



State of Marketing Technology 2018

# Maximizing the Value of Martech Innovations



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As consumer demands for seamless, personalized experiences skyrocket, marketers turn to sophisticated technologies to meet those needs. Automation relieves the pressure, data-driven insights ease the pain – and according to the State of Marketing Technology 2018 report, marketers want even more help from technology in the months and years to come.

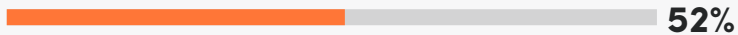
We know from our State of Marketing Technology 2017 report<sup>1</sup> that marketing organizations have made strides in embracing martech innovations and building best-of-breed stacks. However, slow and steady has yet to win the race. In 2018, most organizations still lack the agility necessary to derive full value from their technology investments.

To add more fuel to the fire, vendors aren't making organizations' lives any easier. Faced with quickly growing competition, vendors tend to highlight their solutions' features and benefits rather than how organizations can best use them alongside their current strategies. Organizations must understand how their teams will absorb solutions before they will feel confident in a purchase.

Our third annual report, created by Walker Sands Communications in partnership with [chiefmartec.com](http://chiefmartec.com), works to fill in the missing pieces. Based on a survey of 300 professional marketers, the survey finds that marketing organizations need more help maximizing the benefits of their martech solutions to keep up with the rate of innovation.



# Key Findings



## Marketers have rejected the “set it and forget it” philosophy.

Fifty-two percent of marketers assess their martech stacks at least every six months.



## Marketing organizations will increase their martech budgets.

Sixty-five percent of marketing organizations say they plan to increase their spend on martech in the next year.



## Marketing organizations can’t keep up with the rate of martech innovation.

Sixty-three percent of marketers feel the martech landscape has evolved rapidly or at light speed in the last year, while only 28 percent feel the same about their company’s use of martech.



## The future of marketing requires both technology and creativity.

Fifty-six percent of marketers believe an equal mix of creativity and technology will drive marketing strategies five years from now.



# Martech's Biggest Adoption Challenge Isn't Interest

Marketers understand the importance of keeping pace with martech innovation, and they're proving it. Organizations have made room for internal martech discussions and they plan to increase their martech spend in the year ahead.



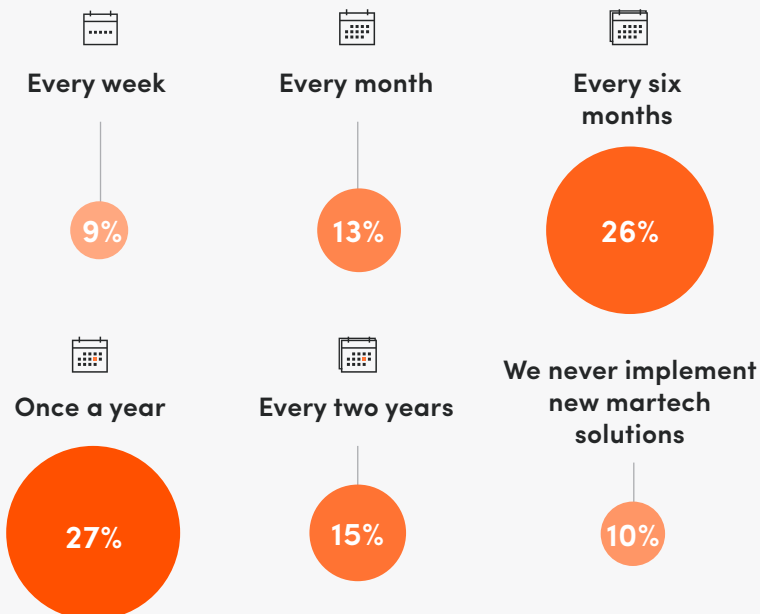
Most marketing organizations add tools to their stack every six months to a year, which is a rational adoption strategy. Companies strive to keep up with new technologies, but also understand it's unrealistic (and unhealthy) to add new tools every month. However, as vendors ramp up the speed at which they bring new offerings

to market, it becomes more difficult for decision makers to not only keep pace with the rate of innovation within the martech space, but also generate ROI from their investments.

This has been the case since our first report from 2016<sup>2</sup>.

<sup>2</sup> <https://www.walkersands.com/New-Martech-Buyer-Journey>

### How often does your company add new tools to its marketing technology stack?



Source: Walker Sands State of Marketing Technology 2018

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**Marketing technology is evolving faster than most marketing organizations can absorb it.**

— Scott Brinker  
Founder and editor of [chiefmartec.com](http://chiefmartec.com)



Most marketing organizations still cannot implement solutions at the same rate that the technology evolves, or in pace with their own hopes for the future. Three years of unmet expectations later, and organizations experience the same troubles.

However, marketers are aware of their own struggles to keep

up. The majority of respondents assess their martech stacks at least every six months. Even in the face of adoption challenges, marketers have rejected a “set it and forget it” approach to martech investments. Organizations respect marketing technologies and operations as true disciplines, not just an ad hoc set of tools.

**How often does your company assess its marketing technology stack holistically to ensure you have the right tools to meet your goals?**



Source: Walker Sands State of Marketing Technology 2018. Percentages don't add up to 100% due to rounding.







## First Comes Agility, then Adoption

Most marketers can't keep up with the rate of innovation within the martech ecosystem, leaving them unable to assess new technology based on features and benefits. Instead, marketers focus only on solutions that are easy to implement, allowing them to keep their heads above water.





