferred" access to inventory at a predetermined fixed CPM ahead of everything that is non-guaranteed. When entering into a preferred deal, both publishers and buyers expect those deals to win ahead of everything else auction based in their remnant stack. With this change, publishers will now have a simple, clean way to deliver on this through preferred deals.
- From an internal perspective, we are fine with any of the following configuration changes that publishers may undertake as a result of the priority change:
 - Publishers price Preferred Deals properly to reflect the priority that they have based on price
 - Publishers who are yield focused force more competition through the open auction (which can compete with Price Priority line items)
 - Publishers set up 3rd party Preferred Deals within EBDA deals, which will compete on equal footing with Ad Manager / AdX Preferred Deals

Resistance to Exchange Bidding in favor of Header Bidding

Engineering and commercial teams appear to be at odds on EB vs header bidding at News UK - we feel News UK Engineering would favour EB but their Global Head of Programmatic is adamant on maintaining competition via Header Bidding. There is a similar dynamic at News Corp US, along with a hesitancy to walk away from all of the work done to implement header bidding.

Google Response / POV:

- Exchange Bidding was first announced two years ago as a test to help publishers earn more money on their ad inventory without sacrificing the user experience. Since then, we've seen hundreds of publishers grow their programmatic revenue by an average of double-digit percentage points, using this product.

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- Exchange bidding allows publishers to invite existing third party exchange partners to bid in real-time alongside Ad Manager (AdX) in Dynamic Allocation. Exchanges access publisher inventory via RTB callouts. Ad Manager will fill the impression with the ad offering the highest CPM in order to maximize yield while making sure your reservations stay on track.
- Programmatic buying is constantly evolving and changing the way buyers and sellers interact. As a technology provider for both buyers and sellers, Google is committed to helping the industry evolve while maintaining a healthy and growing programmatic ecosystem.
- To do this, we're continuing to invest in new capabilities to help publishers get the highest yield for every impression, and help buyers access even more premium publisher inventory as efficiently as possible.

Ad quality problems from GDN

A recent spate (from Sept 21st) of bad ads through the GDN network in Australia with lewd titles, and defaming Australia television personalities (David Koch and Karl Stefanovic) has caused much angst at News Corp. The result of this was switching of AdWords demand for 10 days until controls and reassurances were in place to control the bad ads. This is still a hot topic with News Corp.

Google Response / POV:

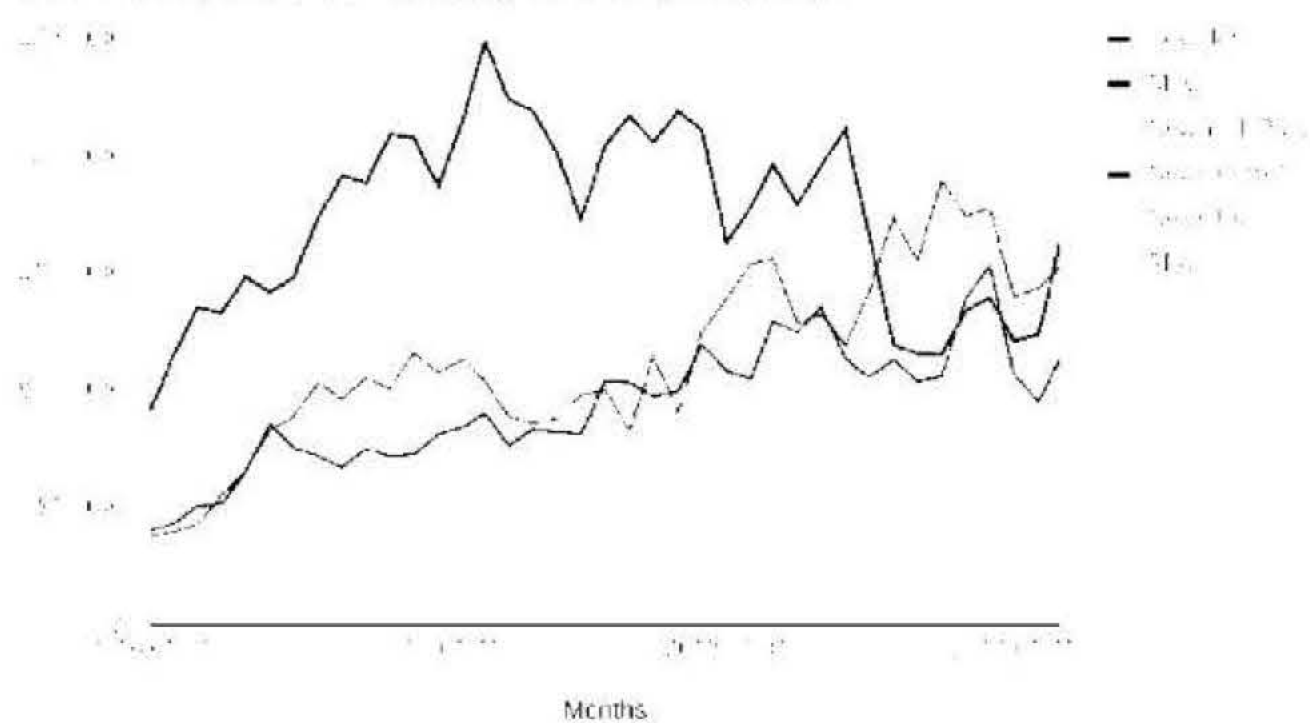
We're constantly updating our policies as we see new threats emerge.

