

The State of MarTech During a Pandemic

This in-depth report analyzes how COVID-19
has affected the marketing technology industry.



The word pivot has a completely new meaning in a pandemic. Pivot was a catch phrase for abandoning a failed campaign. Not today. In this new world, one day you're required to be in the office, the next you're told to stay home. One day you're planning your customer event, the next you're cancelling and refunding registrations.

We conducted a survey to uncover how these changes have impacted Marketers, and the results are in. More than half of Marketers are faced with a shift in their tech stack, and are either learning a new technology or learning how to do their job without one.

If you're one of the lucky ones to have conducted a tech stack audit pre-COVID-19, you're in good shape. But most Marketers lack a clear understanding of all the tech they own and its use. And now every penny you spend is under scrutiny. Gone are the nice-to-haves. If the technology doesn't contribute to growth, it's gone.

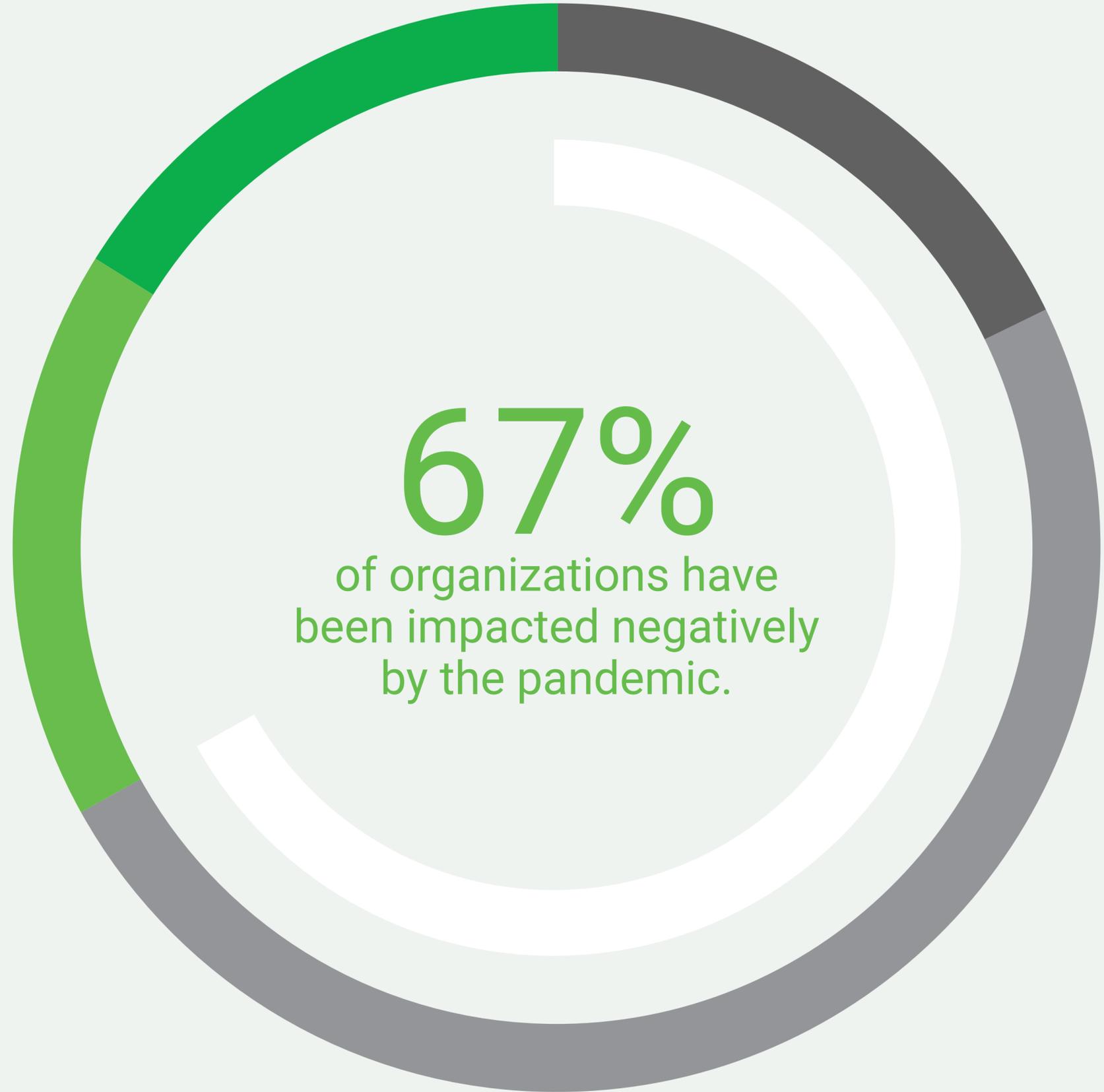
As you evaluate your current MarTech stack today, questions are inevitable. This report is here to provide you with a snapshot of the current landscape and our insights as MarTech experts to help you navigate your current reality.

