

# STATE OF B2B MARKETING TECHNOLOGY

## Organizations Managing Exploding Martech Landscape By Integrating Point Solutions Into “Backbone” Suites

**DEMAND GEN**  
REPORT  
SPECIAL REPORT

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# Introduction

This year brought another huge expansion to the marketing landscape. The **2017 “supergraphic”** showed that there are now approximately 5,381 solutions—a 39% increase from 2016. In particular, the marketing automation space saw a notable 36% growth from last year.

As the martech landscape continues to grow, B2B marketers are challenged with the factors of selecting and prioritizing which marketing technologies to add first, as well as how new solutions added to their stack will work together.

Experts agree that this massive landscape often results in B2B marketers feeling extremely overwhelmed with options and questions about where to start, what to prioritize and how different solutions will integrate and support core business goals. In fact, a 2016 **Morgan Stanley** report, titled *Software Eating the CMO Suite*, revealed five technology implementation challenges for marketers:

- Complexity of technology integrations—39%
- Reliance on legacy systems—30%
- Inadequate budget/cost to implement—30%
- Inadequate resources/time to implement—30%
- Inadequate executive understanding/ownership—26%

A **study** conducted by Leadspace’s Marketing Technology Industry Council—which surveyed 270 senior marketing leaders—revealed that the average number of martech products per company is 16. In addition, 25% of marketers surveyed use more than 20 tools—the highest being 98.

Experts encourage marketers to tame their desires for the latest, trendiest technologies. Instead, they must look into their internal operations to discover the problem or challenge at hand, and whether or not they already have those capabilities in front of them before investing in new solutions.

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- Leadspace

“All these new shiny objects coming into play will challenge the marketing organization, especially the CMO, to wrap their arms around it,” said Steve Nakata, Chief Architect at **The Pedowitz Group**, a revenue marketing agency, in an interview with *Demand Gen Report*. “Notwithstanding the fact that, in many cases, they already have some technologies in house. One of the first things that marketing organizations need to do is know what they actually have and how well it’s integrated with the rest of the different areas of the organization before they go out and start looking for new technology to bring into the house.”

This special report will uncover how marketers should navigate the complex martech landscape and decide which technologies to prioritize for their business. It will also highlight:

- The importance of technology integration;
- The pros and cons of best of breed platforms versus point solutions;
- The importance of having common data and intelligence across different tools; and
- The state of marketing technology budgets and what marketers are prioritizing.

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The Pedowitz Group



# Integrating Point Solutions Into 'Backbone' Suites

To ease the challenge of knowing whether or not they should choose an "all-in-one" suite over solutions that address specific goals, experts said marketers see benefits in leveraging a "backbone" solution, and then adding on point solutions to cover the areas that the backbone technology may not necessarily be efficient for their business.

"Instead of choosing between a suite (or "cloud") from a single vendor or a best-of-breed collection of products from multiple vendors, many marketers are increasingly taking a suite and best-of-breed approach," said Scott Brinker, Editor of [Chiefmartech.com](http://Chiefmartech.com) and one of the aggregators of the 2017 martech landscape. "They use the suites from major providers as general, centralized platforms to coordinate customer data and campaigns, while extending their capabilities with these highly-focused, long-tail tools."

A good starting point is in the marketing automation (MAP) and CRM platforms, according to Kevin Joyce, CMO and VP of Marketing

Strategy at The Pedowitz Group.

This will allow marketers to narrow down their options of point solutions, because additional capabilities need to be able to integrate with the backbone solution.

The Leadspace research showed that the top tools marketers saw most value from were:

- CRM (47%);
- Marketing automation (37%);
- Content marketing tools (28%);
- Web analytics (27%); and
- Social media marketing tools (20%).

"It's a matter of marketing to have either selected a marketing automation solution and married it with a CRM in an effective manner, and then to add the capabilities the [marketing automation platform] lacks that they need to meet business objectives," said Nakata. "Marketing automation and CRM are two core components that have to work together effectively in order

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for both marketing and sales to succeed. They can't both be silos themselves and be expected to succeed because if the core systems aren't well integrated, there is always going to be inefficiencies."

