# Should I
# Build, Rent or Buy
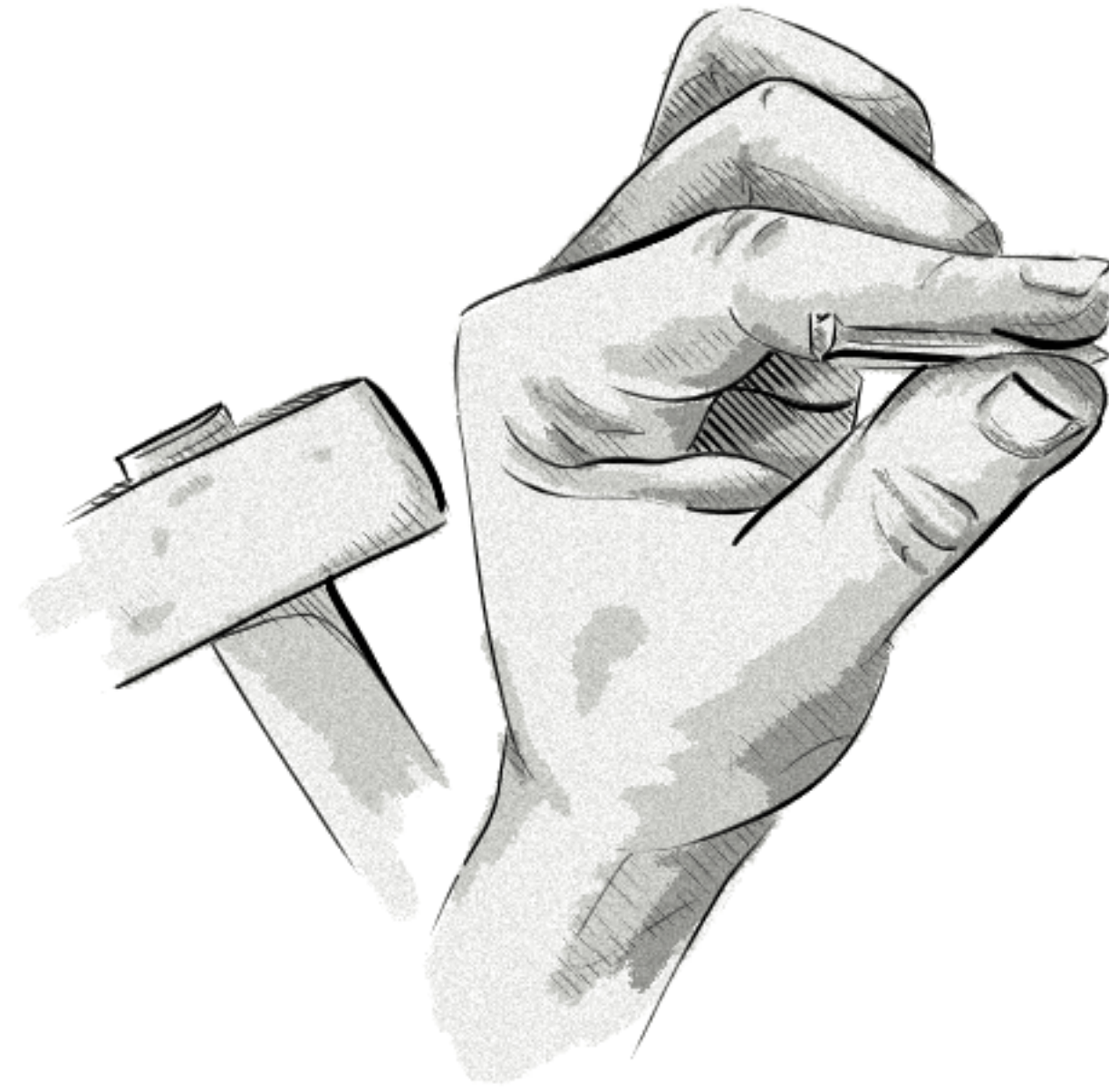# an AdTech or MarTech Platform?

E.g. a DSP, SSP, ad server, CDP, etc.

Many tech companies, brands and agencies **ask themselves this question...**

should we
**build, rent or buy**
an AdTech or MarTech platform?

In fact, this is often one of the main questions companies ask when enquiring about our AdTech and MarTech development services.

The **build vs rent vs buy** topic has been around for over a decade, but there is often some confusion about what these terms mean.

# Building
## an AdTech or MarTech Platform

# What does building an AdTech or MarTech platform mean?

Building an AdTech or MarTech platform means developing the software from the ground up.

