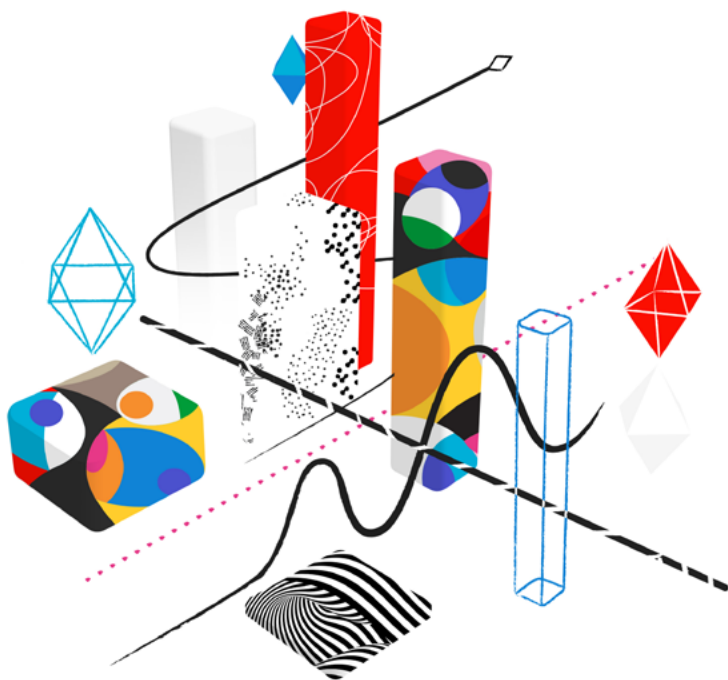




Rationalize to modernize your martech stack.

How to get the most value from your
marketing technology investments.



Do more with less

Enterprises in the high-tech industry continue to prioritize market share, revenue growth, cost containment, and efficiency as they face the challenges of the evolving 2020 business environment and COVID-19. Because it's highly competitive and very fluid, the industry awards those with the agility to anticipate and react to new trends and bring innovation to market quickly. While other industries also face digital transformation and disruption, high tech is at the epicenter of a perpetual cycle of creative destruction that sprouts new business models and operational efficiencies driven by algorithms and automation.

High-tech companies have to do more with less—making customer experience architecture essential. The hunt is on for unexplored pockets of operational efficiencies and ways to contain costs and reduce redundancies. Common labor-intensive activities ripe for elimination include stitching together datasets, troubleshooting custom code scripts, and standardizing codebases.

Another area of great opportunity is to rationalize technology infrastructure and tools through consolidation, standardization, and modernization. A [recent study](#) by McKinsey found that tech debts are estimated at 20 to 40 percent of the value of entire technology estates before depreciation. That's hundreds of millions of dollars of unpaid debt for larger organizations. Companies are

making tangible progress reducing their technology debt through rationalization of their martech stack. For example, National Instruments has consolidated nearly two dozen platforms and applications into a single web platform while maintaining the same level of capabilities. And Lenovo was able to identify \$11 million in savings through consolidation and workflow efficiencies. Companies should look for ways to reduce vendor and solution sprawl and help IT and marketing teams improve workflows to increase their output and performance without adding overhead.

A recent Adobe architecture assessment of core martech building blocks across nearly 40 enterprise high-tech companies shows a strong trend toward standardizing on platforms from one vendor—having deployed three or more solutions from one platform. High-tech organizations have made progress in rationalization, but there's more work to be done. Our analysis also reveals that 40% have eight or more vendors.

