ExchangeWire *deep dive*

A Rising Tide of Collaboration Lifts the Programmatic Industry

Prebid Takes Centre Stage as the Programmatic Industry Embraces Open Source

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Magnite

CONTENTS

INTRODUCTION

Collaboration has long been a favourite subject of mine and one I believe doesn't get talked about nearly enough. As we move towards the end of another and particularly strange year, it's worth pausing for reflection. The programmatic landscape is constantly evolving; however, the open source movement has gathered significant momentum over the last 3 years and is now empowering the independent web to thrive alongside some of the giants of our ecosystem.

While impactful, open source solutions didn't emerge overnight, circa three years ago, the industry's hand was forced: collective standards were required to future proof our industry in areas such as inventory quality, fraud, and transparency.

The industry broadly responded well, an indicator of maturation, but also responsible actors working together to make our industry fit and sustainable for the future. We see the outputs of this work in many places, be it the IAB Gold Standard, IAB Consent Framework, and participation in Industry transparency studies — but nowhere more so than in Prebid.

James Brown, Head of International at Magnite,
writes about the current value and future potential of Prebid

→ The programmatic landscape is constantly evolving; however, the open source movement has gathered significant momentum

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PREBID'S METEORIC RISE

Since its inception, Prebid's growth has been exponential — fueled by the need for transparent, open source standards in the marketplace. Originally founded to be the Open Source Header Bidding Consortium three years ago by AppNexus and Rubicon Project, it's swiftly become the home of the Open Source movement. While fragmentation and self-interest have long been major barriers to investment within the independent web, Prebid has now become the default vehicle to address these challenges.

The momentum around Prebid is evident in its numbers alone. Prebid now includes over 650 engineering contributors and over 75 members across the buy and sell side. Its members span the full spectrum of the programmatic landscape: holding companies, publishers, buyers, DSPs and exchanges. With 95% of publishers using Prebid.js for header bidding, it boasts more than 20,000 live implementations, over 650 engineering contributors, 250+ approved bid adapters, and 19 user ID modules.

This momentum has led to the development of open source solutions for header bidding and beyond, including products for Programmatic Guaranteed, video, and even lightweight SDKs for app developers. It's also led to the evolution of managed solutions, such as Magnite's Demand Manager, which gives publishers more flexibility and control with configuration UIs and real-time analytics, all built on top of Prebid.

Importantly, the collaboration of the Prebid community has not come at the expense of competition. In fact, never has the market been more competitive. Shared tools and standards have simply made independent companies more powerful and efficient — a rising tide lifting all boats.

PREBID ON THE VANGUARD OF EMERGING FORMATS

With the proliferation of screens across Europe, we all know more audiences are streaming content via over-the-top (OTT) devices and on mobile phones, leading to greater interest in connected TV (CTV) and Audio. 50% of CTV audiences in Europe are daily streamers, and 59% of buyers worldwide are increasing their CTV budgets this year. Meanwhile, according to a study by IAB Europe, 60% of EMEA marketers are looking to increase programmatic audio spend.

This interest in emerging formats is spurring the need for better standards and more transparent programmatic tools created specifically for OTT video environments. As Prebid is built and updated by industry members, the need for better tools in these buckets has been well anticipated. In response, Prebid's CTV-OTT task force was created to extend Prebid's video work to handle long-form video content. It will also focus on issues such as Unified Auctions, competitive separation, support for ad pods, and other key features. Meanwhile, with the continued evolution of Prebid Server, Prebid has "grown up" to be able to handle anything from digital-out-of-home (DOOH), to CTV, to Audio.

60%
→ of EMEA marketers are looking to increase programmatic audio spend

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2021 WILL FOCUS ON IDENTITY

So where does this leave us as we near the exit of 2020 and the entrance of 2021? While collaboration has brought new standards and solutions to the programmatic industry, we continue to face collective challenges — with identity being front and centre. The impending death of the third-party cookie is well reported, privacy concerns continue to be top of mind, and we all know it is not an exaggeration to say that solving the 'identity crisis' is critical to the continued sustainability and growth of the independent web.

