

# GARTNER MAGIC QUADRANT: ADTECH COMMENTARY BY CvE

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# Introduction

Advertisers are increasingly looking to in-house some or all of their digital, data and technology capabilities, particularly as flexibility and first-party data rise up the value chain. The industry is cluttered with technologies and jargon, which makes it difficult to cut-through and implement the right partnerships for the needs and requirements of different sized businesses.

## Magic Quadrant

Figure 1. Magic Quadrant for Ad Tech



Source: Gartner (September 2020)

ISBA and CvE have partnered with the Performance and Programmatic Group to support brands in understanding the DSP and SSP landscape. This report dissects the Gartner Magic Quadrant to help brands decide which tech players match your specific set of requirements in order to determine which tech partners are best suited. CvE have taken excerpts of the Gartner report and added the CvE perspective along with some aspects that weren't included such as missing DSP's and CDP brands.

# Leaders

**Adform:** It's nice to see this player quietly rise among the ranks of the larger Adtech giants to reach LEADER status. However, their combination of buy and sell-side capabilities should further propel them into the upper-right corner in this quadrant as a strong solution for brands who prepare for the depreciation of cookies.

**Adobe:** Years and years of acquisition appear to be finally paying off. Brands are drawn to their hybrid DMP/CDP offering. This allows for a deeper tracking of the user journey versus standard DSPs. However, their "completeness of vision" may be overstated if the platform is still a chore to use. Completeness of vision should always include the user experience, especially in a hands-on-keyboard environment, which continues to be a grind for both brands and agencies, and still requires significant outsourcing.

**Amobee:** The player has built their platform on dead or dying tech that has been resurrected with a lot of grit (and perhaps a fair amount of marketing spin). Both Turn and Videology were damaged goods that few would have given a "passing score" at their time of acquisition. In an effort to turn this around, their recent launch of Planet V may help reclaim lost ground by positioning them as the VOD leader amongst DSPs in the UK. However, this may be too little too late, as their telco roots in Singapore may be withering, as Singtel is shopping Amobee around. If that is the case, it is possible that

their "ability to execute" score may be inflated as Singtel looks to divest. Perhaps a challenger brand could acquire Amobee or Planet V to help fill in their own VOD gaps and launch them into "leader" status.

**TheTradeDesk:** This is one of the strongest showings we've seen for TTD in a magic quadrant amongst this list of competitors. This is a well-represented placement for the brand as they have maintained strong growth globally since going public, they have one of the most robust self-serve platforms and vast partnerships. There are only 2 issues for TTD to sort out: Firstly, what will they do about cookies, and secondly if they can steal share from Google without owning any Martech solutions of their own.

**Google:** They are in the right spot. But they got here by double-dipping on fees by optimising campaigns in favour of their own inventory, owning the publisher waterfall, and hiding fees from advertisers and publishers. While Google has made attempts to "come clean" on how they charge their fees to publishers and buyers, as you would expect, there is more than meets the eye with what is actually happening.

**MediaMath:** The company has reportedly been "for sale" for over a year now, and has been unable to lock down a buyer as they did not fair as well during the pandemic. They have historically helped power holding companies buying platforms, but with agencies really feeling the squeeze last year they appear to have lost a lot of ground. Given this information, it is a strong possibility that their capabilities are overstated, and they should be moved into the challenger category.

## Challengers

**Amazon:** Interesting to see them listed as a challenger brand when they represent 10% of total ad industry spending. They represent both buy and sell-side, have a robust CTV offering through Prime, have an enormous wealth of shopper data, a self-serve platform, and are well setup for a cookieless future. While the DSP itself may not be best-in-class or off the same reach as typical DSP's, the data makes you quickly forget those details. To anticipate their placement to fall closer to TTD is reasonable. We may see this in future Magic Quadrants, and may even surpass them.

**Criteo:** This brand should fall closer to the “niche” category as they are mostly focused on lower-funnel executions for retail brands. Additionally, their combination of buy and sell-side is a virtue but is clearly exploited at the expense of their clients through their ongoing practice of HEAVY retargeting, which has gone on for years as they’ve become a mini walled garden. As a result, transparency scores remain low, and cross-channel measurement to uncover the real story will always fall on the brand to solve.

**Xandr:** Another brand that’s up for sale. Despite this, its placement seems fairly accurate as the AT&T DSP was never a strong offering. Their access to growing Addressable TV inventory has served them well, specifically in the premium content category. However, similar to Verizon, AT&T lacks the same presence in the UK versus the US. It would most likely take an acquisition for this platform to quickly gain a foothold in the UK.

## Visionaries

**Mediaocean:** An unusual addition to this list to be sure. This brand is no-question a leader in the media planning space, but to include as an adtech solution amongst bidding tech is a bit of a stretch. While they may have recently acquired Flashtalking, does that immediately make them an AdTech player? Probably not. Are they as advanced as Beeswax? Not at a chance. But do more brands use Mediaocean v Beeswax? 100%. If this grid’s intent was to map out Digital + Traditional media adtech, then their placement would seem more comprehensible, but then likes of brands like Wide Orbit, Pandora, Spotify, and several others would have to be included. In CvE's opinion, Mediaocean should be removed from this list.

