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Amigo White Paper  
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# Why Clouds Don't Reign

An examination of the problems that enterprise-sized organisations face when using marketing technology from a single holistic provider

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## Why is there so much MarTech?

Despite their [success](#), marketing clouds such as those provided by [Adobe](#), [IBM](#), [Oracle](#) and [Salesforce](#), have not come to dominate the MarTech industry. In fact, there are more marketing technologies available today [than ever before](#).

The balkanisation of MarTech is best illustrated by [chiefmartec.com](#)'s notorious infographic.



The huge array of MarTech products has given rise to the idea of the [MarTech stack](#), where marketers compose a workflow out of “best of breed” technologies. Walker Sands’ [State of Marketing Technology](#) report focussed on this phenomenon in 2017 and found that only 21% of marketers stuck to a single-vendor suite.

Figure 1. Magic Quadrant for Multichannel Marketing Hubs



Source: Gartner (April 2018)

Gartner's Magic Quadrant

The [proposition](#) of a fully-integrated, end-to-end MarTech product is a powerful one. It is only made more appealing by the fact that marketers are increasingly frustrated with the impossible amount of choice. (50% of marketers answered “[too many technologies](#)” when asked for their top frustration with MarTech.)

Yet, rather than trend towards consolidation, the MarTech industry is trending towards ever greater plurality.

As the man behind the supergraphic Scott Brinker [explains](#), marketing technology has a long tail. General demand growth is allowing the industry

to [consolidate and diversify simultaneously](#). Brinker suggests that full-service suites are co-existing with rather than displacing the smaller technologies that are form custom stacks.

The present paper explains part of this unusual phenomenon. Marketing clouds are structurally ill-suited to marketing as a practice. The industry giants are delivering technology in a way that best ensures their margin but creates profound client-side inefficiencies.

[Major single-provider deals](#) streamline approval and procurement processes, thereby appealing to senior decision-makers. Mid-level marketers feel the costs further down the line, with their freedom to manoeuvre crippled and the possibility of innovation terminally so.

## Implementation delay

Marketing clouds delay projects with surprisingly long implementation times

How much of the traditional marketing discipline remains intact in the current era is unclear. The pace of technological innovation has therefore made it necessary for large enterprises and their agencies to try to become agile enough to react to structural trends as well as sudden events.

[Average CMO tenure is falling](#) and there is a general trend towards “short-termism.” Effectiveness across all UK marketing campaigns has fallen too, reflecting the dampening effect of industry uncertainty. In this environment, many organisations are suffering from having tied themselves in to long-term single-provider contracts.

## Waiting for Adobe

To get only a couple of basic features of a marketing cloud up and running generally takes [at least a few months](#) and it can be years before a business is using all the features it should be benefitting from.

Take Adobe Marketing Cloud, by all accounts the market leader since its inception, and [Campaign](#), a part of [the overall service](#). Its implementation process begins with the hosting of a “discovery workshop” and proceeds through a huge amount of work being done with the client’s tech team including assessment, installation, and preliminary testing.

In Adobe's [case study](#) of UBS's implementation of the marketing cloud, we learn that "the first project involved moving all 50,000 pages in multiple languages to Experience Manager. The intranet came next and was completed a few years later."

The problem is not just Adobe's. Take Oracle Eloqua, a key part of the Oracle Marketing Cloud offering, which despite the dedicated Oracle implementation team, has a notoriously [slow implementation process](#). [Salesforce Marketing Cloud](#) too can take an age to set up, exacerbated by its intent to cross over into so many different departments.

## Not so little fluffy clouds

While implementation delays can be a feature of any new technology (the MarTech Industry Council [found](#) that half of marketers had experienced difficulty integrating technologies) the problem is particularly acute for the clouds.

Marketing Clouds sell themselves on their dizzying range of features. While this is impressive in the sales process, each additional feature exponentially complicates the interaction with a business's existing data infrastructure, technology, and development team.

Add to this that the marketing clouds are not particularly flexible in these interactions, they attempt to "[flatten Manhattan](#)," and you begin to see how marketing cloud implementation processes become interminable.

Senior marketers find their jobs taken over by transitioning everything they oversee to the new platform, while mid-level and junior marketers remain frustrated that they cannot act upon their initiatives. Marketing is left waiting on technology.

