THE STATE OF MARKETING TECHNOLOGY: CONTROLLING THE CHAOS

A benchmark report of Best-in-Class marketing technology usage, originally published in 2016

➜ Andrew Moravick, Research Analyst,
Marketing & Sales Effectiveness

Report Highlights

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Today's marketing leaders have to oversee at least 8 different marketing initiatives and manage team members who are responsible for an average of 17 marketing activities.

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Best-in-Class marketers are 74% more likely to have a strongly integrated system of marketing technology solutions.

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Best-in-Class marketers are 31% more likely to make technology buying decisions independently with no reliance on IT.

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Organizations effective at increasing productivity with integrated technologies grow marketing's contribution to revenue at a 53% greater rate.

Too many options (vendors, platforms, integrations, device compatibilities, etc.), not enough information; welcome to the chaotic world of marketing technology. In this report, we will help you make sense of this ever-expanding arena and distill actionable insights from the trends and tactics of Best-in-Class marketers. You will learn how to take control of your marketing technology decisions and what to look for in new and existing solutions.

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> No longer is it sufficient to simply sweep technology issues into IT's corner… It is marketing's responsibility to ensure that the right solutions are in place, with the right integrations, and the right configurations to deliver desired results.

Understanding Marketing's Technology Maturity

In an early iteration, one exhaustive research effort counted 1,876 total vendors in the marketing technology space. Between September and October, Aberdeen Group surveyed 223 marketers on the key trends and best practices in use of different technology solutions. The findings show that the majority of marketing departments (57%) are responsible for an average of eight marketing initiatives or processes (digital marketing, print marketing, events, social media, etc.). Aberdeen also uncovered that the majority of individual marketers (54%) are tasked with executing seventeen different marketing activities or tactics (campaign management, content creation, reporting, etc.). For CMOs and marketing executives aiming to manage all of these people and processes, marketing technology often arises as the most obvious solution. With so many available options in the market, however, effectively selecting and implementing marketing technology can become yet another compounding challenge.

What's more, no longer is it sufficient to simply sweep technology issues into IT's corner. IT can integrate systems, set up platforms, and troubleshoot technical problems, but it takes a marketer's eye to evaluate if the technology is actually working to achieve measurable marketing objectives. It is marketing's responsibility to ensure that the right solutions are in place, with the right connections to other marketing technologies, and the right configurations to deliver the right results. To help you get a general sense of what typical marketing technology environments look like, we've broken out four common patterns from our research in Figure 1 on the next page. We've also broken out respondents into Best-in-Class and All Others cohorts (sidebar next page) to give you a relative idea of what's to be desired, what's the status quo, and what's in the rearview mirror.

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Figure 1: What Does Your Marketing Technology Ecosystem Look Like?
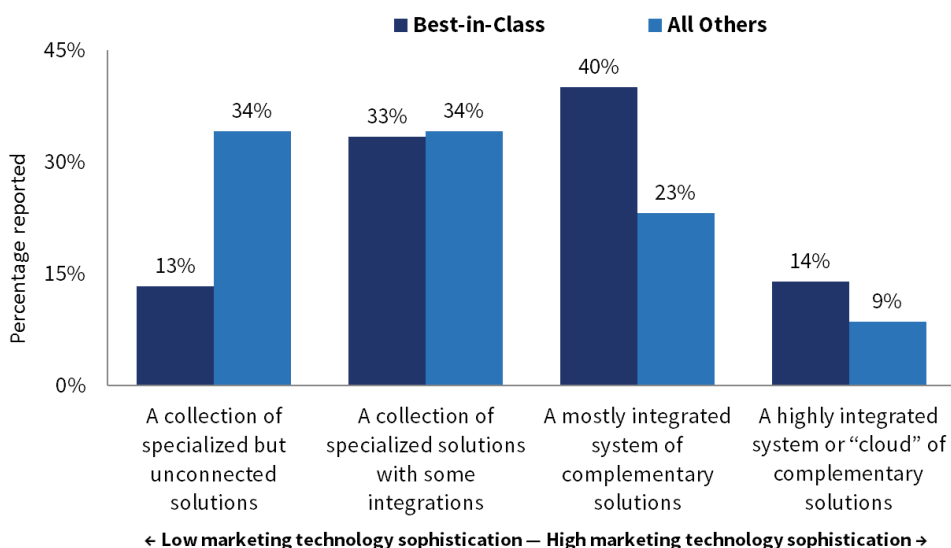
n=223
Source: *Aberdeen Group*, October 2015

