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## The New MarTech Landscape: An Interview with Frans Riemersma, Founder, Martech Tribe

### Frans Riemersma:

Frans Riemersma is the Founder of the marketing technology consultancy Martech Tribe, author of “A Small Book on Customer Technology”, and the co-producer of the “State of Martech Report”.



The story of marketing automation over the past three decades or so has largely been one of rapid adaptation to technological change.

With each defining era of technology – whether it was the launch of the Web and email in the early 1990s, the mass adoption of smartphones and social media platforms through the mid-2000s, or the transition to cloud computing and software-as-a service in the 2010s - new MarTech solutions always emerged to make it easier for brands to connect with people across channels. As channels multiplied, so did the need for more and more specialized apps.

Today the industry is facing a new era of technological change unlike anything that has come before it. Ever since ChatGPT was unveiled in 2022, the pace of innovation has been frantic. Almost overnight it seemed generative AI was being embedded into every software platform and tool. All of the established MarTech providers rushed to make AI a standard feature of their platforms. And lately a swarm of AI-native startups have jumped aboard, changing the contours of the MarTech landscape.

Today all parts of the marketing value chain – from ideation to design to content creation to channel activation to measurement – is being transformed. And no sooner have marketers begun to wrap their heads around this first ferocious wave of AI-led innovation when along comes an even more disruptive force: agentic AI which will upend how marketers actually go about their work.

We’ve certainly come a long way from just over a decade or so ago when email software applications (like ExactTarget or Eloqua) and programmatic ad platforms (like The Trade Desk) were the go-to MarTech tools of performance marketers. Back then marketers felt proud of themselves just for pulling off a multi-channel campaign, incorporating email, social media, and maybe mobile messaging.

With the shift in marketing strategy from flooding inboxes with promotional email to anywhere-anytime personalized engagement, the “marchitecture” has kept expanding to accommodate new forms of connectivity. MarTech stacks have grown to become a motley assortment of “best-of-breed” point solutions, all with their own databases, using APIs to shuttle data back and forth. Even the bundled marketing automation and CRM suites still struggle to fully integrate their closed systems with external apps, forcing marketers to use middleware (like Zapier) to automate their workflows. In fact, the number one problem facing the marketing operations group in charge of the infrastructure is integration. Too many data siloes, too many apps, too many interfaces, too many overlapping and conflicting workflow rules – too many chances for something to go wrong.

Today the entire constellation of MarTech solutions across all categories has swollen to more than 15 thousand vendors (up from a paltry 150 in 2011), according to the latest “State of MarTech” report, produced by industry thought leaders Scott Brinker and Frans

Riemersma. Much of the past year's growth in this ever expanding universe is attributable to the AI-centric start-ups.

As Scott and Frans say, the market is "insanely crowded". And it is likely to keep growing, maybe at an even faster pace, as businesses ramp up their spending on marketing automation from 20% of the marketing budget today to 31% over the next five years. But the MarTech stack of the past – a bunch of niche applications loosely bolted to a central marketing automation or CRM platform - will slowly give way to a more "composable" ecosystem of interoperable software components, orchestrated on the back end through AI agents. Hard to say what that architecture might look like exactly, other than a unified customer data layer at the center, but certainly it promises to be more streamlined, efficient and less siloed than now.

Frans Riemersma figures that ownership of this complex MarTech ecosystem might eventually be transferred from marketing ops to IT because the entire infrastructure will be deemed too important to be left in the hands of marketers due to security and compliance risks. Marketing's job at that point? Spend more time thinking about the customer experience and less about getting the next campaign out the door.

I began by asking the Dutch native Frans the origin story behind his tech consultancy Martech Tribe.

SS

**Stephen Shaw (SS):** What does MarTech Tribe do? And just give me the origin story around the company.

FR

**Frans Riemersma (FR):** I have a background in marketing operations and related software like marketing resource management platforms, DONE Pin<sup>1</sup>, those kind of tools. Wrote a book about it 2009 and I thought I would like to broaden my horizon because I was VP R&D for a German MarTech vendor. They are now called Uptempo<sup>2</sup> and they acquired Allocadia, Hive 9<sup>3</sup>. And they basically looked into this marketing ops, resource management area. And I wanted to broaden my horizon and think, okay, what is MarTech? What is in there? Of course there's CRM, there is upcoming back then, CDP, marketing automation, social media, data analytics, all that stuff.

So what I did, of course looking at the logo landscape<sup>4</sup> of Scott Brinker and just started clicking logos because there was no formal education, nowhere to be found, still very hard to find, even at universities and stuff. So how to deal with technology, that was the big question. Not for me, I

think, but for everyone. So I clicked some logos and soon enough I learned two things. One, by clicking logos, it's a very good education. You get an expert pretty quickly. And an expert is not a know it all, an expert is somebody who has a clue like, okay, I know in which direction to search. The other thing is I learned there are not a lot of European vendors on the map.

So together with friends and family here in Europe, I started collecting stuff. I happen to speak Spanish. I'm from a region in the Netherlands that's more related to Scandinavian languages, so I could find my way around. But although those websites were often in English as well. So before we knew, I think in 2, 3 years time we added like 2-3,000 tools to the landscape. Just from Europe. Yeah, there was a lot of enthusiasm from people over here, a lot of innovation.

So I shipped them over in an Excel sheet to Scott over a LinkedIn direct message and that was our contact we had so far, until this company from Germany said after I left the company, can you guys together do a podcast? And we did for a year long, every month, podcasts. And then at the end we said, hey, he asked me how do you do stuff? And I started to explain how I set up the structure and all my data warehouse and stuff. He said maybe we could do this together. So that's how I ended up in MarTech more and more.

