

Here's one corner of the digital ad world that Google and Facebook don't dominate

Author : Mark Bergen

Date : April 26, 2016



If money is spent to hawk something online, chances are it goes through **Google** or **Facebook**.

The two have locked down the bulk of **digital advertising** — an estimated [85 cents of every new dollar spent now](#) — leaving a slew of other companies to fight for the scraps.

But dollars spent **advertising** to workplaces don't necessarily go to **Google** or **Facebook**. They go to enterprise companies that specialize in what's typically called "**marketing** technology," rather than ad tech. It's a growing industry — one that **Google** is looking to edge into.

As are several competitors. One of them, an email **marketing** company called [Adestra](#), just poached a **Google** sales exec to lead its effort. Matt McGowan, head of strategy for **Google's** ad agency relations, is joining **Adestra** as president as the London-based company tries to compete with market leaders **Adobe**, **Oracle**, **Salesforce** and **IBM**.

Those four netted roughly \$4 billion of the \$5.8 billion spent on enterprise **marketing** software, according to Forrester. And the first three are clocking 20 percent or more of annual growth. **IBM** is growing more slowly.

But they're only reaching huge companies, claims **Adestra**. "They're all concentrating very hard on servicing the top end," said **COO Steve Denner**. "[Smaller] companies are just getting left behind by the great march to the **marketing** stack."

That "stack" is shorthand for a range of services — from analytics to data management and **marketing** automation software — and **Google** wants in. The company recently shuffled its sales organization, blending its sizable display ad sales team with its analytics team, which provides Web measurement tools. Then, last month, it launched a new product — the **Google Analytics 360 Suite** — meant to compete with **Adobe** and **Oracle**.

That might not be so easy. These cloud **marketing** companies have locked customers into their systems over the years.

“These solutions are extremely sticky and hard to displace,” said **Ari Paparo**, **CEO** of the ad tech company **Beeswax** and an industry vet. “The email business is also very mature and difficult for marketers to justify switching.”

Adestra says it has a nice position in that business, claiming 40 percent annual sales growth for the last 10 years. It wouldn’t share revenue numbers, but says it’s profitable and now hiring a competitive sales team.

“We’re looking for people that have been carrying million-dollar accounts for years and hitting them,” said **Adestra’s** Denner.

//