To be successful, we believe identity needs to be approached as a community-based asset instead of something individual companies utilise for competitive advantage. Here, tools such as Prebid's SharedID module are taking strides to create privacy-first, open, transparent solutions. Without third-party data, signalling first-party data will become even more important while preserving publisher control. Prebid's header bidding standard already gives publishers ownership over which standardised IDs are allowed on their pages — the next step will be allowing publishers to administer first-party identifiers in the wrapper and control which IDs are transmitted to which buyers.

As our thoughts begin to turn towards 2021 and we look for ways to improve our business performance, Prebid presents a unique opportunity to both drive our own businesses forward whilst also making our industry fit and sustainable for the future. With new resolutions and goodwill to all people about to be part of our seasonal focus, further embracing this spirit of collaboration feels like a good place to start a new year.

PREBID IN ACTION — KAKAKU.COM, INC.

We've covered the positive impact that Prebid has already had on the industry, as well as some predictions on how the solution, as well as an increased focus on identity, will continue to shape ad tech in 2021. Here, we'll outline how one publisher used Prebid via Magnite's Demand Manager solution to gain greater business insights and enhance their operations.

Kakaku.com, Inc., a Japanese internet service company and operator of purchase support site Kakaku.com, and restaurant discovery and reservation site Tabelog, managed their programmatic demand via two different Prebid systems: one was a proprietary wrapper solution and the other was an outdated version of Prebid.

→ How one publisher used Prebid via Magnite's Demand Manager solution to gain greater business insights

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The complex setup and outdated technology became difficult to manage, and with data segmented across two platforms, obtaining meaningful insights became challenging. Lacking a holistic view of wrapper performance impeded the publisher's ability to make informed decisions to benefit their programmatic business.

In order to increase the total revenue generated by their programmatic inventory, the publisher needed to maximise revenue from every programmatic impression. Therefore, Kakaku.com Inc. sought a partner who would help them build a new programmatic monetisation strategy, whilst also unifying the company's technology.

Kakaku.com Inc. had a number of prerequisites for its future header bidding setup, including:

→   the ability to test at speed

→   the ability to increase price per page view

→   the ability to connect more bidders

→   transparent open-source technology

→   the support and expertise of a proven implementation partner

As a trusted and long-standing partner, Magnite worked with Kakaku.com, Inc. to implement Demand Manager, a hosted implementation of Prebid's open-source code which provides publishers with complete control over their programmatic business via an intuitive UI.

Once the unified solution was implemented and configured, Kakaku.com, Inc. improved their overall rCPM, reduced ad latency, and grew their programmatic revenue.

The Key Benefits of the Demand Manager Integration

→   Value-add tools including wrapper configuration UI, reporting, and analytics

→   Technical guidance from Magnite's development team to implement Prebid's core code and optimise for the publisher's unique site architecture

→   Advertising operations consultation from Magnite's accounts team to support yield optimisation

→   In order to increase the total revenue generated by their programmatic inventory, the publisher needed to maximise revenue from every programmatic impression.

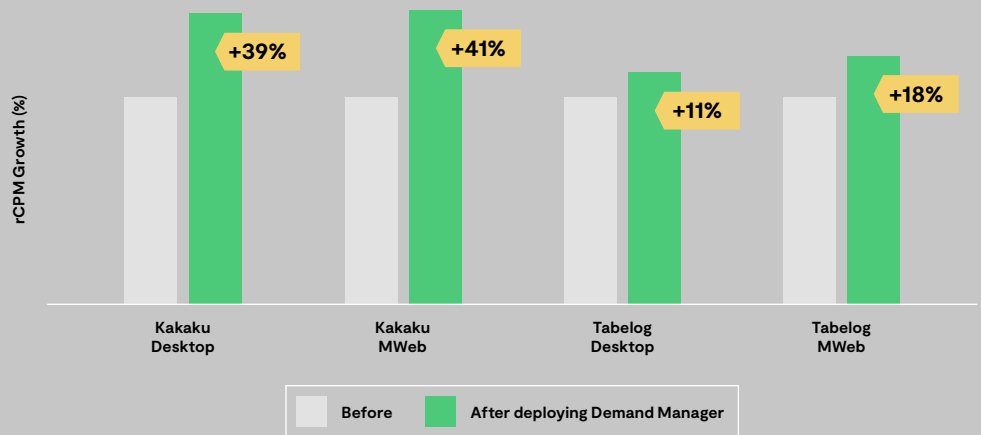**ExchangeWire** *deep dive*   In association with **Magnite**

Greater Operational Efficiencies Lead to Significant Revenue Uplift

Demand Manager has drastically simplified Kakaku.com, Inc.'s header bidding setup, enabling them to manage multiple partners in one wrapper. Demand Manager also equipped its monetisation team with tools to quickly deploy, configure, and optimise its wrapper in order to drive programmatic revenue, without requiring the support of the development team or the wrapper vendor to update custom code.