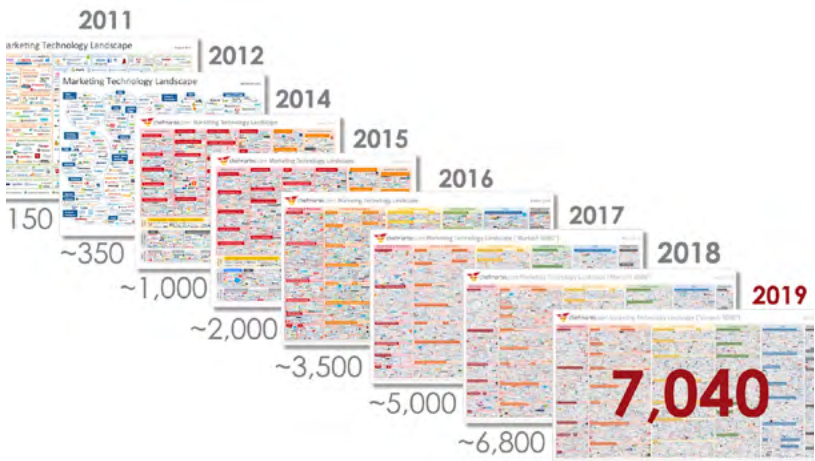




Proliferation of technology

Anyone involved with purchasing marketing technology will attest that the number of vendor solutions in the space has expanded dramatically over the last decade. Scott Brinker's "Marketing Technology Landscape" brings this point to life—growing each year from about 150 solutions in 2011 to over 7,000 in 2019. While this explosion has given rise to a vibrant industry with a lot of competition and new ways to market to and connect with audiences, it has also left many organizations wondering what should and shouldn't be in their martech stacks.

Scott Brinker's "Marketing Technology Landscape"



Source: Chiefmartec

As part of the Adobe assessment mentioned earlier, we also analyzed the martech stack across several industries to determine the presence of standard solutions that comprise an enterprise martech foundation. The table below shows the percentage of companies within each industry that has an enterprise-level solution that we were able to identify. “Personalization Engine” for CPG, for example, shows 25 percent. That means for the consumer packed goods companies we audited, only 25 percent of them had an enterprise solution for personalization.

130

The average enterprise now uses 130 different applications, an increase of nearly 70% since 2016.

Source: Tech Buyers Generational Insights, Adobe and PK, 2020

Martech stack maturity across industries

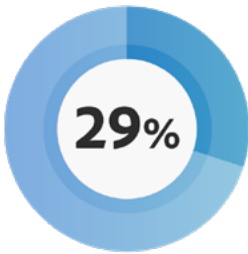
Industry Maturity by building block	Content Management System	Tag Manager	Analytics	Personalization Engine	Marketing Automation	Data Management Platform
Auto	50%	77%	88%	30%	16%	40%
CPG	52%	82%	93%	25%	22%	31%
Hardware	59%	76%	78%	31%	43%	37%
Industrial/Discrete Manufacturing	58%	79%	88%	21%	40%	20%
Logistics and Distribution	71%	93%	75%	57%	18%	55%
Other B2B	51%	75%	82%	15%	43%	11%
Software	60%	86%	92%	47%	62%	52%

Source: Adobe Digital Strategy & Solutions, 2020

The pursuit of a comprehensive martech stack can, in many cases, result in a fragmented and patchwork set of technologies that are difficult to maintain and unable to address evolving business needs. As a result, organizations are faced with spiraling tech debt and a need to rationalize the number of technologies.

Look to simplify

Optimizing martech to support any one organization's unique set of business capabilities and customer experience delivery expectations is a challenge, but it's also key to success. Over 50 percent of IT leaders indicated that integration between systems is a priority, yet they estimate that only 29 percent of applications are integrated.



of applications are integrated.



of IT leaders say system integration is a high priority.

Source: Tech Buyers Generational Insights, Adobe and PK, 2020

Look to standardize

Generally speaking, high-tech companies have a firm understanding of data, cloud, and enterprise architecture so they're able to more readily take inventory of and audit their martech solution lists. By identifying the required digital business capabilities and the solutions that support them, companies can identify overlaps, deprecate where possible, and then simplify in a way that achieves an effective outcome.

