Adobe Advertising Cloud

Optimization Setting Guide

This document contains guidance on functionality and implementation for optimization goals and pre-bid filters.

Optimization Goals

Package optimization goals operate at two levels:

1. Package: Budget will be allocated to each placement within the package based on performance against the selected KPI.
2. Placement/Auction: Each auction per placement will have its real-time economic KPI value calculated. This will be used to determine the bid submitted.

   Note: Economic value is heavily weighted based on how well a placement is spending. If a placement is behind it's spend goal, then it will be allowed to buy lower quality auctions. If a placement is easily meeting its spend goal, it will focus on higher quality auctions.

There are two fundamental ways that you can select to have the system optimize your delivery, with 20 variations available to align to your specific performance goal:

1. **Prioritize the performance rate.**
   - For example: Highest Viewability Rate, Highest Clickthrough Rate, etc.
   - System predicts the 'performance' of each auction and always bids at the Max Bid.
   - Pacing logic:
     - If we're on pace, the system will become more selective - only bidding on auctions predicted to have high performance rates.
     - If we're behind pace, the system will become less selective - bidding on auctions predicted to have lower performance rates (in order to catch up to pacing goal).
   - This optimization mode works well if:
     - You already know the effective / acceptable CPM level. For example, historical benchmarks.
     - You're willing to manually adjust Max Bids if you experience challenges scaling.
     - You're prioritizing scale over efficiency
   - Clearing Price / Bid Shading:
   - After the above logic has been executed, the proposed bid will be run through a Clearing Price prediction model. If the result indicates that the bid can be lowered/trimmed with minimal decrease to win rate, then the bid will be decremented as per the model prediction.

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2. **Prioritize balance of cost efficiency with performance rate.**
    - For example: Lowest CPMs, Lowest CPA, Lowest Cost per View, Lowest Cost per Click, etc.
    - System predicts the 'performance' of each auction and adjusts bid prices automatically, never exceeding the Max Bid
    - Pacing Logic:
        - If we're on pace, the system will become more price sensitive - bidding lower amounts to tradeoff win rate with the pacing plan
            - If a performance metric is also being balanced (all goals except Lowest CPM), the predicted KPI will be blended into the amount bid such that we bid higher for auctions predicted to be more performant on a "cost per" basis.
        - If we're behind pace, the system will become less price sensitive - bidding higher amounts, up to the set Max Bid, to tradeoff win rate with the pacing plan.
            - If a performance metric is also being balanced (all goals except Lowest CPM), the predicted KPI will be blended into the amount bid such that we bid higher for auctions predicted to be more performant on a "cost per" basis.
    - Clearing Price / Bid Shading:
        - After the above logic has been executed, the proposed bid will be run through a Clearing Price prediction model. If the result indicates that the bid can be lowered/trimmed with minimal decrease to win rate, then the bid will be decremented as per the model prediction.

The variations of these two goal types are detailed in the chart below:

Optimization Goal	What this goal does	When to use this goal
Always Max Bid & Highest Clickthrough Rate	Budget allocation will prioritize placements with the highest clickthrough rates. Auctions appraisal will prioritize CTR if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted CTR threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Clickthrough Rate **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if there is a fixed CPM goal that does not need to be surpassed but there is a CTR goal that needs to be maximized. Max Bid should be set at the desired CPM goal and CTR will do the "best possible" while attempting to spend the full budget.*

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Always Max Bid & Highest Completion Rate	Budget allocation will prioritize placements with the highest clickthrough rates. Auctions appraisal will prioritize Completion Rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted Completion Rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Completion Rate **Ad types:** Pre-roll only ***Note:*** *This goal should be used if there is a fixed CPM goal that does not need to be surpassed but there is a Completion Rate goal that needs to be maximized. Max Bid should be set at the desired CPM goal and Completion Rate will do the "best possible" while attempting to spend the full budget.*
Always Max Bid & Highest Engagement Rate	Budget allocation will prioritize placements with the highest engagement rates. Auctions appraisal will prioritize engagement rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted engagement rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Engagement Rate **Ad types:** Mobile Interstitial only ***Note:*** *This goal should be used if there is a fixed CPM goal that does not need to be surpassed but there is an engagement goal that needs to be maximized. Max Bid should be set at the desired CPM goal and engagement will do the "best possible" while attempting to spend the full budget.*
Always Max Bid & Highest Viewability Rate (Adobe – GroupM)	Budget allocation will prioritize placements with the highest viewability rates. Auctions appraisal will prioritize viewability rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted viewability rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Viewability Rate **Ad types:** Interactive Pre-roll only ***Note:*** *This goal will always utilize the max bid set at the placement level.* *If the Campaign is set to "Standard (50% of ad in view for 2 consecutive seconds)" then the MRC standard of measurement will be used for the campaign. If the campaign is set to "Strict (100% of ad in view & audio on for 50% duration)" then the GroupM standard of measurement will be used for the campaign. Ideally the user should match the campaign setting with any optimization goal or pre-bid filter settings.*

