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2020 Marketing Technology Survey: Cost Pressures Force Martech Optimization and Innovation

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2020 has been a tumultuous year as organizations adapt their martech stacks to accommodate new business needs and shifts in customer behavior. Have marketing technology teams adapted? CMOs should use this year's martech survey results to track martech adoption, utilization, investments and agility.
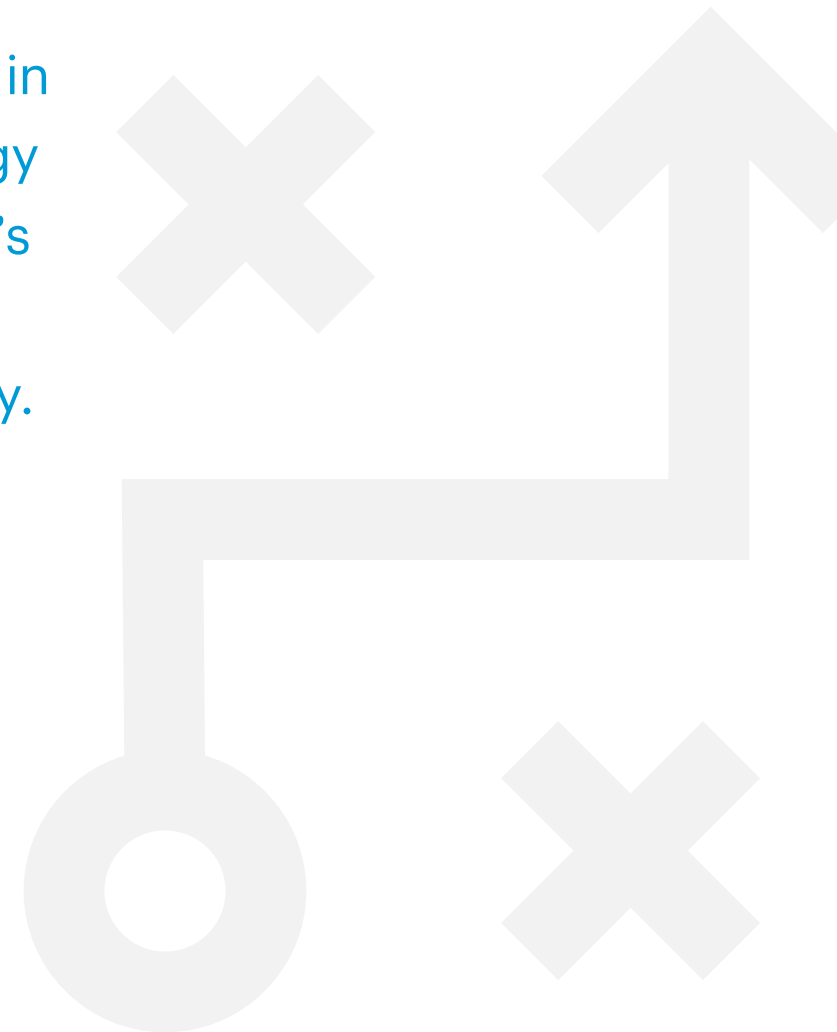
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Overview

Key Findings

- Responding to the disruptions triggered by the COVID-19 pandemic, nearly 60% of respondents in Gartner's 2020 Marketing Technology Survey say they expect moderate to severe cuts to their martech budgets. Marking a sharp reversal from 2019's survey results, 59% of respondents are embracing the relative safety of an integrated suite approach to martech, where an organization relies primarily on a single vendor for multiple interconnected capabilities.

- Martech leaders continue to face challenges using their stack to its full potential. Respondents utilize just 58% of their stack's full breadth of capabilities, citing challenges with cross-functional collaboration, a sprawling array of martech solutions and a lack of a solid customer data foundation.

- Despite these challenges, martech leaders remain optimistic, but may be overconfident: 81% of respondents feel their current martech stack is effective at meeting their organization's business objectives.

- Respondents show growing reliance on peers in IT and external partners across various martech-related activities, such as roadmap creation and technology selection. More than half of respondents state that marketing and IT leverage their complementary strengths in collaboration on key martech activities.

- Martech teams that apply agile methodologies to their technology roadmaps make more progress on key actions that improve martech's impact across the organization. For example, teams with agile roadmaps are more likely to report integrating new types of technology, adopting new functionality and conducting proofs of concept (POCs) to validate new use cases.

Recommendations

To help your team make better use of martech investments and resources:

- Assess your team's utilization of your marketing technology stack by conducting regular audits of deployment and usage. Look for opportunities to eliminate fringe tools or accelerate adoption of new solutions.

- Maintain balance between the hyped simplicity of integrated suites and the potential integration challenges of a best-of-breed approach by requiring even the largest of martech vendors to compete for your business on a best-of-breed basis. These detailed vendor evaluations should establish the vendor features that support your required capabilities to generate business value.

- Overcome talent and training challenges by relying more on other readily available internal resources, such as IT, and recruit the help of external agency partners or martech integrators to help ramp up new technologies and use cases faster.

- Deliver value more quickly and minimize waste in the face of fast-changing business demands by adopting agile methodologies. Activities such as "sprints" and POCs enable greater martech agility.

Survey Objective

The 2020 Gartner Marketing Technology Survey of 387 marketing leaders responsible for marketing technology decision making is designed to reveal how marketers are investing in, deploying and getting value out of technology. This annual survey was previously conducted in 2019.

The survey examines:

- The composition of the teams responsible for managing marketing technology in the enterprise, evaluation and selection practices

- Best practices for marketing technology effectiveness

- Key business processes for maximizing the utilization of marketing technology capabilities

- The adoption of a basket of 29 marketing technology categories

- Priorities related to emerging technologies and trends

Data Insights

As a result of the global pandemic, CMOs have fallen back to cautious growth strategies. Now that the comfort of a booming economy has evaporated, 79% are relying primarily on existing customers to fuel growth in a time when global economies and consumer behaviors are still in flux.1 One study found that U.S. digital commerce penetration experienced 10 years' worth of growth in just three months.2 What do the opposing forces of budget constraints and mandates for quick transformation mean for marketing technology?

Gartner's 2020 Marketing Technology Survey finds martech leaders under pressure to make shrewd investments in marketing technology. Nearly 60% of respondents in this year's survey expect to make moderate to severe budget cuts to planned martech investments in response to the disruptions brought about by the global pandemic. But is this prudence justified?

In this survey analysis, we identify five dimensions along which marketing technology leaders are adapting their martech stacks:

1. Strategy
2. Utilization
3. Effectiveness
4. Organization
5. Efficiency

Organizations Face One of Two Strategic Choices: Optimize for Value or Invest for Growth
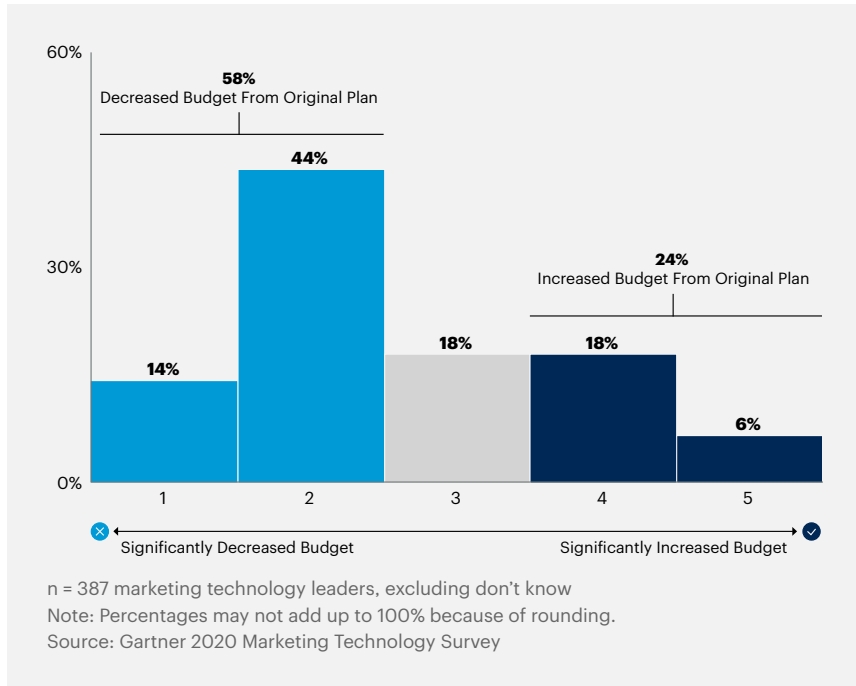
While most respondents in this year's survey face retreating budgets (58%), 24% cite expanding their martech investments in response to COVID-19 (see Figure 1). What are martech teams in these two segments doing differently?

When we explore the data, we find respondents are basing investment decisions on one of two strategies:

Optimizing for value. Respondents who cite budget cuts are focusing outstanding investments on simply keeping their business afloat by doing more with less.

Investing for growth. Respondents in organizations that are increasing martech investments are using this disruption as an opportunity to capitalize on growth initiatives and get ahead of the competition.

