Google Marketing Platform

The Trade Desk

Competitive overview

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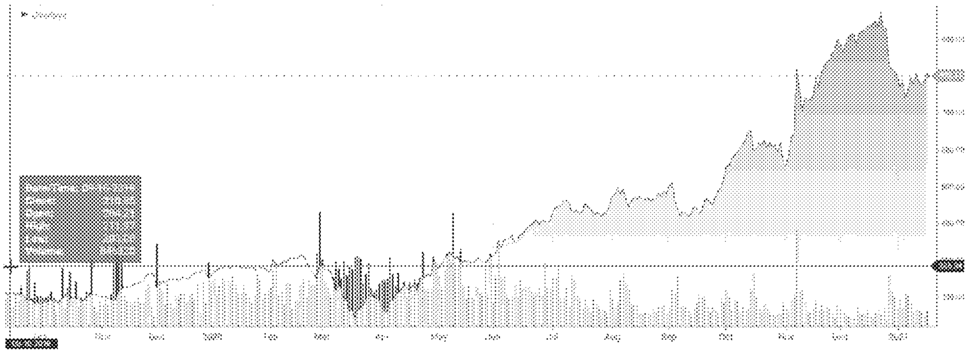
TTD's stock has more than tripled in the past year



Google

Close 52 weeks ago: $207.49
Today: $800.65
+286%

Confidential & Internal Only

In 2020, Google has already lost $510M to TTD, with another $1.4B at risk.

Post 2020, there is [redacted] at risk.

Google

GCAS survey collected data from Sellers to understand scope of the risk from TTD
Revenue lost and revenue at risk
Covers 2020, and post 2020
Half a billion dollars was lost to TTD in 2020, with another $1.4B at risk. - that's $2 billion that can be lost

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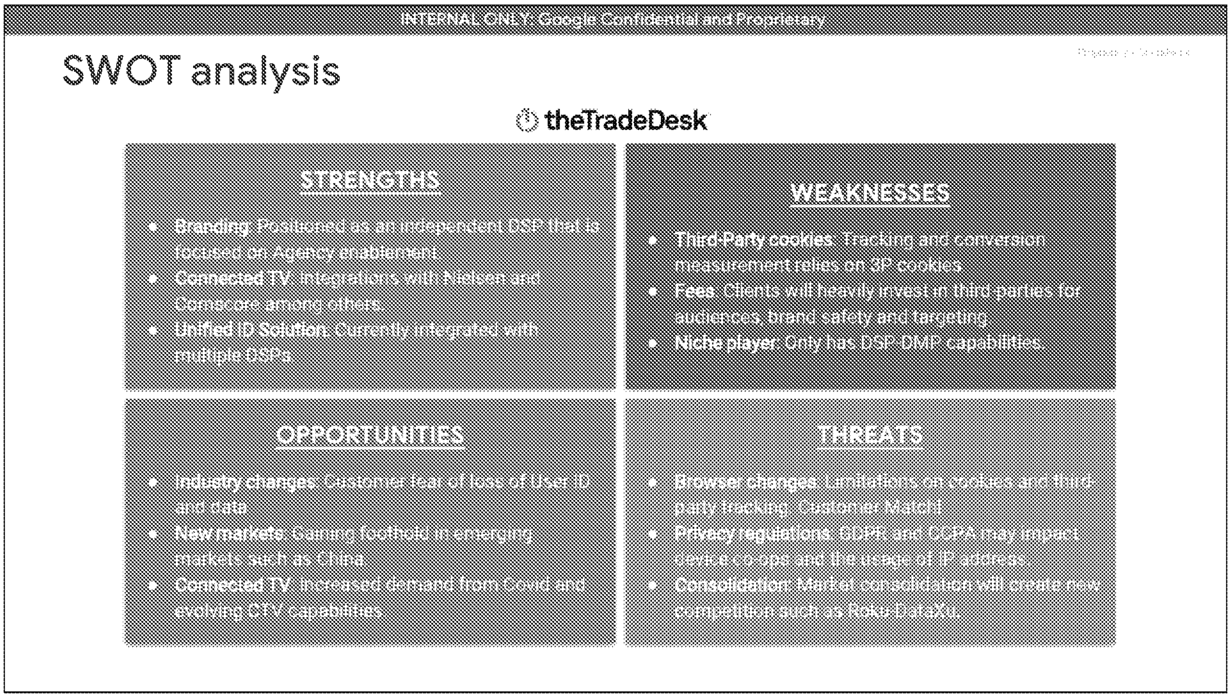
Looking ahead, we also estimate that an additional [redacted] billion is at risk
Combined, that comes to [redacted] that is either lost or at risk in 2 years
Educating sellers on their offering and ways to competitively position our products
Reminder: these are estimates