It includes:

- Designing the UX/UI (i.e the user interface)

- Writing the code (both backend and frontend)

- Testing the code

- Designing the infrastructure architecture

# Who benefits from building an AdTech or MarTech platform?

- **AdTech** and **MarTech companies**

- **Tech companies** from **other industries**

- Medium- and large-sized **publishers** and **agencies**

- **Media companies**

# What are the advantages of building AdTech or MarTech platforms?

**Data ownership**: Owning the collected data makes it easier for the company's clients to comply with various data protection and privacy laws, such as the GDPR, and monetize the data.

**Ownership of the intellectual property (IP)**: You'll have control over the code base and algorithms and it'll increase the value of your company.

**Control over the features and product roadmap**: You'll be able to achieve your business goals, strategy and vision, as well as differentiate your company from the competition.

**Reduction of fees and commissions**: Building and owning an AdTech platform can remove the markup that's added by AdTech vendors, which is usually between 10% and 30%, allowing you to potentially save millions of dollars per year.

# What are the disadvantages of building an AdTech or MarTech platform?

**A large amount of financial investment:** Particularly at the beginning of development.

**Time investment:** Building the first working version (MVP) may take a minimum of 6 months.

**Technical support:** You'll need to maintain the platform after it's been built.

# How much does it cost to build an AdTech or MarTech platform?

The cost will vary depending on:

**The different development options**: Companies can build the AdTech or MarTech platform with an in-house development team, outsourcing company or specialized technical partner.

**The experience and expertise**: It can be hard to find developers with experience in designing, building and maintaining AdTech platforms. If you hire new developers, then there's a steep and long learning curve, which means crucial development time will be lost in training the new developers.

An inexperienced development team may work out cheaper in the short term, but if they don't know how the online advertising technology ecosystem works, then spending $100,000 on an MVP may not meet the main business objectives and requirements.

# How long does it take to design and build an AdTech or MarTech platform?

The time it takes to design and build the minimum viable product (MVP) of an AdTech or MarTech platform varies depending on a number of factors, including:

**Budget and timeframes**: A large budget will mean that more developers (e.g. 6+) can work on the project, resulting in the MVP being released sooner.

**Features**: The more features included in the MVP, the longer it will take to build. Generally, the MVP will contain only the necessary set of features needed to test the platform with initial users and stakeholders.

**Technical complexities**: There are always some key challenges that will need to be resolved, regardless of the type of the platform, such as setting up integrations with other AdTech, MarTech and data platforms.

# Minimum Viable Product

**In software development**:

- The goal is to build the MVP within 6 months.

- The process depends on a number of factors including the client's business goals and requirements.

- Some projects may last 6 months while others may last up to 18 months.

At Clearcode, we've worked on many AdTech and MarTech development projects over the years. View our case studies to learn more.

# Renting

an AdTech or MarTech Platform

# What does renting an AdTech or MarTech platform mean?

It basically means signing an agreement with an existing vendor and paying a subscription or licensing fee.

- The fee is usually paid on a monthly basis.
- It allows companies to start using the platform straightaway as they don't need to build it first.

# Who benefits from renting an AdTech or MarTech platform?

- **Brands** and small- and medium-sized **agencies**.
- Small- and medium-sized **publishers**.

# What are the advantages of renting an AdTech or MarTech platform?

**You can start using the tech straightaway:** In most cases, you can start using the platform within hours of creating an account, but some platforms may take a few months to set up.

**Lower upfront costs:** A majority of AdTech platforms charge a percentage of media spend, meaning you don't need to pay any upfront costs.

# What are the disadvantages of renting an AdTech or MarTech platform?

**No control over the features or product roadmap:** It can be problematic if you are using the platform on behalf of clients as you won't be able build new features that they request.

**No ownership of the tech or data:** Leasing a platform means you won't own the tech and you may lose ownership of some types of data.

