Marketing Technology Drivers of Genius Brand Performance
Marketing investments in technology by Genius brands show that achieving high levels of digital proficiency requires complementary investments in best-of-breed technology solutions. Digital marketing leaders can take cues from high-performing brands to learn how they deploy marketing technology.

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Overview

Key challenges

• Marketing technology represents 26% of marketing expense budgets, yet brands utilize just 58% of their marketing technology stack’s capabilities. Realizing the impact of marketing technology investments often involves a spider web of interconnected systems and capabilities.

• Digital marketing leaders are often unable to connect technology adoption with business outcomes. Linking marketing technology with brands’ digital performance establishes the technologies and vendor types that form the basis of genius performances.

• Large marketing technology vendors often dominate Gartner client shortlists. In so doing, marketers underestimate the benefits that Genius and Gifted brands gain from best-of-breed point solutions and deployment of complementary best-of-breed products.

Recommendations

As a digital marketing leader responsible for marketing technology, you should:

• Use a best-of-breed approach to evaluate and select complementary point solutions in addition to integrated suite products. Adopt point solutions as needed to improve capabilities while minimizing waste.

• Build competencies around technology, content and workflow that support marketing strategy in order to overcome the risk of martech complexity. Eliminate marginal or underutilized technology, and assess capabilities to determine if sufficient depth in talent, training and organization is available to utilize the products in your stack.

• Leverage product combinations the way that Genius brands often do. Establish which combinations are most relevant to your business and align complementary technologies to maximize capabilities.
**Strategic Planning Assumption**

By 2022, CMOs who utilize 70% of their martech stack’s capabilities will achieve 20% better marketing ROI than peers.

**Introduction**

A consequence of the dominant market presence of large marketing technology vendors is that many marketing technology teams focus their roadmaps on the capabilities these vendors provide. However, new technologies and innovative delivery approaches consistently appear on the vendor landscape, often in niche categories where large marketing technology vendors may have a limited presence.

Rather than rely on a single vendor’s breadth of capabilities, marketers are increasingly opting for the best solutions from individual vendors to fulfill a growing number of marketing-specific use cases and priorities (see “Survey Analysis: Maximize Marketing Technology Effectiveness by Balancing Best-of-Breed Solutions With Integrated Suites”).

The COVID-19 pandemic and economic disruption are likely to accelerate the best-of-breed trend. Many enterprises are quickly confronting new business realities and applying coordinated pressure to drive transformation efforts, overcoming historical inertia in their own marketing technology stack. According to the Gartner 2019 Marketing Technology Survey, the proportion of respondents with a strong preference for the integrated suite approach shrank from 24% in 2018 to just 8% in 2019. This may indicate a growing openness to consider new solutions from the vast martech landscape as teams seek more granular expense management and pursue leaner budgeting approaches backed by harder demands for business justification. Many teams are also focusing more heavily on utilization of their existing technology portfolio, ensuring alignment to business needs and investing time in user adoption (see “How CMOs Should Use Martech Cost Optimization Techniques in Challenging Times”).
Amid the pressure for cost optimization to produce needed benefits, we extended Gartner’s digital performance benchmarking methodology to the marketing technology stack, assessing the relationship between over 2,000 products employed by over 500 brands, and their measured digital benchmarks. Our findings urgently underscore the imperative to improve the utilization of all of the technologies that brands possess in their ecosystem.

The highest-performing brands in Gartner’s Digital IQ (DIQ) Index use a plethora of technologies; rarely does that include only one single vendor. We found a number of important contrasts and drivers, three of which are detailed below: the prevalence of point solutions in Genius martech stacks, the resulting complexity of managing a vast martech portfolio, and the complementary technologies that Genius and Gifted brands use to overcome that complexity and realize business impact.

Use this analysis to evaluate the balance between large and small vendors in your marketing technology stack so that you can focus on enabling the capabilities you need.
Analysis

Key Driver 1: Complement integrated suite vendors with point solutions

Among our dataset of over 500 brands, Genius brands simply adopt more technology across their entire business. Genius brands average 64 deployed technologies, twice as many as Gifted brands (32) and nearly five times as many as Feeble brands (14). Yet a larger number of technology deployments is not a guarantee of performance.

Beyond the challenges associated with managing a wider martech stack, some capabilities adopted by leading brands may not fit a marketer’s business strategy at all. Consequently, marketers can learn more from how Genius brands manage their technology than the breadth of their martech stacks.

A common theme in Gartner inquiries about marketing technology strategy is the decision to pursue a best-of-breed or integrated suite approach to vendor selection. This question arises in the context of martech strategy, or selecting vendors that can help to execute that strategy. Many large marketing technology vendors have a wide breadth of offerings available to suit a multitude of marketing capabilities.

In Gartner’s 2019 Marketing Technology Survey, some of the largest vendors, which we refer to as “leading martech vendors” — collectively accounted for nearly one-quarter (23%) of all mentions. They are:

- Adobe
- Google
- IBM3
- Oracle
- Salesforce
- SAP

Genius brands do leverage technologies from these vendors, but point solutions account for nearly three-quarters of the technologies in their stacks. By comparison, less-savvy brands have a greater share of products from these larger martech vendors among their portfolios (see Figure 1).