SS

But the company itself, the idea of offering consulting services, did you see a gap in the market that suggested there was a need there?

FR

Yes. So in the MRM space and DAM space I've been doing a lot of software selections but I saw it shifting to benchmarks. So basically like do I have all the tools, not just one tool selection, but just all the tools and do they work well together? And if you look at other companies in our industry, what do they do? What do outperformers? That was for me a trigger to start collecting on top of those tools, also stacks, so set of tools.

And I've been implementing also a lot of software and I, I always felt like I don't know if a stack is a set of tools or maybe a set of buttons which happen to sit in different tools because you never really use an entire tool. I mean it's just like playing the piano, you don't hit all the keys all the time. That doesn't sound right, literally. So, you are looking for those buttons that really make a difference to the customer,

but also for your own user groups. And that is the third database I started to collect which was all about RFIs, RFPs. I had at some moment, I have a vast body of requirements, over a thousand. I started scraping. Of course you drink your own champagne in MarTech. So we scraped a lot, we machine learned a lot and that gave big, big insights into, okay, what are specific industries using in terms of tools and capabilities and what type of tactics are they achieving? You know, your company's called Customer First, that's what it's all about. So what are they trying to achieve? (10.08)

SS

We went through, I work for a company called Kenna, which is really the sponsor of Customer First Thinking. And we went through a full RFP a number of years ago for an automation tool. And it was mind bending. I mean the, just the sake of, there was Salesforce involved, Adobe was involved, you know, all the major vendors were involved, pitching us and it was mind bending, just trying to understand the differences, the nuances between the platforms, what they were strong at, what they weren't strong at. You could really see where there's a need for a third party to come in and help adjudicate the whole process, because it is so complex.

FR

Yes, indeed. And it is well, often that I'm asked to come in when a CMO or a CTO ask me the very same question, can you help me understand the other person? But the one we really should understand is the customer. And I happen to teach for universities, business universities and business schools where with real life company data, we are constructing business cases and reverse engineer from there, back into processes, strategies and technology. And there I learned a very important lesson that it is not so much about having the best tool. You have to know how to operate it.

So technology is as advanced as the product person operating it. I was last week in Milan for a customer data platform day organized by the CDP Institute and a company called BitBank<sup>5</sup>. And I basically said, guys, we are so focused on technology. It's like, we're only focused on the car, but we forget about the driver, let alone the destination. And that's what I learned at the business school, the universities. If you look at the destination and reverse engineer, then suddenly you can do a lot less, or you don't need all the features and all the data points and all the integrations.

And that is, I think, a very daunting, scary exercise because

what if I get it wrong? What if I forget that one feature? And then, but that is all based on the wrong analysis, which we see a lot in the hype cycle, wrong analysis of, we need everything. You don't need everything. And you're not so unique. Sorry to bring it to most of the people, but you're not that unique and your brand is not that unique. Not so unique that you need a tool that does everything. You don't need that Ferrari, by the way. I love them, love to have one, but that doesn't mean I need one.

SS

Right. And I imagine too it's a matter of getting the training wheels and gradually progress to greater degrees of sophistication. But just to go back to your point about the CMO, the ask then would typically be, help me understand what's the best stack to build? Or is it increasingly - because they presumably have tools now already - is how do I optimize what I've got? Because I got a frankenstack here and I really don't need to the point you were just making, all of these tools. So is it now an optimization exercise that often you're sort of brought in to evaluate?

FR

Yes, yes, yes. It's a very interesting question because, what I see, we can't escape but to work together and I'm talking about marketing, marketing ops and IT, and they all seem to have a different view on MarTech. What the three of them don't understand that, not one is right and not one is wrong. The customer doesn't care. So IT says it needs to scale and perform. Leave it, don't touch it. You know, we've got our stuff in order and they're absolutely right. But that is like, you know, we have a truck and it's working. What marketing needs, you know, maybe is a motorbike because they need to experiment, they need to figure out. So both have wheels, both is software but they're using it in a completely different way.

So IT is really, and this is something you see especially when they are reporting to CFOs, they're focusing on exploitation, current revenue, you know, make sure, don't touch it, make sure it works. And they're absolutely right. But marketing is there for future revenue and future revenue is all about experimentation. We don't know. We fail fast, we try a lot of stuff. You can call it point solutions, shadow IT. Sorry, in 30 years you as IT, haven't been able to get rid of it because you're not able to provide us with the agility and the flexibility we need to not only get those new leads in but make sure that we find traction with a new business proposition. So we are all about future revenue. (15.09)

SS

We're going to come back to this question of the collaboration, I should say between IT and marketing. And there's lots of history there, I've been personally part of that for 30 or 40 years. But let me just ask today, what a typical, and I know that's a tough question because it depends on industry, B2B versus B2C etc, what today a typical marketing stack looks like? How many moving parts are there? What are the main parts of the engine? To go back to your vehicle analogies. What's at the center of the stack? Is it a CRM system? Is it the marketing automation platform? Is it an engagement platform? Talk about confusion. Or the CDP, these days. So what do you typically see that most companies, meaning medium to large size companies, what have they implemented at this point?

FR

Very good question. I actually can answer it with one word. If we hyphenate it, solar systems. So that is how stacks behave, solar systems. And yes indeed there is a center platform. We found a center platform defined as, more than 50% of the tools are integrated with that tool. And it's different, especially between B2B and B2C. And we see in B2B it's mainly CRM and marketing automation/engagement platforms as opposed to B2C where it's more cloud, data warehouse and CDPs.

