

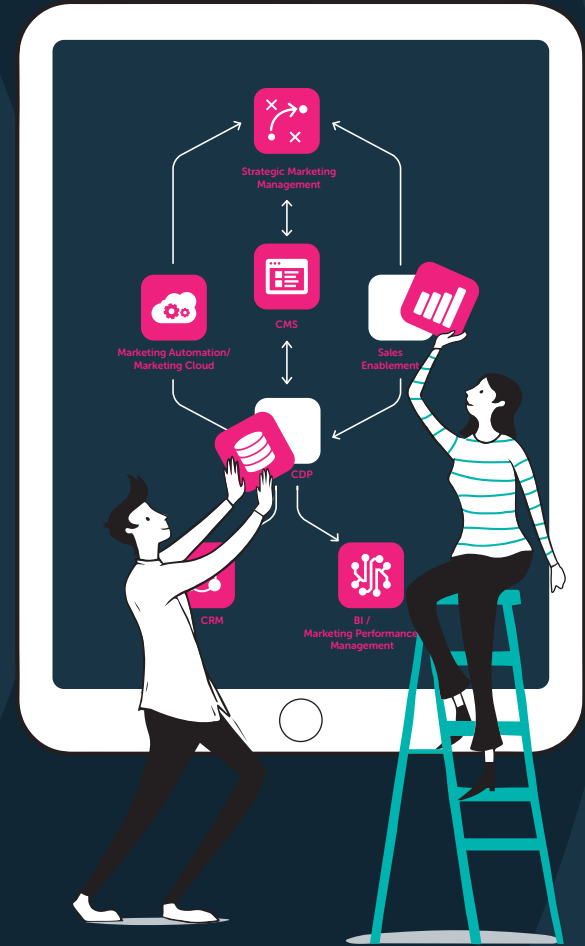


2024

Fifth Edition

The State of Martech

REPORT





Introduction

Overview by

Adam Sharp

CEO & Co-founder

Clevertouch

This fifth edition of the annual State of Martech report arrives at a time when the business and marketing world has reached a crossroads in thinking, perspectives and outlook.

The last year has seen a lack of business growth in many markets and marketing budgets have been largely recessionary too, due in part to significant increases in both interest rates and government tax takes. These macro effects have contributed to ever greater scrutiny on the role of marketing in a post-covid and WFH era. Within marketing, no one area is under more scrutiny and hype in equal measure, due to its ever growing consumption of budget, than that of marketing technology (martech).

Combining this economic backdrop with the future outlook of national elections both in the UK and in the US, continued wars in Europe, and global unemployment (which is expected to rise in 2024) makes for an even more interesting lens to view the current perceptions and attitudes of CMOs surrounding the state of martech.

This year we surveyed a total of 613 marketers spanning the UK, US and Europe. The research was objectively shaped to avoid bias by leading marketing and business academics at the University of Southampton Business School, an institution that sits in the top 40 globally for statistics and operational research, as measured by the QS World University Rankings.

In the report, there are a whole host of interplaying factors and trends that shine a light into the current martech landscape and the attitude of the leaders who are shaping it.

There is an outpouring of positivity (perhaps 'love' is too strong a word) for martech – by far the strongest we have seen to date. It seems martech is now seen as the critical competent to drive better customer experience,

scale and prove the ROI. If this is true, then the investment in martech can only continue, as what was once on the periphery becomes front and centre to everything we do inside a more progressive marketing capability.

It also seems this satisfaction and perception that martech is at the core of the progressive marketing function is influencing how CMOs are approaching their marketing budget and investment strategy for the year ahead. The initial signs for martech investment are very positive, despite the economic environment, with over 60% of marketers expecting increases to their budgets.

A major change this year appears in how CMOs are prioritising this budget allocation. SaaS acquisition seems to be less of a priority, and after so much apparent system redundancy and under-developed skills, there is at last an increased focus on SaaS optimisation and developing skills for this.

Seeing organisational enablement as a priority is positive news as organisations seek to upgrade their in-house capability to be fitter for the future. Wider organisational adoption is now a real thing, as centralised marketing ops functions look to empower and enable more users, albeit in a controlled manner, rather than just adopting the governance model of the past.

There's a real desire to 'go for it', with a move to ambitious and more advanced platform migration signalled very clearly. Also apparent is a surging belief in marketing teams' capabilities with their martech, high rates of investment in both tech and people, and, crucially, marketing's shifting role as a core revenue driver – all are drivers of skills development.

No longer is marketing's sole purpose one of demand generation – the singular focus on the demand gen/waterfall has thankfully been eclipsed. Marketing now seeks to have wider influence on existing customers and the organisation in general, or 'mission-critical martech' as we term this change in capability and ambition.

There is also increasing confidence in internal capabilities partnering alongside external partners, though it seems, much difficulty in finding 'the right' one. A focus on optimising existing resources and a continued war for certified talent has possibly contributed to a healthier partnership mentality. CMOs are realising that martech is a multi-faceted capability and requires a team of very distinct specialists rather than an even smaller team of operational experts.

We hope you enjoy this research and can gain some insight from it. At Clevertouch our mantra has always been to 'Simplify, Connect & Inform'. From this mantra we came up with our concept of 'the Martech Spine' as well as our simplification/no code SaaS layer called Momentum. Judging by the outcomes of the research, it seems this mantra is more relevant than ever to the research base too, as CMOs want to optimise what they have already invested in without buying much more.

They clearly have a desire to integrate and connect both systems and the wider organisation to martech, and finally pursue measurable outcomes rather than outputs, which according to our research base is only available through the coherent implementation and adoption of the right martech.

At the end of each section of the report, we have condensed the analysis into some key takeaways, highlighting what the findings mean for your martech strategy and the wider market.

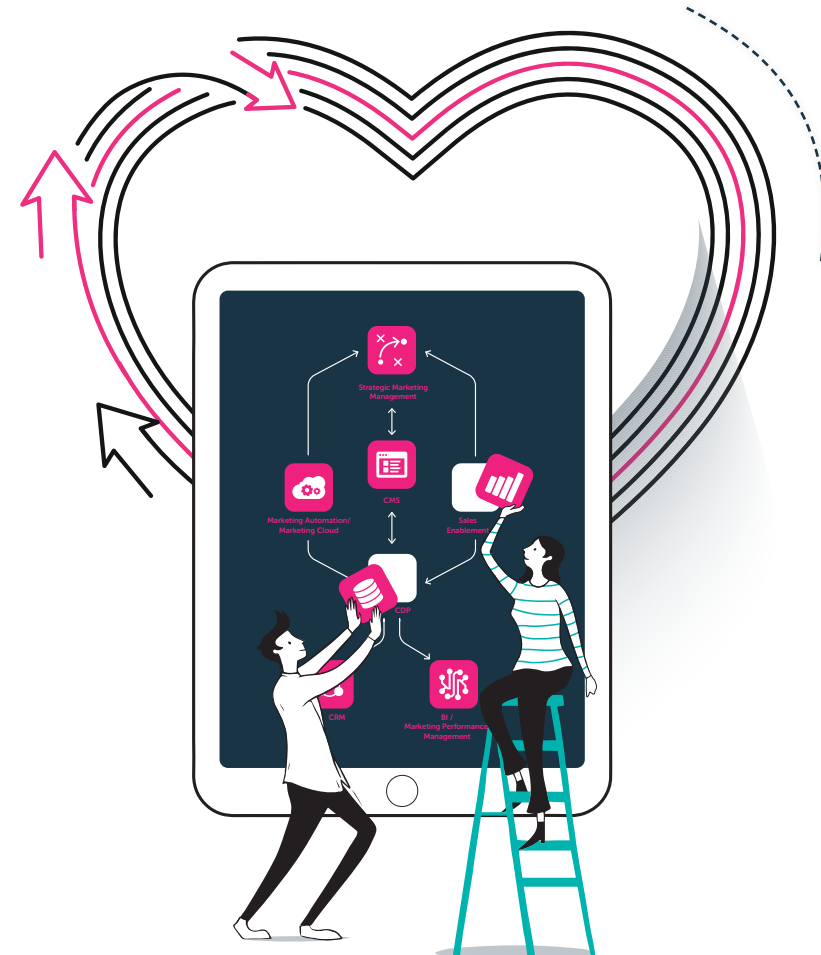
We hope you enjoy reading this year's edition. Happy reading,

Adam
CEO & Co-founder

Clevertouch Consulting.

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Foreword

Report insights from
the University of
Southampton

Prof Paurav Shukla &
Dr Rob Angell

In our third year participating in the State of Martech annual report, our primary focus has remained steadfast: ensuring the reliability and validity of the data derived from its core source – the questionnaire. We have meticulously crafted the questionnaire to be both informative and engaging, recognising these as essential elements for maintaining data quality and encouraging participation.

Employing innovative techniques such as game-playing and diverse question formats, we have successfully heightened respondent engagement, ensuring robustness of methodology and overall approach. Additionally, we have utilised cross-validated measures to authenticate responses, further bolstering the integrity of our findings.

Moreover, our data now encompasses a more even split across the key markets and regions we survey, with almost identical samples coming from the UK (206 responses), US (204 responses) and Europe (203 responses). This ensures that the findings are not weighted to one of those particular regions, and present a more accurate representation of marketing technology insights.

The screening process ensures that the data collected is relevant and from marketing leaders operating in middle management roles or higher, from organisations with 100+ employees operating in B2B or B2B2C environments.

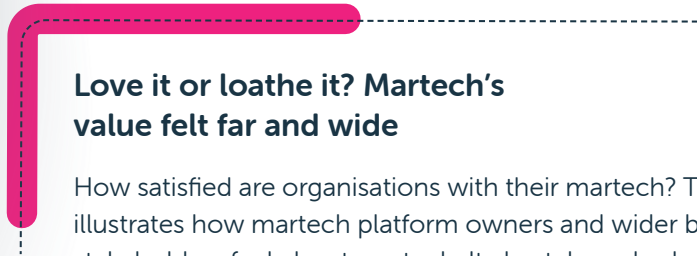
And the results do not disappoint either. Notable findings include the fact that we are in the era of martech utility effectiveness with acquisitions of technology slowing down, coupled with a shift towards 'capability to deploy'. Indeed, we appear to be moving from nextopia (the relentless pursuit of new technology) to nowtopia (greater utilisation of existing resources). Additionally, the data clearly shows there may be far more for marketers to do when it comes to the pursuit of creating hyper-personalised experiences. With greater focus on Martech utilisation and enablement, could now be the time for marketing leaders to take their personalisation capabilities from dreams to reality?



Report overview

The report has been structured into seven sections that emerged from the survey data. These topics attempt to draw together key survey findings and highlights in a logical, helpful and compelling way for the reader. The data in one section may at times relate to or be mirrored in another section, but these relationships should generally be reflected in the copy.

After taking a deep dive into the data, we grouped the data into the following seven sections:



Love it or loathe it? Martech's value felt far and wide

How satisfied are organisations with their martech? This section illustrates how martech platform owners and wider business stakeholders feel about martech. It also takes a look at the perceived benefits of marketing technology and what these perceptions mean for your marketing strategy.





Martech Migrations: The pace of platform migration and the drivers for doing so

Martech migrations are when organisations choose to move from one platform to another. The survey revealed a whole range of data points illustrating different migration tendencies, including over the last three years and plans for the next three years, and this section explores whether companies are accelerating or slowing down their migration plans.



Hyper-personalisation: Closing the gap on personalisation aspirations and reality

One key aim of the survey was to discover the most popular ways campaigns are being carried out by marketers. Hyper-personalisation is an industry aspiration, but has remained out of reach for many. Has the market moved towards it? Or are companies still relying on or sticking to traditional campaigns?



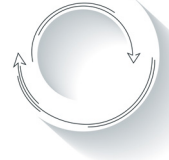
Operating Models: Internal conundrums and the e(x)ternal search for the right partner

For martech to achieve its purpose, it needs to have operational and financial support. This section focuses on the operational side and asks how organisations are using, or not using, internal and external resources. How confident are marketers in their team's ability to use martech? And when it comes to using a quality external partner, how easy are they to find?



Revenue Rules: The rise of revenue-centric marketing

In the past, marketing has often been separated from revenue-centric practices and KPIs, instead focusing on traditional lead generation. Is this changing? Here, the data paints a picture of how marketing is viewed in relation to being a strategic function to drive revenue.



Budgets & Growth: Strong investment ambitions meet a focus on optimisation

The last year has been a tough economic climate for businesses. In such environments, marketing budgets can often take a hit, despite the department's importance for growth. In this section, the survey uncovers whether marketers are expecting investment increases on their 2023 level and in what areas: services, software and people. How does financial support compare to operational support?



Mission Critical Martech: A strategic business asset

As martech evolves, it is spreading across business operations and beyond just marketing. For this final section, the report brings together the survey data to ask whether martech has become a mission-critical business component. This includes showing how other departments are supported by the technology and where budgetary control rests.



LOVE IT OR LOATHE IT?

Martech's value felt far and wide

Despite martech's demonstrable business benefits, the perception of its value between platform owners and wider stakeholders has been a bone of contention in years gone by.

However, the results from this year are majorly positive. They demonstrate that both CMOs and businesses are clearly loving martech: they are seeing the technology's value, and not just in more revenue, but in efficiency, scale, ROI, and also in the customer experience.

This is a massive improvement on a few years ago, when as many as 30% were struggling with the deployment and investment justification; it suggests a wholesale change in vision, ambition and adoption.

