

The 5 programmatic trading methods explained & how they profit or cost publishers



Old School Waterfall



Classic SSP set-up



Header Bidding



Semi Holistic



Full Holistic Platform

How does it work?

All advertisers, ad exchanges, ad networks and retargeters are booked directly into the ad server as a campaign with a certain priority. Campaigns are served in order of priority until there is no campaign left.

Directly sold campaigns (exception of PMP's) are booked into the ad server with a certain priority. Ad exchanges, ad networks, trading desks and retargeters are connected through an SSP, booked as a campaign at the lowest priority. The SSP runs the 'left-over' views in a real-time auction. Auction is on "2nd highest bid".

A script is placed in the HTML of a page (header) allowing programmatic buyers to bid on an ad impression before the ad server. The highest bid is sent to the adserver with a priority X depending on the price level. The ad server then runs normally and this campaign is simply served based on its priority level.

An SSP is booked with a relative high floor price in the ad server at the highest priority, giving programmatic buyers access to first frequencies. If the SSP doesn't have a campaign, the ad impression passes on to the ad server chain and finally to the SSP again who auctions the 'left-over' views.

A fully holistic system that does away with the separation between ad server and SSP, allowing programmatic to compete against traditional campaigns. The system can either replace the ad server entirely or can be connected to the ad server at the highest priority level and most campaigns are shifted to this holistic platform.

How does it benefit publishers?



It doesn't.

Waterfall artificially limits publisher revenues.



It offers some revenue maximisation

but only on impressions booked in the SSP.



It offers an initial short-term bump

in revenue as programmatic now has access to first frequencies, which was not the case before. As a result, revenue levels cannot be compared to those generated by the classic SSP set-up. In terms of ad server yield management. It is more dynamic than the classic SSP set-up.



It offers an increase in revenue

as programmatic now has access to first frequencies. Like classic SSP, it offers revenue maximisation and control. In terms of ad server yield management, it is more dynamic than the classic SSP set-up.



Guarantees publishers the highest price

because all campaigns from all buyers are competing in a single system. Classic premium CPM campaigns drive up price levels in programmatic, it provides full holistic control, insight and reporting in one place.

What are the downsides for publishers?



1

Detoriates price levels.

2

There is no competition so no incentive for the buyers to pay more.

3

With inventory priced on what a buyer might pay, you never know what it's worth.

4

Control is very limited, and insight is difficult.

5

Because of the defaulting, impressions get lost resulting in direct revenue losses and delays.



The programmatic world often bids a higher price on an individual ad impression than the directly booked campaigns, but the auction has no insight into the direct campaigns, so this potential revenue increase is missed.



1

Publishers don't get the highest price since bids don't compete in a single system.

2

With multiple SSPs and exchanges connected, buyers shop for the lowest prices driving down overall price levels.

3

Reporting becomes labour intensive due to juggling multiple systems.

4

To succeed, it requires lots of maintenance from ad-ops.

5

Delays in how the page loads are common.



Direct campaigns booked in the ad server, like with Header Bidding, are not able to compete with the programmatic campaigns for the first frequencies. In other words, publishers miss out on the benefits of maximum competition and maximum revenue. As the matter of fact, this can be solved by moving direct campaigns from the ad server to the SSP, allowing them to compete in one holistic auction.



There are simply no downsides.

For this method to succeed:

Working with one SSP | Transparent SSP | Publisher focused partner | All programmatic buyers in SSP

Bottom line:



Most wasteful.
No competition.
Costs you as a publisher.



More control.
More competition.
Long term revenue increase.



More control.
More competition.
Short term revenue bump



More control.
More competition.
Short & long term revenue increase.



Maximum control and insights.
Maximum competition.
Maximum revenue short & long term.
Simplest to manage.