

Unified First Price Auction - Best practices

Revision: 1.0

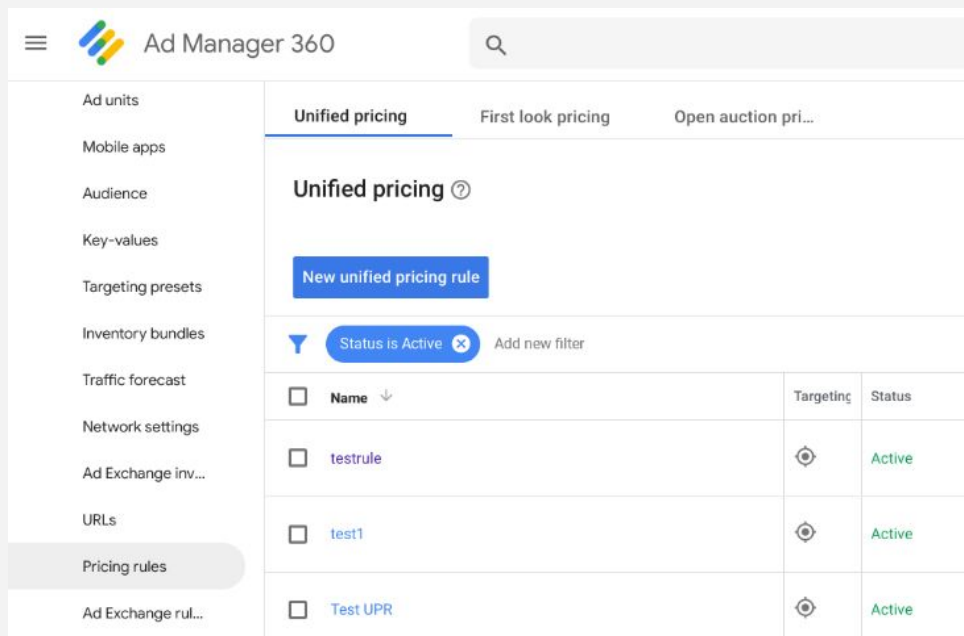
Last updated: 5/15/2019

In the [coming months](#), your inventory will gradually transition to a first-price auction. Open Auction pricing rules will be replaced with the simplified [unified pricing rules](#). Unified pricing rules allow you to conveniently manage pricing of your inventory across all indirect sources of demand from a single place in Google Ad Manager. Please check the [transition schedule](#) for latest updates.

Unified pricing rules

Getting started with unified pricing rules

- Unified pricing rules can be created by navigating to **Inventory > Pricing rules** and clicking **New unified pricing rule**
 - (!) First look pricing rules are unchanged and separate from unified pricing rules



- Select the inventory to which you want this rule to apply. **All targeting criteria available in Open auction pricing rules are also available in unified pricing rules**
 - (!) There are no separate tabs by inventory type; by default, pricing rules apply across Display, Mobile app and In-stream video. Use **Request platform** to specify if a rule should only apply to Display, Mobile app or In-stream video inventory type
- Currently, you can apply up to 200 unified pricing rules per Ad Manager network

Pricing structure and rules priority

Unified pricing rules are not prioritized, and their order is not important. **If two unified pricing rules target overlapping inventory, the rule with the higher floor price applies.** To structure your pricing rules, consider using a **'broad to narrow'** targeting approach:

- Set lower floors for pricing rules that apply broadly (e.g. *Run-of-Network*)
- As you *narrow* down targeting to segment your inventory, set higher floors
- (!) If no rules match the targeting, the unified floor price defaults to \$0

Role of floors in a first price auction

In a second price auction, the highest bidder pays the second highest price. This means that floor prices can be used to increase the closing price of your auction. In a first price auction buyers pay what they bid, therefore floor prices no longer serve the purpose of closing the gap between the highest bid and the second bid.

You can simplify your pricing strategy, by focusing on **your business objectives and constraints:**

- Manage channel conflict with your direct sales or private marketplace for specific sections of your inventory
- Evaluate opportunity cost of serving a paying ad versus a house campaign (which could drive subscriptions or purchases) or not serving an ad at all (e.g to avoid cannibalization)
- (!) Setting floors too high can result in lost revenue when bidders drop out of the auction potentially leading to an increased volume of House and Unfilled

Non-guaranteed line items

Unified pricing rules apply to all traffic across Ad Exchange, Exchange Bidding and remnant line items (Network, Bulk, Price Priority)

- When you set a floor, use [troubleshooting tools](#) to see non-guaranteed line items that are below the unified floor. Consider reducing unified floors to maintain consistent pricing across all indirect sources of demand

Pricing

Set pricing and blocking for everyone
 Set pricing and blocking for specific buyers, advertisers, or brands ⓘ

Any advertiser or brand

Pricing and blocking ⓘ

Branded \$ 10.00

Affected remnant line items This pricing rule may affect up to 65 remnant line items.