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Always Max Bid & Highest Viewability Rate (Adobe – MRC)	Budget allocation will prioritize placements with the highest viewability rates. Auctions appraisal will prioritize viewability rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted viewability rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Viewability Rate **Ad types:** Interactive Pre-roll only ***Note:*** *This goal will always utilize the max bid set at the placement level.* *If the Campaign is set to "Standard (50% of ad in view for 2 consecutive seconds)" then the MRC standard of measurement will be used for the campaign. If the campaign is set to "Strict (100% of ad in view & audio on for 50% duration)" then the GroupM standard of measurement will be used for the campaign. Ideally the user should match the campaign setting with any optimization goal or pre-bid filter settings.*
Always Max Bid & Highest Viewability Rate (IAS – MRC)	Budget allocation will prioritize placements with the highest viewability rates. Auctions appraisal will prioritize viewability rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted viewability rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Viewability Rate **Ad types:** Interactive Pre-roll only ***Note:*** *This goal will always utilize the max bid set at the placement level. It is recommended to enable the IAS integration on the campaign level.* *This setting works best when 3rd party data from the IAS integration is informing the algorithm; it should be used without the campaign level integration enabled.*
Always Max Bid & Highest Viewability Rate (Moat – GroupM)	Budget allocation will prioritize placements with the highest viewability rates. Auctions appraisal will prioritize viewability rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted viewability rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Viewability Rate **Ad types:** Interactive Pre-roll only ***Note:*** *This goal will always utilize the max bid set at the placement level. It is recommended to enable the Moat integration on the campaign level.* *This setting works best when 3rd party data from the MOAT integration is informing the algorithm; it should not be used without the campaign level integration enabled.*

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Always Max Bid & Highest Viewability Rate (Moat – MRC)	Budget allocation will prioritize placements with the highest viewability rates. Auctions appraisal will prioritize viewability rate if spend goals are being met. The bid submitted will always be the set Max Bid but the predicted viewability rate threshold will become stricter if a placement is spending well.	**Campaign Type:** Branding **Benchmark:** Highest Viewability Rate **Ad types:** Interactive Pre-roll only ***Note:*** *This goal will always utilize the max bid set at the placement level. It is recommended to enable the Moat integration on the campaign level.* *This setting works best when 3rd party data from the MOAT integration is informing the algorithm; it should be used without the campaign level integration enabled.*
Highest ROAS – Custom Goal*	Budget allocation will prioritize placements with the highest ROAS. Auctions appraisal will prioritize ROAS. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted ROAS of a given auction.	**Campaign Type:** Performance ***Note:*** *Please reference the Performance Display Playbook for more information.*
Lowest CPA – Custom Goal*	Budget allocation will prioritize placements with the lowest CPA. Auctions appraisal will prioritize CPA. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted CPA of a given auction.	**Campaign Type:** Performance ***Note:*** *Please reference the Performance Display Playbook for more information.*
Lowest Cost Per Click	Budget allocation will prioritize placements with the lowest CPC. Auctions appraisal will prioritize CPC. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted CPC of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest Clickthrough Rate **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" CPC. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising CTR. If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.*

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Lowest Cost Per Completion	Budget allocation will prioritize placements with the lowest VCR. Auctions appraisal will prioritize VCR. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted VCR of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest Completion Rate **Ad types:** Pre-roll only
Lowest Cost Per Engagement	Budget allocation will prioritize placements with the lowest engagement rate. Auctions appraisal will prioritize engagement rate. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted engagement rate of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest Engagement Rate **Ad types:** Mobile Interstitial only
Lowest CPM	Budget allocation will prioritize placements with the lowest CPM. Auctions appraisal will prioritize CPM. If spend goals are being met, then the bids submitted will have progressively lower CPMs.	**Campaign Type:** Branding **Benchmark:** Efficient CPM **Ad types:** Pre-roll, Display
Lowest Cost Per View	Operates very similarly to Lowest CPM setting Budget allocation will prioritize placements with the lowest CPM. Auctions appraisal will prioritize CPM. If spend goals are being met, then the bids submitted will have progressively lower CPMs.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest Clickthrough Rate **Ad types:** Pre-roll, Display

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Lowest vCPM (Adobe - GroupM)	Budget allocation will prioritize placements with the lowest vCPM. Auctions appraisal will prioritize vCPM. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted vCPM of a given auction	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest vCPM **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" vCPM. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising vCPM* *If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.*
Lowest vCPM (Adobe - MRC)	Budget allocation will prioritize placements with the lowest vCPM. Auctions appraisal will prioritize vCPM. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted vCPM of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest vCPM **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" vCPM. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising vCPM* *If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.*
Lowest vCPM (IAS - MRC)	Budget allocation will prioritize placements with the lowest vCPM. Auctions appraisal will prioritize vCPM. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted vCPM of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest vCPM **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" vCPM. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising vCPM If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.* *This setting works best when 3rd party data from the IAS integration is informing the algorithm; it should not be used without the campaign level integration enabled.*

