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The bridge between AdTech and MarTech has received a lot of attention in the last few years, and deservedly so. The marketplace for digital marketing is constantly setting new boundaries, fueled by increasing investments in digital advertising and the expanding capabilities of both advertising and marketing technologies.

Digital advertising revenues in the United States alone surged to an all-time high of $40.1 billion for the first half of 2017, up 22.6% from the $32.7 billion reported in 2016, according to the IAB Internet Advertising Revenue Report. Internet advertising continues to show strong growth, with 2017 being the highest year in revenues to date, exceeding 2016’s previous high of $72.5 billion.

A core trend driving this momentum is traditional publishers buying into AdTech more than ever before. As more data and more tech enter the digital marketing ecosystem, these traditional players find themselves driven by the need to better monetize and adapt their businesses in an era of increasing personalization. While AdTech allows the publishers to collect data and offer market leading ad solutions, publishers are now starting to feel the pressure to make the most of all the data at their disposal, so they are increasingly complementing it with more MarTech solutions.

While Adtech enables scaling, MarTech enables relevancy and personalization. The publishers’ aim is simple: to deliver personalized, relevant, end-user experiences across the entire customer life cycle. As convergence becomes imminent, publishers cannot afford to stand idly by. To remain competitive as a publisher, you must invest in new technologies to expand your offering far beyond traditional solutions to provide the best service to your advertisers (and end users). The majority of publishers (with the exception of a few big names) lack the technological expertise and/or necessary resources to compete with titans such as Google and Facebook. Instead, the best option is to partner up with independent solution providers to deliver these capabilities and best leverage the data for relevancy and personalization.
A COMPLEX SYSTEM

Rapid advancements in technology have turned marketing and advertising into complex systems. End users are digital-savvy demanding buyers, who expect seamless, personalized experiences at their convenience. Therefore, providing advertisers with a complete and integrated view of your audience across the Internet is becoming a necessity in today’s world. The trouble is this is much easier said than done.

The AdTech arena is complicated both for publishers and advertisers. In many cases, the variety of technologies and data is overwhelming for some publishers who are afraid to adopt solutions that could potentially harm user experience and even damage their entire business.

Managing online advertising has always been a challenge which has been amplified each year by new innovations that have come to market such as demand and supply-side platforms, ad servers, ad networks and exchanges, etc. Things are relatively easier if you are a large publisher with a dedicated team: you can always train or hire groups of people and assign them to complex tasks such as ad stack management or demand optimization. However, small publishers don't have that kind of luxury and don’t have the money for such ventures. It's why many stick with Google’s DFP (Doubleclick for Publishers) or AdSense: it simplifies everything and let’s face it – rarely (if ever) does someone get fired for using Google.

Due to a constant growth of online inventories many new technologies have entered the market to target this newly available ad space and successfully connect the advertisers and the publishers. The core aim of these sophisticated technical solutions is to seamlessly deal with (at first) the overwhelming number of publishers and advertisers wanting to do business together and then (and more importantly), efficiently manage the matching process of ads to the inventory.

On the other hand, MarTech allows for the management of contacts to create a personalized and relevant experience. Take email as an example. There’s a tangible name and face behind that email address that provides an opportunity to generate and nurture a personal long-lasting relationship.
“MADTECH”

It’s no secret that publishers want to forge an ongoing relationship with their audience, something that marketers routinely achieve. However, the pain point is they lack the ability to create these connections on an unique individual basis. While in theory the combination of advertising and marketing technologies can easily solve this, the reality is it often requires many different product integrations with deep and complex technological capabilities.

Take programmatic advertising as an example. While surfing the web, prospects and customers make themselves available to be reached a dozen times a day, across countless publishers. Yes, it is critical to determine who the actual person behind these cookies and devices is and what she really means to the business in terms of where she is in her buyer’s journey with that business. To do this effectively, it is critical to take into account everything you know about that individual.

Joining AdTech and MarTech together effectively positions publishers for a one-on-one relationship with their end users across every conceivable domain they visit. The convergence allows for all these multiple technologies patch-worked together to be replaced with a seamless one product solution. This makes it possible to refine publishing into a highly efficient and powerful machine, with a focus on creating and driving value for advertisers by creating a more personal and relevant end-user experience, thereby forging a stronger relationship with those users.

