



## Criteo: From Retargeter to Commerce Marketing Ecosystem

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### IDC's Quick Take

On Tuesday, October 10, 2017, Criteo [announced](#) the launch of two new products: Criteo Customer Acquisition is designed to acquire new customers by targeting display ads and product recommendations at them, using Criteo's Shopper Graph data. Criteo Audience Match makes it easier for marketers to re-engage existing customers by allowing them to match customer relationship management (CRM) data they own with Criteo's data, thus creating richer profiles on them. The company also announced the Criteo Commerce Ecosystem, comprised of its existing and the new products, and its consumer data base Criteo Shopper Graph.

### Event Highlights

With the launch of these new products, Criteo now enables commerce marketers to reach customers at all three stages of their relationship with them: when they are acquiring prospects (acquisition), convincing them to purchase something (conversion), and, once they have become customers, going back to them to sell more to them (re-engagement).

The French company with international footprint used to be known as "the" retargeting company, purely focused on conversion. (It is still known as just that to some, even in our industry, and especially in the United States.) Its Criteo Dynamic Retargeting product still makes it the undisputed leader in that segment.

However, last year, it set out to transform itself from a retargeter into a commerce marketing platform (or "ecosystem" as the company calls it). Its focus is on helping commerce marketers, both at brands and at retailers, drive sales, i.e., it is designed to support performance, not brand marketing. In 2016, it launched two products: Criteo Predictive Search optimizes product ads in Google Shopping and supports acquisition. Criteo Sponsored Products gives marketers an equivalent to Amazon Sponsored Products outside of Amazon and supports conversion. Now, it is adding Criteo Customer Acquisition (acquisition) and Criteo Audience Match (re-engagement) to its portfolio.

Both marketers and competitors should take note of this development. For buyers, Criteo is becoming a serious option for direct response marketing. As far as other vendors are concerned, it is competing with both demand-side platforms (DSPs) in advertising, as well as marketing automation offers from Adobe, Salesforce, Oracle, Google, Neustar and IBM. They should take Criteo seriously, even if for years, it has flown under the radar. It is not a lightweight: It is publicly traded, and, for the argument's sake, made nine times as much revenue last year as The Trade Desk, the leading DSP (even if, granted, Criteo is not a pure-breed DSP).

Criteo is well positioned for future growth for two reasons. For one, clearly, the now largely separate advertising and marketing automation segments are set to merge around central data repositories in the coming years. The company is already present in both, and will be able to benefit from that development. Its CEO, Eric Eichmann, argues that Criteo is not only present in a future marketing

industry that also encompasses advertising, but defines and dominates a new segment, namely, commerce marketing.

Secondly, Criteo positions itself as commerce marketers' Switzerland, enabling them to compete with the emerging new retail giants. Both brands and retailers are worried that the emergence of digital/offline retail giants such as Amazon/Wholefoods and Google/Walmart might sideline them. They are concerned that consumers' access to their products might be curtailed, which in turn might drive customers away from them. But their biggest worry is that Amazon, Google and Facebook have access to a lot more data than they do, and they do understand that data will determine their commercial fate. Here, Criteo offers them access to its data cooperative of tens of thousands of clients (Shopper Graph), in which they receive aggregated data from thousands of other Criteo clients in return for feeding their own data into it. This is an offer that makes Criteo attract to many retailers and brands who are not Amazon.

### IDC's Point of View

Criteo's further development will be interesting to watch, both in terms of in-house product development as well as in terms of further acquisitions. Of course, with a market capitalization of just \$3 billion, it might be an interesting acquisition candidate itself for Adobe, Salesforce, Oracle or Facebook.

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