- Last year, we added 28 new advertiser policies and 20 new publisher policies to combat new threats and improve the ads experience online.
- This year, we updated several policies to address ads in unregulated or speculative financial products like binary options, cryptocurrency, foreign exchange markets and contracts for difference (or CFDs).
- We also updated our gambling ads policies to address new methods of gambling with items that have real-world value (e.g., skins gambling).
- And we will introduce a new certification process for rehabilitation facilities, allowing legitimate addiction treatment centers to connect with people in need.

Our work to protect the ads ecosystem doesn't stop here—it's ongoing. As consumer trends evolve, as our methods to protect the open web get better, so do online scams. Improving the ads experience across the web, whether that's removing harmful ads or intrusive ads, will continue to be a top priority for us.

News Corp Revenue Trends

News Corp AdX Revenue by Month (Net, USD)



News Corp realized \$42,089,273 in net revenue from AdX in 2018, a -6.7% decline YoY overall. However, in Q1 '19 we saw a return to moderate growth, with the quarter up 3.3% YoY.

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News Corp Bios

Chris Guenther, Global Head of Programmatic, News Corp

Role at News Corp

- Chris Guenther is SVP and Global Head of Programmatic for News Corp, focused on driving programmatic and ad tech collaboration across the media and information company's global properties.

Previous Roles

- Formerly, he was VP of Business Operations for Hearst Magazines International, working on sales operations and programmatic advertising across the digital businesses outside the United States. Mr. Guenther previously served as VP, Digital Operations & Monetization at Conde Nast. Prior to that, he was head of Business Development for the Wall Street Journal Digital Network and worked in the Corporate Strategy and Franchise Development groups of Dow Jones. He was also an associate at the Jordan Edmiston Group, a boutique investment bank focused on media.



Relationship with Google

- Chris has a strong relationship with the Google partnerships team and is supportive of Google, albeit quietly. He sees himself as facilitating the signature of our 2 year global AdX & DFP deal, and has expressed support for transitioning to Google Analytics. That being said, his right hand lead on ad tech, Steph Layser, is very vocally anti Google.

Hot Topics for Google

- Data transparency, specifically access to AdWords demand data at the log level.
- Direct contracting and relationship with Google for Marketing Platforms and Analytics, vs "resellers"

Steph Layser, Vice President, Advertising Technology & Operations

Role at News Corp

- Steph has two roles:
 - She serves as an in-house expert on programmatic
 - She leads News Corp's O&O ad network called NewsIQ

Previous Roles

-

Relationship with Google

- Very negative towards Google

Hot Topics for Google

-

David Minkin, VP, Strategic Planning & Delivery at Dow Jones

Role at News Corp

- David Minkin is VP of Strategic Planning & Delivery at Dow Jones. He oversees digital ad operations, integrated sales planning, pricing, yield management and programmatic selling.

