dcn NEXT summit

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Programmatic Advertising Technology is at a Turning Point

Mike Smith, VP, Revenue Platforms & Operations,
Hearst Magazines Digital Media

DIGITAL CONTENT NEXT

Programmatic Advertising Technology is at a Turning Point

Mike Smith

February 3rd, 2016

HEARST

Mike Smith

HEARST
digital media
SVP, Revenue Platforms and Operations

Core Audience
SVP, Advertising Platforms

DISPLAY

1995
Direct Sales & Ad Networks

January 1st, 2010
RTB Ad Exchanges

2006
Native Ad Networks

February, 2015
RTB Native Ad Exchanges

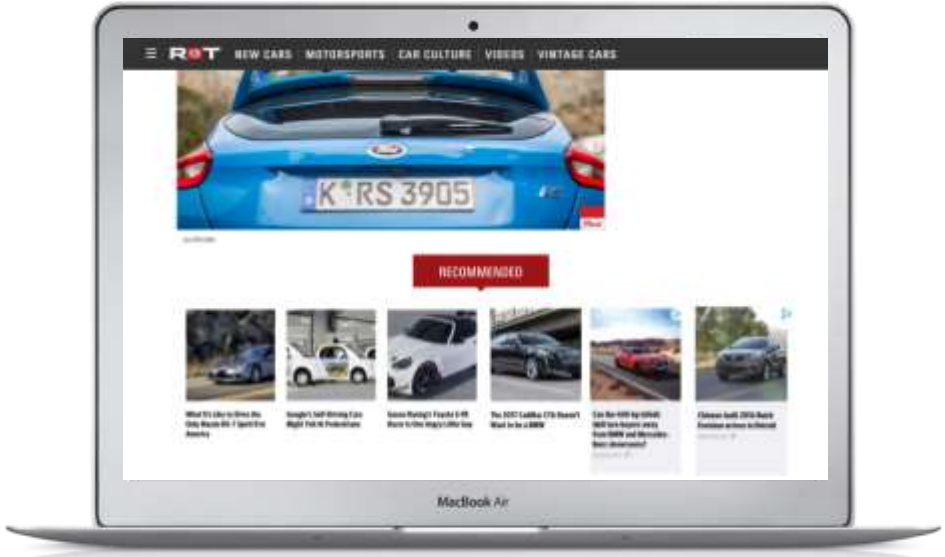
NATIVE

2016

Publisher's Programmatic

Hearst Native Advertising Exchange

Hearst has taken control of valuable digital ad space, executing direct deals with DSP's.



Content Recommendations

ADIANT criteo. BID SWITCH Zemanta GRAVITY4 Make Your Brand Limitless pulsepoint native ads

theTradeDesk StackAdapt POWERLINKS YAHOO! dstillery {o}pocketmath Adyoulike

Taking full control of valuable digital advertising space

Building a premium supply side platform

COLLABORATION

VIEWABLE IMPRESSIONS
CONNECTING WITH DSPs & BRANDS

TRANSPERANCY

ACCESS TO RESERVE PRICING FOR BUYERS
QUALITY AND VISIBILITY

OPTIMIZATION

FULL CONTROL
REVENUE & YIELD OPTIMIZATION

HEARST INVENTORY STRATEGY

PRICE OPTIMIZATION

SELL-SIDE: Setting Floor Prices

There are three scenarios…

1. Set floor price just above 2nd highest bidder ➡ Increases yield
2. Set floor price lower than 2nd highest bidder ➡ No impact on auction
3. Set floor price higher than all bidders ➡ No one wins

BUY-SIDE: Setting Bid Prices

But there's a way where someone always wins...

- Leverage Sell-Side Data
- Bid on O&O Inventory in the open marketplace
- Help the Publisher set natural floor prices that are backed by real demand
- Impression is always sold

We created a unique *bidding optimization model* to deliver price increases for Hearst's display advertising auctions

Our proprietary to Hearst model leverages Google's 2nd price auction to deliver additive revenue to Hearst's business units

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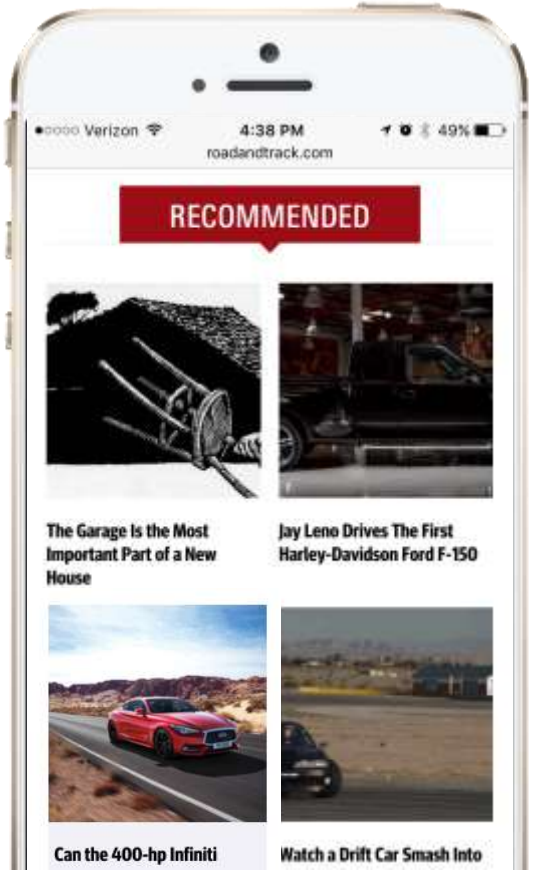
Google approved our system for deployment

QUESTIONS?

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