



State of marketing technology 2019

Exploring the trends that make martech tick



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Summary

2018 was a big year for marketers

GDPR implementation came and went (and we're all still here to tell the tale). Adobe acquired Marketo in one of the most relevant examples yet of single-vendor platforms scooping up best-of-breed offerings. Video and social media's separate potential merged with the release of Instagram's IGTV and the rise of TikTok, as well as Facebook and YouTube's investment in their own streaming channels.

These big moves for the martech space give way to fascinating insights from the players who watched it all unfold in front-row seats — those working in the marketing, sales and advertising space who rely on martech vendors to execute their strategies.

While last year's State of Martech report told the story of how marketers can turn to martech solutions to keep innovating, this year's take is a trend-by-trend analysis to provide a full picture of

marketers' outlooks and how they plan to move forward in an increasingly tech-dependent industry.

Some trends remain on a similar trajectory as seen in our previous State of Martech reports, such as the trend of growing budgets and growing enthusiasm for investing in martech solutions to solve marketing pain points. But new insights from marketers emerge too, such as an increasing reliance on adtech, a fresh grasp on mobile video and an indifference to GDPR now that the act has been adopted.

Throughout this report, we explore several trends taking shape in the martech space and what they mean for marketers' bottom lines. In a survey of 316 marketing, sales and advertising professionals, Walker Sands set out to define what makes marketers and their strategies tick in 2019.

Key findings

01

With growing budgets, marketers' focus is on the right technology — but not necessarily more technology.

75% of respondents agree they invest the right amount in martech

02

Adtech's rising popularity makes it one of the most-used forms of martech.

54% of respondents currently incorporate adtech into their strategies

03

Many marketers feel unprepared for the next wave of data privacy.

More than one in four (27%) marketers haven't changed the way they do their jobs based on the threat of data breaches

04

A growing embrace of mobile boosts social media and video alongside it.

52% of respondents say customers access all or most content on mobile

05

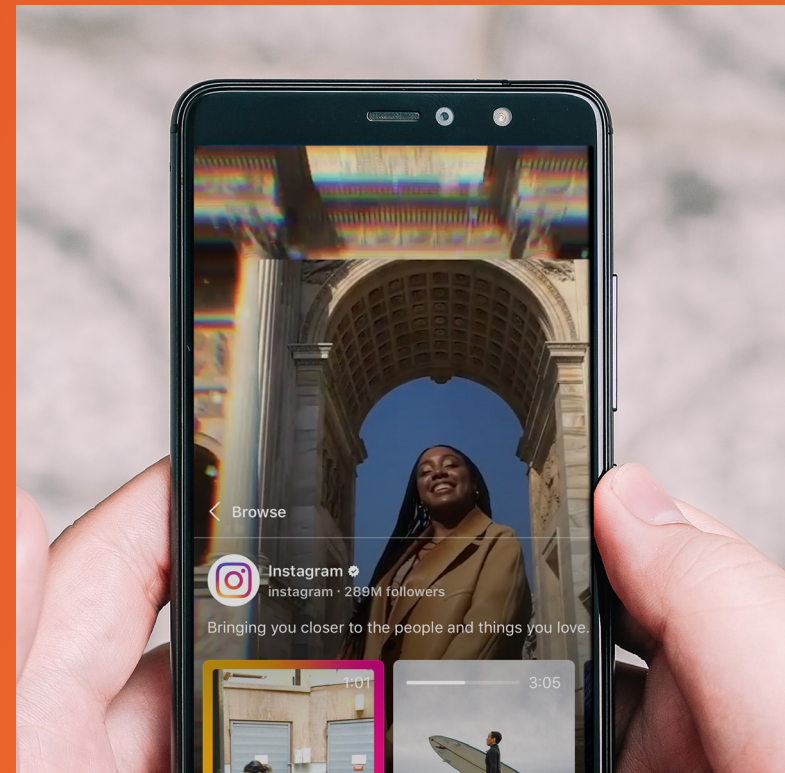
Buzzwords abound in the marketing world, but it doesn't mean they're all worth investing in.

40% of respondents believe AI will continue to be a buzzword in 2019, though only 32% currently use AI or have plans to invest in it this year

06

Marketers' fears of job loss haven't gone away — in fact, they've increased.

42% of respondents noted that tech will threaten their job someday, up from 39% in 2018



01

Shifting budgets and growing optimism

Martech budgets continue to grow alongside marketers' confidence. This year's respondents were more likely to believe that their company is investing in the right amount in martech than years past. But we may be approaching a budget-growth plateau.



75%

**of respondents agree they invest
the right amount in martech**



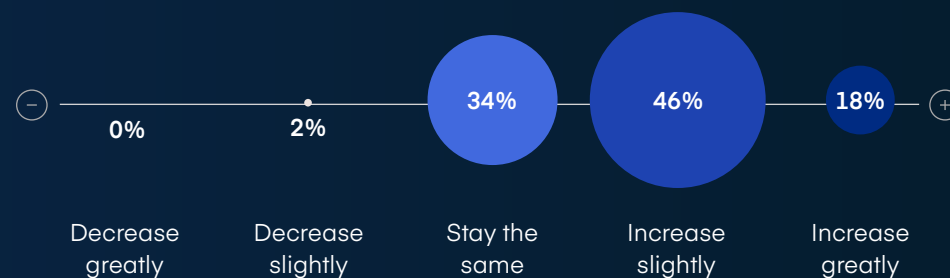
Marketers' budgets have been on the up and up over the last several years. And as budgets have grown, marketers' satisfaction with the funds at their disposal has grown with them.