Key findings

- Both platform owners and the wider business have overwhelmingly positive feelings about martech in their company
- The results revealed high ratings across key recognised martech benefits, including improved efficiency, customer experience, and ROI



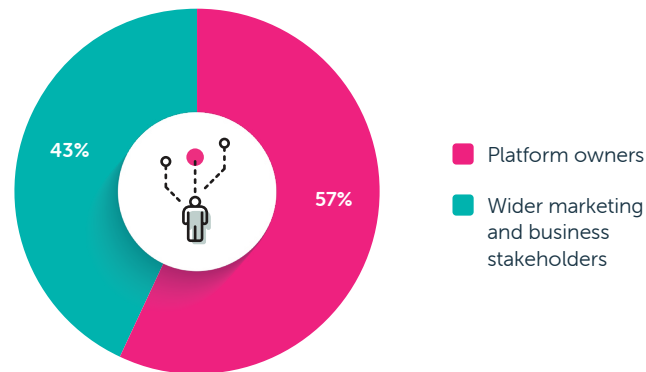
The data suggests a wholesale change in Martech vision, ambition and adoption.

LOVE IT OR LOATHE IT?: MARTECH'S VALUE FELT FAR AND WIDE

Feeling the martech love

Of the respondents surveyed, 57% identified themselves as a platform owner for any martech in their organisation, with the rest wider marketing and business stakeholders.

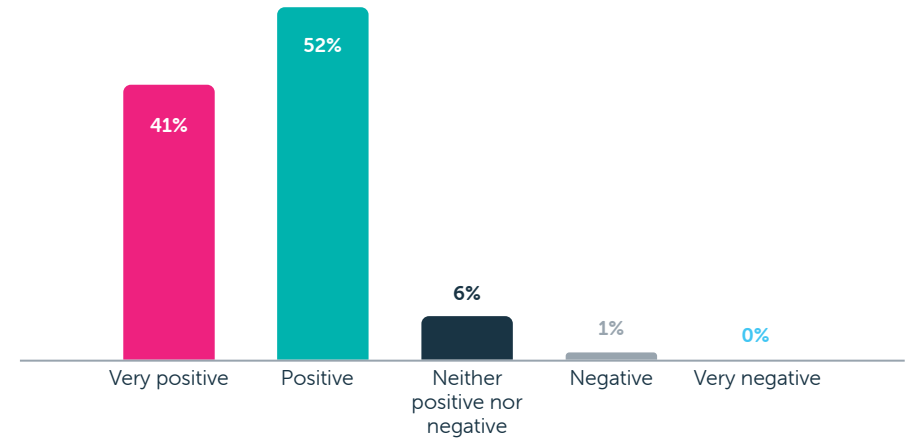
Platform owners



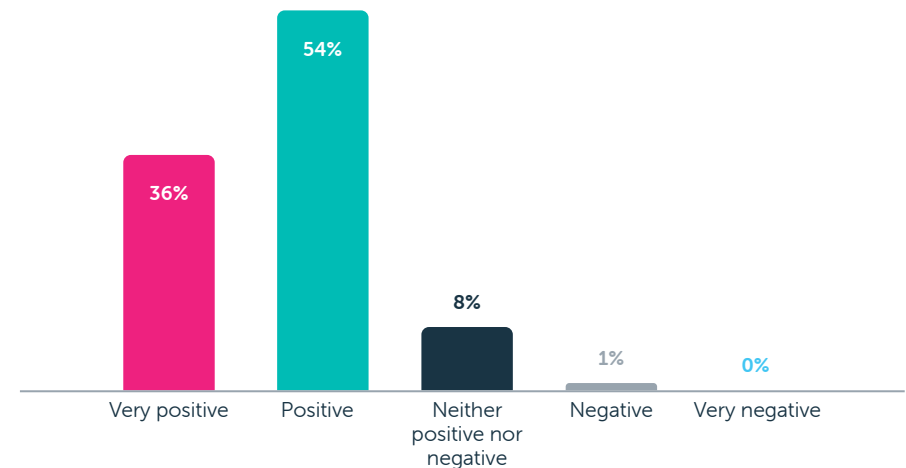
Whether they're platform owners or not, the perception of martech by both groups was – on the whole – unanimously positive. A substantial majority of respondents said their platform owners (93%) have a positive (52%) or very positive (41%) view of martech. Similarly, when referring to wider marketing and business stakeholders, those surveyed also declared they exhibit a predominantly positive (54%) or very positive (36%) attitude towards martech and its ability to deliver value.

The below charts reflect this overwhelmingly positive sentiment from both groups, with negligible negative views.

View of martech by platform owners



View of martech by wider stakeholders

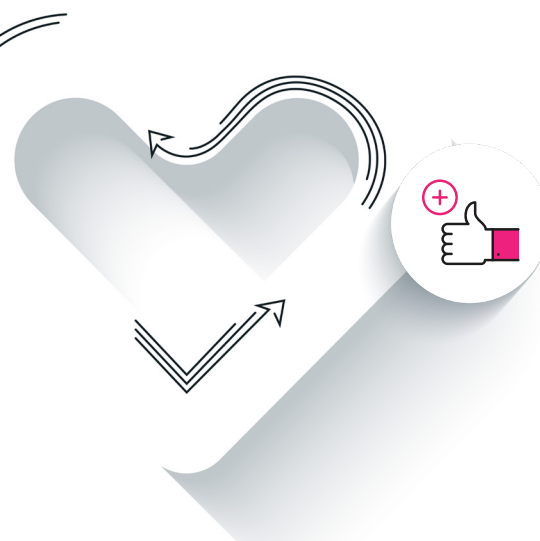


Perceived benefits of martech: Platforms delivering on sales promise

We then asked both platform owners and wider stakeholders a series of questions assessing the benefits of martech adoption and its ability to help increase internal efficiency, improve the customer experience and provide demonstrable ROI.

Using the 5-point Likert scale of 1 (strongly disagree) to 5 (strongly agree), the results revealed high ratings across each category, with mean values ranging from 4.16 to 4.34.

The responses for these questions show a consensus in recognising the key benefits, with medians firmly at 4 (agree).



Benefits of martech

Platform owners

It increases internal efficiency

89% agreed or strongly agreed

It improves the customer experience

86% agreed or strongly agreed

It has a demonstrable ROI

80% agreed or strongly agreed

Wider stakeholders

It increases internal efficiency

86% agreed or strongly agreed

It improves the customer experience

88% agreed or strongly agreed

It has a demonstrable ROI

82% agreed or strongly agreed

LOVE IT OR LOATHE IT?: MARTECH'S VALUE FELT FAR AND WIDE

Love wins

Both platform owners and wider marketing stakeholders exhibit a massively favourable perception of martech. The data paints a clear picture: both groups appreciate martech and acknowledge its value in enhancing efficiency, customer experience and ROI. There is a minor fraction of dissenters, but they do not significantly influence the overwhelmingly positive sentiment.

What does this mean for your martech strategy? And what does it mean for the market?

The strategic implications

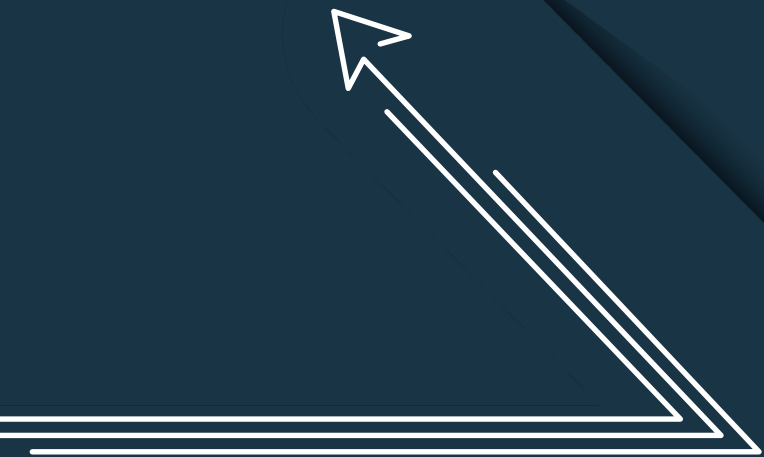
Martech adoption should be continually supported with robust training and support systems to maintain high satisfaction levels. This includes a focus on communicating the tangible benefits of martech to all stakeholders to foster broader organisational buy-in.

Keeping the love

The positive perceptions of martech highlights its critical role in enhancing marketing efficiency and effectiveness. As such, continued investment in and refinement of martech strategies are essential to sustaining these positive perceptions.

No longer is martech seen as a blocker, challenge or distraction: it has now become front and centre to every successful and ambitious CMO.





MARTECH MIGRATIONS

**The pace of
platform migration
and the drivers
for doing so**

In recent years, the martech market has been in an acquisition phase, with marketing leaders encouraged to add more and new ancillary technologies to the core platforms in their stack. This has led to the frequency of martech migrations, where organisations choose to move from one of their core platforms to another, remaining relatively stable as they have been deemed less of an investment priority.

A migration project is complex. It requires specialist expertise in a variety of areas – technical understanding of the incumbent and new vendor platforms, data management and compliance, project management, stakeholder engagement, platform setup and enablement – not to mention ensuring that the new platform aligns and integrates into wider business processes and objectives.

We anticipated that the data this year would show how the market is evolving from the acquisition mindset to one of consolidation and optimisation, but with no real notable change to the number of organisations that are migrating one of their core platforms or planning to within the next two to three years.

So, are migrations speeding up or slowing down? Why is this happening? And what are the drivers for platform migrations?

Key findings

- **Migrations are a split trend:** More than half of organisations have switched platforms in the past three years, suggesting the market is at an inflexion point
- **Migrations are speeding up:** An even greater percentage are planning to migrate in the next three years, signalling an acceleration in martech adoption
- **Migrations are habit:** Past and future migration patterns show that organisations that recently migrated are likely to change again within 2-3 years (51%), compared to only 26% of non-migrators planning long-term commitments
- **Reasons for migrations:** Misalignment between vendor roadmaps, platform standardisation across organisations, and evolving business needs and ambitions are cited as the primary driver

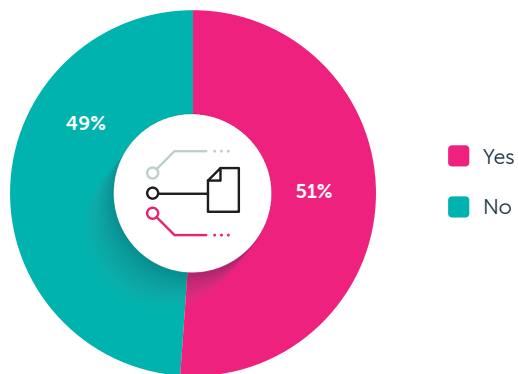
MARTECH MIGRATIONS: THE PACE OF PLATFORM MIGRATION AND THE DRIVERS FOR DOING SO

Migration trends: A split in the road

Have companies been getting itchy feet with their platforms? To find out, we asked the survey respondents: "Thinking about the Marketing Automation or Marketing Cloud platform used in your organisation, has this been changed (migrated) within the last three years?"

The survey revealed that organisations are (nearly) evenly split on recent martech migrations. Over the past three years, 51% have changed their marketing automation (MA) or cloud platform, while 49% have stayed put with existing solutions. This equilibrium suggests the martech landscape is at an inflexion point, with significant transition activity underway.

Martech migrations within the last three years are (nearly) evenly split



The migration trajectory: Looking to the future

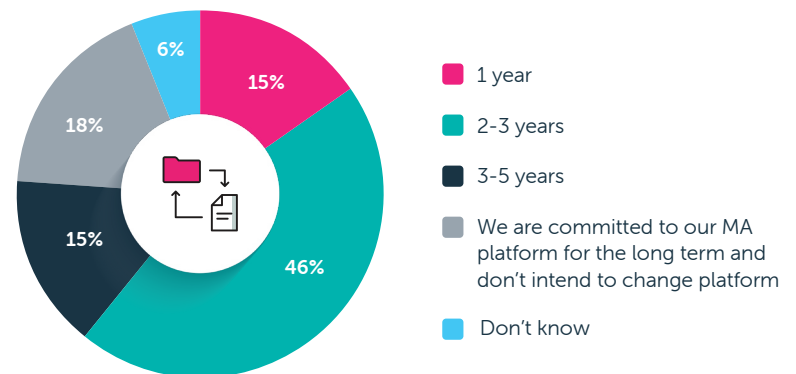
Despite half of organisations already migrating their platforms in the last three years, even more – three fifths (62%) – are intending to change platforms in the next three years.

Within this subset, 16% expect to do this in the next year, with the remaining 46% planning to migrate to new solutions in the next 2-3 years, signalling an acceleration of migration activity.

Only 18% intend to consolidate on their current platforms long-term, moving away from heterogeneous environments, where two or more platforms co-exist, to a single, common platform. For example, 'Enterprise A' may have invested in three separate marketing automation platforms over many years that all serve a similar purpose, and look to standardise on one that provides the greatest efficiency or ROI.

The remaining organisations (15%) have a more long-term intention, looking to change within 3-5 years, with the final 6% unsure on their plans.

Platform migration intentions



MARTECH MIGRATIONS: THE PACE OF PLATFORM MIGRATION AND THE DRIVERS FOR DOING SO

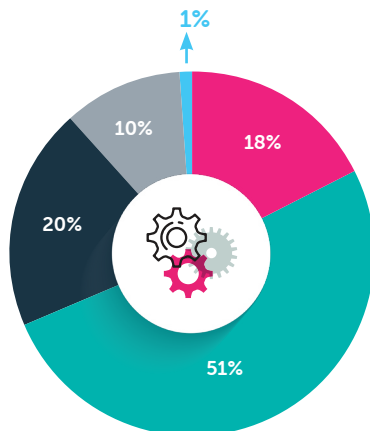
Migrations are a habit

Taking a deeper dive into migration patterns and cross-analysing past and future migration patterns reveals some interesting nuances.