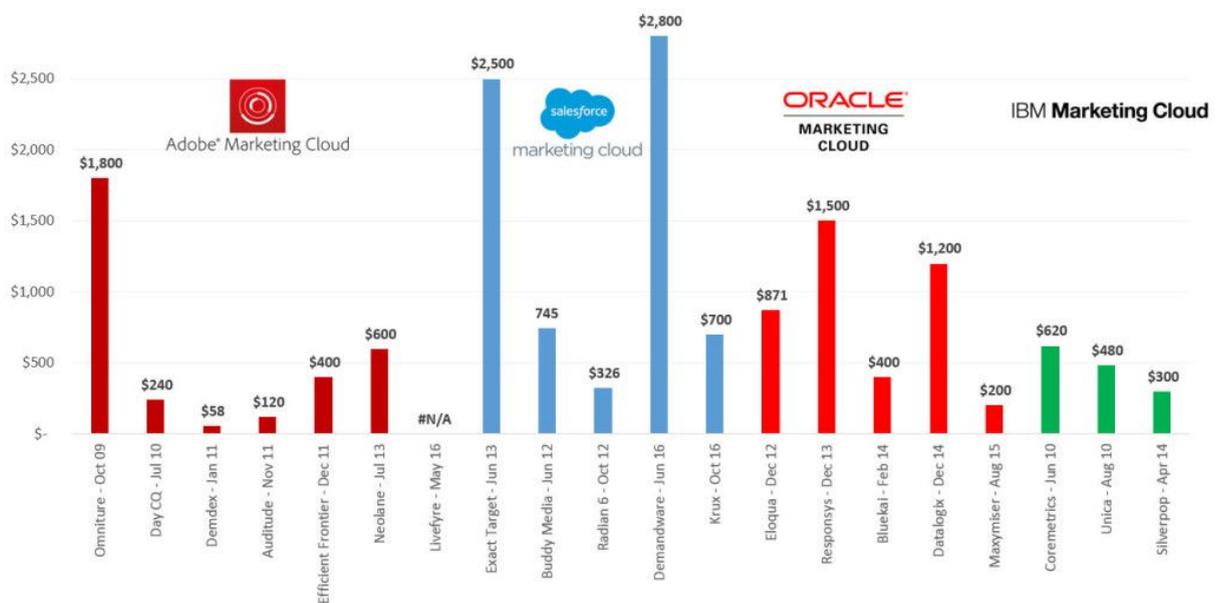
## Heavy weather

Marketing clouds are vast, composite entities, forced to trade away agility for power. Most client organisations therefore resign themselves to delay mitigation. Others hire dedicated [consultants](#).

As the problem is one of design rather than circumstance, marketers and agencies end up looking for other ways to get stuff done, creating opportunities for smaller, more narrowly-focused MarTech offerings.

## Innovation through acquisition

Here's how marketing clouds innovate:



### Technology for Marketing

While tech giants scramble to organise acquisitions into a coherent product, great new ideas are blooming outside their [walled gardens](#).

### The shock of the new

The MarTech industry has settled into a position where it can sustain a massive and growing diversity of products. As Shasta Ventures's Doug Pepper puts it, [MarTech doesn't look like a bubble](#) because "funding is holding steady between \$500 million and \$1 billion over roughly the last 10 years. And there is solid growth and innovation happening widely."

According to Brinker, the "phenomenal rate" of growth and change is "one of the contributing factors to why best-of-breed stacks are winning out in popularity over the suites." [Walker Sands](#) found that only 10% of marketers believed they didn't need new martech tools.

A [CMO Council report](#) found, that over 5 years, 42% of marketers installed more than 10 different marketing technologies while 44% spent more than a quarter of their marketing budgets to replace existing technology.

The preferences and expectations of marketers are developing as quickly as new technologies are emerging. Established marketing clouds are inevitably left lagging.

## Innovation lag

The innovation lag is why marketing clouds acquire other technologies so frequently. Examples include: [Salesforce and Krux](#), [Oracle and Moat](#), and [Adobe and Livefyre](#). (It should be noted that this practice of [innovation through acquisition](#) mirrors that of other tech industries.)

However, even when a marketing cloud provider gets around to purchasing a smaller competitor, they experience another delay in integrating the new product with their overall service. In fact, the major marketing clouds generally exist in a permanent state of ongoing integration and require [custom mappings on a customer-by-customer basis](#).

