

# Magic Quadrant for Ad Tech

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Amid a perfect storm of adversity in advertising markets, 74% of marketers optimistically expect to increase spending on digital advertising in the next 12 months. Evaluate these 14 key ad tech vendors as part of your advertising reboot.

## Market Definition/Description

Gartner defines the ad tech market as technology for managing digital advertising across channels, including display, video, over-the-top/connected TV (OTT/CTV), mobile, social and search with functions for:

- Targeting
- Campaign design
- Media buying
- Analysis
- Optimization
- Automation

Ad tech providers can be differentiated along two dimensions. The first is the degree to which they participate in the advertising market as sellers. At one extreme, providers such as Google and Amazon own and operate huge media properties that can only be acquired through their own ad tech tools. Media owners such as AT&T and Verizon also leverage substantial owned and operated media holdings by providing their ad tech with advantaged access. At the other end, providers such as Adobe, MediaMath, and The Trade Desk have no proprietary media interests and thus should present a more neutral view of the market. Many independent ad tech vendors have also negotiated preferential arrangements with networks of publishers that offer buyers advantages at the expense of market neutrality. The degree to which advertisers and agencies prioritize neutrality is generally proportional with the size of the media budgets they control, where larger budgets can be allocated

across walled gardens and unaffiliated platforms to provide a neutral view of the market without sacrificing optimal access to restricted properties.

The other dimension of differentiation is the degree to which each provider is pursuing a converged vision of media buying across traditional, digital and emerging TV channels. While all vendors in this evaluation have video advertising capabilities and acknowledge the growth of OTT/CTV as a digital channel, the extent to which they support the complex activities of converged media planning and buying varies. More advanced vendors offer self-service planning and buying tools that include media mix modeling and programmatic TV buying, but they can't remove complexities that require more skills and expertise than basic programmatic display or video. These include workflow features for RFPs and insertion orders (IOs) that characterize detailed negotiations typical of TV buying and that are far removed from the automated bidding strategies of programmatic markets. Such negotiations have historically been the business of media agencies, but many large brands, seeking greater transparency and automation, have been taking them in-house. Ad tech selection should correlate with your ambition and capability to take on these complexities with appropriate hiring and training investments.

## Magic Quadrant

### Figure 1. Magic Quadrant for Ad Tech





Source: Gartner (September 2020)

## Vendor Strengths and Cautions

### Adform

Adform is a Leader in this Magic Quadrant; in the last iteration of this research, it was also a Leader. Adform built its Integrated Advertising Platform from the ground up, and it offers both full buy-side and sell-side products. Its operations are mostly in Europe, and its clients are predominantly large enterprises with a mix of small and midsize enterprise customers across industry sectors. In 2019, Adform made significant investments in its products’ user experience and is still in the process of making changes. The company plans to further invest in the platform’s identity capabilities, updating the platform to rely on first-party data.

### Strengths

- **Interoperable products.** The Integrated Advertising Platform can be deployed in modules that are ad server, demand-side platform (DSP) and data management platform (DMP). While a majority of clients uses all three of these solutions, this piecemeal approach provides more sophisticated marketers with options to deploy best-of-breed technologies to serve their needs.
- **Flexible identity solution.** Adform's proprietary cross-device graph, plus the tracking tools from its tag management solution and ad server, allow marketers flexibility when staring down an unknown future for identity in advertising.
- **Dynamic creative.** In 2019, Adform launched DCO Pro, which unified its Product Retargeting, Dynamic Ads and Hybrid Solutions offerings. This offering remains one of the best-in-class dynamic creative optimization (DCO) tools on the market, providing ease of use and powerful templates to marketers looking to experiment.

### Cautions

- **User experience (UX) rollout.** Adform is still in the process of rolling out its Integrated Advertising Platform and updated UX to all users. Marketers evaluating new ad tech should consider asking whether this will be made available at the start of new engagements.
- **OTT/CTV strategy.** While Adform offers standard supply-side platform (SSP) integrations for OTT/CTV, this isn't a current area of focus. Marketers with a converged OTT/CTV strategy may consider supplementing with other providers.
- **Geographic strategy.** Adform's market share is primarily based in EMEA, with 17% of clients in North America.

### Adobe

Adobe is a Leader in this Magic Quadrant; in the last iteration of this research, it was also a Leader. Its Advertising Cloud products are broadly focused on programmatic advertising for video and display with strong connections to Adobe Analytics. Its operations are geographically diversified, and its clients tend to be large enterprises. Adobe has been investing in next-generation video and OTT/CTV offerings, including a partnership with Roku that allows customers to target first-party audience segments on Roku's platform. In 2020, Adobe exited the linear TV buying market and sunset its legacy ad network.

### Strengths

- **Completeness of vision.** Adobe's breadth of products and users provides it with a unique view of the full range of marketing applications and use cases that enhances its understanding of advertising's role within a broader customer journey. This results in high scores for market understanding and innovation.

- **Martech integration.** Advertising Cloud's integrations with Adobe's Experience Platform, Analytics and other applications in Marketing Cloud as well as Creative Cloud offerings provide marketers with a consolidated, holistic approach to audience activation and measurement. Its ability to leverage real-time customer profiles across paid and owned channels is a unique differentiator.
- **Channel support.** Adobe is one of the few ad tech platforms that includes paid search as a first-class channel. It boasts a long list of partnerships with premium publishers for video placement and operates in more markets than most ad tech providers.