As digital marketing strategies grow and mature, leading brands rely on a mix of products. This aligns to the findings of Gartner’s 2019 Marketing Technology Survey, which found integration to be among the top three challenges to marketing technology effectiveness. Further, while there are a number of technologies that are most widely deployed, our analysis suggests that acquiring all of the essential components of a martech stack from a single vendor is uncommon (see “The Components of an Effective Martech Stack”).
Figure 1: Genius Brands Are More Likely to Complement Integrated Suites With Point Solutions

- **Genius**: 75% Point Solutions, 7% Multitool Solutions, 18% Large and Integrated Solutions
- **Gifted**: 71% Point Solutions, 8% Multitool Solutions, 21% Large and Integrated Solutions
- **Average**: 69% Point Solutions, 9% Multitool Solutions, 23% Large and Integrated Solutions
- **Challenged**: 63% Point Solutions, 11% Multitool Solutions, 26% Large and Integrated Solutions
- **Feeble**: 62% Point Solutions, 11% Multitool Solutions, 26% Large and Integrated Solutions

*Source: Gartner*

Note: Total does not equal 100% due to rounding.

Gartner categorized the vendors of over 1,600 products in our dataset according to the number of products sold by the vendor. Point solutions are the single offering from the vendor. Multitool solutions are from vendors with two to three products, and large/integrated suite solutions are from vendors with four or more products.
Among DIQ brands, deployment of multiple products from a large martech vendor’s integrated suite is likely to be closer to two products, representing less than 5% of the average martech stack, as Genius brands average over 55 products. Outside a few vendors, it’s quite rare that brands adopt multiple products from the same vendor: Just 29% of brands have more than one product from a single vendor. Google has one of the highest rates of adoption of multiple products because so many brands use Google Analytics and one or more of Google’s other products such as Google Tag Manager or Google Marketing Platform, available for free (see Figure 2).

Figure 2: Genius Brands Rarely Adopt the Entire Integrated Suite From a Large Martech Vendor
Adobe has a somewhat similar story of multiproduct adoption driven by Adobe Analytics (the second most widely adopted web analytics tool among DIQ brands). This is frequently paired with Adobe’s DMP (Audience Manager), multichannel marketing hub (Adobe Campaign) or personalization engine (Adobe Target).

Other notable vendors in multiproduct adoption among DIQ brands include Salesforce, Apache and Mailchimp. Mailchimp as a vendor includes its freemium email service provider (ESP) as well as the legacy Mandrill transactional email platform. Apache similarly shows up because of the ubiquitous Apache Web server complemented with analytics such as Hive, Spark and other big data science as well as big data solutions from Apache.

**Contrast in performance between brands that share vendors underscores the role of utilization**

When the data shows pairs of brands that achieve differential outcomes even though they have similar vendors, the role of marketing strategy and technology utilization come into view. Anthropologie (Average) and Tommy Hilfiger (Genius) share vendors for web analytics, loyalty, tag management and video content. Eloquii (Average) and Nike (Genius) share vendors for multiple solutions as well, including email service providers (ESPs), demand-side platforms (DSPs) and tag management (see Figure 3). While there are certainly other factors at play, the contrast between Genius and Average brands is an example in practice of the correlation between utilization and effectiveness, which is observable in our Marketing Technology Survey data (see “Survey Analysis: Larger Marketing Technology Budgets Are No Guarantee of Success”).
Figure 3: Genius and Average Brands That Share Vendors Show That Martech Utilization Matters

<table>
<thead>
<tr>
<th>Genius Brands</th>
<th>Products in Commons</th>
<th>Average Brands</th>
</tr>
</thead>
</table>
| ![Nike](image) | • Email Service Provider  
• Demand-Side Platform  
• Tag Management | ![Eloquii](image)  
![Tommy Hilfiger](image)  
![Anthropologie](image) |
| ![Tommy Hilfiger](image) | • Web Analytics  
• Loyalty  
• Tag Management  
• Video Content | |

Source: Gartner
Key Driver 2: Genius brands deploy larger martech portfolios but confront martech complexity

Gartner’s marketing technology survey has repeatedly shown that there is no correlation between the size of marketing technology budgets and the effectiveness of the marketing technology stack. Gaining the benefits of marketing technology is more nuanced than simply making a purchase decision. Relevant factors before and after technology acquisition include appropriately collecting and documenting the use cases for marketing technology, and the successful deployment and adoption of marketing technology to impact company revenue.

Similar to our observations about marketing technology budgets, not every DIQ brand achieves its outcomes in a way that is explainable by the volume of marketing technology under management. Figure 4 is a plot of the number of products adopted by a brand on the x-axis and the brand’s DIQ score on the y-axis. Digital intelligence scores range from 0 to 180. To highlight the dynamics at play, we divided the plot into four quadrants:

- **Bottom left** — This quadrant represents the 52% of DIQ brands that have immature martech capabilities, meaning they have not yet invested in the technology and team abilities necessary to raise their below-average DIQ. These brands must make better use of the technology they have, as well as acquire new technology to produce advanced digital marketing outcomes.

