DEMAND GEN®
REPORT

2021 STATE OF MARKETING TECHNOLOGY

B2B ORGS & VENDORS FOCUS ON INTEGRATING MARTECH SOLUTIONS TO ENHANCE WORKFLOWS, AUTOMATE PERSONALIZATION EFFORTS & AUGMENT DATA-BASED GTM STRATEGIES

Introduction

As B2B continues its march into the digital frontier, the number of new marketing technology tools available increases with the progress. However, the industry is no longer waiting around for consolidation and instead focusing on reorganizing existing tech stacks.

Scott Brinker, VP of the Platform Ecosystem at **HubSpot** and Editor of **chiefmartec.com**, explained that many organizations are reorganizing their tech stacks to create a more diverse flow among their solutions. Rather than having multiple tools that compete against one another, organizations are searching for solutions that enable seamless operations among their tech stacks.

"This is a really big, philosophical, cultural shift," Brinker explained. "People are asking 'How do we start to put capabilities and systems in place to not only live, but actually thrive?' Rather than just wish for the mythical consolidation into a single tool, people are finding ways to solve challenges with integrated, heterogeneous tech stacks."

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Marketing automation tools are making waves in B2B martech spending, as they can help align existing tools for greater marketing orchestration. As a result, organizations are aiming to enhance their internal operations with more efficient workflows by leveraging their existing tech stack or adopting relevant solutions that add to its capabilities.

In addition, organizations are starting to focus on optimizing their martech usage, leveraging their CRM and CDP tools for enhanced sales enablement capabilities and go-to-market (GTM) strategies. There is also a concerted effort to adopt martech that automates personalized buyer engagement, with AI-powered chatbots and website platforms that engage buyers at key points in the buyer's journey.

This report will explore the shifting trends in the marketing technology landscape, including:

- The transition from martech consolidation to integration;

- How B2B organizations are rebuilding their tech stacks for more aligned workflows;

- How data augmentation solutions are causing organizations to rethink their data strategies and improve GTM initiatives;

- The impact of chatbot and conversational solutions on personalization strategies; and

- Effective tools and tactics for building strong, unified tech stacks.

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Moving From Consolidated Solutions To An Integrated Landscape

Although the **trend of vendors acquiring different solutions** to enhance their own tech stacks carries over into 2021, the number of new solutions only continues to offset those acquisitions.

In last year's **Marketing Technology Landscape Supergraphic**, Brinker highlighted more than 8,000 solutions on the market that aim to solve various marketing and sales challenges, but explained how consolidation and acquisitions would decrease the landscape's size. However, with the number of martech solutions surpassing 10,000 in 2021, Brinker waved the white flag.

"The landscape has gotten so large, we didn't even tackle it this year," Brinker explained. "A back-of-the-envelope estimate says it's more than 10,000 companies, easily. I just don't think there's any meaningful difference between 6,000 and 12,000 anymore. But we're enjoying the process of rethinking how we want to organize and present that information to the world."

To his surprise, both he and the B2B martech industry accepted the uptick in solutions as an opportunity to innovate and integrate. According to Brinker, vendors have decided to create integrations that enable martech adopters to leverage multiple solutions within the same tech stack simultaneously.

"The industry has heard the feedback that integration is a key pain point customers care about, and is working to fix the martech landscape," Brinker continued. "Integrations between out-of-the-box apps is getting better and better, and people are embracing the fact that we're going to have a lot of different technologies in the industry."

Jeff Pedowitz, President and CEO of **The Pedowitz Group**, spoke to this growing trend of martech integrations as well, calling it a "rationalization" of martech, where people are buying smarter and managing their tech stacks more consciously than in previous years.

As a result, martech spending is increasing, but martech implementation is becoming more streamlined. Many organizations are focusing less on having the latest solutions and instead on building an aligned tech stack that fulfills their strategy needs.