Brinker agreed that having a centralized platform "that becomes your system of record for core customer data" is a viable option.

**Microsoft**, for example, is leveraging solutions from major platform providers and augmenting them with more specialized capabilities. The company uses Marketo as their MAP and Microsoft Dynamics as its CRM. Microsoft also added point solutions

to its stack, including ON24, Uberflip and Vidyard, as well as its own solutions such as Microsoft Azure and BI.

"More of those platform providers encourage and support a third-party ecosystem, and as the providers of more specialized tools can invest in better integrations with those platform systems," said Brinker. "I won't say it's easy, but it's getting a lot easier to be able to architect a best-of-breed marketing stack that is anchored by core B2B platform systems and augmented with a bunch of other more specialized capabilities."

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# Jonas Construction Software Gains 30% Increase In Leads With Tighter MAP & CRM Integration

When **Jonas Construction Software**, developer of accounting software for the construction, mining, moving/storage and metals industries, realized that its current marketing automation platform (MAP) wasn't helping to meet objectives, the company implemented Act-On marketing automation to close the gap.

Many of Jonas' deals take between nine and 12 months or even years to close, and if it doesn't provide prospects with a steady stream of useful content, they lose interest. The company's previous platform wasn't capable of dynamically nurturing leads based on prospects' profiles and actions. "We weren't properly capturing their information up front, and we weren't communicating with them on a regular basis—either personally or through automated campaigns," said Sam Mendelsohn, VP of Business Development at Jonas Construction Software. "Our inability to consistently nurture leads was costing us sales."

Jonas chose **Act-On Software** for its robust automation programs, and ease of implementation and integration with Salesforce. "We needed the ability to set up more than 100 different reach campaigns, and nothing came close to Act-On," said Mendelsohn. "The level of detail it provides and the way it integrates with Salesforce is better than anything we've encountered."

Currently, Jonas leverages Act-On to engage their audience through a variety of communications, including newsletters, trade show announcements and sales emails. Since implementing the MAP, Jonas' leads from organic sources rose by 30%, and opportunities from those sources increased by 75%. Additionally, email open rates have grown to as high as 35%.

With Act-On MAP and Salesforce CRM as a core, Jonas was able to build upon the two backbone systems with additional point

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Software



solutions to create a robust technology stack. The company implemented technologies such as Vidyad, Oktopost, Tinderbox and CallidusCloud by looking at the following criteria:

1. **Does it integrate to the backbone system?** “It must go into Salesforce or Act-on,” said Mendelsohn. “If it doesn’t integrate with either of those two, we don’t even look at it.”
2. **Do we have anything that already does what we’re looking for?** “If we look at the process and already have something that’s similar, then we use what we already have,” he said. “We’re not big on adding expenses for the sake of adding expenses.”
3. **How does that technology going to automate or add value to our process?** “We look at [solutions] and say, ‘Well, it doesn’t automate anything new, doesn’t add value to the overall process or whatever value it does add is not worth X amount of dollars a month, so forget it.’”

Mendelsohn leveraged this criteria during the current craze of account-based marketing (ABM), for example. “Why don’t we have an ABM software in [our tech stack]? The answer is because between Act-On, Unbounce and Salesforce, we actually built an ABM software before ABM software was really anything,” he said. “We group domains inside of Salesforce—we have custom code that does it. Then, with Act-On we can direct campaigns to go to specific landing pages in order to get those customers engaged. So we don’t need an ABM software, and that saves us \$30K a year.”

Mendelsohn emphasized that when the company seeks new technologies and notices that one of their existing solutions already does the job they’re looking to accomplish; they try to make it work. “Even if it’s a little bit more work, we’ll do that rather than introduce something new to the stack,” he said. “We come up with pretty innovative and ingenious ways to actually solve problems without having to effectively go out and purchase new software.”