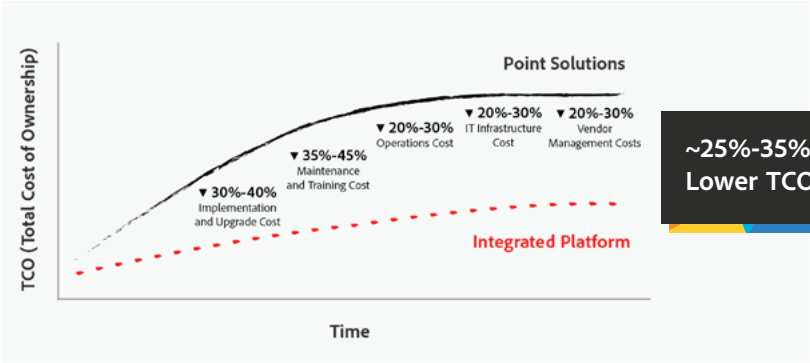
This can be as simple as standardizing on one marketing automation platform globally—or using apps, plug-ins, and extensions from one core platform rather than relying on aging in-house solutions or point solutions from different vendors, each with their own contracts, licensing terms, integration requirements, and other overhead to manage.

Organizations that integrate and rationalize enterprise marketing infrastructures can achieve the following:

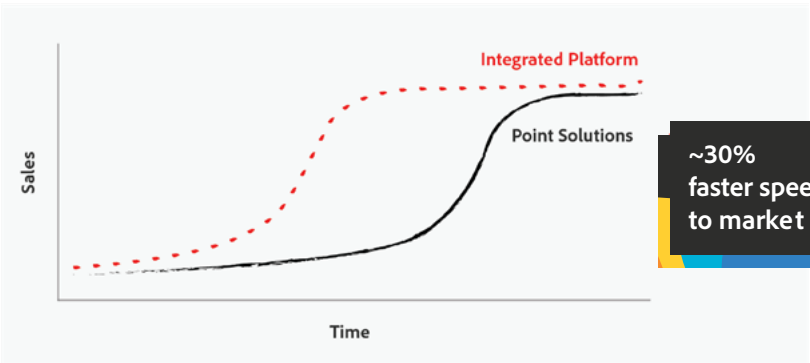
- Reduce support costs and maintenance stemming from redundant technologies
- Streamline marketing workflows
- Simplify enablement and end-user adoption
- Minimize amount of custom code development and maintenance
- Utilize a single source of truth for customer profiles
- Eliminate data silos

By standardizing on integrated platforms versus point solutions, organizations can reduce total cost of ownership (TCO) by 25-35 percent and increase speed to market by 30 percent.

Integrated platforms have a 25-35 percent lower TCO vs. point solutions



Integrated platforms can achieve faster speed to market vs. point solutions



Analysis conducted by Adobe Value Service Team based on various analyst reports.

Over time, brands that lead their categories with customer experience will have achieved best-of-breed martech stacks that yield additional benefits:



Data reporting

Take rapid action based on insights from real-time and streamlined reporting. Avoid manual or patchwork reports.



Implementation and upgrades

Pre-integrated, end-to-end implementation processes and automatic upgrades.



Maintenance and training cost

Out-of-the-box availability of various functionalities, easier customizations and interfacing.



Operations

Increased synergies in IT support, and seamless integration between applications.



IT infrastructure

Optimized resource sharing between applications of the same stack.



Vendor management

Reduced risk and optimized cost due to managing single vendor versus multiple vendors.

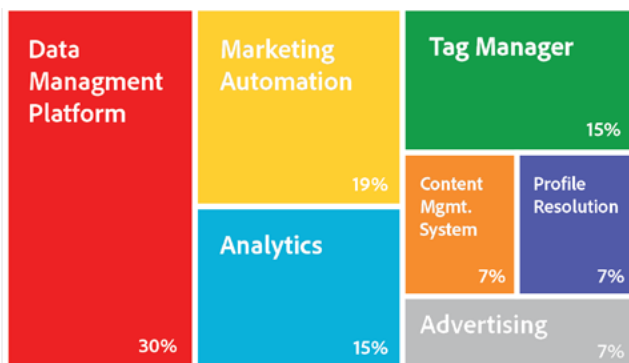
According to a recent [report](#) from McKinsey, companies that approach technology with a focus on cloud-based solutions more consistently reach their revenue goals. The high-tech sector is significantly ahead of others in its integration of customer experience (CX) technology. Almost two-thirds said their marketing and CX technology stack is either very or quite integrated, compared to just over one-third in other sectors.