Kris Latulippe

*Director, Marketing Technology Practice
Demand Spring*

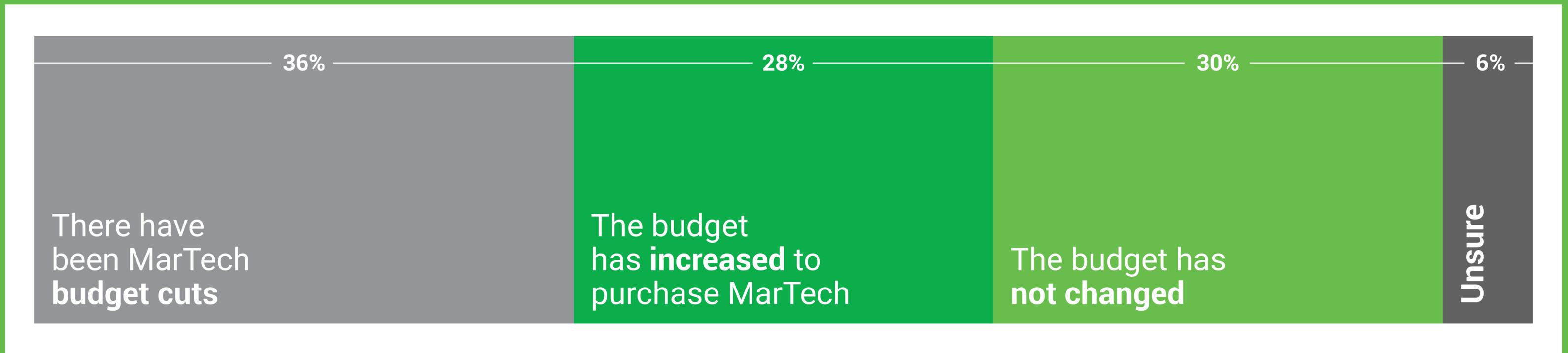
How has COVID-19 impacted your organization?

- 49% **slightly** impacted negatively
- 18% **greatly** impacted negatively
- 17% **limited** impact
- 16% **positively** impacted



How has your organization's marketing technology budget been affected?