However the path to this seamless and effortless personalized user experience is not easy as the lines between media, advertising and accompanying technology blur. MadTech, as some affectionately call it, has another side, the one that is so perfectly captured within its name… “MadTech”.

It’s a mad world out there, especially for publishers who find the sheer level of technology maddening. It creates higher expectations, with which some publishers are not necessarily equipped to deal with. As a result, this creates pain for publishers who still prefer the traditional “media” model over “technology”. However, this preference should change and evolve as more and more publishers realize they cannot afford to ignore the opportunities for creating and offering relevant content to their subscribers and consequently creating revenue for themselves by charging advertisers to access their end-users.
THE NEED FOR A STRATEGIC APPROACH

The main difference between AdTech and MarTech is that AdTech is generally used to convert a stranger into a lead, while MarTech is usually associated with personalizing and nurturing an existing relationship for retention and upsell. The end goal of both technologies is to generate a larger number of higher paying customers.

With this in mind, AdTech enables MarTech to reach its goals at scale. From the publisher’s standpoint, technology such as programmatic advertising has helped to dramatically change the way they are able to cater to a larger number of specific audiences, leading to a larger potential audience. In a market that basically values scale above everything else, a publisher’s main draw is reaching large-scale audiences. With marketing, there’s a limited volume of data that can be extracted from CRM systems: hundreds of thousands of records, whereas AdTech raises this bar and deals with millions and billions of records for anonymous customer information. However, these new integrations alone can’t adequately bring data together for better personalization without the help of MarTech.

As a publisher you therefore need a strategic approach so you can quickly jump on board the convergence train to adopt this complementary relationship and to overcome the many hurdles in the way. Lack of technological capabilities is a major reason why small and medium-sized publishers struggle to keep up with the times. There are too many aspects to deal with on their own, such as different ad formats, complex codes, technical issues, and this is just on the ad side. Then you have the MarTech side of personalization and relevancy.

Another hurdle is the increasing reliance on social media as a traffic source. The fact that publishers are so dependent on social media networks doesn’t help their cause and it’s easy to understand why. Social media’s appeal is far too large to ignore as there are more than three billion users around the globe. However, this leaves publishers at the whim and restrictions of each individual network. For instance, Facebook once again made some changes to its newsfeed and implemented an algorithm that favors user content over publisher content.
Publishers on these platforms can't control their content from either a commercial or editorial standpoint (or both) which therefore comes with a high level of risk. Publishers have to live with the constant looming fear of social networks changing their policy whenever they want. Therefore, as a publisher you need to diversify your traffic source away from these social platforms so these abrupt changes by one traffic source such as Facebook doesn't yield grave consequences to your business.

Adding to this overall stress and confusion is the inability to precisely measure the reach and effectiveness of various ad formats, particularly new ones. Without proper measurement, publishers struggle to ascertain the true value of their online property, which seriously diminishes their revenue opportunities. Marketing technology in all its shapes and forms is easily available and constantly adapting to meet this need, however it's up to publishers to implement it and acquire the knowledge to leverage it so it can be used to its fullest.

Some publishers are beginning to realize that user experience through personalized and specific advertising is crucial. Instead of ads shouting out to buyers as they have done historically, they can now become a legitimate engagement tool in the customer journey. With many advancements made to solve the industry challenges, the inevitable convergence of AdTech and MarTech is poised to be the solution that leads to long-term success.

This is how greenfield opportunities arise for both businesses and publishers. Throughout its history, MarTech has had the ability to create a one-to-one relationship with an existing customer in channels where they have subscribed, such as with email. For MarTech, accuracy is of prime importance and unlike AdTech, there is more precision and a lot less fraud. MarTech might not be as innovative and exciting as AdTech but it is a proven medium.
HOW TO START? 
WHERE TO BEGIN?

Understanding that you need a strategy to overcome all the different hurdles is just the first part. Now you need to know how to begin so that you can bring the two technologies together to enable one-to-one marketing in every environment.