**Fees and commissions:** Renting an AdTech or MarTech platform means you'll be paying commissions and fees. Building your own AdTech or MarTech platform can help you save money in the long run, even when you take into account the cost of building and maintaining it.
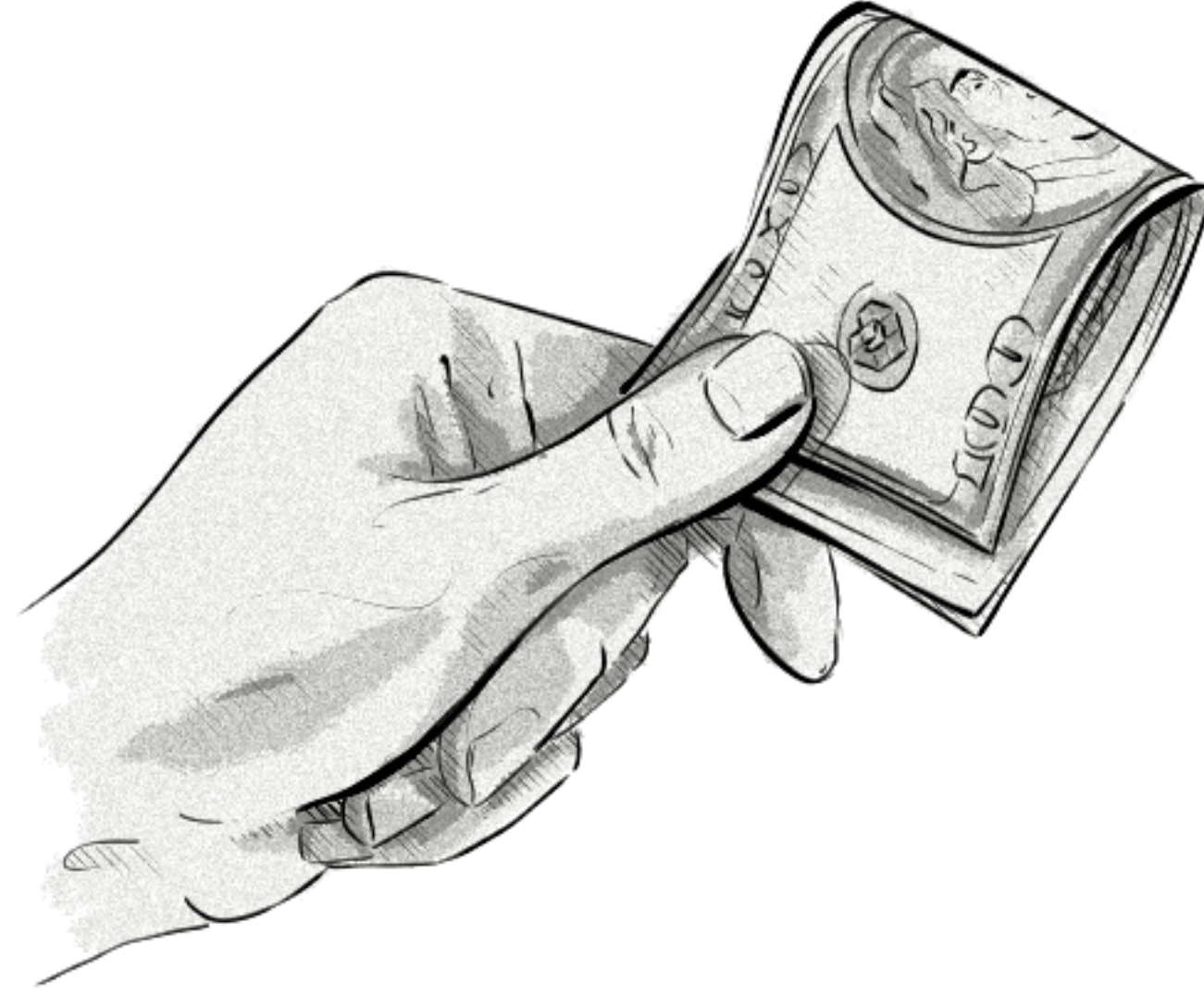
# **Buying**

an AdTech or MarTech Platform

# Who benefits from buying an AdTech or MarTech platform?

- Large companies, e.g. telcos and media companies.
- Private equity companies.

# What does buying an AdTech or MarTech platform mean?

It typically means acquiring an existing company and using the tech for your own purposes or adding it to your client offering.

- It is the least popular option as it requires a large sum of money to cover legal costs and the actual purchase of the company (i.e the AdTech or MarTech vendor).
- Buying an existing platform is only for the large players with a lot of available cash at hand.

# What are the advantages of buying an AdTech or MarTech platform?

**Ownership over the tech, IP and data:** The owner of the AdTech or MarTech platform has control over the technology and its data.

**Immediate use of the platform:** The platform can be used immediately.

**Control over the features and product roadmap:** There may be some limitations with customizations, integrations, and features, but these can be built depending on the quality of the database and infrastructure's architecture.

**Competitive advantage**: Buying an AdTech or MarTech platform allows companies to gain instant access to a specific industry or introduce new revenue streams.

# What are the disadvantages of buying an AdTech or MarTech platform?

**The purchase cost**: The cost to acquire a tech company may amount to millions of dollars, hundreds of millions or even billions.

**Other costs**: Besides the actual cost of purchase there are also legal costs to cover.

**The risk of the acquisition failing**: Acquiring a company may not always result in a positive ROI or bring additional value (in money terms).

In many cases, building an AdTech or MarTech platform will work out cheaper than acquiring an existing one and it can help you decrease risk by incrementally building the tech and getting feedback from users along the way to increase the value of it over time.

# Questions?

Contact us!

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