**Beeswax:** It seems as Beeswax likes their “visionary” status, and doesn’t have dreams of becoming a “leader” as that would require them to entirely overhaul their model that sets them apart from everyone else on this list. Their Bidder as a Service has won over many brands but requires a strong, in-house team as a prerequisite for partnership. This will be a non-starter for many brands but is a long-term transformation boost for brands equipped to handle it.



## Niche players

**Verizon:** This brand appears to be undergoing yet another rebirth, with Apollo, a PE Firm. At this point, it will be hard to convince brands that Apollo can solve the challenges Verizon Media Group/Oath could not solve to bring AOL, Verizon, Yahoo, Millennial Media, Brightroll, etc. The Franken-stack will most likely struggle once again to get off the ground, but it is someone else's problem now. Given Verizon's limited UK footprint due to their lack of a mobile network presence on this side of the pond, it will be interesting to see if Apollo taps into their UK and European offices to help further expand the platform's foot into UK doors.

**Zeta:** Zeta is correct to be classified as a niche player, but suspect they will migrate closer to challenger status in the not-so-distant future if they are able to foster strong integrations out of their many acquisitions. If they can make their DSP + DMP + Adserver capabilities work seamlessly together, they may be in for strong growth in the future. But, if you ask Verizon, that is not always a given.

## What makes a current future leader in this chart?

The platforms best suited to stay ahead are those that offer more than a standalone DSP. In order for a DSP to maximise its own value, there are 2 key items that complete the picture: a robust DMP, and a built-in adserver.

The DMP will enable brands to seamlessly connect to hundreds of audiences through demographics, behaviours, past purchases, geography, etc., all in the pursuit of helping brands minimise waste while maximising reach. What makes a DMP strong is having deep connections to sites both large and small to capture the greatest share of activity and help illustrate more nuance based on user behaviours.

The built-in adserver is often overlooked as most firms rely on Google Campaign Manager. However, when the adserver is connected to both the DSP and DMP, it enables brands to gain greater visibility into the types of users engaging with their advertising. This will help brands uncover the deeper nuance to the users converting on their site.

Note: simply because a DSP "owns" an adserver or a DMP, it isn't necessarily setup for success. Many platforms have added the DMP and adserver functions via acquisition, which hasn't always played out in their favour. Verizon is a testament to this thinking, as it has been sold once again. Adobe struggled for years to connect their various DSP and DMP platforms into a cohesive offering.

# What makes a current future leader in this chart?

(cont...) Acquiring doesn't solve the issue, it is vital for the components to work together and not be cobbled together for marketing collateral.

Brands are looking for a platform leader that enables each of those 3 components to be tailored to fit their needs. This does not solely apply to depth of capability, it also applies to the level of customisation their platform allows. Does the platform offer connection to BI tools? Can you seamlessly include both first and third-party data into audiences and placements? Do they offer ghost bidding to conduct lift studies, etc? Each brand's needs are unique, and each platform should be customisable to meet brands where they want to go.

## Magic Quadrant

Figure 1. Magic Quadrant for Ad Tech



# Brands Missing From the Quadrant



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**Managed Service Providers:** There are too many to list, but these are the partners many brands and agencies rely on for access to the above platforms when they do not have enough budget or the support structure to access directly. They also provide helpful insights and can aid in a brand's understanding of how this complex ecosystem works. One major piece to keep in mind is to ensure you get the hands-on support you need, as support can quickly dwindle if they have over-invested in their tech at the expense of their people.

**DMPs & 3rd Party Data Providers:** This is where brands like Oracle, Adobe, Lotame, and others have historically shined bright. Additionally, there are many other providers that fulfill a niche consumer or B2B need that oftentimes can power very robust or ABM solutions for B2B. However, all of these partners need to figure out how they move forward in an ecosystem without cookies, as the majority are built on them. In the meantime, look for contextual data providers to see a nice bump in usage over the coming quarters.

**Identity Solutions:** These partners provide onboarding and targeting solutions for clients looking to make the most of their first-party data. They also help provide strong connections to third-party measurement solutions as well. The biggest name in the Identity space, outside of the walled gardens, is LiveRamp, which has cemented itself as the industry's go-to open platform. Like with all other things data-related these days, the future of the cookie will quickly shake up this space, however, LiveRamp's Authenticated Traffic Solution has helped create a privacy-compliant place for brands to target users without cookies. While LiveRamp does not have anywhere near 100% adoption across all brands, it's certainly built a strong following. As such, we would recommend plotting them on the line between "Visionaries" and "Leaders". How they fair, post-cookieless against Google and others (who stand to gain the most) will greatly determine if they can break into the coveted Leader quadrant.