For publishers, one of the best and easiest starting points for tackling convergence is with email. Email has been around for quite some time so it’s familiar. Yes, email is as old as the internet itself but now it has a new use. It’s not just a traditional MarTech tool: it can now also be used as an AdTech tool.

Email represents a great way to generate revenue, especially with automation that can be tied to it. Plus, it contains a treasure trove of data collected over time and it persists across different websites and customer’s digital footprints. Going further and this is something that many overlook: email is tied to actual people and not a device. This is why email is a central pillar to more personalized communication and can result in greater monetization.

That’s Jeff Kupietzky, CEO of PowerInbox, a company that’s one of the innovation leaders when it comes to email monetization, real-time personalization, and dynamic subscriber engagement. The key here is to build new audiences and retain existing ones with a tailored personalized experience. Here’s an example: every opened email can be used to match the end-user with previous click history, location, and revealed preferences. When opened, the reader receives a targeted ad that matches the predefined criteria and is the best fit for that user. If the email is opened again, the process is optimized with a brand-new ad being delivered on each open. The end result is a full cycle of personalized messaging targeted as close to perfect as possible.

“The era of mass marketing in the age of social media is long gone. Publishers now have to identify what a specific reader is looking for and then provide that material.”
WHY THE CHANGE IS HAPPENING NOW

While AdTech and MarTech currently operate under different spheres and imply a certain level of complexity, you’ll soon realize that they are in fact “two sides of the same coin”. The merger of these two technologies is part of a broader marketing initiative that shifts focus away from scaling and towards relevancy. The customer of today wants an engaging and meaningful experience and only the right combination of technologies can deliver this.

As two of the biggest buzzwords in online marketing, AdTech and MarTech are an expanding part of an equally fast-growing industry, it means the bridge between these solutions is a long and challenging one to provide a fully functional and efficient cross-channel coverage of the customer’s journey. While some integrations currently exist, the overall concept is still in its relative infancy. Why is the change happening as we speak?

The ad world is crowded with publishers, advertisers and new technology. As new developments set new standards, the entire marketing and advertising ecosystem needs to move ahead with a fresh batch of solutions that meet these new demands. The ability to react instantly in this new marketing and advertising ecosystem is a huge advantage for all the players involved. Delaying convergence risks being overwhelmed by the need to catch up fast later on, or risk losing substantial market share.

Converging your technologies now can reap many rewards for your business:

**Reduce the waste of resources.** Publishers struggle to understand their technology stack and different components within it. With multiple systems in place, many are trying to “crack” AdTech and MarTech separately before uniting their approach. The point of convergence is to get a singular, more comprehensive experience by merging the best of both worlds. Trying to master a technology that is likely to be outdated soon is a waste of precious time and resources. Instead by perfecting both AdTech and MarTech under a converged approach would see this effort drive a much higher return.

**Get ahead of the competition.** Arguably, it becomes harder to **catch up when the market is moving forward without you.** With both advertising and marketing development on the fast track, you can increase the chances of losing your end users if you don’t adapt quickly to the data and tech-driven approach. That’s why speed is such a powerful weapon in this fast-paced environment. Relying on yesterday’s solutions (while managing them individually) won’t help you win over end users tomorrow. The sooner you delve into AdTech and MarTech convergence, the faster you’ll position your publication to grab a larger share of your reader’s attention.

**Better data centralization.** The biggest hurdle in organizations when it comes to data is operating in silos. Different individual systems create data silos that not only slow down the convergence but negatively impact business outcomes. Maintaining current technology stacks means plugging data into disconnected systems. That effectively cancels any meaningful scalability while amounting to high levels of dirty work in terms of cleaning up once the AdTech/MarTech integration becomes a necessity and/or a priority.
THE OBSTACLES TO A SUCCESSFUL CONVERGENCE

Even though pros far outweigh the cons, there are still some considerable obstacles ahead. When looking at the elements of the classic business model (buyers, suppliers, costs, competencies, pricing, etc.), it’s easy to see that AdTech and MarTech are different on many levels and by different, we mean almost everything is different.

