

ACXIOM

Don't let outdated tech keep you behind.

The Mass Martech Modernization



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Introduction

The marketing landscape is undergoing a seismic shift.

A combination of changing customer expectations, rapid technological advances – especially in artificial intelligence (AI) – and a continually evolving identity environment, are transforming the way brands engage with their audiences. In this new era, modernizing marketing technology (martech) so brands can deliver the personalized experiences their customers expect is vital to maintaining a competitive edge.

But the path to modernization is not an easy one. From siloed data and technology, to a lack of internal strategy and expertise, brands face significant challenges that are impacting their plans to modernize.

To better understand the reality of martech modernization, we surveyed 200 decision-makers from the US and UK who are responsible for martech.

We asked about their martech plans, what's driving the need to modernize, and what obstacles are standing in their way. The message came back loud and clear that mass martech modernization is already underway, but it's a difficult journey and brands are in desperate need of support.

Section One:

Brands are gearing up for a martech reset



Martech strategy takes the top spot

To gain an overview of current marketing priorities, we asked respondents to identify the top three objectives of their marketing teams.

Developing a martech strategy emerges strongly as a top priority, with 34% of respondents including it in their top three. This is on par with more typical marketing objectives such as increasing brand awareness and acquiring new customers – perhaps in recognition of the fact that an effective martech strategy can help marketers achieve those more traditional goals.

Even taking into account that our survey respondents may have more of an interest in martech than your average business leader, the result illustrates the growing emphasis brands are placing on martech. The industry is so dynamic right now many marketers are feeling the need to reset their martech strategy.

Interestingly, implementing marketing AI was a relatively low priority, with only 21% identifying it as a top-three objective. We'll explore why that is later in the report.

Marketing objectives

(selected in top 3 objectives)

34%

Developing martech strategy

34%

Increasing brand awareness

32%

Acquiring new customers

30%

Increasing customer engagement

28%

Improve personalisation of content

25%

Improving the digital customer experience

25%

Retaining and growing existing customers

21%

Implementing AI across marketing

Base: Total sample (n=200)



Everybody's changing their stack

The trend for martech becoming a high priority is supported by the fact that:

99% of the businesses we surveyed are planning to make changes to their martech stack in the next 12 months.

Over a third (35%) anticipate replacing existing tools, while almost as many (29%) plan to augment their martech stack with additional tools.

Brands are trimming the fat

"We've had a big focus on our Martech stack over the last year and a half, where we looked at what we have, what our core solutions are and really trimmed the fat. There was a lot of thought that went into that, so the solutions we have now are essentially our core set of solutions."

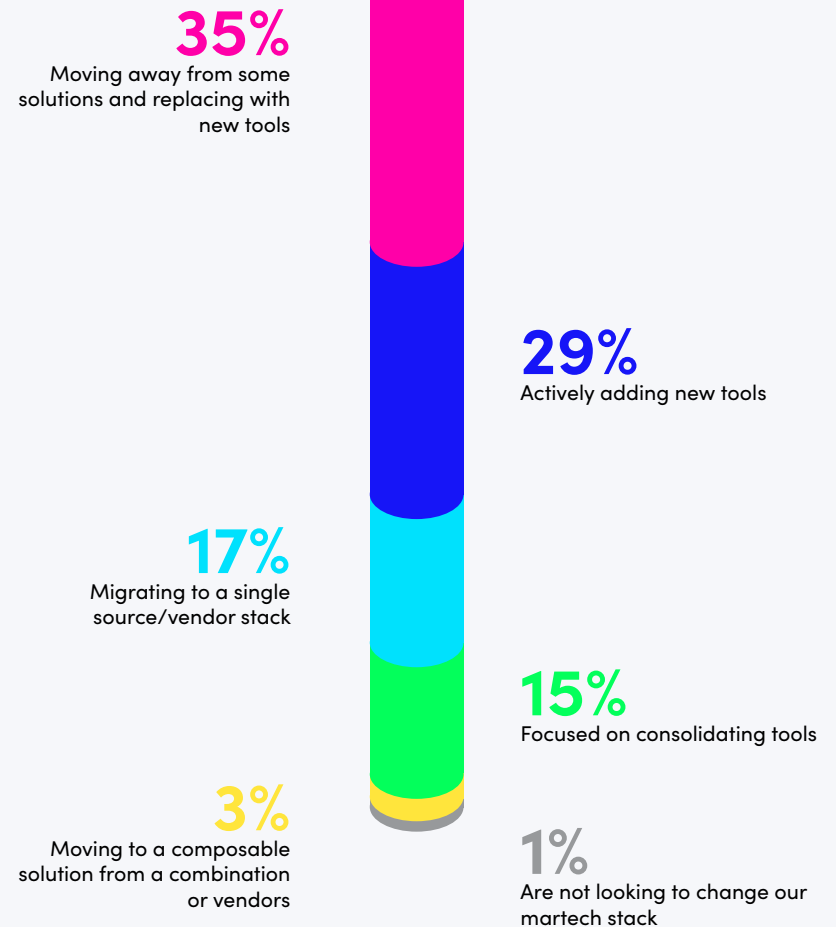
Chief Technology Officer, large US tech company

Industries are piloting new platforms

"Insurance is an industry that's been around for a long time, it's not necessarily leading edge in terms of leveraging marketing technology. So, over the last past year and going into this year we have been on a journey to really expand and enhance our overall tech stack to increase our capabilities. We're in the process of evaluating and piloting at least a dozen new platforms."

Director of Digital Marketing, large global insurance provider

Martech strategy for the next 12 months



Base: Total sample (n=200)

The C-suite is on the case

It's not just marketing teams that are paying attention to martech development. The majority (60%) reported that martech has become a bigger priority for their C-suite over the last few years, indicating many brands now have buy-in for martech modernization at the highest level.

This increased support for martech from company leaders likely stems from a realization of the strategic importance of the technology and the competitive advantage it can provide, particularly in the current economic climate. It's particularly evident in smaller companies, who may be relying on technology to outperform larger competitors and maximize their limited resources.

% Agree that 'Martech has become a bigger priority for our c-suite over the last few years

(by company size)



C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base: Between \$100m and \$249m (n=50), Between \$250m and \$299m (n=50), Between \$300m and \$499m (n=50), \$500m+ (n=50)

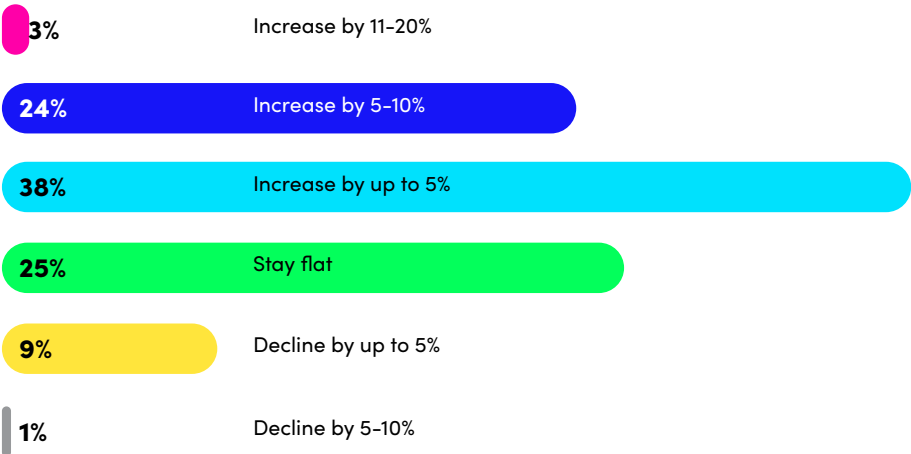
Martech budgets buck the trend

The idea that martech is moving up the priority list for marketing teams and business leaders is further reinforced by growing investment in these technologies.

Despite a tough economic environment, **almost two-thirds (65%) of respondents say their martech budget is likely to increase over the next 12 months**, with only 10% feeling it may be reduced.

This growing allocation of resources to martech signifies a heightened awareness of its importance. But it also highlights the need for meticulous planning and strategic decision making to ensure these investments yield the desired results. Especially with the C-suite watching.

Martech budget changes over the next 12 months



A4. How is the budget for martech in your organization likely to change over the next 12 months? Base: Total sample (n=200)

Section Two:

What's driving martech modernization?