Figure 1. COVID-19's Impact on 2020 Martech Budgets

n = 387 marketing technology leaders, excluding don't know
Note: Percentages may not add up to 100% because of rounding.
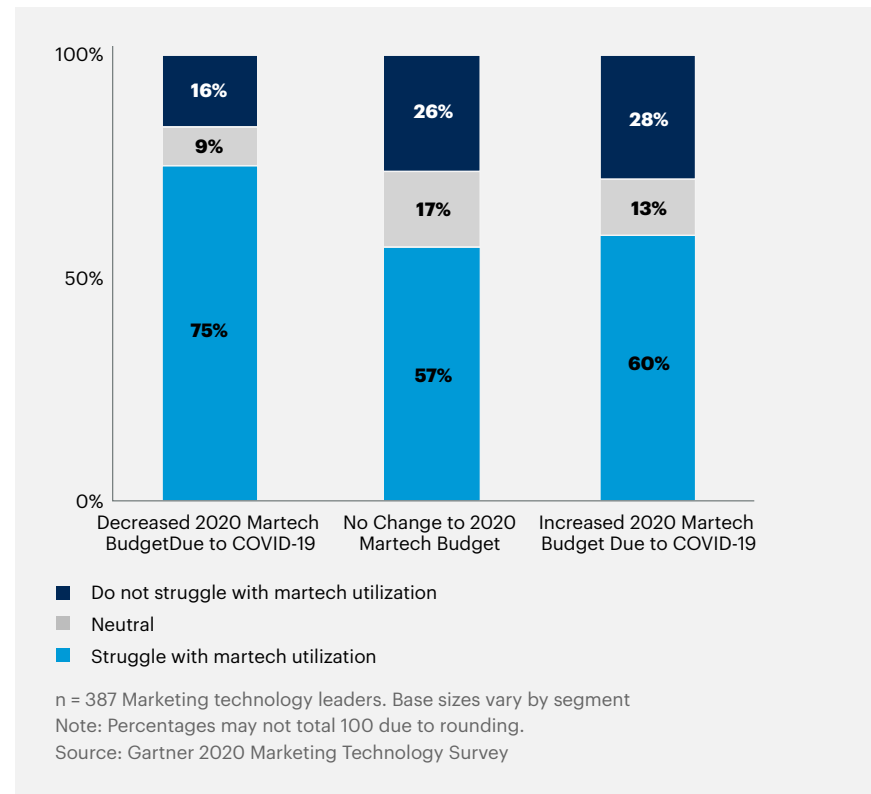Source: Gartner 2020 Marketing Technology Survey

Optimizing for Value: Marketers Strive to Do More With Less

Martech leaders facing reactionary budget cuts are forced to do more with less. In their effort to stay afloat, they retreat to "tried and true" marketing tactics, focusing on extracting more from existing customers rather than exploring new (and potentially risky) growth opportunities.

However, our survey data reveals that 68% of respondents face challenges with utilizing their stacks' full breadth of capabilities, investing in tools and add-on capabilities that ultimately go unused. Three-quarters of respondents facing a budget cut also struggle with utilization, an acute situation that demands attention to technology acquisition and usage (see Figure 2).

Figure 2. Martech Leaders Who Decreased 2020 Budgets Struggle More With Utilization

- ■ Do not struggle with martech utilization
- ■ Neutral
- ■ Struggle with martech utilization

n = 387 Marketing technology leaders. Base sizes vary by segment
Note: Percentages may not total 100 due to rounding.
Source: Gartner 2020 Marketing Technology Survey

How are respondents adjusting their planned purchases? According to our survey, 66% of respondents facing a pandemic-related cut to their martech budget have delayed a purchase of at least one previously approved marketing technology. When we examine the top actions that respondents facing a decrease have taken in the past six months, 39% are shifting their focus to existing vendors and internal users to strengthen existing tool adoption strategies and methods. Thirty-five percent are focusing on increasing the use of their current marketing technology stack.
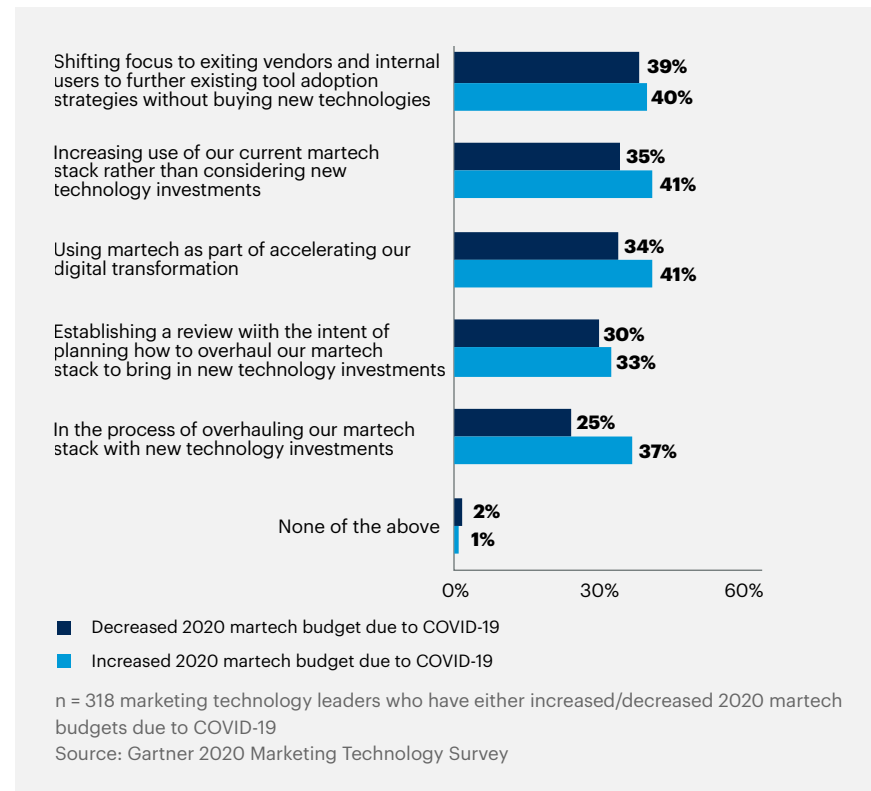
While these shifts may be sensible, some marketers are further ahead than others. Thirty percent of respondents have already begun a process to consider overhauling their martech stack, but only 25% of those facing a decrease in their budget have begun this process. This is notable, given the urgency and speed with which the pandemic set in.

Investing for Growth: Marketers Seize New Opportunities (but Aren't Always Successful)

Many CMOs prefer not to make any big moves until the dust settles, and are stalling investments in new marketing technology, for example. This may serve as a worthy strategy for some, especially those struggling with martech utilization. However, leading organizations take advantage of economic downturns as an opportunity to make a greater marketing impact when other brands are retreating and cutting or pausing their programs (see "A CMO Action Guide — How Leading Brands Outperform in Uncertain Times").

A portion of those receiving increased investments are taking advantage of this opportunity. Thirty-seven percent of those receiving an increase are in the process of overhauling their martech stack to capitalize on new investments (see Figure 3). This seems to represent the best-case scenario — acquiring new technology while pruning old technology to adapt to changing business and consumer climates.

Figure 3. Martech-Related Actions Taken as a Result of COVID-19

n = 318 marketing technology leaders who have either increased/decreased 2020 martech budgets due to COVID-19
Source: Gartner 2020 Marketing Technology Survey

A growth positioning may be paying off for some. Those who report that their budgets were not cut or had a decrease of less than 5% are more likely to state that martech plays a pivotal role in accelerating their digital transformation. A possible explanation for this is that, while additional dollars were not allocated to technology, a true growth-focused cost-optimization exercise may be underway.

Though, not all those with increased martech investments will find success. Out of respondents struggling to utilize their martech to its fullest, 60% report facing a martech budget increase. These marketers will experience new challenges because the influx of these investments will likely result in additional waste and product sprawl as strategic priorities shift.

Meanwhile, a smaller cohort of respondents that plans to increase investments cites no challenges with martech utilization at all. These marketers, which represent just 27% of total respondents, are better positioned to leverage a surge in investments and develop new martech use cases that help them adapt to further changes in our economic, political and cultural climate.

The challenge of martech utilization is substantial across the board, but will be felt most profoundly by teams faced with a paucity of financial resources.

Marketers Seek the Relative Safety of Integrated Suites

In 2019, most respondents reported following a best-of-breed approach to selecting their marketing technologies, where they select the "best" solutions to solving their challenges or advancing their ability, irrespective of vendor (see "Survey Analysis: Maximize Marketing Technology Effectiveness by Balancing Best-of-Breed Solutions With Integrated Suites").

However, 2020 reveals a sharp reversal in this approach. Fifty-nine percent of respondents in this year's survey say they now prefer to select their technologies using an integrated suite approach instead, relying primarily on a single vendor with multiple interconnected capabilities to satisfy their needs (see Figure 4).

Figure 4. Marketers' Preferred Approach to Selecting Marketing Technologies

n = 387 marketing technology leaders, excluding don't know
Source: Gartner 2020 Marketing Technology Survey
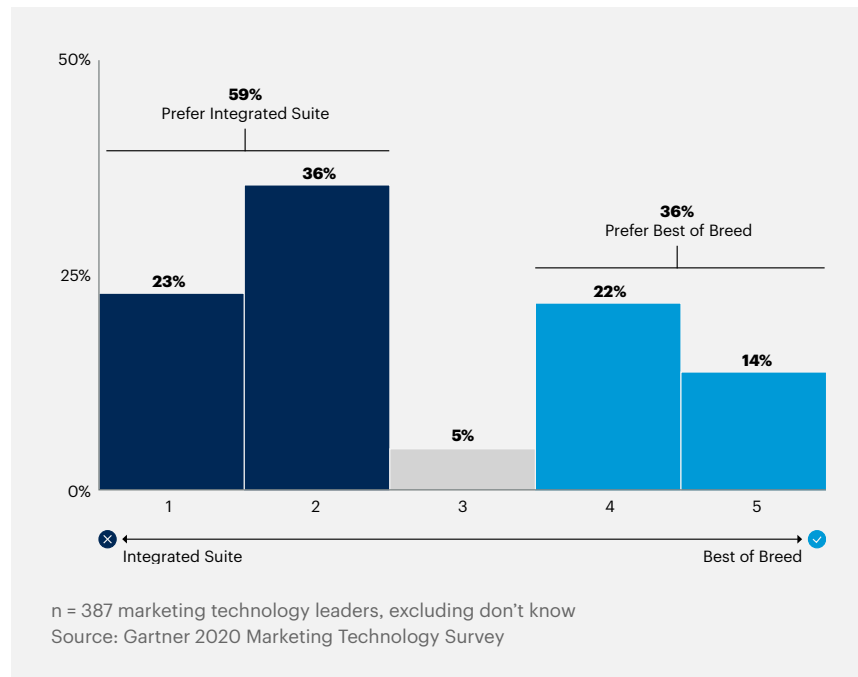
Additionally, 37% of total respondents say they are shifting their focus to existing vendors and internal users as a result of the COVID-19 pandemic. Forty-six percent say they added new functionality and enhancements to existing technology within the last six months. As the relative comfort of a booming economy has evaporated and marketers adapt to an avalanche of new digital business needs, respondents seek integrated suites for the security and convenience a

single, large vendor can provide. Marketers may also be turning to integrated suites in response to complex integration challenges and to cut out redundant and duplicative solutions (see "How to Prioritize Consolidating Your Martech Ecosystem to Deliver Cost Optimization").