Decision-making. While the CMO is the central figure in managing the overall spend for acquiring and retaining customers, those under the CMO have a conflicted approach. On the one side there are those who are responsible for growing an audience (AdTech), while on the other side there are those responsible for retention and upsell (MarTech). This means the CMO is being pulled in different directions.

Then, different customer data is needed based on the differing requirements. MarTech emphasizes depth and accuracy, while AdTech focuses on recency. In addition, there is a difference in what is known about the user. In AdTech it is usually an anonymous cookie versus in MarTech where there is a unique, known customer.

Finally, as the complexity of the technology and systems increases, the need for specialized skills to run those systems increases. The final risk is the training and development of the staff is different depending on which side they are working on. As convergence raises the need for expertise across both, it becomes harder to recruit, train and develop the right staff.

While none of the factors are disqualifying in themselves, as they won’t overwhelm the publishers’ desire to achieve a universal view of their activity and everything that goes along with it, these are still all factors that are very much worth considering.
The marriage of these two technologies is a part of a wider mindset change that primarily focuses on relevance as opposed to scaling. Modern audiences are technically savvy, demanding experiences that are more attention-grabbing and relevant. The proper technology mix will allow publishers to seamlessly deliver it. Some businesses are already recognizing that AdTech and MarTech are affecting their digital footprint, regardless of its size. The market is poised to remain tough as nails for undifferentiated propositions, which is where publishers have a clear opportunity to leverage their own data. This is a perfect chance to make the customer experience their own and build a long-term relationship with their end users. However, there must be an incentive for the end user to continue the conversation, something meaningful to them. That’s how publishers up the ante and get to know their audience better.

Customer relationship is key in this new age. One of the main reasons why publishers need all the actionable and relevant data they can get their hands on is the ability to deliver powerful content. That is the foundation for a long-lasting connection: learn who your audience is so that you can have deeper, meaningful conversations with them.

The need for a more personal approach is in the center of this union. According to research by The Boston Consulting Group of VPs and C-suite executive at more than 50 companies with sales of at least $500 million each, those that use technology and data to offer personalized experiences are seeing revenue increase by 6% to 10%. For retail, healthcare and financial services alone, personalization is a real game changer that will push the revenue shift of around $800 billion over the course of the next five years to the 15% of companies that get it right. The BCG survey also showed that many companies are making significant investments in personalization with half of the survey respondents having more than 25 employees dedicated to personalization programs, spending more than $5 million a year on personalization campaigns. However, 65% are still using segmented marketing or even mass-market approaches.
If the implications of higher revenue aren’t convincing enough, here’s how else the intersection of advertising and marketing technologies can prove beneficial.

To generate personalized experiences, there’s a whole lot you need to do: track, measure, and optimize all audience interactions across multiple touchpoints. The union of AdTech and MarTech systems enables a better understanding of the consumer behavior through a single customer view. The silo effect breaks down and data becomes less disconnected and more centralized for easier and accurate use.

Naturally, analyzing performance across multiple marketing and advertising systems means metrics and KPIs become disjointed as well. You end up with contrasting measurement tactics across the landscape, particularly duplicate success metrics based on the same KPI (i.e. conversion, lead). By combining data and normalizing it, convergence dictates measurement across both sides, and ties up the organization together around a uniform set of business goals and KPIs.

Convergence also affects the cost of acquisition vs. cost of retention narrative. Nearly one out of two businesses have a greater focus on acquisition rather than retention, despite the fact that it costs five times more to obtain a new customer than to keep an existing one. What’s more, reacquiring lost customers carries an even higher cost. In that sense, AdTech and MarTech unification provides a more organized and smarter approach to both prospecting and retention efforts. Integrated systems will operate smarter and more efficiently, thus providing valuable data that will drive organizations forward. By gaining insight into which combination of advertising and marketing channels, and strategies yield the best results for specific audience segments, publishers can increase their long-term value to their advertisers by helping create a more intimate connection with prospects and customers.