This chart shows why customers are choosing TTD
Note this chart only includes the revenue lost so far in 2020, and the revenue that is at risk after 2020.
Blue bars = revenue lost ($500 million)
Red bars = at risk revenue post 2020 [redacted]
Already lost:
The top reason that customers gave (blue bar) is to leverage TTD's CTV capabilities, who has an advanced CTV offering.
The second reason why customers have left is due to targeting limitations (e.g. policies for Pharma and Gambling)
At risk:
Identity Solution is a primary driver for using their DSP.
Again find that CTV plays an important role for at risk revenue
Google may not be able to address all of these concerns:
Some limits on targeting are being looked into to see if they can be updated



Background
What is TTD?
Niche player, self-serve platform; offers DSP and integrated DMP
Strengths (value props)
Branding:
Strong branding as an 'independent' DSP focused on Agency enablement.
Depending on the region, TTD is considered for their white glove service
CTV:
Leverages IP address for targeting and frequency management
Audience and data integrations
Unified ID Solution:
Ubiquitous; integrated in multiple DSPs, SSPs, ad exchanges

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Weaknesses
Third-party cookies:
3P cookies for tracking and measurement (desktop).
Fees:
Agency rate card that is considered more favorable than DV360
Niche player:
No ad server, measurement solutions (Analytics), or site optimization

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Threats
Browser changes:
Browsers are blocking 3P cookies and limiting fingerprinting
Privacy regulations:
Open investigations into device co-ops that combine IDs from multiple sources.
Consolidation:
Industry consolidation; new competitors are emerging (Roku-DataXu).

