



## [How does a Real Time Bidding \(RTB\) platform work?](#)

### **How does a Real Time Bidding (RTB) platform work?**

A Real Time Bidding platform such as Traffic Factory, is an auction based system where ad impressions and clicks are bought and sold between advertisers and publishers. Our publishers offer their ad spaces and we fill those positions with our advertisers' inventories.

### **How it Works**

When a user accesses a publisher's website, the publisher automatically sends a message to our RTB platform informing that an impression is available. This message will contain information such as the users location, category and demographic which allows the platform to start an auction between its advertisers for that impression. Predefined parameters, set by

the advertisers in their campaigns, allow bids to be collected and the winning bid is calculated. That advertiser's impression is then served on the publisher's website. This whole process taking under 100 milliseconds!

## Real Time Bidding at Traffic Factory



We offer a variety of different bidding models at Traffic Factory, **CPC, CPM and CPA**. These three models compete openly against each other for the same ad spots via the calculation of their eCPM (Effective Cost per Mille)

- **CPM campaigns**, the strength of your bid will dictate the actual campaign and the ad position placement allocated based on this value.
- For the **CPC and CPA campaigns**, an eCPM is also calculated in order to match the values of a CPM campaign bid so as to then be able to calculate the ad position.

Logically, it is fair to say that the highest bid wins the impression whether it be the bid of a CPM campaign or the calculated eCPM value of a CPC or CPA campaign.

## RTB Features at Traffic Factory

Advertisers are able to tailor their campaigns to their specific needs via Traffic Factory's RTB platform.

Features such as **Campaign Budget Limits, Dayparting options and Frequency Cap** will have an impact on the ad placement position.

Please take into account that by also targeting "Any Categories", you may possibly have the top bid for only a certain amount as other advertisers may have bid higher on a particular category type. Your banner will then be shown at different positions in function of the bid for that particular category!

### ***Example of Different Bid competition:***

*Let's say campaign X bids \$1 per impression with a campaign budget limit of \$50 over a 7 day period and advertiser Y bids \$0.50 but with a budget limit of \$100 over a 3 day period. Campaign X will win that particular impression. Once the budget limit for campaign X has been reached, campaign Y will then take over.*

It is also important to bear in mind that an ad's position can continue to change based on the demand for that particular ad spot **AND** the advertiser's campaign options.

### **Tips:**

- Choosing the [right bidding method](#) or your particular campaign is paramount.
- The selection of the right ad spot is important. Knowing your target audiences' device type is crucial in order to select the best ad spot to target them. If in doubt, contact your Account Manager to gain information relating to your target.
- Select the correct filters to target your audience! Traffic Factory offers numerous filters to best target your audience. Different Geos, category types and device types will allow the advertiser to pinpoint their desired audience amongst our users. Be precise to have your ad served to the right audience. The greater precision, the greater the clicks and the greater the eCPM!
- Set the right bid! Guidelines are offered via our platform when bidding so to correct too high or too low a bid. Keep on top of your campaign stats and make sure to increase or even decrease your bid to evaluate how this better your ad spot positioning.
- Set the right options! Pay close attention to your bid amount and your campaign maximum budget. As shown above in the article, these are crucial in the calculation of your eCPM.
- If in doubt, remember that your Account Manager is only an email or Skype conversation

away. They'll be more than happy to assist in optimizing your campaign.