

CUSTOMER ENGAGEMENT REPORT

Bridging the Gap Between IT and Marketing



With the rise of digital transformation and the growing number of channels that marketing teams support, **technology has become a crucial owned component** of marketing strategy.

Being successful in marketing today means being adept with marketing technology investments and implementations that best meet consumer demands.

For this endeavor, one of the main objectives is to attain alignment between marketing and IT, starting with the leadership – the chief marketing officer (CMO) and chief information officer (CIO). But for traditional organizations, this collaboration is often an obstacle to overcome.

In this edition of Merkle's annual Customer Engagement Report, we surveyed 200 marketing and IT leaders and 200 management-level professionals to gauge how organizations are faring and can improve in this necessary alliance. We'll explore the importance of collaboration between marketing and IT leadership for added competitive advantage and agility. Then we'll dive into results, challenges facing organizations, and strategies that can be used to overcome hurdles and stay future-fit.



Alignment Dos and Don'ts

Alignment between marketing and IT plays a vital role in ensuring that tech investments are most effective, from the purchase and onboarding to daily operation to the achievement of lofty transformational goals that benefit the entire organization. This need for alignment is most commonly (though not always) seen when dealing with customer experience tech for marketing, service, and commerce (Figure 1), as well as data warehousing and cloud implementation (Figure 2).

By working together, marketing and IT can harness their combined expertise to maximize the impact of technology, gain a better flow of data to power marketing's needs, and enhance data-driven decision making to deliver better customer value.

Figure 1

Which department is responsible for making new martech purchases?

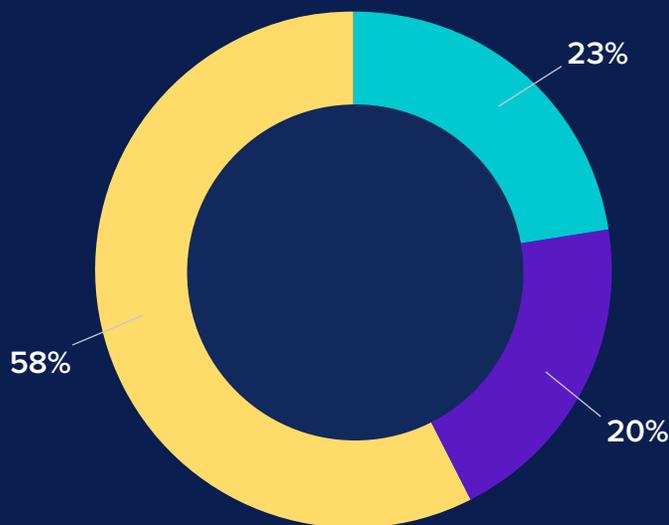
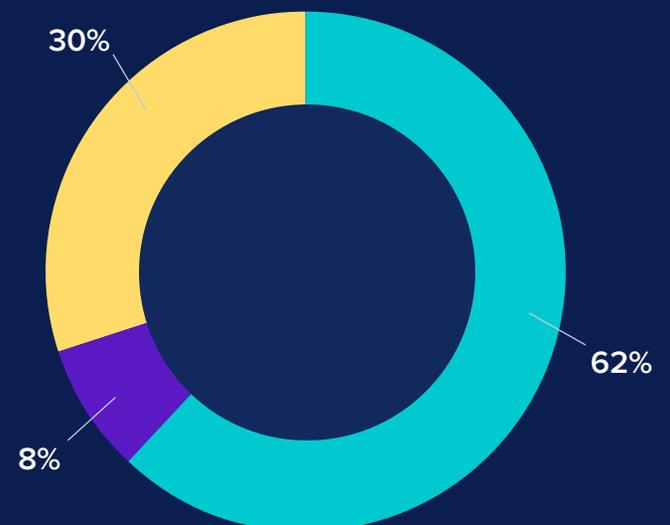


Figure 2

Which department is responsible for making new data warehouse/cloud purchases?



