Auctions for Online Display Advertising Exchanges: Approximations and Design

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Nice Paper!

- New equilibrium concept: (FMFE)
  - Behaviorally appealing
  - Computationally tractable (closed-form solutions in some cases)
- Interesting application setting: Ad Exchanges
  - Great fit between method and application
- Very solid analysis
  - Insights on why results from a dynamic model are different from one-shot static model
  - Theoretical justification why FMFE is a good approximation of advertisers’ behavior
  - Rich analysis of the publisher’s strategy: reserve price, allocation of impressions, and information disclosure
- Very well written
Suggestions

• How does the intermediary (e.g., DoubleClick) in this setting play a role?
  • The paper focuses on publisher and advertisers

• To what extent the results are contingent on the assumption that all advertisers are running ad campaigns (i.e., there is a total budget constraint for each)?
  • Will the results become similar to those in static games if we relax this assumption?

• The publisher has outside options (opportunity cost) in allocating impressions to the exchange network. What about advertisers? Can we allow them to advertise elsewhere?
Suggestions

- As the number of advertisers increases, do these strategic tools such as reserve price and allocation of impressions still matter?
  - Might be useful to provide some results based on the number of advertisers

- Strengthen the discussion of the paper’s contribution:
  - New equilibrium concept: where else can this concept be applied? Limitations of this concept?
  - Ad Exchanges: What are the takeaways for publishers or advertisers?