In the early days of technology enabled marketing, there were only specialized, one-off solutions available — one piece of technology to do one thing, be it email marketing, contact management, website hosting, etc. This was great for marketers too as managing technologies against singular objectives made it easy to plug in and pull out different pieces of marketing technologies depending on what worked and what didn't. If, for example, you had an underperforming email service provider (ESP), replacing it wouldn't also mean a complete website overhaul because they were two separate, unintegrated systems. This contributes to why we still see a 34% contingent of average performers clinging to this primitive, modular approach to marketing technology. For the buyers these marketers target, though, this produces segmented, inconsistent interactions.

Aberdeen's Maturity Class Framework

Aberdeen's research defines Best-in-Class performance by benchmarking organizations against several key performance metrics. In this case, three metrics were used:

- Percentage of company revenue attributed to marketing campaigns
- Year-over-year improvement (decrease) in customer acquisition cost
- Year-over-year improvement (increase) in customer retention rates

By looking at organizational performance, we then break the survey respondents into three maturity classes, as described below:

- **Best-in-Class**: top 20% of performers
- **Industry Average**: middle 50% of performers
- **Laggard:** bottom 30% of performers

Sometimes, a fourth maturity class, **All Others,** is used to describe Industry Average & Laggard combined.

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The more marketing technology integrations marketers have, the more consistently and effectively they can interact with and convert their buyers at scale.

Imagine having a buyer visit your website, subscribe to your newsletter, and, by chance, receive a call from a sales person, but the sales person tries to point that buyer back to the website, and the website tries to drive the buyer to become a subscriber. That buyer wouldn't know what to do next to advance the conversation, and you'd have no way of knowing that this buyer is interested enough to evaluate you across multiple channels. In short, it's a mess.

Findings from Aberdeen's, *Aligning Content to the Buyer's Journey: The Key to Competitive Content Marketing* study (November 2015) revealed that marketers who tailor their activities according to buyer preferences significantly outperform those who do not. For one, marketers with buyer-aligned content produce more than double the marketing attributed revenue of their peers (32.9% vs 16.2%). Thus, the need for integrated systems has arisen. Most commonly, we see integrations in systems like marketing automation platforms (MAPs) and CRMs. These integrations are intended to ensure early buyer activities enriched by marketing efforts like lead nurturing will impact and enrich sales efforts via lead scoring and personalized sales follow up, thus maintaining a relevant and consistent experience for buyers from beginning to close. In other words, the more marketing technology integrations marketers have, the more consistently and effectively they can interact with and convert their buyers at scale. This is why we see that Best-in-Class marketers are 74% more likely to have a mostly integrated system of marketing technology solutions, compared to All Others (40% vs. 23%).

Now, you may be wondering, "how does one have a 'mostly integrated' system of marketing technologies?" First, by "system" we mean the collective whole of all marketing technologies in use by a marketing department. In this system, you can have some integrated marketing technologies like CRM and MAPs, while having other technologies, like project management solutions in use, but not integrated into other pieces of marketing technology.

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This represents progress, but also reflects that the majority of marketers (90% collectively), still have pieces of technology in their overall marketing systems that aren't connected, or which may even exist in disparate silos or departments. The downside of this fragmented marketing technology ecosystem is that it makes it harder for marketers to identify problematic platforms that may need to be fixed, replaced or even cut out completely.

For example, it can be common for large companies to have both a marketing automation platform and an email service provider (ESP) in use among different divisions, or even within the same departments. The marketing automation platform may be integrated with a CRM, but the ESP could be serving an opt-in subscription community for a newsletter. If the ESP delivery, open, and click-through rates all outperform the marketing automation email metrics, it might look like the ESP is better than the marketing automation platform. In reality, however, it might also be that the CRM data the marketing automation platform is pulling from is bunk, especially compared to the opt-in ESP contact data, and it's really a data problem instead of a technology problem. Without full integration between marketing technologies, there's no apples-to-apples comparisons to ensure operational certainty. You have multiple variables at play that don't fit into the same equation.