The impetus for modernization

So, what's driving the push for martech modernization? To gain a general view we asked respondents when they felt organizations should upgrade their martech stack.

The top three results were:

When current systems hinder achieving business goals



When security vulnerabilities become a significant risk



When existing solutions in the stack don't play well together



To see whether our respondents are applying this reasoning to their own organizations, we asked the 99% that are planning to change their stack this year what they're hoping to achieve.

The results show a similar mix of goal-driven and technical motivations. The top three motivations are all related to broader marketing goals, of supporting new channels, boosting performance, and improving the customer experience. Further down the list come more practical motivations, such as improving integration, complying with evolving regulations, and reducing complexity.

Intriguingly, the ability to use new AI workflows or applications came bottom of the list of motivations for changing the tech stack in the next 12 months. With the level of attention AI in marketing is currently receiving, this could reasonably be expected to be a more significant motivation. And in the previous chapter we saw that implementing AI was a relatively low priority for marketing teams, with only 21% citing it in their top-three objectives.

These results indicate that, although brands are told they should be using AI, few understand what that really means, how they can leverage AI, or how modernizing their martech stack will help them to do so.

So what's going on with AI?

Motivations for changing the martech stack

40%

Support new marketing channels

39%

Improve overall marketing performance

37%

Improve the customer experience

35%

Improve integration between solutions

32%

Meet evolving privacy and data security regulations

31%

Reduce complexity in our martech stack

26%

Improve flexibility / adaptability of our martech stack

26%

Reduce redundancy or duplication of function

24%

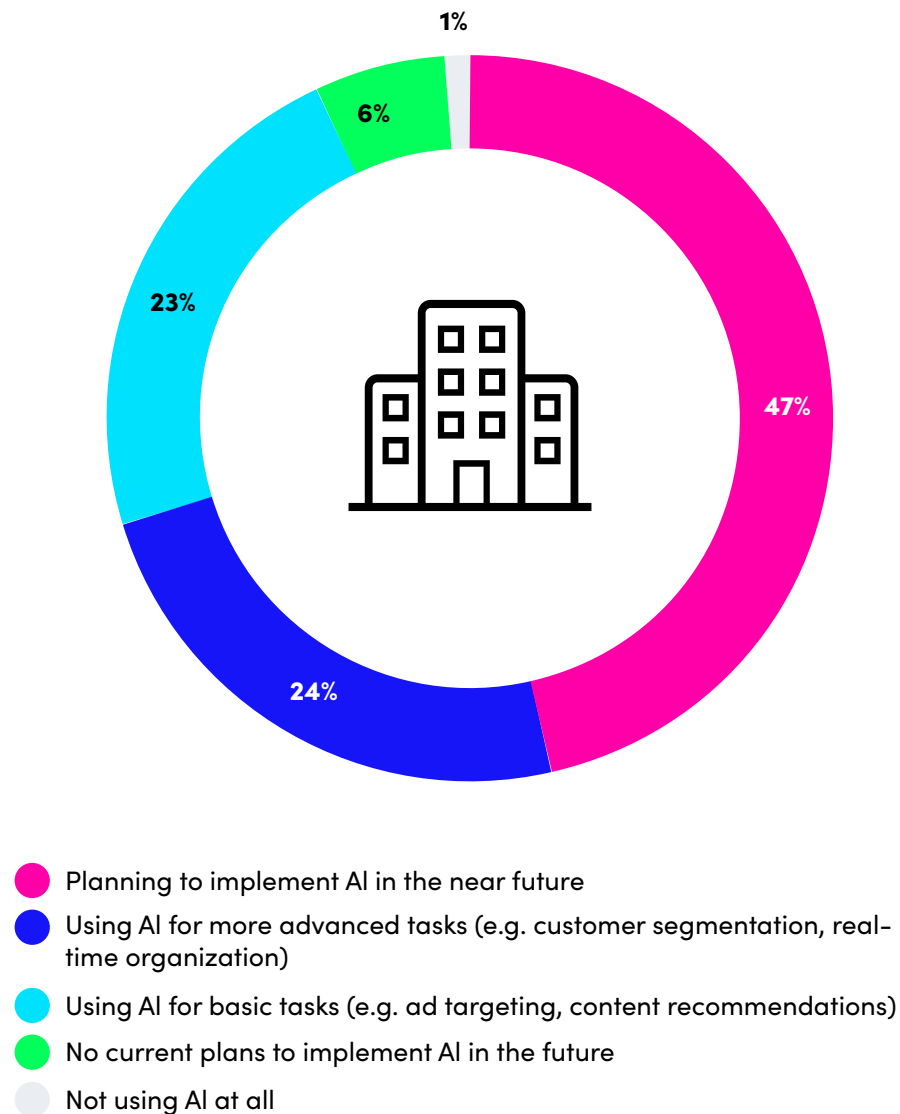
Future-proof our martech stack

23%

New AI workflows or applications

C2. And what are you hoping to achieve by taking this approach to your martech strategy? Base: All who are changing their martech stack (n=198)

The extent organizations are using AI



B7. To what extent is your organization currently using AI within your martech stack?
Base: Total sample (n=200)

AI adoption doesn't match its hype...yet

While the hype surrounding AI in marketing might suggest otherwise, widespread adoption actually remains a distant reality for many organizations. This goes some way to explaining why brands don't yet see implementing new AI workflows as immediate motivations for changing their martech stack.

Over half (54%) of the businesses we spoke to haven't yet implemented AI into their martech stack at all, although the majority of these plan to do so in the near future. Of the 47% that are using AI, less than half are using it for advanced tasks such as customer segmentation and real-time organization, with the rest still using it for relatively basic tasks like content recommendation.

There are, however, significant variations in AI adoption across the businesses we surveyed:

In the US, businesses are significantly more likely to be using AI for advanced marketing tasks than in the UK.



28%



19%

At the same time, more US businesses say they have no plans to implement AI at all (8% vs. 4%), so there is variation at both ends of the AI adoption spectrum.

Larger enterprises with revenues over \$500 million are far more likely to be using AI for advanced marketing tasks than smaller businesses with revenues between \$250 million and \$299 million (42% vs 14%).

Businesses lack internal AI skills

"We're not using AI anywhere in the business as yet, but it's definitely something that we're thinking about. We've some concerns around it from a governance perspective. But mainly, we are in such a world of pain trying to fix the stack that we've got, trying to add something new in, it just feels like now is not the time. We don't have the technology, we don't have the skill set internally to be able to manage it."

Director of Marketing, large UK insurance provider

Banks aren't even thinking about AI

"With AI, this idea of letting go and letting the computer do the work, I think is going to be scary, but I don't think companies in our sector have thought that deeply into it because people are like, it's going to take so long for us to get close to anything AI that they're not even thinking about that yet."

Head of Marketing Strategy, large US bank



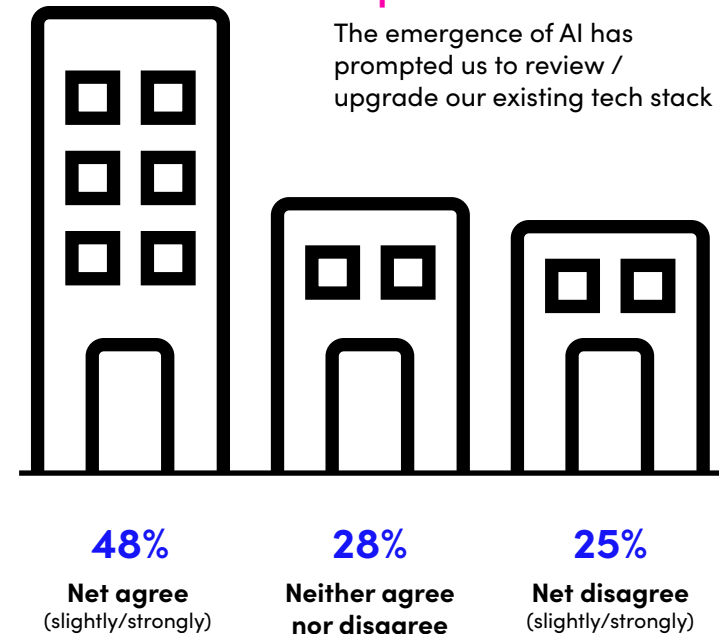
AI will drive martech's future

With current adoption of AI in marketing still so low, it's understandable brands don't see adding new AI workflows as an immediate motivator for modernizing the martech stack this year.

