

Martechvibe

STATE

OF

MARTECH

SURVEY

2021

A CLOSE LOOK AT ADVANCEMENTS
IN MARTECH, ADTECH & CX

01

Executive Summary

02

Introduction

03

Customer Acquisition Is Top Dog

04

Rising Customer Expectations

05

Technology Is A Bright Spot

06

Are MarTech Budgets Increasing, Decreasing, Or Static?

07

What's Impacting MarTech Stack And Investment?

08

Data-Driven Marketing Dominate

09

Data Silos, They're A Problem

10

Re-evaluating Marketing Campaigns

Executive Summary

2021 was a year that picked up where the last one left off, most marketers have the right technology and marketing infrastructure is slowly coming in place to grow business.

This year, businesses reevaluated their go-to-market strategies and redefined their processes for connecting and engaging with prospects. As the customer experience was thrown into the spotlight more than ever before, businesses came up with ways to generate leads and discover new sources for driving demand.

Unlike last year, when we witnessed cancelled tradeshow and conferences due to the pandemic, and nearly all marketing programs went fully digital, in 2021, although the first part of the year was dominated by digital channels, there was a restart of in-person events.

Post-pandemic CMOs remain bullish about technology heading into the next 12 months, as they evaluate new MarTech options, considering how their investment will pay off in the future, and harnessing data to provide insights to support immediate and longer-term goals.

As organisations are adjusting to the evolving market, where they are facing new challenges in the way they promote and sell their products and services, they are removing friction from the customer journeys, while also looking for new ways to maintain their existing customers and acquire new ones.

Ultimately, 2021 was the year that a lot of businesses successfully tackled digital transformation, prioritising initiatives aimed at adopting new technology.

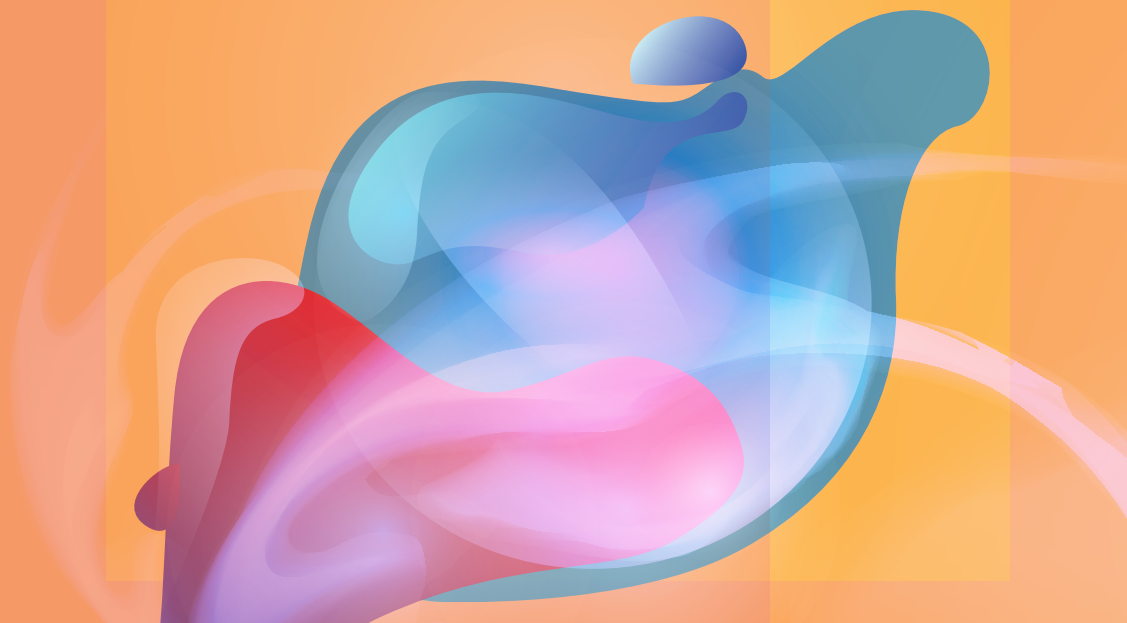
Marketing leaders responding to Martechvibe **The State of Martech 2021** report firmly placed technology, growth and customer acquisition as their top priority.