IT Marketing Both IT and Marketing

Do

Engaging stakeholders from various departments, including IT, analytics, marketing, etc., in discussions regarding the adoption of new technologies or planning how to use data, organizations can proactively maximize the value derived from these technologies across multiple teams and functions.

This collaborative approach promises that both marketing and IT are well-informed and aligned, facilitating a more seamless cooperation between the two groups.



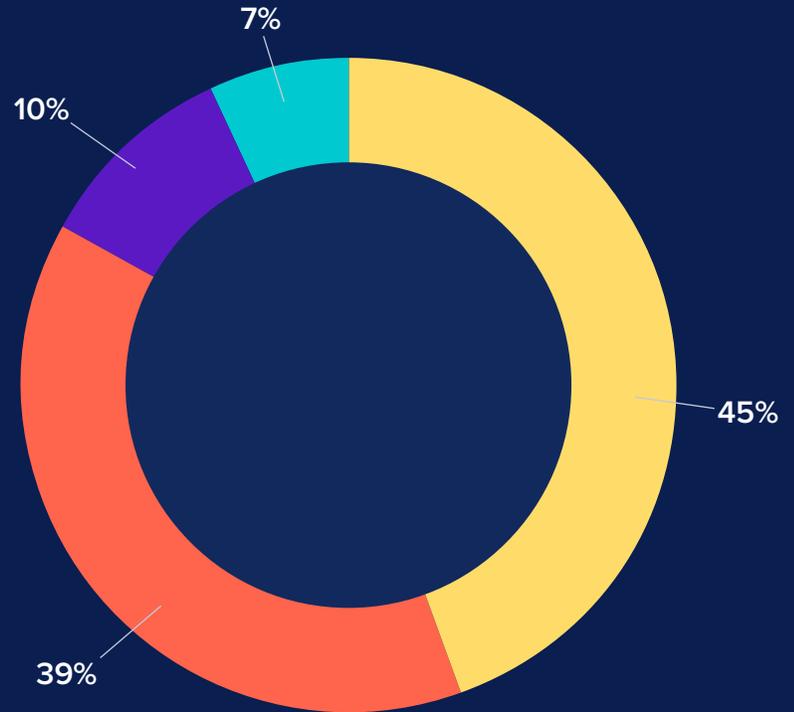
A national apparel retailer needed to **modernize its tech stack to better serve the influx of digital traffic post-COVID**. The retailer partnered with Merkle to develop a roadmap and objectives to help with this multi-step feat.

By prioritizing specific use cases and involving stakeholders from various departments such as IT, analytics, and marketing for input, the retailer has proactively confirmed that the entire organization can derive value from this new tech stack before it's even in place, saving time, money, and headaches.

This inclusive strategy not only promotes cross-functional synergy but also enhances overall effectiveness with all stakeholders fully engaged and invested in the shared objectives of the tech stack into the future. According to Figure 3, integrated dashboards and a dedicated marketing tech leader are some of the most helpful solutions to combat misalignment.

Figure 3

When teams are misaligned, which solution would you find most helpful?



How to build stronger alignment:

