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Shuffling the Stack

Why organizations change and upgrade their marketing software

2021 Edition

Shuffling the Stack

What you'll get from this report

Change is difficult, especially when it involves business processes that teams rely upon and are tied to the bottom line. Everyone in the organization has some interest in perpetuating the status quo.

And yet, marketing software solutions are replaced routinely.

Understanding the catalysts for and dynamics of replacing marketing software was the purpose of this research. The resulting report is for software vendors who want to understand how frequently components of stacks are replaced, what motivates decisions, and who in the organization is involved.

This report includes key takeaways for vendors, whether you're trying to win new business or you're the incumbent provider trying to increase satisfaction and retention.

About this report and the authors

You're about to read results of the MarTech Replacement Survey 2021, which was conducted in April and May. Nearly 400 marketing managers, staff and executive managers took the survey. The profile of respondent is at the end of this report.

Third Door Media CEO Chris Elwell and SVP of Sales Leslie Bacon interpreted the data and authored the commentary for this report. MarTech Editorial Director Kim Davis and MarTech Editor Chris Woods wrote the survey questions.

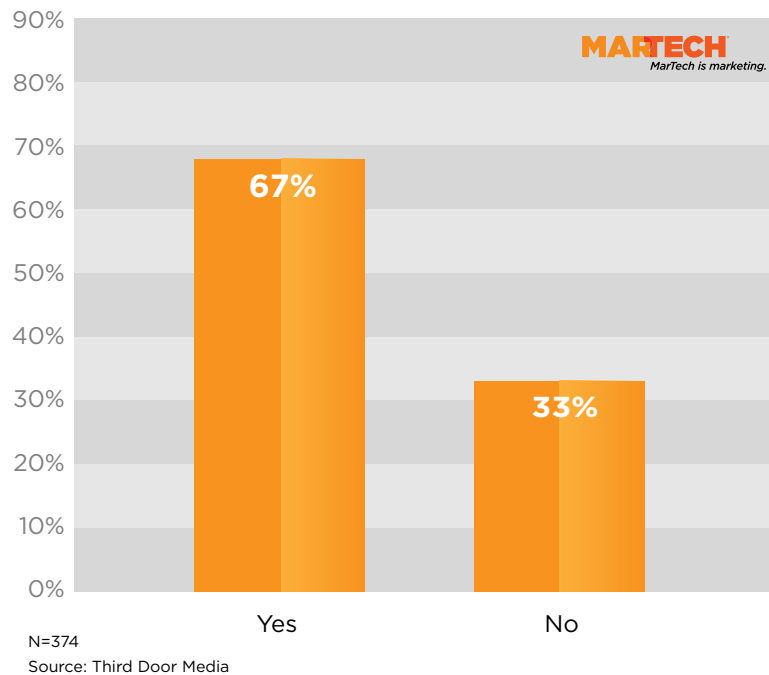| **Chris Elwell**	**Leslie Bacon**	**Kim Davis**	**Chris Woods**
CEO	*SVP, Marketing Solutions*	*MarTech Editorial Director*	*MarTech Director*

Replacing marketing software is commonplace

Has your company completed upgrading a marketing software application in the last year?

