



Ad Mediation in Mobile Advertising

Media and Entertainment (M&E)

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Executive Summary

This paper discusses the need of Ad Mediation Exchange in mobile advertising. It sheds light on how Ad Mediation Exchange can help publishers to generate maximum revenue, attain global coverage, and garner support for almost all mobile platforms. It also enlists the challenges in Ad Mediation, proposed solution, advantages, and future of Ad Mediation.

Introduction

There are millions of mobile developers who want to effectively monetize their mobile users. However, many ad networks have limited abilities to fill all mobile ad requests, resulting in low fill rates and often low effective Cost per Mille (eCPM). Additionally, developers dislike bundling multiple Software Development Kits (SDKs) into their apps, due to bulkiness, conflicts, and additional workload to integrate partners.

Developers dislike the commitments required by networks to solely install one SDK, resulting in reluctance to conduct business. There are constant updates of multiple-partner SDKs due to the requirements of their users to update their apps to install newer versions of SDKs.

These developers seek an easy-to-use platform that will enable multiple ad networks to be able to fill inventory ad requests without the need to install additional SDKs and updates, which results in conflicts. This leads to the need of a platform that enables developers to install one set of ad codes or SDK and provides developers complete flexibility to monetize their inventory, providing complete transparency and control.

What is Ad Mediation?

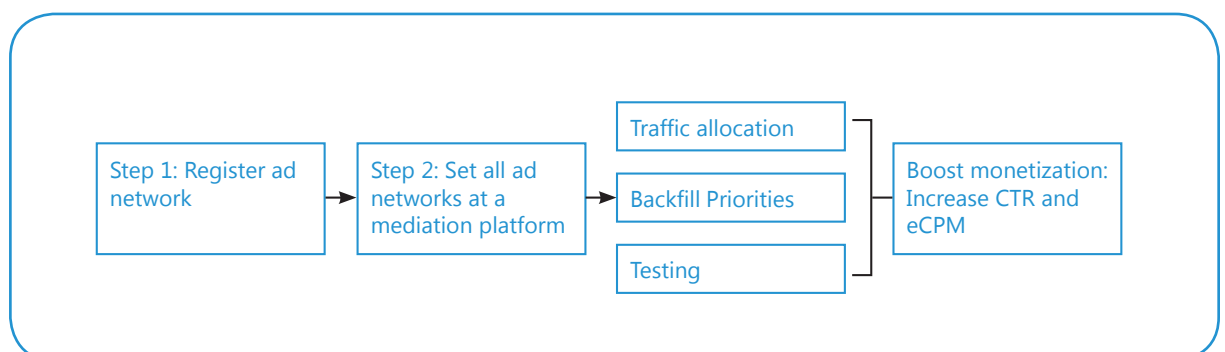
Ad Mediation is an ad tracking platform that is integrated with multiple ad networks at the API level. This enables publishers to install only one ad network's SDK and still get exposure to multiple ad networks to fill inventory ad requests.

Ad Mediation can facilitate ad networks management and ads optimization. By employing it, you can add unlimited ad networks and efficiently manage them to enrich the content and form of mobile advertising and optimize fill rate and eCPM. Ad monetization is measured in clicks and impressions - the more you can deliver, the more meaningful your monetization will be. With ad mediation, monetization will become easier than before.

How does Ad Mediation work?

Following is the process of Ad Mediation:

1. You should register at all the ad networks of your choice as a Developer.
2. You should set up all ad networks of your choice and adjust their allocation percentages of traffic and backfill priorities at the mediation platform.
3. The mediation platform will monitor all ad networks and requests ads from high-priority networks.
4. If an ad request returns unfilled, the system will roll it over to your backfill settings. The system continues down to lower priority networks. This process will continue till the least-priority network is reached.
5. All networks you set up will run automatically.
6. Through the reports you get later, you can determine the most profitable traffic portfolio and the best fit ad network.