As you'll soon see in Figures 2 and 3, considering all the marketing technologies that are in use, achieving this level of full integration between all marketing technology tools and platforms is a significant challenge that few have been able to conquer. That's why although Best-in-Class marketers are 64% more likely to have this kind of "marketing cloud" (sidebar) of comprehensively interconnected technologies that 64% margin stems from only a small overall adoption rate (14% vs 9%). It is an emerging level of marketing

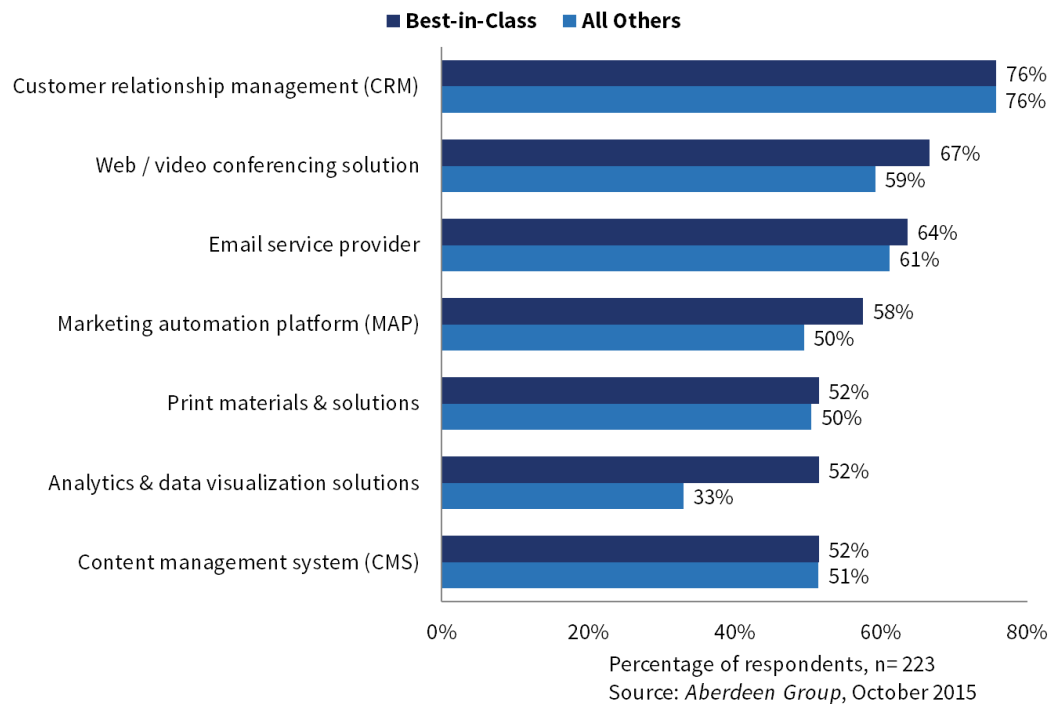Aberdeen defines "**Marketing Cloud**" as:

A tightly integrated system of multiple marketing technologies offering greater value and utility collectively, and which because of its connectivity, is untethered to any one particular place or person.

For further reading on marketing clouds, we recommend this feature on CMO Essentials: "Hey You, Get Off My Marketing Cloud"

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technology sophistication, but like the early modular approach, with every piece of marketing technology integrated, it again becomes easier to identify and pull problem components or platforms, and optimize other pieces that are performing well. For example, if you have a landing page/website optimization technology platform as a part of your marketing cloud, but it's utilization rates are extremely low, and it's not producing conclusive results in A/B tests, it may be something worth cutting out, as it's not a tool that is making a significant impact in your overall system.