Rationalize to save

Adobe has learned from a number of high-tech enterprises about their efforts to simplify and modernize their marketing infrastructures. From this vantage point is a quantitative view of the savings that can be achieved from simplification efforts.

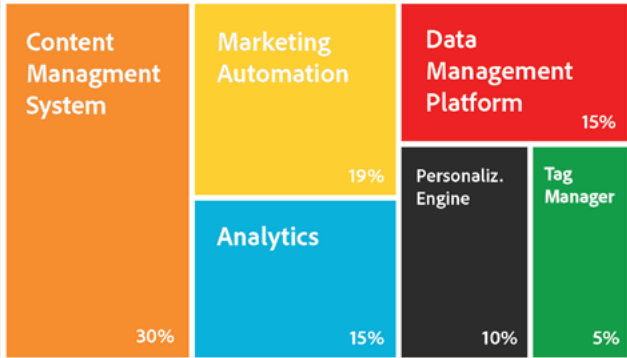
The following tables show the level of fragmentation found within the martech stack for the high-tech organizations we analyzed. In terms of frequency, high-tech companies have invested the most in solutions that deliver data management and marketing automation capabilities.

Frequency of technology type in high tech



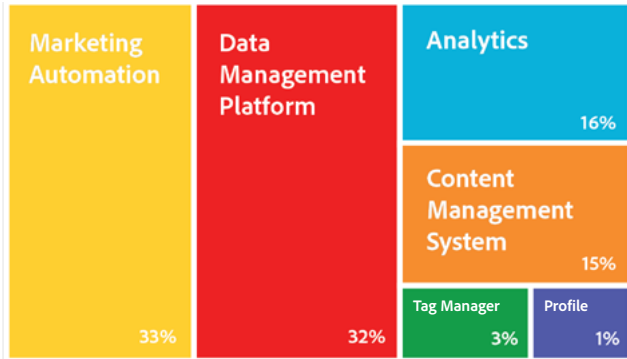
From a TCO perspective, consolidation of content management systems represent the greatest opportunity for high tech.

Consolidation benefit (TCO) by technology type



By combining these two views, we see that focusing rationalization efforts on marketing automation solutions and data management platforms yields the greatest benefits for high tech.

Technology type with largest opportunity for consolidation



Source: Adobe Digital Strategy & Solutions, 2020

89%

of companies show strong signs (3+ single vendor/cloud solutions) of investing in platforms vs. point solutions

68%

had at least two core building blocks with 2+ overlapping or duplicative solutions. This is highly indicative of tech debt and fragmentation, leading to handcuffing the execution of great experiences across the enterprise

81%

of which are standardizing around Adobe's Experience Cloud (with 3+ Adobe Experience Cloud solutions)

41%

of companies had 8+ different vendors across nine core building blocks—highly indicative of fragmentation and the need for tech rationalization