And the reason we found is very simple, well we think it's simple. In B2B you work with buying committees so you have a few persons you need to know a lot about. So that's why you need a CRM or a marketing automation tool. Whereas with B2C, you know, if somebody buys, sells toys and somebody buys, you don't need to know a lot about them, you need to know a bit about a lot of people. And that's why cloud data warehouse and the CDP is very important.

SS

Well, I just say data obviously being central to the whole equation. And that's where we also get into conversations around the cloud warehouse, composable CDPs. All of that is going on as well now, changing really, the playing field. Because in the past a lot of these applications that we're talking about stored their own data. So you had these disconnected islands of data. So are you seeing this trend now toward, and this is back to the IT question, really, these applications are linking directly into the cloud data warehouse to, as the single source of truth.

FR

Yes. So that's what we see, that's the short answer. And what we see in general is that anything that solidifies, you

know, has been solidified by marketing, tried, tested and solidified, we move into the stack. So it shifts ownership from marketing to IT. Now CDPs typically have been owned by marketing almost to make a point to IT, we need customer data. And if you don't store it, we'll make a copy of it, you know?

Now in our recent report that Scott Brinker and myself published, a week ago, we saw that CDPs are becoming less of a center of the stack. Much less. It was especially in B2C, it was number one and that was number four. So we asked ourselves what's happening? And also we had conversation with David Raab<sup>6</sup> and he was on the money when he said, Listen, CDPs are not going away, but their functions are being redistributed. So to your point, yes, cloud data warehouse becomes more and more important as customer data becomes centric to companies and company assets, so to speak.

But the functions upstream, so customer engagement and those kind of roles, that's where you see a lot more CDP functions emerge. And think about composable CDPs, think about high touch growth loop. Those kind of companies, you know, they plug into the cloud data warehouse directly and take it from there. So that is the shift you see happening also with the recent acquisitions of Lytics and Particle<sup>7</sup> and what have you. You see that that's underlining this shift.

SS

How many components today do you see, as part of marketing stack? I think I read at one point, this is a few years ago, that there were minimum of 17 different applications running off a marketing stack. What do you typically see? How, how many applications are having to work together somehow, the buttons as you put it.

FR

Yes. So in company stacks they're easily a couple of hundred. So that's not only in marketing. In my stack data warehouse we see on average between 30-40 but that's the tip of the iceberg. So when we go into a deep dive and a benchmark with clients we often see that it doubles, that is redundancy. Sometimes, sometimes not. Sometimes you need to have two systems that do the same thing. One for IT to make sure you exploit the current revenue but sometimes for marketing to experiment with new revenue and then once you found the new revenue migrate to the existing stack. So there, I see no governance, there's nobody owning that and making sure that duplications are removed, the

undesired one because there are desired ones, we found that 82% of people owning a stack, managing a stack on purpose duplicate features for this reason so that they can find, you know, a good problem market fit or product market before moving it over to the central stack and IT. (21.13)

SS

What do you see as, when you're doing an assessment of a company's marketing stack, what kinds of things are you looking for specifically to optimize? So I think of a really common one in the days of the swiss army knife all in one marketing suites was a lack of utilization. So underutilization, lack of integration clearly can be a problem. Just the mere complexity of what's there - redundancies. As you were just talking about what are the typically the things that you see are problematic when a company is trying to manage that stack.

FR

It depends on the three buying centers that approach me being marketing, marketing ops, and IT. IT wants something scalable and secure and performant. So that is more on even the non-functional areas so to speak, whereas marketing is more looking for MarTech like hey but maybe this sparks a new avenue of revenue stream, a new idea, so they're always on the lookout for new technology, i.e. influencers or loyalty or attribution or what have you.

Marketing ops is in the middle normally the smallest team and they are looking to optimize the center platforms, just making sure, you know, the nuts and bolts are working and we can at least deliver the minimum required automation flows and support the new tactics and campaigns. So that is what I mainly see. They really have different requirements depending on their roles and responsibilities.

SS

But that's in evaluating, choosing, selecting, putting a whole set of Lego blocks together. But just in terms of managing it day to day, is utilization an issue? Do most of these stacks simply go underutilized? Therefore the frankenstack really could be minimized or reduced or the redundancy is eliminated. Is that a common issue that you see?

FR

Yes, I'm pausing a bit because the word utilization is not, I frankly don't understand it. I don't know what it means. I read about it a lot, so no problem there. But I have been in touch with a couple of clients that said we try to measure utilization. We stopped, because it is focusing on, am I like, in a car, am I driving the car well enough? Who cares? Where are you going? So if you reverse engineer and look at

where you're going and I know utilization, under utilization is, you know, used a lot. Yeah, maybe it's a confession, but I don't know what it means. So I can only see that if you reverse engineer from the customer back into your system. And this is where it goes. Very often the core customer journeys, like replacing your credit card, updating your subscription, is not even well designed or in place. And there a lot of resources you know, are drawn to, especially in IT, which is a question mark. Why, why don't we have our basics in place? And why do we focus so much on generating new leads while the current customers have a suboptimal experience? So it's totally not answering your question, but I see the focus is still very much on the car and I call that technology first.

Actually I want to shift that focus to the driver. What are you using? Because I need to upgrade your skills and that is marketing first, not IT first or technology first. But ultimately I want to go to customer first and your destination. And this is what I see at the universities. Once you do this correctly, you find three, very simple things. Because normally we talk about best of suite, best of breed, but you will find best of feature, best of data and best of content. And those are the three building blocks for your customer journey. That renews your credit card, that updates your subscription. So I see a lot of atomization. So I'm totally not answering your question, but ... (20.37)

SS

No, you are totally. In fact, it's a really good answer. And I like this idea of atomization because what you're suggesting here is that you can have a platform that's linked out to other applications through APIs or whatever that actually perform the function. And so you can have, go back to your solar system, as many planets revolving around that sun as possible as long, as you say, they're making the customer experience better. And that at the end of the day is key. But that raises an interesting question because the challenge is how do you organize around marketing operations. You've mentioned marketing, marketing ops, IT, again, what do you see as a best practice here? Maybe that's a better way of asking it. In terms of how you manage the stack, who should be managing it? Is that a cross functional team? Typically are you seeing mainly just the marketing ops folks, the plumbers working on it, therefore somewhat disconnected from the actual marketing objectives and goals. What do you see today and what should the optimal organizational structure be?