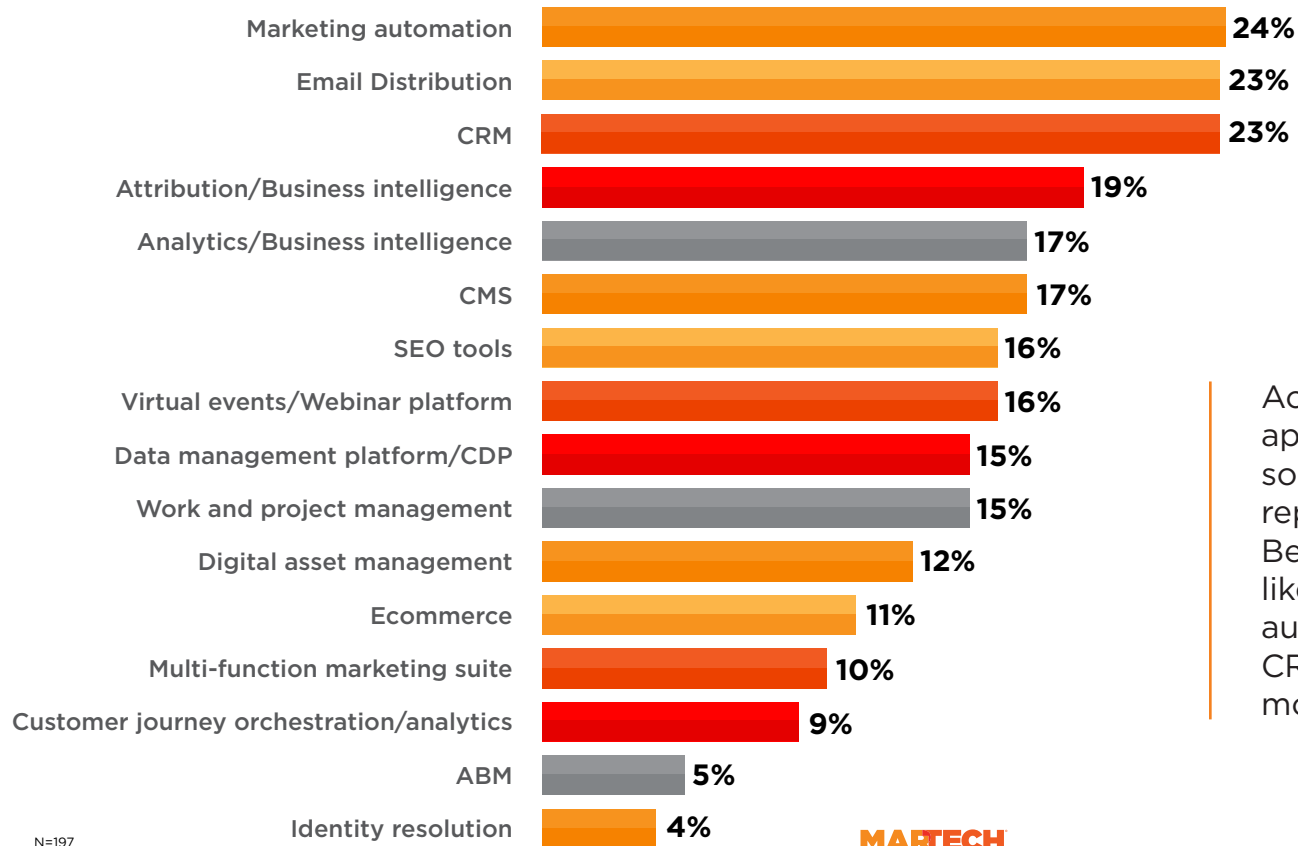
N=374
Source: Third Door Media

Marketers replace marketing software frequently.

Incumbents are not as "safe" as they may believe. Your customers are constantly evaluating other solutions that provide better functionality at lower cost.

Mission critical marketing software was replaced

What application(s) did you replace?

Application	%
Marketing automation	24%
Email Distribution	23%
CRM	23%
Attribution/Business intelligence	19%
Analytics/Business intelligence	17%
CMS	17%
SEO tools	16%
Virtual events/Webinar platform	16%
Data management platform/CDP	15%
Work and project management	15%
Digital asset management	12%
Ecommerce	11%
Multi-function marketing suite	10%
Customer journey orchestration/analytics	9%
ABM	5%
Identity resolution	4%