Source: Adobe Digital Strategy & Solutions, 2020



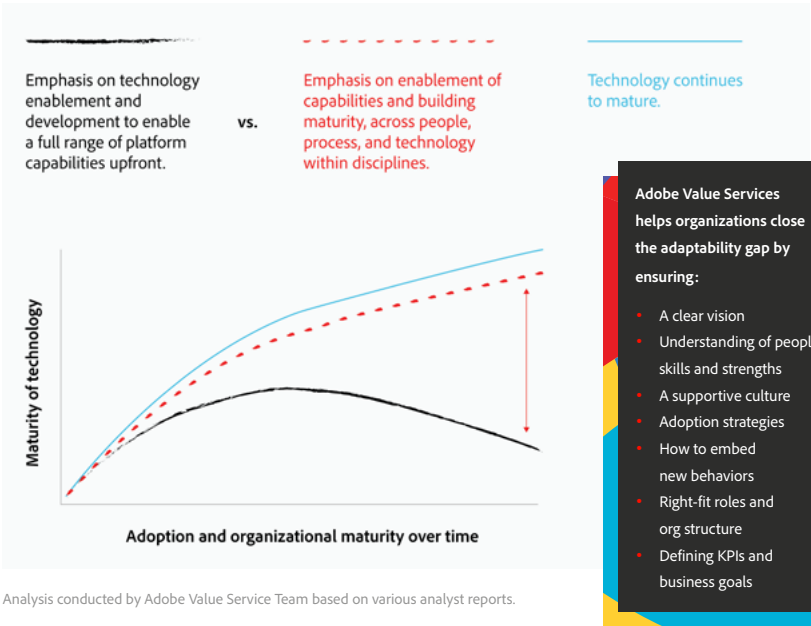
Change is a team sport

While martech consolidation and modernization is key to achieving customer experience goals, a successful implementation requires building maturity across people, process, and technology. Consciously driving adaptability to the ever-evolving improvements and maturity of the technology requires a culture and mindset that supports this conjoined evolution of people and technology.

“Clients want help, not change. However, you can’t have one without the other when it comes to digital,” says Shiv Paul, customer solutions at Adobe. “Change by its definition means disruption but with preparation, that level of disruption can be minimized. Intelligent organizations understand their success and

survival in the digital landscape lies not solely in the technology they use, but in their willingness and ability to adapt elements of their environment to accommodate the coming change.”

Keep up with evolving technology

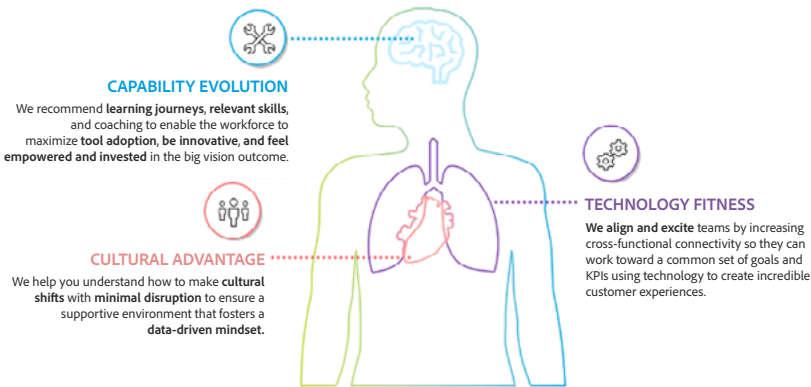


An experience-driven marketing organization underscores a clear vision of the reasoning, process, and impact of evolving with the technology. The vision is underpinned by a governance model and supportive culture of capability building and adoption strategies that empower and excite the workforce. It creates a sense of

investment that mobilizes them to work together to achieve the organization's vision. We recommend a holistic approach to design experience-driven marketing organizations, highlighting the following:

- Reduce support costs and maintenance stemming from redundant technologies
- Streamline marketing workflows
- Simplify enablement and end-user adoption
- Minimize amount of custom code development and maintenance