Introduction

The State of Martech 2021 report found that MarTech investments remain relatively strong even as spending limits hit other functions, and marketers hope to gain bigger budgets for technology in 2022.

Over one-third (35%) of CMOs said Martech investment will rise 15-30% in 2022, but a swift return to pre-pandemic funding levels will be elusive. This underscores the importance of aligning investments with short and long-term company objectives. More than 70% of CMOs say the two most urgent focus areas are customer acquisition and growing revenue.

The State of Martech 2021 research was carried out through a survey of 300 regional brand managers and CMOs on the challenges they face day-to-day, their priorities for the year ahead, and their approach to technology.



A couple of years ago, MarTech was in its infancy. Now, from planning and execution to analysing results and future forecasting, MarTech is serving as a vital tool for marketers. All of these are happening at scale, in a multi-touchpoint, omnichannel, primarily digital environment. The survey found more than half of CMOs (60%) agree that the MarTech stack has constantly been evolving, and is the catalyst for engaging the modern customer.

After navigating an unprecedented time last year, in 2021, businesses increasingly realised that putting the customer at the centre of their strategy delivers better engagement, higher retention and greater customer lifetime value, resulting in improved sales and better ROI.

But the biggest challenge faced by them is the rising customer expectations. Almost one-third of the CMOs (30%) said customer service expectations are higher today than they were a year ago, as they evaluate new MarTech options and leverage consumer data to generate insights to better understand their target audiences.

Customer Acquisition Is Top Dog

The most important person in 21st century business is the customer, as companies put the customer at the centre of their thinking. vFaced with new technologies, a wealth of platforms and an abundance of data at their fingertips, marketers are under increasing pressure to navigate the digital landscape and win new customers. Many have put a variety of tactics in place - such as testing discount offers and offering special deals to at-risk customers - as a way to reduce customer churn.

**93% marketers
say customer
acquisition is
the top priority
in 2022**

The survey found that the top priority for brand marketers in 2022 is new customer acquisition - 93% of those surveyed revealed that this new customer acquisition would take precedence. All marketing teams, regardless of sector, company or size, agreed that new customers were the focus for the year ahead to secure future loyalty. For almost one-third of the respondents (71%), the two most urgent focus areas are customer acquisition and growing revenue.

Rising Customer Expectations

Marketing leaders say customer expectations are higher than ever before. The gap between the personalised, efficient experience customers want and what a team can reasonably deliver is creating a challenge for them.

Rising customer expectations was marked by over 30% of CMOs as the biggest challenge in 2021

With customer experience rapidly becoming a key differentiator, resulting in increased consumer loyalty, more revenue, it's more important than ever to stand out or lose out.

In 2021 apart from many unforeseen events, wherein businesses have had to quickly adjust and make changes, every marketer faced different challenges.

So wherein lies the biggest challenges for marketers in 2021? Our survey found some CMOs were stuck with legacy systems, while others had trouble dealing with rising customer expectations.

By far "rising customer expectations" was marked by over 30% of CMOs as the biggest challenge in 2021. This challenge was followed by 24% who said "reduced budget" was their biggest challenge. "Legacy systems, not able to deliver results" (19%), "delivering service across channels" (16%), and "lack of skilled manpower" (12%) were the other three notable challenges marketers faced in 2021.

Are MarTech Budgets Increasing, Decreasing, Or Static?

MarTech increasingly accounts for a significant share of marketing budgets, and 2021 was no different. According to the survey, in 2021 28% of CMOs spent over a quarter of their marketing budget on MarTech, and 38% of respondents said it was less than 20%, an increase from 2020 where only 19% of CMOs said the Martech budget was over 20-30% of the total marketing budget. According to the survey, it's expected to grow with continued investments in 2022.

In 2021, 28% of CMOs spent over a quarter of their marketing budget on MarTech

While marketing is continually being reshaped by new ideas, trends, strategies, and best practices, technical advancements have immensely helped the marketers. Half of the CMOs (50%) said their team is aware of the latest MarTech innovations, over 47% believe that MarTech works on sales enablement, while 20% said they had to add many new Martech solutions.