N=197
Source: Third Door Media

Across the spectrum of applications, marketing software is being replaced frequently. Bedrock applications like marketing automation, email and CRM were replaced most often.
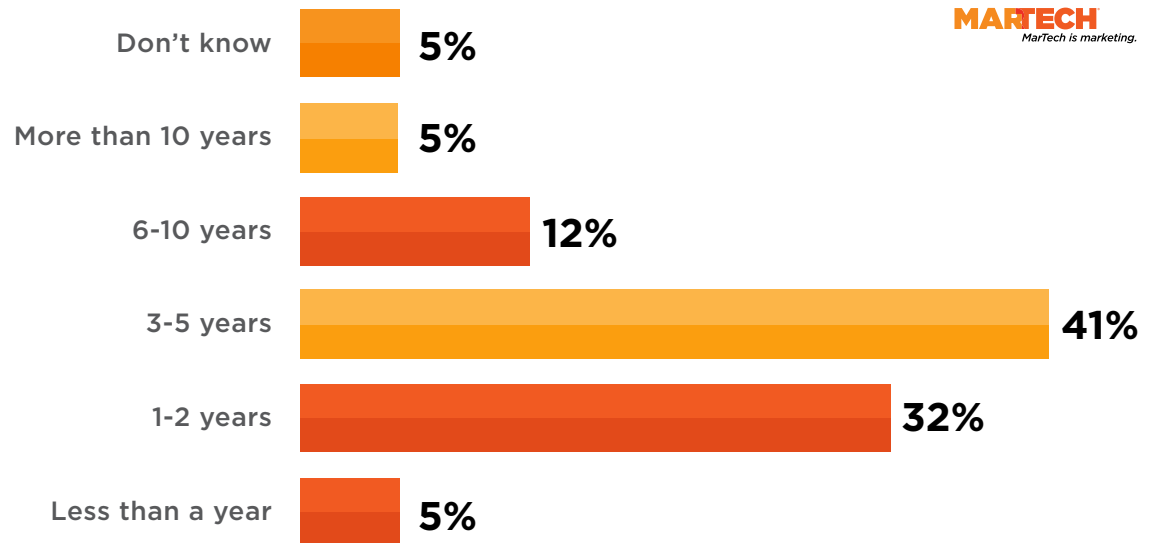
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3/4 of marketing software applications were replaced in less than 5 years

More than 40% of the replacements took place 3 to 5 years after adoption.

Nearly a third took place after only a year or two. That was up significantly from from less than 20% in the 2019 edition of this report.

How long was the legacy system you replaced used for?

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|	
Don't know	**5%**
More than 10 years	**5%**
6-10 years	**12%**
3-5 years	**41%**
1-2 years	**32%**
Less than a year	**5%**

N=177
Source: Third Door Media

Commercial marketing software replaced most often... with other commercial solutions

Marketers replaced commercial applications with another commercial application more than half of the time.

Homegrown applications were replace with commercial software 16% of the time.

Homegrown software was upgraded by nearly 20% of respondents. Only 13% replaced a commercial solution with a homegrown application.
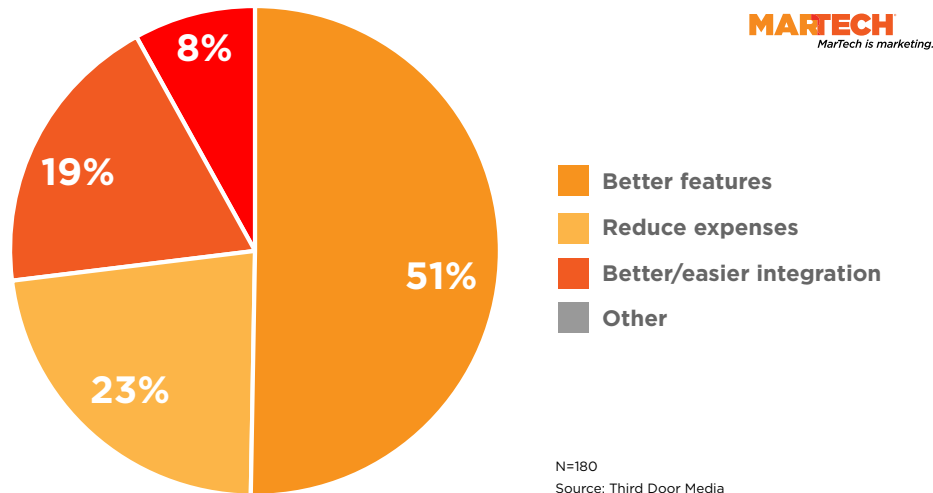
What scenario best describes this replacement?