Figure 2: The Top Technologies of Best-in-Class Marketers

■ **Best-in-Class** ■ **All Others**

Technology	Best-in-Class	All Others
Customer relationship management (CRM)	76%	76%
Web / video conferencing solution	67%	59%
Email service provider	64%	61%
Marketing automation platform (MAP)	58%	50%
Print materials & solutions	52%	50%
Analytics & data visualization solutions	52%	33%
Content management system (CMS)	52%	51%

Percentage of respondents, n= 223
Source: *Aberdeen Group*, October 2015

Starting from a general analysis of Figure 2, we see that Best-in-Class marketers tend to out-adopt their peers overall when it comes to marketing technology. This is not because Best-in-Class marketers simply have deeper pockets, in fact, 84% of these top performers fall into companies earning under $50 million annually. It is rather because these savvy marketers are much more effective

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in identifying the right technology tools they need and excel in using them effectively. However, the data in Figure 2 reflects a diminishing level of competitive advantages in the most widely-used marketing technologies. The CRM, for example, has become as necessary to marketing as it is to sales and customer service, which is why there's zero separation between Best-in-Class marketers and All Others.

In contrast, Best-in-Class marketers are 58% more apt to use analytics and data visualization solutions compared to All Others (52% vs. 33%). It's no coincidence that the one sphere of marketing technology that is used to review and optimize all other marketing activities is also the technology with the widest margin between the Best-in-Class and All Others. These tools allow marketers to empirically elevate the accuracy of marketing campaigns, the effectiveness of marketing solutions, and the ROI of overall efforts. When what you use for marketing technology is no longer a competitive advantage through adoption alone — as is the case for CRM, marketing automation, and CMS solutions — everything hinges on how you use that technology most effectively. That's the bread and butter of data and analytics.
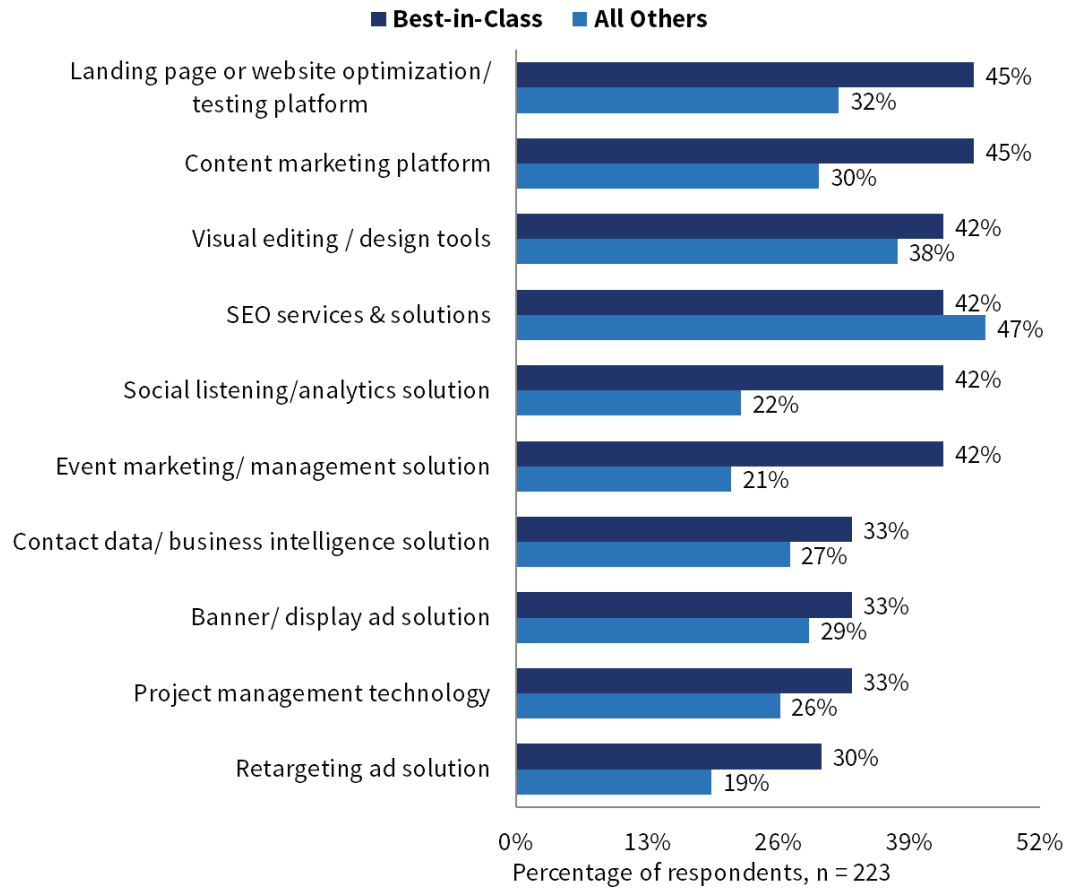
While Figure 2 highlights the technology solutions used by the majority of marketers participating in our survey it also shows that for 52% of the Best-in-Class marketing organizations at least seven marketing technology solutions are in use. But what about the technologies that aren't adopted by the over 50% of all respondents? And what about emerging technologies that are not yet widely adopted by marketers? This is where Figure 3 comes in...

