

# Five Charts Showing Marketers' Views on Working With Vendors

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**O**ne of the biggest trends we'll see this year within martech and ad tech is growing pressure to clean up programmatic advertising.

**Fraud and transparency issues** are driving marketers to re-evaluate how they work with third-party tech firms. Here's what that looks like.

## **Marketers Are Reducing the Number of Partners They Work With**

Some marketing and media companies are finding that they're working with too many middlemen. According to Pathmatics, advertisers are **cutting back on the number of demand-side platforms (DSPs)** they use to buy inventory each month, and publishers are **reducing the number of supply-side platforms (SSPs)** they use to sell inventory.

In a spring 2018 study by **Sizmek** of 522 brand marketers in Europe and the US, 28% of respondents said it is a critical priority to reduce the number of vendors they work with. An additional 36% stated reducing vendors is a high priority.

**How Important Is Reducing the Number of Vendors/Partners They Work with to Brand Marketers in Europe and the US?**

% of respondents, Spring 2018

	US	Europe	Total
Critical priority	22%	31%	28%
High priority	38%	35%	36%
Low priority	28%	22%	24%
Not on our agenda	11%	10%	10%
Don't know/does not apply	1%	2%	2%

Note: n=522

Source: Sizmek, "Marketers Survey Results 2018: An Insider's Look at Media, Brand Safety, and Partnerships," Nov 14, 2018

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**Marketers See the Complex Supply Chain as Risky**

Eight in 10 marketers surveyed by Sizmek agreed that the digital media landscape has become too complex. The complexity of the ad supply chain has led publishers and advertisers to complain that tech vendors are receiving too many ad dollars. In March 2018, Warc estimated that the total "tech tax" accounted for 55% of all programmatic spend worldwide.

The complex ad supply chain is also making some marketers anxious that their tech partners could expose them to fines for breaking data privacy laws. In a June 2018 survey of 255 marketers worldwide conducted by Demandbase and Demand Metric, four in five respondents were concerned their tech vendors could put them at risk of violating the EU's General Data Protection Regulation (GDPR).

**Marketers Worldwide Who Are Concerned that Marketing Tech Vendors Might Expose Their Company to Legal Risks Because They Are Not GDPR Compliant, June 2018**

% of respondents



Source: Demandbase, "Data Privacy and the GDPR Benchmark Study Report" in conjunction with Demand Metric, July 31, 2018

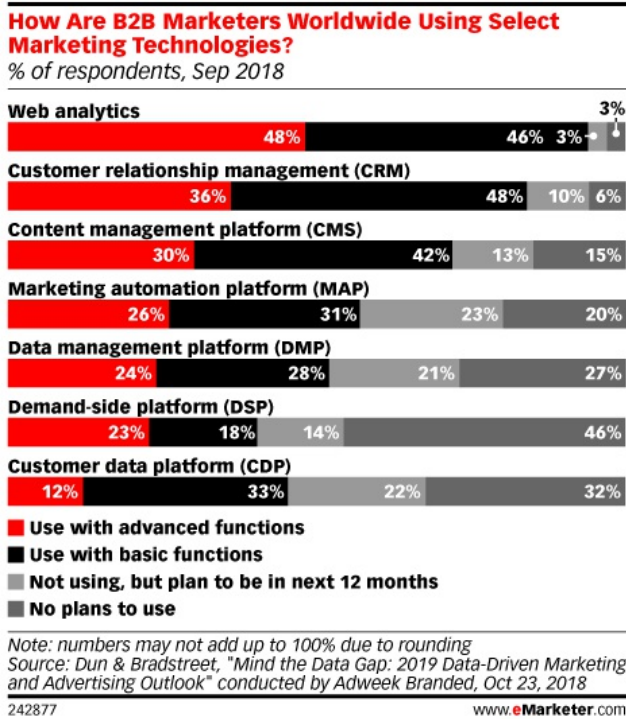
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## But Marketers Aren't Cutting Ties with All Vendors

Although tech fees and data privacy concerns have led some marketers to prioritize reducing the number of vendors they work with, marketers by and large will continue to rely on third-party tech firms to help them execute their digital campaigns.

