

Advertisers Cut Their DSPs 40% Over Two Years

Dropping vendors helps ad buyers reduce tech fees

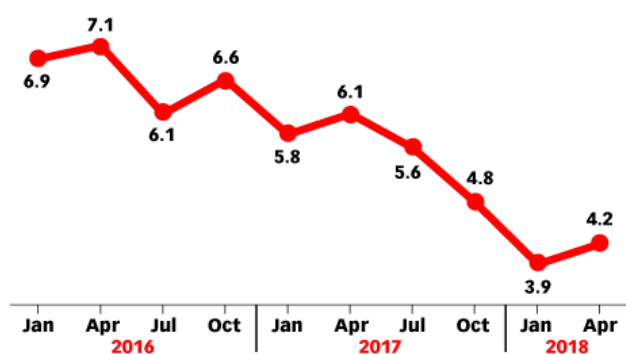
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During the past two years, advertisers have incrementally reduced how many platforms they use to buy inventory programmatically.

Ad tracking firm [Pathmatics](#) analyzed the top 100 advertisers on its platform and found that the number of demand-side platforms (DSPs) these advertisers use declined about 40% between January 2016 and April 2018. Two years ago, on average, advertisers ran at least 1% of their ad spend through about seven different DSPs each month. Now, however, they only use about four DSPs per month, according to the study.

**Average Number of DSPs Used by US Advertisers,
Jan 2016-April 2018**
among the largest 100 advertisers on the Pathmatics platform



Note: represents activity on the Pathmatics platform, broader industry metrics may vary
Source: Pathmatics, May 15, 2018

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The winnowing of DSPs certainly matters to the vendors looking to strike deals with advertisers. While advertisers using fewer DSPs will lead some firms to close and consolidate, it also means that those who keep their contracts with advertisers may see a greater share of their clients' ad spend than they used to.

A lot of consolidation has happened in the DSP space during the timeframe of Pathmatics' analysis. In just the past few years, Singtel's Amobee bought Turn; Sizmek acquired Rocket Fuel; Adobe purchased TubeMogul; Viant obtained Adelphic; Videology and ChoiceStream cratered; Tapad and Drawbridge stopped purchasing media; and Oath consolidated disparate DSPs from its AOL and Yahoo tech assets.

Because many DSPs rely on the same inventory, ad buyers who use a lot of DSPs are at risk of bidding against themselves, which can drive up the prices they pay for ad space. Programmatic platforms have also come under fire for charging hidden fees. These two issues make it convenient for programmatic ad buyers to advocate for dropping a vendor whenever they need to show their bosses evidence that they are doing something to make their ad tech work more efficiently.