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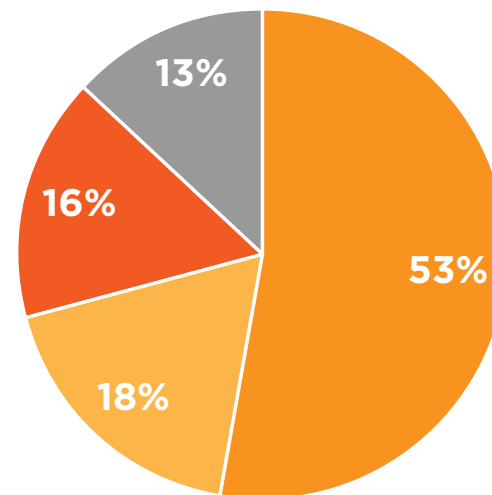
- 🟧 **Commerical to commercial**
- 🟨 **Homegrown to homegrown**
- 🟥 **Homegrown to commercial**
- ⬜ **Commerical to homegrown**

N=197
Source: Third Door Media

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Features drove replacement of commercial software

Why did you replace this commercial application?

- Better features
- Reduce expenses
- Better/easier integration
- Other

8%

51%

19%

23%

N=180
Source: Third Door Media

"Better features" was cited by over half of respondents as the reason they replaced marketing software

An additional 19% said the switched for better easier integration.

Nearly 25% said cost was the overriding factor in their decision.

Pro tip: Resist the temptation to describe the features of your software, before describing the benefits. Tell prospects what challenges your software solves. Then fill in the details with features.

Homegrown software also replaced for superior features of commercial applications

"Better features" was the reason for most homegrown solutions replacement.

The move away from developing homegrown software continues. 40% of respondents said they replaced applications to avoid the expense/effort of upgrading.

Why did you replace this homegrown application?

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- 53%
- 16%
- 12%
- 12%
- 7%
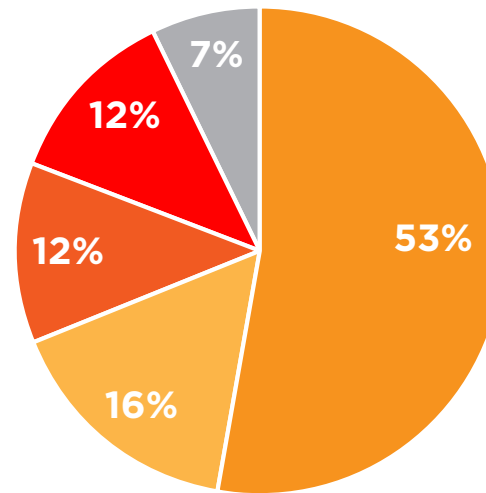
- ■ Better features from SaaS software
- ■ Too expensive to maintain
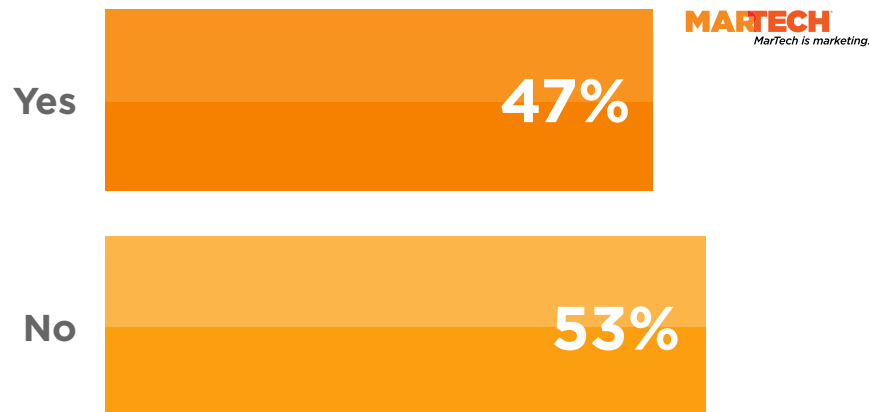- ■ Management decided we're not a software company
- ■ Outdated code
- ■ Other

N=121
Source: Third Door Media

COVID accelerated nearly half of replacements

Did conditions brought about the the COVID-19 pandemic factor into the replacement decision?

