Google Ad Manager

VERSION 2.0

Unified First-Price Auction - Best practices

Background

With last year's gradual transition to a first-price auction now complete, Open Auction pricing rules have been replaced by [unified pricing rules](#) (UPRs), which allow you to conveniently manage pricing of your inventory across all indirect sources of demand from a single place in Google Ad Manager. While the [Help Center](#) remains the primary source of truth for content, this playbook serves as a complementary guide to help you review the processes involved in executing unified pricing rules on Google Ad Manager, combining general guidelines, implementation tips and recommended best practices.

Getting started with unified pricing rules

- UPRs can be created by navigating to **Inventory > Pricing rules** and clicking **New unified pricing rule**.
  - Note: First look pricing rules are still 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 UPRs.**
  - (!) 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.

- Set floor prices (fixed CPM) or set target CPMs.
  - Floor prices: winning bid must be higher than the floor price.
  - Target CPMs (default): **target CPM can earn you more revenue by adjusting floor prices to match more bids.** Floor prices on individual bid requests can be either higher or lower than the target CPM you indicate. Average CPM for your inventory, however, is equal to or higher than the target CPM you specify. Use the "Optimization type" dimension in reporting to assess the uplift of target CPM on your network.
- By default, UPRs apply to **everyone and all sizes.** You can optionally specify **pricing for individual advertisers, brands, or sizes.**
  - When you do so, you can then set a floor price under "Everyone and all sizes" or this option can be disabled (default). If enabled, the price set under "Everyone and all sizes" also applies to any advertisers, brands, or sizes for which you set a different price in the same rule.
  - (!) Set the price under "Pricing for everyone and all sizes" to a value lower than those for individual advertisers, brands, or sizes **or** disable the "Pricing for everyone and all sizes" option.
  - Advertiser and brand-specific floor prices can be configured in UPRs. Learn more in the "Floor prices for advertiser, brand and buyer" section.
- Currently, you can apply up to 200 UPRs per Ad Manager network, as highlighted by the Ad Manager [system maximums and limits](#).
- UPRs apply to all traffic across Authorized Buyers, Open Bidding, and remnant line items (Network, Bulk, Price Priority).

Pricing structure and rules priority

UPRs are not prioritized, and their order is not important. This means that unified pricing rules are chosen based on targeting.

- **If two UPRs 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. Common examples of how you could segment your rules include Geography, Size and Ad unit (top level).
- If no rules match the targeting, the unified floor price defaults to 0 (zero).

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.** Here are some things to consider when setting unified pricing rules:

- Manage channel conflict with your direct sales or private marketplace for specific sections of your inventory.
- Evaluate the 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 requests.
- Consider setting unified pricing floors to align with your previous 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).
- To increase your revenue, consider using target CPM in UPRs. Use the "Optimization type" dimension in reporting to assess the uplift of target CPM on your network.

Non-guaranteed line items

As mentioned, UPRs apply to all traffic across Authorized Buyers, Open 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.

Click to access the list of affected line items (see below)
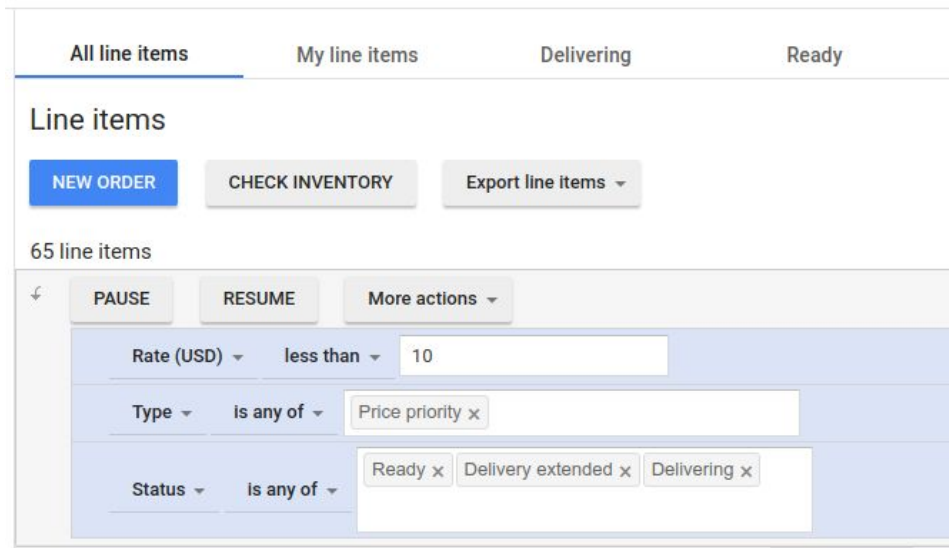
- ○ (!) The report will include all remnant line items below the unified floor price. Targeting criteria of the UPRs **are not considered.** This means that not all line items listed in the report will necessarily be impacted. We recommend you sort by "Impressions delivered" to review high risk line 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 the value CPM of non-guaranteed line items to accurately reflect net bids/actual payouts. However, you can modify the value CPM of individual line items to reflect any other business objective.
- Remnant line item 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).
- Use House line items to promote your product and services.
  - ○ [House line items](#) (as well as remnant line items with 0 rate and no value CPM) do not compete on price in the unified auction.
  - ○ House line item CPM determines ranking of eligible House ads, but does not need to meet any floor price set in unified pricing rules, thereby effectively serving as a fall-back ad when Authorized Buyers, Open Bidding or other remnant demand doesn't meet the floor.

Branding of inventory

Anonymous inventory is incompatible with the IAB's ads.txt and app-ads.txt standards. Therefore, UPRs do not support anonymous branding of inventory.
- For this inventory that you were previously selling as anonymous, consider setting unified pricing floors to align with your previous 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).