FR

The optimal ones and those are rare but those are the ones I see outperforming are cross functional teams indeed. IT marketing ops and marketing understanding each other, knowing when IT prevails and when not and when marketing and if you have that imbalance. So I've seen a company in Switzerland where they have made the CMO heading up customer support, sales and marketing and then talk, and that was a MarTech gentleman, so this person had a MarTech background and he was even confused when they had head-hunted him and he said you're asking for a CMO. I'm not a CMO, I'm a MarTech guy. Exactly, they said, that's what we need. We need a MarTech guy who can head up sales, marketing and support.

And then you integrate a lot of those, you know, differences in agendas and you overcome them and then start looking from the outside in, from the customer first. And I think that is the most important change. So create a cross functional team. There was another company I supported in Belgium, a global financial player and they basically admitted we have Customer Success and CX teams and we have IT. One gentleman was saying well every two weeks I have a kind of stand up with some of the other guys from the other side. Make that an official role, you know, make sure that you have the mandate, you have the budget, and I don't mind if you call it marketing ops or I do think, but this is absolutely not maybe a mainstream opinion, but I think marketing ops is best equipped to bridge that gap because they are tech and business savvy, marketers are business savvy, IT is tech savvy and they bridge the gap.

And I really like what Scott Vaughan, former CMO from Integrate<sup>8</sup> said. He said the marketing or marketing ops done in a good way, basically is telling the customer story at the boardroom table. And that is exactly the outside in. And he managed to do that as well. So another outperformer. So if you do that suddenly, and this sounds almost unbelievable, literally, marketing and IT becomes extremely simple.

Coming back to utilization, suddenly you see what you don't need. And mind you, the Belgian company, they had a license agreement with a huge vendor, global vendor, a suite they sold. They had bought their sales module. And they learned through this exercise, actually they needed a service agreement and then certain features. The vendor was scared that they would lose, you know, the license fee, but actually they could top it up because these, you know, features were

so business critical that they could even charge more. And the client was happier because they really needed those features. They didn't need all those onboarding and all those other features. It was just slowing them down. It was too much. So underutilization was a good thing there. (30.00)

SS

So you mentioned the magic word budget. Typically I've seen figures around 20% of marketing budget being spent on the technology side, I've heard, or I've read where companies are now thinking of spending up to 40% of their budget on MarTech. What are you seeing and who controls the purse strings there? Does it come straight right out of the marketing budget or are there other pools of money that are dipped into in order to afford the fees or the SaaS fees that companies are obliged to pay these days?

FR

Yeah, this is a very good question. I'm a big fan of follow the money, you know, because then you know who's calling the shots. And I read in research that the budgets are coming down slowly. So it's from 29% to 21% or 25%, I don't know. So it is coming down a little bit. But that's within marketing. There's probably also budget in IT. And there you have it. You know, if two have different budgets, what are we doing? And interestingly enough, that's not a bad thing per se. But it has grown organically for a good reason. One is protecting revenue, the other one is creating new revenue. So the dynamics are different. So you see with the budgets that is managed in that way and with MarTech, yeah, normally what I see, it's coming down slowly. I don't know if that's necessarily a good or a bad thing. Maybe they are better equipped, they know better what they need. Not sure what the reason is for that.

SS

But you're suggesting that 20% sounds about right in the allocation within typical marketing budgets. And if, wherever I read the source for the 40%, there's going to be an explosion of cash in this industry over the next little while, which is probably a good thing for you. Let's talk about the MarTech business generally. And then we're going to get into the MarTech report, which I've read - some really fascinating observations in that report, as always - but let's just take a step back for a second, and one of the comments that you made, I don't know if it's in the report or one of your blogs, is that MarTech has reached a tipping point. So what do you mean by that or why do you think that's the case?

FR

What I see is that AI is changing the game. And AI is not just a new type of software with LLMs, it's an infrastructure. And just to explain it very simply - for me, at least that's what I see - software helps humans to execute a task. We're the plumbers, like you just said. AI executes the task for humans on behalf of us. So that is a game changer. And now suddenly we are no longer plumbers, we are maybe choreographers. And that is, for me, a tipping point. Also, if you look at AI workflows or even better AI agents, for me that is the climax of atomization, because now you don't have to think about a tool or certain features. You just work with an AI agent to complete a certain task. Lead scoring, for instance, lead generation, qualification, there you go. So, and then it's agnostic to a tool. And you see some people call it micro SaaS. If you look on YouTube, all those people that are posting there on, you can start a business in, you know, three days, which is actually true. And interestingly enough for me, I always make the translation to business, so to corporates. If they can do it, then your employees can do it too, right? They can come up with a brilliant idea too. Yeah. That's why I think it's a tipping point. The dynamics are going to change and it's atomization at its finest, if that makes sense.

