5 ways Chocolate Premium creates an ideal Supply Path

for DSPs and programmatic buyers

Supply Path Optimization (SPO) has been discussed a lot lately and there are different interpretations on what it comprises of and how it creates an efficient buying system and streamline the supply chain. While there are multiple permutations and combinations that come into play when optimizing the supply path, we believe there are 5 key factors to consider when choosing a supply partner. With Chocolate Premium, we offer and deliver on all these 5 factors holistically and support the purpose of our DSPs and programmatic buyers to create a robust and transparent supply chain path.
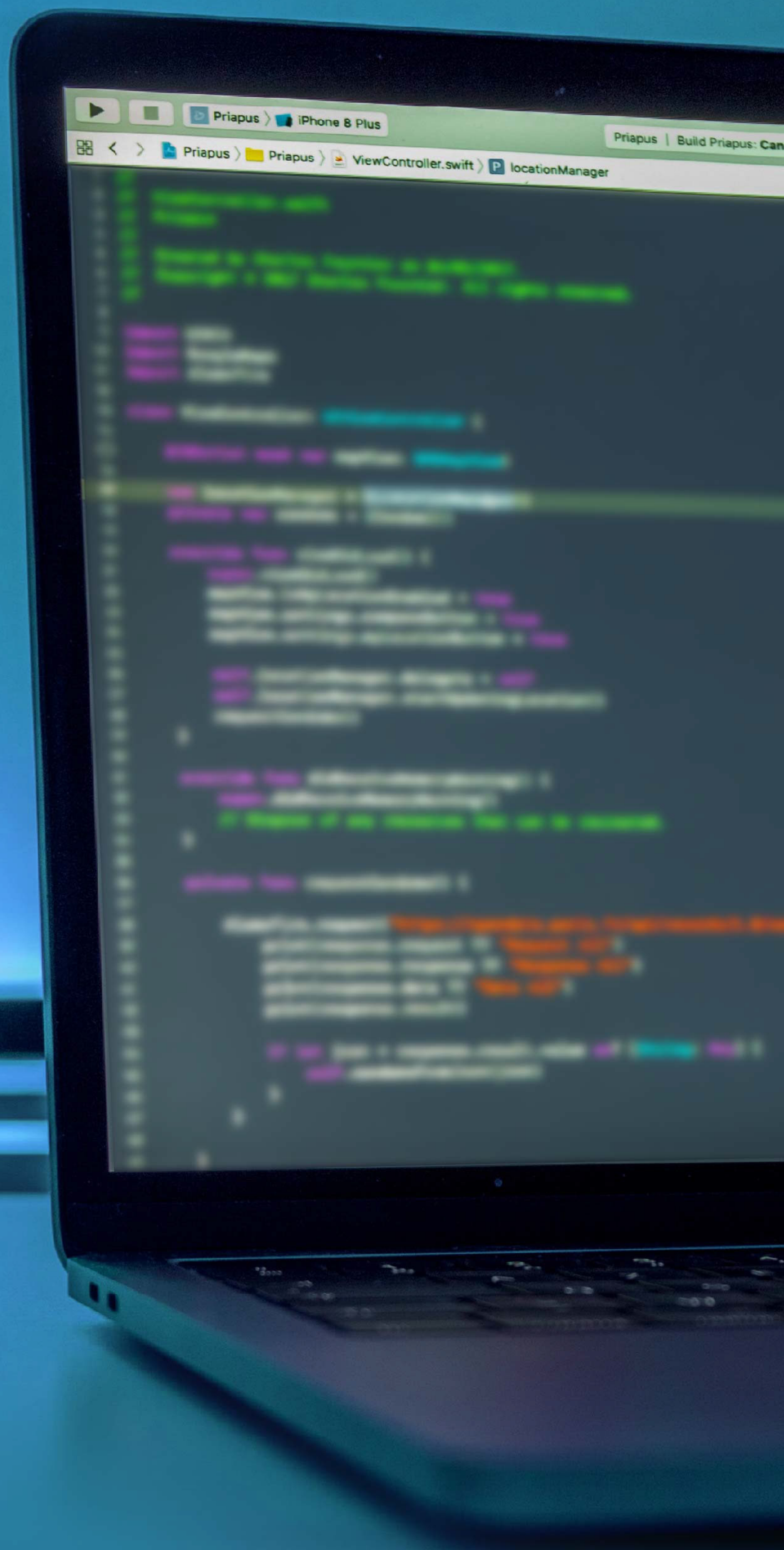
1 Direct
Publisher
Contracts