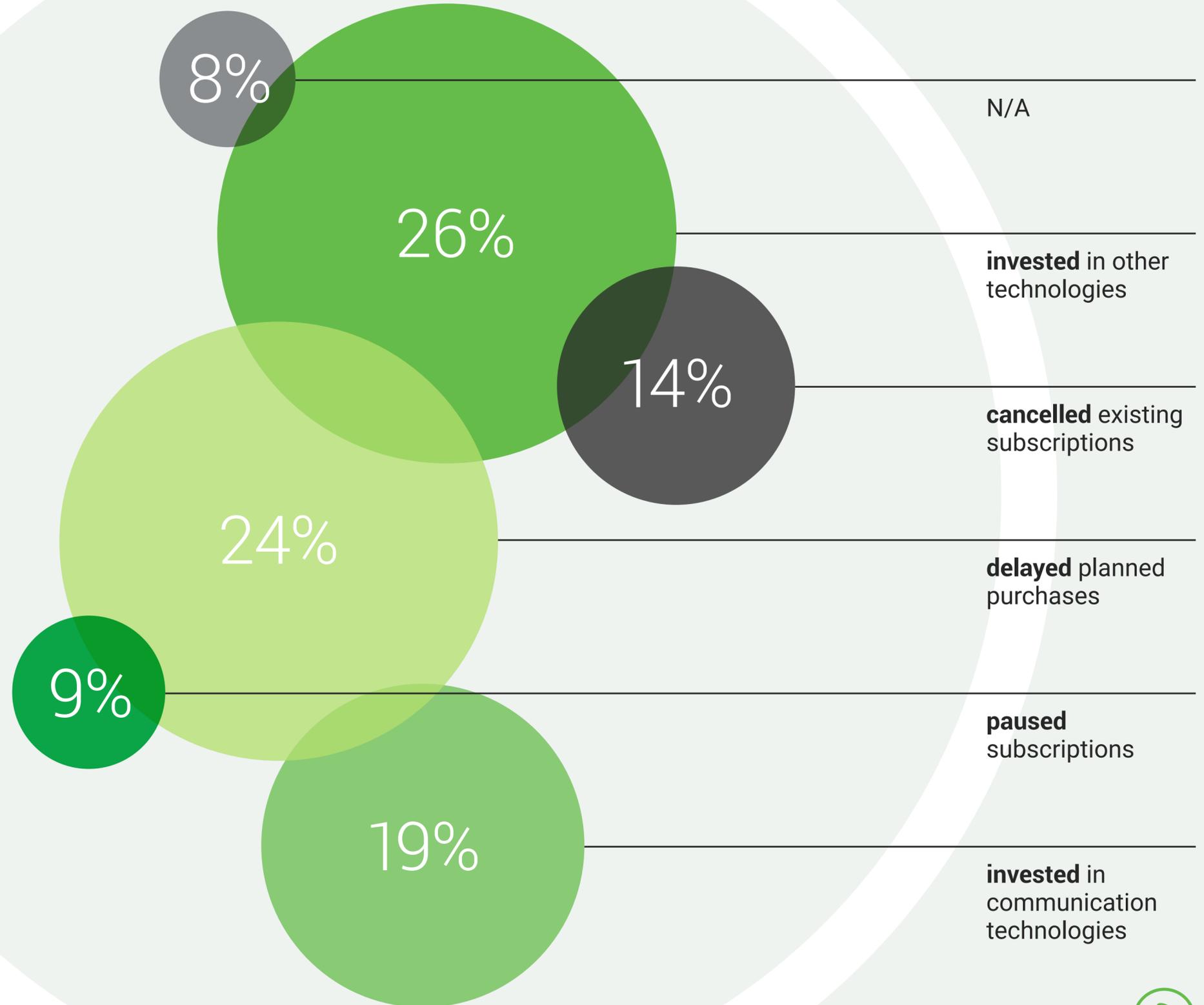
36% of respondents stated they experienced cuts to their marketing technology budget. We were surprised this number wasn't higher since many organizations faced layoffs and budget cuts across the board due to fear of an economic downturn. Further, **28% percent of respondents** experienced an increase in MarTech purchases. This change can be attributed to marketing budget reallocation from events, company travel, and in-person meetings to invest further in digital marketing technologies.



How has your marketing technology been impacted by these budget changes?