While 63 percent of marketers feel the martech landscape has evolved rapidly or at light speed in the last year, only 28 percent feel their company's use of martech has advanced at the same pace.

To date, only 15 percent of marketers say their company is very agile when it comes to embracing new solutions for their martech stacks. This lack of agility may read like a soft metric, but it's causing real investment pains.

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**Marketers are not universally earning results they hope for or need.**

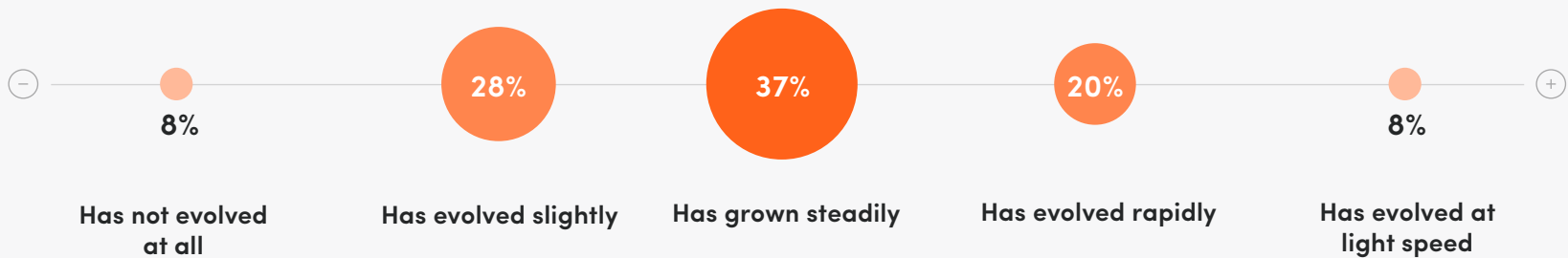
— Scott Brinker

### How do you feel the marketing technology landscape has evolved in the past three years?



Source: Walker Sands State of Marketing Technology 2018

### How do you feel your company's use of marketing technology has evolved in the past three years?



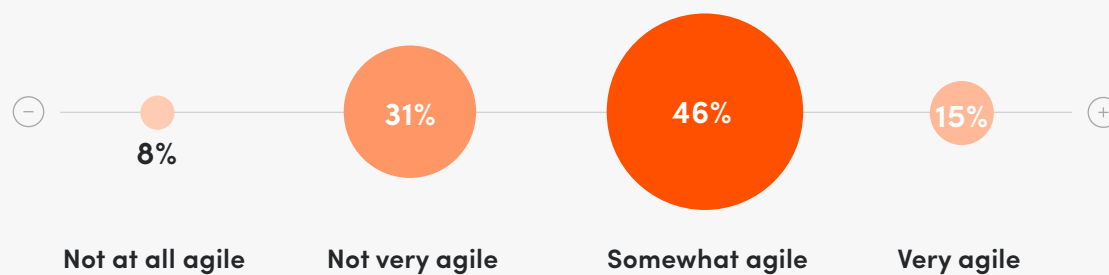
Source: Walker Sands State of Marketing Technology 2018. Percentages don't add up to 100% due to rounding.

Compared to last year, the number of marketers saying their company invests the right amount in martech has decreased. The percentage of organizations reporting that martech enables employees to do their jobs has also declined. This indicates that the martech ecosystem is evolving at a rate companies find impossible to match. And even when they do make investments, marketers are not universally earning results they hope for or need. Because marketing organizations struggle to remain agile as the martech landscape quickly evolves,