2019 saw similar but slightly lower growth than 2018, suggesting budget growth may not continue at the same rate moving forward. In 2018, 65% said their budgets will grow while 30% said they'd stay the same. This year, 64% saw their budgets grow and 34% claimed theirs would stay the same.

Respondents' satisfaction with their company's current martech investments also points to plateau. Three quarters (75%) of respondents believe their company is investing in the right amount of martech, compared to 63% in 2018. This year's satisfaction rate is a record high for the State of Martech report.

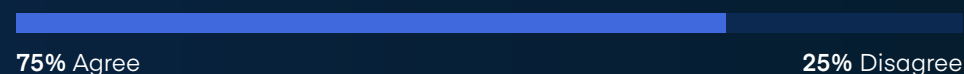
However, this satisfaction is also an indication of how savvy a marketer is. Some of the smartest marketers have the smallest budgets, but understand how to run fully integrated programs and how to track, measure and analyze effectiveness. With growing satisfaction rates, we could also see marketers taking their knowledge to the next level collectively.

How respondents expect their martech budget and investment to change in 2019



Source: Walker Sands State of marketing technology 2019

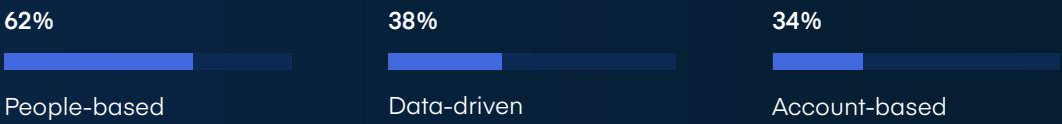
Respondents believe their company invests the right amount in martech



Source: Walker Sands State of marketing technology 2019

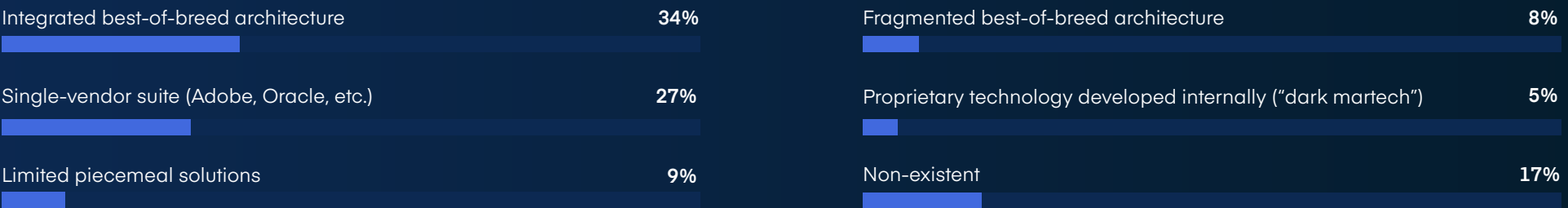
In 2019, marketers are centering their strategies around the individual customer.

The top marketing strategy choices among respondents



How respondents would describe their marketing stack

Source: Walker Sands State of marketing technology 2019



In terms of how marketers spend their budgets to build a marketing stack, the best-of-breed stack route still reigns over single-vendor suites, as has been the case over the last decade. More than a third (34%) rely on a best-of-breed stack (the same rate as in 2018) while 27% rely on a single-vendor suite.

As the single-vendor suite players like Adobe and Oracle have moved to acquire some of the top best-of-breed providers, we may see them strike back against best-of-breed stacks, especially since most marketers note that consolidation hasn't affected or has positively affected their access to martech.

Now that some of marketers' favorite best-of-breed solutions have been gobbled up by the largest players, marketers have a choice to make. Will they join up with a single-vendor suite to access their favorite acquired solution? Or will they stay committed to the flexibility of a best-of-breed stack and fill in the holes with new solutions?

This will be a trend to watch through 2020. We'll likely see a mix of both, in addition to new solutions becoming available to address marketers' evolving needs.

Has vendor consolidation made martech more accessible?

Source: Walker Sands State of marketing technology 2019



Budget takeaways

Martech budget growth may give way to increased competition

Marketers have gotten used to rising budgets, but budget growth rates may be slowing down. Marketers seem satisfied with the martech their company invests in, but are always eager for greater purchasing power. Vendors should be aware that competition will become even tighter with an ever-growing solution market. Marketers need access to the right tools to push them out of their state of budget satisfaction and into a drive to access more resources.

Vendor consolidation could cause a spike in single-suite strategy

Single-suite vendors may make a comeback by offering greater accessibility to tools and acquiring best-of-breed providers. As a marketer, keep your options open, but be wary of poorly executed single-vendor acquisitions of best-of-breed offerings.

A strong bill of health for martech investment potential

Even if long-lasting budget growth trends are slowing, the outlook is still good for martech overall, as many professionals across the marketing, advertising and sales spaces (those surveyed in this study) see martech as the solution to their day-to-day struggles, no matter which practice area they fall into. The growth potential within the overall space is strong, presenting a healthy environment for both martech vendors and buyers.

02

Adtech's time to shine

2019 is the year of adtech. The martech subgroup is on the minds of marketers both in terms of investment and company-wide use. As the use of tech devices increases both at work and home, the potential of online, video and mobile ads become top of mind for marketers.



54%

of respondents currently incorporate adtech into their strategies, making it one of the most-used forms of martech

58% of respondents who use programmatic advertising saw ROI from it

Marketers are concerned with gaining true, objective value from their ad placement, and they're trusting in adtech to achieve that. Twenty-nine percent of respondents want their company to invest more in adtech, and 42% found it important in their day-to-day operations. And 58% of respondents who use programmatic advertising saw ROI from it.