When budget constraints force martech elimination or vendor consolidation, teams with integrated suites may be exposed to greater risks. While being "all in" on one vendor eases integration challenges, marketers following this approach may inherently forfeit whatever leverage they once had to maintain current licensing costs beyond their initial contract terms. Although an increased deal size may be leverage enough, marketers must consider whether the potential financial repercussions of a single vendor — which might significantly increase the cost of its product after the contract is due for renewal (see "How to Manage Marketing Technology Vendor Transitions and Consolidations").

Recommendations:

- To avoid wasted resources, critically evaluate your organization's martech stack to prune or eliminate underutilized technology on a consistent basis, while holding your team accountable for expanding martech adoption and use, not just marketing ROI.

- Seek balance between the hyped simplicity of integrated suites and the potential integration challenges of a best-of-breed approach by requiring even the largest martech vendors to compete for your business on a best-of-breed basis. Be realistic about the simplicity of integrated suites and their promises to fuel growth or streamline costs — integration challenges impede virtually all martech teams.

- Leverage the breadth of integrated suite vendors to obtain insight into effective or emerging use cases across the vendor's client base to expedite adoption within your own organization.
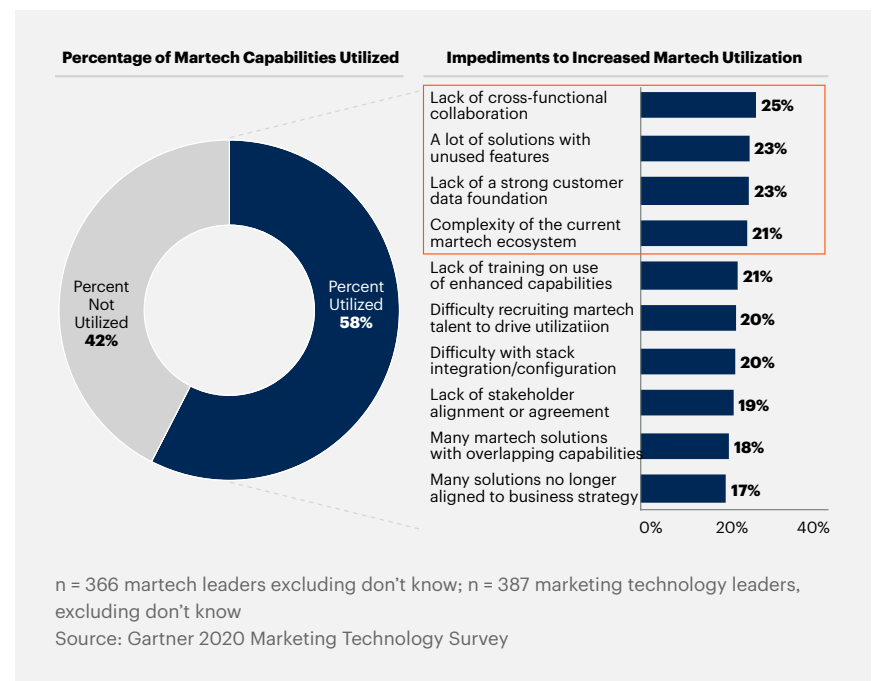
Martech Teams Only Utilize 58% of Their Stacks

With marketing technology constituting over a quarter of total marketing expense budgets,[1] martech teams face mounting pressure to utilize more of their stacks' capabilities during a time when every dollar must count.

However, this year's survey finds respondents only utilizing, on average, 58% of their stack's full breadth of capabilities, reflecting nearly the same percentage of martech utilization cited in 2019. This signals a huge resource drain as marketers invest in tools and add-on capabilities that ultimately go unused. Why are marketers still stuck on utilization?

When it comes to utilization, success hinges less on the actual technologies selected and more on the people and processes involved. Respondents cite a series of impediments standing in their way of increasing martech utilization, many of which are people- or process-related (see Figure 5).

Figure 5. Impediments to Increased Martech Utilization

Percentage of Martech Capabilities Utilized

Percent Not Utilized 42%

Percent Utilized 58%

Impediments to Increased Martech Utilization

Impediment	%
Lack of cross-functional collaboration	25%
A lot of solutions with unused features	23%
Lack of a strong customer data foundation	23%
Complexity of the current martech ecosystem	21%
Lack of training on use of enhanced capabilities	21%
Difficulty recruiting martech talent to drive utilizatiion	20%
Difficulty with stack integration/configuration	20%
Lack of stakeholder alignment or agreement	19%
Many martech solutions with overlapping capabilities	18%
Many solutions no longer aligned to business strategy	17%

0%   20%   40%

n = 366 martech leaders excluding don't know; n = 387 marketing technology leaders, excluding don't know
Source: Gartner 2020 Marketing Technology Survey

Do martech teams that prefer to source their technology from integrated suite solutions achieve higher levels of utilization? Simpler integration is one potential benefit that would support such a hypothesis. But martech teams with a best-of-breed approach have long recognized the need for greater investments in integration and martech talent to operate a greater number of solutions and connect them together.

Respondents with a best-of breed approach report using slightly more of their martech stacks than those with an integrated suite (59% versus 57%). However, those with a preference for integrated suites are significantly more likely to say their martech stack is meeting their organizations' business objectives compared to those following a best-of-breed approach (see Figure 6). Given the notable shift in preference for an integrated suite approach to martech selection compared to prior years (see Figure 4), there may be some short-term impacts on respondents' attitudes toward their own martech stacks. The prevalence of key impediments for teams following either approach suggests that neither organizing principle has resulted in clear and sustained gains. Expanding martech utilization continues to correlate with improved martech effectiveness, a finding illustrated in Figure 11 further below.

Figure 6. Preference for Integrated Suite Approach Correlates to Effectiveness of Martech Stack

Statement Agreement: Our Martech Stack Is Completely Effective at Meeting Business Objectives

Legend:
- Disagree/strongly disagree
- Neutral
- Agree/strongly agree

Prefer Integrated Suite: Disagree/strongly disagree 16%, Neutral 10%, Agree/strongly agree 74%

Prefer Best of Breed: Disagree/strongly disagree 10%, Neutral 6%, Agree/strongly agree 84%

n = 368 marketing technology leaders citing preference for best of breed or integrated suite. Base sizes vary by segment.
Source: Gartner 2020 Marketing Technology Survey

Customer Data Management Challenges Prevail Despite Lofty Investments in CDPs

Despite 87% of respondents saying they have a fully deployed customer data platform (CDP) or are currently deploying one, 23% of total respondents cite a "lack of a strong customer data foundation" as a top impediment to martech utilization. CDPs are also one of the most frequently mentioned technologies respondents would prioritize keeping in the event budgets decrease due to COVID-19. So why are teams still challenged with establishing a strong customer data foundation?

One answer may be found in marketers' lofty expectations in the technology itself. While CDPs are essential to helping unify an organization's complex web of customer data, many organizations mistakenly view CDPs as a sort of panacea for all their customer data management woes (see "A Guide to What Is — and Isn't — a Customer Data Platform"). Brands in search of a single view of the customer encounter many hurdles, not least of which is the challenge of uniting stakeholders on use cases and technical requirements.

One common challenge martech teams come up against is that, while CDPs are owned by marketing, many other business units seek unified customer data, ranging from sales and service to BI, finance and operations. The scope of data, and which workflows are supported, are key reasons that applications promising a "single view of the customer" often stall before reaching productivity. In reality, multiple views of the customer are often needed by an enterprise. As a result, disparate business teams have applications that their own business users need, as well as data stores that are maintained and integrated by technical users. For many, solving one business unit's application needs may serve as only a short-term remedy (see "What Marketers Need to Know About Customer Data").

As a result of this inflated view, the CDP is making its slow descent from the Peak of Inflated Expectations into the Trough of Disillusionment in Gartner's "Hype Cycle for Digital Marketing, 2020." Gartner clients regularly link their business justification for CDP solutions to personalization efforts (see "How to Build and Present a Business Case for Marketing Technology Investments"). However, Gartner predicts that, by 2025, 80% of marketers who have invested in personalization will abandon their efforts due to lack of ROI, the perils of customer data management or both (see "Predicts 2020: Marketers, They're Just Not That Into You").