### Cautions

- **Sales execution/pricing concerns.** Adobe's cost can be a barrier for small and midsize businesses, and some users complain that integration costs tend to run higher than expected based on Adobe's sales pitches.
- **Completeness of stand-alone solution.** While Adobe Advertising Cloud provides stand-alone capabilities on par with other ad tech leaders, users will need to connect it with other Adobe Experience Cloud applications to realize its full value.
- **Self-service challenges.** Adobe Advertising Cloud is an advanced platform with a significant learning curve and integration requirements that may require more support than anticipated. Adobe has launched new agency and individual self-service training programs and certifications to validate expertise on Advertising Cloud; however, users still often rely on third-party providers, which drives up costs and generates mixed results.

### Amazon

Amazon Advertising is a Challenger in this Magic Quadrant; in the last iteration of this research, it was also a Challenger. Its DSP supports ad placement on properties across the web (including Amazon), such as display, video and OTT/CTV ads. Its operations are geographically diversified, and its clients tend to be agencies, end-user marketing clients and publishers. Amazon's ad business has grown remarkably since 2017, and it has joined Google and Facebook as a top-three digital advertising platform outside of China.

### Strengths

- **Breadth of offering.** Amazon uses its resources and owned-and-operated inventory offerings (e.g., Fire TV and sponsored placements) to aggressively invest in attribution, video creative, reporting APIs and certified self-serve training. Though Amazon's advertising products are designed to be simple to use, they support more advanced, customized campaigns.
- **Self-service targeting.** Amazon's rich, exclusive audience data and end-to-end ad tech stack are of primary appeal to commerce-focused marketers. Advertisers can leverage Amazon's Audience Builder to draw on data including product views, purchases, keyword searches and Prime Video

views to target on-site and off-site inventory via the Amazon DSP, which includes publisher direct display, video and OTT/CTV inventory.

- **Transparency.** Amazon's DSP ads are sold at cost per impression, and Amazon provides transparency in terms of media cost and Amazon fees. For brands selling products on Amazon, connecting ads to sales on Amazon makes performance transparent and accountable.

### Cautions

- **Ad platform fragmentation.** Amazon's DSP offers programmatic access to inventory on and off Amazon properties, while Amazon's sponsored ads console is primarily designed for promoting products and services that can be bought directly on Amazon. While the company is taking steps to pull its portfolio together, integration remains a work in progress.
- **Category concentration.** Despite the vast amount of data Amazon collects from its properties, the data is of limited value for ad targeting and optimization in certain categories such as quick-service restaurants and financial services.
- **Closed-bidding architecture.** For programmatic buys, advertisers can only reach Amazon audiences and use Amazon measurement via Amazon DSP campaigns. This limits advertisers' ability to coordinate campaigns across other platforms.

*Amazon did not respond to requests for supplemental information. Therefore, Gartner analysis is based on other credible sources, including public information and discussions with Gartner clients that use Amazon products/solutions.*

### Amobee

Amobee is a Leader in this Magic Quadrant; in the last iteration of this research, it was a Challenger. Its ad tech products are broadly focused on converged advertising across TV, digital and social channels, providing consolidated access to reserved OTT/CTV inventory and real-time programmatic bidding markets. Its operations are geographically diversified, and its clients tend to be large enterprises. Amobee's partnerships and alliances reinforce its next-generation video and audio offerings. In 2019, it announced the launch of a comprehensive data marketplace for connected TV advertising.

### Strengths

- **Product strategy.** Amobee was among the first wave of ad tech providers to commit to a converged vision of fully integrated TV, digital and social ad management. It made two key acquisitions — Turn (2017) and Videology (2018) — and invested in development to meld them into a relatively seamless platform. This contributed to high scores for market understanding and innovation, and moved it into the Leaders' quadrant.

- **Full-funnel perspective with light data requirements.** Amobee leverages Nielsen's Gracenote's CTV automatic content recognition (ACR) network and other sources to form a hybrid identity graph of panel- and people-based data, which can be tied to offline results and analyzed across the full funnel. This is especially advantageous to data-challenged sectors such as CPG, automotive and pharma.
- **Focus on multibrand advertisers.** In contrast with platforms designed primarily with media agency users in mind, Amobee also has expertise with large advertisers bringing some or all of the programmatic services and technology in-house. The platform is often used to manage campaigns for multiple brands that share common key performance indicators (KPIs) and accounting methods. In-house marketers give Amobee's support team and core integrations, especially with CRM, high praise.

### Cautions

- **Learning curve.** Organizations seeking to adopt Amobee's full range of converged capabilities may find it takes longer to source or train staff to gain full mastery of its advanced features than with other platforms. This is especially true of the unique requirements of TV buying across global markets.
- **Campaign piloting challenges.** Users praise Amobee's recently overhauled UI but indicate that there are still areas where features and functions for campaign optimization are missing or unclear. Amobee offers detailed campaign diagnostics and bulk editing features, but the connection between recommendations and appropriate adjustments is currently manual and sometimes obscure. Some users note control over certain bidder parameters such as pacing is less flexible than in other DSPs.
- **User interface responsiveness.** Some users note that Amobee's console performs sluggishly at times, with longer-than-expected page load and refresh times. Amobee's roadmap includes a new version of the forecasting UI, which is scheduled for release in 4Q20, however this was not evaluated in this report.