The surge in adtech stems from marketers' affinity for attribution. Overall, 79% of respondents believe attribution is important — and rightfully so. Because attribution measurement is increasingly accessible, marketers now face a greater responsibility for the results of their campaigns than ever before. Adtech's use of big data to maximize ROI and provide a closer view of attribution makes for a clear path to marketers' hearts.

As for where marketers place their ad spend, social media is the clear priority. More than half of respondents (52%) prioritize their ad spend in the social media realm, while only 17% prioritize it on Google Ads. The imbalance between social media and digital ads suggests that marketers prefer a channel that lends itself to ongoing conversations with potential customers.

While adtech is not without its slip-ups, which have included bid caching (the automatic application of losing bids toward auctions for different ad space) and malvertising (unmonitored advertising code placed programmatically on publishers' sites, ruining the content experience for readers), among other pain points, it seems marketers are willing to overlook these stumbles while the adtech space matures.

The technology that respondents feel their company needs to invest in most



Source: Walker Sands State of marketing technology 2019

Adtech takeaways

Investment in adtech is a must — for the right solution

As a marketer, vet your adtech vendors thoroughly. In some ways, adtech is still like the Wild West. There are many solutions out there that offer real, measurable value to marketers, but on the flip side, there are some options that built their business on shoddy technology and empty promises.

Adtech providers should prioritize education

If you're a vendor, help marketers by being more upfront about the process and how the technology works. With adtech still being a newly embraced field in the marketing sphere, understand that what's natural to you may be overwhelming and foreign to a customer.

Marketers can crawl before they walk with adtech

For marketers prioritizing brand awareness, adtech holds an affordable answer through cost-per-click (CPC) advertising. Until viewers click, it's free advertising with impressive targeting abilities.

03

GDPR isn't one and done

U.S. marketers' attitudes toward the EU's General Data Protection Regulation (GDPR) suggests they aren't fully prepared for the impending wave of data privacy legislation globally.

27%

of marketers haven't changed the way they do their jobs based on the threat of data breaches



For a whole two years before the implementation date, the martech news cycle was taken over with the GDPR talk. From what it means to how to prepare to what life will be like afterward, the marketing community considered all sides.

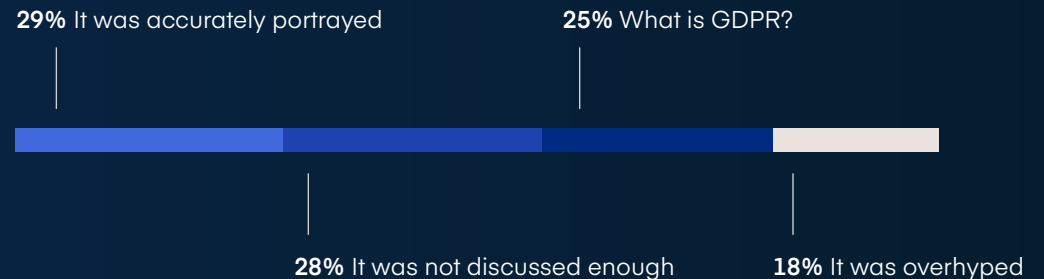
May 25, 2018 has come and gone, and (with the exception of Google's \$57 billion fine), most companies emerged relatively unscathed. But that doesn't mean the age of complying with data privacy acts is over — though some marketers seem to think so. In fact, it's only just begun.

Only 12% of respondents believed the GDPR would be a buzzword in 2019, signaling they believe the chatter is dying down. Somehow, a quarter of all surveyed still don't know what the GDPR is, but with data privacy legislation gearing up in the U.S. they likely will soon.

Thirty-five percent said GDPR didn't affect their company and nearly one in five (18%) found it to be overhyped.

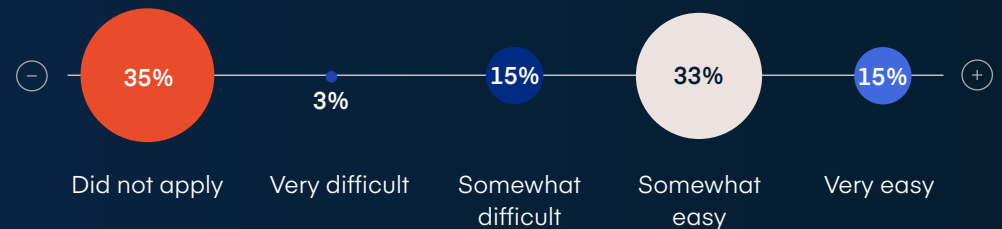
When asked about data privacy overall, respondents' overly lax attitude remained. More than a quarter (27%) say the threat of data breaches hasn't changed the way they do their jobs.

Respondents' take on whether GDPR was overhyped in the media



Source: Walker Sands State of marketing technology 2019

Level of difficulty companies faced in complying with GDPR



Source: Walker Sands State of marketing technology 2019

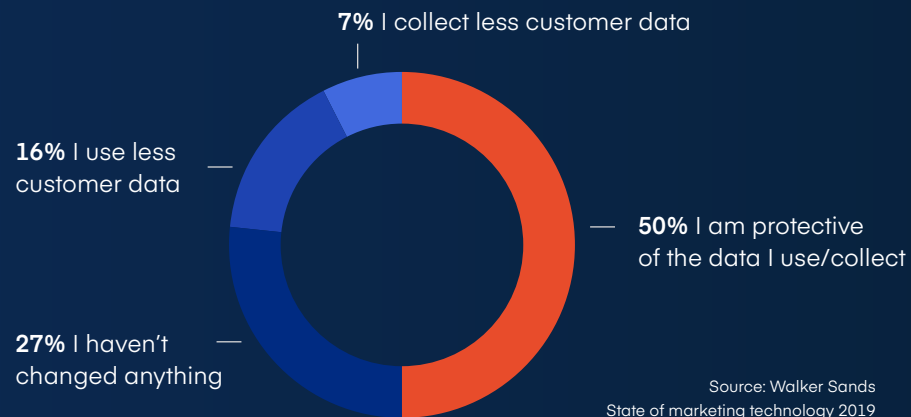
Data breaches are running rampant and consumers' concern isn't decreasing. More legislation, such as the California Data Privacy Act, is on the way, so marketers must stay vigilant and be ready to put their learnings about the GDPR to work for new laws coming down the pipeline.

