Case Study

Getting The Most Out Of Automated Ad Exchanges

The Story

In mid-2014 Bauer Xcel Media, one of the largest digital media companies in the world, was dealing with a fragmented demand pool, which resulted in their remnant impressions being sold at prices far less than their true value. Bauer did not have the time or resources to actively manage its exchange partners, and had adopted a "set it and forget approach." Because dozens of vendors had equal access to the inventory, buyers could shop around for the lowest price.

Enter Operative.

BAUER XCEL MEDIA

REMNANT REVENUE UNDER OPERATIVE MANAGEMENT INCREASED BY 89%

Raising the Bar (and the Price)

By implementing rigorous standards and performance thresholds, Operative streamlined Bauer's exchange partners down to a handful of top performers, which drove up the competition across the board. We then began an active manipulation of rules and floors across all partners, while consistently pushing vendors to either increase performance or face removal. The slimmed-down ecosystem allowed for **advanced analytics, better segmentation and testing, and a more strategic approach** to PMP and programmatic direct deals.

True eCPM and Accurate Reporting

Operative also introduced the concept of True eCPM (**a blended value reflecting the effect of fill rate on eCPM**). This helped Bauer funnel its remnant inventory to its highest performing partners without relying on a traditional "daisy chain" method, which could have negative effects on UX. Finally, Operative enabled Bauer to better report on all of their partners by streamlining naming conventions across partners and establishing a 1:1 relation with DFP Line Items.

Automated Waterfall Updates

Discovering which partners could offer the best rates for Bauer's inventory was a first step, but the marketplace is constantly shifting. By using daily reports to inform internal logarithms, Operative can get a broad look across all of the exchanges at any given moment and know exactly where to send each piece of inventory for maximum return. And to solve the problem of having to manually change the rates and allocations, we built a proprietary system that automates the process, allowing for **daily optimization across the exchange marketplace**.

Measurable (and Memorable) Results

- Total remnant impressions on the exchanges up 6%
- Remnant revenue under Operative Management up 89%
- Taxonomy redesign allows for easier segmentation of Editorial and Sweeps ad units, resulting in better monetization for both content types
- The focus on select, high-quality partners forces demand sources to purchase inventory near the top of the sales funnel thanks to 100% backfill strategy

> *Before Operative, we had so many partners running that I couldn't get the data I needed to optimize our indirect sales campaigns. Their Exchange Monetization team has become a great resource for me to be able to successfully maintain and manage our yield partners.*

> — Lindsey Hoffman, Bauer Xcel Media

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