### Beeswax

Beeswax is a Visionary in this Magic Quadrant. Its Bidder-as-a-Service (BaaS) product is mainly focused on customized access to the programmatic ecosystem via extensible APIs for bidding, campaign management and reporting. Its operations are primarily in North America and Western Europe, and its clients tend to be "own our own" shops with sophisticated analytics and programmatic capabilities, such as media and ad tech clients. Current and recent Beeswax investments include support for alternative, flexible and cookieless identity, enhancements to its Antenna data management clean room module for access to granular log file data, and an upgrade to audience and other targeting capabilities.

## Strengths

- **Custom-made configurations.** Beeswax's toolbox approach allows clients to make deep customizations across many aspects of data processing and functionality. BaaS also excels at deploying homegrown, multivariate models for bidding and delivery optimization, and to pass third-party audience identifiers in line with bid requests.
- **Data access.** By default, Beeswax offers clients access to all auction logs. This enables clients to create highly customized bidding agents, and proprietary algorithms and response models. It also enables clients to react fast by using in-house capabilities to exploit low-latency data feeds rather than wait for periodic reports.
- **Business model.** Beeswax's pricing is driven by software utilization, not media cost. Its flat monthly fee model is advantageous to high-volume media buyers who can take leverage economies of scale and minimize surcharges on premium ad buys while forecasting forward-looking expense models.

## Cautions

- **Not for the casual user.** Beeswax is geared at supporting sophisticated do-it-yourself (DIY) advertising operators. Many mainstream and less advanced marketers will find its complexity to be a nonstarter.
- **Limited format support.** Beeswax is focused on display and video, including OTT/CTV, and much less on search, social and out-of-home advertising.
- **Small organization.** Beeswax has a relatively small staff of fewer than 100 employees in focused geographies. Prospective clients will want to take care to ensure they have the appropriate level of access and support.

## Centro

Centro is a Challenger in this Magic Quadrant. Centro has been providing digital ad tech solutions since 2001. Its Basis product was first released in 2018, and features integrated DSP and workflow capabilities. Centro is focused on comprehensive digital advertising campaign orchestration, remote collaboration and media insights. Its operations are primarily in North America, and its clients tend to be small to midsize agencies and brands across a diversified mix of industries. Recent and current product investments include linear TV prebuy and reporting, increased bill/pay integrations, paid search and social media integrations, and business intelligence visualizations.

## Strengths

- **Ad orchestration capabilities.** Centro's Basis platform excels at coordinating and tracking campaign activity across direct, programmatic, search and social media. Users can communicate



with vendors and internal teams, manage vendor contracts, send campaign shells to external ad servers, and export media plans.

- **Thorough coverage of programmatic fundamentals.** Centro provides functionality for building media plans, targeting ads (via audience segmentation and contextual buys), deploying bidding tactics (multipliers) and engaging partners (for tasks like viewability and brand safety).
- **Wide-angle perspective.** Operational dashboards provide users with an overall look at insertion order status, campaign pacing, KPI performance and team communications while the scope of the product is enhanced with supply path optimization features, including visibility and line-item control over domain-level execution. API integrations with Google, Microsoft Ads, Facebook and LinkedIn round out Basis's capabilities.

### Cautions

- **Agency and midmarket focus.** Centro reports that 60% of its clients are agencies, with the balance primarily from brands with relatively small media budgets. Enterprise-level brand marketers may want to take orientation into account when considering the Basis platform.
- **Depth of integrated video support.** Although Centro has made some investments in TV capabilities, it has not currently built out the OTT/CTV or linear-specific planning, execution and measurement capabilities to the extent some competitors have.
- **Audience data management.** Centro hasn't invested as heavily as its competitors in identity management and audience data sourcing, management and curation. This strategy isn't unreasonable in an era of increased privacy regulation, cookie deprecation and antitrust. However, buyers should confirm the details of how audience targeting and campaign measurement will work, and expect that partners may be involved.

### Criteo

Criteo is a Challenger in this Magic Quadrant; in the last iteration of this research, it was a Challenger. Its Criteo Advertising Platform is broadly focused on providing performance-based advertising solutions for marketers, specifically in coordinating cross-channel marketing activities across a customer journey. Its operations are geographically diversified, and its clients tend to be large retailers, but it also appeals to small and midsize businesses. Recently, it launched a self-serve retail media platform and developed its self-service Management Center and audience-building capabilities to make its platform more accessible.

### Strengths

- **Ease of use.** Criteo's broad appeal is related to its ease of use. This shows in discussions with users of Gartner's client inquiry service and in evidence from Gartner Peer Insights, where users mention that the self-service platform is easy to use and manage.

- **Performance commitment.** Criteo's investment in developing retail media markets reflects a bottom-line focus on effective shopper marketing. It has a long history of prioritizing sales and conversion performance in its decision algorithms. It is one of the few independent providers willing to base compensation on its ability to deliver business results.
- **Product diversification.** In the last 18 months, Criteo has made significant investments in diversifying its products, which is especially important given the current and forthcoming limitations in third-party tracking. It recently reported that 23% of its clients use more than one of its products, up from 13% at the close of fiscal year 2018.