Customer trust depends on marketers getting the data privacy issue right. The Cambridge Analytica scandal shattered the glass, leaving many consumers unaware of what kind of data marketers have access to and how they use it. The shock now leads many to be more careful of the data they share.

To earn that trust, marketers need to be transparent about what data they collect and how they use it. They also need to be very protective of that data. With every data breach we've seen — from Target to Equifax and the countless others — the brand loses significant credibility and customer trust. For marketers, this issue is top of mind.

Vendors, on the other hand, have to do their part and help their customers prioritize the security and privacy of consumer data. To stand out in a crowded space, vendors should offer consulting, expertise and support to their budget-constrained customers.

How the threat of data breaches has changed the way respondents do their jobs



Source: Walker Sands State of marketing technology 2019



Data privacy takeaways

Here comes the data privacy wave

The GDPR was the first of its kind, but it's inspiring a new generation of consumer protection regulations worldwide — a trend already emerging through the California Data Privacy Law and outrage over the Facebook/Cambridge Analytica breach. Marketers need to keep up with and understand upcoming legislation. If you didn't need to make any modifications because the GDPR didn't apply to your company, it's in your best interest to get in front of any incoming American data privacy act.

Continue to revisit your GDPR compliance efforts

Marketers' efforts to comply with the GDPR shouldn't take a "set it and forget it" approach, because they're likely going to have to update those measures to comply with new forthcoming data privacy laws. Stay active in monitoring how your data protection measures helped you comply with the act, and how they can be repurposed to help comply with the next one.

04

Cracking the content code with mobile-friendly social and video

Video is bringing pause to the voice trend as marketers emphasize just how important the visual element really is. And as mobile comes into its own, the possibilities for social media and video are brighter than ever.



52%
of respondents say customers
access all or most content on mobile



Marketers have reaped the benefits of letting video and social drive their brand communication, and they have no plans to downgrade either category in their content strategies.

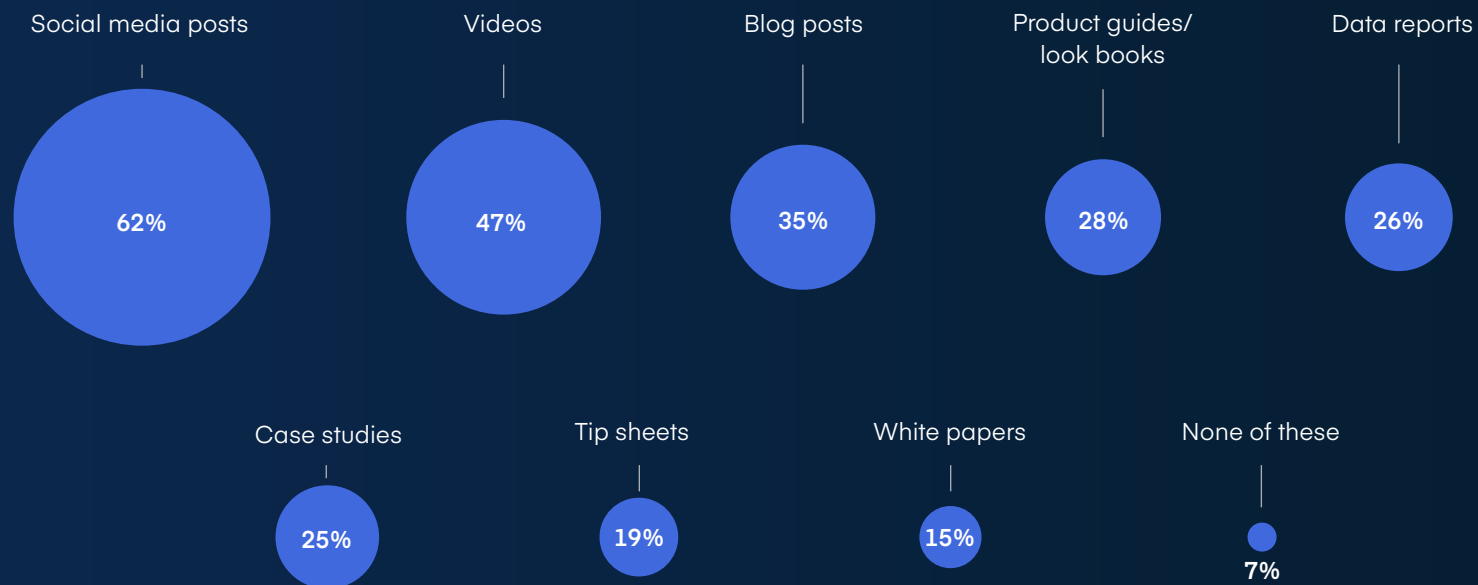
In fact, video plays such a strong role for marketers that it's slowing the voice craze the industry has experienced over the last few years. Video's surge has made it clear that customers require a visual experience to reach peak engagement for certain messages. For example, voice works well

for routine purchases and accessing quick information like store hours. But video's benefits shine when marketers seek to share new products and services, as well as strategies for using them.