> Best-in-Class marketers are 58% more apt to use analytics and data visualization solutions compared to All Others.

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Aberdeen defines "**Fringe & Emerging Marketing Technologies**" as:

Marketing solutions with adoption rates of 30% or above, but which have yet to be adopted by the majority of marketers with an adoption rate of 50% or above.

Figure 3: Fringe & Emerging Marketing Technologies Among Top Marketers

■ Best-in-Class ■ All Others

Technology	Best-in-Class	All Others
Landing page or website optimization/ testing platform	45%	32%
Content marketing platform	45%	30%
Visual editing / design tools	42%	38%
SEO services & solutions	42%	47%
Social listening/analytics solution	42%	22%
Event marketing/ management solution	42%	21%
Contact data/ business intelligence solution	33%	27%
Banner/ display ad solution	33%	29%
Project management technology	33%	26%
Retargeting ad solution	30%	19%

Percentage of respondents, n = 223

Source: *Aberdeen Group*, October 2015

In Figure 3, we have a collection of marketing technologies that exist on the periphery of most marketers' radars within an adoption rate range between 30% and 49% among Best-in-Class marketers. Some technologies, like visual editing/design tools, SEO, and advertising solutions have been around for a while. Others, like project management systems, event management

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tools, and content marketing platforms are relatively new to the marketing scene and represent emerging trends.

Pairing insights from Figure 3 with Aberdeen's marketing initiative data from the same study, we can understand significant gaps in highly practiced marketing efforts and the technologies used to support them. For example, while 72% of all marketers support in-person events and tradeshows within their marketing activities, 42% of Best-in-Class marketers actually augment these efforts with event marketing/management solutions. Moreover, these Best-in-Class marketers are twice as likely to use these solutions as their peers (42% vs 21%). This means that a large contingent of marketers are not getting the most out of their event marketing efforts by utilizing event marketing technology, but the strongest contingent of marketers who do use this technology are top performers.

Similarly, with 83% of marketers reporting to Aberdeen that their organizations actively carry out social media marketing initiatives, the 91% margin Best-in-Class marketers hold over All Others in social listening and analytics technology adoption (42% vs 22%) reflects another opportunity for an unexhausted competitive advantage. In this case, too many marketers are talking *at* their audience, but the top performers are the ones who actively invest in balancing the conversation by *listening* to these individuals effectively as well.

In Aberdeen's report *Tracking & Technology: Two Keys to Best-in-Class Content Marketing* (August 2015) it was found that specifically among those practicing content marketing, the Best-in-Class were 2.7 times as likely to use a content marketing platform compared to their peers (40% vs. 15%). Though the margin may be smaller at

Helpful Insight:
Think of your marketing technology environment as if it were an organism.

- Does each piece serve a purpose?
- Do the pieces connect to better the whole?
- Are certain components vital for survival, like organs, while other pieces can be broken, fixed, or replaced like bones?
- Do you have overall health metrics like lead to revenue benchmarks, buying velocity, or data quality that serve as a pulse or a heartrate for the whole system?

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Best-in-Class marketers are 27% more likely to support their marketing teams with project management and collaboration technology, compared to All Others.

