



Unified Price Auction

What it means to
Hungarian market

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2nd PRICE AUCTION DYNAMICS



1st PRICE AUCTION DYNAMICS



1st PRICE AUCTION IS NOT NEW

- It came along together with **the rise of header bidding** aka a unified auction among **multiple platforms**.
- Then header bidding-compliant SSPs started moving to the **1st price auction** in order to eliminate inefficiencies.
- But **Google refused** to make their Adexchange available through header bidding and stayed with the **2nd price auction**.
- They still kept their „last look” advantage.

But now it is **changing!**

UNIFIED PRICE AUCTION

- Beyond the change of **auction dynamics** other things are changing, namely **floor prices and blocklists**.
- According to the official timeline the beta phase started on **May 6th**, then the percentage of traffic moved to UPA was **increased step by step** and on September the 10th Google started to **transition all the traffic** to UPA.
- These changes do not include **Youtube and Google AdSense** sold outside of Google Ad Manager.

WHAT IT MEANS?



BUYERS

THE RISE OF **BID SHADING**

BID SHADING



SELLERS

① The new role of floor prices

📊 Higher CPMs from Google
in the short term

② Less revenues from EBDA

But...

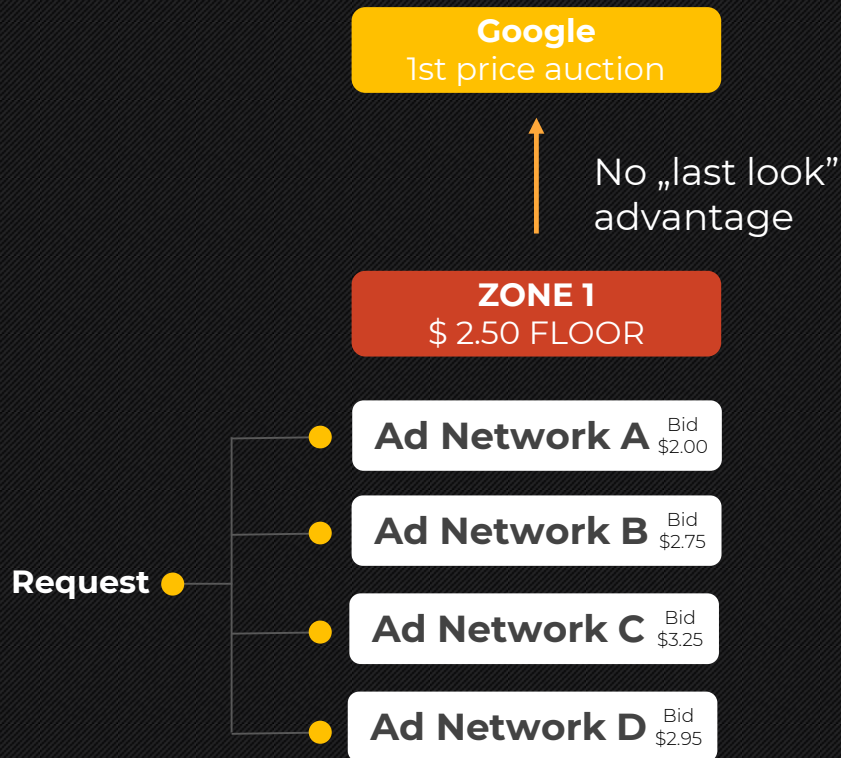
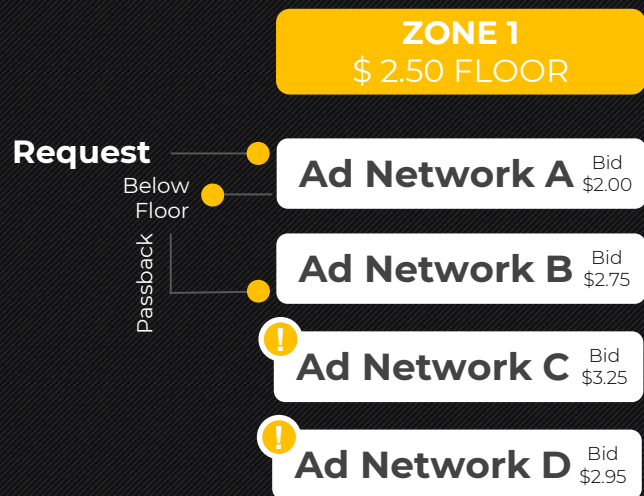
Google's First-Price Auction Switch Is Making Header Bidding Partners Win More

by [Sarah Sluis](#) // Thursday, September 5th, 2019 – 6:00 am

When Google Ad Manager tested the switch to unified first-price auctions this summer, it saw a handful of ad tech players start to win a greater share of ad impressions.

"First-price auctions have created a more competitive market," director of product management Jason Bigler wrote in a blog post Thursday. DSPs, non-AdWords ad networks and header bidding partners using indirect line items collectively saw a rise in impressions won, he added.

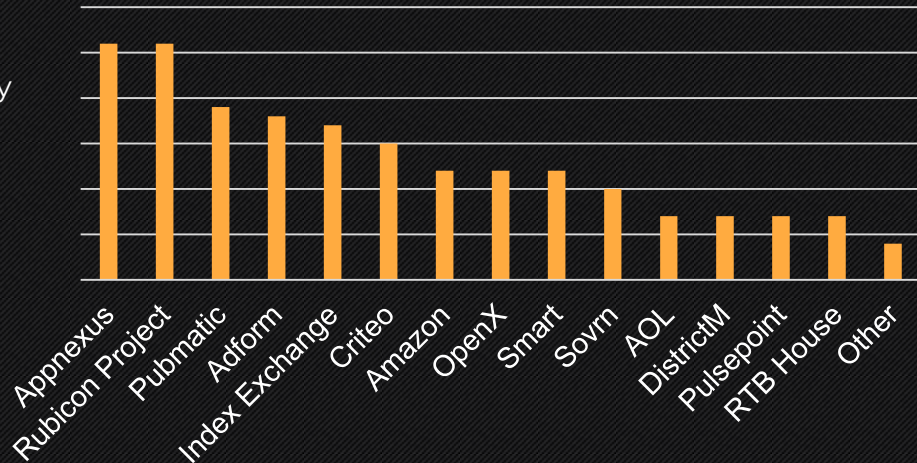
SPEAKING OF HEADER BIDDING



HEADER BIDDING IN HUNGARY

- 55% or 274 out of top 500 domains in Hungary according to Alexa have implemented ads.txt
- Only 11% or 31 out of these 274 domains in Hungary have implemented prebid.js, the most common open standard for header bidding
- Whereas 41% or 112 out of these 274 domains in Hungary are using Google Ad Manager
- **Eg. 46% of top 200 domains in Poland has implemented header bidding**
- **And 80% of top 1000 in the US**

SSPs in Hungary



TO SUM UP

- Google is the midst of a full transition to **1st price auction now**
- It is going to **affect both** buyers behaviour and publishers sales strategy
- Publishers using header bidding are likely to **take advantage of this move**
- The rate of header bidding adoption in Hungary is low, which means **there is a window of opportunity** for **Hungarian publishers**

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**THANK
YOU!**