When it comes to social media, marketers have big plans for increasing the snackable content. Sixty-two percent plan to produce more social posts in 2019, while 47% say they'll produce more video content.

Content types that respondents plan to create more of in 2019

Source: Walker Sands State of marketing technology 2019



Mobile plays a starring role in how marketers plan to present this content to their customers. As its role has steadily increased over the years, we've now reached the apex of its influence as the primary vehicle for delivering content to customers. Two out of five respondents said that their customers consumed most content via mobile, while one in 10 said that customers consumed all content via mobile — a bold sign of desktop's decline under mobile's reign.

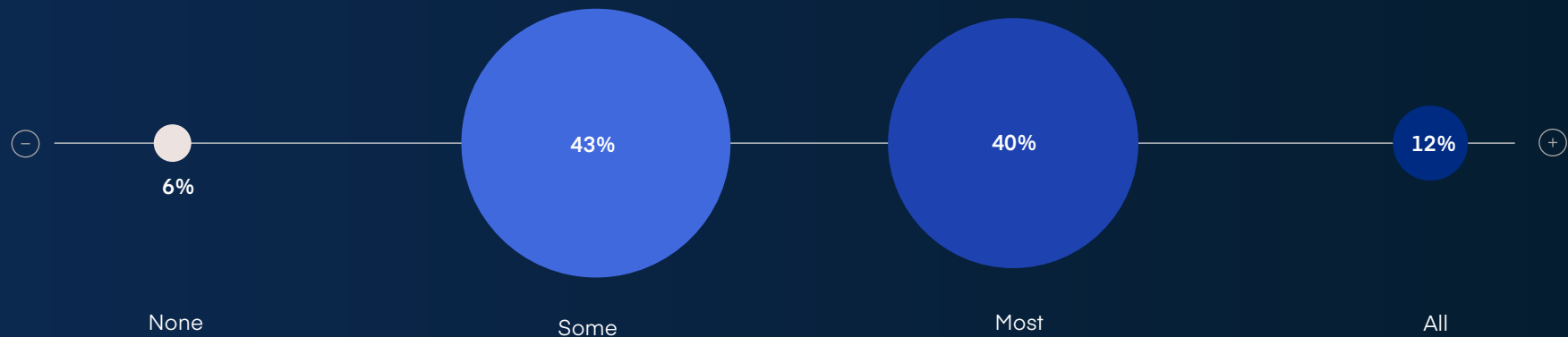


1 in 10

marketers said that customers consumed all content via mobile — a bold sign of desktop's decline under mobile's reign

Amount of marketing content that customers access via mobile device

Source: Walker Sands State of marketing technology 2019



Mobile takeaways

Embrace of mobile makes video more accessible

Don't get left behind the competition by not investing in video this year. With so many customers digesting video via mobile, video's reach is even wider. And, the barrier to entry is lower because marketers can start creating elementary content with mobile devices as well.

Voice and video will begin to coexist

For marketers who invested early in voice, 2019 is the year to evaluate how video can be brought in as a complementing strategy to their existing voice efforts. We've seen Alexa, the holy grail of the voice world, pivot by releasing a screen that can be paired with voice content as video popularity has risen. Both channels have their benefits, but it depends what goals marketers are trying to accomplish.

05

Emerging tech — real deal or nothing but hype?

Marketers love a good buzzword. 2017 was all about AI while 2018 was the year of blockchain. While similar terms look to be in the lineup for 2019, buzzword status isn't a guarantee that marketers will rush to follow through and invest in the trendy tech.



40%
of respondents believe AI will
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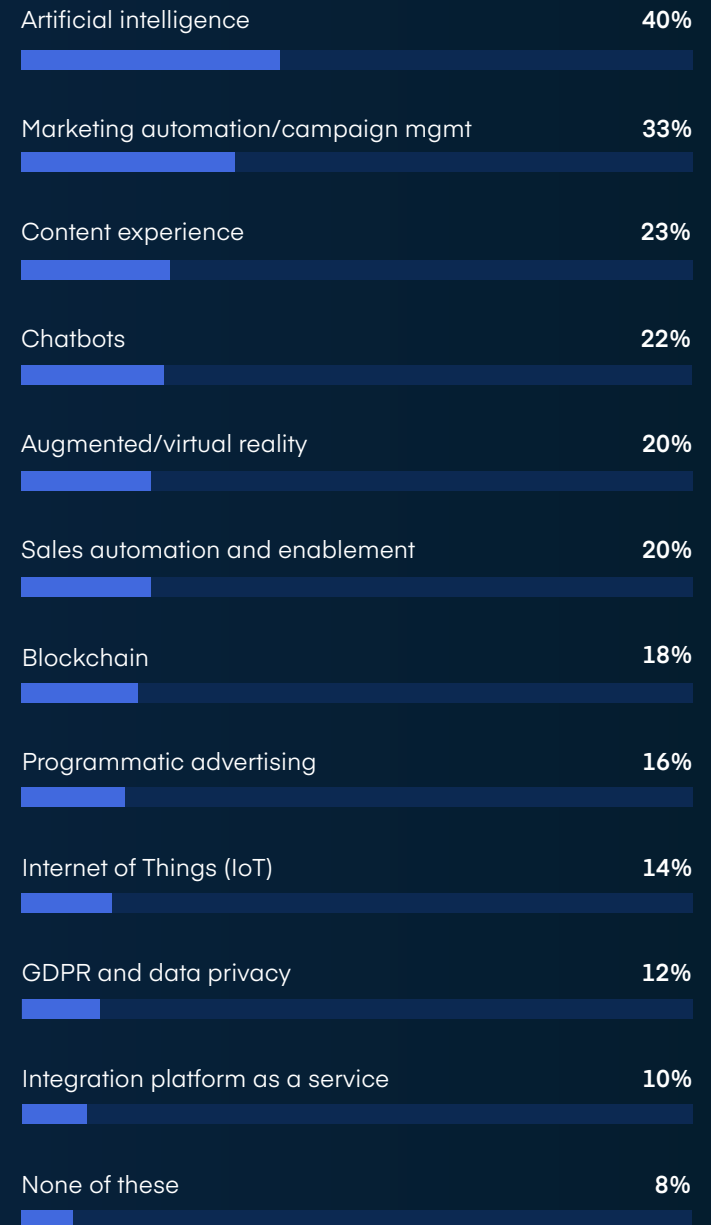