But AI is likely to be a growing factor moving forward. Almost half (48%) of the businesses we spoke to said the emergence of AI has already prompted them to review their existing tech stack.

Impact of AI

The emergence of AI has prompted us to review / upgrade our existing tech stack



C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base: Total sample (n=22)

When we asked what impact the evolution of AI is likely to have on their approach to martech over the next few years, the responses signal a broader shift towards AI-powered marketing strategies.

Around half of respondents anticipate significant impacts on their future martech stacks.

Brands are exploring GenAI

"We are committed to staying at the forefront of technological innovation. We have recently implemented our own OpenAI instance, running ChatGPT on premises. This has proven to be immensely valuable across all teams. Our analytics and technology departments are particularly focused on fine-tuning these models and integrating additional data inputs to enhance performance and drive further insights. This initiative underscores our dedication to leveraging cutting-edge AI to optimize our operations and deliver superior results."

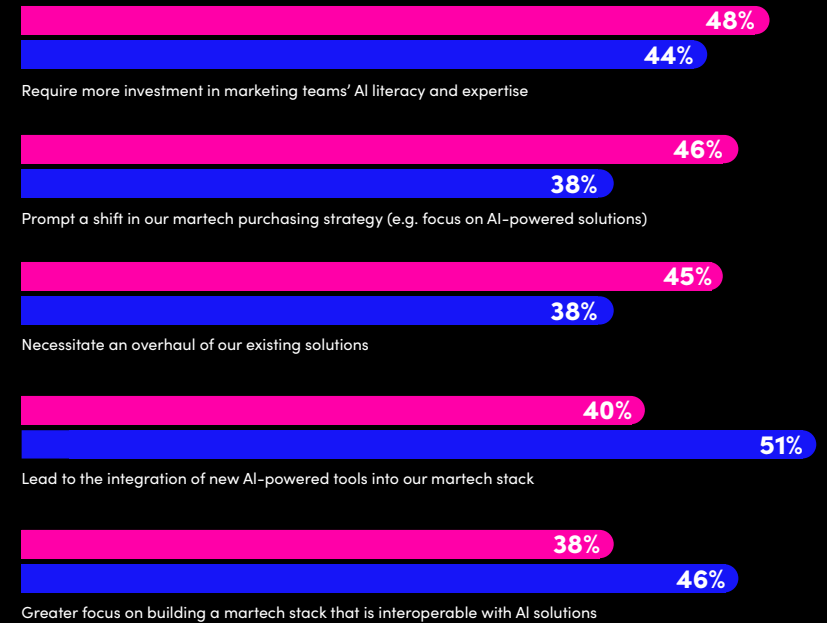
Director of Global Insights, VISA

AI education is required

"In our global tech steering group, AI is a big part of the conversation. There's a lot of different use cases for our business, both on the product and marketing side. But with both, we've really had to think about how we want to approach AI, how it's governed, how we educate internal people and how and where to use AI, before we look at the initial use cases we want to focus on, like content creation, activation etc."

Chief Technology Officer, large US tech company

Predicted impact of AI on future martech approach by market



B8. As AI continues to evolve, how do you anticipate it will shape your organization's approach to martech over the next few years? Base: US (n=100), UK (n=100)

Again, expectations differ across markets with US respondents more likely to feel AI evolution will require the integration of new AI-powered tools and a martech stack that is interoperable with AI. UK respondents, on the other hand, are more likely to focus on shifting their martech purchasing strategy and overhauling existing solutions. Both markets see the need to invest in their teams' AI literacy.

Overall, a significant **42%** of respondents feel the evolution of AI will require an overhaul of their existing martech solutions. Which takes us onto a final factor driving the impetus for modernization.



Outdated tech impedes brand objectives

We've already seen that martech stacks aren't ready for the adoption of AI technologies. But that's not the only area where they fall short.

Over half (53%) of respondents acknowledge that some of their martech solutions are no longer fit-for-purpose, hindering their ability to achieve marketing objectives. Tellingly, this is even higher for the smallest businesses we spoke to, with 56% saying their martech is not fit-for-purpose, potentially due to resource constraints.

The cause of this inadequacy may partly be the use of older technologies that haven't been upgraded as the martech ecosystem has evolved. A significant **44% of respondents say some of their current martech is outdated**.

The impact of inadequate and outdated martech can be seen in the key challenges businesses face in delivering on their marketing objectives.

Legacy systems hinder innovation

"Digital delivery is a big priority of ours. We want digital to be our primary channel of acquisition by 2026. We're not far off, we're getting there, but the infrastructure and the stack we need in place to be able to do that has not been there. We've got some real legacy systems where we've acquired solutions over the years and then patched them together, and we're now really starting to see the after-effects of that"

Director of Marketing, large UK insurance provider

Marketing challenges (selected in top 3 challenges)

37%

Measurement / attribution challenges

34%

Collaborating with other teams on common objectives

34%

Budget / resource constraints

30%

Keeping up with changing customer needs and behaviours

29%

Understanding and implementing privacy and compliance regulations

29%

Connecting customer data for a single view from separate silos

26%

Managing and leveraging data effectively for targeting and personalisation

24%

Measuring the ROI of marketing efforts accurately

22%

Lack of internal expertise in using and optimising martech

19%

Lack of knowledge in how to apply AI effectively across marketing

18%

Lack of data held on customers

A2. Please rank the top key challenges you face in relation to delivering your marketing objectives, where 1 is biggest challenges and 3 is the third biggest challenge. Base: Total sample (n=200)

Measurement and attribution challenges come top of the list, with 37% of respondents citing this as one of the top three things getting in the way of achieving marketing objectives.

This figure highlights the inadequacy of current technology stacks in providing a holistic view of marketing performance.

This inability to measure performance often stems from siloed data and technology. When information is scattered across platforms and systems that don't talk to one another, it's difficult to get a complete picture of the customer journey and measure the impact of marketing efforts. The fact that 29% of respondents included connecting customer data from separate silos to gain a single view in their top three challenges supports this point.

In response to another question, **68% agreed that fragmented and siloed data is a key challenge for their organization.** This fragmentation prevents marketers from gaining a unified view of customer interactions across various channels and touchpoints, and hinders their ability to deliver relevant, timely, personalized experiences.

C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base Total sample (n=200).

Section Three:

Brands have a martech hill to climb



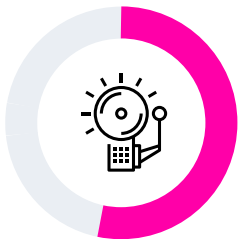
A rapidly changing climate

With the environment in which they operate continually changing, it can be difficult to know which direction business should take to get the best results from their marketing technology.

Areas of change highlighted by the survey include:

Economic headwinds:

The impact of a tough economic situation on martech modernization is varied. Although budgets are expected to increase moving forward, 35% of respondents have come up against resource or budget constraints when building out their tech stack.



And over half (53%) acknowledge a greater reluctance to acquire new martech solutions due to the economic climate.

At the same time 57% report consolidating their martech stacks as a way to reduce costs.

C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base Total sample (n=200)

Data privacy changes:

Survey respondents see data and security as a major concern when building out a tech stack, and 38% cite it as a key challenge.

This concern is notably heightened among UK respondents (41%), compared to their US counterparts (35%), likely due to the complex and stringent privacy regulations in Europe.



41%

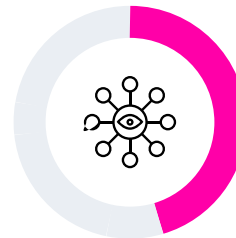


35%

D1. What challenges or limitations, if any, has your organization encountered when building out your tech stack? Base Total sample (n=200)

Identifier loss:

Third-party cookie deprecation is changing the martech landscape, and is the most consumer-oriented challenge as people expect brands to know who they are and what they want, across all channels.



Almost half (46%) of respondents say identifier loss has driven them to explore martech solutions that facilitate first-party data unification and application.