That doesn't mean that CDPs are not a worthy investment. While organizations face obstacles in deploying a CDP, the promise of a unified and central repository is a worthwhile endeavor — especially for marketing teams that are deliberate in how they plan and manage deployment and ongoing use (see "Bolster Marketing Agility With a Customer Data Platform 'Smart Hub'").
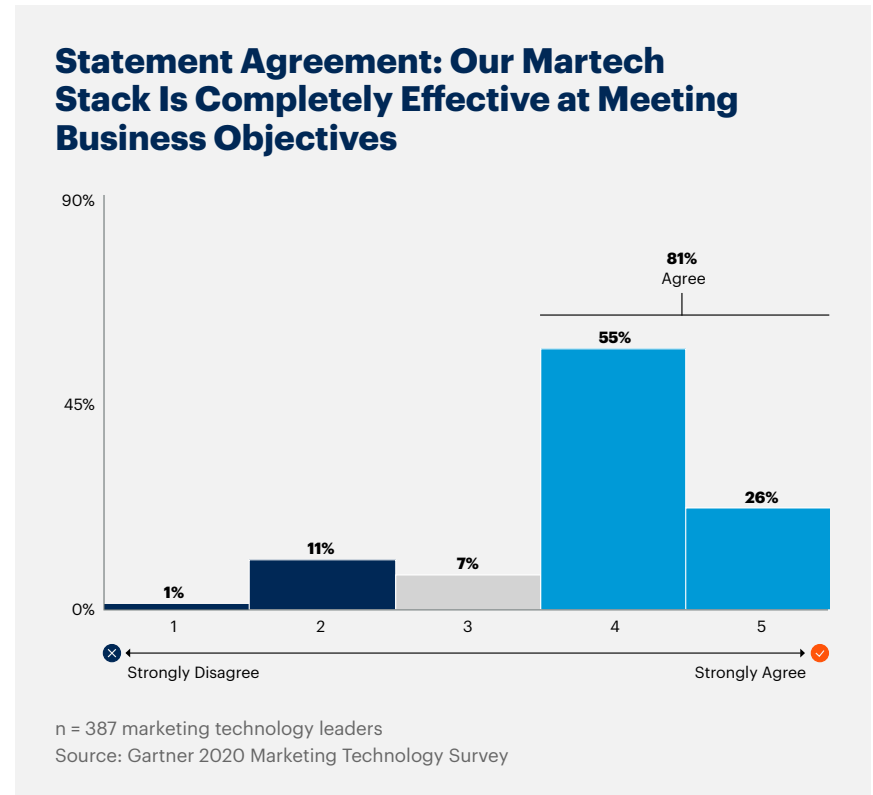
Recommendations:

- Assess the must-have capabilities of your martech stack and whether you can improve its business value by eliminating or consolidating solutions that provide unused or redundant capabilities (see "How to Prioritize Consolidating Your Martech Ecosystem to Deliver Cost Optimization").

- Benchmark your own decisions to keep or eliminate martech solutions against similar companies (e.g., by industry, company size) via Gartner's "Data Interactive Tool: Marketing Technology Survey 2020, Adoption and Prioritization of Martech Products."

Marketers Are Confident in Their Martech Stack's Effectiveness

Despite investment and utilization challenges, martech teams are confident in their stack's effectiveness. According to this year's survey, 81% of respondents feel their current martech stack is effective at meeting their organization's business objectives (see Figure 7). Eighty-seven percent of respondents also feel confident that their organization is currently outperforming their peers relative to revenue and profit.

Figure 7. Martech Stack Effectiveness

Statement Agreement: Our Martech Stack Is Completely Effective at Meeting Business Objectives

90%

81% Agree

55%

45%

26%

11%

7%

1%

0%

1 2 3 4 5

Strongly Disagree   Strongly Agree

n = 387 marketing technology leaders
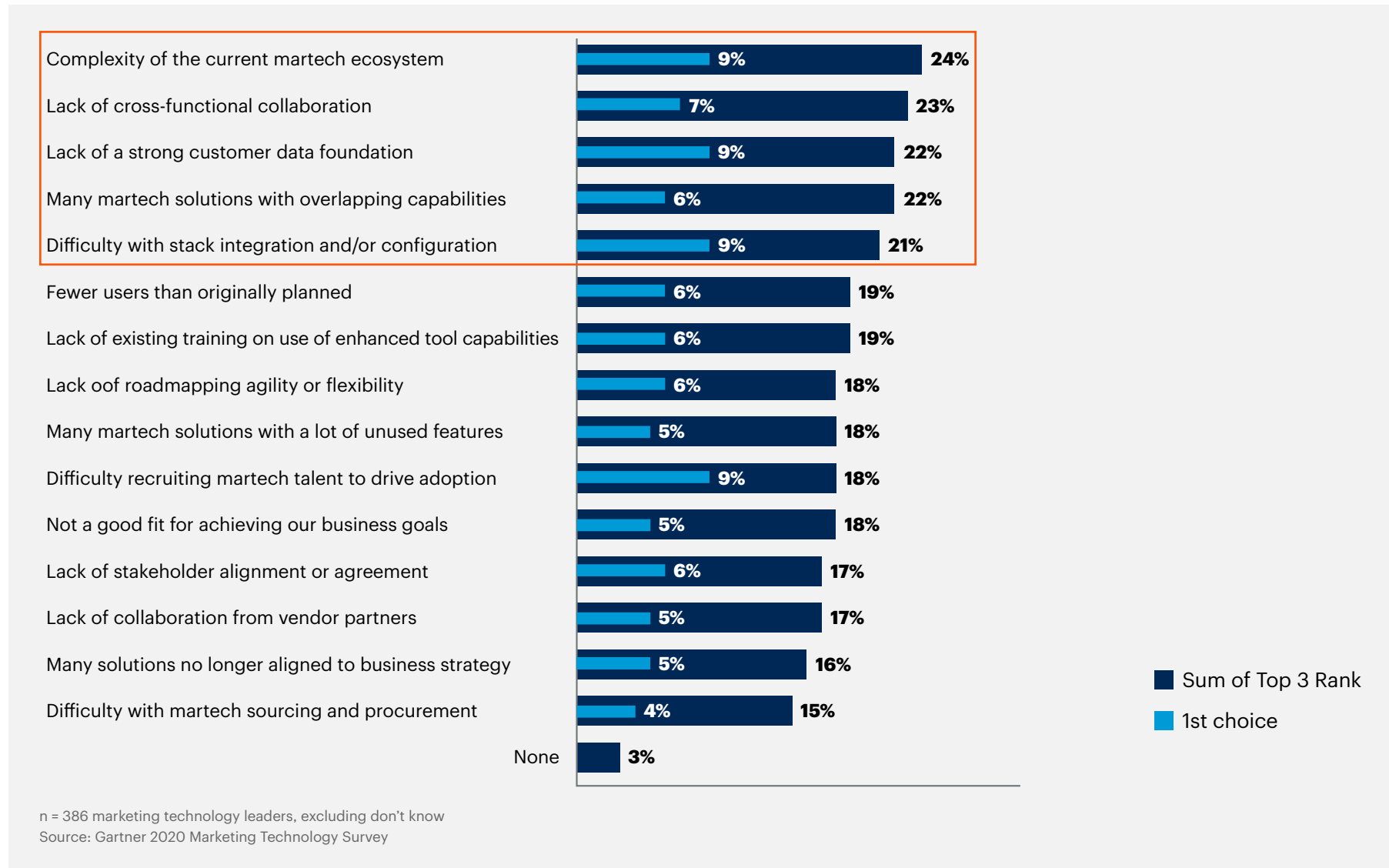Source: Gartner 2020 Marketing Technology Survey

Confirmation bias may play a role in respondents' conviction that their stacks are measuring up. Martech leaders spend substantial time and effort to advocate for particular technology investments, and may be less likely to endorse the position that those same investments aren't working out. Further reason for skepticism is the extent of utilization challenges, since 20% of respondents who say their stack is effective also agree that they struggle to utilize the full capabilities of their stack.

In what has been marked the longest bull market in American history,3 marketers may have been lulled into a false sense of security. When times are good and your organization is growing, underperforming investments are scrutinized less often, and there is likely to be less urgency in identifying underperforming solutions. The dramatic financial shocks of the COVID-19 pandemic also suggest that even in good times, there may be unforeseen challenges around the corner, arising at a moment's notice. As a result, overconfidence itself is a major risk that could impede critical business evolutions: CMOs can't deflect blame to unfulfilled vendor promises.

Today's new digital business needs demand greater accountability, which will only continue to grow (see How CMOs Should Use Martech Cost Optimization Techniques in Challenging Times). The onus to increase martech effectiveness will present new challenges for marketers as organizations begin to face this harsh reality (see Figure 8).

Figure 8. Impediment to Increasing Martech Stack Effectiveness

	Sum of Top 3 Rank	1st choice
Complexity of the current martech ecosystem	24%	9%
Lack of cross-functional collaboration	23%	7%
Lack of a strong customer data foundation	22%	9%
Many martech solutions with overlapping capabilities	22%	6%
Difficulty with stack integration and/or configuration	21%	9%
Fewer users than originally planned	19%	6%
Lack of existing training on use of enhanced tool capabilities	19%	6%
Lack oof roadmapping agility or flexibility	18%	6%
Many martech solutions with a lot of unused features	18%	5%
Difficulty recruiting martech talent to drive adoption	18%	9%
Not a good fit for achieving our business goals	18%	5%
Lack of stakeholder alignment or agreement	17%	6%
Lack of collaboration from vendor partners	17%	5%
Many solutions no longer aligned to business strategy	16%	5%
Difficulty with martech sourcing and procurement	15%	4%
None	3%	

n = 386 marketing technology leaders, excluding don't know
Source: Gartner 2020 Marketing Technology Survey

Recommendations:

- Overcome the risk of martech complexity by building specific competencies around technology, content and workflow that support your overall marketing strategy. Identify the data dependencies of these disparate systems, and create a data management framework that covers the acquisition, organization, storage, analytics and delivery of marketing data in service of your objectives (see "Establish the 5 Components of Marketing Data Management").

- Accelerate investments in integration and customer data management to make customer data available to the technologies that need it most. When multiple solutions contain and consume customer data, you must prioritize interconnection to realize the benefits of improved performance and greater measurement insight (see "Use Customer Data Management Technologies to Deliver Better Customer Experiences").

It Takes a Village: Teams Make Progress Organizing the People and Partners Required for Martech Success

Given its highly technical nature and impact across the organization, martech is an inherently cross-functional, people-driven undertaking. Yet organizations have historically provided insufficient consideration to the people and processes integral to enabling organizational success. This is reflected in this year's survey, where respondents cite cross-functional collaboration, lack of talent and a need for more training as impediments preventing them from achieving greater utilization and effectiveness (refer back to Figures 5 and 8 above).