## Cautions

- **Transparency.** Marketers seek clarity with respect to a provider's underlying media sources, or inventory, and associated terms and costs. Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, consistently reveal a desire for improved transparency in media inventory. Criteo aims to continue to provide more transparency through its Management Center.
- **Narrow focus.** Because of Criteo's inventory focus, clients outside of retail, and travel and hospitality are better suited to other providers.
- **Dependence on tracking methodologies.** Criteo's dependence on tracking cookies (both third- and first-party) presents a vulnerability for this business as privacy-based restrictions mount. It aims to broaden into contextual targeting, yet this will be difficult to reconcile with a focus on performance measurement. Clients may consider fallback strategies and seek clarification as the platform continues to adapt to increasing restrictions.

## Google

Google is a Leader in this Magic Quadrant; in the last iteration of this research, it was also a Leader. Its Display & Video 360 DSP product is broadly focused on digital channels and provides exclusive programmatic access to certain Google-owned-and-operated properties (e.g., YouTube). Display & Video 360 is part of the Google Marketing Platform. Google's operations are geographically diversified, and its clients span from the largest advertisers to small and midsize companies. Google has continued to aggressively invest in enhancing Display & Video 360 and address privacy concerns related to cookie-based ad targeting and measurement via its Privacy Sandbox initiative.

## Strengths

- **Advanced planning and analytics tools.** Google offers a unique combination of extensible, advanced analytics tools and automation features to meet advertiser needs that range in sophistication from basic to fully customized. Its insight tools automatically surface

recommendations and provide instant reports that are immediately actionable, and its APIs are extensive and well-documented.

- **Proprietary reach and data.** Display & Video 360 supplies exclusive access to aggregate data in Google's massive dataset for audience profile analysis and targeting. Google's ability to provide audience-based frequency capping across all impressions managed by Display & Video 360 is a unique advantage.
- **Dominant ecosystem position.** Google's leadership position gives it considerable influence over the adoption of standards and practices in the ad tech ecosystem, ensuring that its products remain at the leading edge of evolving capabilities. Google's ad network gives it access to inventory and data from about 2 million websites, far more than any other ad tech provider or aggregator.

### Cautions

- **Regulatory threats.** Google's advertising business is reportedly under investigation by the U.S. Department of Justice over antitrust concerns. The EU's Competition Commission also continues to scrutinize Google's practices and has hit the company with numerous fines, which raises concerns that Google's ad platform may experience disruption if a breakup or other significant change in its business practices is mandated.
- **Closed environment.** Privacy considerations and profit motives have combined to reinforce Google's barrier around its data and media, resulting in strict limitations on marketer access to user-level data and media placement transparency. This limits marketers' abilities to apply analytics and insights outside of Google's environment and builds dependencies on Google's own reporting and measurement of the media it sells.
- **Support barriers.** Marketers and agencies of all sizes use Google. However, to work directly with Google, users must qualify based on overall media volume, ability to self-serve and maturity level. Qualifications vary by country. Marketers that don't qualify may work through Google-certified resellers, with mixed results.

### MediaMath

MediaMath is a Leader in this Magic Quadrant; in the last iteration of this research, it was a Leader. Its TerminalOne products are broadly focused on many aspects of programmatic advertising. Its clients tend to be large marketers who are based in North America but advertise globally.

MediaMath's recent and current investments include ongoing work to migrate all of its clients and partners to SOURCE, a media supply chain framework for transparency, modern commercial terms, and technology and data standards. Other areas of investment focus include a new end-to-end UI and CTV enhancements, including measurement.

## Strengths

- **Inventory quality.** MediaMath is focused on making systematic improvements to the quality and efficiency of digital programmatic media. The company builds on industry standards and direct, trusted relationships to prequalify ad inventory, which offers both efficiency (cost reduction) and brand safety benefits for ad buyers.
- **Brand focus.** MediaMath's client base has a high proportion of large end-user brands. This, coupled with the company's focus on a neutral approach to sourcing quality programmatic inventory, make for close alignment with the business objectives of large brand advertisers.
- **Analytics orientation.** MediaMath has a longstanding focus on machine learning for programmatic advertising. Its Brain product applies algorithms to campaign optimization and measurement to assess the impact of media on revenue and optimize for multiple campaign goals at once.

## Cautions

- **Integrated video capabilities.** While MediaMath has made several TV and video investments and partnership announcements, its capabilities lag behind some competitors. Buyers for whom advanced TV, including OTT/CTV, addressable, and data-driven linear are a priority may wish to press for clarity on how MediaMath will evolve its planning, execution and measurement capabilities in these areas.
- **Market uncertainty.** In mid-2020 several trade press reports speculated on the hiring of a financial advisor. Clients and partners have expressed concerns to Gartner; the company has confirmed the engagement focuses on operational and corporate financing.
- **Customer count.** MediaMath reported a year-over-year decline in the number of paying license holders it supports. While this is not necessarily correlated with the company's overall performance or delivery, it does vary significantly from the trend lines at some other vendors.