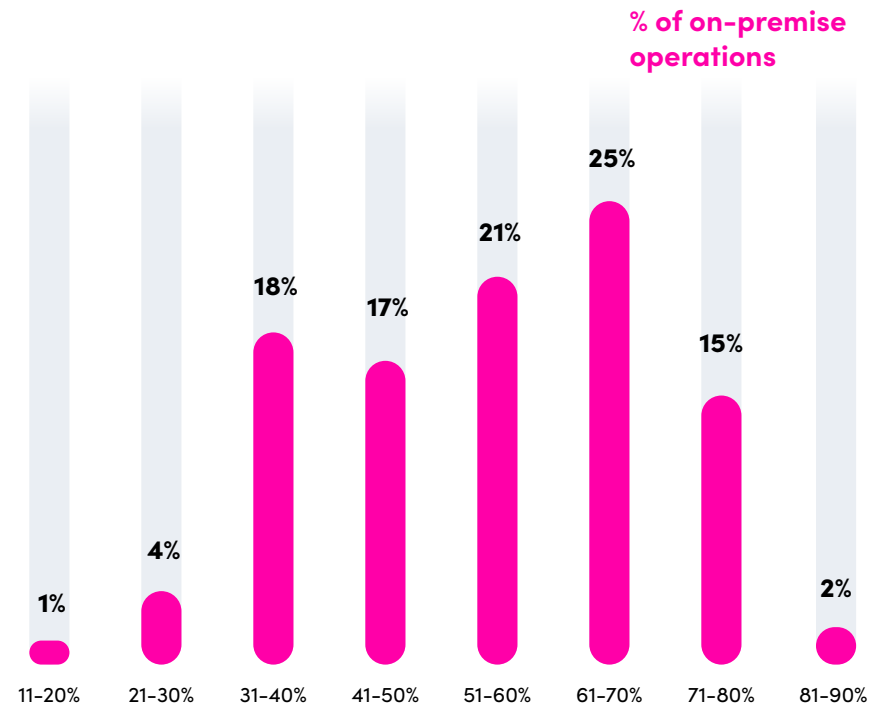
C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base Total sample (n=200)



Cloud migration is surprisingly slow

Cloud computing has been around for almost twenty years. And the majority of new martech applications – AI or otherwise – are hosted there. So it's very easy to assume the same of marketing operations. Everything's gone to the cloud, right? Well, the results of our survey reveal that is far from the case.

Despite its numerous advantages, such as scalability, flexibility, and cost efficiency, many organizations haven't yet fully migrated to the cloud. On average, respondents host only 44% of their operations in the cloud, with the other 56% remaining on-premise.



B5. What percentage of your marketing operations are on-premise vs cloud-based? Base: Total sample (n=200)

This slow shuffle to the cloud is delaying organizations making use of the innovative, cloud-native tools that are continually emerging, and hindering the modernization of martech.

So what's preventing cloud migration?

The biggest challenge businesses face in migrating to a cloud-based martech stack is **identifying and securing the internal expertise** required to guide such a migration.

This lack of internal expertise is cited as a challenge by almost a third (32%) and is a recurring theme in martech, as we'll see in the next section.

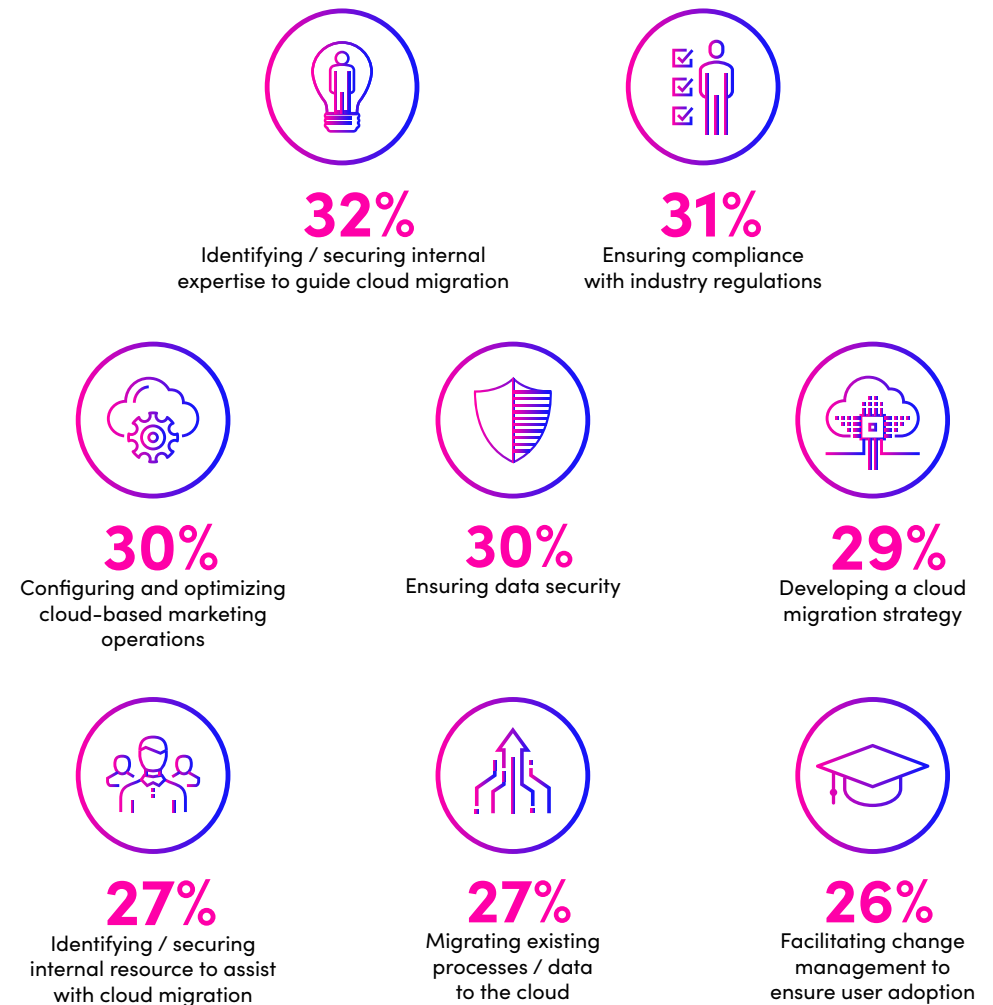
Other top challenges include ensuring compliance with industry regulations, configuring and optimizing cloud-based marketing operations, ensuring data security, and developing a cloud migration strategy – all things that can be solved with the right level of expertise (internal or external) in cloud migration.

Some banks are uncomfortable in the cloud

"We still do a lot of our campaigns through our on-prem system, because there's a lot of that that hasn't been migrated yet ... It took about two years to get legal and compliance comfortable with having PII in the cloud. And it's still not all up there, but at least we can now use the automated capabilities we acquired."

Head of Marketing Strategy, large US bank

Key challenges organizations face when migrating to a cloud-based martech stack

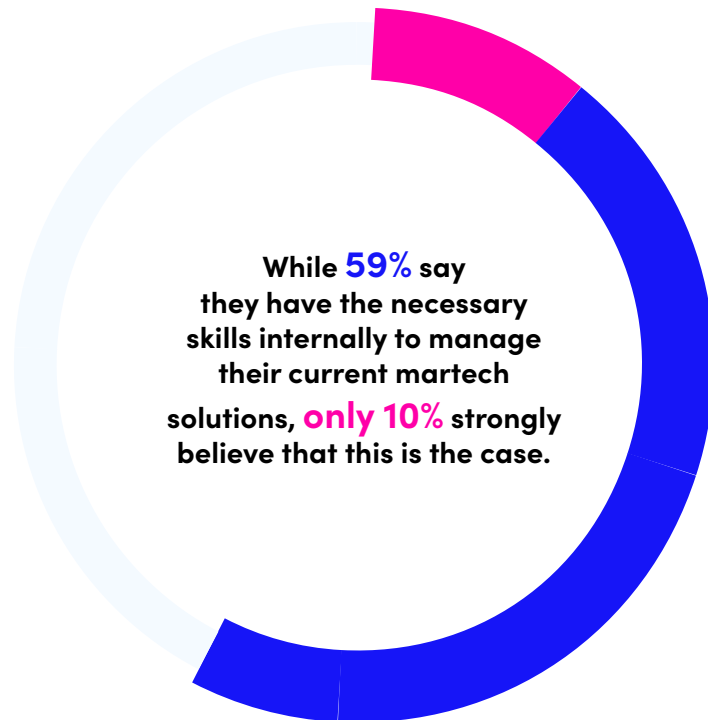


B6. In your opinion, what are the primary challenges organizations face when migrating to a cloud-based martech stack?
Base: Total sample (n=200)



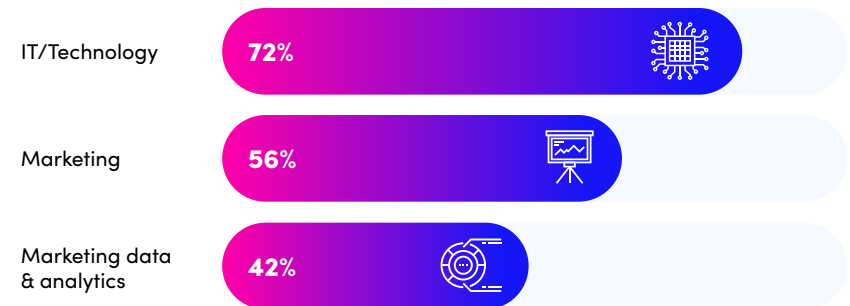
There's a dearth of internal expertise

As well as lacking the internal expertise to guide cloud migration, our survey reveals businesses also lack general martech expertise.