Nearly half of survey respondents report that the highest ranking martech professional in their company resides at the C-suite level or higher. This reflects the high business visibility needed to marshal support for cross-functional initiatives. Sustained transformation requires breaking down marketing and operational silos to preempt future roadblocks, and a prioritization framework to ensure objective evaluation and rapid cross-functional alignment on the ideas that have the greatest impact (see "End-to-End Marketing Transformation to Drive Customer Centricity [HP]").
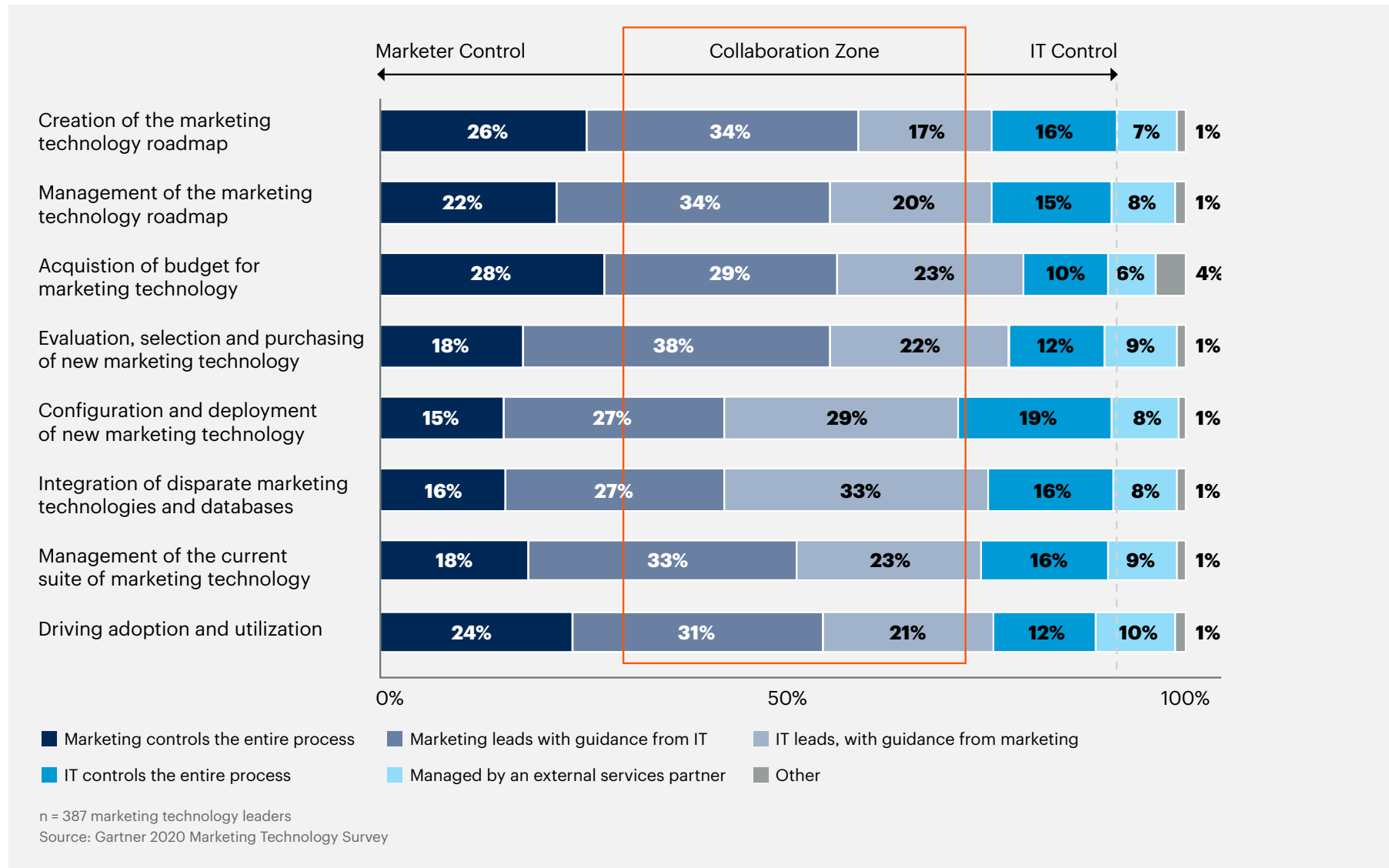
Martech Teams Lean More Heavily on IT and External Partners

While organizations have a long way to go when it comes to breaking down silos and facilitating cross-team cohesion, martech teams are making notable progress, particularly when it comes to collaborating with peers in IT (see "Building an Effective IT-Marketing Partnership").

This year's survey finds martech teams collaborating with their IT counterparts more closely than they did in 2019 across eight core martech activities, including roadmap management, budget acquisition and technology selection (see Figure 9). As many as 60% of respondents state that their activities are conducted in the "collaboration zone" between marketing and IT. Gartner inquiries with CMOs reveal that bringing readily available IT resources into martech projects may improve martech impact, which should dampen any concerns over a perceived loss of control.

Given the depth of recent changes in consumer behaviors, IT often now owns specific digital transformation tasks that ultimately impact the customer experience, such as changing order fulfillment workflows that leverage digital marketing channels (see "Digital Marketing Perspective: Fulfillment Is About More Than Curbside Pickup"). Because marketing teams are critical stakeholders of product and service innovations that impact customers, CMOs should focus on obtaining the right resources that help deliver transformation rather than focus on whose team the resources report into. A collaborative partnership with IT is critical to meeting customer expectations.

Figure 9. Marketers' Reliance on IT Has Increased

Marketer Control — Collaboration Zone — IT Control

Activity	Marketing controls the entire process	Marketing leads with guidance from IT	IT leads, with guidance from marketing	IT controls the entire process	Managed by an external services partner	Other
Creation of the marketing technology roadmap	26%	34%	17%	16%	7%	1%
Management of the marketing technology roadmap	22%	34%	20%	15%	8%	1%
Acquistion of budget for marketing technology	28%	29%	23%	10%	6%	4%
Evaluation, selection and purchasing of new marketing technology	18%	38%	22%	12%	9%	1%
Configuration and deployment of new marketing technology	15%	27%	29%	19%	8%	1%
Integration of disparate marketing technologies and databases	16%	27%	33%	16%	8%	1%
Management of the current suite of marketing technology	18%	33%	23%	16%	9%	1%
Driving adoption and utilization	24%	31%	21%	12%	10%	1%

0% 50% 100%

■ Marketing controls the entire process   ■ Marketing leads with guidance from IT   ■ IT leads, with guidance from marketing

■ IT controls the entire process   ■ Managed by an external services partner   ■ Other

n = 387 marketing technology leaders
Source: Gartner 2020 Marketing Technology Survey

It's not just IT that martech teams are leaning more heavily on. While they were barely mentioned in 2019, respondents in 2020's survey have made a dramatic shift in their reliance on external service providers as contributors to key martech activities, too. For example, respondents who accelerated their purchases of marketing technology in response to COVID-19 were much more likely to recruit an external service provider to manage their martech roadmap and configure and deploy their technology.

Some of these shifts can be attributed to the emergent nature of the global pandemic and the increasing mandate for digital transformation as organizations seek outside expertise to take on new and vexing technology activities (see Figure 10).

Figure 10. IT and External Service Providers Play a Greater Role in Managing Key Marketing Technology Activities

Marketing Technology Activity Controlled Outside Marketing (by IT or An External Service provider)

- 2019 survey
- 2020 survey

n = 387 marketing technology leaders (2020); n = 418 (2019)
Source: Gartner 2020 Marketing Technology Survey

Similarly, agencies are a prime source of external perspective and innovation for martech teams. In a time when things are changing fast, agencies can serve as key strategic partners that help marketing organizations envision and develop net new capabilities in the face of evolving business demands (see "Survey Analysis: CMOs Forge New Relationships With Agencies").

However, martech teams mustn't become too dependent on outside assistance. While external services may help martech teams circumnavigate new challenges and pitfalls in the short term, they pay a premium for such services. Further, internal teams possess greater context for the data assets that support dynamic customer journeys that martech seeks to improve. Martech teams should structure external support relationships to support not just immediate needs, but also in-house capabilities that improve agility and ROI in the long term (see "CMO Perspective: How to Solve the Innovation Gap With In-House Agency Talent").

Martech Teams Can Achieve Greater Success Through Collaboration With IT

CMOs can also benefit from prioritizing technology adoption as highly as they do vendor selection as a means to create greater martech impact. Less than half as many respondents cited difficulty with marketing technology sourcing and procurement as their top impediment to martech effectiveness as selected lack of a strong customer data foundation or challenges with stack integration and complexity. CMOs should balance vendor

selection and development of a sound martech roadmap with activities that can involve marketing and IT teams together, and that aim to maximize adoption and utilization. Examples include testing new use cases and strengthening the integration and data foundation of the marketing team.