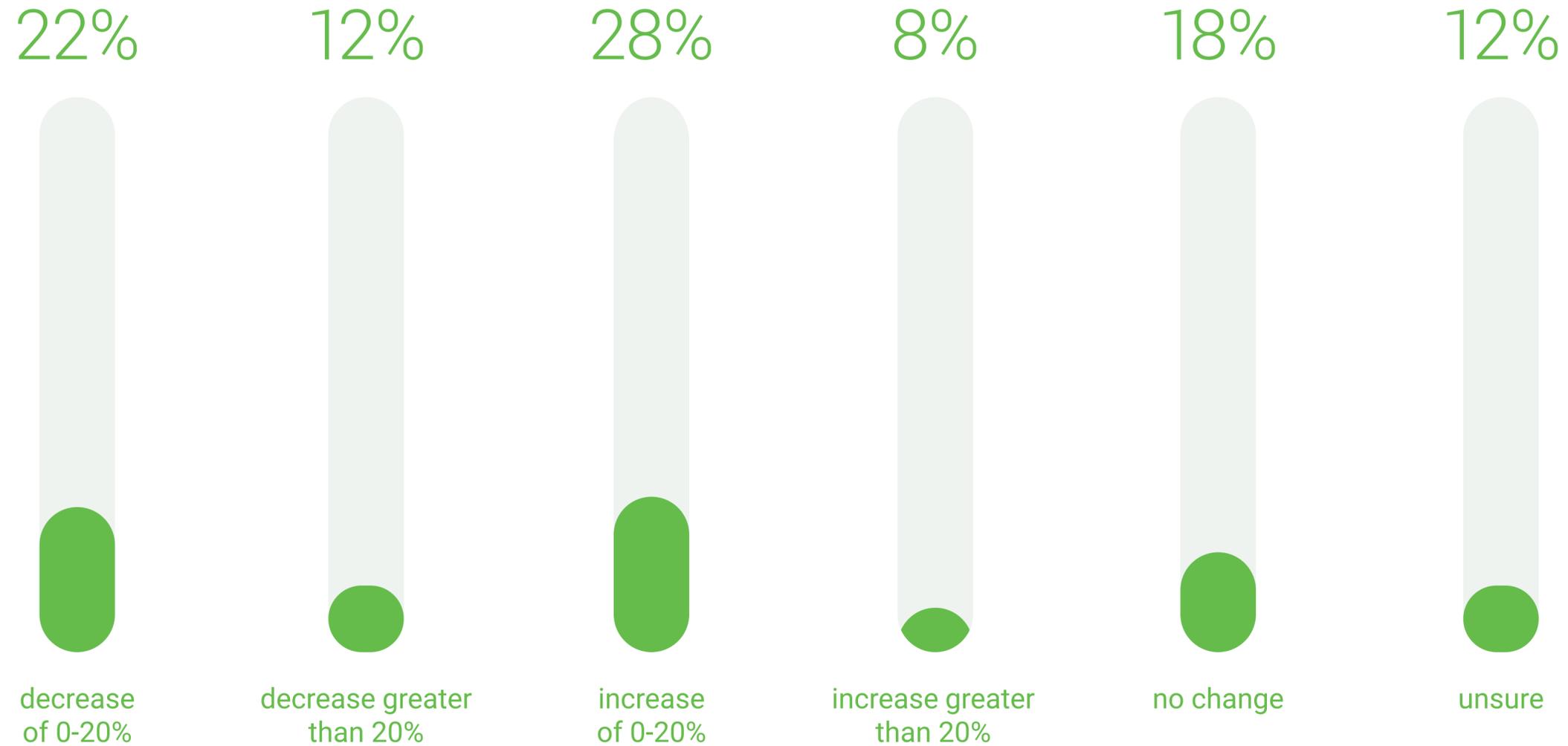
43% of respondents invested in communications or other new technologies. This is consistent with what we have heard from many of our clients who have invested in digital marketing technologies in light of even further migration to digital engagement during COVID. Executives were likely looking to mitigate a decrease in sales pipeline and revenue by reallocating budget to digital and new marketing strategies.

24% of respondents delayed their planned purchases. The delayed purchases were likely due to organizations being fearful that there would be a decrease in demand, and to save those marketing dollars to help with salaries to avoid layoffs.



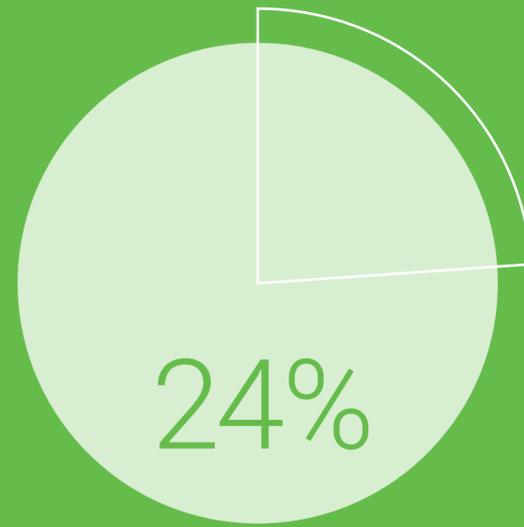
How much has your marketing technology budget changed?

The bulk of respondents either experienced a **0-20% increase or decrease, or no change at all** to their marketing technology budget.



If a tool has been cancelled, delayed or paused, what was the reason?

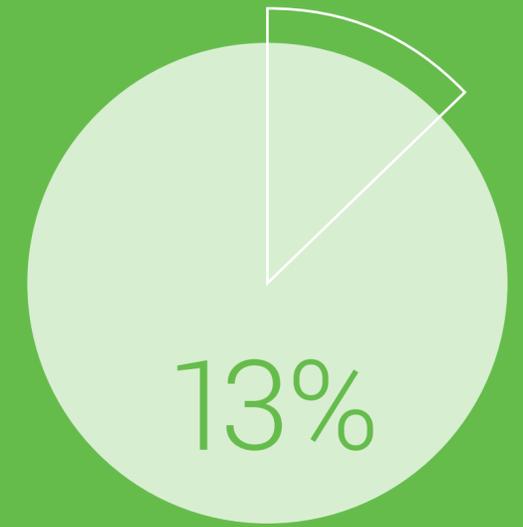
In order to save marketing dollars, **24% of organizations paused or cancelled their MarTech tools** that weren't essential to their marketing practices. **26% of organizations paused or cancelled tools** because of a decrease in revenue, or not being able to determine the ROI from the tool.