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# B2B Brands Leaving Room In Budgets For Experimentation

While experts agree that it's crucial to prioritize a technology integration strategy based on what is going to have the biggest impact on meeting business objectives (which should be established before the buying process begins), it doesn't mean that marketers shouldn't experiment with new solutions.

Industry author and analyst [Rebecca Lieb](#) recommended that marketers reserve about 10% of their budget for what she likes to call "sandbox" experimentation.

Similarly, Brinker suggested breaking marketing activities into two buckets:

- 1. The Core**—This includes standard campaigns and tools to execute certain strategies. "Frankly, a lot of it is fairly straight forward," said Brinker. "You don't need a lot of sophisticated technology to do a lot of that. You just need to do good marketing and [create good] content."
- 2. The Edge**—This is a separate budget allotted for innovation. "It's for being able to experiment with new technology that builds on the foundation and could potentially boost performance," he said.

"I break it into these two different budgets because you really can map the expected costs and return," said Brinker. "It's a relatively predictable spend. Whereas the stuff that's more experimental, that's where it's hard to know what your return is going to be until you try a few things. So, if you split those into two different budgets, it helps you manage and control the amount of risk in adopting new technology."

But according to the Leadspace report, budgets for B2B marketing departments are significantly smaller than in consumer marketing. About 80% of companies have marketing budgets of \$10 million or less, while the other 20% belongs to enterprise corporations with budgets as high as \$300 million.

"Of course different marketers have different budgets," said Lieb. "Some are only going to be able to use a free solution like Google Analytics. Others are going to be able to invest in deeper, robust analytics systems. So you have to look at not only what you can afford, but also what your internal capabilities are."

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Industry Author &  
Analyst

# Common Data Critical, But Human Element Also Crucial

Common data and intelligence is what some experts called “the egg in the cake.” It is absolutely necessary to ensure technologies align on the data side. “When you get the data right, your sales and marketing productivity jumps by a magnitude,” said Jon Russo, Founder of the **B2B Fusion Group**. “It’s super important to get that aspect right in any automation and technology stack journey.”

“You really need to have complete, high-quality data and the right data,” said Russo. “When I say the right data, I mean the right target market, the right persona to target and the right accounts to go after.”

But while data is key, the human aspect is even more important. Without the right people and

processes to interpret the data, the investment in technology is wasted, according to Lieb.

“Let’s not forget about the actual human element here,” she said. “There are solutions available like marketing automation platforms, and that sounds so deceptively simple because of the word ‘automation.’ But if you don’t have people who can create the business rule and create the content for those platforms, what’s the point in investing in that in the first place?”

Lieb also said that B2B companies must think of the human and organization cost and commitment involved. “Nothing in marketing means ‘plug it in and stop worrying about marketing,’ unfortunately,” she concluded.

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# Conclusion

The martech landscape is a lot to take in, and we can't blame marketers for being overwhelmed. The key to navigating it is to set clear objectives and challenges that need to be solved. Implementing a core technology foundation with a MAP and/or CRM could help alleviate the pain, and can help marketers prioritize what other tools need to be added to the stack. Narrowing down options based on what can seamlessly integrate with the MAP or CRM can also streamline the process.

Of course, marketing technology is nothing without a human element behind it. People and processes also need to be considered when developing a martech stack.

"In survey after survey, people buy these amazing tools and they end up using a tiny fraction of the capabilities," said Brinker. "These

tools enable an incredible wave of creation, experimentation and testing, but you've got to actually empower and train people on how to do all that."

Many of our experts agreed that they do foresee some consolidation of the martech landscape in the future, but warn others not to hold their breath.

"It's no surprise that the martech landscape has exponentially grown over the years and is going to continue to do so," said The Pedowitz Group's Nakata.

"Of course, there is still some consolidation that has yet to happen. But, frankly, I don't know if its going to happen any time soon because there is just so much out there. It's going to take a long time until the poor players are weeded out and we start to see that consolidation."

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