2 Shortest Path
To Premium
Supply

3 Shortest Path
To Premium
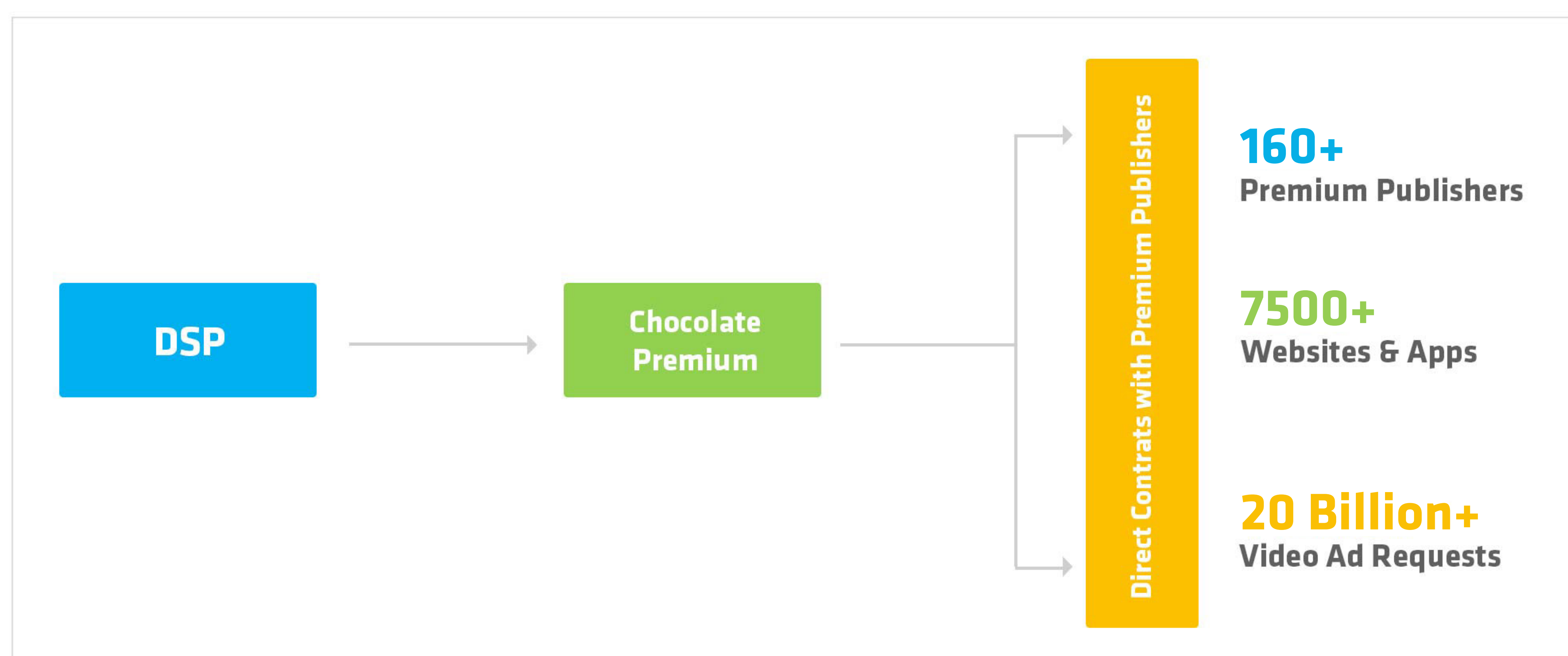Audience

4 Fraud-Free
Ecosystem

5 Optimizing
Key
Metrics

1 Direct Publisher Contracts

Trust comes from transparency. At Chocolate, we make it easy for DSPs and programmatic buyers to have complete transparency and get price benefits by taking advantage of our direct publisher contracts, getting access to premium video supply uninterrupted and achieving higher bid win rates.