Challenges:

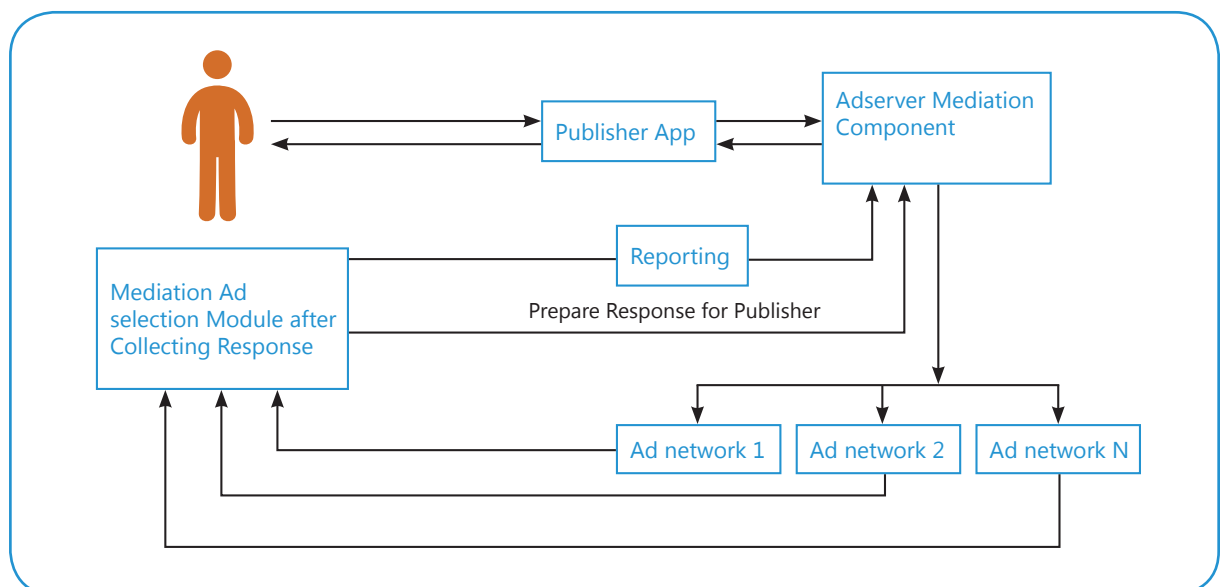
- Publishers must register with every ad network.
- Publishers must configure the registered ad network at the mediation platform.
- An ad mediator may take some share from the publisher.
- A situation can arise wherein a publisher wants an ad from a particular ad network, but that specific ad network is not available in the ad mediation.
- End users might get repetitive ads.

Solution Overview

Technology as an enabler:

Our basic purpose is to fulfill every request coming from a publisher site or an app. A simple approach can be the following:

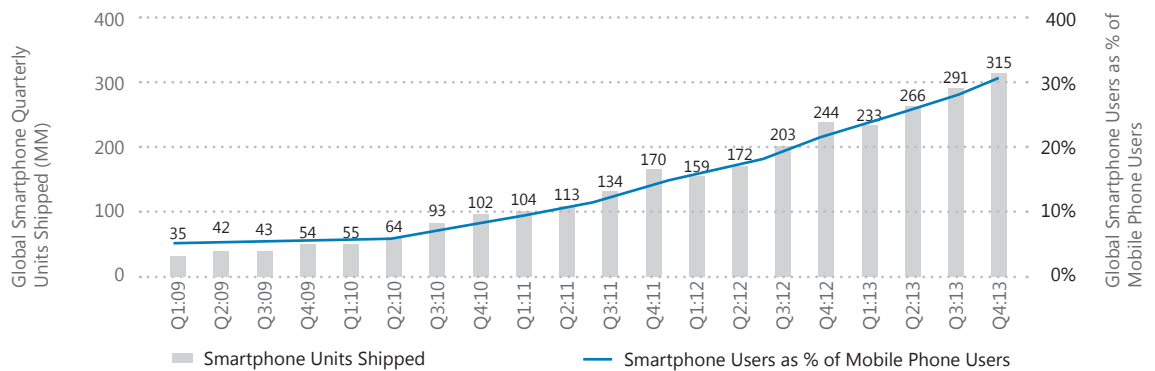
1. An ad request will come from the publisher app or mobile website to the Mediation Server.
2. In the Mediation Server, the decision to call the ad network depending on the percentage allocation will be taken.
3. At a time, only one ad network will be called, and the ad request will be sent to that ad network.
4. The ad network will respond with its ad, which will be served to the publisher.
5. If the allocated ad network fails to provide any creative, the same ad request will be sent to other ad networks in the backfill list as per set mediation settings. The ad networks will be contacted as per the descending order of percentage allocation.
6. Ad Mediation will report the number of requests received from the publisher, impressions, and fill rate of each third-party network to which the publisher is allocating its traffic. This will help the publisher to decide the ad network that should have more percentage allocation so that more requests will be sent to that ad network.