SAVE CANCEL

Click to access the list of affected line items (see below)

All line items My line items Delivering Ready

Line items

NEW ORDER
 CHECK INVENTORY
 Export line items ▾

65 line items

PAUSE RESUME More actions ▾

Rate (USD) ▾ less than ▾

Type ▾ is any of ▾ Price priority x

Status ▾ is any of ▾ Ready x Delivery extended x Delivering x

- (!) The report will include all remnant line items below the unified floor price, targeting criteria of the unified pricing rule **are not considered**. This means that not all line items listed in the report will be necessarily impacted. We recommend you sort by Impressions Delivered to review high risk line items first. You can also narrow down the line items by including additional filters in the report
- To maximize yield and ensure the highest net eligible bids wins the impression, we recommend you set value CPM of non-guaranteed line items to accurately reflect net bids / payout. However, you can modify the Value CPM of individual line items to reflect any other business objective
- Remnant line items types are designed to participate in the unified auction, so any demand that you wish to compete based on price should be set up as remnant (Bulk, Network, Price Priority)

- Do not worry if you currently don't set up rates on your remnant line items. Remnant line items with 0 rate (and no Value CPM set) are not subject to unified pricing rules and will continue to serve as they do today when Ad Exchange and Exchange Bidding demand doesn't meet the floor
- If you want non-guaranteed line items (other than house campaigns) to serve as back-up ads when Ad Exchange and Exchange Bidding demand doesn't meet the floor, consider using **House line items**
 - [House line item](#) CPM determines ranking of eligible House ads but do not need to meet any floor price set in unified pricing rules, thereby effectively serving as a fall-back ad

Branding of inventory

Anonymous inventory is incompatible with the IAB's ads.txt and app-ads.txt standards. Therefore, unified pricing rules do not support anonymous branding of inventory.

- Report using **Branding types** and **Pricing Rules** dimensions in **Ad Exchange Historical reporting**, to find inventory with significant revenue from Anonymous branding
- For this inventory, consider setting Unified pricing floors to align with your current anonymous Open auction floors, while still respecting your business rules (revenue may decrease if you set unified price floors at prior branded Open Auction floors)
- (!) During the transition to the first price auction, branding settings from Ad Exchange Open Auction rules will still apply to all traffic. After the transition, you will be able to set the branding type (Branded / Semi-transparent) in the **URL UI** - [Coming soon](#)
- (!) After the transition, the Anonymous option will also be removed from First Look pricing rules

Floor prices for advertiser, brand and buyer

Advertiser- and brand-specific floor prices can be configured in unified pricing rules. However, per-buyer floor prices are not available

- To manage channel conflict, use advertiser-specific floors that apply to Ad Exchange and Exchange bidding demand
- (!) Advertiser- and brand-specific floors will apply to Ad Exchange and Exchange Bidding demand, but do not apply to remnant line items
- (!) Per-buyer floors and per-buyer pre-negotiated CPM can still be set for deals

Blocks for advertiser and buyer

Unified pricing rules don't provide blocking functionality.

- (!) During the transition, continue to use Open Auction pricing rules to apply advertiser and buyer blocks across Ad Exchange demand
- After the transition to unified pricing, advertiser and buyer blocks will be managed in the Protections UI. Advertiser / buyers blocks will become available in the Protections UI before

we finalize the transition to first price auction, to give you enough time to set them up - [More info coming soon](#)

- (!) Note that advertiser and buyer blocks will apply to Ad Exchange demand, but will not apply to Exchange Bidding demand and remnant line items

Multi-size pricing

Multi-size pricing is currently not supported in unified pricing rules . However, we are planning to support this well in advance of completing the transition to unified first price auction. You can wait until multi-size support is available to set unified pricing rules for multi-size placements - [More info coming soon](#)

Alternatively, if you want to set unified pricing rules for multi-size placements, we recommend you set the unified pricing rule floor to be the lowest floor for any size included in your multi-size placement, and leverage existing Open Auction pricing rules to set a higher floor for the higher-priced sizes

- (!) If an Open Auction pricing rule and a unified pricing rule target overlapping inventory, the rule with the higher floor price applies for Ad Exchange demand.

As an example, if you have a multi-size request for 970x250 and 728x90 sizes and existing Open auction pricing rules (intended to price 970x250 creatives at higher price)

- Rule 1 - Open Auction pricing rule [Targeted size:970x250 , Floor price: \$5]
- Rule 2 - Open Auction pricing rule [Targeted size:728x90 , Floor price: \$1]

You could create the following unified pricing rule:

- **Rule A - Unified pricing rule [Targeted size:728x90, 970x250, Floor price: \$1]**

As a result, during the transition, on your second-price traffic

- Rule A \$1 floor would be applied to 970x250 and 728x90 creatives. However, Rule 1 will also apply to 970x250 creatives, effectively setting the floor at \$5 for AdExchange demand on 970x250

On the share of traffic that is moved to first-price auction (see [transition schedule](#))

- Only Rule A applies (Open Auction pricing rules do not apply to first-price auction traffic). This means that \$1 floor would be applied to 970x250 and 728x90 creatives, for that share of traffic only (acros Ad Exchange, Exchange Bidding and remnant line items)

Reporting and insight

Reporting

Report on unified pricing rule activity by selecting the **Unified pricing rule** dimension in **Historical Report**

- You can combine *Unified pricing rule* dimension with any *Inventory* dimension
- (!) 'No Pricing Rule Applied' is used in the following cases: the impression went unfilled OR no unified pricing rule matched the request OR the auction candidate is not eligible for unified pricing (e.g. Standard / Sponsorship line item served)
- (!) During the transition, Ad Exchange 2nd price traffic is subject to both the Unified pricing floor and the Open Auction pricing floor. Modifying the Unified price floor might not impact performance on Ad Exchange Open auction

Data and Insight - Coming soon

After the transition to unified first price auction is complete, we are planning to give you full visibility on all bids from all programmatic buyers (including bids from Google Ads and Display & Video 360)

- Subscribe to Bid level data transfer to get visibility into bids from programmatic buyers on every auction (data transfer file will only be available only to Ad Manager 360 publishers)
 - If you are already opted-in to the [Exchange Bidding Data Transfer \(Beta\)](#), no action is required. Your *NetworkBackfillBids* file will include details about bids from Authorized Buyers and Exchanges bidding for your inventory, whether the bid won the unified auction in Ad Manager or not.
- A new Insight card will be available, offering an aggregated view of the bid landscape for each unified pricing rule. You will be able to use this to evaluate the impact of unified floors on your revenue - [More info coming soon](#)