CMOs prioritised their marketing budgets in 2021: Customer Data Platform (43%), Business Intelligence (34%) and Content Management System (22%) sit at the top three areas of investment.

What's Impacting MarTech Stack And Investment?

The right MarTech solution can streamline operation by improving efficiency on the process front while also allowing marketers to invest more efficiently to increase ROI.

For decades, companies have had to constantly shift their marketing priorities as a result of unexpected market changes, and now particularly as a result of the pandemic.

**44% of CMOs said
“complex customer
journeys” have impacted
their MarTech stack**

Almost 44% of CMOs said “complex customer journeys” have impacted their MarTech stack and investment, while 36% said “increased competition”.

After being more aware that there is growing importance in improving customer experience and being more data-driven, marketers are now looking to their current MarTech stack and considering investing in new software or upgrading existing ones.

As digital transformation takes over, marketers are trying to use MarTech tools to stay ahead in the game. In the survey, 47% of CMOs stated that there is an overload of tech solutions in the market. But are they helping higher and faster adoption of marketing technologies The survey found 40% of CMOs believe they are.

Data-Driven Marketing Dominate

Consumers are switching brands and trying new digital shopping channels. And marketers are accepting the data for the bounty, as they are rethinking their data strategies to double down on precision marketing post-pandemic.

92% marketers say their approach to marketing is data-driven

Rather than using the data only to better target customers and tailor messages, many marketers are using data to make more informed decisions. For 46% of marketers, data is crucial to make informed decisions, while 48% said data is important to understand customer behaviour.

However, capturing this opportunity will require brands to update their modelling to both keep pace with changing needs and expectations and anticipate shifts in customer behaviour.

Data Silos, They're A Problem

Businesses have a goldmine of valuable customer information which, if used correctly, can help them to serve customers effectively. For businesses to take advantage of the increasingly mobile and digitally perceptive customer base that expects personalised customer experience, good customer data management is crucial.

For 57% of CMOs, the biggest challenge is siloed data

While marketers can highly benefit from having accurate customer data, if the enterprise does not possess the requisite resources to deal with such high amounts of data, it can prove tough for the enterprise to acquire, assemble and analyse the data.

Siloed data creates barriers to information sharing and collaboration across departments. Due to inconsistencies in data that may overlap across silos, data quality often suffers. When data is siloed, it's also hard for leaders to get a holistic view of company data.

According to the survey, close to 57% of marketing executives believe that “siloed data” is the biggest challenge, while 24% find “insufficient data” as the biggest challenge in customer data management.

With data being recognised as a key business asset, privacy of that data is one of the key concerns. While data breaches across various organisations around the world have increased dramatically over the past few years, the survey found that 63% of CMOs believe that their enterprises are “completely” data compliant.

Re-evaluating Marketing Campaigns

The pandemic transformed how businesses operate, how they sustain and grow their brand and customer base. Central to this concern is how businesses attract consumers and promote their products and services. A business' marketing campaigns is a core focus of its ability to thrive in the future. The survey found 90% of marketers are re-evaluating their marketing campaigns in an attempt to generate a sustained stream of revenue, while maintaining consumer interest. Marketers are thinking through creative and innovative marketing strategies and practices to navigate their business.

90% of marketers are re-evaluating their marketing campaigns

Meanwhile, measuring the ROI of marketing efforts remains the top challenge for marketers and streamlining the collaboration between departments and adapting to changing consumer behaviours.

When businesses are encountering soaring customer expectations for personalised marketing experiences across every channel, it has become more important than ever to measure marketing ROI accurately.

The survey found 63% of CMOs measure marketing's ROI at the campaign level, while 29% measure it from the department level.

As MarTech investments increase, marketers should expect increased visibility into marketing performance and ROI from all channels, including email marketing, social media marketing, digital marketing, and any other type of marketing activities.

Methodology

Martechvibe benchmarks the performance of marketing strategies, tactics and the technology that drives them. With a face-to-face and custom online questionnaire, this survey was fielded to 320 participants, including Middle East brand managers and CMOs on the challenges they face day-to-day, their priorities for the year ahead, and their approach to technology during the month of September - October, 2021. This study was conducted by questionnaire and the survey was voluntary. All completed responses were analysed at the survey results.

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