## Mediaocean

Mediaocean is a Visionary in this Magic Quadrant. Its Lumina product focuses on media planning, and its Prisma and Spectra products focus on broader media management. Its operations cover North America with Europe/Middle East and Asia/Pacific coverage. Its clients tend to be global media agencies and large brands with in-house agencies. Prisma workflows enable direct buying and external DSP integration. Mediaocean partners with IBM's business strategy division and Unilever on pilots to improve media buying efficiency and transparency. In July 2020, Mediaocean acquired 4C Insights, whose Scope product supports ad placement within closed ecosystems (e.g., Facebook, LinkedIn, Twitter, Amazon, and linear and connected TV). The acquisition is noteworthy but occurred too late to include in this evaluation.

## Strengths

- **Breadth of experience.** No other ad tech platform can match Mediaocean's extensive role supporting traditional media agency operations, leading to high scores for market understanding and industry strategy. It offers solid implementation, training and support, which also boosted scores for market responsiveness/record.
- **Converged media workflows.** Marketers and agencies seeking efficiency and effectiveness by combining traditional and digital media workflows, including planning and measurement, will benefit from Mediaocean's support for integrated operations and holistic approach to advertising.
- **Advanced enterprise role-based capabilities.** Mediaocean's scope of support extends well beyond media planners and buyers to include features for CMOs, finance, procurement, and other roles and applications that are impacted by media.

### Cautions

- **Some assembly required.** Mediaocean separates planning and execution functions in different products. Lumina is required for planning, while Prisma's specific focus on digital workflow for direct buys means marketers and agencies must rely on numerous integrations with ad servers, DSPs and exchanges to execute programmatic campaigns. This reflects a choice of market positioning that may align with the preferences of some organizations; nonetheless, it raises costs and support issues.
- **Focused on large-scale buyers.** Prisma is designed for agency (or in-house agency) users with complex operational and reporting requirements. It offers a wealth of advanced features and configuration options well beyond the needs of the smaller advertiser.
- **Dated UI design.** Prisma lags in the look and feel of its interface, which was reflected in relatively low scores for customer experience. It relies heavily on spreadsheet-style grid designs and hierarchical navigation, and lacks many of the automated recommendation and optimization features of newer platforms.

### The Trade Desk

The Trade Desk is a Leader in this Magic Quadrant; in the last iteration of this research, it was a Leader. The Trade Desk is a self-service platform for marketers looking to in-house their programmatic buying capabilities. The Trade Desk is headquartered in North America, with 24 offices across Asia/Pacific, Europe and North America, and its clients tend to be spread across a wide array of verticals. The Trade Desk made its education curriculum, the Edge Academy, open for all to use in early 2020 in response to the COVID-19 pandemic. It aims to help provide professionals with opportunities to upskill programmatic knowledge. It continues to invest in CTV features.

### Strengths

- **Advanced bid optimization capabilities.** Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, consistently revolve around The Trade Desk's advanced functionality (including its AI component Koa) and its bid-shading features as key differentiators.
- **Support.** The Trade Desk is a platform for more advanced media buying teams. Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, consistently center on The Trade Desk's service team as a true partner to help them achieve success.
- **Diverse partnerships.** The Trade Desk's partnerships provide access to unique inventory – such as Amazon Publisher Services, TikTok (in APAC) and Nextdoor – third-party offline measurement providers and marketplace quality providers such as White Ops.

### Cautions

- **Complexity.** The Trade Desk offers extensive features and functionality for advanced media buying, but the platform can be complex or intimidating to use, especially for new users. The platform's breadth of options and flexibility can intimidate users who lack a strong programmatic ad operations background.
- **Cost.** Although customers place a high value on The Trade Desk's capabilities, discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, consistently reveal concerns about price.
- **Programmatic-centric TV strategy.** The Trade Desk is deeply focused on providing advertisers access to programmatic TV planning, buying and measurement tools. However, nonprogrammatic TV advertising remains at the core of most brands' video advertising strategies, and the role of programmatic ad tech in the evolution of this market remains unclear.

### Verizon Media

Verizon Media (previously known as Oath) is a Niche Player in this Magic Quadrant; in the last iteration of this research, it was a Niche Player. Its DSP combines acquired products from AOL and Yahoo, and taps into Verizon-owned-and-operated media as well as access to external publishers and exchanges. Its operations are mostly focused in North America, though it also supports clients in EMEA, APAC and LATAM. Its clients include agencies and advertisers across a wide mix of sectors. Areas of investment include digital-out-of-home, advanced (addressable) TV enablement, and capabilities to specifically support media and streaming video providers.

### Strengths

- **Integrated video potential.** Verizon Media has a handful of owned-and-operated assets that include video inventory on Yahoo Sports, HuffPost and other digital properties, as well as linear and addressable pay TV inventory, via Fios TV. The company's wireless and ISP businesses put it in the role of last-mile OTT/CTV distributor for more than 100 million U.S. consumers. This mix of capabilities and assets, coupled with a fundamentally neutral position on ad inventory, is especially relevant to media and entertainment marketers.
- **Audience targeting.** Verizon Media leverages a broad spectrum of data, with access to over 1 billion consumers globally. This includes Verizon Media proprietary data (e.g., Verizon, Yahoo, HuffPost) alongside client and third-party data, which can be used for audience customization and cross-device targeting. The Verizon Media DSP can use Audience Builder to refine and expand targets with predictive modeling to scale campaigns across a wide range of media sources.
- **Track record.** Verizon Media has a long history of digital tech execution via its technology and media acquisitions. The company benefits from a broad range of history and experience across many industries, ad formats and campaign executions.