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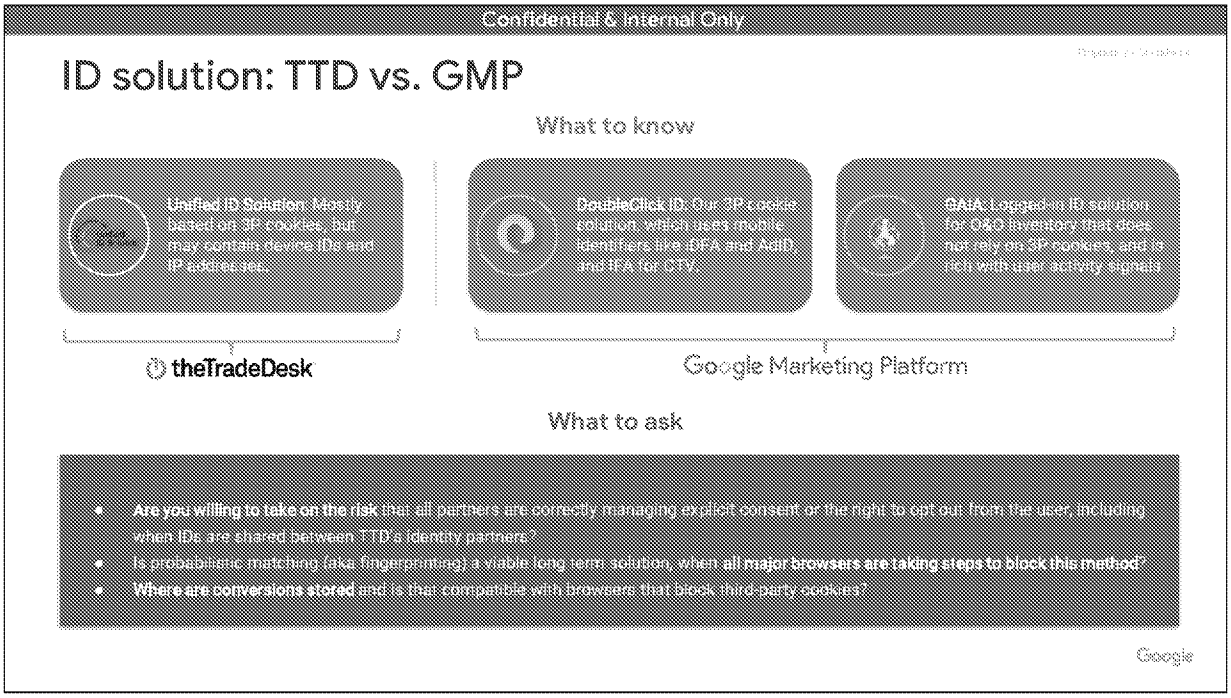
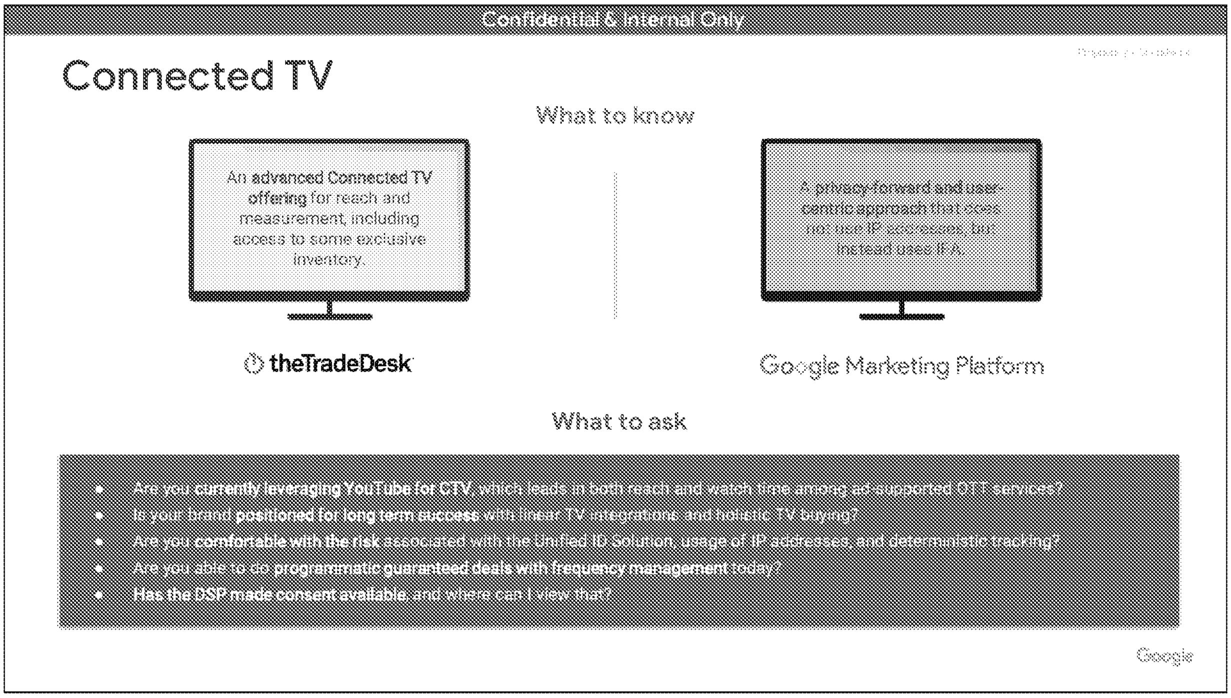
Opportunities
Industry changes:

Marketers fear data loss due to browser changes and government regulations
Seized on User ID redaction to promote its DT files and ID
New markets:
Inked deals with key Chinese partners
New opportunities and inventory such as TikTok.