“There has to be a move to segments of one.”
Jeff Kupietzky, CEO of PowerInbox
EMAIL AT THE FOREFRONT OF THE CONVERGENCE

We’ve seen that advertisers can’t rely on regular DSPs (Demand Supply Platforms) to create a meaningful dialogue with prospects and customers. Where can they turn? Among all the modern bells and whistles, email is an often overlooked channel that opens up a direct connection to the end user. What’s more, that channel is private and quite intimate, especially since end users are interacting with their inbox via smartphone more than ever.

However, email can do much more than ‘just’ provide you with a private and direct channel to individuals. It also provides you (the publisher) with a sea of data that can be activated, which means you can learn about your readers’ experience and tweak it accordingly. Consequently, this will help you provide advertisers an opportunity for an amplified ad optimizing experience.

How is this being done, exactly?

Consumers have been using their email address as a unique identifier across a wide variety of online services for a long time. By looking at an end user’s engagement through email, it is much easier to understand how that individual behaves online — her entire digital footprint becomes more easily visible.

On top of all that, email is oriented towards people and not towards devices, which is an important element to consider. We are moving away from cookies, and generally away from identifying people through the devices they are using. The focus is now more on the actual human behind the machine. With that in mind, there is no better way to learn about audiences than through their use of email.

Email, this often overlooked tool, is now being seen as essential in building that bridge between AdTech and MarTech. It allows for more accurate results; better audience reach and a better understanding of the ideal frequency of messages on a one-on-one basis.

“For publishers, bringing together marketing and ad buying/optimization is good news. The MarTech tool selection process will be as tough as ever. Perhaps even more complex, with more features to consider and more people that need to have a say in the debate whether to choose an all-in-one versus best-of-breed point solutions. What is the biggest win? It could be in time-to-get-a-campaign-out-the-door, if you can reduce the number of steps. It could be in the coordination between owned and paid media, making better use of your lower cost channels like email, favorable over AdWords, Facebook ads. The biggest win might just be in bringing together the data in a customer data platform, not even campaign execution, but (finally?) breaking down some customer data silo’s.”

Jordie van Rijn, email marketing consultant and founder of Email Vendor Selection
Visionary publishers would like nothing more than to see AdTech and MarTech integrate more together so they can deliver a unique customer experience throughout the entire customer journey.

“Publishers have to move from what’s popular and mass market to get to 1:1 - which is a page right out of the MarTech playbook.”

Jeff Kupietzky, CEO of PowerInbox

Where does this leave AdTech? Such platforms will become fused with the rest of the MarTech stack from a technology, operations, and organizational standpoint. This specifically means that the majority of AdTech platforms have to continue to grow in terms of capabilities. As publishers are more interested in driving business results and KPIs:

- **Share information** in order to provide direct marketing with mass-media scale.
- **Solve for attribution** beyond online and offline channels, as well as different formats of advertising (native, display, video, etc.).
- Serve more **relevant content** for more precise targeting, thus delivering more relevancy and personalization.
- **Transition to a new platform** and deeply integrate with a range of backend systems such as marketing automation solutions will be necessary in creating an entirely new and independent ecosystem.
On the other hand, MarTech platforms will grow across advertising, search, and social environments. They too will have to evolve their capabilities, starting from:

- **Zero in on customer earlier in the funnel.** By targeting customers earlier in their journey (something AdTech already does), the marketing side will be able to deliver the right product or service at the right time via the right channel, largely driven by machine learning and demographic-based targeting.

- **Scale on a large basis** will come into play as marketing is lagging behind publishing in this particular category. AdTech platforms were designed for delivering millions of impressions on a real time basis, while their marketing counterparts were not.

- **Content-oriented.** It’s not like content has been underappreciated in marketing, but advertising such as video or display had the benefit of leveraging content metadata to fuel ad targeting and delivery. During the course of the convergence, MarTech platforms will become more content-centric and aware, designing new features that will enable the creation of more personalized and relevant campaigns and offers in order to reach the pinnacle of 1:1 marketing.
Today, numerous publishers use a wide array of technologies to manage their monetization efforts. These go from email Ad Servers and demand side platforms (to name a few), with each platform creating valuable interaction and audience data that can be leveraged to advance monetization. However, the data is scattered across multiple systems with no easy way to tie it together. AdTech and MarTech make it feasible to target intended audiences, so that you can help advertisers reach an intended audience that is more likely to be receptive, and more importantly - more eager to convert.