## Cautions

- **Enterprise orientation.** Verizon Media has historically had a large share of agency and enterprise users and brands, with a service model and support team geared for bigger accounts. As a result, it may require a steeper learning curve and be less flexible for smaller agencies and clients.
- **Uncertainty around corporate ad tech commitment.** Verizon Media's ad tech strategy has gone through several substantial changes of direction over recent years. In 2017, it jumped into ad tech by acquiring Yahoo and AOL, integrating the combined companies under the brand name Oath (since dropped, as the business became more closely aligned with the core Verizon brand). By 2018, it had written down nearly all of the \$9 billion investment it made in these companies. These developments raise reasonable questions about the level and nature of Verizon's long-term commitment to advertising technology.
- **Market presence.** No vendor in this evaluation identified Verizon Media as one of its top-three competitors. We have seen some evidence of growing market prominence since the second quarter of 2020 as the benefits of its AOL Yahoo integration become more widely acknowledged. However, Verizon Media still needs to raise its competitive profile to get more traction with prospective ad tech platform buyers.

## Xandr

Xandr is a Challenger in this Magic Quadrant; in the last iteration of this research, it was a Niche Player. Its operations are mostly focused in North America, and its clients are enterprises and agencies spending more than \$100 million on media annually. Xandr rebranded its DSP Xandr Invest in 2019. Xandr Invest is broadly focused across programmatic channels with a suite of functions for

media planners and buyers. As a subsidiary of AT&T and a part of WarnerMedia, Xandr's primary focus is video where its parents' content and distribution businesses give it access to premium content and data.

## Strengths

- **Proprietary data.** Xandr Invest provides access to AT&T's proprietary first-party and partner datasets, which feature 2,500 audience segments with cross-device identity resolution. AT&T collects explicit consent from its consumers for advanced, personalized advertising and attribution on CTV and mobile devices it supports. Xandr's identity graph provides a unified view of households and associated devices across 170 million customers.
- **Premium content.** Xandr Invest DSP provides preferred and, in some cases, exclusive access to some of AT&T's owned-and-operated inventory across both distribution and WarnerMedia's TV networks. It also has key content partnerships with Disney and AMC, and its complementary Monetize SSP product represents a large share of premium digital publishers around the globe.
- **Convergence commitment.** In March 2020, Xandr launched Invest TV, allowing TV buyers to plan and execute optimized data-driven linear TV buys across 25 networks via one self-serve UI. This enables more efficient audience deduplication and insights. Although this product was not part of our formal evaluation, it exemplifies Xandr's commitment to the vision of converged media planning and buying across TV and digital channels, which resulted in high scores for innovation.

## Cautions

- **Not a tool for novices.** Xandr Invest is designed for sophisticated users with detailed control over substantial multichannel media budgets. It offers advanced features such as splits — a programmable way to allocate budget portions to varying goals in a single line item — that can save time and improve efficiency in complex campaigns but are beyond the needs of marketers with more basic aspirations.
- **Organizational volatility.** Xandr experienced significant organizational changes over the past year. Several executives departed, including former CEO Brian Lesser. In 2020, Xandr was moved into WarnerMedia's Technology Organization. Subsequently, interim CEO Kirk McDonald departed. Although financial reporting shows Xandr has seen healthy growth, these changes concern marketers seeking organizational stability, leadership and platform independence.
- **Neutrality questions.** Now part of WarnerMedia, Xandr serves both buy-side advertisers and sell-side publishers with complementary products, which can raise concerns about whether buyers are getting an undistorted view of the marketplace. This condition is not unique to Xandr; however, some high-end advertisers prefer organizations that serve buyers exclusively to eliminate incentives to bias inventory presentation.



## Zeta Global

Zeta Global is a Niche Player in this Magic Quadrant. Zeta Global offers a DSP integrated in its platform. Its operations are focused in North America, and clients tend to be in financial services, travel and leisure, and consumer goods, often running lead generation campaigns with midsize budgets. Zeta Global has spent the last six months improving its bid management and data visualization while also adding more advanced features to its user interface. Over the last year, it acquired the DSPs Sizmek (Rocket Fuel), PlacelQ and IgnitionOne. Zeta Global plans to invest in further integrating these products while continuing to build its analysis capabilities outside of programmatic media.

### Strengths

- **Audience data.** Zeta's audience data has the capability to demonstrate interest and intent at scale. This is due to the Zeta Data Cloud, which relies on 750 million permission-based identities as well as 25 billion monthly signals from across 4.5 million online publishers.
- **Martech and ad tech convergence.** Zeta Global's offerings include a multichannel marketing hub. Marketers looking for an integrated martech and adtech solution, with email, mobile, website personalization, social, call center, and direct mail solutions, as well as outbound advertising, may benefit from this.
- **Active participation in mergers and acquisitions (M&As).** Zeta Global continues to acquire companies, such as Sizmek's DSP and DCO solutions, that have solid pedigrees in development. Zeta Global stands to continue to expand its technological capability and breadth as it continues with this strategy.