the technology was not essential



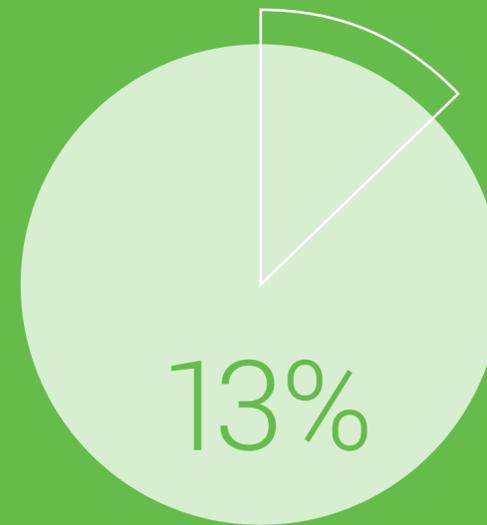
not enough work to justify the use of the technology



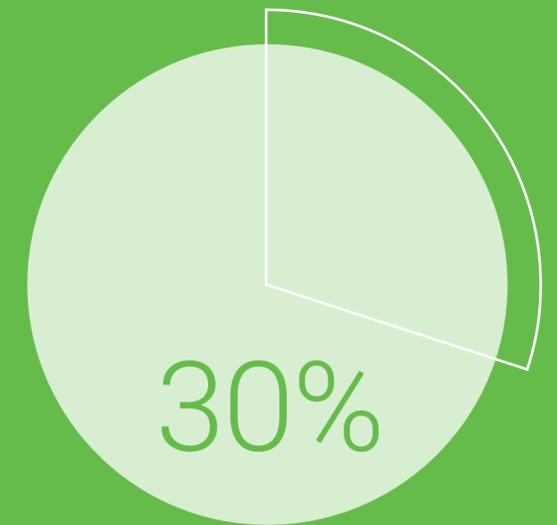
unable to afford technology due to a decrease in revenue



not enough staff to continue using the technology



could not determine ROI of the technology



did not cancel, pause, or delay purchase of technology



Has your organization decided to focus on core technologies and cut fringe technologies?

49% of respondents have kept their MarTech stack the same. We expected to see a bigger percentage of respondents cut fringe technologies and put more emphasis on core tech.