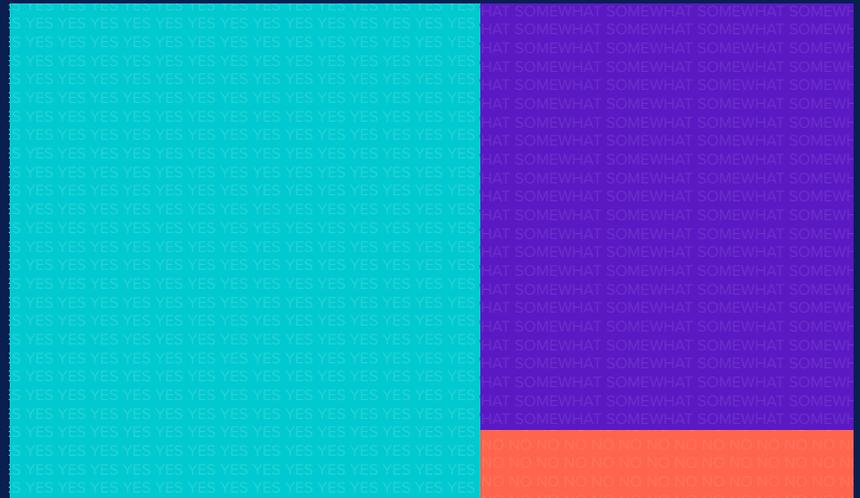
- 01 Increase transparency** to create a mutual understanding of the priorities and needs of marketing and IT.
- 02 Forge a strong partnership** from the top down to foster close collaboration between teams on operational workstreams. According to Gartner, if chief data officers are involved in setting goals and strategies, they can increase consistent production of business value by a factor of 2.6x.
- 03 Embrace structured processes** with interlocked procedures, from strategy and planning to execution, as a strong foundation for a more aligned martech stack.
- 04 Appoint a technical marketing lead** to serve as a bridge between marketing and IT, facilitating transparency, alignment, and collaboration. This role enhances organizational effectiveness by ensuring stakeholder engagement and investment in shared objectives for the tech stack's future success.

Don't

While alignment is an ideal state, today only about half of marketing and IT professionals believe that marketing's priorities are actually translated to IT initiatives (Figure 4).

Figure 4

Do you feel that the marketing team's priorities are translated to IT initiatives



There are several factors that can get in the way, and it often starts at the top with CMO and CIO collaboration. One of the most significant barriers can be the cultural differences between marketing and IT, which can create tension and resistance to change, leading to a lack of trust and a reluctance to share information and collaborate.

These differences are especially evident in traditional businesses. For example, the old-school IT approach involved siloed teams, crafting single-solution builds and tackling customer problems with limited marketing team interactions, all while marketing pursued independent initiatives during the rise of digital transformation. However,

