Authors

Scott Brinker is the editor of the chiefmartec blog, covering the intersection of marketing and technology for over 15 years. He serves as the vice president of platform ecosystem at HubSpot. He is also the author of the best-selling book *Hacking Marketing* and co-author of *The New Automation Mindset*. He jointly produces the MartechMap marketing technology landscape with Frans.

Frans Riemersma founded MartechTribe, a company specializing in Martech research and benchmarking. With 30+ years in consultancy, he combines qualitative expertise with quantitative Martech data on stacks, vendors, and requirements in a proprietary Martech Data Warehouse. He is the author of *A Small Book on Customer Technology* and co-author of *Marketing Tech Monitor*, *Customer Technology Sector Trends*, and *Hello Firstname*. In collaboration with Scott, he also co-produces the MartechMap, an overview of the marketing technology landscape.

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Content

1. Introduction

“We must consolidate!”

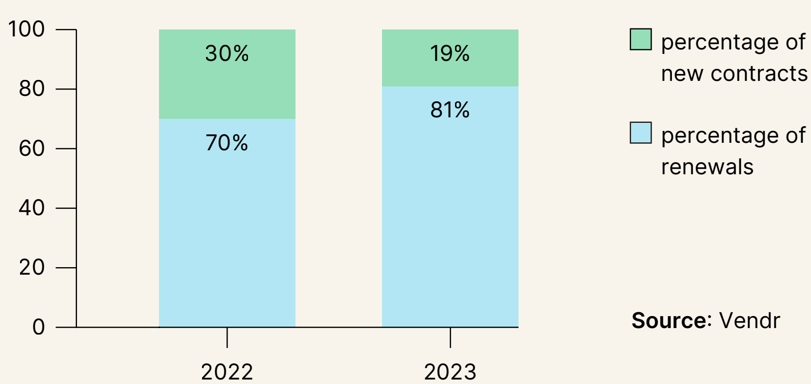
Marketing technology — martech — is a study in contradictions.

On one hand, in the current economic environment, marketers and marketing operations leaders have come under enormous pressure to cut costs and demonstrate value from their existing martech investments. A recent Gartner report claiming that companies were only “utilizing” 33% of their martech capabilities has served a rallying cry for CMOs, CIOs, and CFOs to consolidate or eliminate unnecessary products from the stack.

So not surprisingly, Gartner also reported that 75% of CMOs now agree with the statement that “our marketing organization is facing increasing pressure to cut our marketing technology spend to deliver better ROI.”

And it’s not just about cutting existing software. It’s also about reining in new purchases. Recent data from the SaaS management and procurement services firm Vendr, showed that net new software contracts in 2023 dropped relative to renewals, as firms become more cautious about adding more tools to their stack.

Net new software contracts vs renewals



Source: Vendr

Bringing more discipline and fiscal responsibility to martech management is definitely a good thing. We champion the concept of stack rationalization — which is a fancy way of saying that you should simplify your stack as much as possible down to what you are able to use effectively.

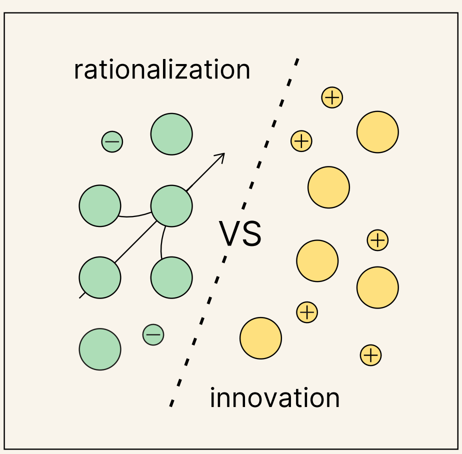
However, the devil is in the details. We put “utilization” in quotes above because the value of tools can’t always be measured by the frequency or depth of their usage. And some redundancy or overlap among tools in your stack may actually have value and serve important use cases — even if they’re edge cases — that shouldn’t be dismissed out of hand.

We advise keeping the focus on *business value*, not tool count. Consolidation and utilization are not a business strategy.

“We must innovate!”

But while the forces of consolidation — or, really, rationalization — should serve to reduce the number of products in martech stacks, and therefore the number of vendors in the market, there’s a countervailing force that is pushing hard in the opposite direction: *innovation*.

Thanks largely to the explosion of AI in the past year, but also due to other major technology shifts underway with the cloud data layer and “composable” software, the martech landscape continues to evolve and expand.



In fact, this past year — a year of tight economic pressure — has seen the largest number of new apps added to the martech landscape in the 13 years we’ve been curating it: *net new growth of approximately 3,000 new tools*.