In a September 2018 poll of 237 business-to-business (B2B) marketing professionals worldwide by [Dun & Bradstreet and Adweek Branded](#), web analytics and customer relationship management (CRM) platforms were the types of vendors most likely to be used with advanced functions. For newer vendor categories such as customer data platforms (CDPs), the polled marketers were more likely to use only the basic functions for these technologies.



A May 2018 survey of 446 advertisers and technology vendors by [Econsultancy and MediaMath](#) also found analytics and CRM companies to be among the vendors most utilized by advertisers.

Meanwhile, three in 10 respondents polled by Econsultancy and MediaMath said they use DSPs and demand management platforms (DMPs) as part of an integrated digital advertising strategy.

### What Technologies Do Advertisers, Agencies and Tech Vendors Worldwide Use as Part of an Integrated Digital Advertising Strategy?

% of respondents, May 2018

	Advertisers	Agencies and tech vendors
On-site analytics	62%	80%
Email management	52%	66%
CRM	47%	70%
Digital asset management	31%	13%
Demand-side platform	30%	23%
Demand management platform	29%	31%
App analytics	24%	21%
Other	1%	2%

Note: advertisers n=275; agencies/tech vendors n=91

Source: Econsultancy, "Dream vs. Reality: The State of Consumer-First and Omnichannel Marketing" in partnership with MediaMath, Sep 7, 2018

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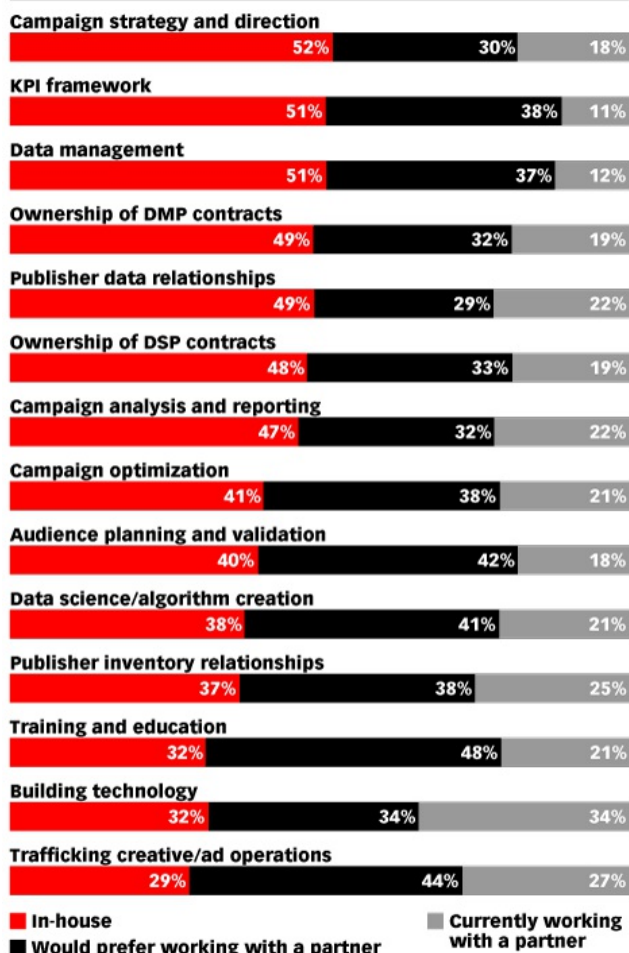
## Some Marketers Are Building Their Own Technology to Replace Vendors

Although some advertisers want to take more control over the ad buying process, most are content with leaving ad ops and **building technology to their vendors**, according to a study by the **Interactive Advertising Bureau (IAB) and Advertiser Perceptions**.

In April 2018, IAB and Advertiser Perceptions surveyed 119 US media decision-makers and found that roughly 30% of respondents preferred to build tech or do ad ops in-house. The rest of the respondents said they either work with a partner or would prefer to work with a partner for tech and ad ops.

**Programmatic Ad Functions for Which US Media Decision-Makers Would Consider Working with a Partner vs. In-House, April 2018**

% of respondents



Note: n=65 brands involved in programmatic in-housing; numbers may not add up to 100% due to rounding

Source: Interactive Advertising Bureau (IAB), "Programmatic In-Housing: Benefits, Challenges and Key Steps to Building Internal Capabilities" conducted by Advertiser Perceptions, May 22, 2018

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