Benefits to publishers and developers:

Smartphone Users = Still Lots of Upside...@ 30% of 5.2B Mobile Phone User Base

Global Smartphone Quarterly Unit Shipments & Smartphone Users as % of Mobile Phone Users, 2009 - 2013



There has been a staggering rise in the usage of smartphones in previous five years. As of 2014, the smartphone users account to 40 percent of the total mobile users. This leads to tremendous increase in the mobile applications and thereby creates a huge ad inventory, but publishers have not realized the value of their unsold inventory. This gives rise to the concept of mediation where a better balance between 'Demand' and 'Supply' can be achieved.

Business-level benefits:

- You can add new partner networks without updating the app.
- Ads can be perfect fit with content and users.
- Fill rates can be immediately increased to almost 100 percent.
- eCPM can be improved.
- You can earn maximum revenue for every impression.

Ad Mediation Adaptor - On-boarding partner ad network or ad exchange:

- In case your intentions are to enable monetization with a goal to become a mobile ad network, you can on-board and integrate with partner ad networks or ad exchanges.
- Such integration allows your publisher partners to select desired ad networks and define the priority when they integrate your mobile ad SDK in their apps.
- The integration with partner ad network or ad exchange can be achieved by following two approaches (as supported by ad networks):
 - HTTP or API-based integration
 - SDK-based integration
- The communication with such partner ad networks can be managed by your Ad Server program by making HTTP calls to these ad networks, through APIs or SDK-based communication.

- Such implementation can have a user interface (UI) for your publisher partners, who will be able to manage the selection of an ad network and its weightage and priority.
- Mobile Rich Media Ad Interface Definitions (MRAID), Video Ad Serving Template (VAST), and Video Player-Ad Interface Definition (VPAID): Leading mobile ad networks support Interactive Advertising Bureau (IAB) ad formats such as MRAID, VAST, and VPAID. Such advertising standards can be leveraged by integrating with partner ad networks. This can enhance monetization for your network and publisher partners.

Global coverage

While working with one ad network might help publishers monetize their app at one specific location, monetizing their app with Ad Mediation Exchange can enable them to cover more than 200 countries worldwide. This implies that when end users download their apps in China, they will see an ad in Chinese for a Shanghai hotel, rather than seeing an ad in English for a New York

Conclusion

An Ad Mediation platform can help publishers stop worrying about the traffic distribution of ad networks and figure out how to allocate traffic to get the highest eCPM. Mobile app monetization is a tremendous space that is expanding daily and is expected to reach tens of billions of dollars in the coming years. If you are a publisher looking to monetize, it makes sense to go with the most robust and comprehensive solution available. An app monetization exchange offers a lucrative deal, reaching consumers with relevant ads and optimizing for the most relevant content.

restaurant. More relevant ads mean more clicks and more revenue for the publishers.

Maximum revenue

It's a numbers game—if publishers have to choose between two ad networks, they have to do some serious research. However, choosing between an ad network and an Ad Mediation platform saves their time to work on doing what they do best—building a great mobile experience. Why work with one network when they can work with that same 'one' and 100 more? With an Ad Mediation Exchange, publishers enjoy real-time optimization of more than 100 ad partners, something they can never get when working with one single ad network.

Cross platform

While working with an Ad Mediation Exchange, publishers get full support for all the mobile platforms. The list of such mobile platforms encompasses not only major operating systems such as iOS, Android, BlackBerry, Windows Phone, and Ovi, but also lesser-known names such as Symbian, J2ME, and Bada.



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