admonsters

PLAYBOOK

Fill Rate Strategies

Sponsored by: geoedge Add Integrity

WHAT'S A PLAYBOOK?

A playbook is an extension of what the AdMonsters community has been doing at our conferences for 20 years. A playbook solidifies what has made our events “must attend” for many digital strategists. By bringing people together to share learnings and best practices in a focused way, people can create a plan and avoid hours—if not days—of doing research on their own.

The AdMonsters playbook concept takes existing AdMonsters content (from conferences and AdMonsters.com) and, with the help of the AdMonsters community, “crowdsources” a document that outlines best practices on a particular topic. Our belief is that this will allow for a free exchange of ideas with the benefit of curation for accuracy. This document does not get into specifics around individual solution providers intentionally.

Great effort has gone into writing the playbook in a fashion that applies to as many publishers as possible without becoming too general. In a technology-driven industry like digital advertising, information quickly becomes obsolete. The intention is that, based on the feedback of the AdMonsters community, the next playbook will start to take shape and, with additional contributors, grow in both depth and breadth.

INTRODUCTION

On the surface, fill rate may seem like a simple enough metric—divide the number of impressions filled by the total number that were potentially available.

But in reality it's a very difficult calculation to make, particularly with an ever-widening pool of monetization channels. A great deal of factors further muddy the waters: where do engaged reloads fit in? What about lazy-loaded, outstream units, or slots only filled if users scroll a page down far enough?

Determining an average monthly fill rate adds another layer to the challenge due to seasonality—which varies from industry to industry, though fourth quarter is generally high tide for most publishers.

No, measuring fill rate is not an exact science—one survey respondent went so far as to call computing fill rate "f—ing nuts." But having an understanding of your fill rate is highly useful in:

- Determining the appropriate number of available ad slots;
- Ad format mix;
- Rate-card configuration;
- Establishing programmatic flooring strategies; and
- Evaluating demand partners.

To better understand the role fill rate plays in publisher revenue efforts and what factors have the greatest effect on the metric, AdMonsters surveyed around 60 publisher revenue specialists from a variety of publishers during the month of September 2019.

The results showed that while limiting demand partners is a solid strategy for mitigating ad-quality concerns, publishers rely on a high number of demand partners—particularly in the auction—to increase competition and keep fill rates up. In effect, respondents are increasingly leaning on intricate flooring strategies to boost fill rates, while relying more on real-time creative blockers to deal with potential malvertising.

This Playbook offers a candid look into publishers' multi-front efforts to improve fill rate, as well as offering tested strategies for others to do the same.

KEY FINDINGS

- **Majority of respondents** had very healthy fill rates for indirect- and direct-sold inventory, suggesting their strategies are effective. 63% of respondents reported an average monthly fill rate of 80% or above (both direct and indirect inventory.) 28% reported their monthly programmatic fill rate was between 90% and 100%

- **37% pointed to lack of quality demand** as the chief culprit for unfilled inventory, but most respondents cited specific issues keeping down their fill rates.

- **In leveraging floors,** 55% said the most important metric was overall yield. The majority of respondents rated CPMs as the next critical factor, and ad quality as the third.

- **Only 27% of survey-takers** believe the header is more prone to low-quality ad issues, but many noted that header complexity and opacity make it far harder to find bad ad sources.

- **Real-time creative blocking** and limiting demand partners were cited as the best ways to ensure header ad quality. However, many respondents cited adding demand sources to increase auction competition as one of the best strategies for increasing fill rate.

- **Only 33% of the publishers** limited the number of header partners because of ad-quality concerns. Low win rates and unimpressive CPMs were the most common reasons respondents removed header partners.

- **The most popular methods** for increasing fill rate revolved around flooring strategies—including experimenting with specific floors for unique advertisers.

AN INTERESTING MOMENT

September 2019 turned out to be an interesting time to run the survey with Google's Open Bidding switching to primarily first-price auctions and the newly introduced Unified Auction limiting flooring capabilities. Many respondents said they were adjusting to these changes and that their fill rates were fluctuating.

In addition, an update for the Safari browser was introduced that deleted many first-party cookies within a day, leading to a serious uptick in traffic without identifiers. This dented the fill rates for several publishers that were already reeling from browsers cracking down on cookies.

THE 100% FILL PARADOX

Believe it or not, a 100% fill rate is a signal that you're probably leaving money on the table. If you're continually optimizing CPMs with floors, having some impressions going unfilled means you've found the line you want to hit. One hundred percent fill means you're not sufficiently testing the market to find out what kind of CPMs your inventory could drive.