Significant moves in the space, including the Marketo/Adobe acquisition likely play a part in why AI and automation are top-of-mind for marketers.

AI continues to reign as the top martech buzzword, though a third of marketers predict that marketing automation will be discussed broadly this year. We see marketing automation as an extension of AI because it tackles the mundane tasks, so marketers can spend more time making smarter, strategic decisions. Significant moves in the space, including the Marketo/Adobe acquisition, likely play a part in why this term is top-of-mind for marketers.

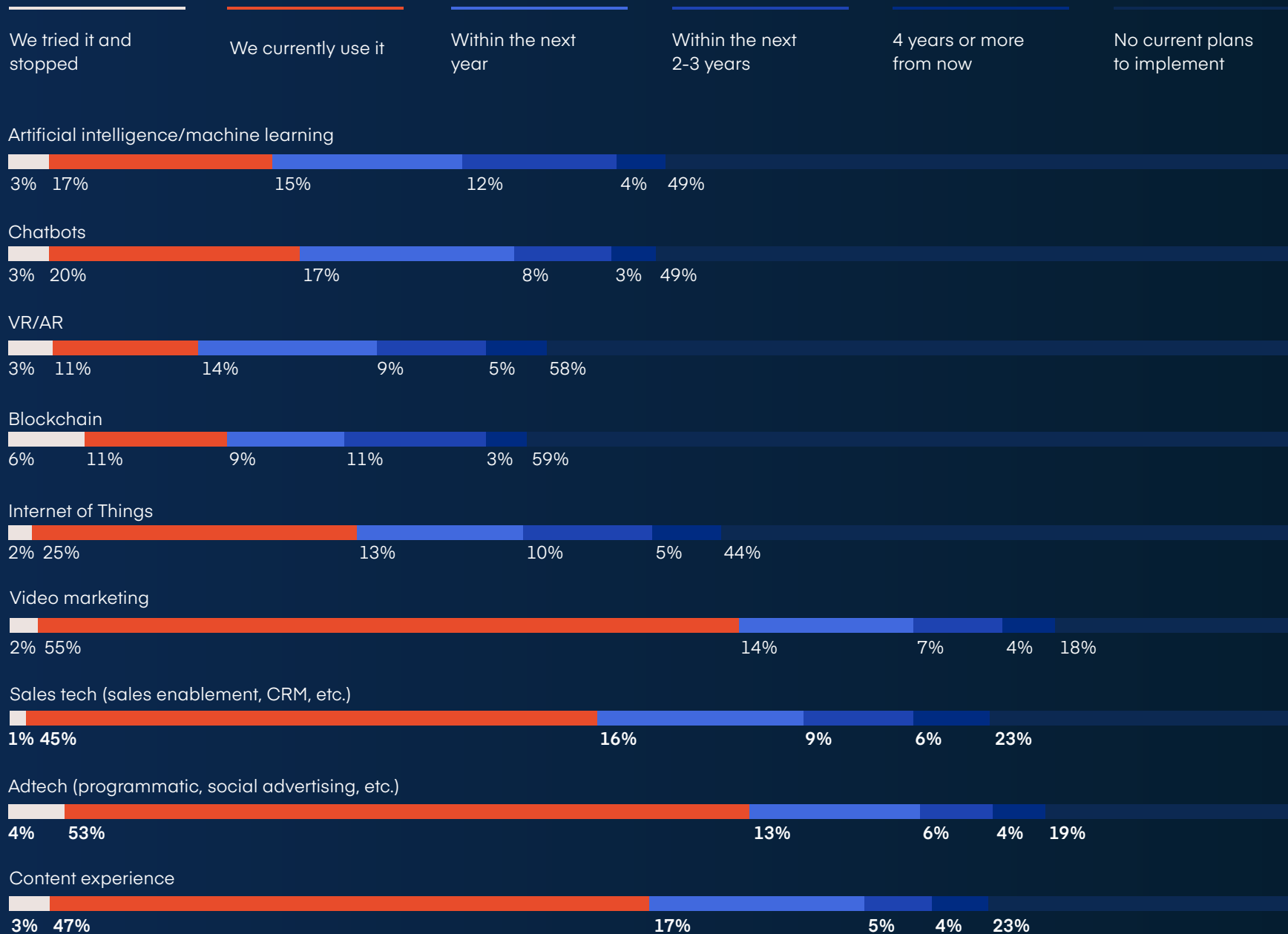
The other surprising ranking here is that an equal number of marketers believe that sales enablement and AR/VR will be buzzwords this year. AR/VR hype reached its peak in 2016 with the popularity of Pokemon Go, and no other brand has been able to capitalize on the technology to that extent since then. On the other hand, to combat the sales and marketing divide, we're seeing more teams looking for ways to support one another better. In fact, 45% of respondents are already using sales tech, including sales enablement software, and another 25% plan to adopt it within the next three years.