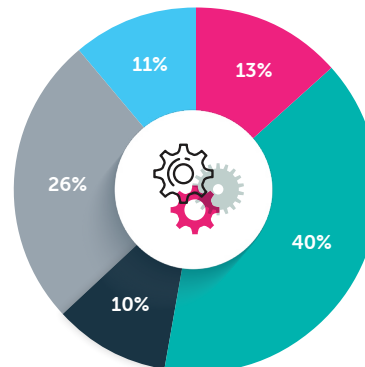
Those who recently migrated exhibit a 51% likelihood of changing again within 2-3 years. This aligns to typical SaaS software licence terms, where marketers are constantly looking for the leaders and innovators in the martech space, compared to only a quarter (26%) of non-migrators planning long-term commitments to current platforms.

This suggests organisations that migrate may be more inclined towards frequent, cyclical shifts in relatively short timeframes.

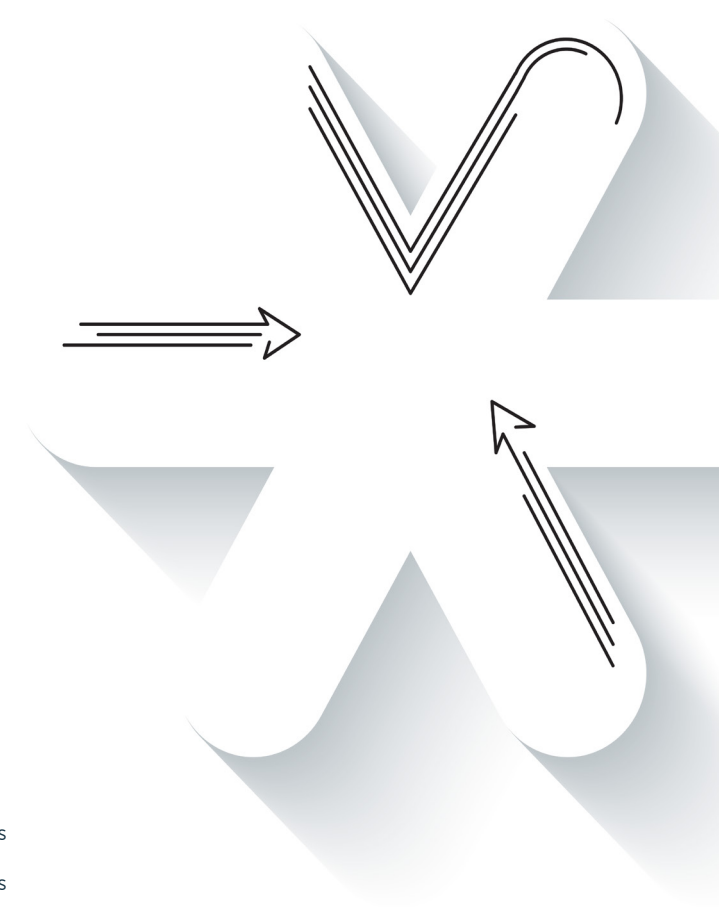
Likelihood of migrating platform having already migrated within the last 3 years



Likelihood of migrating platform having not migrated within the last 3 years



- 1 year
- 2-3 years
- 3-5 years
- We are committed to our MA platform for the long term and don't intend to change platform
- Don't know



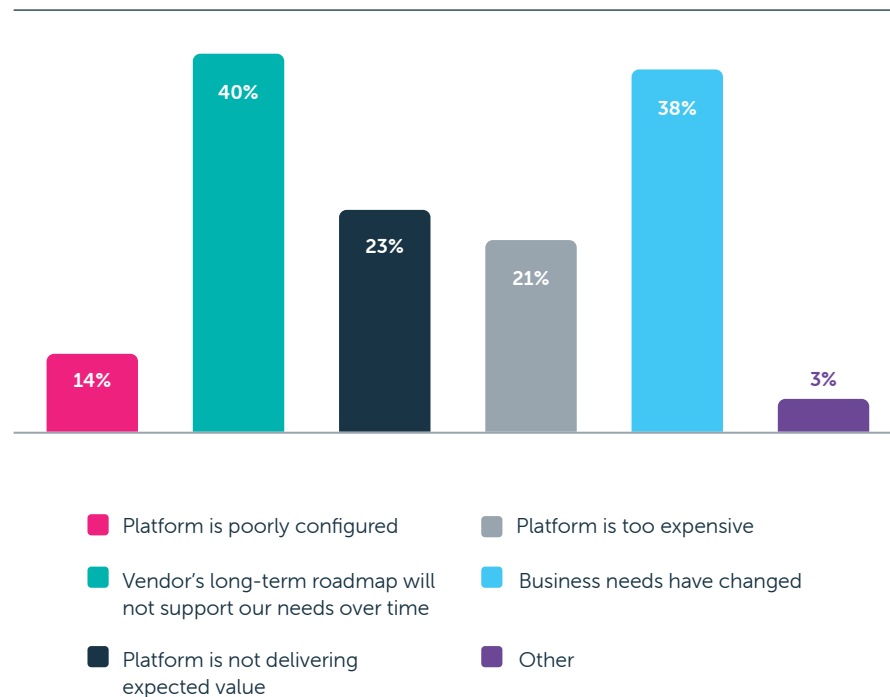
MARTECH MIGRATIONS: THE PACE OF PLATFORM MIGRATION AND THE DRIVERS FOR DOING SO

What drives migration?

The driving forces behind migration motivations are principally strategic – two fifths cite a misalignment between vendor roadmaps and evolving business needs as the primary driver. This apprehension suggests a critical market gap in the adaptability and scalability of current solutions.

Additionally, 38% recognise shifts in internal requirements, highlighting an imperative for agile martech platforms and commercial flexibility. Cost factors trail as secondary considerations.

What are the main drivers of your intention to migrate?



The narrative depicts migration decisions are driven not by operational pain points but by an intentional repositioning towards platforms that promise strategic alignment with future directions.

This signals a critical point for leadership to reassess martech investments through a long-term lens, seeking immediate utility but also scalability to support growth trajectories.

What does this mean for your martech strategy? And what does this mean for the market?

Be agile and forward-looking

Migrations are speeding up, and the reasons for this are three-fold:

1. CMOs are upgrading ambitions (and their platforms).

2. Vendor ambition and apathy is driving adoption behaviour -

for example, the more established platforms that drove the birth of the martech category, such as Eloqua (owned by Oracle) and Unica (owned by IBM), appear to have little to no ambition and direction compared to platforms such as HubSpot, Salesforce and Adobe.

3. Consolidation due to a coherent strategy across enterprises.

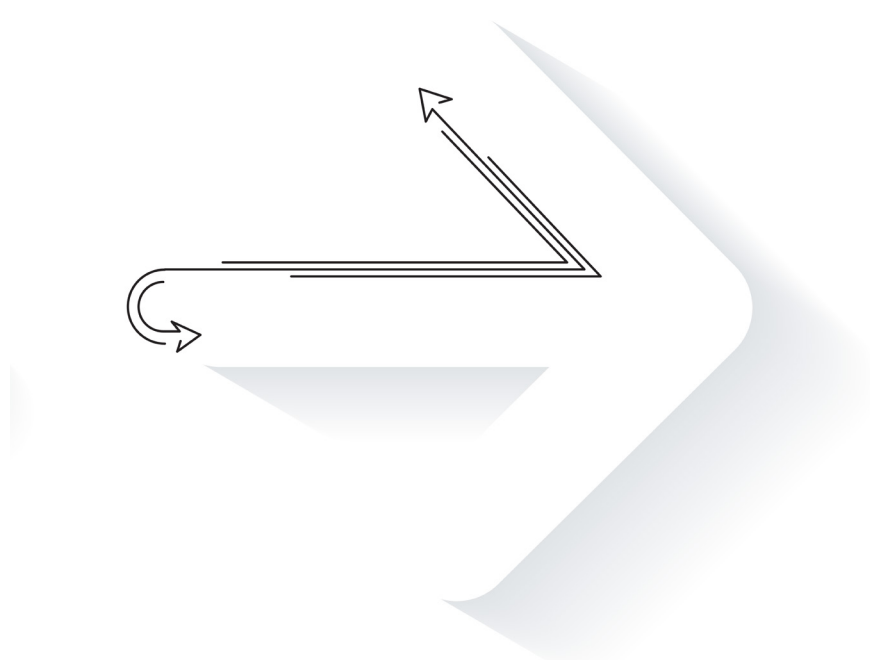
Staying agile and responsive to new martech opportunities will be crucial for maintaining a competitive advantage in a rapidly evolving digital marketing landscape. A forward-looking martech migration strategy that anticipates technological and business landscape shifts and builds in adaptability can significantly enhance marketing performance and ROI. This will ultimately differentiate organisations at the forefront of marketing innovation.

MARTECH MIGRATIONS: THE PACE OF PLATFORM MIGRATION AND THE DRIVERS FOR DOING SO

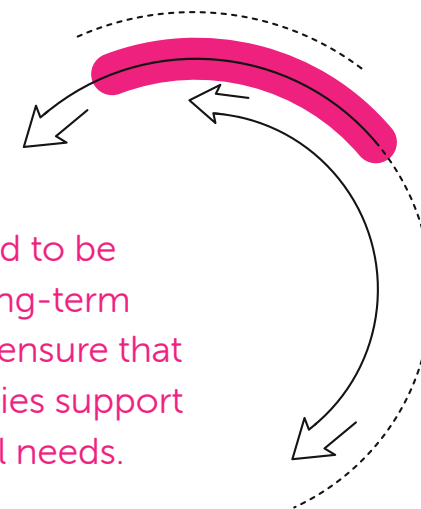
The strategic implications

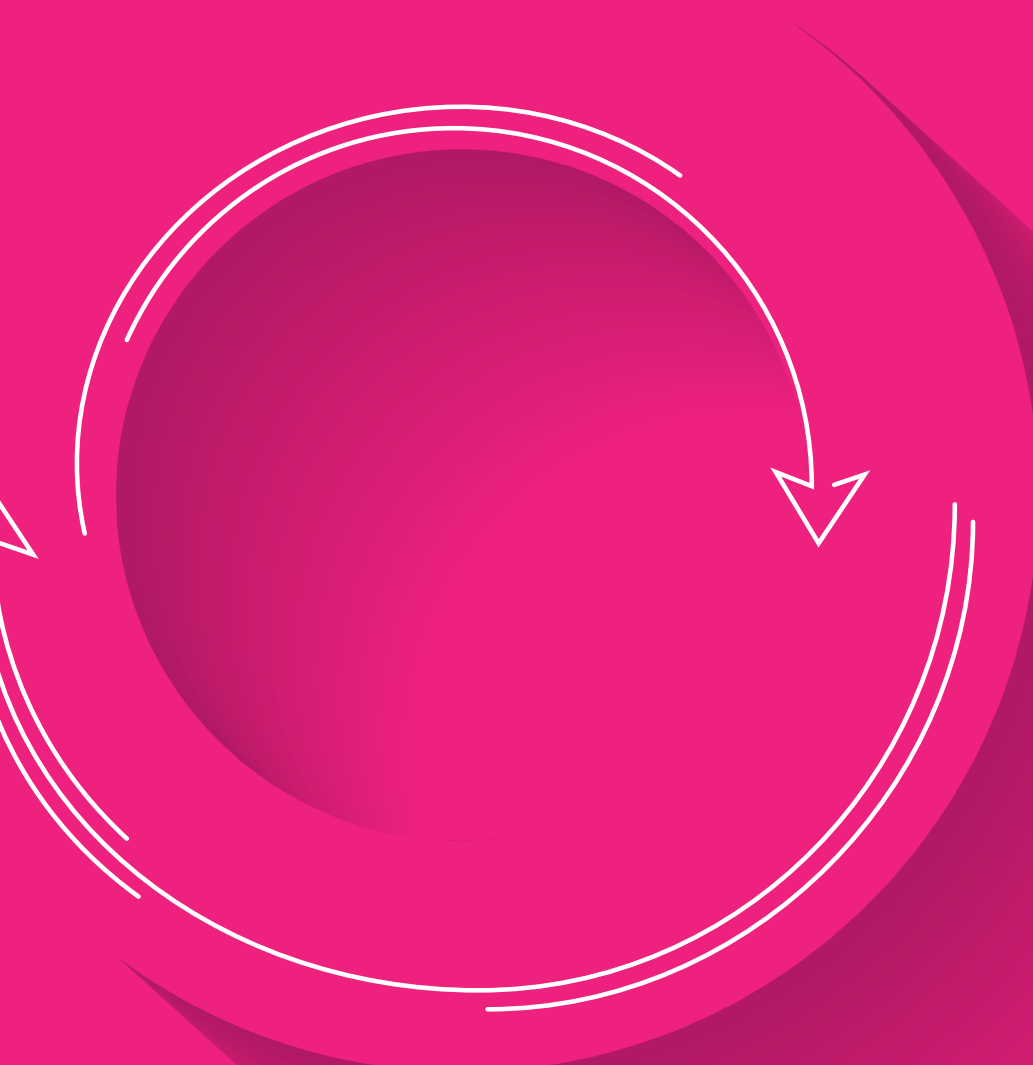
In response to these trends, organisations should prepare for continual adaptation in their martech stacks to keep pace with evolving technologies and market demands. Martech strategies need to be closely aligned with long-term business objectives to ensure that technological capabilities support evolving organisational needs.

Marketers must prioritise flexibility and scalability in choosing martech solutions to accommodate future changes without significant overhauls. Likewise, martech providers should enhance solution flexibility, scalability, and alignment with customer roadmaps to meet these demands.



Martech strategies need to be closely aligned with long-term business objectives to ensure that technological capabilities support evolving organisational needs.