### Cautions

- **Integrating its acquisitions.** Zeta Global supports a number of channels via its portfolio of acquisitions, more recently IgnitionOne, PlacelQ and the Sizmek DSP. Still, the variety of underlying products can make seams between products visible and present a productivity challenge for advertisers focused on customer journey orchestration across channels.
- **North America-centric.** Although Zeta Global reports that its highest percentage of revenue is from agencies (70%), 91% of its clients are in North America (also among the highest reported in surveys for this Magic Quadrant).
- **Product roadmap.** Marketers should use care in evaluating Zeta Global's product roadmap. The lack of clarity as to where Zeta plans to develop its products could outweigh the allure of a combined martech and adtech "stack" for some.

## Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### **Added**

The following vendors were added to this Magic Quadrant based on the relevance of their offerings to the ad tech market and changes to the inclusion criteria that expanded its scope:

- Beeswax
- Centro
- Mediaocean
- Zeta Global

### **Dropped**

No vendors were dropped.

## **Inclusion and Exclusion Criteria**

For inclusion in the 2020 Magic Quadrant for Ad Tech, Gartner focused on vendors that offer the most relevant and compelling solutions for marketers. As market demand has shifted away from a primary focus on real-time-bidding markets for programmatic display, we have broadened the criteria to include vendors that do not offer native DSP functions. We've also shifted size criteria toward scale of managed impressions rather than financial requirements.

Thus, to qualify for inclusion in this year's Magic Quadrant for Ad Tech, vendors need:

- Over 10 billion managed ad impressions in fiscal year 2019.
- At least 10 current, referenceable, publicly traded enterprise clients, each with publicly reported revenue exceeding \$2 billion per year; at least three must be net new client wins signed within calendar year 2019.
- Self-service user interface for marketers that supports media buying.
- Support for display, video and at least two additional marketing channels from the following list:
  - Mobile in-app
  - OTT/CTV

- Linear TV
  - Social
  - Native
  - Audio
  - Out-of-home
- Named partners for ad verification and certified measurement.
  - Public General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA) compliance plans.
  - Active physical presence in North America and Europe (other regions a plus).

## Evaluation Criteria

### Ability to Execute

Gartner analysts evaluate vendors on the quality and efficacy of the processes, systems, methods or procedures that enable technology provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation within Gartner's view of the market.

**Table 1: Ability to Execute Evaluation Criteria**

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Medium
Customer Experience	High

Evaluation Criteria ↓	Weighting ↓
Operations	Medium

Source: Gartner (September 2020)

## Completeness of Vision

Gartner analysts evaluate vendors on their ability to convincingly articulate logical statements. This includes current and future market direction, innovation, customer needs, and competitive forces and how well they map to Gartner's view of the market.

**Table 2: Completeness of Vision Evaluation Criteria**

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	Low
Innovation	Medium
Geographic Strategy	Low

Source: Gartner (September 2020)

## Quadrant Descriptions

### Leaders

Leaders in this Magic Quadrant are noteworthy for the scale and performance of their platform solutions. They offer end-to-end support for advertising across channels and formats, and generally operate without geographical boundaries. They execute extreme volumes of real-time transactions

and have proven ability to support users ranging from single-brand marketers to the largest global media agencies.

## Challengers

Challengers in this Magic Quadrant perform as well as (or better than) Leaders but tend to focus more narrowly on certain channels, strategies or nonenterprise buyer profiles. Challengers are positioned close to the Leaders Quadrant and, in many cases, their specialization is an advantage to some buyers.

## Visionaries

Visionaries in this Magic Quadrant take a different approach to the market. Given the market's current challenges, everyone will likely need a new approach before long, so volatility may give visionaries the edge. Note that one of our visionaries (Beeswax) is comparatively new to the market while the other (Mediaocean) has been around since well before the internet. With privacy controls fully in place, the future vision of digital advertising may resemble the preinternet market more than many ad tech providers have planned for.

## Niche Players

Niche Players in this Magic Quadrant have acquired solid assets in ad tech but trail the market in addressing what we see as enterprise marketers' most pressing needs. We note, however, that both Zeta Global and Verizon have made significant strides in advancing their ad tech products over the past year and expect them to continue to be competitive.

## Context

Before investing in ad tech, marketers should consider the following:

- **Evaluate whether you should have an in-house digital media agency.** In general, if your digital advertising budget exceeds \$50 million per year, you likely have a strong case for building an in-house team and infrastructure. If you spend less than \$10 million, you're likely better off outsourcing. In between, consider a hybrid approach. See [How to Take Programmatic Advertising In-House](#) for more details.
- **Take a cautious approach to in-house ad tech adoption, and budget sufficiently for training and hiring.** Start with pilot campaigns limited to one or a few channels and focused on the most measurable metrics, such as sales or incremental site visits. Set a three-year goal of converged ad operations. Don't skimp on the planning and measurement phases — see [Market Guide for Integrated Media Planning Tools](#) and [Market Guide for Strategic Marketing Measurement](#) for more details.
- **Determine if you may benefit from licensing your own ad tech software and requiring your agency or service provider to use it, if you're not considering an in-house team.** Owning the license and

outsourcing operations has a number of benefits, such as automatic ownership of all ad data generated, transparent access to all reporting and tracking functions, and ease of switching agencies. It will not necessarily cost less, though, because many ad tech providers offer preferential pricing to agencies and service providers based on their high volumes of media spending.