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Yes **47%**

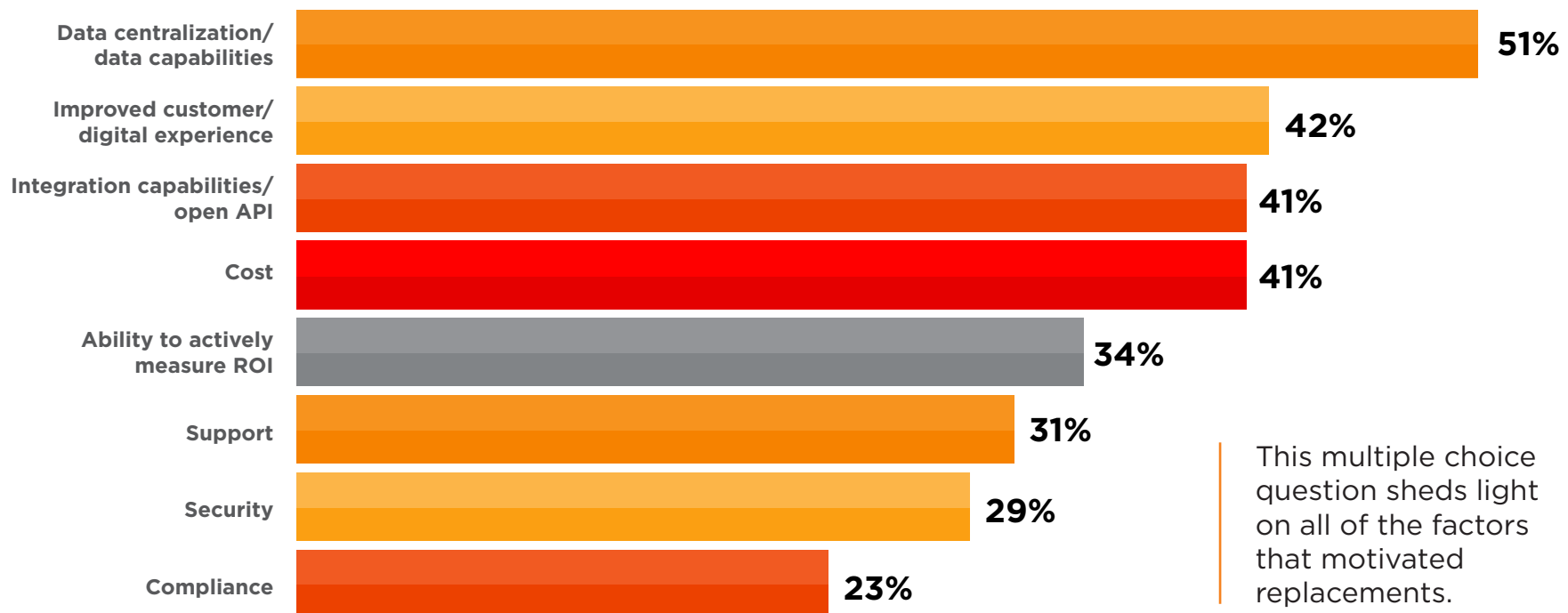No **53%**

N=196
Source: Third Door Media

Like nearly every other aspect of life and business, COVID influenced marketing software replacement decisions.

It seems a safe bet, given the added reliance on and expectations of online experiences, that marketing software replacement decisions will continue to be made to meet elevated customer expectations.

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Data, experience, integration and cost the catalysts for replacements

What factors were important when choosing the replacement?

Factor	Percentage
Data centralization/ data capabilities	51%
Improved customer/ digital experience	42%
Integration capabilities/ open API	41%
Cost	41%
Ability to actively measure ROI	34%
Support	31%
Security	29%
Compliance	23%