### Increased average Prebid rCPM (Revenue per 1000 Ad Requests) by

27%

rCPM growth with Kakaku.com and Tabelog

rCPM Growth (%)

+39% (Kakaku Desktop)
+41% (Kakaku MWeb)
+11% (Tabelog Desktop)
+18% (Tabelog MWeb)

Before | After deploying Demand Manager

Reduced operating resource costs across the programmatic team by

69%

Operational time saving using Demand Manager

Operational Time (%)

−69%

Conventional Prebid | Demand Merger
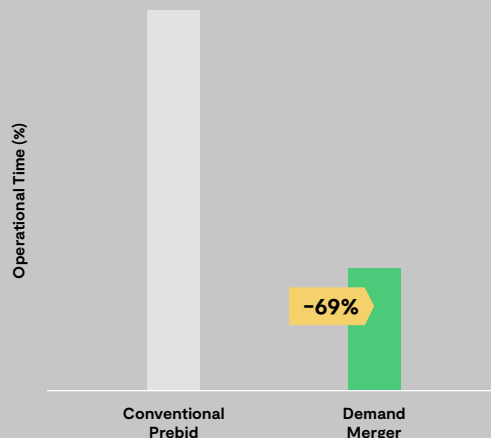
→ **Immediate programmatic revenue uplift for Tabelog's mobile site by 40%**

→ **Ad latency of Tabelog's mobile site immediately reduced by 33%**

→ **Optimized timeouts on page led to a 7% rCPM uplift on Tabelog mobile site and reduced overall auction timeout by 30% on Kakaku.com without sacrificing revenue**

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→ "Magnite's business and technical support throughout the implementation was outstanding. Their consultative approach helped us to understand Demand Manager and build trust in the product and enabled us to make the right decision for our business. Magnite responded to our unique requirements faster than another programmatic partner and executed the implementation to an exceptional standard. Magnite's solutions consider not just programmatic revenue growth, but the holistic needs of the publisher in order to improve user experience and overall advertising monetization."

Shumpei Okanoue, Business Marketing Manager, Kakaku.com, Inc.

→ "We were delighted to see the immediate impact of Demand Manager on Kakaku.com, Inc.'s programmatic revenue and operations. Magnite worked closely with the publisher to ensure the solution was tailored and implemented according to its unique requirements. We look forward to our continued relationship to build on Kakaku.com, Inc.'s success and add more value to its advertising business through new features, tools, and format support."

Shien Zhu, Country Manager Japan, Magnite.

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ABOUT MAGNITE

We're Magnite (NASDAQ: MGNI), the world's largest independent sell-side advertising platform that combines Rubicon Project's programmatic expertise with Telaria's leadership in CTV. Publishers use our technology to monetize their content across all screens and formats—including desktop, mobile, audio and CTV. And the world's leading agencies and brands trust our platform to access brand-safe, high-quality ad inventory and execute billions of advertising transactions each month. Anchored in sunny Los Angeles, California, bustling New York, New York and historic London, Magnite has offices across North America, EMEA, LATAM and APAC.

Learn more: www.magnite.com

ABOUT EXCHANGEWIRE

ExchangeWire tracks global data-driven and programmatic advertising, media buying trends, and the ad tech and mar tech sectors. Delving deep into the business of automated media trading and the technology that underpins it across multi-channels (online display, video, mobile and social), the site aims to keep readers up to data on all the latest news and developments.

ExchangeWire provides opinion and analysis on the following sector companies: specialist media buyers, ad traders, ad networks, media agencies, publishers, data exchanges, ad exchanges and specialist ad tech providers in the video, mobile and online display markets.