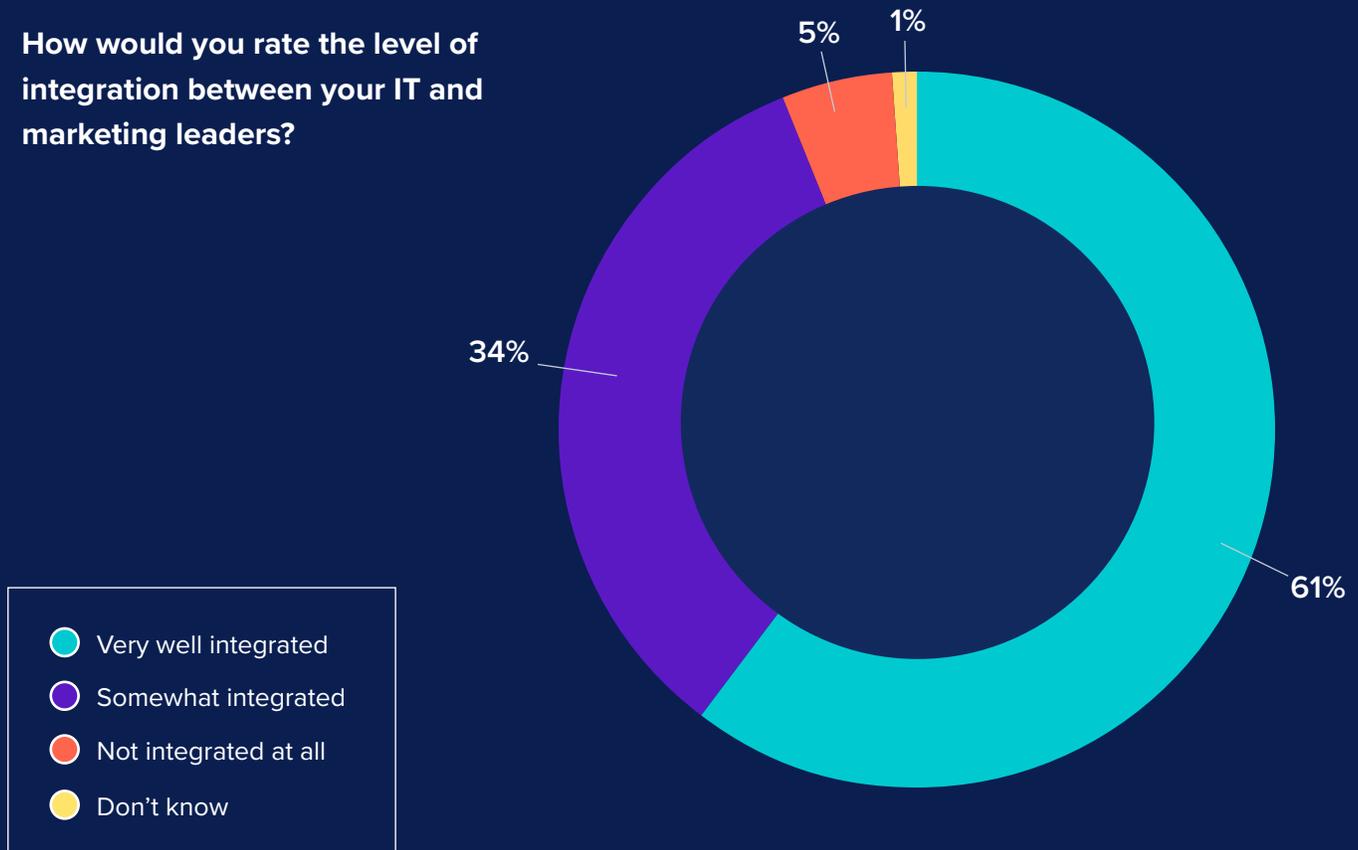
In the realm of IT, the old-school approach involved siloed teams, crafting solitary solutions, and tackling customer problems with minimal interaction with the marketing crew.

in the present landscape, marketing should have a clear understanding of the specific capabilities they require, while IT should assist in integrating off-the-shelf technologies with existing systems to ensure seamless functionality.

Sixty-one percent feel that their IT and marketing leaders are very well integrated, with 39% somewhat or not integrated at all (Figure 5). This disparity highlights a potential gap between leadership perception and the actual experiences of the practitioners who are executing the work. To foster better integration, the CMO and CIO should prioritize aligning all employees involved in decision making.

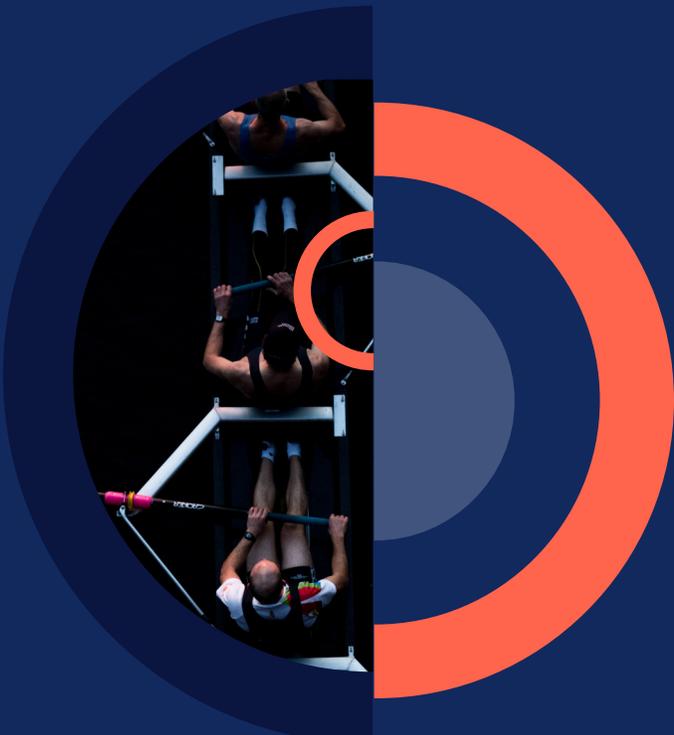
Figure 5

How would you rate the level of integration between your IT and marketing leaders?