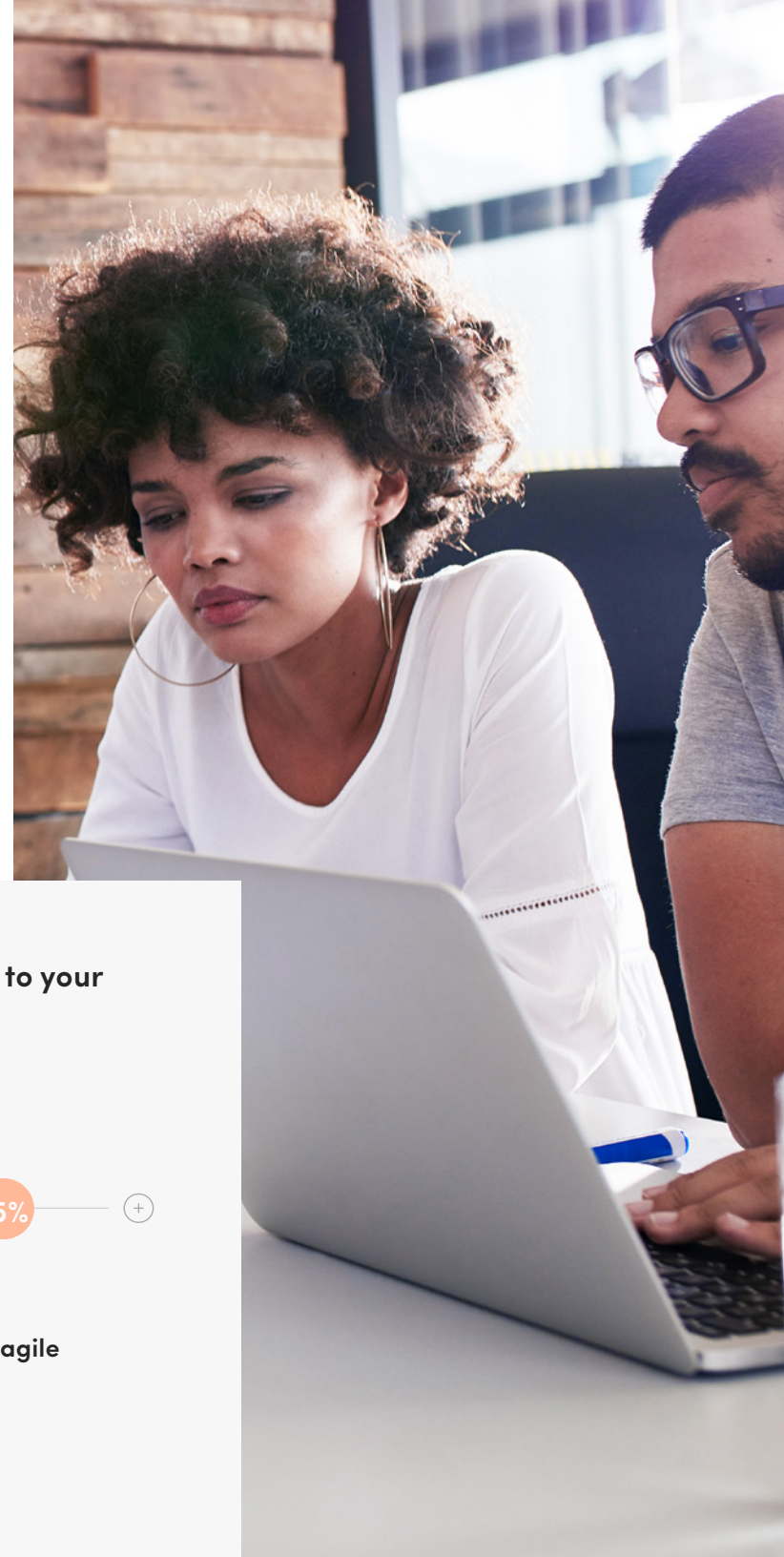
most aren't at a point where they can evaluate martech based on its features. What matters most to marketers are the basics: ease of use and ease of implementation. They simply can't dedicate time and resources to think critically about how tech innovations can give them a competitive edge.

It's important to understand what's standing in the way of a more agile evaluation standard and boosted ROI. Budget is the top factor preventing organizations from making greater martech investments, as will likely always be the case.

### How agile is your company in its ability to add new solutions to your marketing technology stack?



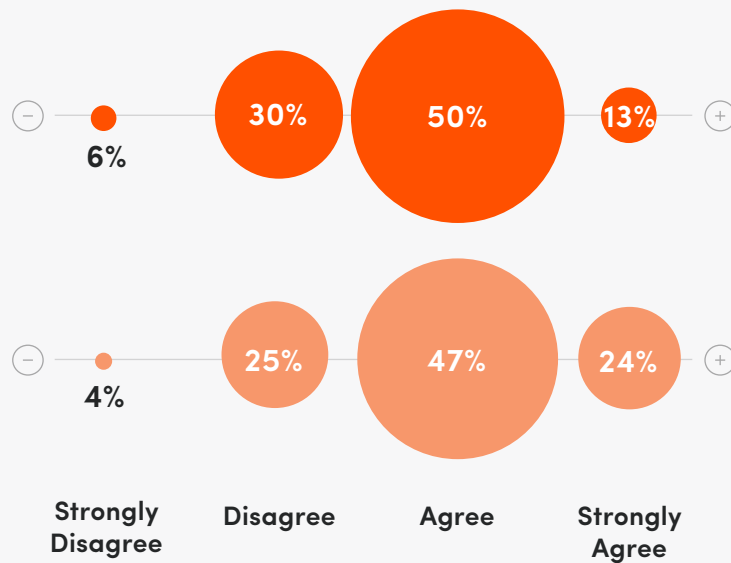
Source: Walker Sands State of Marketing Technology 2018



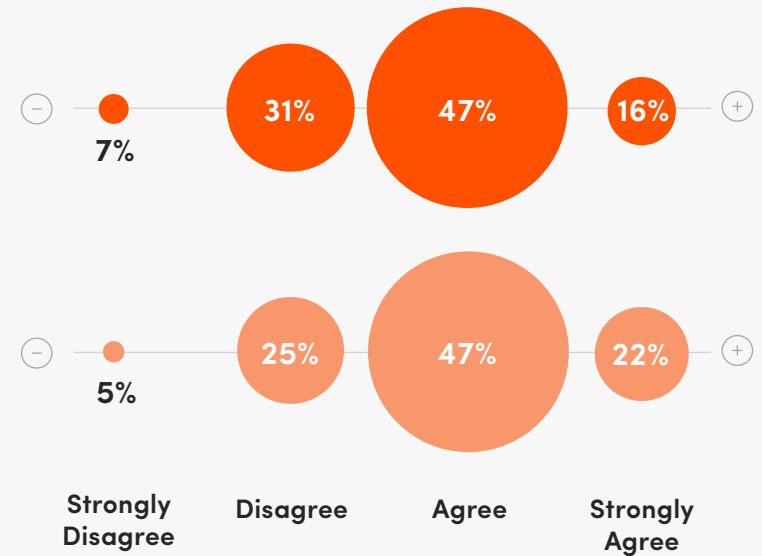
## AGREE OR DISAGREE:

THIS YEAR LAST YEAR

My company invests the right amount in marketing technology.



The marketing technology in place at my company is up to date and sufficient for helping me do my job more effectively.



Source: Walker Sands State of Marketing Technology 2018. Percentages don't add up to 100% due to rounding.