Direct Business Contracts Between Chocolate and Publisher

DSP → Chocolate Premium → Direct Contrats with Premium Publishers

160+
Premium Publishers

7500+
Websites & Apps
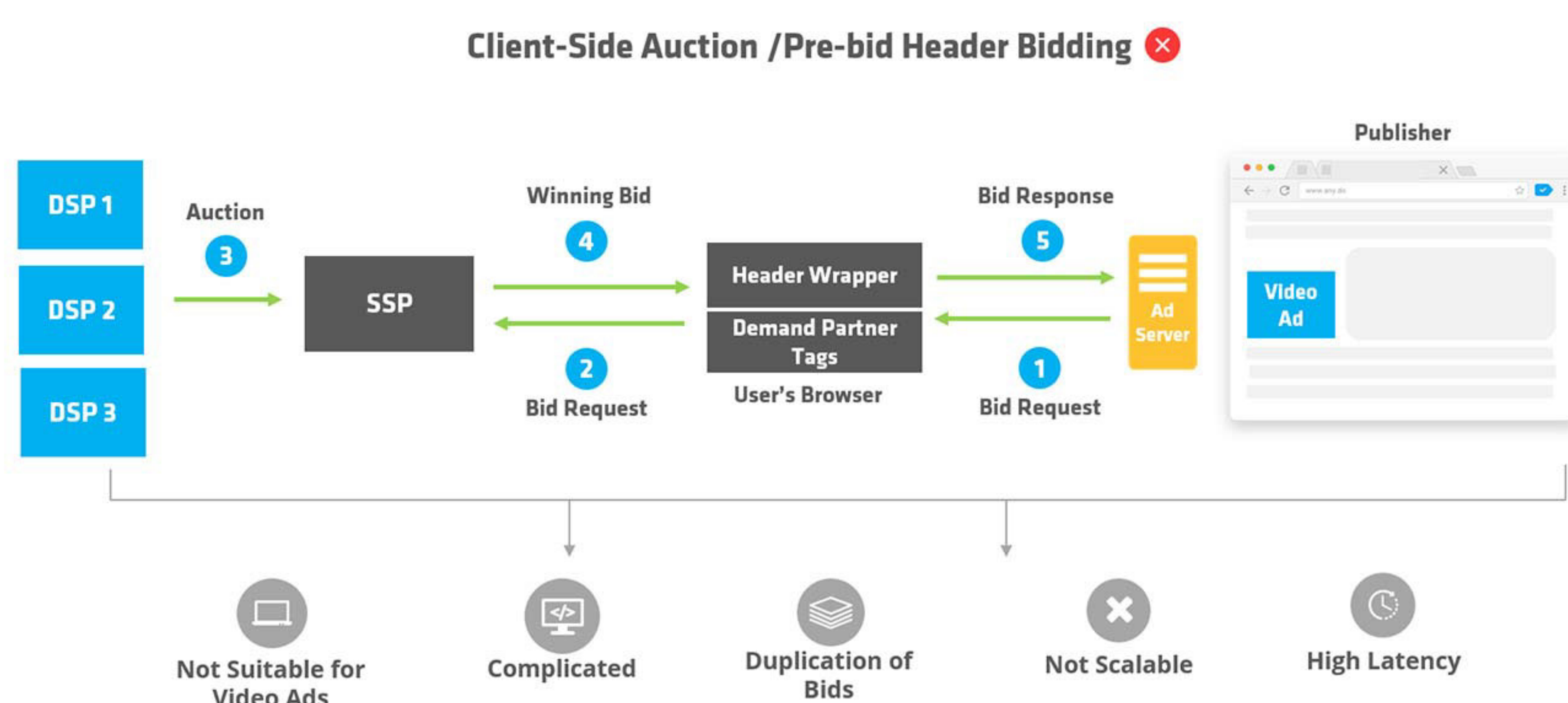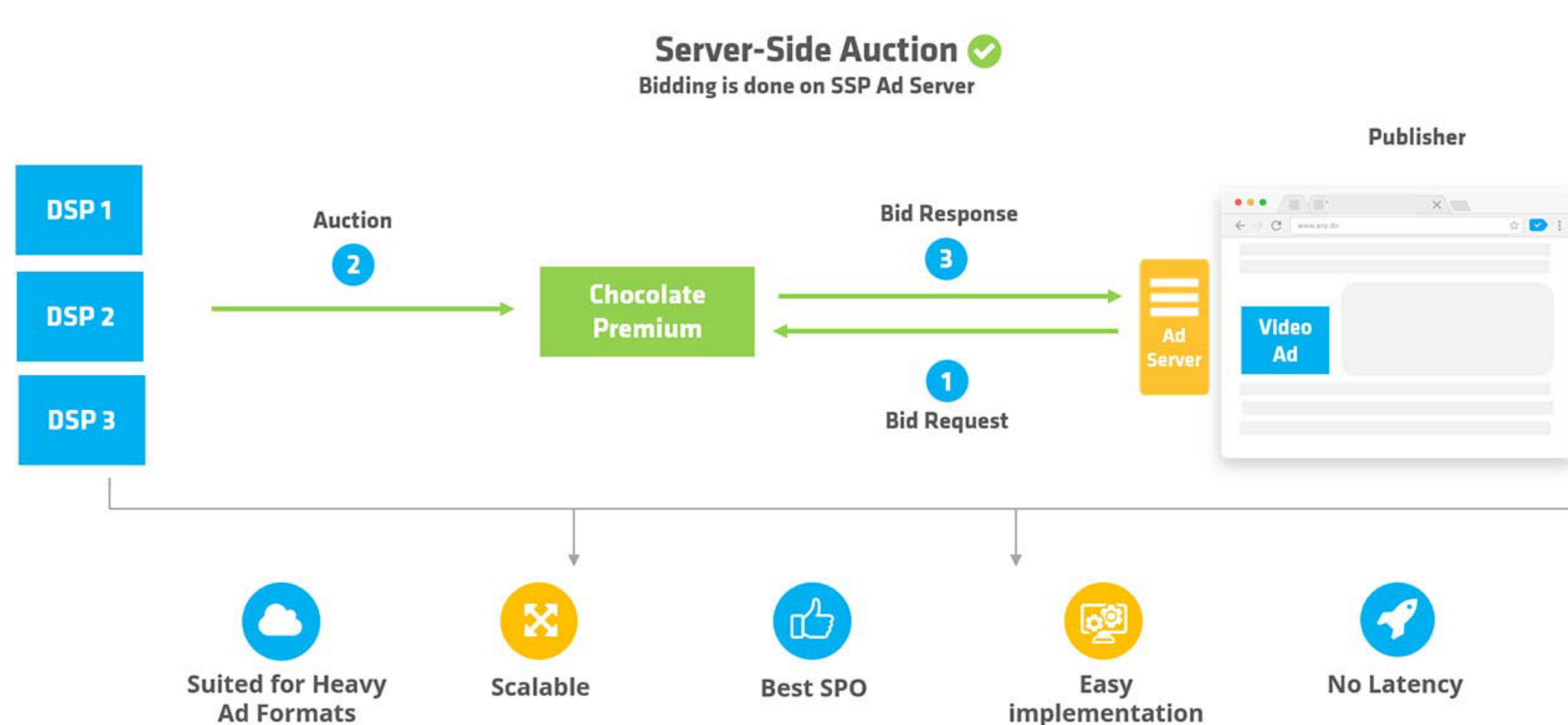
20 Billion+
Video Ad Requests