Once technology has been selected, don't assume that marketing will have everything under control, as hiccups often send business teams back to IT. According to Gartner's 2018 Business Unit IT Survey, the most common reasons for IT organizations taking on responsibility for IT projects initiated by a business unit owner (such as martech) are increased need for integration, a need to improve reliability and rising solution complexity.[4] Each of these hurdles, in the context of martech, could stymie the growth of martech utilization.
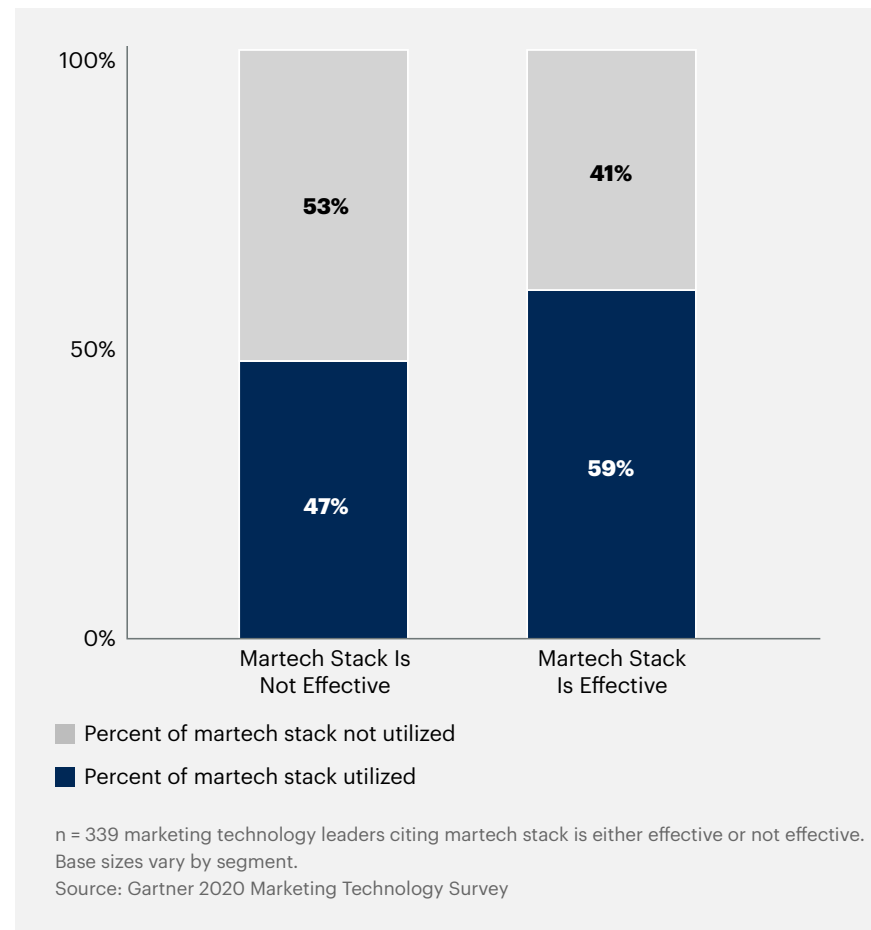
To effectively partner with peers in IT:

- Advocate for your organization's needs and communicate them proactively.

- Set up rules of engagement that protect the IT team from being underutilized while they wait for marketing to establish business requirements or decide how impact will be measured.

- Make a business case to justify IT investment as an advantage over recruiting the help of external service providers.

Martech Teams Confront Talent Shortages and Skill Development Issues

Consistent with last year's findings, teams are still struggling with securing qualified talent to fulfill their martech needs in 2020. While 80% of respondents have identified a need for additional martech staff, 73% struggle to recruit qualified martech candidates. Ultimately, people and their ability to work together is the key differentiator to realizing greater business impact, because utilization of technology, not merely its acquisition, is essential for greater levels of martech effectiveness (see Figure 11).

Figure 11. Marketers With More Effective Martech Stacks Utilize More of Their Capabilities

n = 339 marketing technology leaders citing martech stack is either effective or not effective. Base sizes vary by segment.
Source: Gartner 2020 Marketing Technology Survey

While assembling a modern marketing technology organization equipped for today's business climate isn't a "one size fits all" proposition, martech teams can benefit by raising the profile of their staff and team skill development.

2020 finds teams making some progress on that front. More than half (56%) of respondents are building new processes and team capabilities to improve their team's ability to utilize more of their stack (see Figure 12). The people-based component of martech utilization requires consistent planning, rather than a flick of a switch. It's critical that martech leaders refine their talent strategy. Despite the urgency of raising utilization, only 41% of respondents report that supporting ongoing training and skill development is part of their job. One potential impact of improved cross-functional collaboration is talent identification across organizational silos that could be seconded or transferred to assist with martech.

Figure 12. Steps Taken to Improve Martech Stack Utilization

n = 385 marketing technology leaders, excluding don't know
Source: Gartner 2020 Marketing Technology Survey
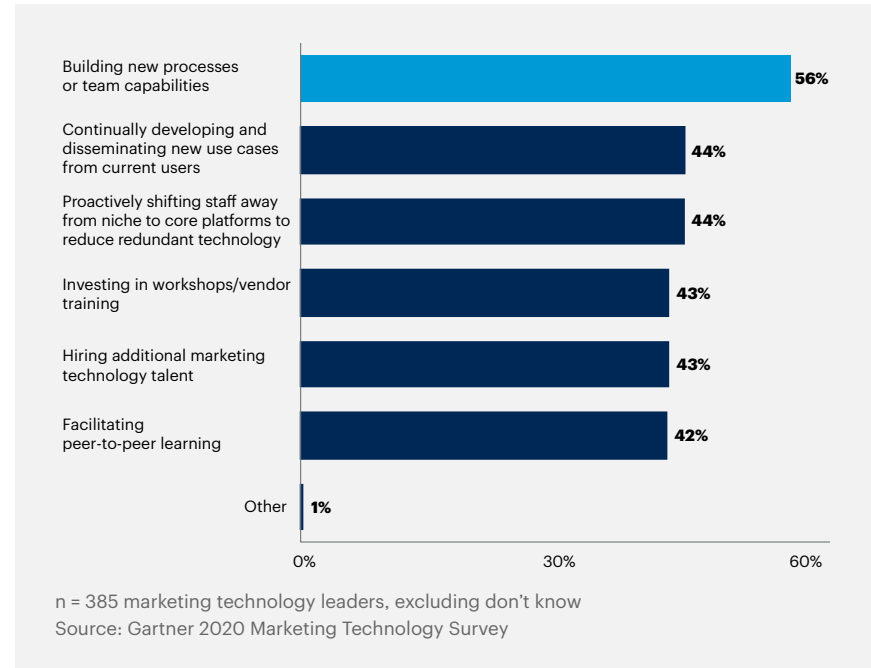
Still, growing and developing one's team will prove challenging. Skilled martech workers are likely keeping their jobs and doing them remotely during the COVID-19 pandemic. Those who haven't, will be presented with new opportunities quickly. To compete, CMOs should consider hiring available workers now, while ensuring their remote teams have the necessary technologies and resources to collaborate effectively (see "I&O Leaders Must Hire Now, While Talent Is Widely Available and How to Cultivate Effective 'Remote Work' Marketing Teams").

Recommendations:

- Acquire resources suitable for your task and budget at hand, whether they reside in marketing, in IT or with an external partner or agency. Acknowledge marketing's many collaborators and the role they serve in raising marketing agility and competencies by sourcing talent and expertise where available (see "Intuit's Capability-First Martech Development").

- Align martech to your organization's overall business and talent development plan so that martech leaders and team members remain accountable not only for the ROI of their martech stack, but also for expanding martech adoption and use. Create systematic measurements of features adopted, active licenses and seats, and socialize these needs to your broader team so that managers hold their team members accountable.

- When internal marketing expertise is lacking, maximize the impact of external partners by building knowledge sharing and transfer into your engagements with them. Plan to take over deployments and operations once your team is up to speed.

Efficient Martech Teams Adopt Agile Planning Approaches and Continuously Add New Users

Martech teams may feel their martech is effective at achieving business results, but how efficient are their efforts to achieve this impact? According to our 2020 Marketing Technology Survey, teams struggle with many of the tasks that would streamline martech functions through established processes and collaboration. Twenty-three percent say cross-functional collaboration is an impediment to the effectiveness of their martech stack. A full 70% of respondents also report they struggle to integrate the advanced capabilities of their martech stack into work processes. The friction of poor martech governance might not be noticeable amid an economic boom, but periods of change and a focus on expense mitigation can shine a light on previously overlooked shortcomings (see "The Roles and Remits of Martech Leadership").

These shortcomings may be the result of the low priority marketing teams place on efficiency. When asked which they favor more in Gartner's 2020 Marketing Operations and Organization Survey, 67% said their marketing organization prioritizes effectiveness over efficiency when it comes to marketing technology.[5]

It's apparent that organizations are generally more interested in results than process, but, to succeed, teams must value both: improving efficiency to reduce cost as well as improve agility, and ensuring effectiveness with a strong connection to business outcomes (see Deliver Martech Success, Efficiency and Cost Optimization in Challenging Times).