Unified ID Solution:
Based on 3P cookies (desktop), may contain device IDs (IDFA, AdID) and/or IP addresses.
Focused on mobile and CTV; relying less on 3P cookies
Announced Unified ID Solution 2.0:
Working with Publishers for IDs/email
Scale is an issue (opt-in, transparency)
Google Marketing Platform: GMP has two ID solutions:
DoubleClick ID: Our 3P cookie solution
GAIA: Logged-in ID solution, which can be used across Google O&O inventory, is not reliant on 3P cookies, and is rich with user activity signals and user declared signals.
Why is this important?
Google plans to redact the UserID and PartnerID from our data transfer files by Q1 2021.
Allowed TTD to promote adoption of their User ID and their DT files
DT files are not useless; contain lots of data
Industry moving away from log-level data:
Facebook will no longer provide device-level data to advertisers
Apple has indicated that they will reduce access to their mobile ID (IDFA)
What to ask
How can Partners manage explicit consent, opt-in and opt-out across vendors/partners?
Mitigate damage to brand reputation
How can a User ID be removed from DT files?
Ensure that IDs won't be used for nefarious purposes or combined with data to uniquely identify users?



First, “Why is Connected TV so important?”
TTD has an advanced CTV offering for reach and measurement
Access to exclusive inventory (e.g. Amazon Fire TV).
The Trade Desk:
CTV was the silver lining to TTD’s recent earnings report.
Robust 3P audience targeting and data options (Nielsen and Comscore)
Leveraging IP addresses as the backbone of their targeting, a practice Google does not support.
Only outside of the EEA; privacy grey area
GMP:
DV360 is lacking in some areas that are being addressed:
Cross-device conversions/attribution
3P integrations with Tru Optik and Nielsen
Brand and Sales Lift across all media (not just YT)
Google does not use IP address for targeting
Advertisers can use LiveRamp Identity Link.
Building for the long term by leveraging IFA
DV360 has the greatest share of cTV inventory with YT as anchor

Platform cost and fees

What is it?:
*The **total** cost of using the platform, including contract rates and additional up-charges and fees.*

Category	theTradeDesk	Google Marketing Platform
Take rate	• 8.5% in 2016 - 20% in 2019	• 15% for brands, 9% for agencies (standard rate card)
Audience data	• **CPM fee** | "Automated Demographic Targeting" • 10-30% of media cost | "Data Alliance"	• No cost for Google data
Fraud, Brand Safety	• CPM fee	• No cost
Contextual targeting	• CPM fee	• No cost
CRM onboarding	• Flat fee	• No cost from Google. • 3P onboarder fees do apply.
Other fees	• **Fee | Bid shading (% of media cost savings)** • Fee (Cross-device targeting)	• No cost

Google

Take rate:
The Trade Desk:
TTD's rate card is traditionally lower than DV360.
Even with a lower rate card, they achieved a higher take rate than DV360 (20% vs. 15%).
Take rate = Percent it keeps of every dollar spent on the platform.
Achieve this take rate by upcharging for additional features like similar audiences, bid shading, audience data, etc.
Google Marketing Platform:
DV360 has transparent and upfront pricing.
We want marketers' dollars to go towards working media

Key takeaways for Sellers

CBO — Understand your **client's business objectives** (CBO) and align them with our products.

Privacy — Acknowledge strengths and understand how our products are evolving using a privacy-forward approach.

Full Stack — Leverage **GMP full stack** benefits: Consolidation, frequency management, audiences, measurement/attribution.

Google

Understanding CBO:
Your success pitching against TTD depends on a number of factors:
Client's digital maturity
E.g. What are their in-house capabilities?
Seeking White glove service is a symptom, not the cause
Partner or Agency preference
E.g. Does the agency manually optimize their campaigns at a granular level?
Their existing tech stack
Need an Ad server? How do they handle frequency management?
Can pitch our products as complementary solutions, instead of a cutover.
Advertisers use an average of 4 DSPs
Privacy:
Still a major risk and one of the main reasons why brands are in-housing functions and data.
Long term vs. short term thinking for our products to protect users and our clients.
Full stack:
Our full stack provides comprehensive marketing, measurement and optimization solutions

Key resources

Content

- The Trade Desk one-sheet (go/ttd-intel)
- Competitive Selling - The Trade Desk (TTD)
- The Trade Desk: Privacy considerations POV (go/ttdpov)
- ALCS - TTD & FB Competitive Positioning Training
- DV360 Short Term Competitive Strategies

Other resources

- go/platforms-intel (Hub for comp intel)
- go/compete (Hub for Global Connect Sales)
- programmatic-compete@ (New alias!)
- go/PracticeLibrary (Sales Mastery)

Google

Thank You!