SS

It's a massive paradigm shift. The other, well, and I think maybe this is asking the same question a different way, which is another term, that you and Scott both talk about, is it that we're in this transitional state. So this world of AI that's rapidly evolving in front of us, but meanwhile we've got this existing legacy infrastructure. It's hard to call it legacy when a lot of it, the paint is still wet, but nonetheless, there's this massive movement now that's got to be made. Everything gets disrupted. It seems to me - it's not just flipping a switch here, right? (34.43)

FR

Yeah, 100%. For me, it feels like AI is, generative AI, specifically AI was there already, machine learning, I used it for the last decade. But generative AI with LLMs, large language models, are unearthing something new which is, in my mind, language, content. So far we haven't done a lot with content yet. And I know companies that are deep in content intelligence, but that has been, not based on large language models. And I think we can now deep dive a lot more into intent. I call it intent.

So for me, everything that happened so far with the data layer is extremely intelligent, but it's looking at the context.

With generative AI, now suddenly we can put words and meaning and sentiment to that in a way never done before. So in my mind, it's almost like AI or generative AI switched on sound in silent movies. So we're looking at silent movies and black and white, maybe even. And now it's colour and sound. It's like, huh, that is what you've been saying. Okay, I get it. And even, I mean, everybody's using ChatGPT or something similar. Sometimes you get answer and you go like, huh, I didn't know. I was actually trying to say that. And it's spot on. And that's underutilized yet. So we're still, you know, in a very early age of AI and machine learning. Sorry, not machine learning, generative AI. Yeah. And I think we have to get our head around. And this is also the movement towards customer first, rather than technology or marketing first.

SS

Totally. And we're going to come back to the subject because you deal with it quite a bit in the MarTech report, and you yourself have written some pretty interesting blogs on this subject. Let's talk about the MarTech report, that you and Scott, delivered last week. There are 15,384 solutions in the market. Where did it start? 150 back, 14 years ago. So just thinking back, I mean, just even five years ago, what are some of the changes that have occurred that are driving this exponential market growth? I think it's up 30% over the previous year. What are the growth drivers here that account for this, you know, massive universe? Go back to your solar-system analogy, this massive universe of products. What's driving all of this?

FR

Of course, human creativity combined with software costs coming down and with AI, even more. That's the short answer. So, and human creativity, often we see people or we hear people say so many tools that can't be good, you know, there has to be consolidation. Only quality will survive. But looking at our report, we look at G2 ratings<sup>9</sup>. A lot of the tools that even when went out of business, 1,200 in the last year, had a rating of 4 or even 4.5, you know, out of 5. So quality, it's, we're driving quality, human creativity and the sovereign cost coming down. And I think, I know, I understand it scares people. I, it scares me too because I'm not trying to put as many logos and I'm not making up logos. It's what we find, it's what we see and it, for us it's a pool of data that we can learn from. But yeah, this is apparently a way for the market to experiment, to improve, to outperform each other and deliver the best, you know, product possible

to marketing people. And I think that that is a good thing if you think about it. I don't know if it's a fair analogy, but if you look at restaurants, I live in Amsterdam. We have a lot of restaurants here. Yeah, secret is there's no Dutch Kitchen. So we rely on other people's kitchens and we have a lot of those, you know, and you remember we traveled the seven cities a lot. So that's, that's a culture we, nobody complains, there are too many restaurants, the quality comes down. Can we reduce it? Can we just have McDonald's and Chinese food? No. Why? [LAUGHTER] So the variety is a good thing and I think again, human creativity and the cost coming down, is what fuels it and AI is just, you know, the same thing.

SS

Well, I was going to ask though, is a question of, there's more and more categories popping into view. I mean, there are major, what six or seven major categories in your book that I have, "The Small book about Marketing Technology" - that was very useful by the way.

FR

Thank you.

SS

You have these defined categories, but it seems to me there are other categories growing. But what are the categories that you're seeing the fastest growth in? And I think one of them you mentioned, is product management, which strikes me as a descendant of MRP. But help me understand that.

FR

Yeah, yeah, one step back, you said there are 6 categories in the landscape. 49 sub-categories, as we call them. Two years ago Scott and I set out to update them and actually we couldn't, because all the new tools fell into these buckets and then AI was coming up and we went like, yeah, but AI is showing up everywhere in the landscape. So it's not a category of its own. Not even the tools to, you know, create an AI tool like the Replits and the Lovables<sup>10</sup>. You know, you can put them in maybe a product management or maybe integration platforms, whatever you want to put them into. So yeah, that is, those buckets are pretty scalable I would say. Now to product management. Yeah, that was a huge eye opener. We always felt that you see the MarTech landscape. If you look at all the tools out there - the 15,000 - how often do they show up in stacks? Hey, it's a long tail. We discovered there's a head, a torso, and a long tail. But we also learned there's a lot of tools that were homegrown inside companies that we don't see. I mean they're not commercial. Everything on landscape, you know, has a

price tag, has a demo, has a subscription page or a login. But there's many tools that you don't see that complete a stack, fill in the gaps or make sure that that unique customer experience is delivered. And we always thought this is bigger than we think. But yeah, it's nowhere registered.

Then we looked at product management. I did an exercise of looking not only at product management, also at integration platforms, at mobile apps, CMS, even, and those are four categories that I looked into and they all are booming. Even CMS that is already at 70% prevalence, doesn't mean that the rest is not using a CMS. They're using, you know, something more bespoke, coded themselves. But we see it there, we see it with mobile apps integration platform, they all grow but product management by far the most, even outperforming all the other 49 categories. And indeed it is a product lifecycle management tool to figure out, you know, how we use. And these product management lifecycle tools here in our landscape are really focused on supporting, building software.

So there we had some evidence, indirect where people are using more and more. It almost doubled more and more product lifecycle management tools to create their own, what is it? Customer portal. I had a client, global provider of first hardware, but now software for greenhouses, regulating the climate inside those greenhouses, fully automated, and they needed a customer platform. They were building that themselves and they could, you know, distribute it as software that they developed themselves. So that is an example where they even productize their internal, you know, products. And for all those things you apparently, you know, you need product, life cycle management tools.