Previous Roles

- Previously, David advised and held roles at companies such as The Atlantic, Forbes.com, The Economist, Atlas Obscura, and Euromoney Institutional Investor. He is also the co-founder and former publisher of

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Breaking Media, the parent company of Dealbreaker.com, AboveTheLaw.com, and Fashionista.com (and now additional sites).

Relationship with Google

- David is balanced and generally a promoter of Google. He is willing to partner with us closely but is transparent when he feels there are areas for improvement in the partnership or product direction.

Hot Topics for Google

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Amanda Gomez, VP Revenue Operations at New York Post

Role at News Corp

- Amanda Gomez is

Previous Roles

-

Relationship with Google

-

Hot Topics for Google

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Yi-Fang Yen, SVP Programmatic at Realtor.com / Move

Role at News Corp

- Yi-Fang Yen is the SVP of Programmatic at Realtor.com and is charged with optimizing the site's yield via their network of programmatic partners.

Previous Roles

- Previously Yi-Fang was a Sr. Product Manager at AdBrite, eBay and CarsDirect.com. He holds an engineering degree from Stanford and an MBA from Yale.
- Because of his time at eBay, Yi-Fang considers himself an expert on auction dynamics.

Relationship with Google

- Yi-Fang has a collaborative approach with the Google partnerships team and seeks our counsel often to drive further optimizations. He also leverages us on broader org-wide topics where he needs 3rd party analysis to bolster his case internally.
- That said, he has made recent remarks about a perceived shift in our Product's team strategy and that large publishers feel like they are no longer consulted for input on roadmap requests, direction etc.

Hot Topics for Google

-

Alex Simpson

Role at News Corp

- Head of Ad Operations for News UK

Relationship with Google

- Very positive, collaborative partner, but will challenge us where he sees inefficiencies / inequality in our stack. Says he often acts as 'the Google defender' within News.

Hot Topics for Google

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Jason Denny

Role at News Corp

- GM Commercial Operations at News Corp Australia

Previous Roles

- Head of Programmatic at News Corp Australia
- Director, Revenue Management & Analytics - Dow Jones based in NYC

Jason is a US native who learnt his trade in NYC at Dow Jones. Is a strongly opinionated voice and considered thought leader on programmatic in the local market. Recently taken on a wider remit as GM, however, is still passionate about his strong suit in Programmatic. Confrontational in style, but behind closed doors a fan of our tech. Senior execs at NCA defer to him as their expert on Programmatic.

Relationship with Google

- Jason is a big advocate for the technological strengths of the Google Ad Manager stack, and railed against an internal push to migrate to AppNexus in early 2018. Jason understands that GAM best allows him to achieve his revenue objectives, however, he would not go as far to say a good word about Google publically. Understands the company line on Google and how the game is played at News Corp. Keep a low profile and advocate internally only where pragmatism can win out over irrational business decisions. Where he can find opportunities to critique Google or prefer other supplier he will. If the numbers add up he will quietly optimise toward Google. Expect hard questions and company line on most issues in a meeting with his peers.

Hot Topics for Google

- Programmatic Direct advertiser blocks
- Bad ads - celebrity scandals etc
- MA3 SDK - VAST beta for web not available

For reference: Jason Bigler Tweets

- We're not making any changes to priority with the changes to the unified auction. The changes only include moving AdX to a first priced auction, unifying pricing across all sources of indirect demand and removing what is commonly referred to as "last look."
- (cont) These changes increase the consistency of rules across the different channels of demand, ultimately improving the sustainability of the ecosystem.
- The rules limit is a baseline start. It doesn't mean we're fixated on a specific limit, but it was used to start a discussion to obtain feedback.
- Publishers are allowed to work with any and all forms of demand that they want, and through multiple channels, entirely at their discretion. They are also getting full bid transparency, even for Google demand.
- There is no plan to change the fee structure for Google Ad Manager (formerly known as DFP)
- In summary, the motivation for these changes are to create a more transparent ecosystem with consistent rules for all sources of demand.

