



Beyond Acquisition: The True Cost of Martech Stack Underutilization

Despite significant changes in how marketing manages martech, utilization of existing capabilities has decreased.

In a recent study by Gartner, a concerning trend has emerged. Despite increased investments in martech stacks, organizations are utilizing only one-third of their available capabilities, marking the second consecutive year of decline. This underutilization not only leads to financial wastage but also creates a reputation dilemma for CMOs, who now find themselves balancing immediate utilization concerns with long-term strategic decisions regarding investments in emerging technologies.

As 78% of firms transition customer data functions to IT and interest in emerging technologies like generative AI continues to grow, CMOs are navigating a complex and shifting landscape. While the utilization of martech stacks doesn't solely determine a company's success, it significantly affects the perceived value and influence of a CMO. A generous martech budget can empower both the CMO and their marketing team. However, mismanagement could lead to budget cuts and a tarnished professional reputation.

Gartner cites customer data challenges are often cited as a major reason for underutilization. Collecting customer data in the first place, or unifying it across different systems, can be a major obstacle to using it for personalization, advertising, and measurement. The martech bloat problem is really an issue that needs to be solved, there may not be a perfect answer to it. However, ask yourself, do you really need a 6sense, a Bombora and a Demandbase to actually drive inbound leads?

On average, it typically takes around 12 to 18 months to truly integrate a new platform that encompasses more than 60% of a marketing department's operations. This time frame encompasses various stages, including scoping, market entry, system implementation, and training. Unfortunately, marketers often adopt new technologies without a structured approach to their implementation. When coupled with long-term contracts, this often leads to the accumulation of underutilized or abandoned technology, resulting in a cumbersome technology stack over time. CMOs should encourage their martech teams to identify opportunities for streamlining, allowing the rest of the department to thrive. Trimming the fat from underused technology within the current stack can also reserve resources for innovative applications not yet widely available.



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According to benchmarks, a company generating \$250 million in revenue could potentially squander nearly \$4 million if they allocate 9% of their revenue to marketing and then spend a quarter of that marketing budget on underutilized technology.

An end to marketing's **obsession** with platform-centric acquisition strategies?

“Despite turbulent budgets in previous years and current economic headwinds, investments in technology continue to remain a priority for CMOs, making proving their ROI more crucial than ever. Yet the challenges associated with martech underutilization, such as new models of business and disrupted customer journeys, are making it difficult for marketers to demonstrate technology’s value. Merely acquiring marketing tools won’t solve the underlying issues.

The “more is better” notion in marketing technology results in cluttered and inefficient stacks, overspending, underutilization and poor ROI. It’s time to prioritize a strategic and holistic view of your company’s martech stack and create a lean, efficient, results-driven marketing technology infrastructure. Scott Brinker, the editor of Chiefmartec blog and creator of the Martech Supergraphic, argues that the solution to the growing underutilization of martech stacks isn’t adding more technology; it’s achieving mastery with existing tools. In the face of the rapid growth of martech stack solutions, Brinker emphasizes the importance of optimizing current resources to bridge the gap between technological advancement and

organizational efficiency. With one in five marketers equating their martech stack to a “black hole”, assembling a plethora of ABM point solutions and intent data platforms from various vendors to create a practical, effective, and efficient marketing technology ecosystem has proven to be an immense challenge. But why does this complexity persist? One reason is that when marketers adopt the “best-of-breed” approach to construct their martech stack, they find themselves compelled to divert their focus from marketing to product management. Furthermore, this underscores that most marketing leaders understand that they lack the skilled personnel to manage these complex martech stacks. Adding more technology without intelligent, capable resources to define requirements, implement, oversee, and effectively utilize the technology is a futile endeavor. You can’t reduce complexity by adding more complexity.



The number of vendors offering marketing tech is exploding, but too many companies take a “bottomup” approach to purchasing it: Rather than starting with the objective of solving a problem, they begin with what is being sold to them. As a result, they waste money on hoarding data they don’t need and on “shiny new objects”

Persistent **under-investment** in talent to drive martech utilization impacts not only the current state but the ability to capture future benefits of emerging technologies.