"There's a lot more discerning buying going on in the marketing technology space," said Pedowitz. "People are getting a lot more sophisticated with how they buy martech, what they expect from that technology and then how they manage it. As a result, there is a significant pickup in world-wide capability, which provides a lot more options for marketing organizations and businesses that need to make these investments."

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JEFF PEDOWITZ, THE PEDOWITZ GROUP

The Rationalization Of Marketing Technology In The B2B Event Space

In a world where marketing technology is critical to digital event management and promotion, marketers have begun reevaluating the tools at their disposal. Many marketing and sales teams are shifting their focus to creating an aligned tech stack that aids their event management and attendee engagement while helping them prepare for future physical, virtual and hybrid events.

Demand Gen Report sat down with Stephen Macatuno, VP, Marketing — Global Demand Center at **Cvent**, to discuss the latest martech trends in the B2B event space, best practices for managing a tech stack and the role of martech in modern data, content and go-to-market strategies.

Demand Gen Report: Can you share any recent learnings and examples of how Cvent has adapted to the shifting martech landscape in 2021?

Stephen Macatuno: We've had a major focus on virtual events but also digital engagement of all sorts — online content consumption, display retargeting and search trends. Last year, despite the pandemic and the impact on our live events programs, we saw some of the highest months of engagement on record for our marketing and sales teams. This has given us great data for segmentation and targeting insights. What this meant for me, as the leader responsible for our marketing operations and marketing technology stack, was that I really focused my team on ensuring that all our systems talk to each other so that great data can be leveraged.

We also learned that our legacy corporate communication systems were not sufficient for the deep, sustained audience engagement that we needed from our virtual events. We realized that we needed to bring in tools that let us enhance production value and thus live engagement. In turn, this allowed us to measure and score engagement in the context of those virtual events. Plus, we needed to step up our reporting and analytics so we could really understand behavior from this massively scaled up audience.

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DGR: From your perspective, how have B2B companies changed the way they leverage martech in their marketing programs?

Macatuno: Martech has been more critical than ever for scalability and gaining an understanding of buyers and customers. It's been interesting to see just how much we can understand about what people are looking for when you start to intersect insights from websites, content consumption and virtual event participation. This is allowing our sales teams to really dial in on the conversation that their prospects want to have. We're also seeing smarter technologies around data, which helps us roll up insights at account and logo levels. This is tremendously useful for figuring out the best way to drive organization-wide interest and adoption.

DGR: In terms of marketing automation, how are companies leveraging these tools to streamline their marketing programs?

Macatuno: On the event marketing side, we rationalize our various programs more by audience (roles, interest areas) and content message (topics, business objectives). In our industry, people are hungrier than ever for more information — like when will live events return, how to run effective virtual programs. We're using automation to better score those contacts. Within events, we're able to see interactions, content being consumed and attention to certain topics. All of that is such great info that we're able to create nurture tracks around.

DGR: How has the role of martech changed in terms of data management and augmentation?

Macatuno: Having clean data is now expected, and there is enough technology out there that you can do it automated or semi-automated. We can no longer afford to have sales reps weeding through junk data — the worst sin of all is data dupes.

In terms of augmentation, there can be a lot of noise out there. My recommendation would be to regularly sit with your sales and marketing leads to assess what they need, and wherever possible, try to get good case studies of the information being used and how that has impacted conversion at any stage. The risk is information overload, which makes everything less useful. Think not just of contacts, but account locations and overall org- and logo-level data that can be useful. All of this should be used with segmentation and personalization in mind to be useful.

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The other underlying value of martech is around privacy and data retention. As all these new policies are being discussed and rolled out world-wide (and now we're starting to see by-state in the U.S.), the data management, governance and retention policies need to be considered. Martech can help with this but can also make it very complicated. We've so far had success by making sure that every part of our marketing org (across web, digital, data, operations, martech) is educated enough to participate in this governance process. We're starting to also explore specific technologies to help us with things like cookie management and data retention.