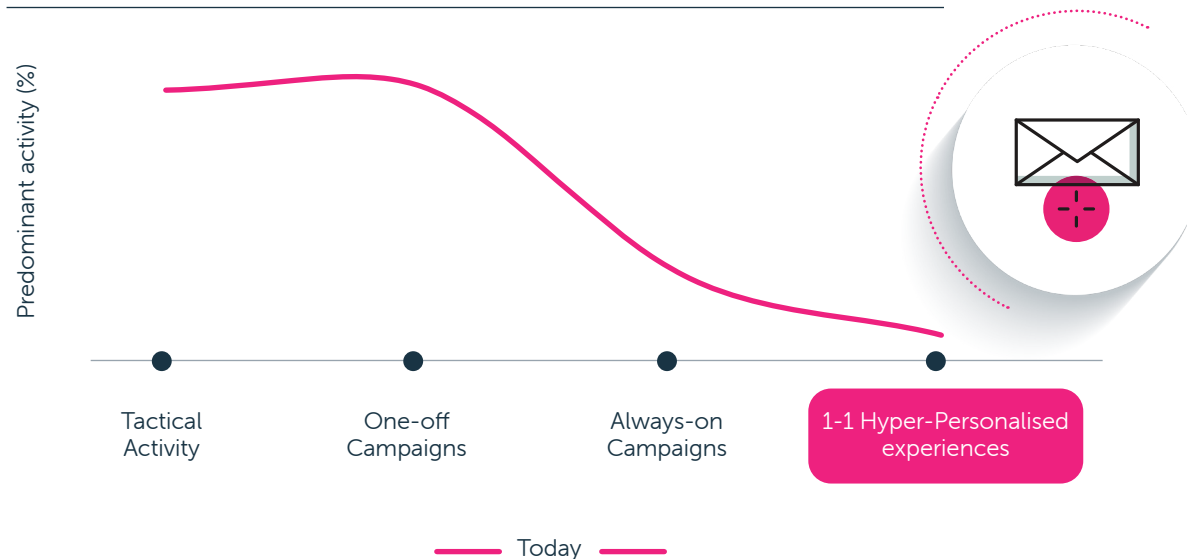
HYPER-PERSONALISATION

**Closing the gap
on personalisation
aspirations and reality**

As we reflect on the trajectory of martech and its integral role in strategic campaign development, the survey surfaces critical insights into the adoption and operationalisation of hyper-personalised campaigns. This goal has remained elusive for over five years despite being an industry aspiration.

Our report sought to discover if the market has genuinely progressed towards hyper-personalised campaigns or if most organisations still rely on traditional tactical or quarterly 'one-and-done' campaign structures. The findings validate the standpoint that hyper-personalisation remains more of a dream than reality.

Chart for visualisation purposes to show the split of campaign delivery type



Key findings

- In 2023, only 11% of typical campaigns used actual hyper-personalisation tactics, with an expectation for this group to grow to 19% in the next three years
- These low adoption rates stand in stark contrast to marketers expressing a strong belief in the relevance of hyper-personalised campaigns – 84% view them as relevant for 2024
- Despite this towering belief and low adoption rates, two thirds say they don't have blockers to creating more hyper-personalised campaigns
- For those who do, the major barriers to adopting hyper-personalisation include poor data quality, unintegrated systems, and insufficient skills within marketing teams

HYPER-PERSONALISATION: CLOSING THE GAP ON PERSONALISATION ASPIRATIONS AND REALITY

The discrepancy in hyper-personalisation

In 2023, only a modest 11% of typical campaigns were operationalised with actual hyper-personalisation tactics. This statistic contrasts with current practices and the aspirational state of targeted, individualised marketing that companies envision.

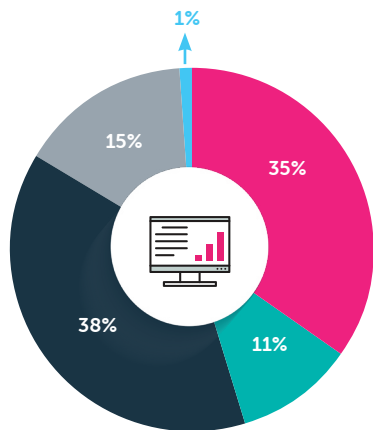
Projections indicate hyper-personalisation will grow to 19% within three years – nearly doubling but still representing relatively nascent adoption.

Perception vs. reality: The irony of hyper-personalisation

When we assess market sentiments, an overwhelming 84% believe hyper-personalised campaigns will be relevant or highly relevant in 2024. This conviction, however, is paradoxical when juxtaposed against the mere 11% employing such tactics today.

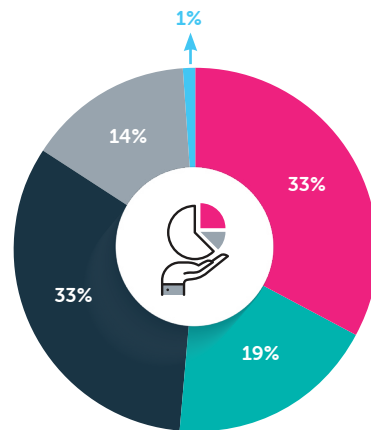
The data reveals an “irony of belief”: while the majority conceptually buys into hyper-personalisation, few have operationalised it. What’s more, the majority of marketers (67%) don’t feel something is blocking them from creating more hyper-personalised experiences/campaigns – so why aren’t they doing them?

Typical campaigns in 2023

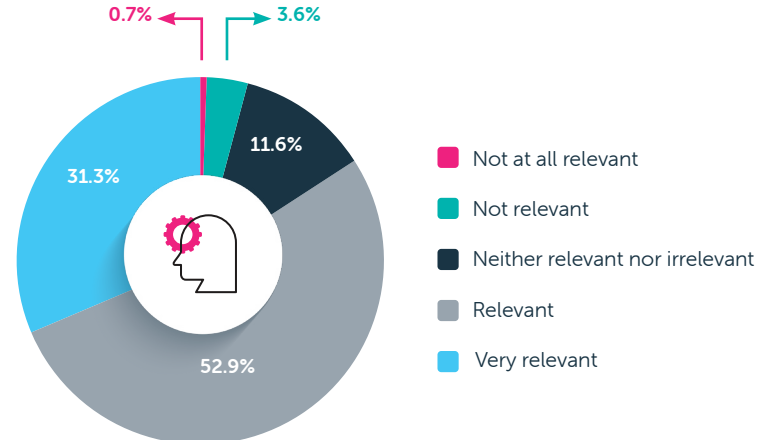


- Always-on Campaigns
- Hyper-personalised campaigns
- Quarterly Campaigns
- Tactical ad-hoc Campaigns
- None of these

Predicted campaign activity in three years’ time



Thinking about overall feeling and attitude towards hyperpersonalised campaigns, to what extent do you think this approach is relevant in 2024?



- Not at all relevant
- Not relevant
- Neither relevant nor irrelevant
- Relevant
- Very relevant

HYPER-PERSONALISATION: CLOSING THE GAP ON PERSONALISATION ASPIRATIONS AND REALITY

Barriers to adoption: Beyond the data abundance myth

The data went on to reveal that a quarter of marketers feel blocked from creating more hyper-personalised experiences and campaigns, with a further 7% unsure if something is getting in their way.

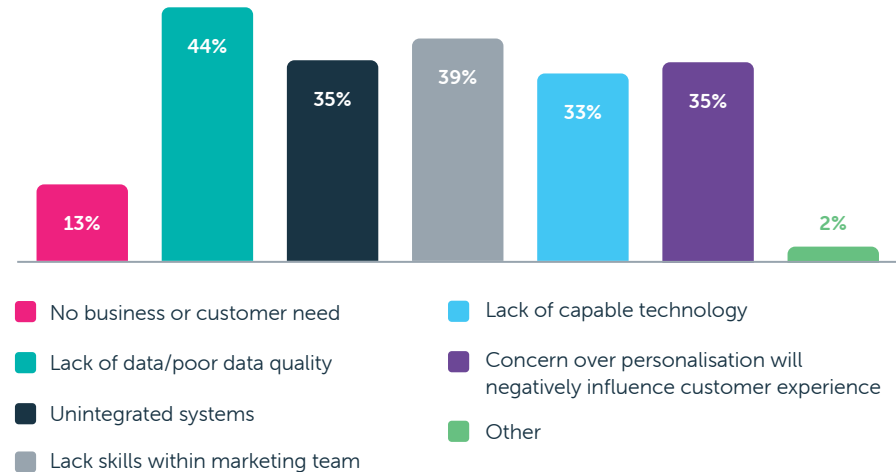
The primary roadblock cited by this group of marketers experiencing blockers is a lack of data or poor data quality (44%), which is unexpected given the data-abundant marketing landscape. More expected, however, are unintegrated systems (35%) and a lack of skills within the marketing team (39%); these are problems we find companies encounter year after year.

Given the confidence expressed in marketing teams' level of skill and training to make the most of MA investments, this is perhaps surprising. But as is shown in the next section, this could be attributed to a lack of MA certification and leadership knowledge.

Interestingly, over one third (35%) attributed it to concern that hyper-personalisation will negatively impact the customer experience, with a further third also penning it down to a lack of capable technology. Conversely, at 13%, a lack of business or customer need is a relatively low barrier.

This demonstrates that organisations conceptually understand the need for hyper-personalisation but are grappling with data quality issues and capability gaps in enabling true individualisation (despite the prevalence of data).

What is blocking you from creating more hyper-personalised experiences/campaigns?



Contrasting campaigns

If hyper-personalised campaigns are still in their relative infancy, what tactics are companies employing?

- The majority (43%) are running campaigns on monthly or quarterly cycles
- A sizeable 29% still only run tactical campaigns in response to business needs
- Crucially, only 27% communicate with customers based on their position in the customer lifecycle

This breakdown of campaign strategies implies that marketers need to get to the stage of performing customer lifecycle marketing before they can begin to invest in and employ hyper-personalisation tactics.

What does this mean for your martech strategy? And what does this mean for the market?

The strategic imperatives

The findings highlight a clear imperative for leaders: acknowledge the gap between hyper-personalisation's perceived importance and its underutilised reality.

To bridge this gap, businesses should prioritise data quality and integration over sheer quantity. Cultivating an agile culture, adapting to changing martech and its evolving landscape, and investing in overcoming talent and technology barriers are all crucial to implementing effective hyper-personalised strategies.

(Hyper-)Personalise to stay relevant

Hyper-personalisation might be the goal, but most are still struggling with 'always-on' multi-language and multi-touch technology. The drive to hyper-personalisation isn't just a marcom/martech challenge, it is about managing history, intel and insight across all channels and departments. As a result, it may need more advanced technology, hence the rise in adoption of customer data platforms (CDPs) in recent years.

Lamentably, the vast majority of martech usage in enterprises is still single sends. This is a risk, as all too often the same clients and prospects are over-committed, thus the need for always-on control.

To remain competitive and relevant in an increasingly experience-driven market, brands must shift beyond mere aspiration to effectively executing true hyper-personalisation at scale – otherwise, they risk losing relevance in an increasingly experience-driven market.

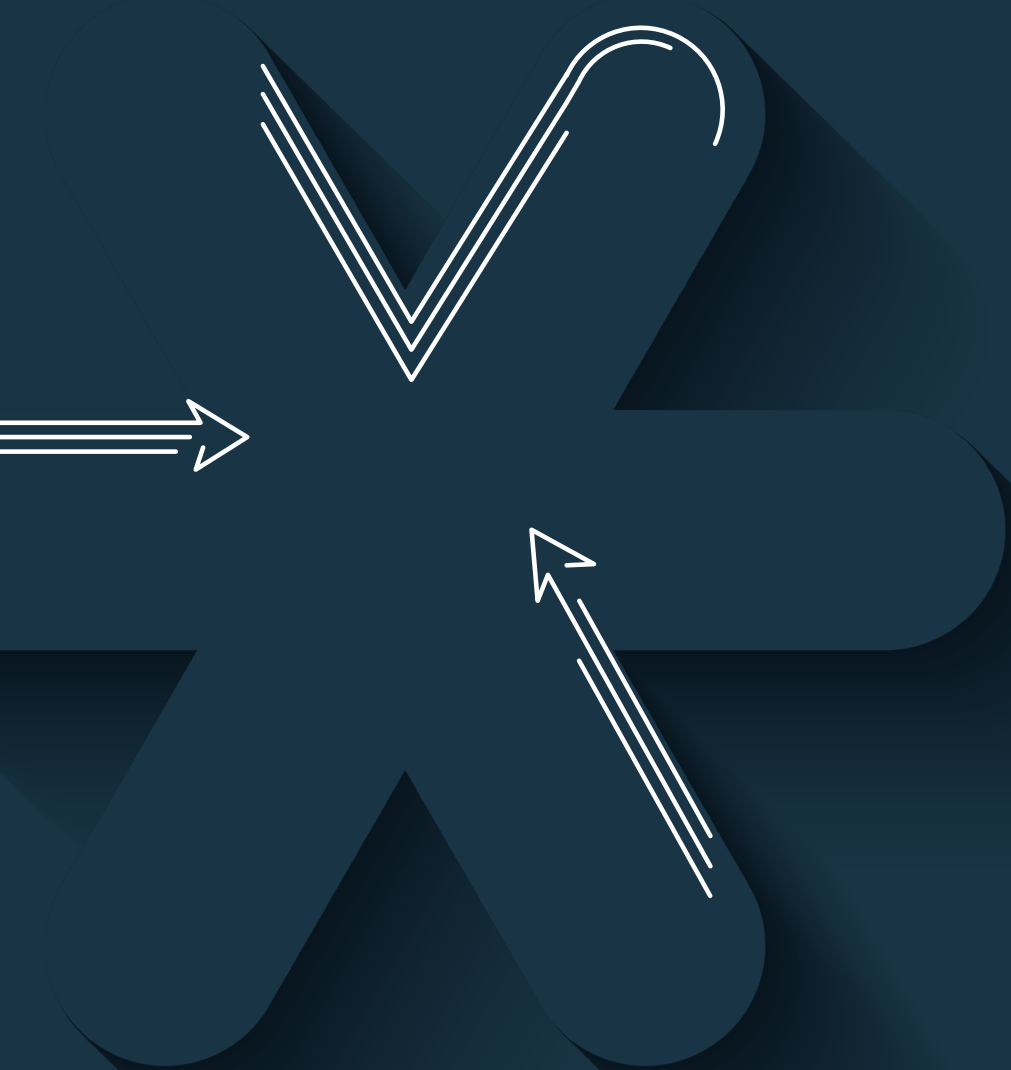
A new (platform) order

The continued rise of data platforms:

93%
satisfied with
primary MA
platform

In B2B, data
platforms are
the number
one technology
organisations
would like to
add to their
stack

For
30%,
their top priority
is combining a
CDP and data
management
platform



OPERATING MODELS

Internal conundrums
and the e(x)ternal
search for the right
partner

Martech's purpose is to support better marketing. By enhancing the role of marketing teams, supplying them with better data and analysis, automation capabilities, simplified processes and optimised workflows, marketers can elevate their campaigns to deliver better customer experiences. Yet in order to reap the full benefits of martech, the technology needs to be supported both operationally and financially.