Convergence isn’t just about different platforms merging their capabilities. It’s about seamlessly integrating separate data they produce in order to establish a singular well of insights (a “single source of truth”, if you will). This includes practically everything: marketing, media performance, user-based understanding of what offers, content, creatives, and other tactics work best for whom. Publishers involved in this merger need this type of intelligence to attract and hold on to today’s consumers who are empowered as never before. They expect a whole lot from their interactions with publishers, particularly personalization-wise. A seamless AdTech/MarTech convergence will help you crack the personalization code, enabling the timely and relevant delivery of communications that will improve your ability to provide a better customer experience.
WHAT PUBLISHERS NEED TO DO TO STAY RELEVANT

Awareness is the number one goal for you, as a publisher who wants to stay in the game and be relevant. The landscape is changing, whether you like it or not. If you have not started thinking about convergence - that’s perfectly ok. It’s a topic that’s hard to digest that is introducing a lot of unknown elements. Even though the convergence is happening as we speak, it’s at the very beginning, meaning now is the right time to be a part of it. Here is how.

Your inventory becomes far more valuable when it’s more “human”. Having intimate knowledge about your end users is a very valuable commodity. Advertisers are willing to pay (and handsomely, we might add) to reach people with quantifiable traits, especially if there’s an entire range of actionable insights up for grabs. **Follow these steps to get started:**

- **Unify your data.** The first step is to take full advantage of all the data for a more customer-centric journey. Use data as the foundation and converge from both technologies. There is a data problem between anonymous and known data. By joining data, you gain advanced knowledge of your end users. Matching non-personal identifiable information (non-PII) such as cookies or device ID to marketers’ PII such as purchase intents and habits completes end user profiles, allowing a more personalized and, ultimately, fruitful relationship.

- **Form a strategy.** Choose 2-3 specific use cases to begin convergence and **form a strategy** in order to manage a problem you are trying to solve. Do you have marketing technology that you can utilize? Are you currently running digital advertising? How can you connect the dots for your business? Get to the nitty-gritty and identify your audience so you can improve targeting. Customers do not exist only in email, social media or display; why should your messages be in silos? Be selective with your metrics; refine your attribution model. Putting effort into audience development and tracking them through different channels will create a better relationship with the customer.
To do so, **understand your tech stack** and how different systems and solutions will work together. In order to avoid redundancy and ensure efficiency, you will need to know exactly how the pieces fit together. There are companies out there that offer sophisticated solutions: various real-time notifications, dynamic emails, new and creative ad types that will refresh your approach to monetization. It will keep you up with the industry and help implement your strategy.

Last but not least, you really need to **leverage good old email**. It’s a Swiss army knife of both AdTech and MarTech. You can use it as a way to advertise, to drive traffic, to engage, to acquire, to reach lapsed customers. But most importantly, email offers you a unique identifier that syncs all of the data points of the end user between her inbox and online activity. Email then becomes the unifying factor between marketing and publishing to deliver the most personalized and relevant content. Plus, it’s a technology you are already familiar with in great detail.

To summarize, MarTech is catering to the known audience, while AdTech is preoccupied with the unknown audience. The premise is simple: reach out to someone with the right message at the right time and he/she is more likely to engage. The AdTech/MarTech convergence enables you to provide that capability on a regular basis. The marriage of the technologies means AdTech starts a personal conversation and MarTech continues it. To survive, you have to jumpstart the process in order to officially marry the two and be successful.

These should be exciting times for you. **Should** because if you don’t adapt, you’re unlikely to survive for very long as the world moves on without you. With more tech and data in play, you need to be good at both and combine them: scaling from AdTech and personalization from MarTech. Those who don’t worry about it much, if at all, are the publishers that risk being left behind.

The convergence is happening, making one-to-one relationships come true for publishers who want to be in control of the conversation irrelevant of the environment or device in question.

Whether you want to be a part of it is completely up to you.