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Notes from UPF Call (4/26)

News Corp Attendees:

- Steph Layser - VP, Ad Technology and Operations
- Alex Simpson - Head of Digital Revenue Operations, News UK
- Vikesh Chevli - Yield and Pricing Manager at News UK
- Yi-Fang Yen - SVP Digital Media, Realtor.com / Move
- David Minkin - VP, Strategic Planning & Delivery at Dow Jones
- Sarah Hahn - Executive Director, Ad Operations, Dow Jones
- Amanda Gomez - VP Revenue Operations, NY Post

Notes from Q&A Session:

- Q: Does UPF apply to header bidders?
 - A: UPF will apply to all indirect so that means HB are tapped into that
- Q: Can you explain what "min bid to win" is?
 - Min bid to win is to give buyers information about the highest bid in the auction so they know what threshold they needed to bid in order to win
 - F/U Q: is this informed in real time? How is this given?
 - A: After the auction runs, we have a thing called real time feedback that we provide to buyers. Including info like, "your creatives were filtered." We will now be adding a field to this that shares, for this auction that concluded, this is what you would have needed to bid in order to win. For header bidders, since we don't have a direct relationship, we will put this info into DT, so you can decide what you want to share. "Min bid to win" is not shared in real time for anyone. We share this with exchange bidding, DV360, authorized buyers, and GDN directly, because we have a direct relationship.
 - FU Q: So you have built bid shading in directly to drive prices down? This is very much driving the price down and showing buyers how low you can go.
 - This is one of the things we have done to have buyers avoid bid shading tools. We have seen this situation where, in a first price marketplace, even if buyers value an impression, they lose because they bid shade too aggressively.
 - There is an AdExchanger article that explained that sharing this data is helpful (I believe [this](#) is the article referenced)
 - FU Q: This coupled with lack of control is scary.
 - One of the things you can do is set a unified price that prevents bid shading.
 - Google Q to News Corp: In the old model, they got the bid response feedback when they opted in. Was that a better model?
 - More fairness in the option to opt out. Alex (News UK) doesn't think buyers should know what someone else was willing to pay for that impression - he thinks that's the private info of that bidder.
 - A: this has the effect of driving up 3rd and 4th bids, and therefore makes publishers more money.
- Q: Floor prices do not apply to AdSense backfill. What does this mean?
 - This is not relevant to News Corp - this is the SMB AdSense product.
 - AdSense is the publisher-facing product. AdWords is one buyer that could work with AdSense, but so could DV360 etc.
- Q: Flooring. I'm not happy about it, but I understand the limit in floors and you've cut down on the limit because we no longer have a second price auction. I've read we can't floor sizes differently, in new changes?
 - A: That's not accurate. We don't have all of the functionality now but it will be available over the next month or so. The only functionality that is still coming is for multi size requests

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- Q: No buyer and bidder floors. They want to address that topic. The crux of the frustration at News Corp is the idea that we are running an auction, and then bidding on that same auction via AdWords. There is fear that the multi-layer auction will inform potentially how much margin we take for AdWords demand.
 - A: All buyers run their own internal auction. We send AdWords the same info we send to Criteo. There is a partition between the sell side and AdWords. We don't have access to all of the different advertiser bids.
 - F/U Q: how can we be guaranteed of that. In the past, you said DFP and AdX teams didn't talk to each other, and then you combined the two products.
 - When we are moving towards more integration, we will be very public about it (as we were with DFP and AdX). And when it comes to AdWords and AdManager, this is not something we are planning or even thinking about.
 - F/U Q: Steph is seeing anomalies that make her suspicious.
 - A: can she share the anomalies?
 - In the interest of full transparency - we talk to AdWords and DV360, but we also talk to Criteo etc. We talk to all buyers.
 - Q: Ok, assuming it is indeed being treated like another buyer and there is a partition. In the past, AdWords were bidding really high on AdX, with a lot of impressions closing on second price auction. In a move to a first price auction, should there actually be no sharing of extra data with AdWords - News Corp would expect to make significantly more from AdWords, because AdWords has more user data than anyone else.