50% between the Best-in-Class and their peers (45% vs. 30%), this reinforces the value in using technologies designed to serve a specific purpose. Unlike the early days of siloed technologies, when this content marketing technology is integrated and shared across other systems, the value of buyer content consumption behaviors and data points becomes valuable to the marketing organization as a whole for current, personalized marketing campaigns as well as for future planning.

Finally, one last technology tool worth noting, especially considering the complexities of the aforementioned technology tools, is the emergence of project management and collaboration technology among marketers. Traditionally, emails, phone calls, and in-person meetings had to suffice for managing marketing activities. Yet when asked what provides marketers with their most significant competitive advantage, the most cited option was people — Figure 4. With Best-in-Class marketers 27% more likely to support their marketing teams with project management and collaboration technology (33% vs. 26%), we're seeing the first ripples of this new trend, but the wave is still on the rise. One of the main reasons the people on a marketing teams comprise the most significant competitive advantage is because they're the ones who are able to improvise, adapt, and change to make marketing efforts work. It's only now just starting to click that marketers can use technology to enhance this very human skill set.
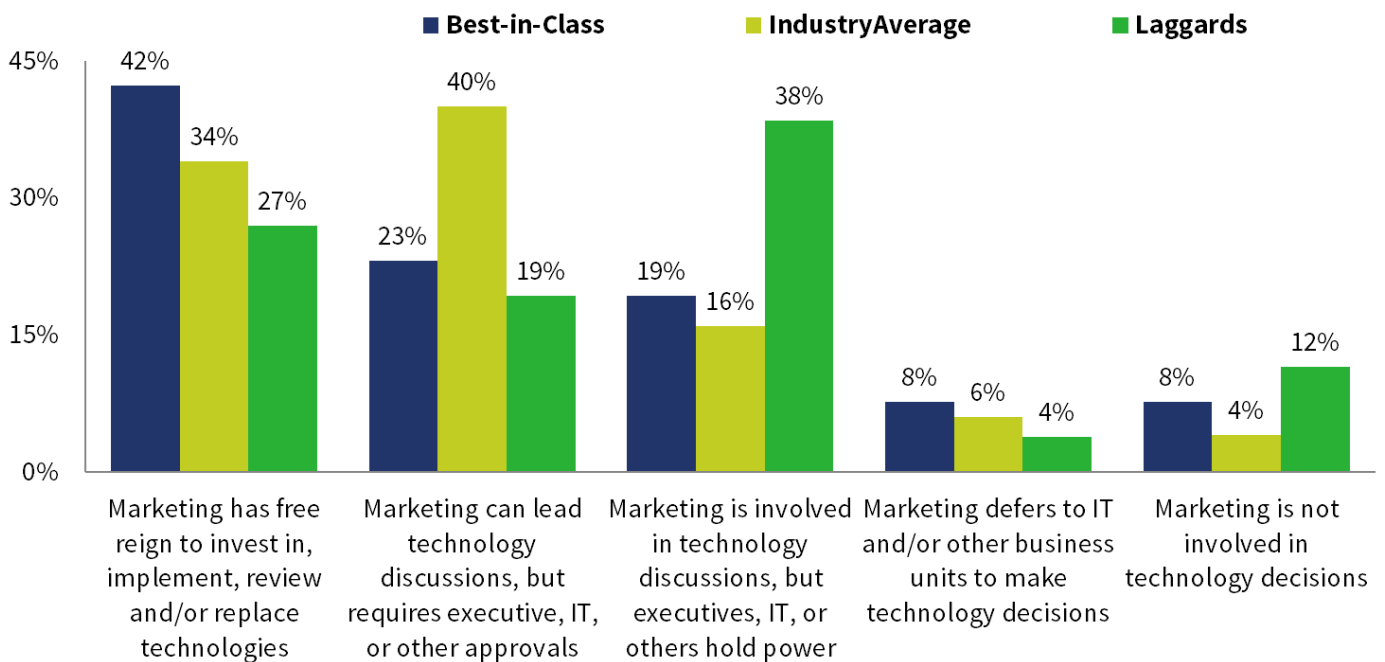
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Figure 4: Where Do Marketers Get Their Greatest Competitive Advantages?
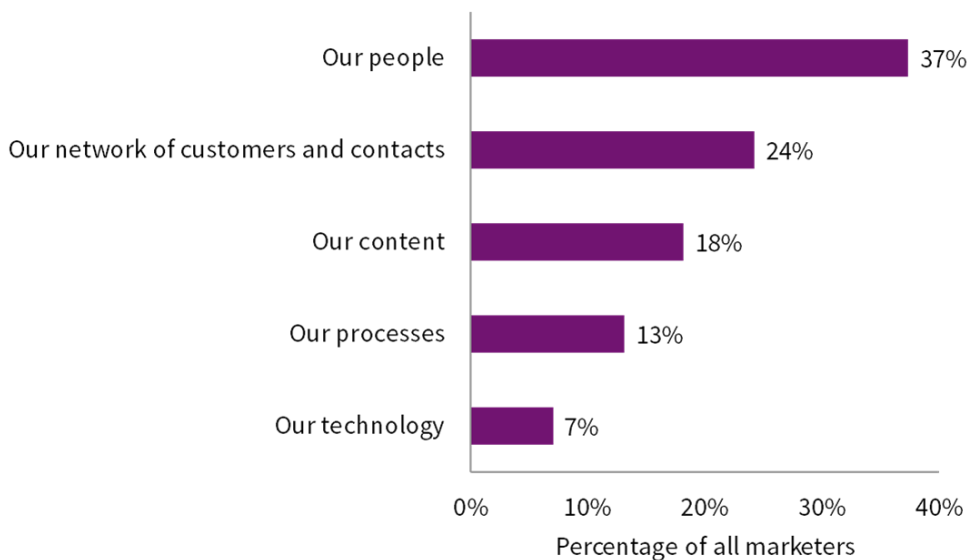
Source: *Aberdeen Group*, October 2015
n= 223