One of the major reasons that the clouds haven't pushed out the smaller vendors is that the former cannot match the latter for innovation. Clouds don't reign because of the necessary limits imposed by their size, their recognition of these limits, and their tendency to settle into a sustainable process of innovation through acquisition.

## Getting stuff done

Consider the marketer's view of MarTech. After all, the effectiveness of any technology depends on its users.

For a start, marketers don't want to have to work in IT and already over-stretched IT departments don't want to have to work in marketing. Efficient technology has to be easy to learn and easy to use. Otherwise, it will fatally slow down the workflow of already busy people.

Marketers don't want to waste time learning new technologies. They want to [deliver new campaigns](#). 80% of marketers said that learning to use new tech

was one of their least preferred tasks. 77% said that delivering new campaigns was one of their most preferred.

When you consider that marketers already lose roughly [two hours per day](#) dealing with IT performance issues, you can imagine how unappealing a prospect it might be to get to grips with a new technology.

## Consider the user

The clouds' proposition is that the marketer will never have to leave a single suite of services, whatever they want to get done. [Adobe](#) for example claims to provide “end-to-end digital marketing” that covers “everything you need.”

For argument's sake, let us take Adobe at their word and entertain the idea that they do provide all of what a marketer needs. The obvious problem is that an overwhelming majority of marketers will already have a lot of what they need in place.

Where then is the incentive for a marketer to convert their entire work process to a marketing cloud if it's going to involve a lengthy process of adopting new technologies that at best merely duplicate what they already have?

Massive amounts of development resource will be required to integrate the new technologies with what is already in use, further exacerbating those implementation times and inefficiencies.

The practice of building “best of breed” stacks persists because marketers develop their work processes over time, adding and subtracting technologies as they become more and less useful. This way they can adopt new tools in a way that doesn't require a total rupture in their workflow.

## What does great marketing technology look like?

The marketing clouds have set themselves a Sisyphean task. By claiming to be a one-stop shop for marketers, they must provide everything they need, forever. This is made impossible by the unpredictability and [pace of change](#) of marketing itself.

The MarTech offerings of Adobe, Oracle, Salesforce and so on have ended up somewhere between a consolidated service and a disparate collection of specific technologies. To some degree, our conclusions support the view of Wunderman CTO Stephan Pretorius; [marketing clouds are a myth](#).

## It's not what you do

There are so many MarTech products because the clouds cannot do everything that marketers need. This begs the question, just what is it that marketers need?

The relationship between marketing and technology has become a strange one. On the one hand, marketers genuinely seem to need things that the clouds cannot provide and on the other, technologists seem all too ready to furnish marketers with things they probably do not need.

The answer involves splitting these things into two categories. The first category comprises the features that marketers need in their technology, such as the ability to send personalised messages to customers, the ability to insert content at key points in the user journey, or the ability to manage customer relationships on social media. In other words, *what* the technology does.

The second category comprises the ways in which these features are delivered, such as the way that an email campaign is implemented, the way that customer data is organised, or the way that alterations are made to the customer experience of a website. In other words, *how* the technology does it. Here, marketers have a set of needs that prize speed of delivery, ease of use, and cost-efficiency, as opposed to simple breadth of capability.

What we have found is that the marketing clouds offer an overabundance of the first at the expense of a massive deficit in the second. They can do an impressive range of things, but they do them incredibly slowly, with great difficulty, and at great cost.

The problem with this is that while many of the things in the first category are nice to have, all of the things in the second are essential.

## Better is simple

Marketers do not want to be technologists. They do not want technology to tell them what to do and they do not want their every decision to be dominated by technology timelines and costs. In fact, they simply want technology to get out of the way.

Amigo believes that the goal of marketing technology should be to support marketers to do the things they want to do. That does not necessarily preclude the things that they did not know they wanted to do until they could. It does preclude telling marketers what they want, pushing them to make unnecessary changes to the way they work, or trying to disrupt them for disruption's sake.

This means that we value the technology we create not on how many hundreds of features it offers marketers to choose from, but on how quickly, easily, and cost-efficiently it can deliver specifically the features that marketers ask for. We want to enable marketers to optimise customer journeys across every touchpoint without considering technology at all.

So, what does great technology look like? It doesn't.