This multiple choice question sheds light on all of the factors that motivated replacements.
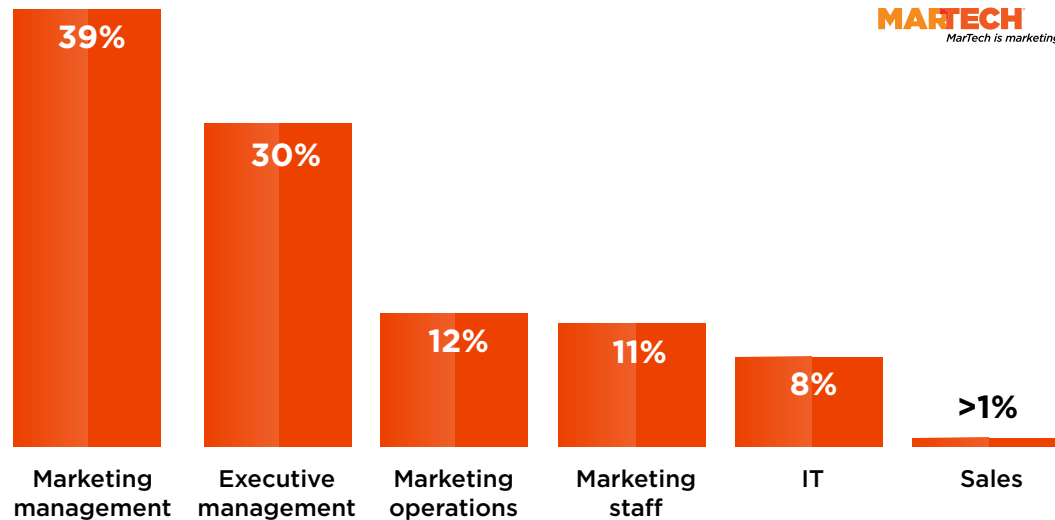
N=177
Source: Third Door Media

Replacement champions were at the top

Marketing and executive management were the catalysts for replacement in nearly 70% of the cases.

Pro tip: Marketing operations, marketing staff and IT combined were the replacement champion nearly 1/3 of the time. Don't just focus on executives when prospecting for clients.

Who in your organization championed the replacement?

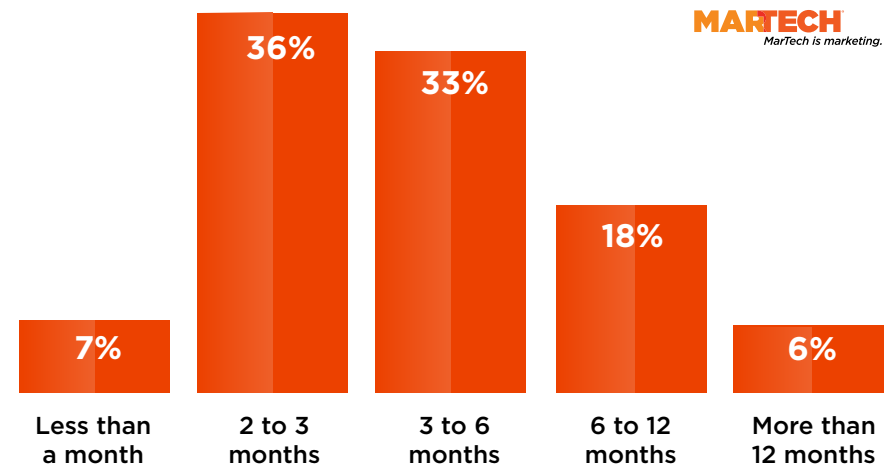| Marketing management	Executive management	Marketing operations	Marketing staff	IT	Sales
39%	30%	12%	11%	8%	>1%

N=177
Source: Third Door Media

Replacement decisions are made quickly

Getting the green light to replace marketing software took less than 6 months in 75% of the cases.

Pro tip: Sales organizations that don't have pre-existing relationships with prospects probably won't be considered when the decision to replace is made. Branding and product marketing are integral to the sales effort.

How many months was the replacement under consideration before it was approved?

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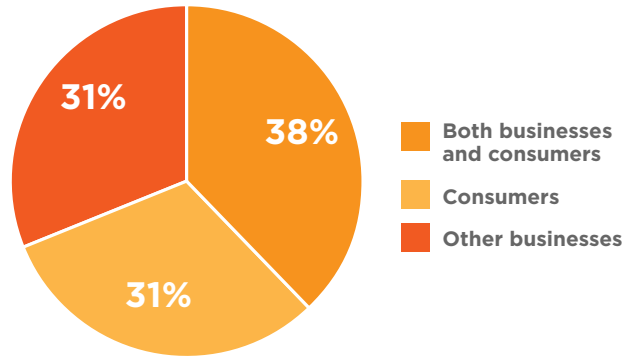| Less than a month	2 to 3 months	3 to 6 months	6 to 12 months	More than 12 months
7%	36%	33%	18%	6%

N=177
Source: Third Door Media

Key takeaways

- Marketers replace marketing software frequently. Your customers are constantly evaluating other solutions that provide better functionality at lower cost.