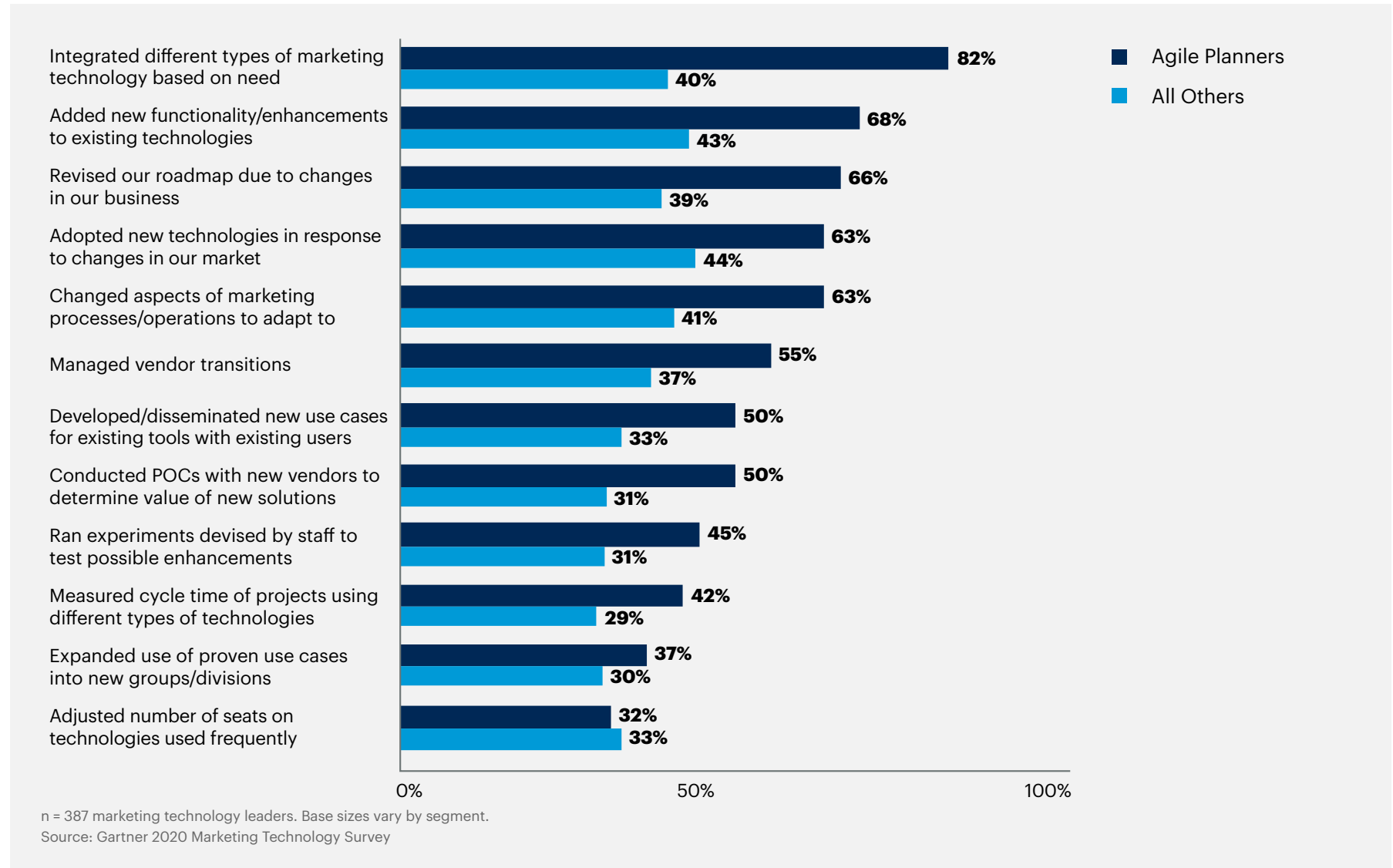**Agile Planners Accelerate Impact With Meaningful Actions More Quickly**

When we look at respondents who maintain agile roadmaps — roadmaps that flex to address emergent needs — we find that agile planners are better positioned to deliver the transformational impact needed for today's challenges. Agile planning uses frequent, short-term "sprints" to make incremental progress against big picture goals. It uses the ability to make quick adjustments to more easily accommodate new insights and changing environmental factors. Just 10% of survey respondents report an agile planning approach to their martech roadmap, but this cohort is much more active in responding to the pressures of the COVID-19 pandemic, demonstrating that they put a variety of agile practices into action (see "Build Stronger Marketing Plans in Uncertain Times With Adaptive Strategic Planning").

Reviewing the actions marketers have taken over the last six months, respondents with an agile planning approach cite having made more progress on key actions to improve martech impact compared to the survey average. For example, 82% have integrated new types of marketing technology, compared to just 44% on average, and 68% have added new functionality to existing technologies. Nearly two-thirds have added new marketing processes to adapt to new technologies in use. This is a critical step to improving martech utilization and is the hard work of improving marketing maturity.

Agile planners confront the challenge of martech utilization by supporting marketing transformation efforts not as a single step, but as a series of small steps over time. The faster these steps and changes occur, the faster teams can grow their skills to deliver new capabilities. According to this year's survey, respondents with agile roadmaps take more actions across the board relative to the rest of respondents (see Figure 13).
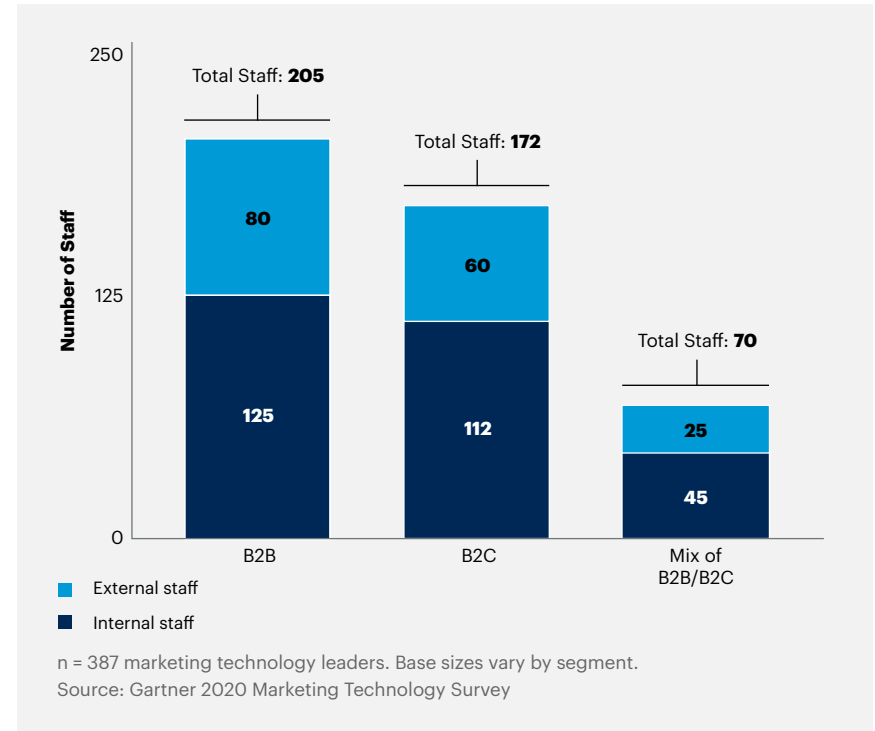
Figure 13. Agile Planners Get More Done

	Agile Planners	All Others
Integrated different types of marketing technology based on need	82%	40%
Added new functionality/enhancements to existing technologies	68%	43%
Revised our roadmap due to changes in our business	66%	39%
Adopted new technologies in response to changes in our market	63%	44%
Changed aspects of marketing processes/operations to adapt to	63%	41%
Managed vendor transitions	55%	37%
Developed/disseminated new use cases for existing tools with existing users	50%	33%
Conducted POCs with new vendors to determine value of new solutions	50%	31%
Ran experiments devised by staff to test possible enhancements	45%	31%
Measured cycle time of projects using different types of technologies	42%	29%
Expanded use of proven use cases into new groups/divisions	37%	30%
Adjusted number of seats on technologies used frequently	32%	33%

n = 387 marketing technology leaders. Base sizes vary by segment.
Source: Gartner 2020 Marketing Technology Survey

While few marketing trends have received as much hype as agile organizational structures, an agile approach to martech can decrease the costs incurred from adapting to change (see Marketing "Organization Survey 2020 — The Evolution to Centralized, Functional and Agile Continues"). Through agile marketing, teams can ensure greater efficiency in their efforts to integrate and enhance martech, while building new capabilities faster during a time of increased cost pressure and substantial change.

Martech Teams With More Users Report Greater Levels of Utilization

When it comes to the actual end users of martech, respondents cite a relatively high number of staff administering and operating solutions within their organizations. On average, organizations have a median of 50 external users and 80 internal team members using martech.

Respondents in B2B organizations report a higher number of users compared to their B2C counterparts (see Figure 14). This should come as little surprise, given the wide adoption of B2B automation solutions from sales teams and account executives looking to enhance demand generation and sales enablement efforts (see "Why Marketers Choose B2B Marketing Automation Platforms").

Figure 14. Martech Team Size Varies by Business Model

n = 387 marketing technology leaders. Base sizes vary by segment.
Source: Gartner 2020 Marketing Technology Survey

How does assigning more users impact martech efficiency? When we explore the data further, we find that organizations that have an above average number of martech users achieve greater levels of martech utilization compared to others in the survey. A greater diversity and share of potential martech users is an indicator that martech teams are focusing on expanding use cases to support marketing workflows more efficiently.

However, adding more users may not be feasible in every circumstance. While some platforms may have licensing fees tied to total number of users, the increase in utilization from adding more users from your existing marketing team is one of the most-cost-effective ways to accelerate martech's impact. Where relevant, CMOs should add external partners such as creative or media agency teams to facilitate collaboration and improve impact further.

Expanding the adoption of martech to a greater number of users enables those employees or partners to make a greater business impact. For many technologies, this allows revenue opportunities to scale faster than the cost of additional headcounts or user seats. For example, improving the collaboration between a marketing manager, analytics lead and creative lead could reduce the cycle time of testing and

optimization. As a result, insights from those tests can influence the market more quickly, improving conversion rates or increasing average basket size. For a $2 billion retailer with 70% of its sales originating from digital commerce, and with a $50 average order value (AOV), an increase in AOV of just 2% would yield an annualized impact of $40 million. This increase in revenue would be well worth the cost of a few extra platform seats and could easily justify a new team member.

Teams With Mature Martech Roadmap Approaches Get More From Their Stacks

2020 finds organizations with more mature martech roadmaps use more of their stack's breadth of capabilities. According to our survey, respondents who adopt an agile or formalized planning approach to their martech roadmap struggle less with martech utilization than their peers with less mature roadmaps (see Figure 15).