The same goes for an internal resistance to change, which 27 percent suffer from. There are certainly steps organizations can take to instill cultures that welcome and thrive on change, but internal acceptance will likely grow as external acceptance of martech grows as well.

What's interesting though is that (outside of cost) difficulties with implementation round out marketers' top three martech hurdles – over a quarter of marketers (27 percent) list this problem. Clearly it takes organizations longer to onboard new martech than many vendors assume, and this cumbersome

implementation period leaves marketers falling behind the rate of innovation, and impacts their agility.







# Optimism for Martech Grows, Despite Roadblocks

The good news for martech vendors is that a lack of agility has not stopped marketers from believing that technology will play a bigger role in their strategies down the line. Most marketing organizations plan to increase their technology budgets and have best practices in place for assessing new tools.



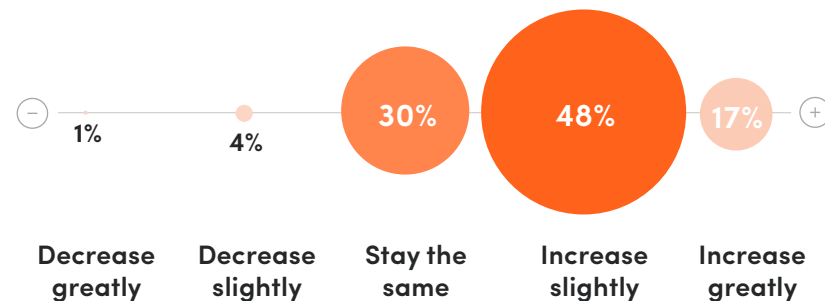
A tech-savvy approach encourages marketing organizations to counterattack the challenges covered in the last section, like lack of agility and out-of-date technology. This has resulted in exciting changes such as:



### Increased budgets.

Sixty-five percent of marketing organizations plan to increase their spend on martech in the next year — only 5 percent plan to decrease this spend. [Gartner](https://www.gartner.com/smarterwithgartner/2017-2018-gartner-cmo-spend-survey/)<sup>3</sup> found that a quarter (23 percent) of CMOs even have fixed annual budgets dedicated to innovation.

How do you expect your company's marketing technology budget and investment to change in 2018 compared to 2017?



Source: Walker Sands State of Marketing Technology 2018



### Established best practices.

A third of marketing organizations have a formal methodology in place to make those company assessments, and another third are in the planning stages. Marketers are discussing their investments with real intention and factoring in a broad collection of criteria to do so.

Does your team have a formal methodology for assessing the effectiveness of your marketing technology stack?



Source: Walker Sands State of Marketing Technology 2018

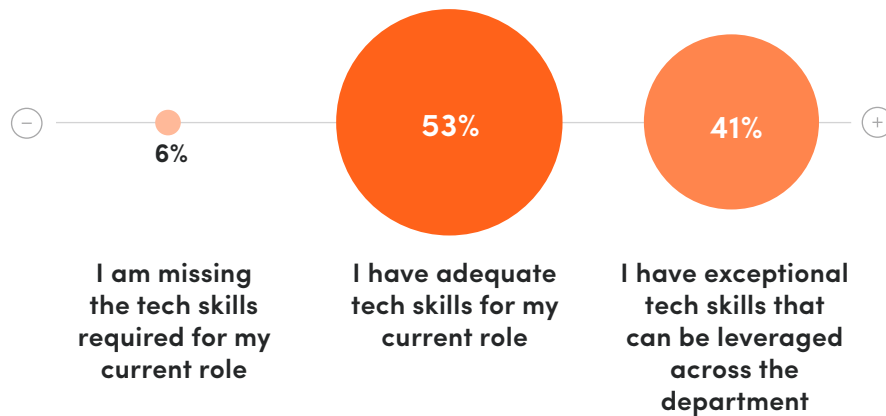




### Eagerness to adopt.

Marketers are ready and prepared to adopt new martech. Forty-one percent of marketing organizations believe they have exceptional tech skills that benefit the entire department. What's more, over half (53 percent) feel their tech skills are adequate and only 6 percent believe they're missing the skills their current roles demand.

**Which of these statements best describes how your skills line up with the technology needs in your marketing department?**



