

Could Paris be the Adtech capital of the world?

Picture an entrepreneur launching a tech business and selecting a city for their new HQ... San Francisco, London, New York, perhaps even Amsterdam and Berlin, are all under consideration. But for Adtech startups, Paris should probably be top of that list. Why? Because it's arguably the Adtech capital of the world, that's why.

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The French capital is generally seen as an expensive playground for luxury brands and high-end fashion. In other words, not the best place to launch a high-growth business. And it's certainly true that the French have lagged behind their European neighbours in supporting entrepreneurship. From regulations, to cost of living, access to talent, funding and tax schemes, France has more barriers to new business growth than most. Germany and the UK have invested heavily in innovation for decades, and their funding levels have outstripped anything in France until recently. That's even before considering the funding available in the US, China or India - all of which dwarf France. The common refrain from VC boardrooms and corridors of power within France is: why can't we build any unicorns?

The answer may be under their noses: focus on Adtech.

For a place with so many of the aforementioned barriers, French startups innovate disproportionately within advertising. To understand why, let's consider some of the notable doyens of French Adtech.

Criteo

When it launched in 2005, Criteo created retargeting. Any visitor to your site could be tracked with ads across the entire web. It publicly listed on the NASDAQ at the end of 2013, the first French startup to do so, with a market cap of \$3B.

Teads

Teads was born in 2011, and invented outstream video as well as being the leader in native video formats. Revenue has almost tripled since being purchased by French conglomerate Altice in 2017.

Tradelab

An innovator in augmented programmatic purchasing since launch in 2007, Tradelab was one of the biggest independent experts in verticalized media trading, until its acquisition by Webedia and merger with Jellyfish earlier this year.

All these businesses began in an era that the fresh-faced entrepreneurs of today wouldn't recognise. The early 2000s were still exceedingly bureaucratic, even by French standards. But important regulatory changes began under Jacques Chirac. The Jeune Entreprise Innovante (Young Innovative Company, JEI) and Crédit d'impôt recherche (Research tax Credit, CIR) schemes gave young businesses exemptions from some social security and corporate tax payments, alongside tax credits for any R&D conducted in France. This meant that young, innovative, research and data-driven businesses, such as those in Adtech, could be launched in France with a host of financial advantages.

These schemes pushed a new group of entrepreneurs to take advantage of a rich production line of engineering talent. While it can still be

relatively onerous to hire and fire in France, the tech talent available is unquestionable. French high schools place a heavier emphasis on maths and sciences than in many other western countries and, as a consequence, France has as many Fields Medallists - the ultimate mathematics accolade - as the US. Couple this with an excellent and inexpensive public university system, an uber-competitive top tier of engineering schools and some of the best business schools in the world, and it's no surprise that France pumps out technical and entrepreneurial talent at a rate matched by few other nations.

When it comes specifically to advertising, it also helps that two of the largest media buying groups in the world, Havas and Publicis are both based in Paris. Remember that hypothetical startup from the beginning of this story? If they found an office near the Pont d'Alma, not only would they have views of the Seine and the Eiffel Tower, they could walk up the street and in ten minutes be discussing global ad expenditure in the billions. For Adtech businesses, this means the country is the perfect sandbox. Just large enough a market to be financially interesting to any brand with global ambitions, and linguistically isolated enough to test new tech and business models.

This is where the next breed of innovative Adtech startups can see the global potential, and use France as their springboard.

Ogury

Ogury was founded, funded and launched in France in 2014 and delivers greater ad engagement by bringing advertisers, publishers and consumers together in a trusted ecosystem based around user consent.

KMTX

KMTX is only a few years old but already has built strong market

penetration of its managed programmatic services. Taking a cue from automated financial trading, their AI delivers exceptional, optimized performance compared to other platforms.

Adikteev

Launched in 2012 as a complete mobile advertising solution, Adikteev has metamorphosed since then and is currently focused on app engagement and retargeting, where it ranks among the best in the world for performance.

So, founders take note. If you're in Adtech, you should consider taking advantage of everything France, and Paris in particular, has to offer. And investors, keep an eye on any young and innovative Adtech businesses founded in Paris. They just might be located in the best place for building the next Adtech unicorn.

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