Martech concepts that respondents predict as buzzwords in 2019



When respondents plan to implement technology into their marketing strategies

Source: Walker Sands State of marketing technology 2019



Buzzword takeaways

Decode the buzzwords for real marketing potential

Marketers make a point to keep up to date on upcoming trends for the industry, but they know how to gauge the gap between emerging tech — that's fascinating to learn about but unreasonable and expensive to adopt — and what's feasible for their own company to take on.

Resist the FOMO on the next buzzword craze

There will always be buzzwords flying around the marketing industry, but letting the FOMO move you to hastily adopt a hyped-up new technology can have implications for customer trust, especially without the proper vetting. If you hop on board with an emerging tech solution, take caution and proceed slowly, perhaps with an incremental roll out.

06

Played-out marketing tensions remain

From sales-versus-marketing tension to fears of job loss due to AI, many of marketing's old trials persist. In this section, we break down each conflict.



42%

of respondents noted that tech will threaten their job someday, up from 39% in 2018

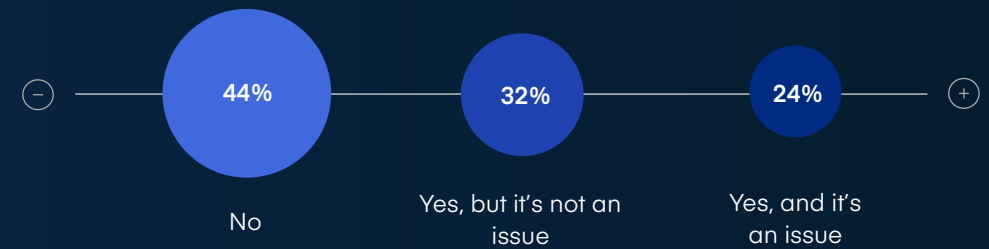
The sales and marketing divide

The relationship between sales and marketing departments is known to be strained at times, with both parties working toward different goals and leads, and pursuing them in conflicting ways. In fact, more than half (56%) of respondents say that their sales and marketing teams are siloed. Typically, this divide forms when the teams don't report up to the same person.

The two departments largely rely on each other to support the brand and bring in leads, creating a rift when their strategies and communication don't line up. For example, some sales departments create their own sales enablement content because they don't have access to or find value in the content that marketing produces. In the end, one organization winds up pushing two different sets of messaging to its customers.

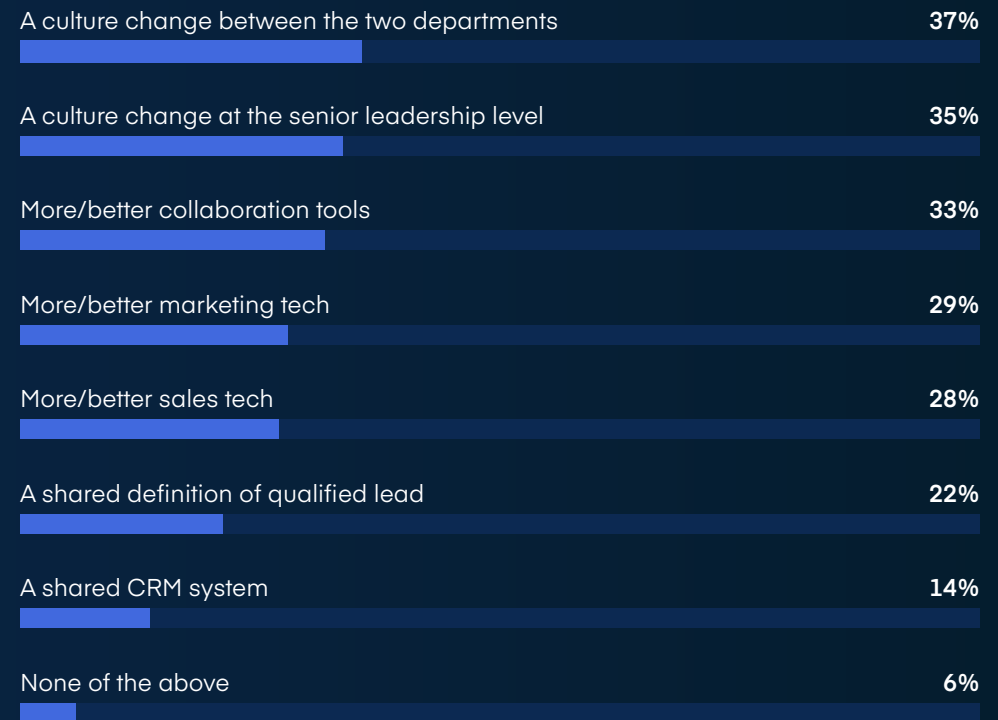
Respondents demonstrated that these divides are alive and well. Of those who experience a marketing and sales disconnect, 58% don't believe the silo is a problem, suggesting that many have become so accustomed to the disconnect that they've stopped noticing or trying to solve it. Ultimately, respondents believe a culture change is the key to solving the disconnect, either between the two departments (37%) or at the senior leadership level (35%).

