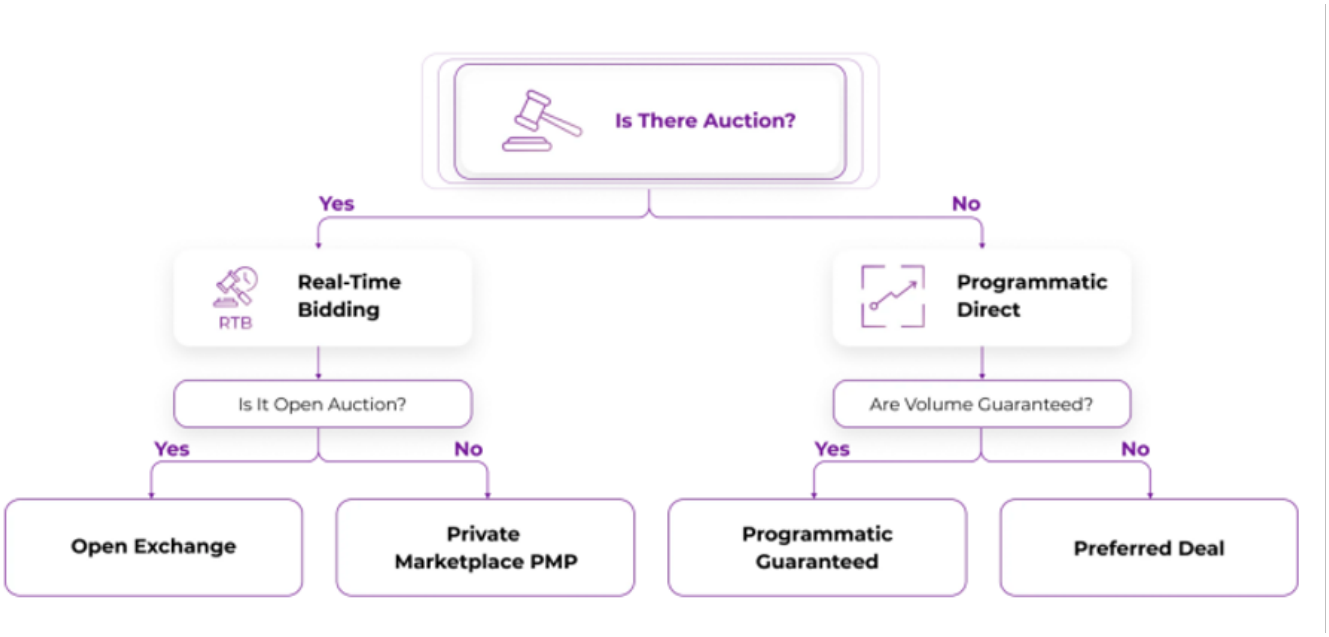
Real-Time Bidding (RTB)

RTB is a way of buying and selling ads through real-time auctions, meaning transactions are made in the time it takes to load a webpage.

RTB works like this:
As a visitor enters a website, a request is sent to an ad-exchange with information on the website along with the visitor's data. This information is then matched against available advertisers, and a real-time auction takes place between the advertisers that match the criteria.

Real-Time Bidding allows for better and quicker targeting, enabling ads to be bought and sold on a per-case basis, meaning only visitors who are in your target audience will be subjected to the ad.

Even though most of programmatic buying goes through Real-Time Bidding, there are other ways of programmatic advertising. Programmatic can still automate the targeting and other related processes, but the buying and selling of the inventory can be done directly. In other words, advertisers purchase impressions from publishers via programmatic direct deals and don’t participate in RTB auctions.



Real-Time Bidding is just one part of the programmatic advertising ecosystem. It’s a way of auctioning out ad space on a case-by-case basis rather than a carpet-bombing approach where everybody sees the same ad.

First-Price and Second-Price Auctions

It is also important to know that there are 2 main types of auctioning out ad space: First-Price and Second-Price Auctions.

Their definition is as follows:
First-Price Auction – A Digital buying model where if the advertiser's bid wins, the advertiser pays exactly what they bid.
Second-Price Auction – A Digital buying model where if the advertiser's bid wins, the advertiser pays $0.01 above the second-highest bid in the auction.

Today most exchanges, including those Eskimi buys from, run first-price auctions.

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