B4: To what extent do you agree or disagree with the following statements about your organization's martech capabilities? Base: (n=200) IT / Technology (n=61), Marketing (n=102), Marketing data & analytics (n=26)

Interestingly, perception of current internal abilities varies greatly by role. Those that work in IT or technology have far more confidence in their team's ability to manage these solutions, with **72%** saying they have the necessary skills internally. This is far higher than the **55%** of marketers who say the same, and a world away from the **42%** of marketing data and analytics professionals who share this view.



B1: How is martech managed within your organization? Base Total (n=200)

There is a further disparity in confidence levels between C-suite stakeholders and senior managers. While **67%** of C-suite respondents believe they have the internal skills to manage their current martech stack, only **58%** of senior managers share their confidence. This lack of internal alignment can cause conflict and hold up modernization initiatives.

The impact of insufficient expertise in hindering martech modernization may be heightened by the way businesses are managing martech. **Only 12% say they have a dedicated team that is responsible for all martech operations and strategy.** Almost half (**49%**) say different teams are responsible for different aspects of martech.

One area that appears to be particularly impacted by the lack of **internal martech expertise** is the selection of martech solutions or vendors:

Over half (63%) of respondents agree that evaluating solutions is often confusing due to the complexity of features and functionalities.

Only 61% feel confident they can identify the correct solution for their current needs, and significantly fewer (51%) say the same about their future needs.

Evaluating and selecting vendors is identified as the top challenge encountered when building out a tech stack – cited by **42%** of respondents.

Top 5 challenges encountered when building out tech stack

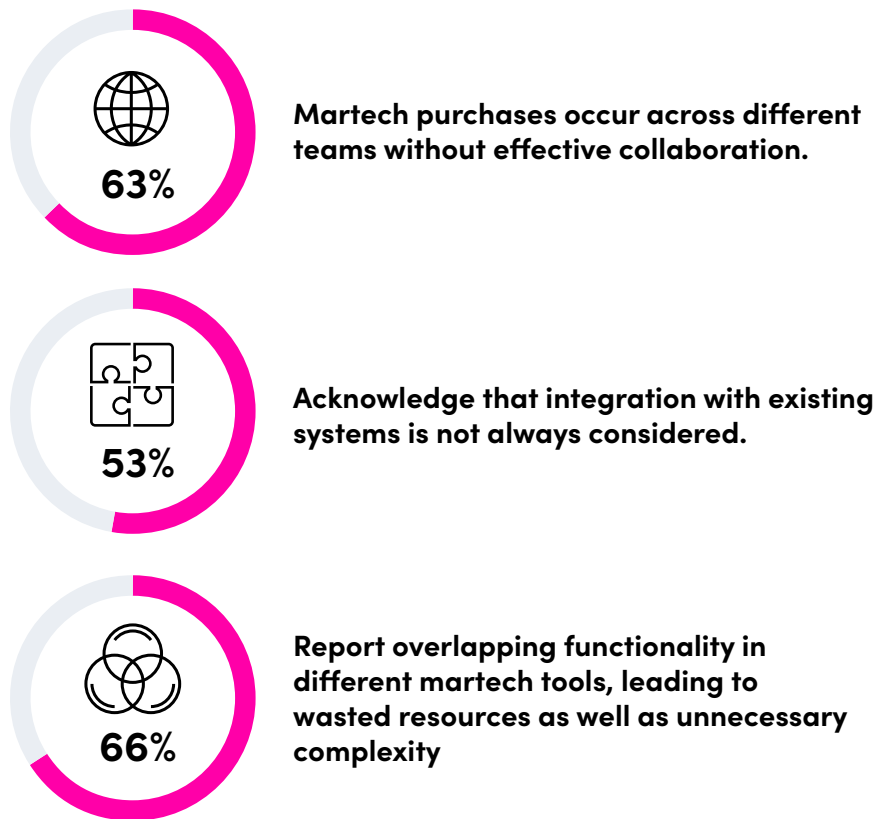


D1. What challenge or limitations, if any, has your organization encountered when building out your tech stack? Base: Total sample (n=200)

Lack of clarity leads to poor outcomes

The general lack of internal martech expertise, widely varying perceptions on whether or not that expertise exists, and the absence of a dedicated martech team may be contributing to an environment of poor internal communication and collaboration. This results in redundant technology purchases, incompatible solutions, and missed opportunities for optimization.

According to our survey:



Martech ownership is unclear

"One thing we've been talking about for a long time is fixing the marketing to IT relationship. Both own parts of the martech stacks and it feels like there's a lot of stepping on one another's toes, and a lot of power moves."

Business Change Director, US insurance provider

There's no clear overview

"We're on this journey where we're bringing on a lot of new tech stack partners, but we are struggling. The challenge is figuring out what the overall architecture looks like and how all these platforms should be put together and how the data should flow to maximize their capabilities."

Director of Digital Marketing, large global insurance provider

Collaboration is tricky

"No one group has carte blanche authority as to which solutions we acquire. So, all the senior leads of teams that are going to be impacted by it have to get together and agree on the need, the strategy and then ultimately the platform to deliver that. You're talking multiple different opinions and ideas, that can be tricky."

Director of Digital Marketing, large global insurance provider

Communication lines are weak

"A lot of organizations are very siloed. I think there's a lot of inefficiencies in these businesses where you bring in certain solutions, but there's a duplication with other solutions, often they have solutions already that can do certain things and different teams are just not aware of them. It's purely a case of weak lines of communication, but at scale that can cost a business millions."

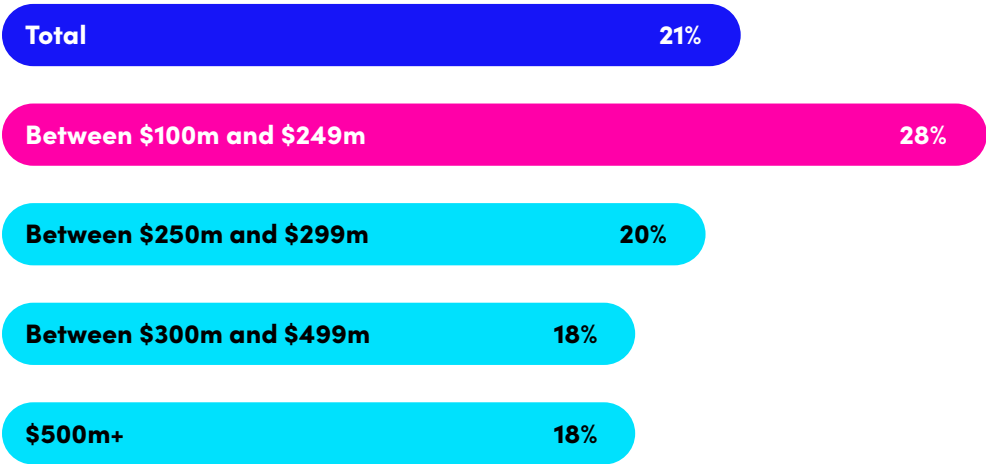
Chief Technology Officer, large US tech company

Brands lack a long-term vision

A final factor getting in the way of martech modernization, and exacerbating the internal challenges we’ve already identified, is the lack of a strategic, long-term vision for the martech stack.