Focusing on operations in this section, we sought to better understand the extent to which the role of internal and external resources can help organisations to more effectively and efficiently meet their martech goals. In this light, the survey data provides valuable insights into organisations' current practices and challenges in achieving this.

Three years ago the use of outsource partners was far lower – at around 30% – so the realisation that a partner might be needed is growing stronger. We see this as the pivot of budget and spend from 'application adoption' to 'skills and ambition advancement'.



Key findings

- **An outsourcing divide:** while 47% of organisations outsource some capabilities, slightly more (50%) do not, showing a split between those who use partners and those who rely solely on internal resources

Internal

- The vast majority of marketers expressed high confidence in the skill level of their teams to maximise martech investments, suggesting a solid internal foundation for leveraging tools effectively
- However, there is also a lack of MA certification and a leadership divide in MA knowledge

External

- Finding the right martech partner is hard work, with 68% of those who outsource reporting high effort levels, pointing to substantial challenges in identifying and integrating suitable external resources
- Conversely, when the right partner is found, the quality and benefits of using one shines through

To partner or not to partner?

There's no point having all of the tech if you don't have the capability to use it. For some, external support offers a cost-efficient route to tapping into a pool of martech expertise and talent. But before we delve into the benefits and challenges of finding the right partner, how many companies are actually attempting to outsource their MA capabilities in the first place?

Again, just like with migration, there's a bit of a split. 47% of respondents said they outsource some capabilities of their MA platform to agencies or consulting partners. However, half of the marketers surveyed – the majority – reported they don't (with a further 3% indicating the question was not relevant to them).

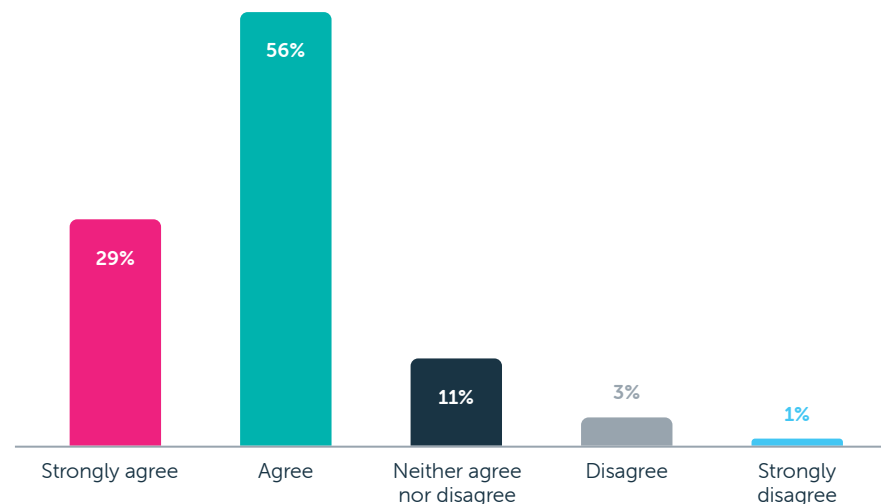
What does this suggest about the companies' internal operations? And for those looking to use a quality partner, how successful has this approach been?

Internal satisfaction: High confidence in marketing teams' skill level

Interestingly, the survey data highlights that the vast majority of respondents (85%) expressed confidence in their marketing team's skill level and training to maximise value from martech investments, with 29% strongly agreeing with this sentiment and 56% agreeing. Just 4% disagreed or strongly disagreed with this statement.

This positive perception of internal capabilities suggests that organisations may already possess the necessary resources and skills to effectively meet their martech goals without relying on external support. But is this perception also limiting these teams to realising the full potential of the technology?

Thinking about your own marketing team, to what extent do you feel it has the right level of skill and training to maximise value from martech investments?



Internal hardships: uncertified and uncertain

Despite this immense confidence declared for marketing teams' skill levels, the survey also revealed that only 11% of respondents say their MA specialists are certified. This hints at an over-emphasis on tech acquisition from previous years and an under-emphasis on the people and structure required to optimise the investment. (But, as seen later on, this trend looks set to change.)

Interestingly, however, eight in ten say their MA specialists have received hands-on training. What this training looks like, however, is a grey area and will surely vary hugely from organisation to organisation. 35% of this group, for instance, say their specialists use online resources to support their knowledge, supporting the notion of a rise in the use of simplification technologies to support MA adoption and utilisation.

OPERATING MODELS: INTERNAL CONUNDRUMS AND THE E(X)TERNAL SEARCH FOR THE RIGHT PARTNER

Leadership's understanding of Martech

According to gartner's 2024 CMO Spend survey, up to 30% of marketing budgets are now spent on martech. The role of all marketing leadership is to set the vision of the future, with martech in mind, and translate the opportunity back to the rest of the business.

However, despite this role responsibility, only 57% of respondents say their marketing leadership understand the capability of MA and use the data to support their strategies.

So, on the one hand, this shows the majority of marketing leaders are well-positioned for a modern, digital world. But, on the other hand, having 43% still unaware of MA's capability and data-driven strategies is very surprising; this group runs the risk of being left behind by a more digitally savvy and connected customer base.

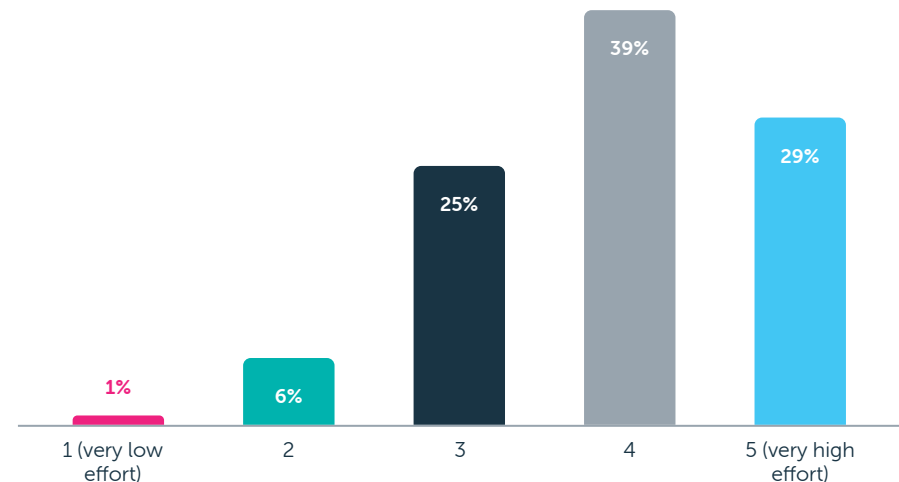
If only three fifths understand it (or it is important to them), then perhaps this is another reason as to why there has been a lagging approach to skills development in martech and platform certification. However, it is also worth considering that this gap may be partly due to other departments, such as IT, taking greater ownership of MA's role in the business, as is demonstrated in the growth of 'mission-critical martech'.

External hardships: It's a struggle to find the right partner

In any business setting, finding the 'right' partner can bring mutually beneficial rewards. Likewise, opting for the 'wrong' partner can be counterproductive and lead to more trouble than good. For marketers it can make all the difference between how they view and use their technology.

Out of those marketers who outsource their MA capabilities, just over two thirds (68%) reported putting forth high (score of 4) or very high (score of 5) effort in finding the right martech agency/consulting partner. Just less than 1% reported very low effort (score of 1) in this process. Clearly finding the right partner is a universally tough challenge.

Effort in finding the right partner



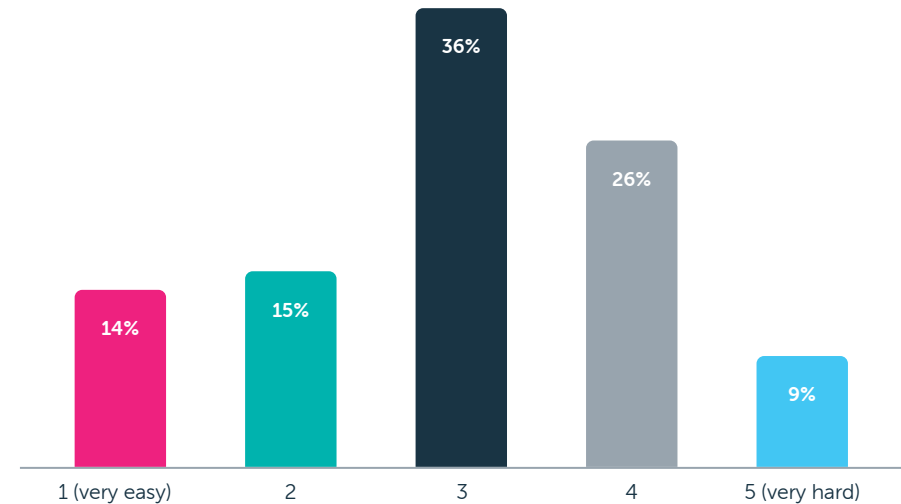
External satisfaction: Quality of partners shines through (once found)

When respondents were asked to provide recommendation scores for the agency/consulting partners they use, the quality of partners shone through. A significant three fifths (61%) gave high recommendation scores of 8 or above (out of 10), and a quarter (26%) were extremely likely to recommend their partners, indicating a highly positive experience.

Finding this quality, however, is not so clear cut. Here, the results show an array of differing levels of effort.


29% of the marketers using an outsourcer(s) found it easy or very easy to find a quality martech agency/consulting partner. More than a third (36%) placed themselves in the middle of the scale, with roughly the same number (35%) finding it hard or very hard to do so. These varied experiences in finding quality partners show that quite a few organisations face substantial difficulties whereas others find it easier.

Ease of finding a quality partner



It's not just a case of finding the right partner, but one who has quality as well.





How and why are partners being used?

- Training and skills improvement
- Advanced skills required to realise 'mission-critical martech' ambitions: for example, smart preference centres, hyper-personalised campaigns, or integration to payment systems
- War for talent: shortage of key martech skills in the employment market
- Complex martech projects (such as platform migrations) require specific skills and experience to manage and execute successfully

What does this mean for your martech strategy? And what does it mean for the market?

The strategic implications

The findings suggest that leveraging external expertise and resources to complement internal capabilities through outsourcing partners – once found – can be beneficial for organisations in meeting their martech goals.

The challenges in finding the right external partners and integrating them seamlessly with internal resources, however, should not be underestimated. The time and resources required to carry out this activity can offset potential efficiency gains, especially if the process is not streamlined and well-managed. Therefore, building a balanced operational structure which responds to business needs is essential.

For organisations that face significant difficulties in this process, relying solely on external resources may not necessarily lead to such success. As such, companies should look to strengthen their internal capabilities to reduce dependency on external sources.

This could include increasing the level of certified MA specialists in the company and also ensuring that marketing leadership are fully aware of the capabilities the technology holds. To do this, CMOs have to move from SaaS acquisition to SaaS documentation, integration and skills and organisational development.

When it comes to finding external partners, organisations should, firstly, employ robust processes for evaluating their internal capabilities, identifying areas where external support is required. Then, they need to establish and enact a rigorous partner selection and management practice to optimise the integration and utilisation of this external expertise.

Striking the balance

Organisations that can strike the right balance between maintaining strong internal capabilities and harnessing carefully-selected external support – while also addressing the challenges of identifying and integrating suitable external partners – are most likely to effectively and efficiently hit their martech goals.

The effective management of internal and external martech resources is crucial for meeting organisational goals. Through enhancing internal capabilities while judiciously integrating external expertise, companies can build a balanced operational structure that can lead to sustained martech success.



REVENUE RULES

The rise of revenue-centric marketing

As marketing organisations evolve beyond the traditional role of lead generation, a profound shift is underway – one that positions marketing as a strategic driver of revenue across the entire customer journey, as opposed to purely ‘filling the funnel’. This assertion gathers substantial support in the survey data, highlighting the growing emphasis on revenue-centric marketing practices.

For marketers, this is very encouraging to see. Marketing is no longer seen as the ‘colouring-in’ department or operating in art gallery mode; the department is now seen as a credible function to drive revenue and change in an organisation. Martech, when used effectively, has become an enabler of credible commercial kudos into the wider organisation.