Chocolate Premium has 160+ publishers on-boarded with direct contracts together they have 7500+ websites and apps triggering 20 billion+ video ad requests monthly. DSPs can bid with confidence and can determine the supply chain fees with clarity as there is no complicated & fragmented supply path laced with sellers and resellers. DSPs can easily control the supply relationship and benefit from the reduced supply chain fees.
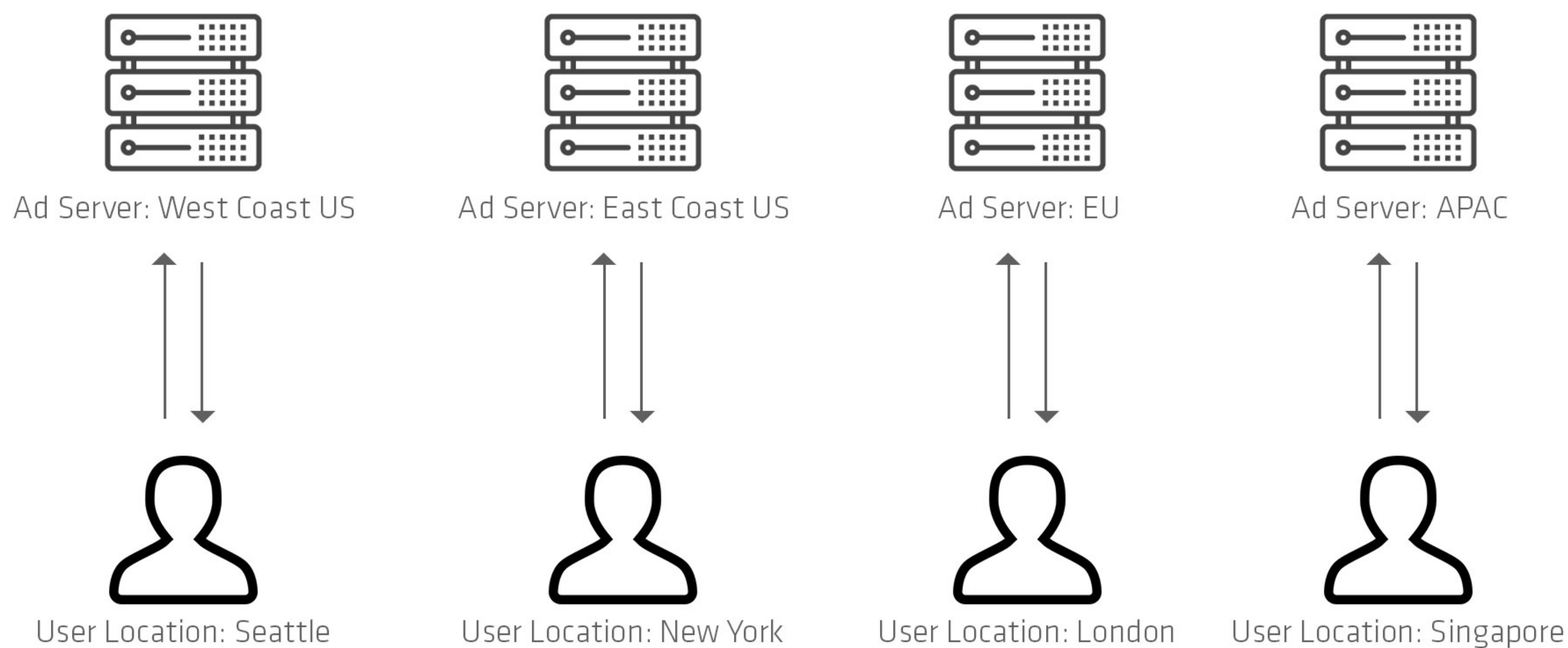
2 Shortest Path To Premium Supply

As we know a majority of programmatic advertising is currently transacted over client-side technology. However, as widely observed there are many issues plaguing the client-side technology particularly for video ads like latency, complex tags to navigate and no transparency into the supply path. Due to which, more and more publishers are moving to **server-side** and allocating chunks of video inventory only to server-side auctions. At Chocolate, we are the frontrunners when it comes to **server-side auctions**

and there is a strong reason to why we have taken this approach - **server-side technology shortens the supply path by eliminating the extra step** which involves complex navigation through tags, header wrappers, etc. and **by building a server-server direct connection between supply partner and publisher.** This ensures the supply path is direct, transparent and free from complications (as shown in the diagram below).