DGR: Can you share any insights into how companies should manage their tech stacks? How should companies decide which solutions are vital to their strategies, and which should be axed?

Macatuno: We are trying to tag programs with martech similar to how we associate to budgeted expenses and paid advertising, as well as internal hours. That's a process now, but we hope it will give us much better insights into the impact of these programs at the deal level. When we evaluate new technologies, we set up goals and objectives as part of our business case and ask stakeholders and sponsors to evaluate that at a 6- and 12-month interval (usually closer to 10-11 as renewals come up). That helps us rationalize the investment — either up or down. I am of the mindset that the more tools you have in your toolbox, the better equipped you are to build intelligent and sophisticated programming.

But today, there is a risk of overlap and redundancy that we must be mindful of. And too often, we overload our teams to the point where we can't take advantage of that goodness. So having clearly defined roles and responsibilities for every piece of martech is critical for accountability and utilization.

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Using Automation To Streamline Marketing Orchestration

Recent research from *Demand Gen Report* (DGR) highlighted that 70% of marketers are investing more into martech to improve their internal operations, with 75% leveraging at least one marketing automation tool. These numbers show that B2B buyers want to create simplified workflows that allow marketers to focus on the bigger picture.

Brandi Starr, Chief Operations Officer at **Tegrita**, said marketing automation tools encourage greater marketing orchestration. Efficient marketing orchestration allows organizations to gather all relevant buyer data to effectively engage buyers while keeping tech stacks operational and organized.

"If we think about marketing automation holistically, it is really automating the orchestration of marketing," said Starr. "That includes all the tools that plug in together, and I think it has really helped a lot. Marketers have the opportunity to figure out what works for their audience and think about which solutions work for and help them understand and engage buyers."

According to David Lewis, Principal at **BDO Digital**, marketing automation is the primary hub of marketing operations. As such, organizations are integrating martech solutions to bring all relevant buyer and company data together in one place. This trend inspires organizations to curate automation-led tech stacks that bring together CRMs, marketing engagement tools and salestech to help create organized workflows.

Lewis also emphasized the importance of understanding the functionality of each solution working alongside the marketing automation tool, as overlap between CRMs and reporting analytics solutions with the automation tool's capabilities can be a recipe for wasted spend and confusion.

"There has been no movement away from marketing automation," Lewis explained. "It's analogous to the organization's tech stack. When creating an integrated tech stack with marketing automation, you want anything that enhances the tool's capabilities, not contradicts it. It's important to understand all elements of your martech solutions so that workflows are fluid and solutions can be integrated as easily as possible."

Rethinking Data Augmentation Tools For Effective Sales Enablement

With a more integrated tech stack and focused workflows, organizations are leveraging aligned data augmentation solutions to improve their GTM strategies. **Research from DGR** shows that 81% of marketing organizations are leveraging martech to build stronger ABM and GTM data strategies.

Starr highlighted data's impact on B2B marketing and sales processes, explaining reliable martech that provides accurate buyer and industry data is essential for any successful GTM strategy. She insisted that organizations need to align their tech stacks with CDPs and other data providers to enable effective KPI measurement for impactful sales engagement.

"I believe you need a CDP because we are at the point where there is so much data that you need something that manages everything," said Starr. "If your B2B tech stack has an ABM tool that has intent in it or any other tool with a specific data type, organization is going to be critical. This will help inform your GTM strategies through accurate data, creating good interactions between buyers and your company."

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DAVID LEWIS, BDO DIGITAL

Pedowitz spoke to the importance of having a data strategy in place when augmenting account data for ABM, as most modern martech adopters prioritize the functionality of the solution and neglect the data aspect. He stressed that having a solid data strategy in place alongside the data augmentation solutions is critical to effectively augment account intelligence for impactful account engagement.