Respondents' opinion on whether their marketing and sales teams are siloed



Source: Walker Sands State of marketing technology 2019

Respondents' take on what could make marketing and sales teams less siloed



Source: Walker Sands State of marketing technology 2019

Marketers' AI job loss concerns

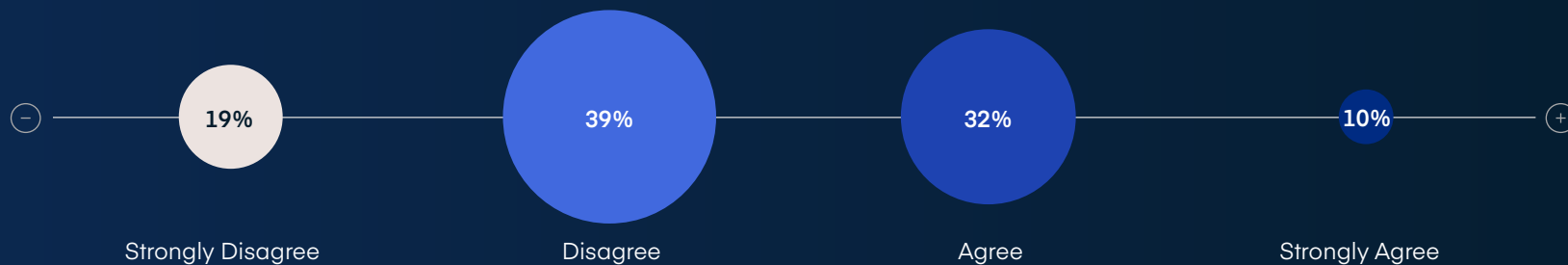
Another common martech tension is the concern for job loss amid AI's growing marketing role. While the marketing world has been settling into a routine with AI playing newer, bigger roles, human concern for their job prospects isn't lifting any time soon.

This year, 42% of respondents noted that tech will threaten their jobs, up from 39% in 2018. The incremental growth suggests that as AI technology improves, marketers witness it taking on more and more tasks that were formerly left to humans.



Respondents' level of agreement that martech will at some point threaten their jobs

Source: Walker Sands State of marketing technology 2019



Marketing tensions takeaways

Vendors must prove the silo problem before fixing it

While the marketing and sales silos have remained a struggle, this rift presents an interesting opportunity for vendors. But vendors hoping to break down the silos will have to work to prove the inefficiencies. Many marketers and sales professionals have become numb to the pain points.

Marketing leaders should provide AI transparency

As AI embrace grows, marketers' stress over job loss could cause decreased engagement and staff departure. As a marketing leader, keep worried talent engaged by being transparent about AI investments. Make it clear how you see the tech helping the organization (such as by taking over tedious, time-consuming tasks to increase marketers' productivity) and what kinds of new jobs it will create.

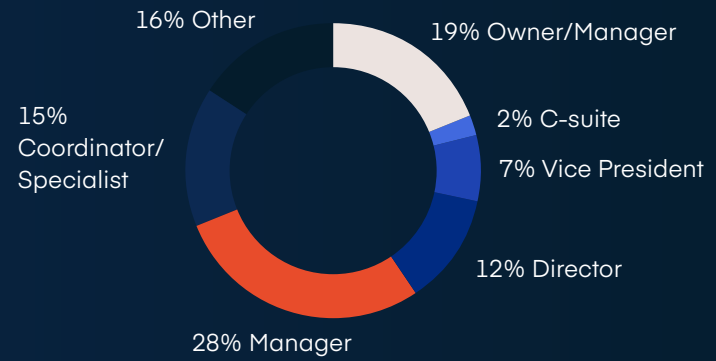
Methodology

Walker Sands surveyed 316 marketing, sales and advertising professionals in January of 2019. The breakdown of job titles, work experience, organization revenue and marketing department size is as follows:

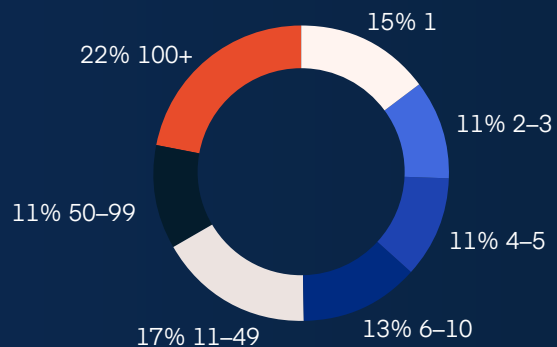
Department



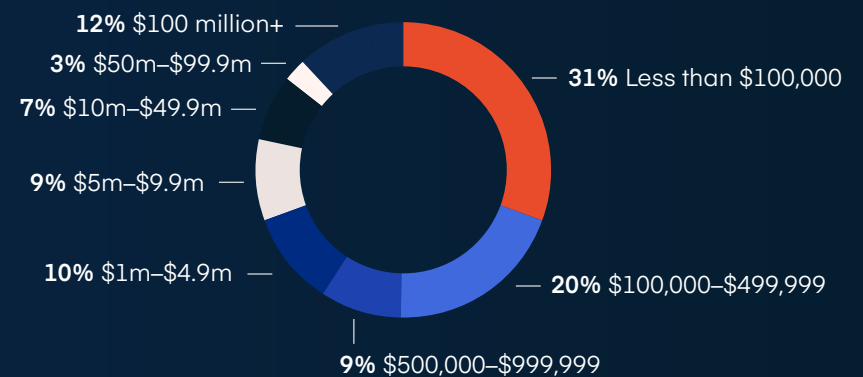
Role



Number of people in marketing department



Annual marketing budget



About the author



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Jennifer Mulligan is an account director at Walker Sands. An expert in all things martech, Jennifer helps marketing technology companies achieve their marketing and business goals through integrated marketing communications strategies. 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.



About us

Walker Sands is a full-service B2B marketing agency with core capabilities in public relations, demand generation, branding, creative, marketing strategy and web. The firm's integrated approach to marketing drives awareness, credibility and conversions for 100+ clients around the world. A seven-time Inc. 5000 honoree, Walker Sands is one of the fastest-growing B2B marketing agencies in the world, with offices in Chicago, San Francisco and Seattle.

Learn more at walkersands.com.