An experience-driven marketing organization



Source: Adobe Customer Solutions

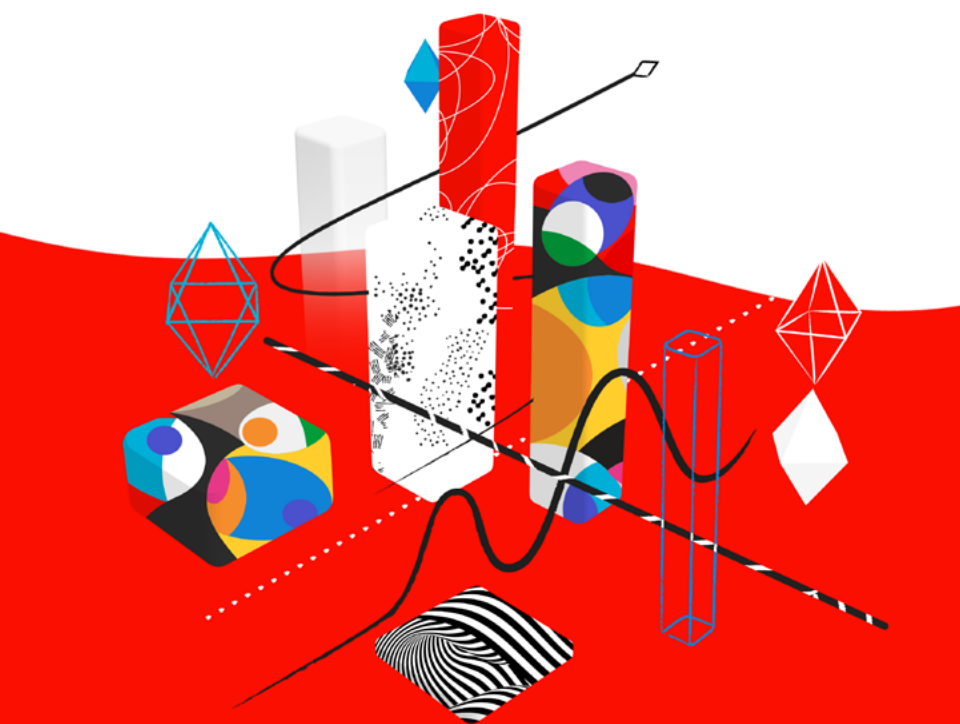
A phased approach for change

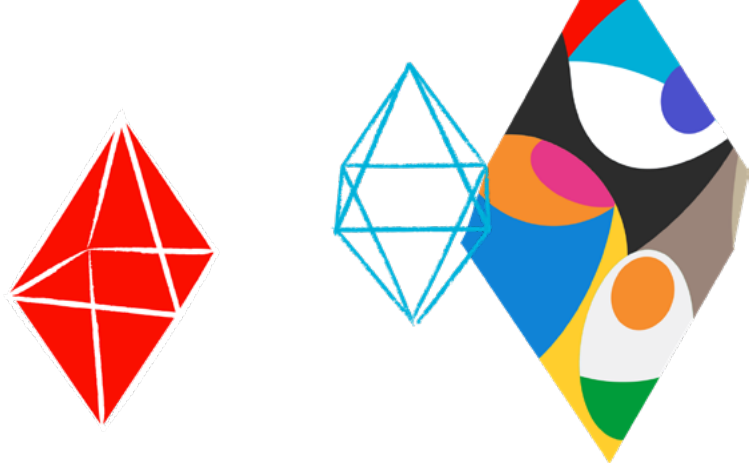
Change is a process, not an event. We subscribe to a phased approach to prepare for, manage, and support change. This phased approach begins with creating and setting a vision, surfacing concerns, and identifying goals with KPIs that all lead to healthy adoption and retention of technical solutions.

Modernizing your customer experience architecture through rationalization, consolidation, and integration, wrapped in a successful change management strategy and execution plan, requires an operational model where people, process, and technology work together. Use the following recommendations to get started:

1. Audit current tech stack across the enterprise for redundant capabilities—focus on eliminating technologies that have the most redundant capabilities.
2. Identify business capability needs for current teams using those solutions.
3. Look to standardize on solutions that are consistently ranked as a leader by analyst firms to ensure your efforts result in a future-proof and agile martech stack.
4. Create and deliver a vision and visibility strategy, identify a mitigation strategy for adoption barriers, perform a gap analysis, and develop KPIs and measurement strategies for success.

5. Define and develop details of an organizational model, roll-out approach, and operations including monitoring, communications, and accountability.
6. Roll out an organizational model MVP and scale plan—establish operating levels, like a center of excellence.
7. Develop a communications strategy, change management strategy, and adoption mechanisms to ensure staying power.





Adobe can help

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content, engagement, commerce, personalization, and more, Experience Cloud is built on the world's first platform designed specifically to create customer experiences. Each product is built on a foundation of artificial intelligence and works seamlessly with other Adobe products. And they integrate with your existing technology and future innovations, so you can consistently deliver the right experience every time.

Learn more about building the best martech stack for your business in the recorded Experience Makers Live session, *How to Build a Martech Stack that Moves Business Forward*.

[Watch now](#)

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