Server-Side Auction ✅
Bidding is done on SSP Ad Server

DSP 1 · DSP 2 · DSP 3 — Auction **2** → Chocolate Premium — Bid Response **3** → Ad Server → Publisher Video Ad
Bid Request **1**

- Suited for Heavy Ad Formats
- Scalable
- Best SPO
- Easy implementation
- No Latency

Client-Side Auction /Pre-bid Header Bidding ❌

DSP 1 · DSP 2 · DSP 3 — Auction **3** → SSP — Winning Bid **4** → Header Wrapper / Demand Partner Tags — Bid Response **5** → Ad Server → Publisher Video Ad
Bid Request **2** · User's Browser · Bid Request **1**

- Not Suitable for Video Ads
- Complicated
- Duplication of Bids
- Not Scalable
- High Latency

3 Shortest Path To Premium Audience

Most of the talks around SPO spin around optimizing win rates, reducing the no. of bids, direct publisher relationships, the shortest path to supply, etc. For marketers, who are the key stakeholders, delivering a flawless, latency-free ad experience is one of the main objectives. You ask, how video supply partners can enable that? By **co-locating ad server's closer to the end-user**. It is imperative that all ad calls from a user's device are managed by the closest ad server only for the optimal ad delivery & experience.

Ad Server: West Coast US   Ad Server: East Coast US   Ad Server: EU   Ad Server: APAC

User Location: Seattle   User Location: New York   User Location: London   User Location: Singapore