WHAT IS YOUR AVERAGE MONTHLY FILL RATE FOR DIRECT & INDIRECT INVENTORY?

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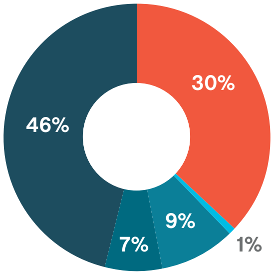
WHAT DO YOU CONSIDER THE CHIEF CAUSE OF UNFILLED INVENTORY?



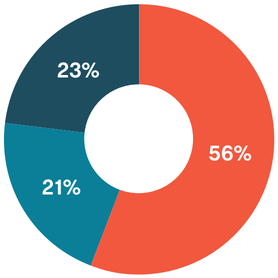
■	**Lack of quality demand**	**37%**
■	**Flawed pricing**	**1%**
■	**Faulty floor strategies**	**9%**
■	**Ad quality issues**	**7%**
■	**Other**	**46%**

Most people cite a specific central problem keeping their fill rate down, and those run the gamut Other includes:

- Ad blocking
- Complying with regulations
- Lack of interest in mobile inventory
- Latent technology
- Too many ad spaces
- Platform dynamics
- High international traffic with less demand for certain geographies
- Low-quality inventory
- Deep user sessions that require fill at lower floors
- Over-discounted bidding

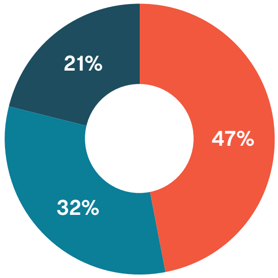
***Several respondents** monetizing mobile apps said lack of demand—particularly in programmatic—kept their fill rates much lower than the desktop average.*

WHEN LEVERAGING FLOORS, HOW DO YOU RANK THESE IN IMPORTANCE?



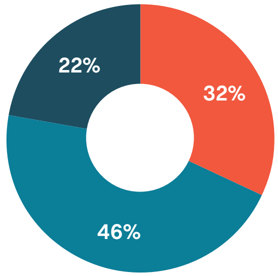
Most Important:

Overall yield	56%
CPM	21%
Ad quality	23%



2nd Most Important:

CPM	47%
Ad quality	32%
Overall yield	21%

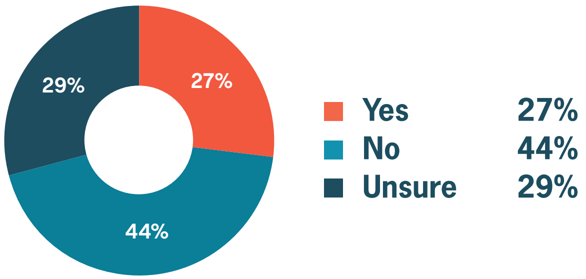


3rd Most Important:

CPM	32%
Ad quality	46%
Overall yield	22%

While 37% of publishers *said lack of quality demand was their top factor for not filling, that factor was still second to "other." Under the "other" umbrella, we see important factors like regulatory non-compliance and latency—both of which are ultimately quality issues. They can be screened manually or with a publisher's in-house system, or by implementing third-party tech from an established quality vendor such as GeoEdge.*

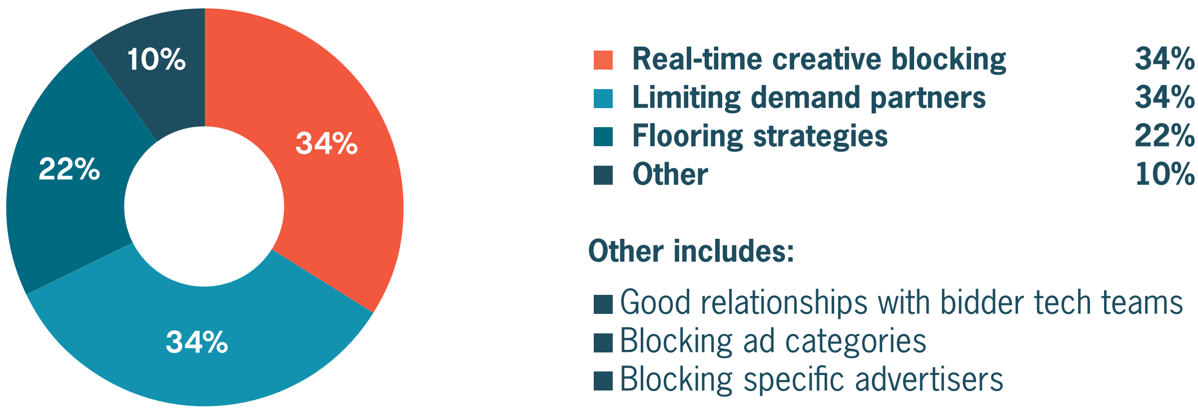
DO YOU BELIEVE DEMAND COMING THROUGH THE HEADER IS MORE PRONE TO AD QUALITY ISSUES?



