

How Publishers Can Move Completely to Server-Side Bidding

Building tech internally is one way to combat latency

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Purch is one publisher that is aching to give [header bidding](#) a makeover.

When digital ad buying first became automated, publishers primarily used a tactic called waterfalling that passed bids sequentially from one exchange to the next. But a few years ago, publishers began adopting a new method of ad selling called header bidding that allowed them to offer inventory to multiple ad exchanges simultaneously before making calls to their ad servers.

Publishers liked header bidding because it raised their ad prices. But its main drawback was that sending all those bid requests at once dragged down page load speeds. So along came server-side bidding, which mitigated the delay by moving ad calls from users' browsers to web servers.

Since last fall, the number of top US websites using server-side bidding has increased by more than 50%, [according to ServerBid](#). But most of those sites use [a hybrid of browser-side bidding and server-side bidding](#). Purch, which owns websites like Top Ten Reviews and Live

Science, is the rare publisher that sells all of its programmatic inventory through server-side bidding.

US Websites that Use Header Bidding, by Type, Sep 2017-Feb 2018						
<i>% of total HBIX sites*</i>						
	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018
Client-side wrapper	42.6%	43.2%	40.4%	41.6%	40.1%	39.0%
Server-side wrapper	5.8%	6.2%	5.8%	6.1%	5.8%	6.3%
Hybrid** wrapper	13.6%	14.8%	17.7%	18.1%	20.7%	21.1%
No wrapper	7.7%	6.7%	7.7%	6.2%	6.7%	6.7%
Total	70.0%	71.0%	71.6%	72.0%	73.3%	73.1%
<i>Note: numbers may not add up to total due to rounding; *among Alexa Internet's top 1,000 sites that do programmatic advertising; **uses both client-side and server-side wrapper</i>						
<i>Source: ServerBid, "Header Bidding Industry Index - Feb 2018," Feb 5, 2018</i>						
235213 www.eMarketer.com						

Purch tried the hybrid approach for a while before going completely server-side, according to its chief revenue officer, Mike Kisseberth.

"When we got enough demand partners on the server side, we did a test of unplugging those bigger [browser-side] demand partners and saw that the yield impact was zero," Kisseberth said. "We were excited about that because [going completely server-side] could get us that speed gain."

One of the main reasons publishers are reluctant to move completely to server-side bidding is because there are a few supply-side platforms (SSPs) that won't adopt server-based integrations, according to Kisseberth. "There is a fear that unplugging that client-side connection and losing one of those big demand partners will crush their overall yield, so publishers put up with latency."

After Purch built its own ad tech products, it started licensing them to other publishers. Nearly 40 SSPs plug into its header bidding product, and about 20% of Purch's total revenues come from licensing tech.

As Purch becomes more akin to an ad tech vendor, it's reorganizing itself. At the end of last year, it spun its ad tech operation into a separate business unit.

"Most of the technology that we have built over the years we have just done iteratively for our properties," Kisseberth said. "We decided at the

end of the year that it made sense to operationalize the team and make it a separate group.”