For e.g. an ad call from a user's device based in East Coast should be responded back by the closest ad server based in East Coast and should not be handled by a West Coast-based ad server. This ensures, there is no time lag, latency is kept to a minimum and the end-user experience is excellent. **At Chocolate, we have ad servers in East & West Coast in the US, in APAC and in EU**. With strict algorithms in place, 100% of ad calls on Chocolate Premium are fulfilled by the closest ad servers only. Marketers, programmatic buyers, and DSPs can rest assured of the shortest supply path to a premium audience.
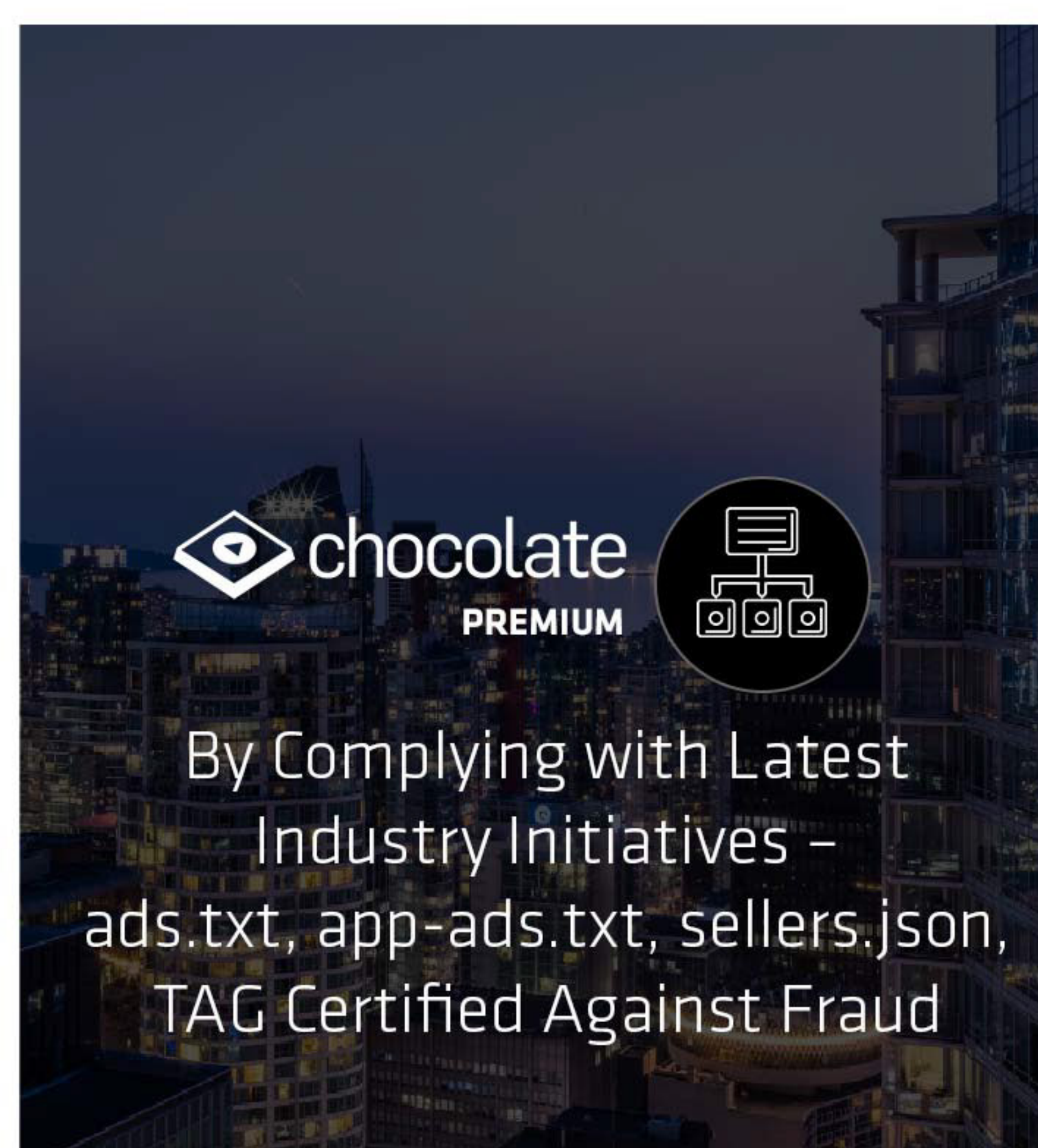
4 Fraud-Free Ecosystem

One of the key aspects of Supply Path Optimization, is to cut down on SSPs that a DSP or a programmatic buyer is working with. Which is an absolutely sane thing to do considering many SSPs offer the same ad inventory, then what is the best way to decide which SSP to keep and which to remove? One key factor to help DSPs make a decision is to look for a SSP that has the best tools to combat ad fraud and is consistently delivering fair, legitimate ad inventory from trusted sources only. At Chocolate, we combat ad fraud through two mechanisms -

By Applying Precise In-House Advanced Fraud Detection Methods

By Complying with Latest Industry Initiatives – ads.txt, app-ads.txt, sellers.json, TAG Certified Against Fraud

First, our in-house fraud advanced detection methods that comprise of our proprietary technology which has multiple **bid rejection filters** in place to identify fraudulently activities and stop fraud before it happens.

Second, our adherence to the latest industry initiatives like **Sellers.json, SupplyChain Object, TAG Certified Against Fraud Seal** and 100% compliance to IAB's ads.txt and app-ad.txt specs creates a fraud-free ecosystem which is unique and represents a supply path that can be trusted.