Source: Walker Sands State of Marketing Technology 2018



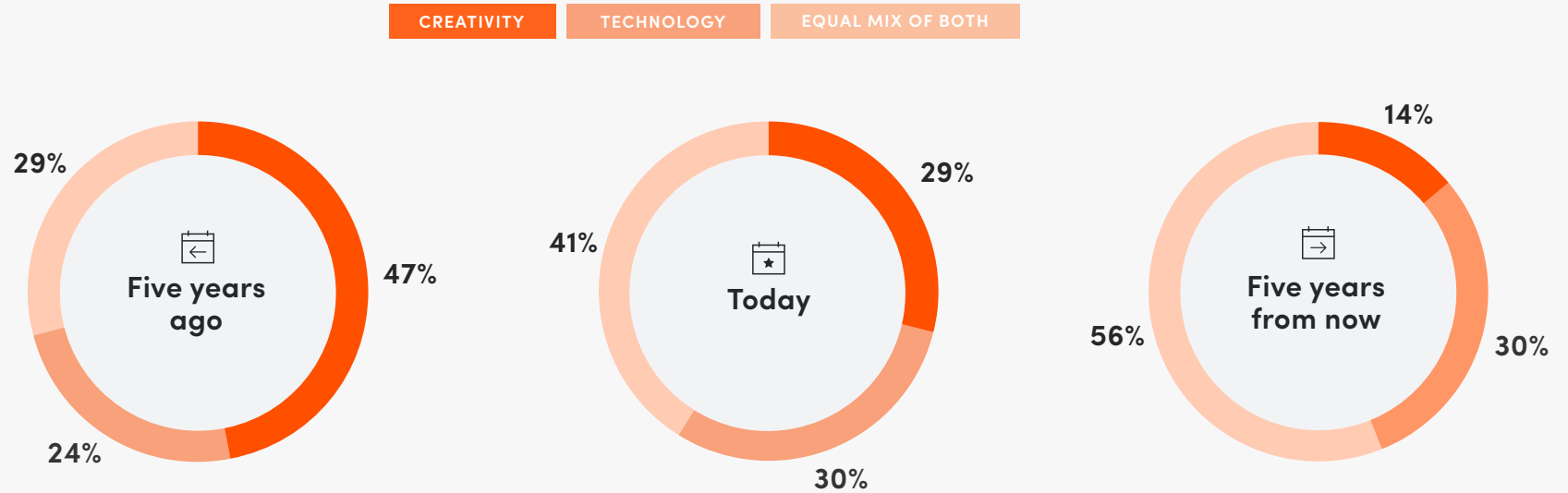


# Technology and Humans Come Together as Partners

Marketers know that technology will play a larger role in marketing than it has before. However, most marketers actually identify an equal mix of creativity and technology as the best option for leading their organization into the future.



## Has your company's marketing strategy been driven more by creativity or technology in the past? What about today and into the future?



Source: Walker Sands State of Marketing Technology 2018



Marketers are optimistic that it still takes two to tango. More than half (56 percent) of marketers believe an equal mix of creativity and technology will drive marketing strategies five years from now. Forty-one percent believe an equal mix dominates today.

Humans will provide the creativity, martech solutions will offer cognitive boosts, and together, the two will support a roadmap for operational success. While it's obvious that investments in technology are necessary for marketers to be successful, it would be a

disservice to underestimate the role human creativity and imagination play in using those technologies to deliver a remarkable customer experience. An equal mix of creativity and technology is the essence of modern marketing.

And 61 percent of marketers feel that the advancement of martech will not threaten their jobs, indicating that organizations truly do not see technology as a pariah, but rather as a way to supplement and empower them as they execute creative strategies.



### AGREE OR DISAGREE:

I worry that marketing technology will threaten my job at some point during my career.





Overall, technology does not intimidate today's marketers – they believe there's a limit on how far technology can take their organizations, namely a creative cap. Marketers hardly trust the value of nascent technologies like chatbots, artificial intelligence and blockchain. IoT ranks most popular among marketers, with 13 percent of organizations

already fully implementing and another 39 percent planning to implement it.

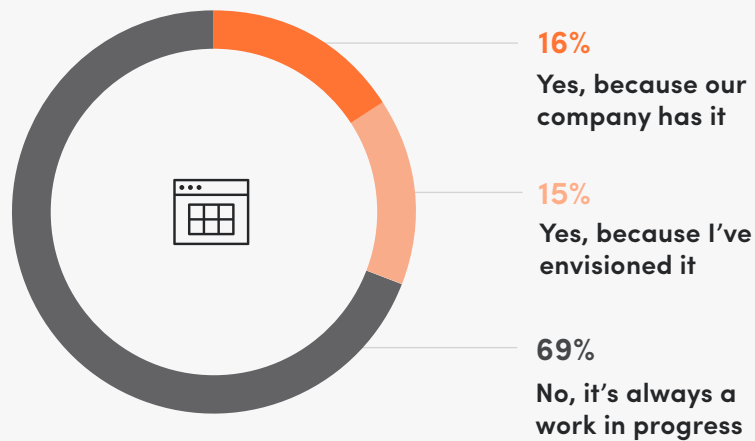
The bottom line is that 69 percent of respondents don't think the perfect marketing stack exists just yet. Perhaps it never will. As a result, a human touch will be always be necessary to execute effective marketing campaigns.

“

**To always remain relevant and valuable as martech advances, marketers must find ways to enhance their skill sets in tandem with how and where the industry evolves.**

— Scott Brinker

### Do you think there is such a thing as the 'perfect stack' for marketing technology?



Source: Walker Sands State of Marketing Technology 2018



## At what stage of implementation is your company with the following technology as part of your marketing strategy?

FULLY IMPLEMENTED

PARTIALLY IMPLEMENTED

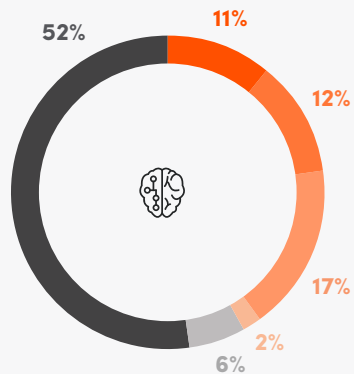
JUST GETTING STARTED

ABANDONED

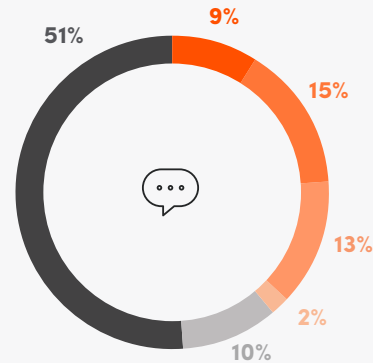
PLAN TO IMPLEMENT

NO PLANS TO IMPLEMENT

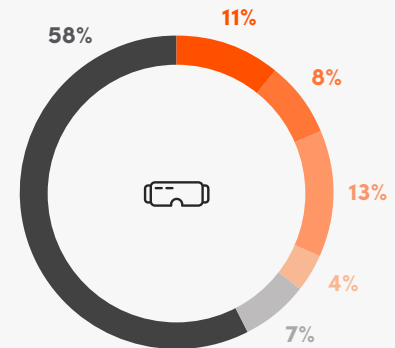
### Artificial Intelligence/ Machine Learning



