Confessions of a CMO:

How tangible and intangible costs are shaping marketers’ current realities

No one likes wasting money. And especially in a time of economic uncertainty, every dollar counts. So why is it that marketing leaders keep spending money on tools and tech they suspect, or even secretly know, aren’t worth it?

To uncover some of these hidden marketing costs, technological deficiencies, pain points, and potential solutions, we conducted a survey that sourced fresh insights from over 300 U.S. marketing executives at companies with 100+ employees.

From seamless integrations to emerging tech, marketing leaders are rethinking spending in 2023.

Amid ongoing economic turmoil, technical investments are under the microscope. Inefficiency can cost a company time and money, with the impact felt across departments. Marketing leaders are being asked to do more with less, so evaluating what’s in their tech stack and how well it’s working is mission critical.

Marketing spend key findings

• 72% of marketing leaders acknowledge that their tech stacks don’t function as seamlessly as they should.

• Senior marketing executives cite practical challenges to making sound investment decisions, including: Choosing between too many options - 55%
Choosing between too many options - 55%
Staff abilities to implement and use solutions - 52%
Unable to integrate solutions together - 49%
Delays in workflows during implementation - 45%
Lack of data to report ROI - 44%
Implementation costs - 44%

- Staff abilities to implement and use solutions - 52%
- Solutions not being able to integrate with other - 49%
- Delays of workflow caused during implementation - 45%
- Lack of data to report ROI - 44%
- Implementation costs - 44%

- Whatever the obstacles, efficient content production is a top priority, with 53% planning to invest in content management systems this year.
- During times of uncertainty, companies often reach for best-of-breed solutions in an attempt to maximize tech spending. Unfortunately, 76% of marketing leaders find that these solutions do not easily integrate with other tools.

Despite a challenging economy, marketers are eager to invest in impactful technology. But they’ll need concrete metrics to guide their decision-making.

Hidden costs are holding marketers back.

How many of these apply to your company?
- You have data, but you don’t know what to do with it – or worse, your marketers still have to analyze it by hand.
- Your teams have so many different tools that they don’t know how to talk to each other about what’s going on.
- You have a bunch of tools that sort of do the same thing, but teams don’t want to give them up.
- You have a few tools and everybody’s using them, but no way of judging what’s working and what’s not.

If you relate to any of this, you’re not alone. Keep reading.

With certainty in short supply, all eyes are on measurable ROI.

While most marketers would agree they know what ROI means, defining and measuring it is a different story. The inefficient integration of tech solutions is a cost of operating too many marketers overlook.
ROI key findings

- One of the leading hidden costs that 47% of marketers reported is that their tools are not measurable for ROI.
- Bloated tech stacks leave marketing leaders with hefty price tags and limited confidence, with 76% doubting their tools will deliver the anticipated ROI.
- The fewer the tools, the higher the confidence in ROI: 57% of marketing leaders with 20+ tools strongly doubted they'd garner the expected ROI, compared to 9% of those with under 20 tools.
- The seeds of doubt are planted early in the investment process. 70% admit their organizations approve investments in new technology solutions for marketing without a defined ROI plan at least sometimes, very often, or all the time.

For the majority of marketers, guesswork is going out of style. Today's customer expectations demand tools that not only execute efficiently, but also inspire data-backed confidence at every turn.

The new tools in your martech stack are being left to rust.

Those with more tools in their marketing stack are more likely to suffer the consequences of inadequate integration and may be more susceptible to siloed processes that can curb potential.

Hidden costs key findings

- 53% of senior marketers lean on older technology solutions rather than investing in new tools because of the cost and time it would take to retrain staff.
- On average, senior marketers report that almost a quarter (23%) of their un-integrated technology results in unnecessary redundancy.
- What are the other main reasons your martech stack isn't up to date?
  - In 43% of companies it’s because leaders are too attached to the old solutions.
  - In 42% of companies it’s because the team is afraid to let go of a few specific functions.
  - In 39% of companies it’s because the rollout is disrupted and never resumed.
Having the right tools isn’t enough. To bring new ideas to life quickly, you’ve got to inspire an experimentation mindset in your leadership and your team.

If your tech stack is overloaded, your workers might be, too.

Bigger marketing stacks mean overreliance on IT. And when IT makes decisions that marketers should be in charge of, the ripple effects are felt across the company.

Marketing collaboration key findings

• A staggering 95% of those in companies with 20+ tools agreed: marketers are leaning too heavily on the IT team.
• Saddled with tools they don’t know how to use, 52% of marketing executives are very or extremely reliant on their IT team for day-to-day use of marketing tools.
• An overwhelming 85% of senior marketing execs said their IT team is left to make marketing decisions despite a lack of relevant experience.

Complicated, poorly integrated solutions drain more than the bank. They can drain productivity and morale.

In search of efficient creativity, marketers are jumping into generative AI.

Marketers have their eye on the future, and as conversations around AI continue to heat up, with 92% of senior marketing executives looking to adopt generative AI capabilities.

AI in marketing key findings

• More than 2 in 5 senior marketing executives (44%) report their company will adopt generative AI quickly, while 48% will adopt it later once bugs are worked out.
The most beneficial generative AI abilities according to senior marketers:

- Code generation (48%)
- Image generation (48%)
- Audio generation (48%)
- Automated conversations (44%)
- Text generation (41%)

Industry leaders largely agree that the generative AI boom calls for cautious experimentation. It’s time for a frank discussion of the tools needed to make that possible.

In conclusion

The vast majority of companies’ tech stacks are not working in sync, which limits opportunities to drive efficiency and promote growth. The easiest way to solve this is to enlist tools that provide actionable data and clear ROI.

For more information about how Optimizely can help marketing organizations uncover some of these hidden costs and create more efficient digital experiences, learn more about our suite of products.

Methodology: The Optimizely Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 300 U.S. Senior Marketing Executives, with a minimum seniority of Director, at companies with 100 or more employees, between May 16th and May 24th, 2023, using an email invitation and an online survey. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 5.7 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.