You can still decide to sell sections of your inventory in the auction as semi-transparent. In this case buyers will only see the top level domain (*mysite.com/sport/football* will be shown as *mysite.com*).

- If you want some of your inventory to be exposed in the auction as semi-transparent, ensure you have configured the branding type settings in [URLs](#).
- If you do not specify any branding setting on an existing URL or do not specify any URL, your inventory will be shown as branded.

Floor prices for advertiser, brand and buyer

Advertiser and brand-specific floor prices can be configured in unified pricing rules.

- To manage channel conflict, use advertiser-specific floors that apply to Authorized Buyers and Open Bidding demand.
- You can currently specify up to 50 advertisers per pricing rule.
- Advertiser and brand-specific floors apply to Authorized Buyers and Open 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

UPRs don't provide blocking functionality.

- Advertiser and buyer blocks will be managed in the Protections UI.
- Advertiser and buyer blocks will apply to Authorized Buyers demand, but will not apply to Open Bidding demand and remnant line items.

Multi-size pricing

Unified pricing rules support multi-size pricing. For placements that can accomodate different creative sizes, you can set different floor prices on inventory sizes that are considered more valuable than others.

Example
Say you have two possible inventory sizes for an ad request: 970x250, 728x90. You'd like to charge buyers more for the largest size, while offering the option of a lower floor price for the smallest size.
Using UPRs, you can create a pricing rule for each size and set the different floor prices in the same rule.

- Price sub-rule 1 → Size: 970x250 Floor price: $3.00
- Price sub-rule 2 → Size: 728x90 Floor price: $1.50
- Pricing for everyone and all sizes → Floor price: $0.10

With this setup, buyers can submit bids for all three size categories, and the highest bid across all sizes above the floor price wins.

Reporting

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

- You can combine the "Unified pricing rule" dimension with any Inventory dimension
  - Monitor performance over time by adding the "Date" dimension.
  - Consider combining with the "Line item type" and/or "Demand channel" dimensions to understand what demand is serving on your UPRs .
- "No pricing rule applied" is used in the following cases:
  - The impression went unfilled
  - No unified pricing rule matched the request
  - The auction candidate was **not eligible for unified pricing**, for example, when a Standard, Sponsorship or House line item type won the impression. Consider filtering these line item types on your reports.
  - For multi-size requests, because multiple pricing rules are in effect, no pricing rules can be attributed to unmatched requests. Any unmatched requests display "(No pricing rule applied)" for the "Pricing rules" dimension under "Inventory segments" in the Ad Exchange historical report.
    - To report on multi-size requests use the "Creative size (delivered)" and "Requested ad sizes" dimensions.

Data and insight

A new pricing rules card is available in your Home Overview Dashboard, offering an aggregated view of the bid landscape for each UPR. Using the pricing rules card, you can get an overview of the bid distribution for your inventory and evaluate the impact of unified floors on your revenue.
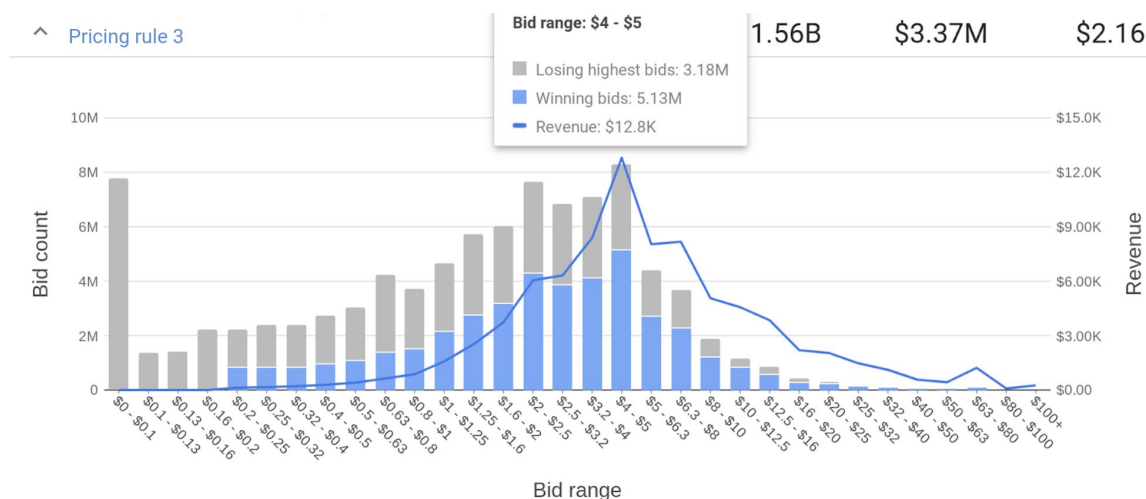
The pricing rules card shows for each bid range, the winning bids and the highest losing bids,

- A **winning bid** is a bid from Authorized Buyers or Open Bidding buyers that won an auction and generated an impression.
- A **highest losing bid** is the highest bid from Authorized Buyers or Open Bidding where neither were the winner of the auction. This might happen for one of the following reasons:
  - The highest bid (from Authorized Buyers and Open Bidding) in the auction was below the floor you set in unified pricing rule.
  - The bid was outbid by a remnant line item with a higher CPM, and the remnant line item won the impression.
  - The bid was below the temporary CPM of a guaranteed line item, and a guaranteed campaign won the impression instead.
- To view data for a pricing rule that isn't displayed by default, click "Search any of your pricing rules."

Additionally, Ad Manager 360 publishers have the option to subscribe to bid-level data transfer to get visibility into bids from programmatic buyers on every auction.

- The *NetworkBackfillBids* file now includes details about bids from Authorized Buyers and Open Bidding for your inventory, whether the bid won the unified auction in Ad Manager or not.