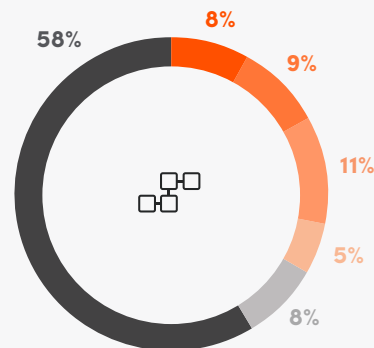
### Chatbots



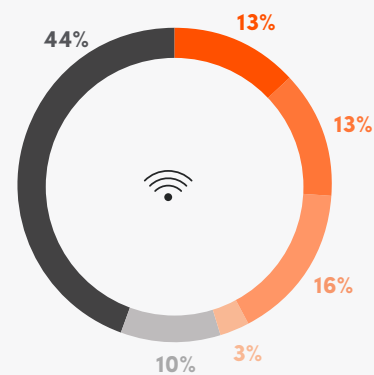
### VR/AR



### Blockchain



### Internet of Things



Source: Walker Sands State of Marketing Technology 2018. Percentages do not add up to 100% due to rounding.

## Building the Martech Stack

When it comes to the group getting the most out of their marketing tools, our 2017 report was clear — marketers using best-of-breed-stacks. This year's respondents agree, and now 34 percent of marketers use an integrated best-of-breed stack. Up from 27 percent last year, movement toward best of breed hasn't slowed down since we last checked in.

	Core Solution	Experimentation	N/A (Don't Use)
Account-based marketing (ABM)	23%	27%	49%
Ad tech (display, programmatic, etc.)	25%	38%	37%
Analytics	45%	37%	18%
Artificial Intelligence (AI)/Machine Learning	12%	24%	65%
Augmented reality	12%	21%	67%
Blockchain	11%	20%	69%
Chatbots	11%	21%	68%
Content marketing	48%	35%	17%
Customer data platform (CDP)	33%	30%	37%
Customer relationship management (CRM)	48%	28%	23%
Data management platform (DMP)	33%	33%	35%
Digital asset management (DAM)	27%	32%	41%
Ecommerce	29%	25%	46%
Email marketing	54%	32%	14%
Integration platform as a service (iPaaS), data integration or tag management	17%	30%	54%
Internet of Things (IoT)	17%	25%	58%
Loyalty marketing	32%	30%	37%
Marketing automation/campaign management	36%	34%	30%
Marketing resource management (MRM)	28%	25%	47%
Mobile marketing	33%	32%	36%
Optimization and personalization	32%	33%	35%
Performance and attribution	24%	33%	43%
Sales automation and enablement	25%	27%	48%
Search marketing	39%	31%	30%
Social media marketing	48%	34%	18%
Video marketing	29%	40%	30%
Virtual reality	15%	17%	68%
Web content and experience management (CMS/WCM)	40%	32%	29%

Source: Walker Sands State of Marketing Technology 2018. Percentages do not add up to 100% due to rounding.



# Maximize Return and Increase Agility

The 2017 martech ecosystem had marketing organizations' heads spinning. Despite the chaos, marketers came into 2018 inclined to see marketing technology as a friend, not a foe. They have a firm understanding that best-of-breed solutions are right for them, and they are making good on this knowledge by putting more resources toward integrated martech investments.

Despite good intentions, however, marketers just

can't keep up. It's tough to adopt the best martech technologies quickly, and it's unnecessarily difficult to blend solutions and assemble the ideal best-of-breed stack. But marketers do envision a more tech-driven future, and to that we say, "keep on going!" We'd also like to help.

Here are four tips we've determined can help you start driving ROI from your martech investments sooner and ultimately keep pace with new martech innovations.







**Vendors, don't underestimate the value earned when you get inside your customers' heads.**

Put yourself in the shoes of a marketing organization and see how well your company satisfies the considerations of your potential buyers.

To win over prospects, it's important to better understand their needs. Acknowledge the work that goes into adopting new technologies and treat early implementation and training stages as opportunities to extend your relationships with customers. Specifically, you should hear direct from marketing professionals about their current use of martech, as well as their plans for the future.





## Be more strategic during your selection process.

Although it's tempting to make the easy purchasing decision, it's always worth the effort to reflect on your ideal customer journey and let that insight guide your martech selection process.

Journey mapping helps evaluate technology choices through the lens of which purchases offer the capabilities to best delight your customers. Compare the touchpoints you currently support with those your customers want to have. You should also learn what users are trying to accomplish with each interaction.

Once you've identified the tools required to support your customer needs, it's important to assemble a set of very specific scenarios where you'll put them to use. You won't be able to predict every last use case, of course, but a few concrete examples ensure you're evaluating vendors and assessing their broad strategy capabilities.

But a better question would drill down to how you identify customers and prospects in different lifecycle stages. You want martech that addresses the critical points at each state,

and can detect signals when prospects move from one stage to another.