Steph referenced "research" she has done into our "quiet moves" to sharing maps, apps, search and other data with AdWords. She said, this is why she has fear.

 - Google Q: We pushed back on the idea that AdWords has access to more data than other buyers. We aren't the AdWords team so we don't know specifics, but many of our buyers access a huge amount of data through their own platforms and DMPs. Where are you coming from?
 - A: Should those two teams (AdManager and AdWords) not be separate, I want some sort of comfort in the idea that if I can't set a specific floor, they might consider paying more if they have no pricing data.
 - Vikesh F/U Q: the data that we are sharing to the buyers (min bid to win) - every buyer is on a first price auction. Google Ad Words is the only buyer on a second price auction and we're sharing that same data with them.
 - A: Criteo is second price, Amazon is second price, MediaMath and all DSPs are second price.
 - Q: Say they feel more comfortable switching to a different ad server. Will we be willing to contribute to pre-bid?
 - A: We don't speak for AdWords. For AdManager - we have managed for interoperability. We make it possible to leverage 3rd party tags and pre-bid.

Partners can use AdX tags to tap into our third party demand.
 - F/U Q: Header Bidding was developed to allow all of their demand to compete on a real-time basis and she would like to be able to do this with Google if she wants to move to another ad server.
 - A: We don't have a mechanism to allow for this at this time
 - F/U Q: So I have to use your ad server to access demand that is exclusive to AdX? Should we really want to create a fair, competitive marketplace, we need Google demand to be available independent from the ad server. This is an extremely unfair competitive advantage.
 - We thanked her for her perspective and did not address this point.
 - Q: NewsUK don't run open auction. Their worry with unified pricing rules, because they can't identify if it's a PMP or open bid, Google will prevent any bid coming through from other SSPs, therefore they are forced to use Google for PMP demand.
 - We shared a solve for this
 - Q: On the separation between AdWords and AdX - the fear is that with buy side changes like machine learning attached to limiting QPS - we want to make sure there aren't biases in that algorithm.

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- A: You are referencing efficient call outs - buyers can set up in pre-targeting what traffic and media they want sent to them, and set the total QPS (globally or regionally)
If we make decisions here, we make decisions optimizing for highest bids (while testing to make sure buyer buying patterns haven't changed).
If buyers can handle all of the queries, we don't throttle
This is beneficial to publishers - it increases revenue for publishers by about 1%.
- Nitish clarified her question: if we do this, are we biasing towards queries that AdWords doesn't want?
One of his teams built this feature, we absolutely don't do that. The queries we send are just a function of that specific buyer's bids. We are trying to increase revenue from Authorized buyers, not AdWords or DBM. This actually decreases revenue for AdWords and DBM but it's the right thing to do for publishers.
- Q: It's still a core problem that with unified pricing if you can't set a price by buyer, for trading deals in the UK. Especially with Criteo or MedialQ (where they are upcharging), or a particularly cunning trading desk like TTD. News UK can't tell agencies that they have to change all of their trading deal contracts.
Steph can see why we think people shouldn't be floored separately, in an efficient auction, but sometimes News Corp has business reasons for doing this - like trading deals in the UK.
 - A: We will get back on this.
 - [Aside from Alex, News UK: this should have been made for small businesses, or optional.]
 - A: One of the challenges with the old way of doing this: the product didn't work entirely as advertised. Agencies would create new seats.
 - Q: Alex, News UK: Yes - we need to manage that. And it might not be through you that we manage this spend. But you're applying your floors.
- Google Q: There is a very big gorilla in the room, which is the trust situation. Is there anything we can show you in terms of our relationship with the buy side that would help? If there is nothing we can do, we aren't setting ourselves up for a good future.
 - A (News Corp): That's fair, and you're correct in that aspect. Her feelings are tied to decisions we make outside of advertising (Search). When you tie all of these things together, News Corp thinks Google is bad for publishers.
But just on advertising: she can think about it and sleep on it.
 - A (Google): We (in this room) are the publisher business, we want you to succeed, you are a big publisher. We are aligned. If you don't give us some direction here, it's going to be hard to give you comfort.
 - A (News Corp): Understand you are all doing your job. She will get back.