SS

What other categories are you seeing growth, short or sharp growth in? You mentioned, I think CMS and you said it's fairly prevalent. Why would that category still be growing?

FR

Because and that's interesting also there we see sometimes multiple platforms with one brand because it's a different region and maybe it's more cost effective or it's a new brand within a brand and you don't want to pollute too much the configuration of your, you know, your humming and buzzing stack. So you create an experimental one and then you migrate later and that is, that is what we see. So and then you have of course customer CMSs, that you use just to build web apps for customers as well.

SS

You mentioned consolidation before and I just wonder about that a little bit because maybe it isn't companies swallowing other companies but, but I think of a fusion for example. Well here's a good example. MarTech and Adtech. It strikes me that with the shift to first party data, deprecation of cookies, although Google seems to be backtracking a little bit there, but nonetheless, there's going to be disruption in the AdTech business. So that seems to me a logical category. What there would be some fusion engagement platforms, real time with traditional marketing automation push platforms. Strikes me there's, you know, is there a need for both or is there going to be a fusion there? And then there's this other idea maybe you can help me understand it is this idea of composable marketing stacks. I'm not even sure what that really means. So maybe we start there. What is, what is a composable marketing stack? And do you see fusion occurring in certain categories? (45.01)

FR

Yes and no. In terms of the fusion composable stack, I can give you one word and you will understand what it means. Lego. It's just like Lego blocks. I'm a marketer but also coder. And as a coder you know that software is always built out of plugins, components, libraries, classes, objects. It's composable by nature. Now I think, and this is just my theory that, you know, in the 90s, 80s, 90s when technology was emerging, you couldn't explain that to a CEO. You know, what am I buying? Yeah, a bunch of elements that doesn't work, give me a car, right? I'm not going to construct a car myself. So this is how I think software and software suites came into play. But now that we are maturing as a market we start to recognize, that was a great idea maybe to introduce software, but it's not how we do it and it's not the agility that we need to you know, create experiences. So we need to become more composable. We in our research last year, MarTech Day 2024, we really did deep research into the survey based and also my stack database into composability for the stack. Not so much a tool. There is, you know you have composable DXPs and composable CDPs. They have a similar idea behind it. You can plug and play. But that is the real idea of composability. Is that explaining it well enough?

SS

Well not entirely. Maybe you can just elaborate a little bit more. So let me just take it down to a basic, I think of platform like HubSpot which has all of these APIs out to hundreds of applications that fill a particular function of some

kind. Is that more what we're talking about here or is what we're talking about, HubSpot natively has constituent parts which you can plug in or not. Help me out with this a little bit.

FR

Yeah, HubSpot is particularly a good example, because what they do is integrate with a lot of other parties natively. If that does not you know, is not in their offering then they integrate with tools like Zapier and Make.com<sup>11</sup> and the rest. So you can do it through third parties. And there's the word integration that is key in coding but also in software and in stacks. So you need to be able to integrate. And this is why, for instance the likes of Zapier are so successful, because in marketing we can just prototype before we go over to IT and ask if they can completely overhaul their Salesforce configuration. We do it separately in an isolated lab, play around and after two weeks we know, that doesn't work. Forget it, let's try something else. The typical growth hacking type of style and for that you need integrations.

What suites have been trying to deliver and mimic is that they are basically a stack to go. So we have multiple modules, you know, they're all seamlessly integrated just by us and have an entire stack that comes with a lot of costs because you need to buy a lot of modules. You don't even know what you need. But if you're not so mature, it's more like FOMO, maybe I miss it and then I will get fired. So let's do it. But that is more the 90s right now. It's more like, okay, I dare to take some decisions. I know we need this, we don't need that. And hey, a smaller tool can do the same thing. And these integrations from big platforms are not always a guarantee for success. Sometimes those integrations are not really, you know, on par with the market. So then better, maybe even integrate yourself through a third party platform or native. Is that explaining it better?

SS

Yeah, that's better, for sure. I want to leave some airtime here for AI. Obviously we've talked about it through this whole conversation. We are in this transitional state as you stated earlier. I think most people's exposure to it, as you allude to, is their personal use of AI, ChatGPT, whatever. But what are in marketing, some of the more common use cases that you're beginning to see now pop into view. I think about Jasper with content creation being an obvious one. Chatbots clearly. Automated workflows. I guess we're on our way there. Not maybe totally, but we're on our way. But what are you seeing initially as the use cases that are really driving the business case for AI adoption at this point? (50.03)

FR

AI takes different shapes, what I see. So in my mind I try to keep it simple. There are two avenues that are not mutually excluding each other. How AI makes it's way into companies, outside in and inside out, so to speak. So outside in for me is generative AI based tools. And we added a lot last year and we didn't have to remove a lot of those this year and we're adding even more. Yeah, you might call it indie tools, you know, just hacked and stacked together and then you know, commercialized and those are fitting the atomization bill. One task really well, well integrated in their ecosystem.

The other one is, you know, through embedded, through automated workflows, as you mentioned in your Eloqua, your Marketo, your HubSpot or what have you. And that is also a huge, huge portion. So that is what I call outside in. So through the existing ways, of doing stuff, the tools, the SaaS we buy. And then of course there's a completely different avenue I call it inside out, where you see we're using AI assistants, co-pilots, AI workflows, AI agents, and now with MCP integration, there you have it again.

SS

Just explain MCP because I know this is pretty critical in terms of GenTech AI, but just explain this for the people who don't know the acronym.