Key findings

- There is a major shift from traditional lead generation to revenue-centric KPIs, with two fifths of respondents saying they now track ROI and influenced pipeline
- However, this also means a notable three fifths of organisations are not yet effectively measuring these metrics, suggesting room for improvement in aligning marketing investments with revenue outcomes
- The findings also reveal there is increased data-driven collaboration between sales and marketing to optimise revenue outcomes
- Overall, organisations are moving towards more sophisticated marketing segmentation, beyond basic lead generation to more strategic approaches

Measuring what matters: aligning KPIs with revenue impact

A key indicator of this role shift is the evolution of marketing's key performance indicators (KPIs). While engagement metrics (55%), marketing qualified lead (MQL) volume (51%), and conversion rates (60%) remain significant, a notable two fifths (41%) of organisations are measuring revenue-centric KPIs such as return on investment (ROI) and influenced pipeline. This signals a rising recognition that marketing's impact extends beyond top-of-funnel activities and that revenue generation is a shared responsibility with sales.



A notable two fifths (41%) of organisations are measuring revenue-centric KPIs... the majority (59%) of organisations are not yet effectively measuring ROI and influenced pipeline.

But the data also reveals an opportunity for improvement, as the majority (59%) of organisations are not yet effectively measuring ROI and influenced pipeline. This gap highlights the need for continued alignment between marketing and revenue goals, ensuring that marketing investments are evaluated through the lens of their impact on overall business outcomes.

Blind spots in lead success and data-driven decisions

So, organisations are increasingly leveraging data-driven decision-making to optimise their marketing efforts. But there is a notable blind spot: 58% of marketers reported that their marketing department does not have full visibility of lead success and does not regularly review data with sales to optimise campaigns and processes.

A fifth (21%) of these marketers also said they can only see how leads are followed up by sales with 'significant manual effort'.



REVENUE RULES: THE RISE OF REVENUE-CENTRIC MARKETING

On the positive side, for the 42% who do have easy visibility of this data and effective working processes with sales, this approach not only fosters alignment between marketing and sales but also enables data-driven adjustments to maximise revenue generation.

Furthermore, the frequency analysis revealed a trend towards more sophisticated marketing segmentation practices, indicating a move beyond basic lead generation to more targeted and strategic approaches. This strategic targeting aligns with the premise of providing direction for sales to focus on account opportunities over individual leads, potentially influencing larger revenue outcomes.

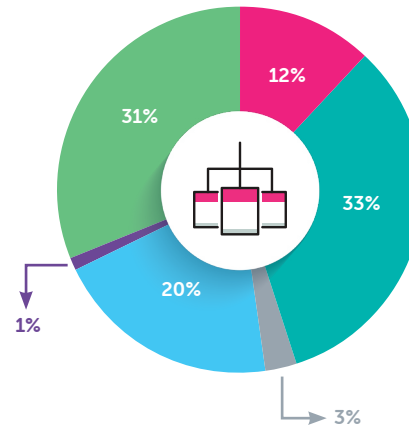
Sales & marketing alignment is a collaborative success

Reinforcing the theme of cross-functional collaboration, 64% of respondents indicated that sales effectively view digital engagement history and use it to support their conversations and decision-making. This integration of marketing data into the sales process further blurs the line between the two functions, fostering a cohesive approach to revenue generation.

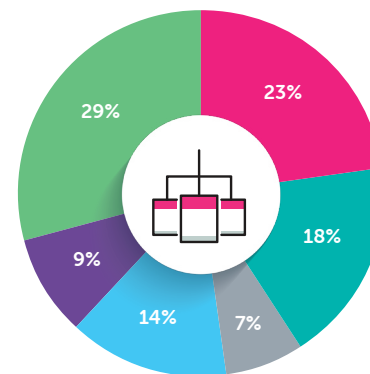
The cross-tabulation analyses below further stress the interplay between various factors contributing to this revenue-centric shift – more than just handing over leads, it shows the sharing of intelligence and closed-loop sales and marketing wash-ups.

Sales and marketing funnel vs transparency (%)

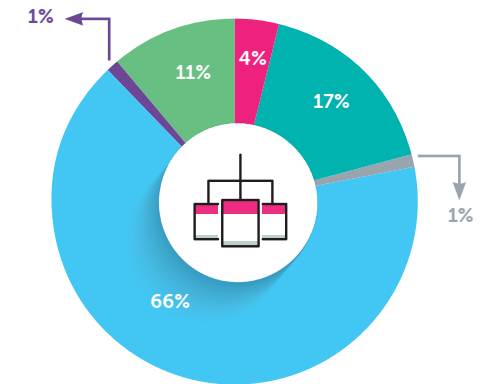
The funnel is defined and some marketers could describe it



We do not have a defined sales and marketing funnel



The funnel is defined and forms a core part of our processes, most in the sales and marketing team(s) could describe it



- A process has been defined for follow up but it is sporadically followed or ineffective
- A process is in place for tracking lead success but metrics do not form part of business decision-making
- Marketing has no visibility of whether generated leads are followed up by sales
- Marketing have full visibility of lead success and regularly review data with sales to optimise campaigns and processes
- None of these describes our situation
- With significant manual effort marketing can get visibility of leads have been followed up by sales

REVENUE RULES: THE RISE OF REVENUE-CENTRIC MARKETING

Organisations with well-defined sales and marketing funnels and processes are more likely to engage in data-driven decision-making, while effective cross-functional collaboration is associated with more sophisticated marketing segmentation practices.

Additionally, specific lead management practices are linked to a more defined sales and marketing funnel, and data-driven decision-making influences the sophistication of marketing segmentation practices.

Defined funnel and transparency

Organisations with a well-defined funnel that forms a core part of their processes reported significantly higher levels of operational transparency between marketing and sales. This structured approach appears to facilitate marketing's strategic contributions to revenue, suggesting that a solid foundation in sales and marketing integration is pivotal for directing sales efforts towards more lucrative account opportunities.

What does this mean for your martech strategy? And what does it mean for the market?

The strategic implications

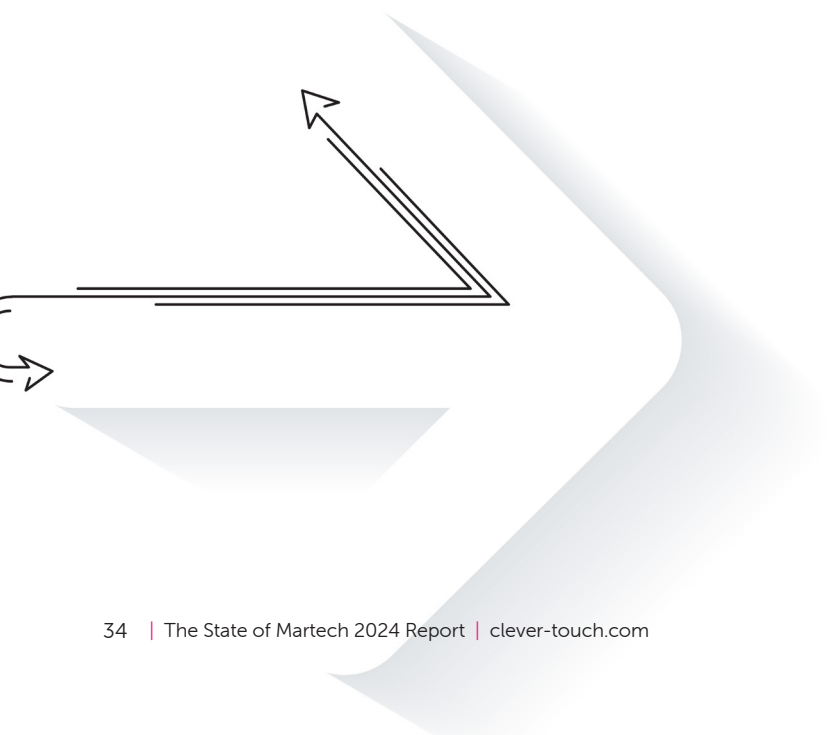
The survey data illustrates that marketing is increasingly influencing broader revenue outcomes and business growth, transcending its traditional role as a pure lead-generation engine; this is the role that CMOs often articulate but fail to deliver on.

This shift is characterised by a heightened focus on revenue-centric KPIs, data-driven decision-making, sophisticated segmentation practices, and cross-functional collaboration between marketing and sales. For organisation, fostering closer collaboration between the two departments is fundamental to ensuring a unified approach to customer acquisition and retention.

Marketing's rising revenue influence

As organisations embrace this revenue-driven imperative, marketing's strategic influence extends beyond the top of the funnel, directing sales to focus on high-value account opportunities. By aligning marketing strategies more closely with revenue goals, organisations can drive more meaningful contributions to business success.

But it has to start with full funnel analysis and feedback. Without revenue-centric marketing, the ability to influence other initiatives such as customer onboarding and renewals will struggle to happen.





MISSION CRITICAL MARTECH

**A strategic
business asset**

Martech is transcending its traditional boundaries and becoming an integral part of central growth and business operations. This evolution is characterised by increased involvement from IT stakeholders, enhanced governance, and a strategic allocation of budgets, underscoring the mission-critical nature of martech.

Nearly half (47%) of the marketers surveyed are now using MA for use cases wider than marketing, capturing digital engagement to support all areas of the business, from employee engagement to investor relations. They are doing more than just lead gen/funnel filling, but using martech in wider ways beyond customer acquisition and retention, such as with customer onboarding, subscription management and/or trust and privacy. This is what we refer to as mission-critical Martech – and it's to be applauded.

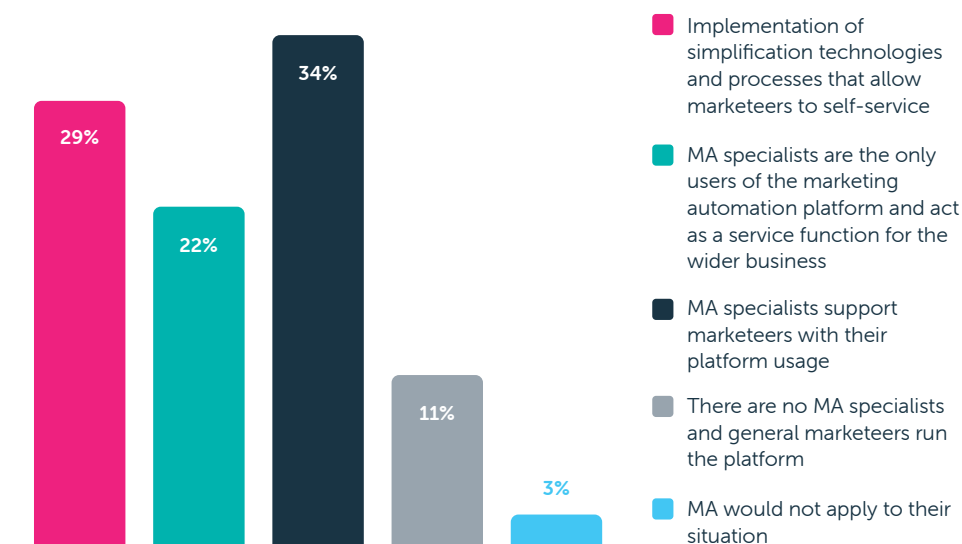
Key findings

- Martech is increasingly seen as a mission-critical component, integral not only to marketing but also to broader business operations
- The spread of MA capabilities across various business areas suggests a broader operational impact, supporting the assumption of martech's expanding footprint
- Budgetary control of martech is spreading across multiple departments, highlighting its strategic importance beyond traditional marketing roles
- Significant investment in martech software and services indicates a growing reliance on these technologies

Operational support for MA

When it comes to describing organisations' various support structures for MA, the data demonstrates the diversity in how the technology is supported, from specialist-only usage to broader integration. This diversity aligns with the trend that martech is becoming integral to business operations, necessitating varied operational support to meet broader business objectives.

How is the operationalisation of MA platforms supported?



A game-changing player? Or masking the cracks?

Of particular note is the revelation that three in ten respondents (29%) say they have implemented simplification technologies and processes to support marketers with their MA platforms. This support comes second after MA specialists and marks an interesting trend.

On the one hand, is it a real design to get this powerful technology into the hands of the mass of marketers who want to do their day job without having to become experts in martech or marketing operations? Or, on the other hand, is this adoption of no-code/simplification tech a work around for quite complex environments, toolsets and basic skills which are missing?

In this respect, it's also notable that 44% of marketers suggest their organisations don't have MA specialists in their support structure.

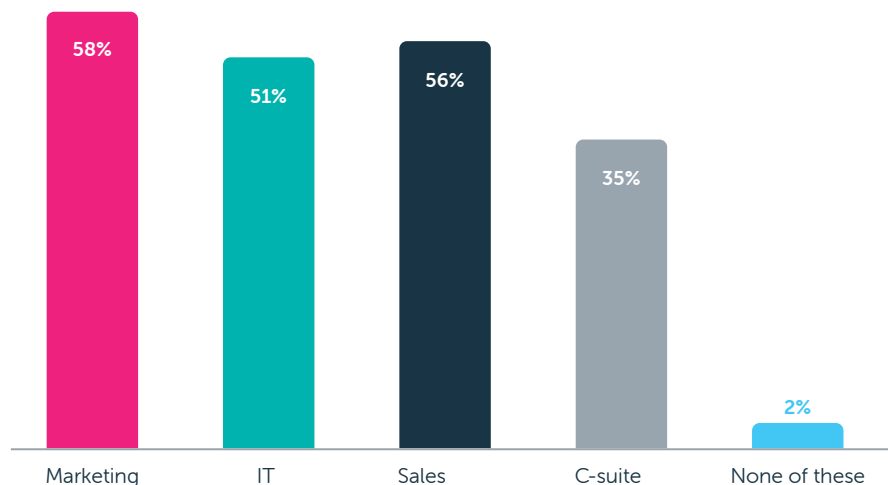


Martech is becoming integral to business operations, necessitating varied operational support to meet broader business objectives.