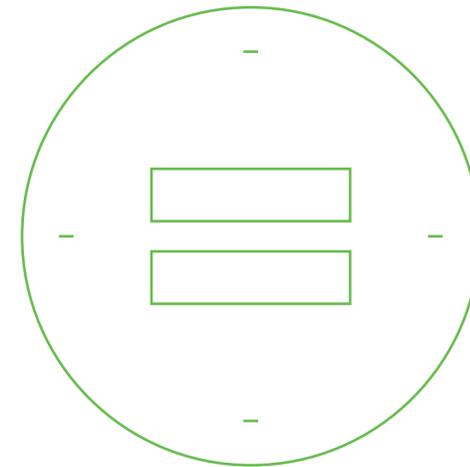
15%

have cut some fringe technologies



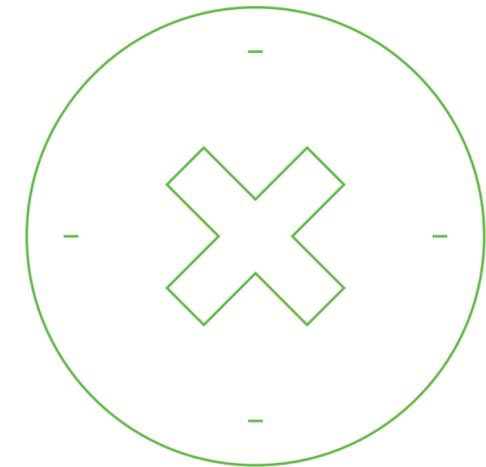
49%

have kept their technologies the same



23%

have cut some fringe tech and leveraged our core technologies



13%

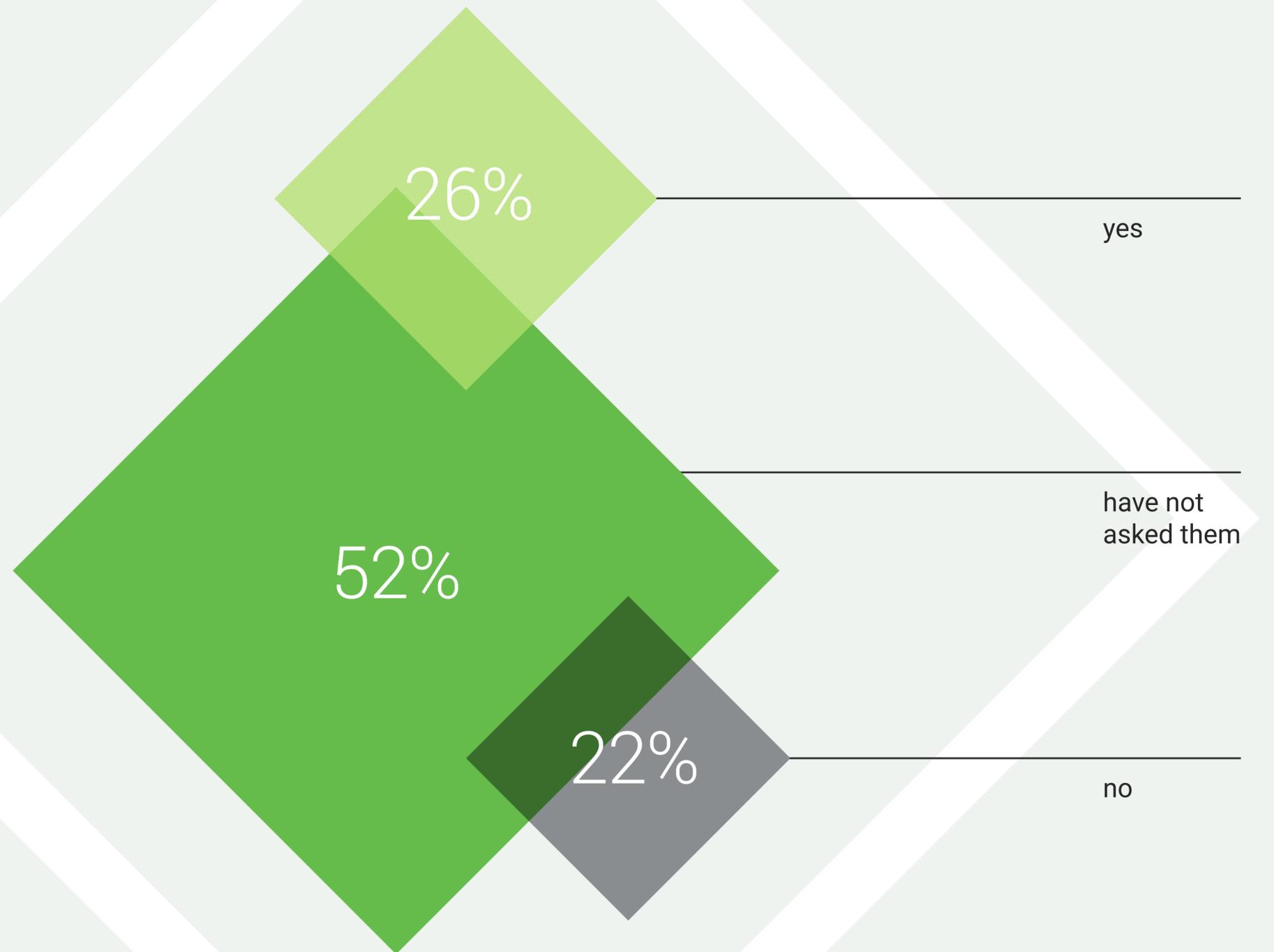
N/A



Have your MarTech vendors been flexible in adjusting pricing or payment terms during the pandemic?

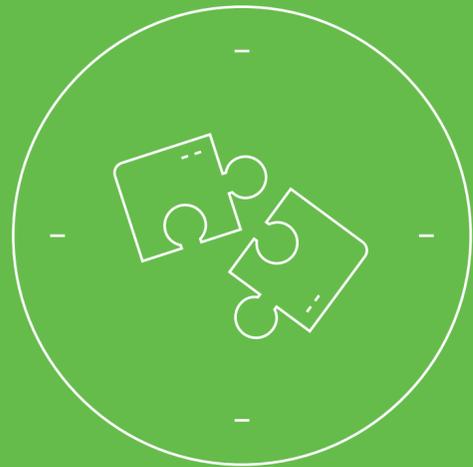
52% of respondents haven't asked their MarTech vendors for pricing adjustment.