"Data solutions like 6sense are great; it's the people using them that are the problem," Pedowitz explained. "Effective account engagement and sales enablement comes from making investments in the data and the process, which in turn helps organizations effectively engage and sell to key accounts. The martech is there to augment the process, not be the process."

Jon Russo, CMO & Founder of **B2B Fusion Group**, explored how organizations are rethinking their martech usage through the adoption of revenue operations (RevOps) strategies, aligning the solutions with their internal processes to create a universal data stream.

Russo emphasized martech's role in data hygiene, explaining that organizations can leverage data insights from various in-house and third-party sources to report on all parts of the organization. But organizations need to make a conscious effort to leverage martech solutions that augment data, and create accurate databases that frontline sales reps and marketers can pull from to effectively engage buyers.

"The biggest trend that I've seen organizationally is companies forming a RevOps function, which is responsible for salestech and martech purchases," Russo explained. "Data augmentation serves as more of a formalized function of reporting, creating productivity and data hygiene packages for predictive reporting around their pipeline that informs GTM strategies and encourages buyer interactions."

Creating Personalized Engagement With Aligned AI Tools

Another major aspect of B2B martech is personalization, with **research from CMO Council** revealing that 32% of organization leaders are prioritizing personalized engagement via AI-powered martech solutions.

Lewis said that many organizations are leveraging martech to personalize their buyer engagement in a market where buyers usually approach organizations at the end of their journeys. However, he explained that AI solutions can help organizations proactively engage buyers earlier in their journeys without turning them away.

He highlighted the impact chatbots have on personalized engagement, and how more companies are aligning those solutions with their existing tech stacks to create personalized experiences on the buyer's terms. Chatbots can pull product and research data from an organization's database to automatically engage buyers and create personalized experiences.

"Chatbots and other forms of automated engagement have become a focus for a lot of companies this year," Lewis continued. "Buyers are now used to engaging with companies 24/7 and are constantly doing the research on their own. Martech, particularly chat solutions, can help organizations engage these independent buyers in a medium they are familiar with to create compelling and engaging experiences that capture their attention."

Russo, however, focused primarily on martech's impact on website personalization, and how many AI-powered website, webinar and event platforms are helping organizations create personalized landing pages and banner ads. These AI-powered solutions also rely on customer data from within the organization's data platforms to inform personalized experiences, and Russo stressed the importance of tech stack alignment to enhance personalization efforts.

"You can really hyper-personalize here, as the AI pulls from your tech stack to create personalized experiences for website visitors," said Russo. "There's a bunch of other personalization elements martech can help with, and automating the personalized content creation process and serving that up for buyers is a great way to foster engagement."

Conclusion

Although the martech landscape in 2021 continues to grow at a rapid pace, vendors are beginning to shift from consolidation to integration. By making it easier for organizations to navigate between solutions, vendors can focus on providing worthwhile solutions B2B marketers and salespeople are willing to invest in.

"If you're waiting for the world of software to consolidate, that's not where I would place my bets," said Brinker. "We can look at what's happening with strategies such as RevOps as a great example of how broader integration is starting to happen. People are orchestrating operations across multiple tools, but it all functions together based on one vision of 'how I want to operate.' I feel like we should celebrate, at some level, that the martech landscape just doesn't matter anymore."

Organizations are taking this to heart, making a conscious effort to avoid the pitfalls of martech spending in previous years and instead craft heterogenous tech stacks with integrated solutions. They are also leveraging martech in more focused ways, using the solutions to augment their data and personalization goals to improve their sales enablement and GTM strategies.

While the complexity of martech adoption will never go away, the ability for B2B organizations and vendors to adopt and leverage these solutions is slowly becoming more manageable.

"We are headed toward being less prescriptive and more tailored with our martech spending," Starr commented. "Because budgets for marketing technology have consistently risen year over year, it's one of those things that will be hard to justify if the tech you're buying really isn't working for you. People are really going to take stock of what they have and how it's being used to make sure they have the right tools and are seeing the best results."

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