Another factor that can hinder alignment is differing goals and KPIs. If the CMO and CIO are evaluated on differing metrics, such as a marketing's need to personalize clashing with IT's cost savings objectives, they may have conflicting priorities and goals, which can make it difficult to work together effectively. For instance, here's a common scenario that unfolds:

A brand is gearing up to enhance its online experience. The marketing team envisions a personalized shopping journey, which includes tailoring recommendations and offers based on individual preferences. Meanwhile, the IT team makes a tech purchase with advanced technical components, believing it would cover all bases since it fits into the current environment. However, the purchased solution fails to align with the marketing team's specific needs for personalization. As a result, friction ensues between the teams, impeding the development of a cohesive strategy and potentially leading to technical debt as they struggle to address the misalignment and reconcile their objectives.



Quick tips for better alignment:

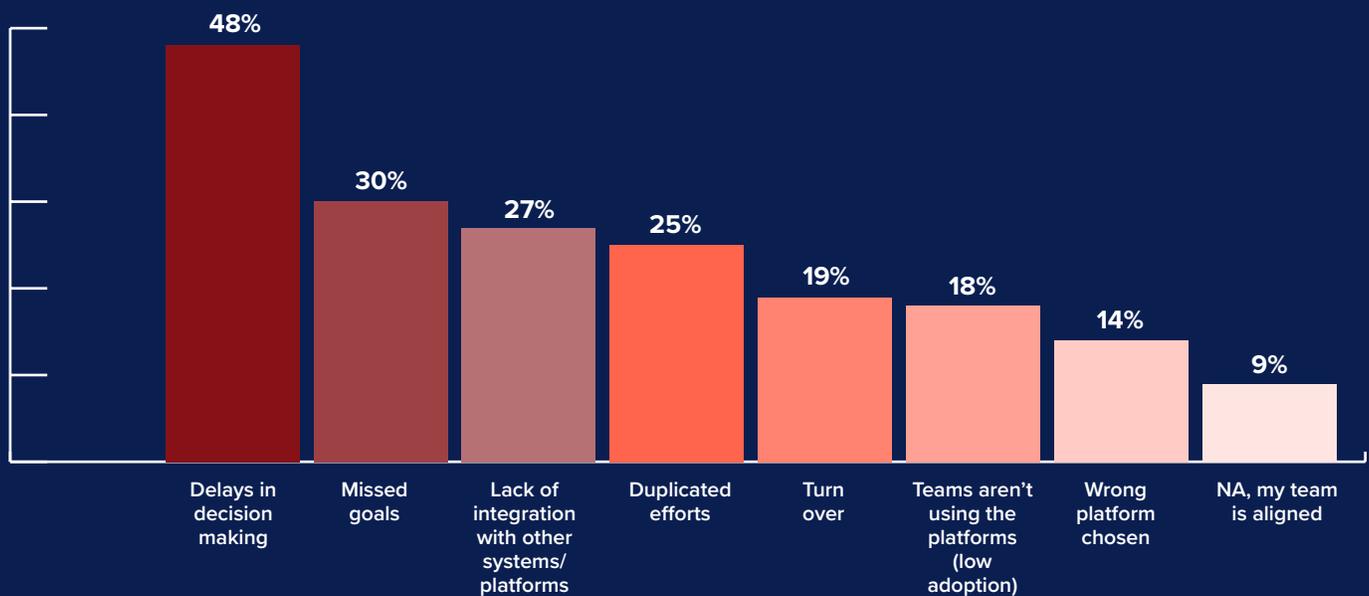
- 01** Encourage IT and marketing collaboration.
- 02** Align goals and KPIs with brand-wide objectives.
- 03** Implement ongoing cross-function check-ins.
- 04** Clarify roles and responsibilities.

