

Publishers Are Using Fewer Sell-Side Vendors

Ad sellers and buyers alike are dropping vendors to reduce fees

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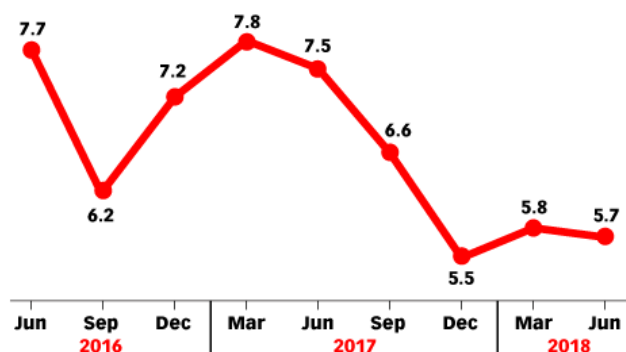
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Like their advertiser brethren, publishers are culling their programmatic vendors.

Ad tracking firm [Pathmatics](#) analyzed the biggest 500 US publishers in its system and found that the number of sell-side vendors these publishers use per month—including supply-side platforms (SSPs), ad networks and ad exchanges—declined 26% over the past two years. In June 2016, publishers used 7.7 vendors per month to sell their programmatic inventory, compared with 5.7 vendors as of June 2018.

Average Number of Ad Networks, Exchanges and Supply-Side Platforms (SSPs) Used by US Publishers, June 2016-June 2018

among the largest 500 publishers on the Pathmatics platform



Note: represents activity on the Pathmatics platform, broader industry metrics may vary

Source: Pathmatics, July 3, 2018

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There is a similar trajectory occurring on the buy side. 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. Advertisers used to run at least 1% of their ad spent through about seven DSPs per month, but now they use just about four DSPs per month.

Publishers are reducing SSPs at a time when concerns about ad tech taxes are high in the ad industry. To bring more clarity around opaque pricing, some publishers have **taken their vendors to court** while others **gripe to the press** about ad tech trickery.

After auditing the programmatic ecosystem in May, GroupM estimated that on average, DSPs and SSPs **each take about a 10% cut** of the ad spend flowing through their platforms. Getting rid of SSPs reduces competition for ad impressions, but this trade-off is worth it for publishers who wish to skirt vendors with high margins as well as those looking to reduce the amount of ad tags on their page to improve page speed.