What to Make of Your Marketing Technology Environment

So far in this report, we've covered what's happening in terms of marketing technology adoption. We know that some marketing technologies are must-haves for the majority of marketers, and others offer emerging opportunities for early adoption. Still, there's a lot to process, in the marketplace and even just in the data in this report, so what can you do today to start following the marketing technology best practices of the Best-in-Class? In Figure 5, Aberdeen's findings show that it can be as simple as owning your marketing technology decisions.

Figure 5: Top Performers Own Their Marketing Technology Environment

Legend: Best-in-Class, IndustryAverage, Laggards

	Best-in-Class	IndustryAverage	Laggards
Marketing has free reign to invest in, implement, review and/or replace technologies	42%	34%	27%
Marketing can lead technology discussions, but requires executive, IT, or other approvals	23%	40%	19%
Marketing is involved in technology discussions, but executives, IT, or others hold power	19%	16%	38%
Marketing defers to IT and/or other business units to make technology decisions	8%	6%	4%
Marketing is not involved in technology decisions	8%	4%	12%

n= 223
Source: *Aberdeen Group,* October 2015

Best-in-Class marketers are 34% more likely to have free reign over their marketing technology decisions compared to All Others.

At a glance, we can clearly see a relationship between how marketing technology decisions are made, and how marketing organizations perform. Whether Best-in-Class marketers have free reign over their technology decisions because of their established level of performance, or that having free reign over technology decisions facilitates Best-in-Class performance may seem like a chicken/egg scenario, but really, these are just the starting and ending points of the same circle. Compared to their Industry Average and Laggard cohorts combined, Best-in-Class marketers

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are 31% more apt to have this kind of decision making control (42% vs. 32%) because it is the best state in which to operate. Anecdotally, most marketers have a horror story or two of an executive overriding or replacing their preferred piece of marketing technology with something he or she heard was better from "a friend of a board member who attended that event one time" (it happens).Truly, having independence in marketing technology decisions is the best state because marketing technology is rarely ever about the technology itself, and almost always about how well that technology can be used to achieve marketing objectives. Who wouldn't want marketing technology decisions to rest in the hands of the most knowledgeable people? It's no coincidence that the largest contingent of Industry Average performers report a moderate level of control over their marketing technology decisions — they can push for what they want, but they're still at the mercy of other decision makers, namely IT. Neither is it happenstance that Laggard performers tend to follow the decisions made by others who are not involved in building and managing their marketing programs.