FR

So it's a protocol that helps you integrate with different tools. So maybe make a quick step back. AI agents are separate from any other tools. ChatGPT, Gemini, Copilot are the same, but inside the tool context relevant. Cool. You still operate them. AI agents and workflows, they are operating stuff, you know, for you, tools, mainly predefined stuff and they can look stuff up online. Now you want to connect to certain other tools, like your HubSpot example, you know, natively integrate. Well, that is where you use MCP to consult specific databases, but also specific tools, to execute, I don't know, a task in mail or cleansing of data or attribution or what have you. So for me, it's certainly not a final step, but it's a completing step of what I explained before. From AI agents, to co-pilots, to AI agents.

SS

Is it sort of a means of orchestrating across the different agents?

FR

Yeah, it's integration. So it's really integrating with other tools. And so in essence, you can build now your own platform. And with AI, you can build so many things in such a short period of time. Yeah, and that's another. We're coming back to an earlier point where what is fueling the

growth? There's no limitation. Well, the only limitation right now, today is your imagination, the lack of ideas. And that is something else. We saw a lot in updating the landscape this year. And that is, by the way, not a category on our list because it's really focusing on new SaaS ideas, new software ideas. How do you get one? Because that seems to become the new scarcity. You know, what is the next best idea to build something. And you can build something in, I have seen a growth hacker that created something, A tool with AI, overnight, one or two days, made \$150,000 in that month. And the next month a software vendor took that idea over and they asked him, are you disappointed? He said, no, this is the new normal.

SS

That's crazy.

FR

Yeah.

SS

Wow. Yeah, a lot of people in basements will be figuring out a way to make \$150,000 based on what you've just said.

FR

Yes.

SS

AI is probably a subject we can talk forever about. There's a lot of conversation going on, but I do want to understand the implications going forward for the MarTech function that we started talking about at the start of this. And I do want to touch on agentic AI before we leave this conversation too, because that also has implications for business. But let's, let me go back to the MarTech function, for the most part and we talked about cross functional teams, et cetera earlier but for the most part it's operating independently, really. Do you see that, and I think you mentioned this earlier on, an eventual absorption into the IT group because of the importance now of data and experience in the minds of the C-suite that's now going to become a growth driver, do you see a necessity for some centralization of data infrastructure, AI and this panoply of tools and platforms, et cetera that lead to a better customer experience? Or is there a corporate imperative here to make sure that we've got a best in class IT function that's supporting all of that? Do you see that as an eventuality and inevitability if you will? (55.16)

FR

Yeah. So if you look at digital transformation, I call it Digital Transformation 1.0, was, companies buying and using more software. Okay, that's done. 2.0 is more about companies becoming software. This is the product management stuff we talked about - the hypertel, internally, customer portals,

my portal brand. Now we're entering AI and I think yeah, this is a new digital transformation wave where it, you know, executes agentially stuff for us. I don't have a crystal ball, my surname is not Nostradamus, so I don't know where it's headed but we need guardrails and focus on guardrails and when we talk about guardrails it has multiple aspects. So I, I keep saying we're going from, from operators to moderators and with the moderator task role you'll see guardrails. That is of course governance and privacy but it's also what journeys really drive value. And again there's this beautiful graph visualization from Philips, for the Stacky<sup>12</sup> Awards. It's a blue one. You will immediately recognize it when you look up Stacky Awards, Phillips where they just show one landing page and they decipher what data content and tooling is in there and it's showing how complex it is. But the thing it's hiding in plain sight for me is what they're displaying is the landing page of that product that makes 30% of their revenue. And then you reverse engineer.

Now I think that blueprint can give you that governance or guardrail structure that you go like, it's not only you know, what data do we have stored where you know maybe governance and compliance and are we, you know legally liable for. But also what is the customer experiencing and which product market combination is the most important, let's start there. That is the true concern or question of the customer visiting that landing page. And that's not something, you know, reflected. I once made a joke that if you would put a brand, you know, on the couch of a shrink, of a psychotherapist, we at least would have like seven, eight, you know, split personalities. It's sales talks, different than finance the market. I mean, yes. We, a real person wouldn't be allowed to go out. You know, we should lock that person up. [LAUGHTER]

SS

Schizophrenic.

FR

Yeah.

SS

They'd be put on meds.

FR

100%. So, and that is now coming together. So yes, we become, with all the digital transformation it, we become technology. But now with AI, the face also gets a human, more human like face. Who is managing that face and that technology? And yeah, there is no escape. We have to work together as IT, marketing ops, and marketing to make that happen again. That Swiss, that Belgian company. Yeah, they

are focusing on that and then reverse engineer from there.

SS

You made some really interesting points. And this idea, we're not going to be product led anymore. It's going to be experience led and largely depending on how much you can master digital transformation in AI over the next number of years, it'll change the competitive playing field rather significantly. And this idea of marketing's role changing, that's a, obviously a lot of people talking about that. You know, what will marketing's role be? I think of Sam Altman's comment, I think about 95% of marketing is going to disappear and in part because of a transfer of power that will be enabled by agentic AI. That is the customer will be asking the agent to go out and browse and shop and make decisions. What's marketing's role exactly then? Or the brand even. So that has some amazing rather dystopian possibilities, if you're a marketer, by the way, maybe there's a yes and no to that.