5 Optimizing Key Metrics

There are different metrics based on which DSPs try to find the most efficient supply path. **Win rate, dollars spent per queries per second, bid density, bid rate, eCPM**, etc. By optimizing on these metrics, DSPs consistently try to find the most efficient supply partner and end relationships with ones that are not delivering high performance on these KPIs.
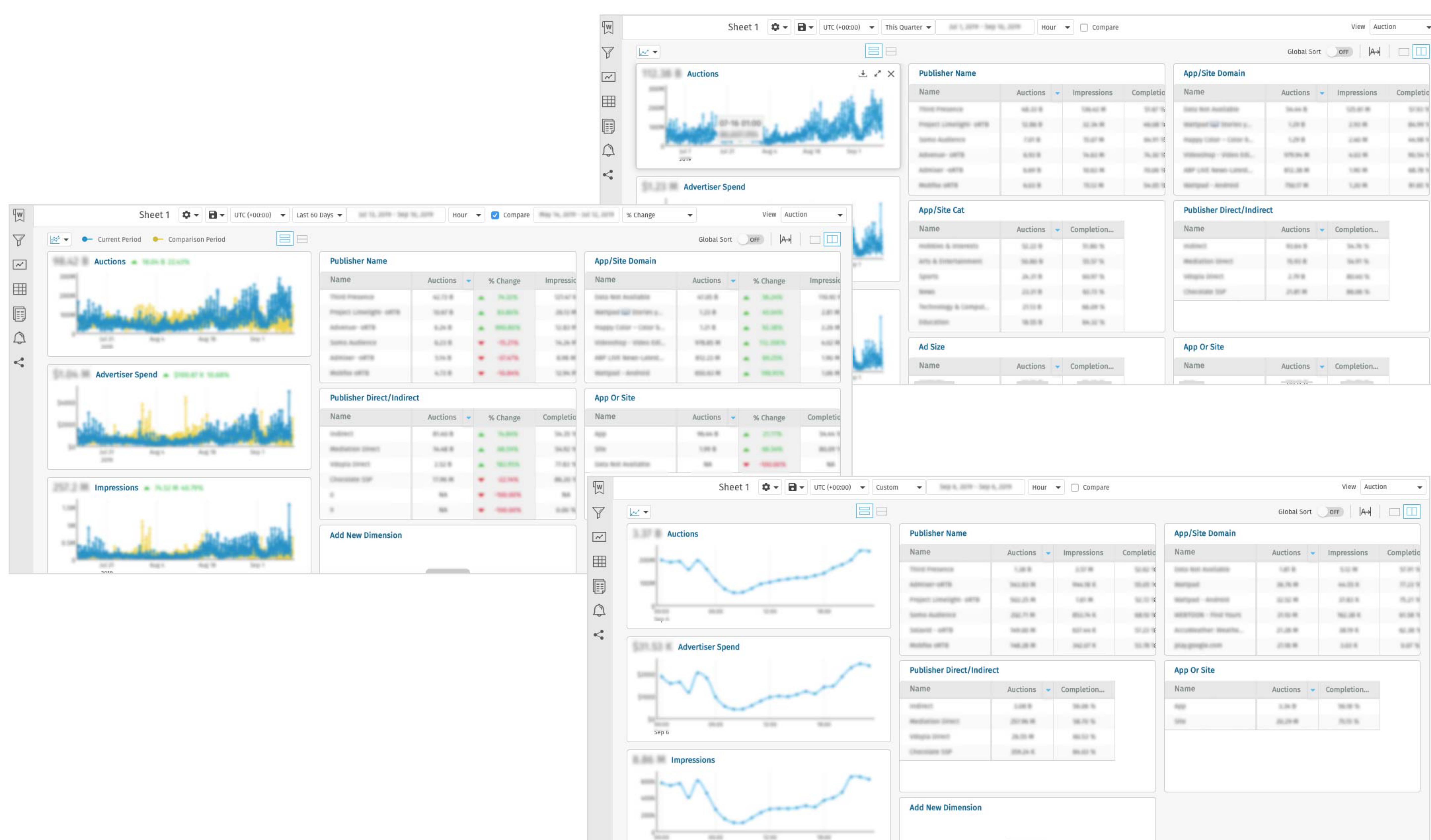
At Chocolate, we have a **dedicated yield and optimization team** that works closely with our DSP partners to improvise on the KPIs and continuously optimize ad spends by executing multiple strategies and tests. We offer holistic real-time insights into all auction level data to our DSP partners which they find really beneficial and produces a robust understanding of the supply chain.