Martech's cross-departmental value

Understanding of MA capabilities across leadership teams

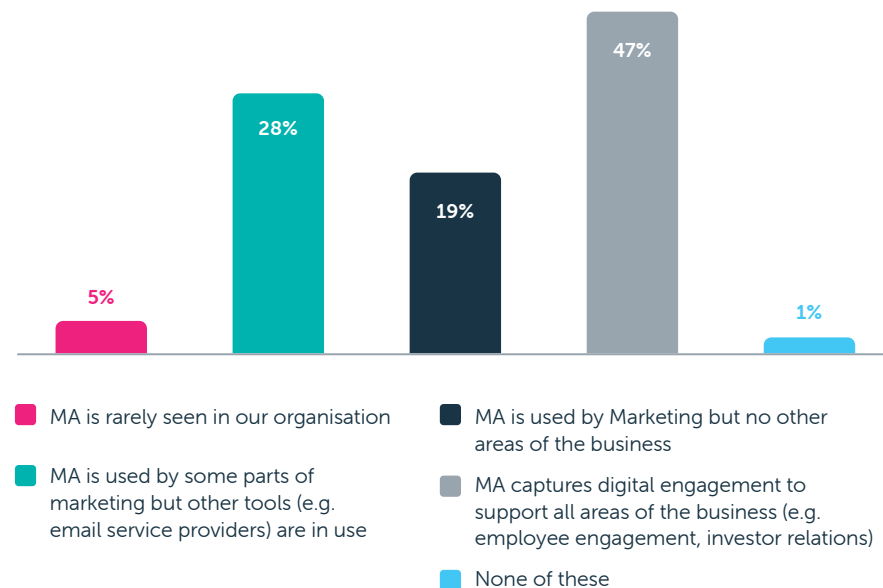


The results also revealed a high level of understanding of MA's capabilities amongst non-marketing leaders, underscoring a rising strategic importance placed on martech across departments: 56% of respondents said sales leadership understand how it can support their activity, while half (51%) expressed the same for IT.

This increased awareness across different roles suggests that martech is becoming recognised as a critical enabler of broader business goals and enhanced decision-making, transcending its traditional marketing focus.

Expanding martech footprint

Adoption of MA capabilities and benefits across the organisation

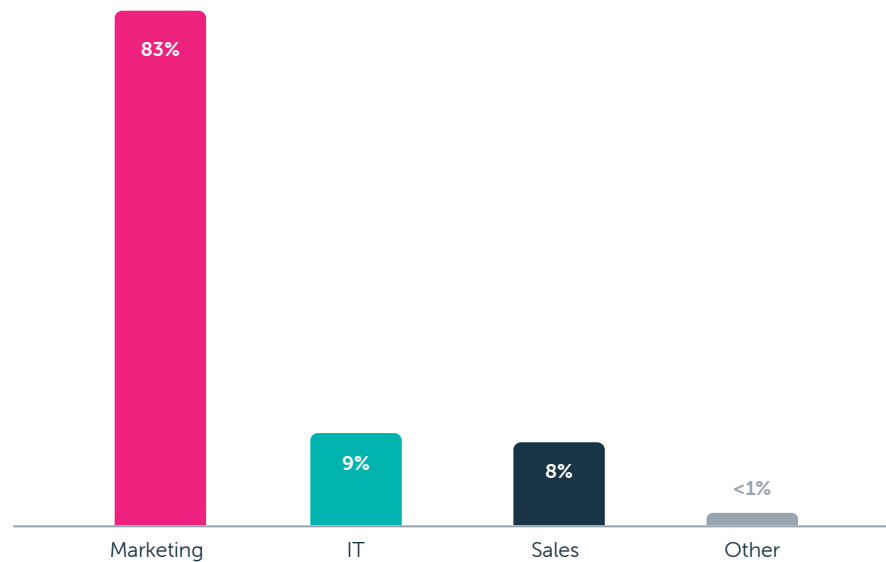


The bar chart shows the spread of MA capabilities across different areas of organisations. It highlights that while MA is commonly used within marketing, there is significant adoption in supporting broader business areas, validating the viewpoint that martech is being leveraged beyond conventional marketing roles.

Budgetary ownership and governance

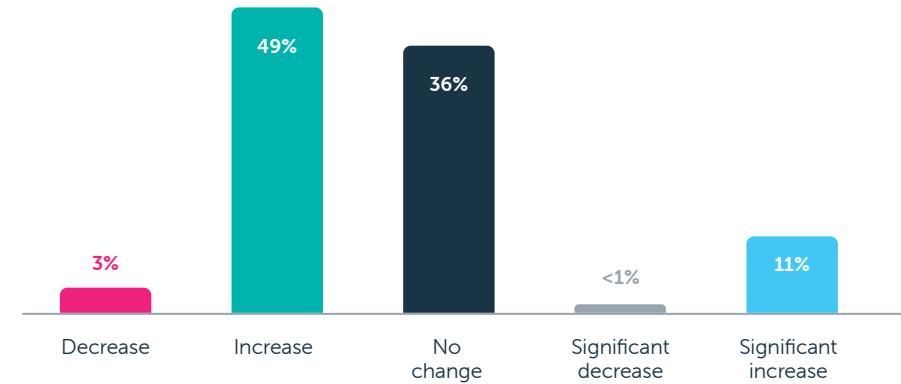
The survey findings indicate that the budgetary control of martech is primarily concentrated within the marketing department, but a decent portion also resides with the IT and sales departments. This distribution suggests that martech is no longer solely perceived as a marketing tool but an asset requiring cross-functional oversight and governance.

Which departments have budgetary ownership of martech in their organisation?

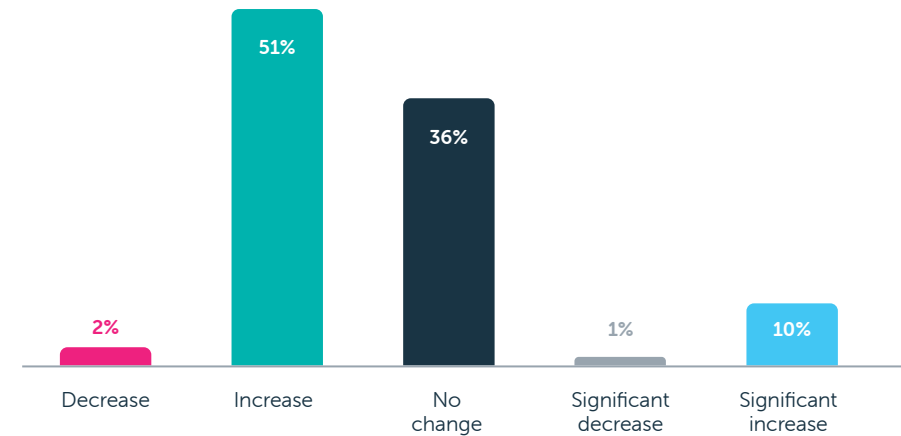


Strategic investment priorities

Expected change in martech software investment

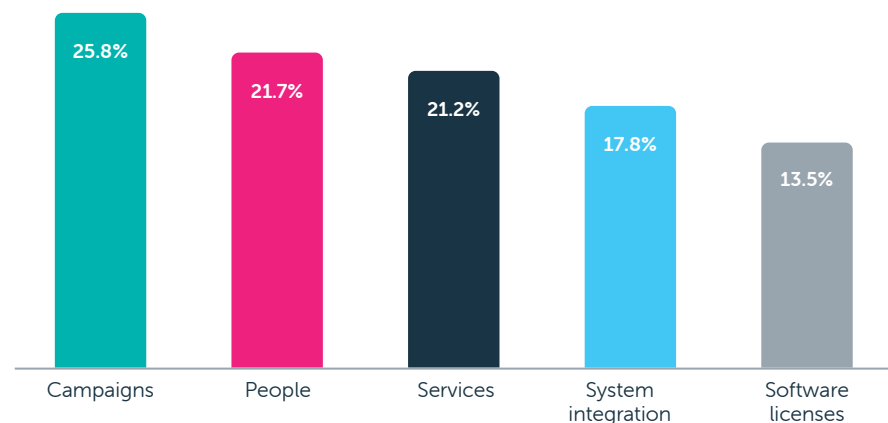


Expected change in martech services investment



MISSION CRITICAL MARTECH: A STRATEGIC BUSINESS ASSET

How each investment category was ranked as the highest priority



Moreover, the investment priorities ranking shows that while operational investments such as people, campaigns, and services are rated highly, notable investments are also considered for software licences and system implementation. This reinforces its mission-critical status as organisations balance operational and technological investments to drive growth and enhance business operations.

What does this mean for you or your CMO?

The strategic implications

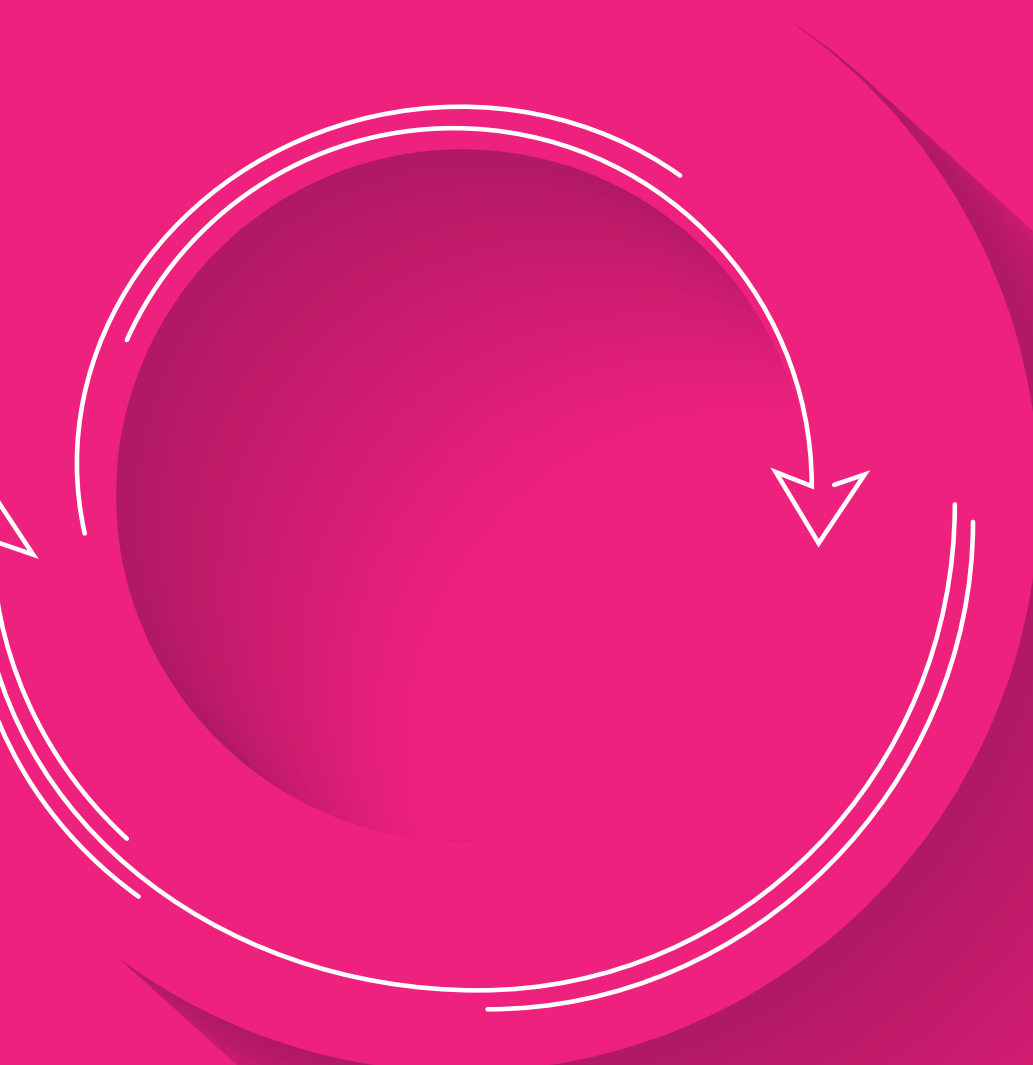
The research provides compelling evidence of the evolving role of martech, positioning it as a mission-critical component of central growth and business operations. This transformation is characterised by increased involvement from IT stakeholders, enhanced governance and budget allocation, cross-departmental strategic importance, and the broadening footprint of martech capabilities across various business functions.

As organisations continue to recognise and leverage the strategic value of martech, they are likely to further integrate these technologies into core business processes, involving multiple departments and affecting governance and budget decisions at higher levels, solidifying martech's status as a critical asset.

To make the most of this expanded role and spread of investments, organisations must seek to prioritise cross-departmental collaboration and integration to leverage martech fully across the business. This requires aligning martech investments with broader business objectives to enhance its strategic value and impact.

Ensuring martech's mission-critical status

Taking a market view of the results, many martech vendors themselves are younger, simpler businesses that tend to focus their marketing material and articulate the 'funnel-filling', demand gen story. So, CMOs should be applauded for taking the message and 'art of the possible' to the next phase of development.



BUDGETS & GROWTH

**Strong investment
ambitions meet a
focus on optimisation**

After a testing 2023, growth looks to be back on the agenda.

Confidence in marketing teams to hit their goals this year is high, with the majority expecting investment increases on their 2023 level. While there is continued increased investment in both martech software and services (as per last year), what is particularly striking – and pleasing – to see is that the same percentage of marketers are expecting increases in investment in people and organisational design.

There is also a refocus by many on driving growth in new customers and markets, with businesses looking to bounce back after a tougher economic climate.

Yet rather than using this investment to pursue new technology acquisitions, the survey results indicate a more measured approach, suggesting a shift in focus towards optimising existing marketing resources and investments.