Over a fifth (21%) of respondents say they do not have an articulated martech roadmap or strategy, with this absence more common among smaller companies than larger ones.

Respondents who do not have a martech roadmap/strategy by company size



B3: Does your organization have a defined martech roadmap / strategy? Base: Total sample (n=200), Between \$100m and \$249m (n=50), Between \$250m and \$299m (n=50), Between \$300m and \$499m (n=50), \$500m+ (n=50)



The lack of a defined martech strategy amplifies many of the issues explored in the previous section:

● Don't have a martech strategy

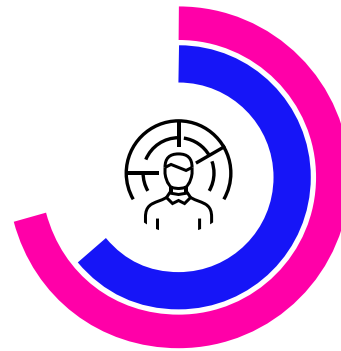
● Have a martech strategy



Redundant technology

71%

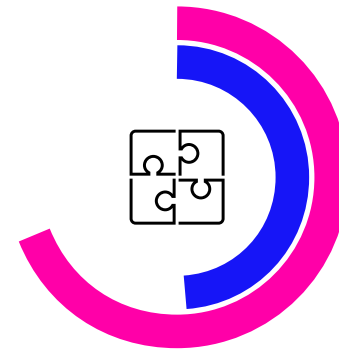
of those without a strategy say their martech tools have overlapping functionality compared with **60%** that do have a strategy.



Siloed decision-making

71%

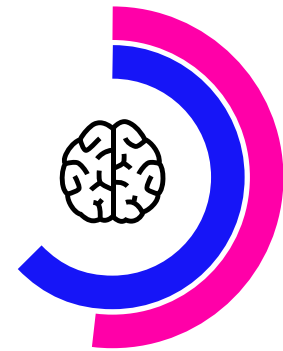
of those without a strategy report martech purchases are made without effective collaboration, compared with **64%** that do have a strategy.



Integration issues

69%

of those without a strategy have purchased martech without considering integration with existing systems, compared with **49%** that do have a strategy.



Solution confusion

52%

of those without a strategy say they're confident in choosing the right martech solution, compared with **63%** that do have a strategy.

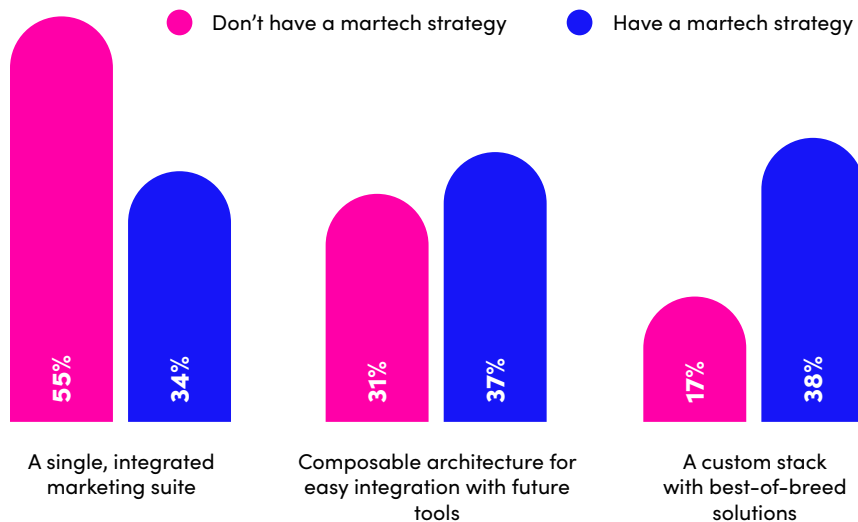
D2. To what extent do you agree or disagree with the following statements about selecting martech solutions for your organisation? & B4. To what extent do you agree or disagree with the following statements about your organization's martech capabilities?
Base: Do you have a martech strategy (n=158), Don't have a martech strategy (n=42)

The lack of a martech strategy can have other consequences too, most notably around the type of technology businesses adopt, as we discovered when we asked respondents to define the characteristics that define a modern, sophisticated martech stack.

Those without a strategy are significantly more likely to opt for a single, integrated suite as the ideal martech stack. While tempting for their apparent simplicity, a single-source solution can lock organizations into a single vendor, limiting flexibility and long-term adaptability.

Respondents that do have a martech strategy are far more likely to identify a composable architecture, or a custom stack with best-of-breed solutions as their ideal stack. While this approach may be perceived as more complex, it gives businesses greater flexibility to choose the tools that meet their unique needs.

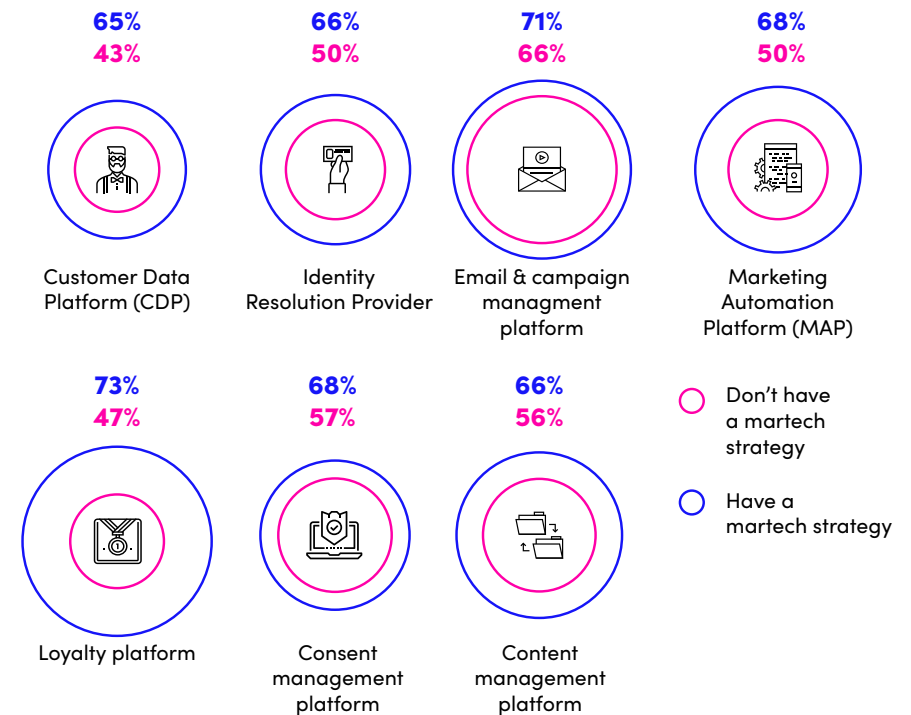
Characteristics that define a modern sophisticated martech stack



E1. What key characteristics define a modern, sophisticated martech stack? Base: Total sample (n=200)

What's more, organizations that don't have a defined martech strategy are far less likely to be using the core martech solutions that will help them achieve their marketing goals than those that do have an articulated strategy.

Martech solutions used by brands



S8. Which of the following martech solutions does your organization use? Base Total (n=200)

Tools don't talk to one another

"We don't have an articulated martech strategy. At this point, we have a bunch of tools from a combination of providers. They don't necessarily talk to one another. It makes measurement and attribution very difficult."

Head of Marketing Strategy, large US bank

Section Four:

Two strategies for successful martech modernization

The benefit of a dedicated martech team

Establishing a dedicated martech team can help mitigate the internal challenges outlined in the previous chapter by bridging different departments and centralizing decision-making, fostering collaboration, and ensuring alignment with a unified martech strategy. A dedicated team can champion new technology adoption, provide training and support, and drive the overall martech strategy.

As revealed earlier:



Only 12%

of organizations currently have a dedicated internal martech team, meaning 88% don't. But where these dedicated teams do exist the benefits are clear.

