

Martech Is Eating Up CMOs' Budgets

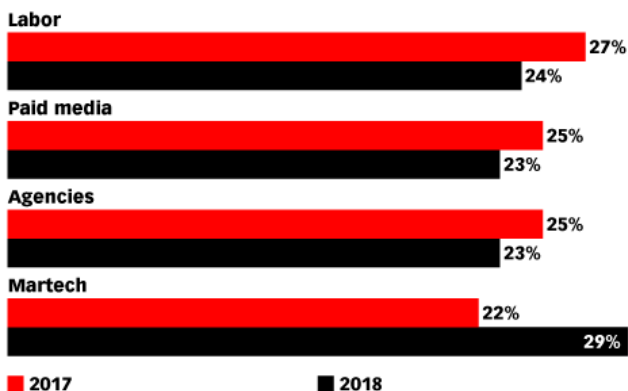
Article

As digital marketing becomes more automated, marketers have found themselves allocating more of their budgets to technology.

In an August 2018 study by **Gartner** of 621 marketing leaders in North America and the UK, respondents reported that, on average, they expect to spend 29% of their budget on marketing technology this year, up from 22% in 2017. This makes marketing tech the single biggest investment area for marketing resources, according to Gartner's researchers.

Marketing Budget Allocation According to Companies in North America and the UK, by Category, 2017 & 2018

% of total



Note: n=605; numbers may not add up to 100% due to rounding
 Source: Gartner, "CMO Spend Survey 2018-19" as cited in press release, Nov 5, 2018

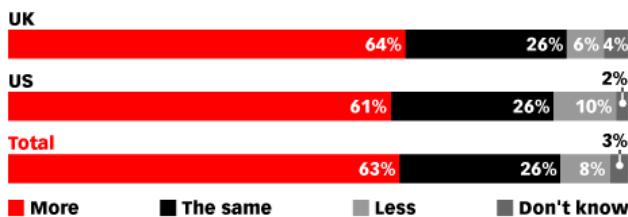
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Other research indicates that spend on marketing tech will likely continue growing.

Nearly two-thirds of the 500 UK and US marketing execs surveyed by **Wipro** and **Coleman Parkes Research** in April 2018 said they plan to **spend more on marketing technology** next year. Just 8% of respondents said they will decrease their investments in martech next year. On average, respondents in the survey spent \$682,000 on marketing technology.

Change in Marketing Technology Investment According to UK and US Marketing Executives, April 2018

% of respondents



Note: n=500; in the next year; numbers may not add up to 100% due to rounding
 Source: Wipro, "CMO Study" conducted by Coleman Parkes Research, May 29, 2018

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According to an April 2018 report by Forrester Research, US marketers will **increase their investment in marketing technology by 27%** over the next four years, spending more than \$122 billion on marketing tech by 2022. Similar to Gartner's figures, Forrester expects that marketing tech will account for 30% of total marketing spending in 2018. The subdivisions of

marketing tech that are likely to see the biggest growth in investment, according to Forrester, are data, ad tech and marketing automation.

Marketers ramping up martech investment are falling in line with other companies pouring money into tech projects.

In June, Deloitte and OnResearch surveyed 500 US executives from privately-held, mid-market companies and found that one-third of respondents **spend more than 5% of their annual revenues on technology**. Another 45% of respondents surveyed said they spend 1% to 5% of their revenues on tech. More than half of respondents—57%—said they're spending more on tech this year vs. last year.