So look ahead to your next report. So 2026, your MarTech report, a year from now, what's the headline going to be on that report, do you think? (59.41)

FR

Oh, that's a very difficult question because there's stuff I see happening and I think is needed, but that doesn't always mean it's happening. So I might be completely off, but software is commoditizing the prices, you know, the software costs are coming down. And with AI, like you just said, replacing marketing. Yes, the, let's call it the monkey business, the tough work, you know, the admin, the stuff that makes you face your customer with your back, not with your face. And so I think a lot of the burdens have been removed. And this is one of the messages, like in Milan last week, I said something like, you've got the stack, now create the spark. So it's all about, you know, experience led. I will steal that from you because that is what it is about. Do you understand what the customer really wants? And maybe now I sound like a granddad, maybe, but I think we're coming back to what brands originally were. They are skilled versions of the founder's reputation. So the founder had a great idea, was lovable, respectable, you would buy from that person. But now suddenly they had to scale because they couldn't be everywhere all the time. So we started to brand mark stuff. Right? Branded. That scaling we did with technology, but that also dehumanized the experience. With AI now we can scale in a more microscopic, atomized way. So suddenly we're coming back to what a brand really is about and what founders really try to convey.

If you think about Ikea, for instance, he was thinking, it's too expensive for me to bring all those furnitures to people. What if they would assemble and distribute it themselves? And that was the game change. That is brilliant. From there, you know, you can take it, the idea has never changed, is as simple as that. But you have to scale it. And he managed to scale that. Now in marketing, I think we'll have to have similar skills like founders, and then scale it. So I think experience led is maybe one of the most, or customer led, is one of the most important things for us to focus on. But it's in. In many conversations we're so technology focused. What tool should I have? Funds? What type of feature should be in there? Do we have the latest, greatest. I'm not sure how much longer that conversation will be needed.

SS

Right. Well, technology will become the air we breathe every day eventually, it seems the way things are going.

FR

So it's the technology becoming not only cheaper, you know, more cost effectively, easier to operate as well, so, and we mature at the same time. So it's really an exponential thing.

SS

Yeah, well, it'll be a fun ride over the next few years, there'll be. Your MarTech report will grow just because this whole industry keeps advancing so rapidly. It's time you wrote another book, by the way. Maybe you and Scott should co-write something. Somebody's got to explain what's going on to everybody else.

FR

Yes. And we need an AI agent to update it every day.

SS

That's right. That's true. It's true. You can publish it and two days later, it's practically out of date these days. Well, this has been a delight, Frans. I knew it would be. Of course. I'm so glad we connected. And we could keep talking for a while. So maybe I'll loop back in a year from now and get you to do an update on what we've been talking about. That's probably a good idea.

FR

Yes, please. I'm open to that. Because there's so much happening and I must say, it's such an exciting time. Really happy to be, you know, part of this and trying to understand it, but the opportunity is crazy.

SS

Well, and there's not enough people like you and Scott who are able to first of all, you're all, both of you, really good writers. You've got a nice sense of humor. But you're able to interpret these events and put them in context for people. And it's so hard day to day to really unravel all of this or unpack it all and really understand the implications. You guys do a really good job of it. And the MarTech Report's great terrific tool.

FR

I'm glad this is, just a podcast and sound and audio. Otherwise the people would see me blush.

SS

Well, justifiably so. So anyway, thank you, Frans. I really appreciate this.

FR

I loved it. Thank you so much for having me.

That concludes my interview with Frans Riemersma. As we learned, MarTech is transitioning from a mix of MAP/CRM/SFA/DXP platforms, augmented by a wide array of specialized applications and tools, to an AI-powered "composable stack" that can orchestrate cross-channel customer journeys in real-time. Behind the scenes AI agents will ensure everything runs as smoothly as possible, integrating multiple software components on the fly to automatically handle a specific task or a distinct stage of the journey. The marchitecture will operate like a solar system with an orbiting set of components around a unified customer view stored within the data fabric of the cloud warehouse. Marketing's role (if it still has one by then) will go from mapping out the rule-driven flow diagram – which offer and message paired with which creative asset for which segment through which channel at which point in time - to simply defining the end-to-end customer journey in higher order terms, using a simple command and control interface. The rest will be left up to an omniscient, multi-agentic engagement platform, ultimately making it the beating heart of the entire enterprise. Maybe think of it this way, for anyone familiar with the movie "2001 A Space Odyssey": it will become the modern day equivalent of the HAL 9000 system, in charge of everything. Let's just hope it can't read lips.

- <sup>1</sup> The DONE pin indicates that an FPGA (Field Programmable Gate Array) Chip has completed the configuration process and the chip is now ready to be used.
- <sup>2</sup> Uptempo is a martech vendor specializing in marketing operations and resource management (MRM) solutions.
- <sup>3</sup> Allocadia was a marketing performance management solution. Hive9 was a marketing planning and collaboration platform.
- <sup>4</sup> Scott Brinker's Marketing Technology Landscape Supergraphic visually depicts the landscape of MarTech solutions.
- <sup>5</sup> Bitbank is a Japanese financial services company that operates a cryptocurrency exchange
- <sup>6</sup> David Raab is Founder of the Customer Data Platform Institute.
- <sup>7</sup> Lytics is a composable customer data platform (CDP) built for marketing and ad technology stacks. Particle is an IoT and PaaS Platform that enables businesses to build connected products.
- <sup>8</sup> Scott Vaughan is a marketing advisor and consultant.
- <sup>9</sup> A G2 Score is a standardized metric used to rank products and vendors.
- <sup>10</sup> Replit is an online development environment (IDE) and coding platform for building software like web applications and scripts. Lovable AI is an AI-powered app development platform that allows users to build full-stack web applications by describing them in plain English.
- <sup>11</sup> Zapier is a tool that helps automate repetitive tasks between two or more apps without coding. Make is a no-code automation platform that allows users to connect apps and services to automate workflows and tasks.
- <sup>12</sup> The Stackie Awards are an annual contest hosted by Scott Brinker's Chief Marketing Technologist in which marketing teams compete for the best one-page illustration of their martech stack.



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