The Costly Impacts of Misalignment

If the CMO and CIO are not aligned, it can create several problems for the organization, as highlighted in Figure 6:

Figure 6

When teams are misaligned what is the biggest impact?



Some of these common impacts include:

Lack of clarity on goals

When the CMO and CIO aren't aligned, it often results in a lack of clarity on goals and strategies. Without a shared vision, the marketing and IT departments may end up pursuing different objectives, leading to inefficient use of resources. This misalignment can result in both departments investing time, money, and effort in initiatives that are not complementary or aligned, ultimately hindering overall organizational effectiveness. By establishing clear and shared goals, the CMO and CIO can ensure that their respective efforts are coordinated, maximizing the efficient use of resources and driving collective success.



Underutilized tech or lack of integration

When there is a misalignment between the CMO and CIO, underutilized technology and lack of integration can hinder innovation and cause missed opportunities. For instance, imagine a scenario in which the CIO of a hospitality company introduces a sophisticated customer data analytics platform capable of providing valuable insights into customer preferences, behavior, and booking patterns. However, without effective collaboration between the CMO and CIO, this powerful tool remains untapped in marketing campaigns, limiting its potential impact on driving personalized and targeted marketing strategies. As a result, the company misses out on leveraging the full capabilities of the analytics platform, leading to suboptimal marketing outcomes and lost opportunities for improved customer engagement and business growth.

Poor customer experience

Marketing and technology are both critical to delivering connected CX. For example, a website that is difficult to navigate or a marketing campaign that lacks effective targeting can result from the disconnect between marketing and technology. Without collaboration and alignment, the customer journey may suffer from disjointed touchpoints, inconsistent messaging, and a lack of personalized interactions, ultimately impacting customer satisfaction and loyalty.

Slow decision making

When the CMO and CIO are not aligned, it can lead to slow decision making, as they may need to spend more time resolving conflicts or negotiating priorities. This could also mean diverging priorities, siloed thinking, and complex decision-making structures. When these key stakeholders are not in sync, the flow of information and alignment of goals suffer, resulting in delays and inefficiencies. To overcome this, it is crucial for the CMO and CIO to foster open communication, align priorities, and break down silos to streamline decision making and drive organizational agility.

To overcome these barriers, the CMO and CIO must establish a shared vision and clear metrics and KPIs that align with the organization's overarching objectives.



Quick tips for a CMO/ CIO shared vision:

- 01** Keep the mission statement visible on all internal docs, almost like an email signature.
- 02** End meetings with stakeholders by asking, “how does this support the 2023 vision?”
- 03** Outline a comprehensive ideal brand experience across all touchpoints to show clear prioritization for marketing and IT.

An Understanding of Priorities

This unified approach ensures strategic alignment and enhances the potential for offering a seamless and connected customer experience. With these foundations in place, the CMO and CIO can work together to better align their teams to drive success.

Use cases: Marketing and IT teams need to work together to define specific use cases for marketing technology and other digital transformation endeavors. IT should have a clear understanding of the marketing team's plans, and marketing teams should understand the technical capabilities and limitations of available solutions. This direction needs to come from the top, with the CMO and CIO leading this charge.