There is a caveat, of course. Aberdeen's findings do show that Best-in-Class marketers dedicate 10% more of their time to manage and maintain their marketing systems, compared to All Others (22% vs 20%). Best-in-Class marketers also have 2.2 times the aptitude for tracking specific marketing objectives in order to optimize their results over time, compared to All Others (56% vs. 25%). The end result driven by independence in making technology decisions and spending some more time managing systems is that Best-in-Class marketers also deliver a 66% higher return on marketing investment (ROMI) on average, compared to their peers (74% vs 45%). To be blunt, Best-in-Class marketers aren't handed the keys to their marketing technology environment; they earn

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them by putting in the necessary effort and delivering the desired results.

Key Takeaways

A lot has been covered in this report, and there's much more yet to be uncovered when it comes to marketing technology best practices. To make the most of this research, remember:

➔ **Best-in-Class marketers are 74% more likely to have a mostly integrated system of marketing technology solutions, compared to All Others (40% vs. 23%).** Gone are the days of getting by with technologies that don't talk to each other. Evaluate your marketing technologies in terms of their roles within your overall marketing technology ecosystem. Ensure you have a healthy, functioning system, and avoid any parasitic platforms that don't serve the greater body. Measure each piece of marketing technology against a specified goal, but also analyze how the technology contributes to the system as a whole with shared success metrics like ROI, buyer journey velocity (time from initial interest to closed deal), or the impact on customer acquisition costs.

➔ **For cornerstone technologies like CRM, marketing automation platforms, and content management systems, the early adoption advantage is gone; it's all about effective utilization**. Unlike the smaller deltas between top performers in the aforementioned technologies, Best-in-Class marketers are 58% more apt than others to use analytics and data visualization solutions because these solutions deliver data-driven opportunities for improvement in effective marketing technology use. Always evaluate how you could be using your marketing technologies better, and develop regular reports where

Organizations effective at increasing productivity with integrated technologies average an 11% higher contribution to revenue (32% vs. 21%), and grow their contribution to revenue at a 53% higher year-over-year rate, compared to All Others (7.7% vs. 5.0%).

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marketing performance data can serve as red flags for what's working and what's not in terms of your technologies as well as your campaigns and activities.

➜ **Look to the fringe for objective-specific marketing technologies.** Best-in-Class marketers are twice as likely to support event marketing initiatives with event management technology, compared to All Others (42% vs. 21%). Best-in-Class content marketers are 2.7 times more apt to use content marketing platforms, compared to All Others (40% vs. 15%). For your specific marketing initiatives like event marketing, content marketing, print marketing, etc., look to integrate new technologies that support defined marketing functions within the parameters of these marketing initiatives. These are not the technologies everyone is using, but sometimes, that's a good thing. You want to use the technologies that are right for you and for interacting with your buyers, and what's right for everyone else may not be what's right for you, but that's also an opportunity for your marketing efforts to stand out from everyone else as well.

➜ **Earn ownership of your marketing technology decisions.** Best-in-Class marketers are 31% more likely to have free reign over their marketing technology decisions compared to All Others (42% vs. 32%) because they put in the effort. Dedicate time to ensure your marketing technologies are functioning correctly. Take extra steps to demonstrate marketing technology ROI, and report regularly on what's working and what's not. The reward, of course, is that you can control your own fate when it comes to having the right technology to produce the right results.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

Aligning Content to the Buyer's Journey: The Key to Competitive Content Marketing; November 2015

The Subtleties of Supporting Sales Enablement with Content Marketing; October 2015

The Future of Content Marketing: The Age of Content Science; October 2015

The Best-in-Class Content Marketing Website: Finding the Right Mix ; September 2015

Author: Andrew Moravick, Senior Research Associate, Marketing Effectiveness & Strategy (Andrew.Moravick@Aberdeen.com)

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Boston, MA.