Different teams are responsible for specific solutions/aspects of martech

49%

One team (e.g. Marketing, IT etc.) is responsible for all martech operations and strategy

39%

There is a dedicated martech team that is responsible for all martech operations and strategy

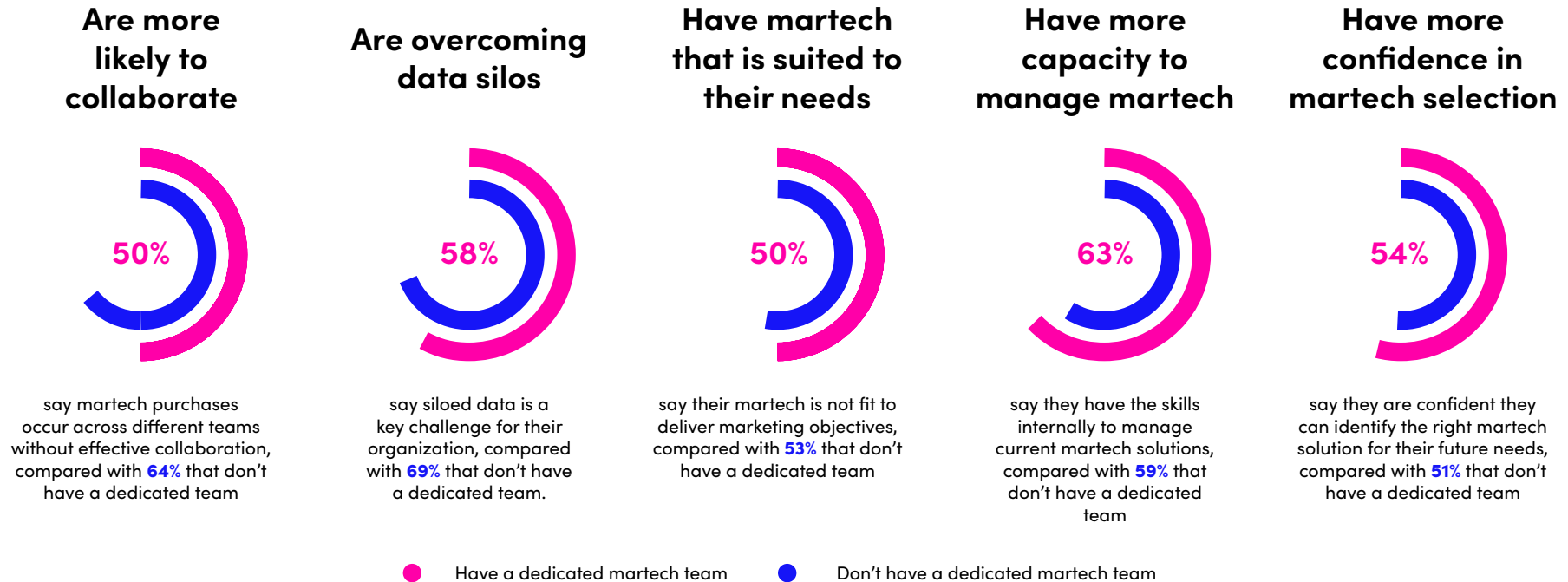
12%

B1: How is martech managed within your organization? Base Total (n=200)

For instance, organizations with dedicated teams are generally more advanced in their martech modernization journey. **Over two-thirds (67%) plan to replace existing solutions with new ones this year, compared to only 31% of those without a dedicated team.**

Organizations with dedicated martech teams are less likely to report outdated technology, data fragmentation challenges, and difficulties selecting appropriate solutions for their current and future needs. They are also more likely to report confidence in the skills they have internally to manage their current and future martech solutions.

Organisations that have a dedicated martech team:



B4.To what extent do you agree or disagree with the following statements about your organization's martech capabilities? / C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? / D2. To what extent do you agree or disagree with the following statements about selecting martech solutions for your organization? Base: Don't have a dedicated martech team (n=176), Have a dedicated martech team (n=24)

When it comes to modernizing their martech, organizations with a dedicated internal martech team clearly have an advantage over those that don't. But even for those with a specialist team, the picture is less than ideal.

Despite the benefit of a dedicated resource, half are still struggling with a lack of collaboration and feel their martech is not fit for purpose.

More than half still have to overcome the challenge of siloed data. Despite having a martech team in place, confidence in identifying the right martech solution for current and future needs remains low.

These results illustrate just how challenging and complex martech can be. Even with dedicated internal expertise there are still significant barriers to overcome.

Teams are being established

"We have a global steering group that really is a global cross functional team, with key stakeholders involved. I'm part of that, and we will look at the overarching stack and how we optimize it, define what's needed and define the use cases and so on."

Chief Technology Officer, large US tech company

The value of a martech service partner

Another effective strategy for moving forward with martech modernization is to work with a martech service partner. Whether used as a standalone strategy, or combined with a dedicated internal team, a martech service partner can help organizations overcome many of the challenges revealed by this survey.

When we asked respondents where they think a martech partner can add most value to their organization, the top three answers were change management, training and support, and analytics and reporting. But a martech service partner can do far more than that.

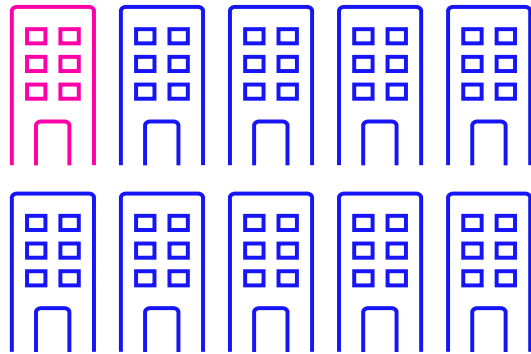
A partner can support brands in establishing an effective, long-term martech strategy. It can help them to choose the right vendors and solutions to meet their specific needs, and integrate those solutions into a fully functioning martech stack, running on de-siloed data. Using extensive industry expertise, the right partner can help with cloud migration and the adoption of AI technologies, as well as overcoming cookie loss and complying with changing privacy regulations.

Take a look at our guide on [how to pick a martech service partner](#).

Partners add value throughout the journey

"I think a partner can add value throughout the entire journey. The first piece is just helping you evaluate the needs and the solutions that are available. Every vendor out there will tell you that they can solve all your needs, and having someone give you their unbiased opinion on that is invaluable. Then when it comes to stitching the solutions together, they can provide advice on the appropriate way to connect platforms together, and how you can get the data flowing correctly, and what data should be connected."

Director of Digital Marketing,
Large global insurance provider



Of the businesses we surveyed, **one in ten (9%) had never used a service partner**. And there are some clear differences in how those that have used a service partner approach martech modernization, compared with those that haven't. Those that work with a service partner are more likely to be utilising AI, and have a clear martech strategy and C-suite support.

★ Greater AI adoption

50% of partner-supported organizations are using marketing AI in some form compared with just 6% of those that haven't used a partner.

Using AI (for basic or advanced tasks)



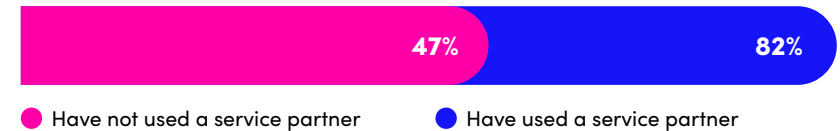
B7. To what extent is your organization currently using AI within your martech stack? Base: Have used a service partner (n=183), Have not used a service partner (n=17*). *Low base size.



A clear martech strategy

82% of organizations that have worked with a partner have an articulated martech strategy compared with 47% that haven't.

Have a martech roadmap/strategy



B3. Does your organization have a defined martech roadmap/strategy? Base: Have you used a service partner (n=183), Have not used a service partner (n=17*) Low base size.



Increased C-suite support

60% of organizations that have worked with a partner say martech has become a bigger priority for their C-suite compared with 53% that haven't, indicating partners help elevate the importance of martech with business leaders.

'Martech has become a bigger priority for our c-suite over the last few years'



C3. Thinking about the current marketing landscape, how much do you agree or disagree with the following statements about its impact on your acquisition of martech solutions? Base: Have used a service partner (n=183), Have not used a service partner (n=17*). Low base size.



A more sophisticated approach

We asked respondents which characteristics define a sophisticated martech stack. **Only 37% of organizations** that have used a service partner see a single, integrated marketing suite as meeting that definition, compared with 53% that have not.

'A single integrated marketing suite'



● Have used a service partner ● Have not used a service partner

E1: What key characteristics define a modern, sophisticated martech stack? Base: Have used a service partner (n=183), Have not used a service partner (n=17*). Low base size.

