

Message

From: monetization-pm@google.com [monetization-pm@google.com]
on behalf of Zachary Goldberg [zgoldberg@google.com]
Sent: 2/18/2011 12:07:19 AM
To: zgoldberg@google.com
CC: Brad Bender [bradbender@google.com]; Jason Miller [jmillier@google.com]; Jonathan Bellack [jbellack@google.com]; Scott Spencer [scottspencer@google.com]
Subject: [Monetization-pm] Re: AdWords Cross Exchange Buying Update

(bcc buyside-pm, monetization-pm)

Hi everyone,

Thanks for all your comments and questions. We are very excited by the potential to improve display advertiser performance with this effort.

We understand that many of you have concerns about how this will affect other parts of our business, particularly AdX and AdSense. The AWBid team is working closely with the product managers for our display business (GDN, Invite, AdX, and AdSense) to understand the strategic implications of this effort and how to manage them thoughtfully. **We don't plan to launch this change just yet.** We will make sure we've worked through the strategic questions and have everyone on board before we do.

Look forward to more details on our plans in the coming weeks.

Thanks,
Zach Goldberg
(on behalf of Brad Bender, Jason Miller, Jonathan Bellack, and Scott Spencer)

On Mon, Feb 14, 2011 at 2:48 PM, Zachary Goldberg <zgoldberg@google.com> wrote:
(bcc: buyside-pm, monetization-pm)

Welcome to the first of several updates on the status of project "AwBid", enabling cross exchange buying in AdWords. We'll be sending out these updates throughout this year as we hit our major milestones, outlined below. Please feel free to reach out to me with any questions or issues.

Quick Reminder: What is AwBid?

AwBid is a project to enable AdWords buyers to access additional inventory outside of the traditional AdSense and Ad Exchange publishers. Through AwBid, buyers in AdWords will have access to Yahoo! owned and operated content, Windows Live and Hotmail content (via AppNexus) as well as inventory available on many third party ad exchanges such as AdMeld, PubMatic, Rubicon and adBrite.

The goal is to integrate the new inventory sources as seamlessly as possible into AdWords. We are working on a very aggressive timeline for this project as many of our competitors are already offering a similar feature.

A quick note on the usage of the word "exchange" in this context. Exchange here is used to represent one more of the the following inventory sources, some of which are proper exchanges and others are Sell Side Platforms (SSPs): Google Ad Exchange, AdMeld, PubMatic, adBrite, Yahoo!, Rubicon, AppNexus, OpenX, Adify and others.

Top level Issues

PTX0066

1:23-cv-00108

UI Scoping

We are on-boarding the new third party inventory to the GDN the same as any other new publisher. All existing targeting controls in the GDN will function as they do now and we will not initially be making any changes to the AdWords UI for this feature.

Revenue Share

Google will be taking a revenue share on all bids to third party inventory. We are actively investigating what the best price point will be.

Exchange Billing

AdWords will continue to bill buyers based on the bids as they are entered into the AdWords UI. Google will handle any payment conversions necessary for paying the exchanges.

AdWords Cross Exchange Bidding and Invite Media

There is a real potential for confusion and conflict between the GDN and Invite Media as they will both allow buyers to buy content cross-exchange in a centralized way. We are actively working on the sales positioning for this products in an effort to head off this confusion before it happens. For more on the current status of positioning and sales work with respect to AdWords, GDN and Invite Media see [here](#).

Coverage Concerns

We are reusing the main infrastructure of AdWords for bidding on the external exchanges. This infrastructure was designed for a latency threshold of 250+ milliseconds. Unfortunately the most common latency thresholds for real time bidding (RTB) are sub 100 milliseconds. This means that for a significant portion of requests we will not be able to respond in time, which are lost opportunities and reduce the effective amount of available inventory or "inventory coverage". The team has plans to carefully profile the requests during the testing phase and implement changes over several quarters to reduce latency and improve request coverage.

Roadmap/Progress

Phase	Q1 2011 Phase 0.5	Q2 2011 Phase 1	Q3 2011 Phase 2+	Q4 2011 "Beyond"
High Level Goal:	One working inventory source integration	Several working inventory source integrations	All major inventory source integrated.	Streamlined inventory on boarding process,
What's in It:	* AdMeld * Yahoo (Maybe) * Initial Setup * Coverage Testing	* PubMatic * adBrite * Rubicon * Coverage improvements	* AppNexus * OpenX * Adify * Coverage at acceptable levels	* Additional inventory integrations, as required
Buyers:	* Internal Google testing only	* Whitelisted external clients can buy cross exchange	* Full external availability in AdWords	* Full external availability in AdWords

Engineering Progress

In 2010, the team made significant progress towards AWBid:

- completed the initial infrastructure for the XBFE (the main AwBid component)
- completed code to communicate with Yahoo!'s RTB interface, including a match coding table (additional complexity required by Yahoo!)

- completed work in AdWords infrastructure to support the logging/billing requirements of a third party auction.

The team has already begun working on the needed components to get AdMeld live in Q1. These components are also generically applicable for other exchanges, hence adding more exchanges in Q2 should be relatively straightforward.

Bizdev Progress

As AdWords is positioned as a separate product from Invite Media we are required to have separate agreements with each exchange for each product. Therefore for all of the exchanges Invite Media currently integrates with (Yahoo!, AdMeld etc.) we are reaching out and engaging in the process of signing new agreements.

The Yahoo! negotiation (lead by Scott Spencer) has been ongoing for several months and there is no firm ETA. Testing and go live with Yahoo! is gated on these negotiations.

For other exchanges legal and new business development (lead by Lydia Mazzie and Halimah Prado et al.) are actively engaged in the process of getting signed agreements. These discussions are not expected to be nearly as long or cumbersome as the Yahoo! deal.

Wrap up

That should wrap it up for this month's update. I do sincerely appreciate your attention if you've made it this far, and don't blame you if you haven't! Another update will be sent out later in Q1/Q2 when we have an update on our first launch.

Best,
Zach Goldberg

Team:
Lead AWBid PM: Zach Goldberg
AwBid Quality: Alok Goel
GDN Messaging/Integration: Aaron Rothman
Eng: Adrian Corduneanu, Bahman Rabii, Eric Burnett, Matthew Young-Lai, Megan Kacholia, Nick Wray, Nunzio Thron, Dave Nicponski, Rongmei Zhang

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