One respondent reported that after installing a real-time creative blocker in its header, malvertising complaints from users completely dried up.

The majority of respondents do not believe the header is more prone to ad quality issues—malvertising and other bad creative come from all variety of demand partners. However, the complexity of the header ecosystem and overly permissive header partners can make tracing malware back to its source even more difficult. This makes publishers more likely to take drastic steps like removing partners from the header.

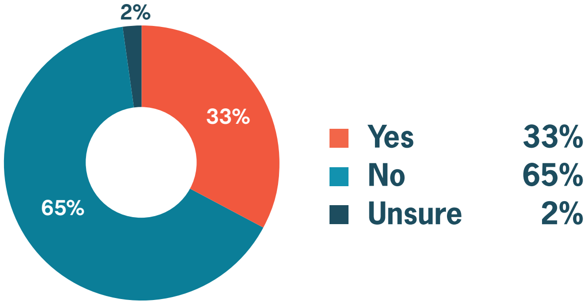
WHAT HAS BEEN THE MOST EFFECTIVE WAY TO MITIGATE THE IMPACT OF HEADER-BASED AD QUALITY?



Other includes:

- Good relationships with bidder tech teams
- Blocking ad categories
- Blocking specific advertisers

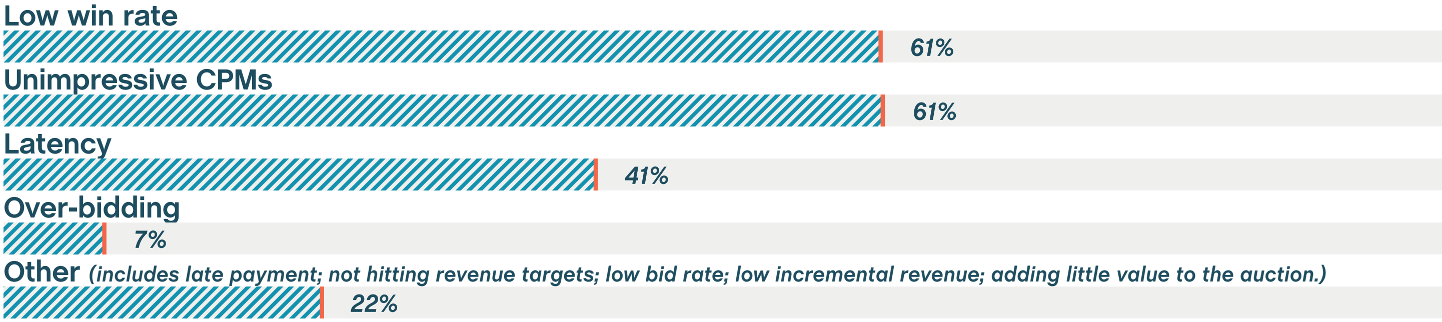
HAVE YOU LIMITED HEADER BIDDING PARTNERS SPECIFICALLY BECAUSE OF AD QUALITY CONCERNS?



Those that had removed a partner *from their header due to ad quality concerns noticed a marked dent in ad quality issues afterward.*

HOW MANY DEMAND PARTNERS ARE IN YOUR HEADER?

WHAT ARE OTHER REASONS YOU HAVE REMOVED A PARTNER FROM YOUR HEADER?



EFFECTIVE STRATEGIES FOR INCREASING FILL RATES

The majority of respondents swore by adjusting flooring strategies—for example, lowering them or setting separate ones for specific advertisers—to increase fill rates. However, there were a great deal of other approaches that had proven advantageous.

- Manipulating floors and waterfall settings
- Leveraging demand whitelists
- Increasing auction competition
- Adding house ads
- Shifting demand partner mix
- Improving site design and viewability
- Removing low-quality inventory
- Lazy loading
- Negotiations with DSPs
- Consistent reviews of individual partner yield
- Setting baseline display purchase amounts to access more premium inventory/sponsorship levels.
- Direct flat sponsorships.
- Leveraging more network demand.
- Hybrid auctions that call multiple creative types for the same unit.