Every business must consider what type of stack works best for their individual needs, but it's a complex process. Working with a **martech service partner helps brands explore their options and come to the best decision for their brand.**

Partners should be vendor neutral

"There's so much dysfunction in delivering on strategic technology investments. That's why it's so important to have a strategic partnership with an expert third party because they don't care if we go with Salesforce or Adobe. But what they can do is bring in their experts to tell you what you better be aware of and make sure you're checking all those boxes."

Head of Marketing Strategy, large US bank

Partners should be an extension of the team

"It's really important that partners are involved in everything. The more ingrained a partner is in our day to day, in understanding the business and our key priorities, the more value they can add. They should almost become an extension of your team and of the business. They should be there to hold your hand at every step of the way."

Chief Technology Officer, large US tech company

Partners can connect the data

"A partner can come in and help businesses to optimize across solutions so they work in sync, but also to connect all the composite pieces together like a mosaic. They can also bring in the data to make a process much more efficient and effective, they can help businesses with the different requirements for data storage and processing."

Director of Global Insights, VISA

Key takeaways



Martech modernization is a top priority for brands and their C-suites, with 99% expecting to change their martech stack this year and 65% saying their martech budget will increase.



Brands want to modernize their martech to support new channels, and improve both performance and customer experience. Over half (53%) say their martech solutions are no longer fit-for-purpose, preventing them achieving these objectives.



Despite the hype, AI adoption is low. Over half (54%) of brands haven't yet implemented AI in marketing at all. But it will have an increasing impact on future martech modernization, with 48% saying its emergence has already prompted them to review their tech stack.



There are multiple obstacles to modernization. Cloud migration is slow – 56% of operations remain on-premises. Brands lack internal expertise – only 10% strongly believe they have the skills to manage their current martech solutions. A fifth (21%) don't even have a martech strategy.



A dedicated internal team can help overcome the challenges of martech modernization. But even when brands have a dedicated team, only 54% are confident in identifying the right martech solution for the future.



Working with a martech service partner means brands are more likely to have a clear martech strategy and C-suite buy-in. They're also more likely to be using AI and adapting their martech accordingly, taking a more sophisticated approach to building a martech stack that meets their individual needs.



Summary

It's time to accelerate your martech modernization

It's clear brands are serious about modernizing their martech stacks so they can use emerging technologies such as AI to achieve their marketing goals and maintain a competitive edge.

But despite having a mandate to modernize, progress is slow due to obstacles such as martech complexity, slow cloud migration, and a lack of direction or internal expertise. Organizations can accelerate their modernization efforts both by dedicating an internal team to martech and by working with a service partner that has all the experience and expertise they need.

Get in touch for more advice on how to approach your own martech modernization and get your questions answered.

[Get in touch](#)

Ethnography Case Study

A day in the life of a marketing leader



Method

'A day in the life' ethnography detailing all interactions with martech over the course of a day, including any challenges faced during this time.

60-min follow up interview to discuss key moments from ethnography, and to explore how representative the observed day was of the broader challenges they face.



Participant Profile

Marketing Technology Leader
in tech-focused digital marketing role.

Large US Insurance company.

Oversees a team of marketing operations personnel primarily responsible for campaign management.

9am

Check and respond to emails.
Review campaign performance ahead of weekly marketing team meeting. I do this via reports sent to me by the Campaigns Insights Manager or Segmentation Specialist. These reports are generated in our Business Intelligence platform.

10am

Weekly team meeting with heads of all the different marketing sub-departments – Brand, Product Marketing, Customer Acquisition etc. to review campaign insights and address any issue. Each 'Head of' will share their team's weekly results.

The team identified an ongoing issue with data delays causing inaccurate campaign tracker results. This stems from a synchronization problem between our Marketing Cloud deployment and the audiences in our Marketing Platform. We've noted this and I will escalate it to our internal IT team.



11am

Guide the Segmentation Specialist, Platform Engineer, Campaign Manager and Product Manager in executing an email campaign for the latest promotion.
This process includes:
• Transferring the target audience from our cross-channel Marketing Platform to our Marketing Cloud via API
• Updating the campaign audience within our Marketing Cloud to ensure it reflects the most current data
• Deploying the promotional emails using Marketing Cloud.

An error in this month's email campaign deployment resulted in last month's audience receiving the campaign. This occurred due to an accidental deactivation of automation mode, causing the audience selection to revert to "manual" and reuse the previous audience. I've instructed the Head of Customer Acquisition to conduct an audience verification analysis within their team, and have scheduled a meeting with the CMO to address this incident.



12pm

Meet with the Head of Brand to brainstorm ideas and formats for the new brand awareness campaign requested by the CMO. Discuss potential agency briefings and essential channels for the campaign.

2pm

Guide the Segmentation Specialist, Platform Engineer, Campaign Manager and Product Manager in executing an SMS and direct-mail campaign. These form part of our always-on activity.

The transition to a single-source platform will necessitate substantial upskilling across the team in the coming year. This was a major factor in our decision-making and a significant part of the overall investment. We've engaged a third-party partner to develop bespoke training programs tailored to each team's specific needs.



3pm

Dedicated focus time with the Strategy Director and Marketing Ops Director to review the training paths created for the team to support the transition to a single-source martech solution.

4pm

Meeting with the CMO to discuss progress, plans and address challenges with tech synchronization and data delays.

5pm

Final RFP review meeting with the Platform Director and VP of Omnichannel Marketing to evaluate and score responses from strategic partners. These partners are being considered to assist us in migrating our campaign and channel activation to a single-source platform. Their expertise will guide both the implementation and ensure we build a scalable solution across all business units. We are nearing the final decision on our chosen partner.

6pm

Final emails and formulate plan for day ahead.



Key martech issues at a glance

Cross-platform connectivity

“We send something from [Marketing Platform] to [Marketing Cloud] and the data doesn’t come back. **We have this homegrown integration between the two systems, and it doesn’t always work. The linkage that enables the data to return through [Marketing Platform] is always problematic.** There’s just always something that just seems to break in the transfer of the information back and forth. That then requires a series of manual handoffs, which is wildly inefficient. It’s unreal how many people actually have to touch it before it goes out.”

Data quality issues

“We have this legacy data mart that’s been built over time, that’s been fixed and patched over the last decade. As a result, **it’s really hard to manage because of all the different code and programming that’s in there, and all the transformation that has to take place to get data in a state where it is marketing ready.** There’s a lot of downstream systems that flow into the data mart, and I think it’s just become a lot to manage.”

Platform migration

“We are really hoping to solve the issues we have with data access and application with the introduction of a CDP that will give us a single repository. **But we’re really worried about the move. Even moving to our current data mart took forever. It took years to get all of the data and data flows on the same platform, so I’m not sure we’re really ready to go through that all over again.**”

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Because we focus on getting to the truth of the matter from different perspectives, we see what others miss, taking clients directly from insight to informed decisions to action. Our services include commercial strategy consultancy, trends and cultural insights, qualitative and quantitative market research, data science and UXR. Our size and agility mean we can take on significant client challenges across global geographies. We are a three-time recipient of the Market Research Society's (MRS) Agency of the Year award and winners of the 2023 MediaTel Effectiveness of Research award, the 2022 MRS Best New Consumer Insight award, and the 2021 MRS B2B Research award.

For more information, visit wearemtm.com.

Methodology and Sample Breakdown

Axiom collaborated with the research and strategy agency MTM to conduct a survey of 200 marketing technology decision-makers across the UK and the US. This survey provided valuable insights, further enriched by five in-depth, 60-minute interviews with heads of marketing, CMOs, and equivalent roles. Additionally, a week-long ethnographic study was conducted with a participant from this same audience, offering a deeper understanding of the findings.

Which country do you work in?



50%



50%

Approximately what was the annual revenue of your business in the last full financial year?

25%



£80m and £199m / \$100m and \$249m

25%



£200m and £249m / \$250m and \$299m

25%



£250m and £399m / \$300m and \$499m

25%



£400m + / \$500m+

Which of the following best describes your organization?



48%

Predominantly B2C businesses



52%

Predominantly B2B businesses

Which best describes your role?



5%

Specialist



93%

Senior manager, Director, VP, SVP



3%

C-suite

AXIOM