A recent report from Salesforce reveals that the ineffective use of tools and technologies is the top challenge for marketers. Furthermore, 71% of marketing leaders face increased difficulties in retaining talent compared to the previous year, with talent gaps remaining a top challenge for one in three marketers.

Marketers are under pressure to achieve more with fewer resources, tighter budgets, and reduced staff. Many fail to grasp which tools should be connected and why, leading to underutilization. It's not just about the technology; it's also about providing marketers with the know-how to use it effectively.

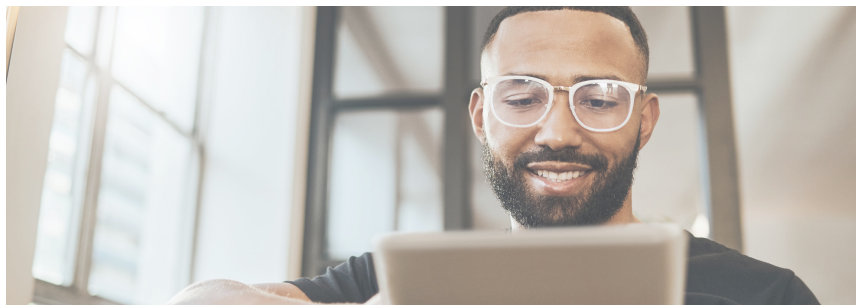
Even with the prominent platforms or relatively recent tools such, there's a noticeable gap in knowledge acquisition. You don't typically learn how to use these in a formal educational setting, and many vendors lack comprehensive training programs. Some offer certification programs, but those aren't the same as robust training programs. For established marketing practices like email or events, there are roughly ten individuals with the

necessary skills for every available job.

However, when it comes to newer concepts like intent data, AI, or ABM, the ratio dwindles to 1 to 1 or 2 to 1. Furthermore, it's worth noting that most of these individuals are already employed. The underlying reason for the declining utilization of these technologies is the increasing adoption of tech without the parallel investment in training people to use it effectively.

To address these challenges, marketers are increasingly turning to AI, automation, and real-time data to optimize customer interactions. Many platforms have

recently introduced its AI to their suites, featuring generative AI capabilities. However, given the talent and skill shortage, with many marketers overwhelmed by existing technologies, there is a risk of making the same mistakes with generative AI as with existing martech stacks. Recommitting to maximizing the use of existing technologies and approaching investments in the rapidly changing martech landscape, especially in emerging generative AI technologies, with caution.



Martech optimization: **Time** for a paradigm shift.

Over the past 15 years or more, we've allowed ABM (Account-Based Marketing) and intent data vendors to be the ones who shaped and defined the B2B demand gen category. Their definition was largely centered around showcasing the capabilities of their technologies. (We accept some of this responsibility!) The sequence was not initiated by defining ABM as a strategic concept first and then developing the technology to support it; instead, the technology outpaced the concept. It was executed this so effectively that both marketers and analysts readily embraced this perspective. This becomes evident when you examine the criteria for inclusion in reports by analyst organizations concerning ABM and intent platforms. These criteria often closely resemble the feature set of a product like Terminus.

Because ABM isn't a technology, it also shouldn't be a category line item in a budget. Spend on ABM should spread across supporting techs, with companies only spending money on technologies they need for a competitive advantage. And while you still need technology to run ABM, every company's GTM strategy is unique to them and the technologies may vary, you can still do ABM without the bells and whistles of today's "ABM, GTM, Intent

activation platform". Most companies are in the middle where an ABM/demand gen hybrid is the right approach. It takes experimentation and a deep understanding of your resources, product, and TAM to



Savvy B2B marketers don't rely on diluted, one-size-fits-all technology. They grasp the nuances of their go-to-market strategy, recognizing both its limitations and strengths, and integrate specialized technologies as needed.

strike the right balance. But you'll come away with a versatile plan that merges ABM (account engagement) with demand gen (direct activation) to get your message in front of the right people and generate more revenue. Focusing on efficiency, agility and alignment with organizational objectives can help marketers unlock the full potential of their martech stacks, maximizing return on investment and enhancing the customer experience.



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