Specific scenarios like these help you see through the beautiful presentations and flashy case studies vendors rely on. Asking potential vendors to walk you through how their products fulfill specific use cases helps to surface differentiators. Vendors A and B may achieve the same results, but perhaps one does so in a manner that better meshes with your organization's existing technologies and resources.



### For instance:

What would it look like to personalize web, email and drip campaigns for your customer?

Is this something needed to help improve your customer experience?





## Honor post-selection best practices

Once you've determined the martech tool that best solves for your needs, it's important to develop a detailed plan for how you'll effectively and painlessly absorb the technology into your marketing operations.

Switching vendors requires a tremendous amount of focused energy. Embedding a new tool into your organization's thinking and behaviors is no small feat. That's why your plan must go beyond simple factors like how you will train employees on the new technology, or who will be responsible for managing the solution long term.

It's also important to incorporate frequent feedback opportunities into your plan. Feedback loops enable valuable experimentation — it's not just about learning how a given platform works. It's also about learning how to best apply capabilities in ways that actually move the needle with your customers. These insights are not ones you can usually get out of the box.

If your previous martech investments have failed, assess if you're putting enough emphasis on best practices and following through on your post-acquisition plan.



### Ask yourself:

How will the martech fit into the actual muscle groups of your organization?







## Be agile

Another important lesson to keep in mind when creating your best-of-breed stack is that you must plan for change. Even if it feels like a lot of change already, there's more to come. Make sure you're bringing on martech solutions that accommodate change and supporting them within an agile team and framework. This could be via integrations, frequent updates or a solid customer support team. This flexibility is the difference between a martech stack fueled by options, and one undercut by dependencies.

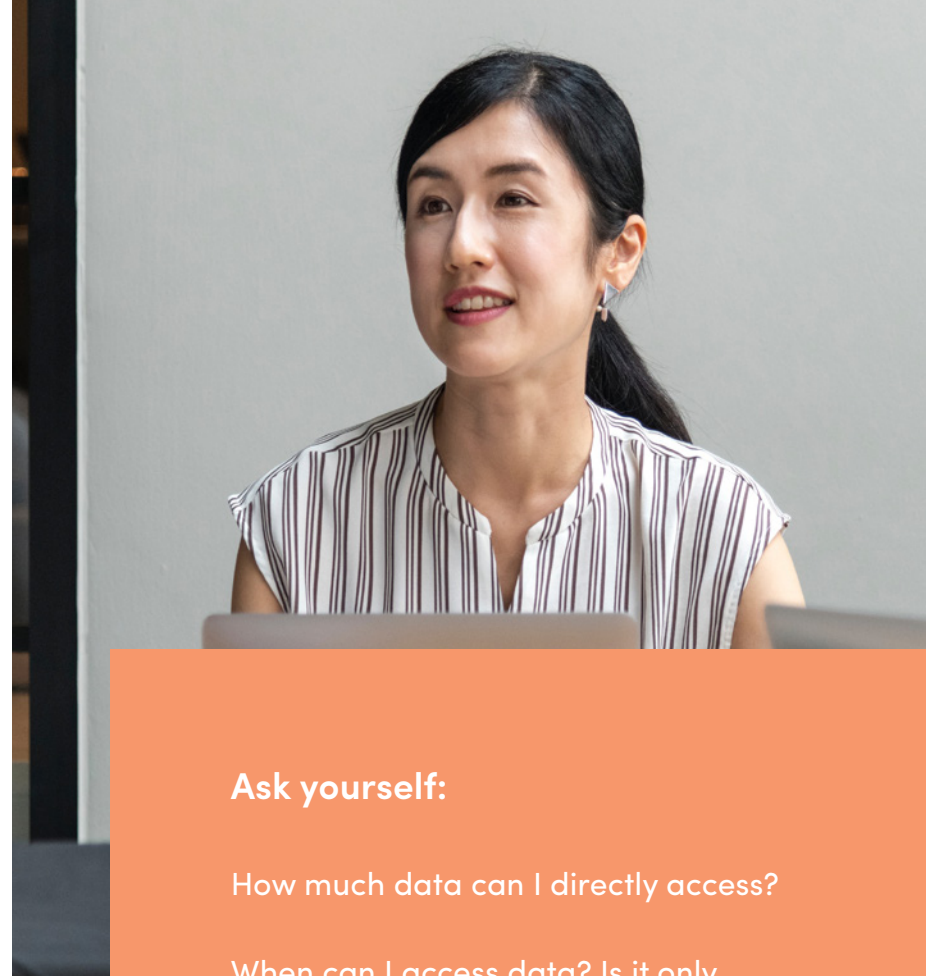
Spotting inflexible vendors requires a closer look at how the technology blends with the rest of your martech ecosystem. This is often a question of data. That last question is really an important one. The tools you choose should never lock in your data, especially if you're dealing in customer data. You should choose to stick with a vendor because it's the best option on the market for your organization, not because your data is literally stuck there.

### Ask yourself:

How much data can I directly access?

When can I access data? Is it only as the data goes into the system, but pulling data out of the system is nearly impossible?

Will migrating or integrating my data to a new solution come at an enormous switching cost?







## Keep skills relevant as martech evolves

It's only natural that businesses are now etching out roles like chief marketing officers (CMOs) and data scientists as technology and data play bigger parts within marketing organizations. Some are even opting for blended positions like chief marketing technology officer (CMTO)<sup>4</sup> and more meta martech and operations team. This approach better accounts for the convergence between marketing operations and marketing analytics.