- **Top left** — This quadrant contains the 11% of brands that are successful despite, as opposed to because of, their martech. With so few products, it’s not martech driving Genius brand performance. Some of the brands in this grouping might be able to improve their marketing impact through technology, but the same brands should be wary of overinvesting in technology in ways that do not improve ROI.

- **Bottom right** — The brands in this quadrant have sprawling stacks, and represent about 20% of brands in our analysis that have swelled in complexity yet failed to add sufficient ROI. With too many products, there may not be enough investment in talent training nor integration to realize the benefits of marketing technology adoption.

- **Top right** — The brands in this quadrant, comprising just 18% of brands, have performance that correlates with their stacks’ complexity. This is high risk, high reward, because having more technology isn’t by itself going to address what customers want or ensure that technology costs are appropriate to the budget. These are the brands to emulate, as they have technology that supports their digital marketing excellence.
Figure 4: Genius Brands Emphasize the Right Products

**Relationship between DIQ scores and product deployment**

Genius and gifted brands emphasize the right products

- **Genius**
- **Gifted**
- **Average**
- **Challenged**
- **Feeble**

Source: Gartner

n = 512 DIQ brands

Digital IQ Score

Product Adoption Score

(Weighted Count of Product Counts per Category)
**Key Driver 3: Complementary technologies help genius and gifted brands overcome complexity**

Several combinations of technology products adopted by high-performing brands demonstrate that Genius brands don’t just adopt technology. They fully understand it and extend it with complementary tools, and build capabilities that advance their maturity. This combination of tools and work processes is what we believe explains the outsized returns of brands with greater digital intelligence. Among the technologies with the largest differences in adoption between Genius/Gifted brands and the rest of the pack are analytics and business intelligence, data science, API and developer tools, mobile marketing platforms, email marketing, demand-side platforms, and social media.

Genius and Gifted brands adopt substantially more products that enable the management of complex advertising strategies (such as demand-side platforms and data management platforms) and pair those with the tools to synthesize large volumes of data into insights. As brands increasingly seek to use their first-party data in programmatic advertising, activation systems such as data management platforms (DMPs) often are not set up for analytics exploration and insight production (see Figure 5).
Figure 5: Where Do Genius Brands Invest?

**Genius vs. gifted and average**

- Multichannel marketing hub
- Mobile marketing platform
- Customer data platform
- Analytics and business intelligence
- Data science
- Data management platform
- Demand-side platform
- Personalization engine
- Content marketing platform
- Digital asset management

n = 359 Genius, Gifted and Average brands
Source: Gartner
No single technology product, save web analytics and digital marketing tag management, was adopted by 100% of Genius and Gifted brands. Instead, brands with high digital intelligence and complex martech stacks combine some of the core marketing technologies for analytics, data management, advertising, personalization and multichannel marketing.

**Frequently occurring combinations include:**

- **Data management platforms and data science tools** — As the programmatic advertising ecosystem has evolved, Genius brands rise above the challenge of utilizing complex ad-tech stacks through the use of big data and analytics solutions that can generate insights for segmentation, targeting and personalization. They can also navigate the increasingly higher walls of the walled gardens. Blending high-scale, granular but deidentified data requires high-capacity analytics solutions to combine with a brand’s CRM data to yield predictive insights about customer behavior and advertising effectiveness. With Genius and Gifted brands pursuing complex omnichannel strategies, higher performance comes from the translation of large volumes of data into actionable insight. It also comes from the deployment of these insights into personalization platforms and other tools that optimize commerce and marketing experiences for consumers.

- **Customer data platforms, multichannel marketing hubs and mobile marketing platforms** — Sophisticated customer marketing relies on data that is collected transparently, governed proactively and made available for activation in multiple channels. The complexity of online and offline digital commerce, and advanced email and mobile marketing strategies, often demands a combination of tools to enable data collection and management. It also demands granular orchestration capabilities to deliver relevant engagements to specific audiences.

- **Digital asset management and data management platforms** — In order to assemble and govern the content required to deliver in multiple channels, and to support sophisticated programmatic advertising, digital asset management solutions provide a repository that enables assets and content metadata to be available consistently across channels. Some brands may be supporting both B2B and B2C business models at the same time, which requires contextual refinements of content to support very different customer journeys.
• **Data management platforms and multiple demand-side platforms** — In order to activate marketing strategies that depend on advertising both within and outside the walled gardens such as Facebook, Amazon and Google, brands must carefully organize advertising audiences. They must also deploy tools to facilitate access to a diversity of publishers and advertising formats at scale. Some brands may be supporting indirect advertising strategies, such as a manufacturer of consumer electronics purchasing paid placement on category or product detail pages of online retailers.
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