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Lowest vCPM (Moat - GroupM)	Budget allocation will prioritize placements with the lowest vCPM. Auctions appraisal will prioritize vCPM. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted vCPM of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest vCPM **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" vCPM. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising vCPM If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.* *This setting should NOT be used without the campaign level integration enabled.*
Lowest vCPM (Moat - MRC)	Budget allocation will prioritize placements with the lowest vCPM. Auctions appraisal will prioritize vCPM. If spend goals are being met, then the bid submitted will be a balance between lowering CPMs and the predicted vCPM of a given auction.	**Campaign Type:** Branding **Benchmark:** Efficient CPM & Highest vCPM **Ad types:** Pre-roll, Display ***Note:*** *This goal should be used if the customer wants to achieve the "best possible" vCPM. If spend goals are being met then the platform will attempt to balance lowering CPMs and raising vCPM* *If a customer would like to guarantee a maximum CPM then it should be set as the placement Max Bid.* *This setting works best when 3rd party data from the MOAT integration is informing the algorithm; it should not be used without the campaign level integration enabled.*

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Pre-bid Filters

Placement Pre-bid Filters

These filters are our strictest way to ensure strong performance. We utilize pre-bid filters strategically across different ad types to achieve performance goals across placements within each package. These can be used in tandem with package level optimizations or independently.

- Note: Pre-bids are only available on acceptable ad types. Example: Completion Rate cannot be implemented on a Standard Display Placement.

Pre-bid Filter	What this filter does	When to use this filter
Click Through Rate	Sets a minimum prediction threshold for the probability an auction will result in a click through. For example, if set to 0.1%, we will not bid on an auction unless the predicted probability of a click is greater than or equal to 0.1%. Note: Filters are applied before optimization goals. As a result, very strict filters can prevent spend.	Implement when there is a KPI goal for click through rate. This filter can be quite restrictive, it is important to set realistic goals. Dependent on other restrictions in the placement, a goal of .03-.07% is generally a good starting point. Site level optimizations can be done as needed to help improve metrics. If the goal is to achieve a minimum CTR and the best possible CPM then "Lowest CPM" + a CTR filter is the recommended setup. If there is a Maximum CPM with no real benefit for overachieving, and a minimum CTR, the something like "Always Max Bid + Highest CTR" paired with a CTR filter may be more appropriate. CTR filters should be used when there is a minimum CTR that needs to be achieved. The logic should be, if the CTR is below this threshold, I would prefer not to spend my budget.
100% Completion Rate	Sets a floor for when we should bid. We will bid on an impression when the completion rate threshold is met.	This filter should be used when completion rates are the main goal of the campaign. Factoring in other targeting parameters, 65% is the recommended starting percentage.
Player Size - Adobe	Sets a floor for when we should bid. We will bid on an impression when the Player Size threshold is met.	This filter works to ensure you are delivering on full episode player inventory.

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Player Size 3rd Party (Moat/IAS)	Sets a floor for when we should bid. We will bid on an impression when the Player Size threshold is met.	This filter works to ensure you are delivering on full episode player inventory. This filter uses platform wide Moat/IAS data, and should only be used when the integration is enabled at the campaign level. ***Note:*** *This this setting should NOT be used without the campaign level integration enabled.*
Viewability IAS	This pre-bid works based off historical IAS data and will only bid once we have met the threshold for the viewability percentage input.	This filter works based off platform wide historical data and grows in confidence as more data pulls through the campaign level IAS integration. If the integration is enabled, it is best to use the package optimization of Lowest vCPM (IAS). If the integration is not enabled, please use the Lowest CPM optimization goal. ***Note:*** *This setting should NOT be used without the campaign level integration enabled.*
Viewability Moat	Sets a floor for when we should bid. We will bid on an impression when the click through rate threshold is met.	This filter works based off platform wide historical data and grows in confidence as more data pulls through the campaign level IAS integration. If the integration is enabled, it is best to use the package optimization of Lowest vCPM (Moat). If the integration is not enabled, please use the Lowest CPM optimization goal. ***Note:*** *This setting should NOT be used without the campaign level integration enabled.*
Viewability Adobe (MRC or GroupM)	Sets a floor for when we should bid. We will bid on an impression when the viewability threshold is met.	This filter works based off Adobe viewability numbers and measurements – 2 seconds full in view. Caveats, our measurement definitions differ from other 3rd parties so there may be slight discrepancies ***Note:*** *If the Campaign is set to "Standard (50% of ad in view for 2 consecutive seconds)" then the MRC standard of measurement will be used for the campaign. If the campaign is set to "Strict (100% of ad in view & audio on for 50% duration)" then the GroupM standard of measurement will be used for the campaign. Ideally the user should match the campaign setting with any optimization goal or pre-bid filter settings.*

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