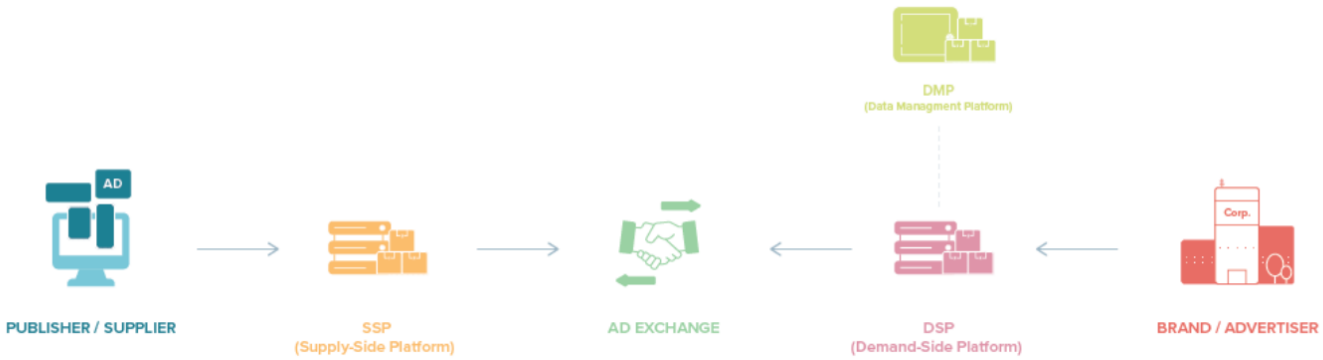
Ad Exchanges

Ad Exchange is a digital marketplace where publishers and advertisers come together to trade digital ad inventory. The Ad Exchange is an auction mediation mechanism that does not serve either the buyer or the seller side; it is an autonomous platform that facilitates programmatic ad buying.

The Ad Exchange sits in the middle of the programmatic ecosystem and is plugged into a Demand-Side Platform (DSP) on the advertiser's side and a Supply-Side Platform (SSP) on the publisher's side.



How does Ad Exchange Work?

- A publisher makes its inventory available on the Ad Exchange through SSP. The publisher provides full details on the inventory, such as page location, URL, audience, topics, and so forth.
- When the user enters the publisher's website or mobile app, an ad impression automatically appears on the auction. The data about the user is collected, sent to the publisher's server, and then transferred to the Ad Exchange.
- Then, the Ad Exchange sends a bid request to DSPs and Ad Networks. Each DSP would inspect the bid request and all information related to it (demographics, user ID, geolocation, frequency capping, and other targeting options). After inspection, the platform would decide whether the impression is of interest to the advertiser. If so, DSP would send a reply to the Ad Exchange with a maximum bid amount.
- The Ad Exchange reviews advertisers who bid on the impression. The Ad Exchange eliminates the advertisers who do not meet the publisher's requirements.
- Having gathered all data, Ad Exchange analyzes bids and sells the impression to the highest bidder.

- The winning advertising creative appears on the publisher's website in front of the user. The process does not interfere with user experience and does not decrease page loading speed.

So, Ad Exchanges allow publishers to get the best price for their ad space and advertisers to reach their target audience.

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