Key findings

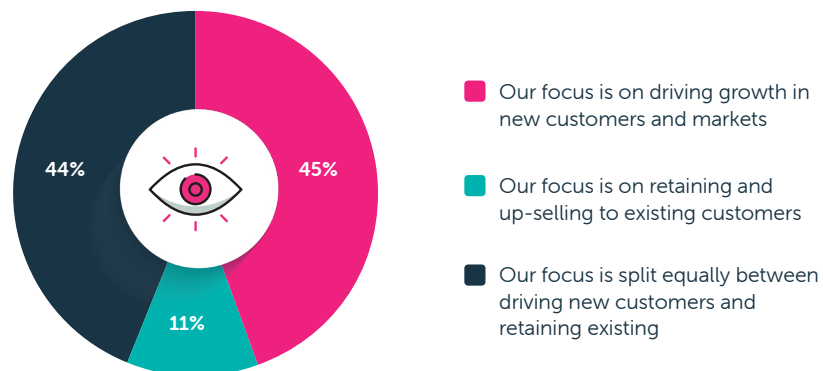
- Growth is back: a substantial 88% of respondents are targeting growth in new customer sectors or splitting effort between new wins and retaining existing customers – only 12% are focusing on upselling to current customers alone
- Three in five marketers anticipate budget increases, with significant investment increases in not only martech services and software but also people and org design
- Despite this drive towards growth and investment, there's also a strategic pivot towards investing in existing campaigns and personnel, suggesting a focus on optimisation over acquiring new technologies
- This is a notable shift towards prioritising human capital and direct marketing initiatives, indicating a strategic move from what we have previously called 'Nextopia' towards 'Nowtopia'

BUDGETS & GROWTH: STRONG INVESTMENT AMBITIONS MEET A FOCUS ON OPTIMISATION

Renewed ambitions for growth

Martech's orientation is still primarily towards growth and net-new customer acquisition, with retention a trailing priority. The majority of respondents (89%) reported that their primary focus is on driving growth in new customers and markets (45%) or splitting efforts between new customer acquisition and retaining existing ones (44%) (and the irony of the near perfect split in answers here is not lost on us). Only 11% stated that their main focus is retaining and upselling to their current customer base.

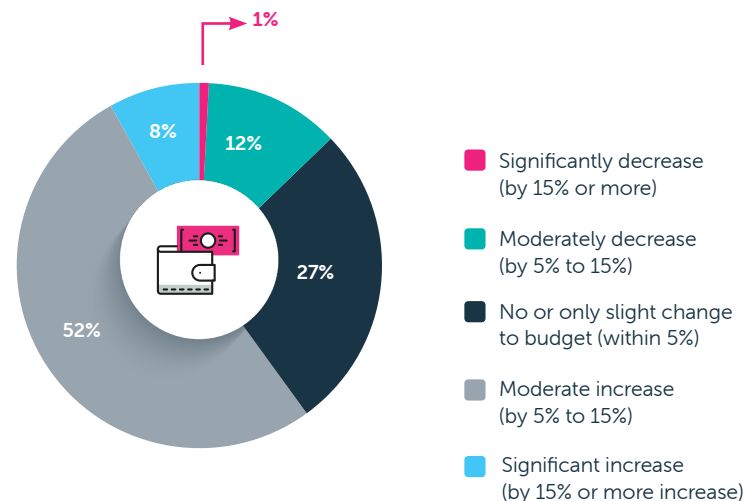
Which of the following best describes your current focus in terms of organisational growth?



Budget increases to bolster both tech and people

This growth-oriented mindset is further reinforced by the optimism surrounding increased marketing budgets in 2024, with three in five (60%) respondents anticipating moderate to significant budget increases on their 2023 level.

What do you expect will happen to your marketing budget in 2024, relative to your budget in 2023?



BUDGETS & GROWTH: STRONG INVESTMENT AMBITIONS MEET A FOCUS ON OPTIMISATION

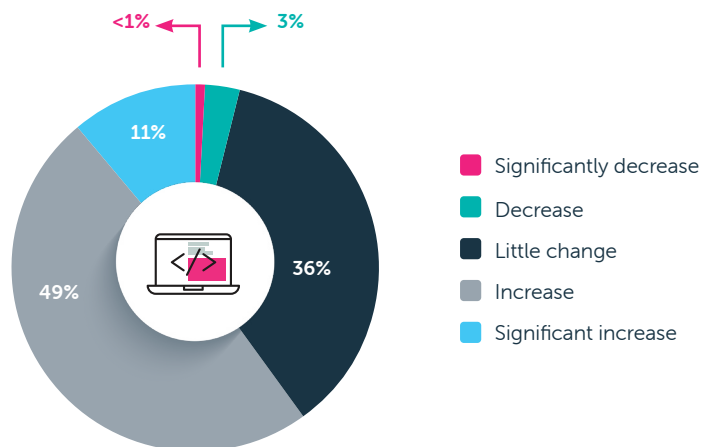
There is also overwhelming confidence by marketers that their marketing team and wider business will achieve their goals next year (83%). This confidence in marketing seems to be translating into investment increases, and not just in software and services – as in previous years – but in people as well.

Investment:

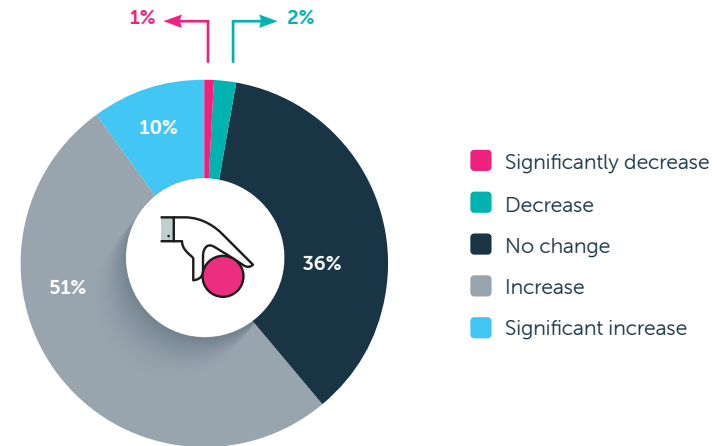
- 61% will see an increase or significant increase in investment in martech services
- 59% will see an increase or significant increase in people and org design
- 60% will see an increase or significant increase in martech software investment

These investment ambitions are noteworthy and signify that the reach and influence of marketing is significant – and marketers believe it is growing, not shrinking.

Investment in martech software (i.e. software vendor) over the next 12 months



Investment in martech services (i.e. agency/consultancy) over the next 12 months



Yet while a majority of respondents expect to increase their investment in martech services, software and people, a significant portion (just over one third) intend to maintain their current levels of investment in these areas. This trend is representative of what anticipated levels of investment are looking to focus on.

BUDGETS & GROWTH: STRONG INVESTMENT AMBITIONS MEET A FOCUS ON OPTIMISATION

Nowtopia: Are people starting to usurp tech?

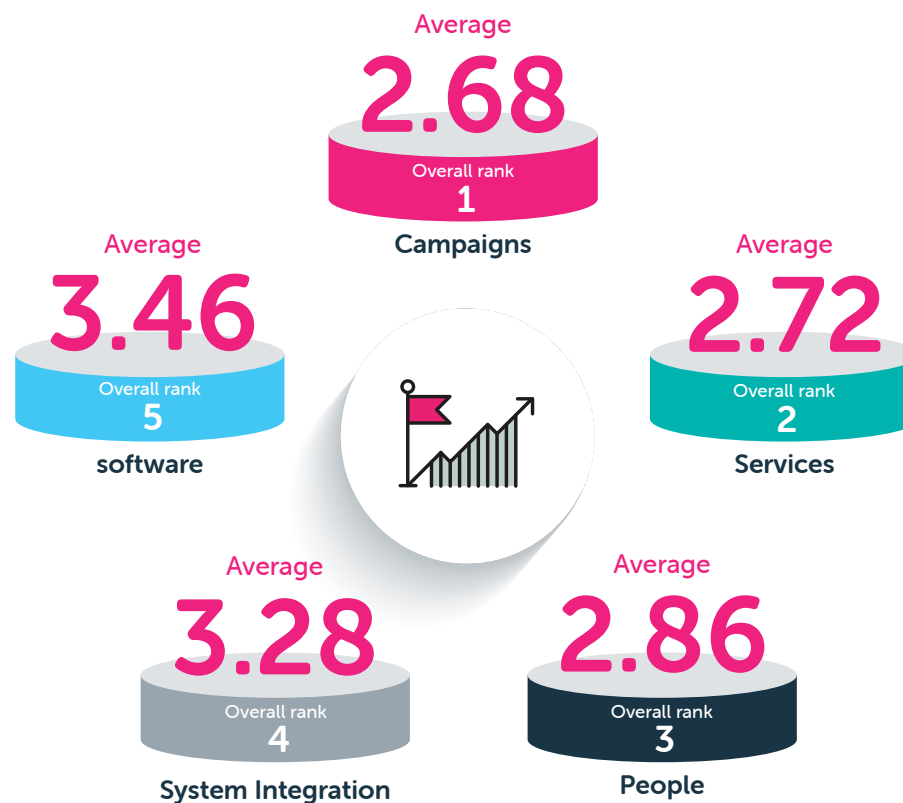
However, when it comes to prioritising investments for the next 12 months, the data reveals a strategic emphasis on leveraging existing resources, such as people and campaigns, over acquiring new technology.

Investments in people and campaigns ranked as the top priorities on average, while software licences and system improvements were lower on the priority list – this is a notable shift in the findings of previous years, where the investment in people and campaigns has been secondary to martech platform fees.

The Nextopia of years gone by is changing to a 'Nowtopia' mindset.

- **People and campaigns** are prioritised, indicating a strategic emphasis on human capital and direct marketing initiatives to drive immediate value and foster customer engagement
- **Software licences and system improvements** are ranked as lower priorities, suggesting a more cautious approach toward new technology acquisitions. This reflects a broader trend towards optimising and efficiently utilising existing technologies rather than expanding the tech stack

Where do marketers expect to see the most investment based on their priorities for the next year?



The prioritisation of investments for the next 12 months was based on the mean ranks calculated from the survey responses, with 1 representing the highest priority/first favourite and 5 the least priority/fifth favourite.

What does this mean for your martech strategy? And what does it mean for the market?

Marketers are placing trust and confidence in their teams to excel in the next year. This confidence is being shown by the majority of respondents anticipating increases in investment across the board – in their people, martech services and technology – alongside pursuing growth in new customer sectors.

But a significant portion are also seeing neither an increase or decrease in their budget. This is perhaps a reflection of the economic climate and indicates a focus to optimise existing resources over integrating new ones.

The strategic implications

For investment plans to thrive, marketers must develop a balanced strategy that incorporates both growth and retention to ensure long-term customer engagement and profitability. As marketing budgets increase, the focus should shift towards creating more value with existing resources, aligning spending with strategic growth areas.

Collectively, these findings suggest a more conservative approach to technology acquisition, focusing on optimising and integrating existing martech stacks rather than rapidly expanding them. Organisations are prioritising effectively utilising and reallocating current resources, including human capital and marketing campaigns, to drive growth, customer engagement and maximise efficiency.

At the same time, future plans to migrate platforms and the still strong levels of investment for software licences and system implementation indicate this strategy could be an 'approach for now' before longer-term plans kick in.

A shrewd and balanced approach

At last, tactical ad hoc acquisitions, often at the departmental or country level, are being replaced by coherent thinking and a consolidated platform or vendor approach. This strategic shift disproves the perception that companies are increasingly acquiring new technologies instead of concentrating on optimisation, integration, and maximising the value of their current martech investments.

The 'keep upgrading/try & buy' message that has been pushed into the market over the last few years appears to have finally run its course. CMOs are more considered and mature users of the technology now and, quite rightly, are also focusing on organisation design and development to drive better adoption and utilisation – and not just trying to solve marketing issues with more/new technology.



“ The 'keep upgrading/try & buy' message that has been pushed into the market over the last few years appears to have finally run its course. ”

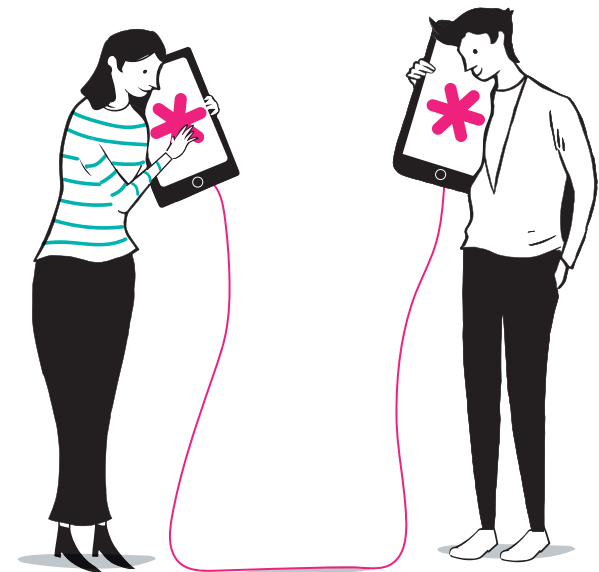
About

Clevertouch Consulting is Europe's leading martech consultancy, software and services provider, the B2B Marketing Consulting partner of the year, an accredited 3-star Best Company for extraordinary levels of employee engagement, and a Top 100 Company to Work for three years running.

Created by Marketers with martech in mind, Clevertouch's purpose is to help clients make sense of their martech investment and prove the ROI. Clevertouch pioneered the concept of 'the Martech Spine', primarily based around Marketing Automation and Marketing Cloud platforms.

As the first Adobe Marketo Platinum Partner and first Adobe International Partner of the year, Clevertouch has supported over 500 blue chip and ambitious clients on their martech journey. This includes Aveva, Atos, BT, Deloitte, Legal & General and Shell.

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