- **Know what ad tech tools media agencies plan to use and use this guide to understand their strengths and cautions.** Ensure that your agency, whether in-house or external, has objective coverage of ad verification, including viewability and fraud detection, as well as brand safety measures in place. Involve your privacy office in evaluating their compliance with applicable laws, principles and data protection standards.
- **Keep track of the shifting landscape of privacy laws and technology changes that affect targeting and measurement strategies.** Design ad tech evaluations with data governance and aggregate measurement in mind. Use scenario planning to protect against overdependency on any particular outcome. See [How to Plan for Privacy's Impact on Targeted Advertising](#) for more details.

## Market Overview

The ad tech market faces unprecedented disruption on several fronts (see [Hype Cycle for Digital Advertising, 2020](#)). Privacy laws and deprecation of tracking technologies such as cookies and mobile ad IDs (MAIDs) have dealt a mortal blow to its legacy core foundation of audience targeting: the ability to buy impressions based on each viewer's behavior or identity. Meanwhile, the digital advertising market, following a decade of double-digit growth rates, is projected to be flattened by COVID-19 in 2020. <sup>1</sup> This puts even more pressure on providers whose most common form of compensation is share of media spend. It also suggests continued consolidation of small and midsize independent ad tech players is inevitable, including small vendors in this research.

Despite flat-to-negative growth, digital video remains a bright spot, forecast by MAGNA to grow 10% in 2020. <sup>1</sup> This is driving ad tech companies to focus on bringing OTT/CTV into their mix as quickly as possible.

On the buy side, Gartner's 2020 CMO Spend Survey indicated that, although 28% of respondents stated they had canceled a media buy due to the COVID-19 crisis, CMOs feel confident on the outlook for paid media in the coming 12 months. On average, 74% said they expect to increase spending on digital advertising, and 66% expect to increase spending on paid search <sup>2</sup>. This may reflect an optimistic view that economies will recover rapidly in the first half of 2021.

Gartner's 2019 Marketing Technology Survey, fielded from August through November 2019, also suggests a potential upside for ad tech specifically. Twenty-one percent of respondents in that survey indicated they planned to deploy DSP technology within the next two years. Nearly half (47%) indicated they had either deployed or were in the process of deploying it, while 26% had no current

plans, and only 6% had deployed but mostly abandoned ad tech <sup>3</sup>. Marketers cite both cost savings and a desire for control and transparency as reasons to acquire their own ad tech.

The dream of converged markets and infrastructure for TV and digital has been with us for over a decade. While momentum continues to gather, marketers should be clear-eyed about the challenges ahead. Along with privacy, lack of transparency and legacy entrenchment, 2020 has revealed that new forms of TV buying may be inheriting digital's vulnerability to fraud. Several schemes for generating fraudulent traffic have recently been uncovered, and one security firm projects fraud to claim up to 17% of OTT/CTV spending. <sup>4</sup> Marketers will need to double down on verification and performance metrics to ensure their ad investments are reaching real people. Ad tech, as well, has a long way to go to address the many problems that continue to plague its beleaguered innovations.

## Evidence

<sup>1</sup> [Magna Further Slashes 2020 Ad Sales Outlook Due to the Coronavirus Pandemic](#), Magna.

<sup>2</sup> See [2020 CMO Spend Survey, Part 2: CMOs Protect Digital Channels and Martech \(for Now\)](#)

**Gartner's 2020 CMO Spend Survey:** The purpose of this survey is to understand the marketing priorities and budget allocations of marketers that help clients benchmark, allocate spend and prioritize. The research was conducted online from March 2020 through May 2020 among 432 respondents in the United States (44%), Canada (8%), France (12%), Germany (11%) and the United Kingdom (25%). Respondents were required to have involvement in decisions pertaining to setting or influencing marketing strategy and planning, as well as have involvement in aligning marketing budget/resources. Eighty-four percent of the respondents came from organizations with \$1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (55), high tech (49), manufacturing (68), consumer products (44), media (50), retail (55), healthcare providers (38), IT and business services (27), and travel and hospitality (46).

The survey was developed collaboratively by a team of Gartner analysts who follow marketing, and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

*Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.*

<sup>3</sup> See [Survey Analysis: Identify and Adopt Mature and Emerging Technologies in Your Martech Stack](#)

**Gartner's 2019 Marketing Technology Survey:** Results presented are based on a Gartner study to understand how marketers are investing in, deploying and getting value out of technology. The primary research was conducted online from August 2019 through September 2019 among 418 respondents in the United States (45%), Canada (7%), France (11%), Germany (12%) and the United Kingdom (25%). Eighty-three percent of the respondents came from organizations with \$1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (56 respondents), high tech (30 respondents), manufacturing (102 respondents), consumer products (38

respondents), media (31 respondents), retail (47 respondents), healthcare providers (37 respondents), IT and business services (40 respondents), and travel (37 respondents). Respondents were required to have involvement in decisions pertaining to setting or influencing marketing technology strategy.

The survey was developed collaboratively by a team of Gartner analysts who follow marketing, and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

*Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.*

<sup>4</sup> [OTT Ad Fraud to Hit \\$4 Billion in 2020, Says CHEQ](#), Cynopsis Media.

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.



**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

## Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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