26% say MarTech vendors have been flexible when asked for a price adjustment or flexible payment terms. This is a positive statistic as these vendors would also be financially impacted by the pandemic.



How has the technology buying process changed during this time?

58% of respondents stated they have experienced no change in the technology buying process throughout the pandemic. 32% of respondents shared the buying process has become more inclusive. The latter statistic is consistent with what we have heard from MarTech vendors—deals are taking longer to close due to greater scrutiny from procurement and finance.



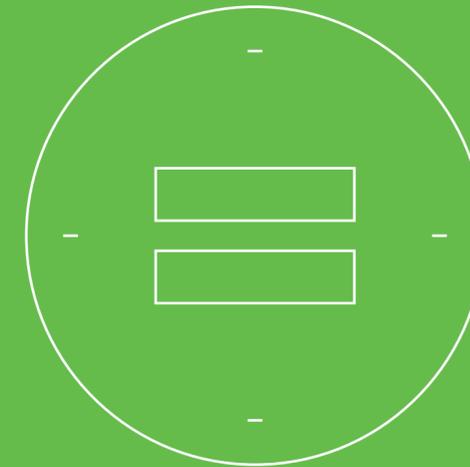
10%

less collaborative and inclusive



32%

more collaborative and inclusive



58%

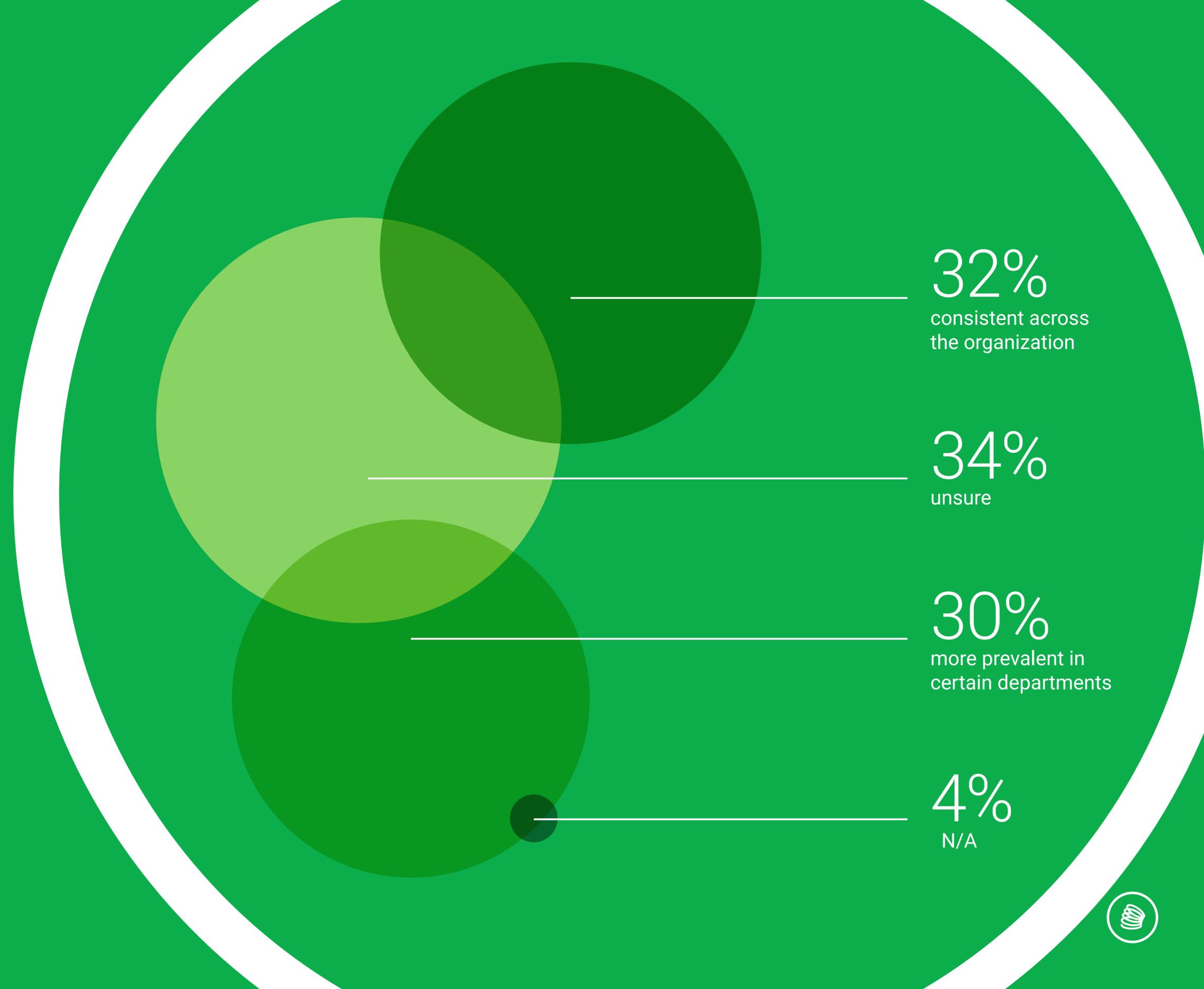
no change



THE RESULTS

Have cuts to technology happened in other parts of your organization?

An equal number of respondents said cuts have either been consistent across the organization, or more prevalent in certain departments.



32%
consistent across
the organization

34%
unsure

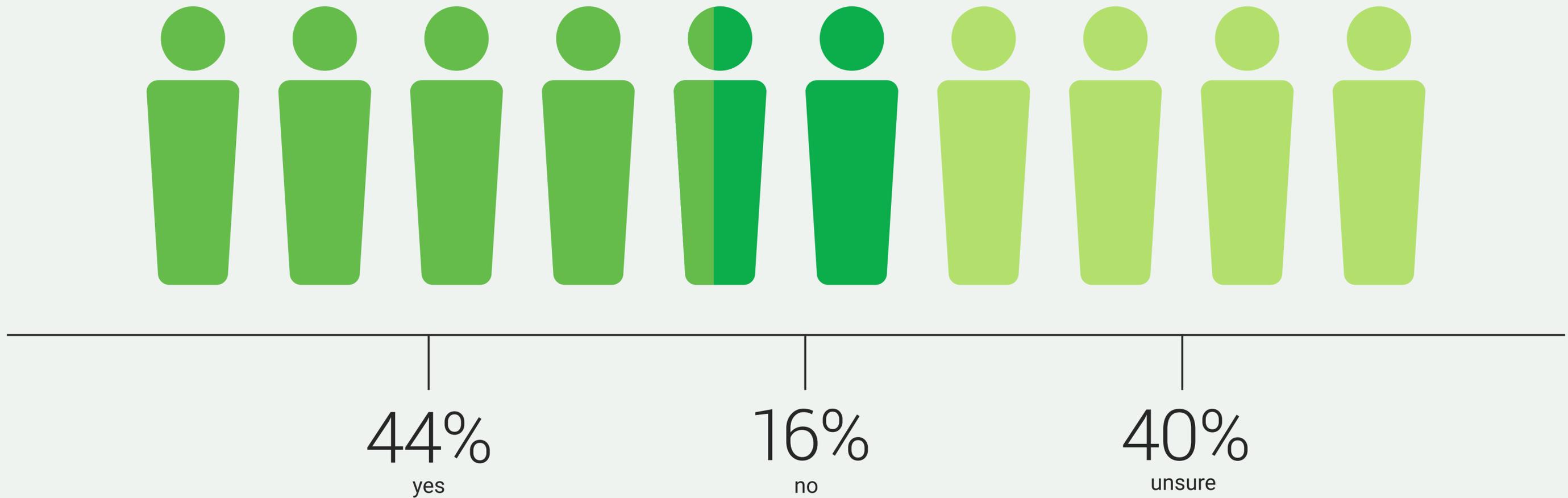
30%
more prevalent in
certain departments

4%
N/A



Do you expect spending levels on technology to return to normal by 2021?

It comes as no surprise the majority of respondents have no insight into whether it will get back to normal or not, given the current uncertainty.



Based on our survey results, we've highlighted three actionable insights you can apply to your MarTech Strategy:

01

We're experiencing increased scrutiny to all spending as organizations remain cautious given the uncertainty. It is more important than ever to demonstrate the ROI of your favorite technology or it will be the next to be slashed from the stack.

02

Now is the time to seek discounts if you haven't already. Over 25% of our survey respondents reported their MarTech vendors were flexible with pricing and payment terms.

03

Digital transformations happened at a rapid pace this year. If you aren't testing and trying new tech to get ahead, your competitors probably are. Don't get left behind, shore up your core technologies and invest the resources you need to stay ahead of the curve.



We hope this report provided clarity on the current state of MarTech and has helped you prioritize your strategies moving forward.

For more information about our findings, please contact us at info@demandspring.com.

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