Figure 15. Marketers With More Mature Martech Roadmap Approaches Are Less Likely to Struggle With Utilization

Do not struggle with martech utilization
Neutral
Struggle with martech utilization

n = 387 marketing technology leaders. Base sizes vary by segment.
Note: Percentages may not total 100 due to rounding.
Source: Gartner 2020 Marketing Technology Survey
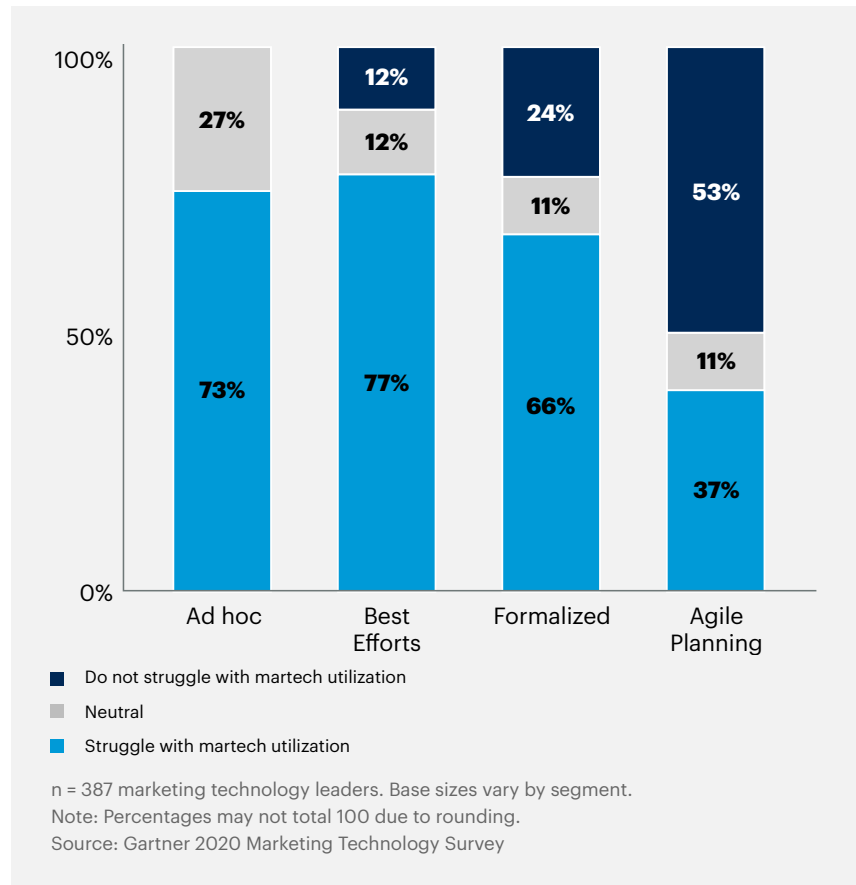
It's not just a team's planning approach that influences utilization — marketers with long-term roadmaps face fewer obstacles. Teams with roadmaps that extend beyond two years are significantly less likely to struggle with utilization than those only extending to 18 months or less. Martech roadmap decisions have a finite shelf life and should be reviewed regularly. Changes in vendor capabilities, team composition and marketing objectives already limit the impact of long-term plans — especially those that aren't easy to change.

By incorporating regular sprints found in agile methodologies, you can identify gaps more quickly and capture the value of opportunities by breaking down large shifts in your martech ecosystem into smaller, more agile blocks. The accelerated feedback loop of agile planning may also make it easier to uncover the potential impact of hiring more people. However, these sprints do not run themselves. According to the survey, significantly more organizations using agile planning approaches cite hiring additional martech talent as steps taken to increase utilization (61%).

Recommendations:

- Incorporate new agile approaches in your martech planning and organization where possible and expand agile practices already in place to improve the efficiency of marketing technology teams and raise their ability to contribute to business impact.

- Leverage marketing work management solutions and marketing operations methodologies to reduce cycle times, minimize wasted efforts and address collaboration challenges that help make martech teams more adaptable to changing circumstances (see "Market Guide for Marketing Work Management Platforms").

Methodology

Gartner 2020 Marketing Technology Survey: Results presented are based on a Gartner study to understand how marketers are investing in, deploying and getting value out of marketing technology. The research was conducted online from July 2020 through September 2020 among 4,387 respondents in the United States (44%), Canada (8%), France (6%), Germany (8%) and the United Kingdom (25%). Respondents were required to have involvement in decisions related to their company's marketing technology strategy. Eighty-five percent of the respondents came from organizations with $1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (46 respondents), high tech (51 respondents), manufacturing (63 respondents), consumer products (27 respondents), media (40 respondents), retail (46 respondents), healthcare providers (48 respondents), IT and business services (44 respondents), and travel and hospitality (22 respondents).

The survey was developed collaboratively by a team of Gartner analysts who follow marketing, and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Acronym Key and Glossary Terms

A/B or Multivariate Testing	Tools and techniques that support comparative analysis of marketing alternatives — such as content, navigation or keyword selection — by using experimental controls.
Account-Based Marketing Platforms	Account-based marketing platforms enable the delivery of tailored marketing and sales support to a set of named contacts and accounts that represent significantly higher expansion or growth opportunities for a supplier.
Ad Verification and Viewability Service	Offerings that ensure ads are visible to audiences and running in safe contexts and that contracts are being fulfilled. They verify that humans, rather than bots, are the source of impressions and clicks, and can also address compliance with privacy regulations.
Audit	A systematic or planned review with documented findings.
Consent and Preference Management	Tools that enable and consolidate end-user choices regarding how their personal data should be handled.
Content Management Systems	These are a single or integrated suite of technologies to enable the collation, management, delivery and optimization of content for contextualized digital experiences across multichannel customer journeys.
Content Marketing Platform	Software solutions that support the practice of content marketing. Common capabilities include ideation, editorial planning, collaboration, workflow; tools to create, curate and publish content of all types; and analytics and insights to measure and optimize content performance.
Customer Data Platform	A marketing system that unifies a company's customer data from marketing and other channels to enable customer modeling and optimize the timing and targeting of messages and offers.
Customer Identity Management	Software that enables consumer-facing identity and access management capabilities; more specifically, user registration, social login, and user profile and consent management.
Data Management Platform	These platforms ingest deidentified data from multiple different sources (including internal CRM systems and external data vendors), normalize and configure it, and make it available to marketers to build segments and targets for activation in online advertising campaigns, personalization and measurement.
Demand-Side Platform	Advertising acquisition software platforms that integrate with media marketplaces (networks, exchanges and supply-side platforms) to review and match available ad inventory in real time against programmatic buying criteria, generally using real-time bidding (RTB).
Digital Asset Management	Software that provides capabilities for ingestion, storage, retrieval, collaboration and life cycle management of rich media assets, including text, graphics, images, videos and audio.
Digital Commerce Platform	Products and services for creating engaging commerce experiences to drive transactions. They typically include customizable shopping carts, storefronts, merchandising tools and social features.

Acronym Key and Glossary Terms (continued)

Distributed Marketing Platform	Also called through-channel marketing automation solutions, distributed marketing platforms help companies empower distribution channel partners — dealers, agents, brokers, franchisees, retailers and other resellers — to conduct marketing activities on behalf of a parent brand.
Email Marketing Platform	Software that specifically manages the use of the email channel as a method to deliver marketing messages.
Employee Advocacy Tools	Technologies that support the curation and dissemination of branded and third-party content to an organization's employees who can then publish it to their social media accounts or share it via direct channels like email or messaging apps.
Influencer Marketing Solutions	Influencer marketing is the practice of leveraging relevant social media personalities to build brand awareness and growth among targeted audiences. Solutions to deliver this may include technology platforms, influencer agencies and managed marketplaces of influencers.
Lead Management Platform or B2B Marketing Automation	Processes that take in unqualified contacts and opportunities from a variety of sources, including web registration pages, email marketing, multichannel campaigns, third-party leased lists, and social media. The output of lead management processes is qualified leads.
Loyalty or Advocacy Marketing Platform	Loyalty marketing platforms help drive retention and acquisition of customers through loyalty cards, membership rewards, discount clubs, advocacy, promotions/offers, referrals and other tactics. These platforms may also enable general-purpose personalization through the construction of a unified customer profile and drive decisioning capabilities around targeted offers.
Marketing Technology	The selection, integration and deployment of marketing tools for competitive advantage, marketing process automation and improved marketing performance.
Mobile Marketing Analytics	Mobile analytics measure mobile-optimized digital properties, collect usage data, and provide tools for visualizing patterns, setting and tracking against goals. Mobile app analytics optimize the performance of mobile apps based on insights gained from usage metrics and sentiment.
Mobile Marketing Platform	Solutions that help marketers manage and activate marketing campaigns that target consumers with direct marketing on their mobile device. These platforms exploit a range of mobile-specific tactics, including mobile websites, mobile applications, messaging, push-notifications and mobile wallet cards.
Multichannel Marketing Platform	Software that enables companies to plan, design, launch, manage and measure marketing programs targeted at specific customer segments across a multichannel environment.

Acronym Key and Glossary Terms (continued)

Multitouch Attribution	An advanced analytical technique, supported by a specialized class of vendors, that tracks individuals across multiple channels, registers exposure to marketing messages, and links that exposure to the desired outcome (such as a sale). It is used to determine which marketing activities provide the greatest return on investment to inform future spend and optimization decisions.
Personalization Platform	Software that applies context about individual users to select, tailor and deliver messaging such as content, offers and other interactions through digital channels in support of three use cases: marketing, digital commerce and customer experience (CX).
SEM/SEO Tools	These tools manage organic and paid search engine marketing activities, such as keyword bidding, organic rankings, copy production, analysis and reporting.
Social Analytics Platform	Solutions that monitor, analyze, measure and interpret digital interactions and engagement with people, topics, ideas and content in social communications. This includes sentiment analysis, natural language processing and social networking analysis.
Social Marketing Management Platform	Tools, templates and services to create, maintain and optimize a commercial presence in social media environments. Capabilities include social listening, publishing, engagement (of broader audiences, as well as social user communities), reporting and analytics capabilities, and support for workflow and process automation.
Surveys and Customer Insights	Tools that help marketers understand customer experience and sentiment through the collection and analysis of direct feedback, indirect feedback and inferred feedback.
Web Analytics	Specialized analytics applications used to understand and improve website user experience, visitor acquisition and actions; and to optimize web-based digital marketing and advertising campaigns.
Work or Project Management Platform	Tools and technologies to support the ideation, creation, production and management of marketing materials and related projects. This category includes multipurpose project management platforms, enterprise work management solutions and purpose-built creative operations tools.

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