Screening out security and quality risks *well in advance can take the fear out of fill. GeoEdge's publisher partners found that after they implemented real-time solutions for blocking undesirable ads, and then raising their fill rate to their optimal levels, their overall ad revenue increased by anywhere from 8% to 115%.*

Although the industry trend *seems to be toward consolidating header partners, many publishers noted that adding more demand sources remains a great way to increase fill rates. Increasing auction competition is a preferred method for boosting fill; in fact, some publishers cited low bid rate as a reason to remove a header partner because their auctions benefited from more competition.*

However, a partner's market position and ability to deliver unique demand should be top considerations when adding demand sources to the header. And of course, more partners opens additional alleyways for low-quality ads.

For some publishers, *aiming high (i.e., more demand partners) is a business necessity, worth the process of cleaning up any misfires (i.e., off-brand or poor-performing ad creatives). However, automation can certainly help with those decisions. Insights from across GeoEdge's partner ecosystem show that creative blocking tech allows publishers to lower floors without losing quality impressions. Lowering CPMs from $2 to $1, after implementing GeoEdge's creative monitoring and blocking solution, still delivered those publishers 18.3% more impressions than prior.*

Several respondents *suggested fill rate should take a backseat (as in way in the back) to overall revenue, or even ignored entirely. One suggested to "Squeeze your floors until buyers drop off."*

CONCLUSION

As noted earlier, September 2019 is a pivotal moment to conduct a survey about fill rate due to major changes in programmatic markets, Google Ad Manager, and browser cookie permissions. There'll be even more shade in this picture in months to come, with the California Consumer Protection Act going into effect—and further complicating the identifier-matching process—on Jan. 1, 2020; and with lingering questions about the growing impact of programmatic guaranteed on the connected TV market.

In other words, it's a good moment to re-evaluate your fill-rate strategy, and to ask serious questions about the resources your strategies call for. Diving fearlessly into new marketplaces (or deeper into existing marketplaces that never stop evolving) often requires more work hours, more automation, or both. Consider the strengths of your internal teams, as well as those of tech providers such as GeoEdge that specialize in automating security and quality assurance. The ability to block bad ads—and to maintain the floors and rate card that work for your business, in the process—has wide-ranging effects when you consider "bad ads" includes latent, non-compliant, or otherwise performance-damaging ad creatives.

We hope you come away from this Playbook with a better understanding of the factors affecting fill rates, and feel inspired to try some new techniques in the ongoing struggle!

GeoEdge's mission is to protect the integrity of the digital advertising ecosystem and to preserve a quality experience for users. GeoEdge's advanced security solutions ensure high ad quality and verify that sites offer a clean, safe and engaging user experience, so publishers can focus on their business success.

Publishers around the world rely on GeoEdge to stop malicious and low-quality ads from reaching their audience. GeoEdge allows publishers to maximize their ad revenue without quality concerns, protect their brand reputation and increase their user loyalty.

GeoEdge guards digital businesses against unwanted, malicious, offensive and inappropriate ads—without sacrificing revenue.

To learn more, visit: www.geoedge.com

AdMonsters is the global leader in strategic insight on the future of digital media and advertising technology. Through our conferences, website, and original research, we offer unparalleled in-person experiences and unique, high-quality content focused on media operations, monetization, technology, strategy, platforms and trends. Founded in 1999, AdMonsters began serving the advertising operations professional through live media and its online community. We provided a forum to share best practices, explore new technology platforms and build relationships. Today's expanding ecosystem now includes publishers and content creators, agencies, SSPs, DMPs, DSPs, RTB and service providers, technology and platform developers, advertising networks, brands, and investors.

This vibrant community is forward-looking and results-oriented. Their success depends on strategic insights about technology and monetization, and the exchange of actionable peer-to-peer best practices. AdMonsters has built its reputation on providing objective editorial leadership based on deep, real-world expertise. We have continued to evolve our editorial strategy to address the changing needs of the market and, as a result, AdMonsters has attracted a highly focused audience who are at the forefront of the industry, and leading marketing partners have found AdMonsters to be a powerful channel to reach these decision makers. Today, our portfolio of integrated media solutions includes industry leading live events, our innovative Connect content solutions, email marketing programs, and more.

As of March 2015, AdMonsters is part of the Access Intelligence family of companies.

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