However, increases in technology do bring up the job security issue. Will robots replace employees?

Some industries will see automation overpower traditional roles in the near future, but not in marketing. Job security concerns in the marketing industry are more a function of change than an actual threat. Where marketers are at risk is getting left behind due to technology's light speed change of pace. As people begin to get individually automated or new systems replace them, you must move along with that shift,

expand your knowledge and grow your skill sets.

Doing so not only makes you more attractive to employers, but it can also be a real boost in confidence. Broken down, nearly half (46 percent) of specialists (have expertise in a one area like demand gen, social media or email) express martech-related job security fears, compared to 34 percent of generalists (works across all disciplines). This points to the importance of diversified skills as a buffer against marketing obsolescence.

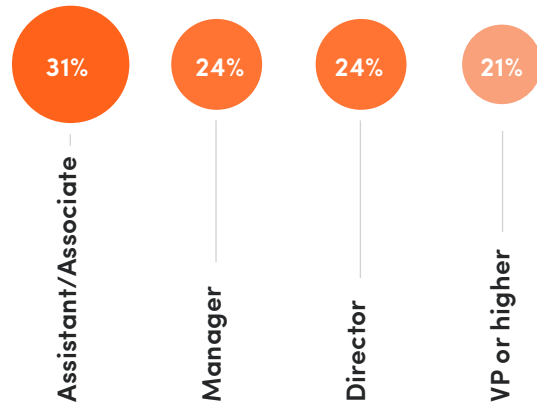
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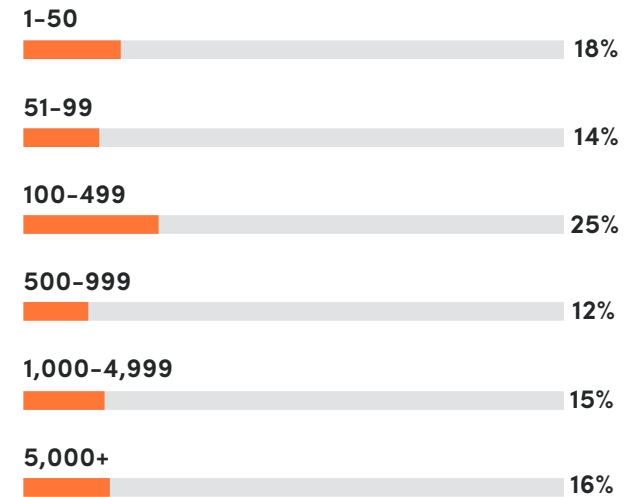
# Methodology

Walker Sands surveyed 300 marketing professionals in Q1 2018. The breakdown of job titles, work experience and company size is as follows:

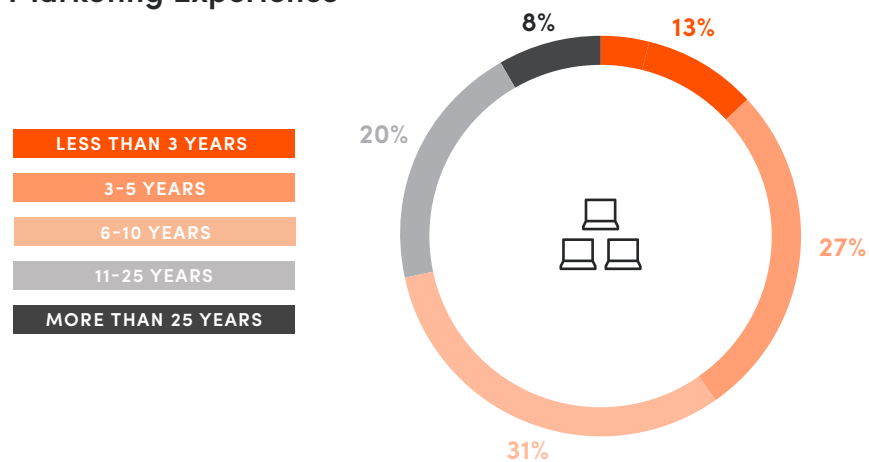
## Marketing Role



## Company Size



## Marketing Experience



# About the Authors



## Jennifer Mulligan

Account Director

Walker Sands Communications

Jennifer Mulligan is an account director at Walker Sands. An expert in all things martech, Jennifer helps marketing technology companies achieve their PR and lead generation goals through media relations and content marketing campaigns. Jennifer has a keen eye for relevant and newsworthy stories that connect the dots between her clients' expertise and what interests reporters and their audiences.



## Scott Brinker

Editor

[chiefmartec.com](http://chiefmartec.com)

Scott Brinker is the editor of the Chief Marketing Technologist blog ([chiefmartec.com](http://chiefmartec.com)), where he covers topics at the intersection of marketing and technology. He is also the VP platform ecosystem at HubSpot and the program chair of MarTech, the marketing technology conference.





## About Walker Sands

Walker Sands is a public relations and digital marketing agency for business-to-business technology companies. With an integrated approach to creative services, Walker Sands helps clients build brand awareness, enhance credibility and drive new business. Walker Sands is a five-time Inc. 5000 honoree and regular recipient of some of the industry's most prestigious awards from organizations including Entrepreneur, Holmes Report and Hermes Creative. Walker Sands was founded in 2001 and has offices in Chicago, San Francisco and Seattle. To learn more, visit [walkersands.com](http://walkersands.com) or [walkersandsdigital.com](http://walkersandsdigital.com).