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## Missing DSP's

**Quantcast:** The company has struggled over the past several years to reclaim its once early might in the programmatic space. It was one of the first platforms to build a strong connection between their publisher audience network and their own buy-side platform. After losing ground over the past decade to platforms like Rocketfuel, and then TheTradeDesk (as well as the walled gardens, among others), it is staging a comeback via their NOVA platform to leverage their old standby, publisher audience data, once again to help forge a path into a cookieless future. Time will tell how this effort will pay off, but their connections with their sell-side partners could potentially deliver strong audience targeting when the cookie well dries up.

# Customer Data Platforms

While CDPs cross over the line from adtech and into martech, one of their key benefits can be seen on the adtech side as they amplify a brand's understanding of what they know about their customers and how to message them. Additionally, it is important to note that there is a battle between the pure-play CDPs v the Marketing Cloud CDP. The pure-plays have been in the market for many years longer and focus on performing the basics well, while the marketing cloud solutions are newer entrants and look to provide a one-stop enterprise shop for brands.

**Adobe:** Given Adobe's acquisition-heavy history, it's interesting that Adobe decided to build this capability rather than buy. They have made a conscious effort to not silo themselves into a walled garden by building connectors to Google, Facebook, Salesforce, etc. and by offering ID graph flexibility, and sharing their Experience Data Model schema on GitHub for collaboration. Their Q2 announcement to promote their 1p data hub, personalisation, data enrichment, and B2B offering without the need for cookies is promising but also expected for a CDP in 2021. Given this, we agree with their placement in the Leader quadrant.

**Lytics:** As one of the first CDPs on the scene, they take a "purist" approach to CDPs by focusing on a CDP's key functions: capturing data from different sources and creating profiles available to be shared. As a result, they will lag behind the marketing cloud partners like Adobe, by not offering additional services in-house, like data enrichment or a DMP. If the task were to map them on the magic quadrant, they would most likely live in the Challenger quadrant as they have limited offering but execute well on what they do offer.

**Segment:** To have Google as a client as CDP is saying something. Google has tonnes of user data that needs to be profiled accurately across several devices. To be able to accomplish this alone is no small feat. Similar to Lytics, Segment is not trying to compete with marketing cloud solutions and is focusing on maintaining clean, real-time customer data. That said, they should fall in the "Challenger" quadrant as they handle the foundational elements well, and do not offer a wide variety of solutions.

**MParticle:** Launching originally with a singular focus on mobile, MParticle has evolved into a strong multi-platform connector, but its mobile roots have become a great strength for the brand. This plays out with the explosion of mobile app data during quarantine via streaming services, and mobile ordering/delivery. With this in mind, this is no longer a differentiator as pure-play CDPs have quickly caught up. This places them in the Challenger quadrant.

**Oracle Unity:** Similar to Adobe, Oracle is working to incorporate their Unity CDP into their marketing cloud to create a more holistic offering for brands that includes data segmentation, enrichment, and personalisation tools, on-site. However, given Oracle's historically exclusive reliance on third-party cookies to power their DMP, this could prove to be an execution issue in a cookieless world. It could also further validate the pure-play CDP's theory, that the marketing clouds are "not ready" to be compared to pure-play CDPs. As a result, Oracle should be placed in the Visionaries quadrant as execution ability will be TBD in the cookieless future.



# Conclusion

We are always grateful to Gartner for performing the difficult task of scoring these partners based on their extensive research process. Overall, we agree with Gartner's assessment of the majority of these brands, but there are a few that left us scratching our heads. We all know everyone's experience is different, and these magic quadrants always give us a strong dataset for us in the industry to react to.

If you are shopping around for new adtech to replace an existing partner, this is an effective guide to help influence your consideration set. However, it is important to keep in mind what attributes are most important to you in a partner. You should always start by looking at the rest of your stack. What other components will need to be connected to your DSP? What do those components need to deliver the value that your business needs? Once you know that, then you can begin to identify the attributes that matter most. Some brands need tech-based features, like performance algos, UX, bidding parameters, or in-house DMP and/or CDP access. Others need partnership-based capabilities, like access to various data stores, or unique inventory opportunities for incremental reach.

In the end, you and your team will spend significant time on the platform. So if you are still shopping around, it is important for you to take your time and not rush this decision. Odds are, you would not go wrong with many of the brands in the Leaders quadrant, but your needs may not align with how a platform was built. With that in mind, CvE always recommends brands and agencies seek out the advice of their peers and industry experts to help determine the right solution. It is a big decision and you want to rest easy knowing you have made the right choice.

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## About CvE

As a hybrid of agency, consultant, and adtech, CvE is in a unique position to provide thoughtful, unbiased support when navigating these types of decisions. We help brands and agencies select the right adtech to suit their needs and help with deployment and ongoing consultative support to make sure you get the most mileage out of your tech. We'd love to help you navigate this process, whether it's selecting a new platform or auditing your current setup to determine the ideal operating model. Reach out to us to learn more at [controlvexposed.com](https://controlvexposed.com)