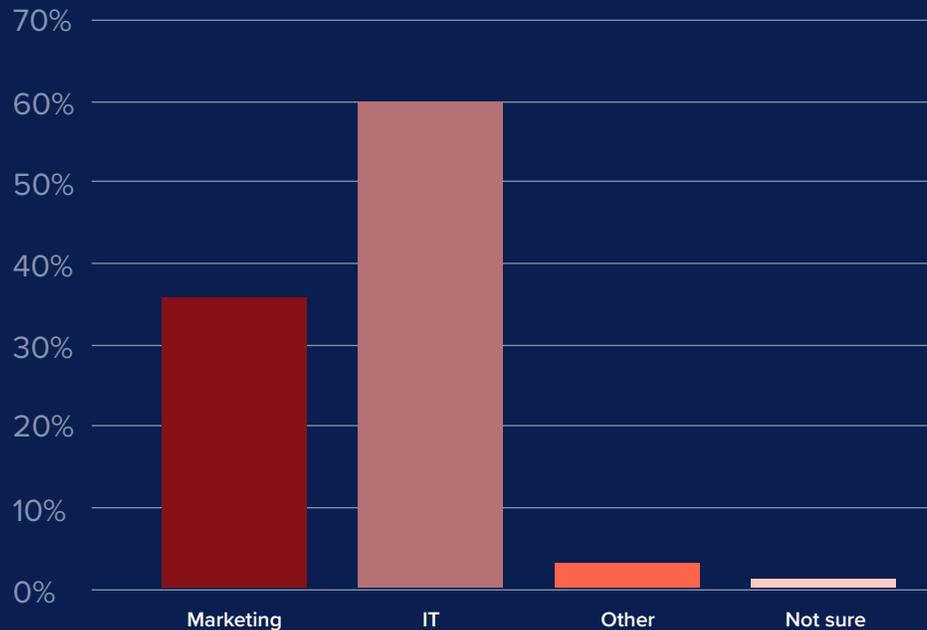
It's important to call out that this isn't a once-and-done activity, but instead should be a continuous partnership as new marketing initiatives arise monthly, quarter, yearly, or whatever cadence works for your team. As in any relationship, communication is paramount. Make sure that each team is aware of changing goals and priorities as they come up. As mentioned earlier, having a cross-team leader here is helpful to ensure that nothing is missed as priorities shift.

CX goals and initiatives: Align on customer experience goals and data/integration needs. IT teams should understand marketing teams' objectives for delivering a seamless and personalized customer experience, and marketing teams should understand the technical requirements for achieving these objectives and the data and governance needed from IT to access accurate, updated customer profiles in real time (Figure 7).

Marketing and IT teams need to work together to define specific use cases for marketing technology and other digital transformation endeavors.

Figure 7

Who manages customer data in your organization?



This will ensure that return on technical investments can be achieved to work toward these goals.

Define desired outcomes for tech: Marketing and IT teams should work together to define the desired outcomes for marketing technology investments. Misalignment often occurs when marketing communicates its perceived needs to IT, leaving room for interpretation. To foster better alignment, marketing should provide clear and specific use cases, while IT can contribute technical expertise to define the necessary technicalities for successful implementation. The presence of a technical marketing lead, as previously mentioned, plays a crucial role in ensuring adherence to this approach throughout the entire process.

In summary, successful collaboration between marketing and IT teams requires alignment on use cases, customer experience goals and initiatives, and outcomes. By working together in these areas, teams can ensure that technology investments are strategic, focused, and targeted toward delivering business outcomes.



There's no denying that achieving this alignment is hard to do. If you need an expert intermediary to help, Merkle's specialty lies at the cross-section of infrastructure, data, and marketing. In other words, we understand both the marketing and the IT world and can help build an action plan to bring both teams together to achieve real outcomes.

[Contact us to start a conversation.](#)

About Merkle

Merkle, a dentsu company, is a leading data-driven customer experience management (CXM) company that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The company's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive hyper-personalized marketing strategies. Its combined strengths in consulting, creative, media, analytics, data, identity, CX/commerce, technology, and loyalty & promotions drive improved marketing results and competitive advantage. With more than 16,000 employees, Merkle is headquartered in Columbia, Maryland, with locations in 30+ countries throughout the Americas, EMEA, and APAC. For more information, contact Merkle at 1-877-9-Merkle or visit www.merkle.com.