- Replacements are being made across the spectrum of marketing software applications. Bedrock marketing applications were replaced most often.

- Nearly 75% of marketing software was replaced after less than 5 years.

- "Better features" drove replacement of most marketing software.

- Data, experience, integrations and cost were the catalysts for replacements.

- Marketing and executive management were the "champions" of marketing software replacements, but staff played a key role 30% of the time.

- Decisions to replace marketing software were made in less than six months 3/4 of the time.

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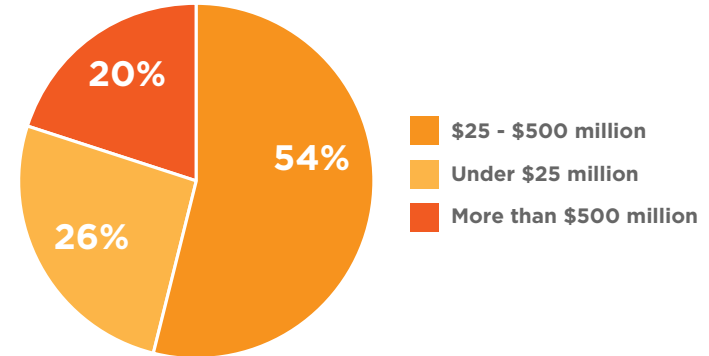
Survey participant profile
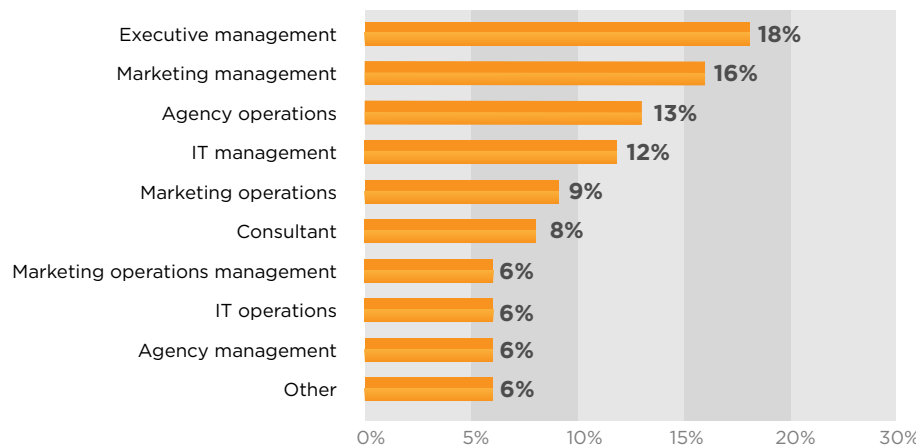
What does your company mostly sell to?

- 38% (orange)
- 31% (light orange)
- 31% (red)

Legend:
- Both businesses and consumers
- Consumers
- Other businesses

N=396
Source: Third Door Media

What is your company's annual revenue?

- 54%
- 26%
- 20%

Legend:
- $25 - $500 million
- Under $25 million
- More than $500 million

N=396
Source: Third Door Media

Which best describes your job function?

Job function	%
Executive management	18%
Marketing management	16%
Agency operations	13%
IT management	12%
Marketing operations	9%
Consultant	8%
Marketing operations management	6%
IT operations	6%
Agency management	6%
Other	6%

N=399
Source: Third Door Media

Where do you currently reside?

- North America: 88%
- Europe: 5%
- APAC: 4%
- Middle East: 1%
- South America: 1%
- Africa: 0%

Legend:
- North America
- Europe
- APAC
- South America
- Middle East
- Africa

N=396
Source: Third Door Media
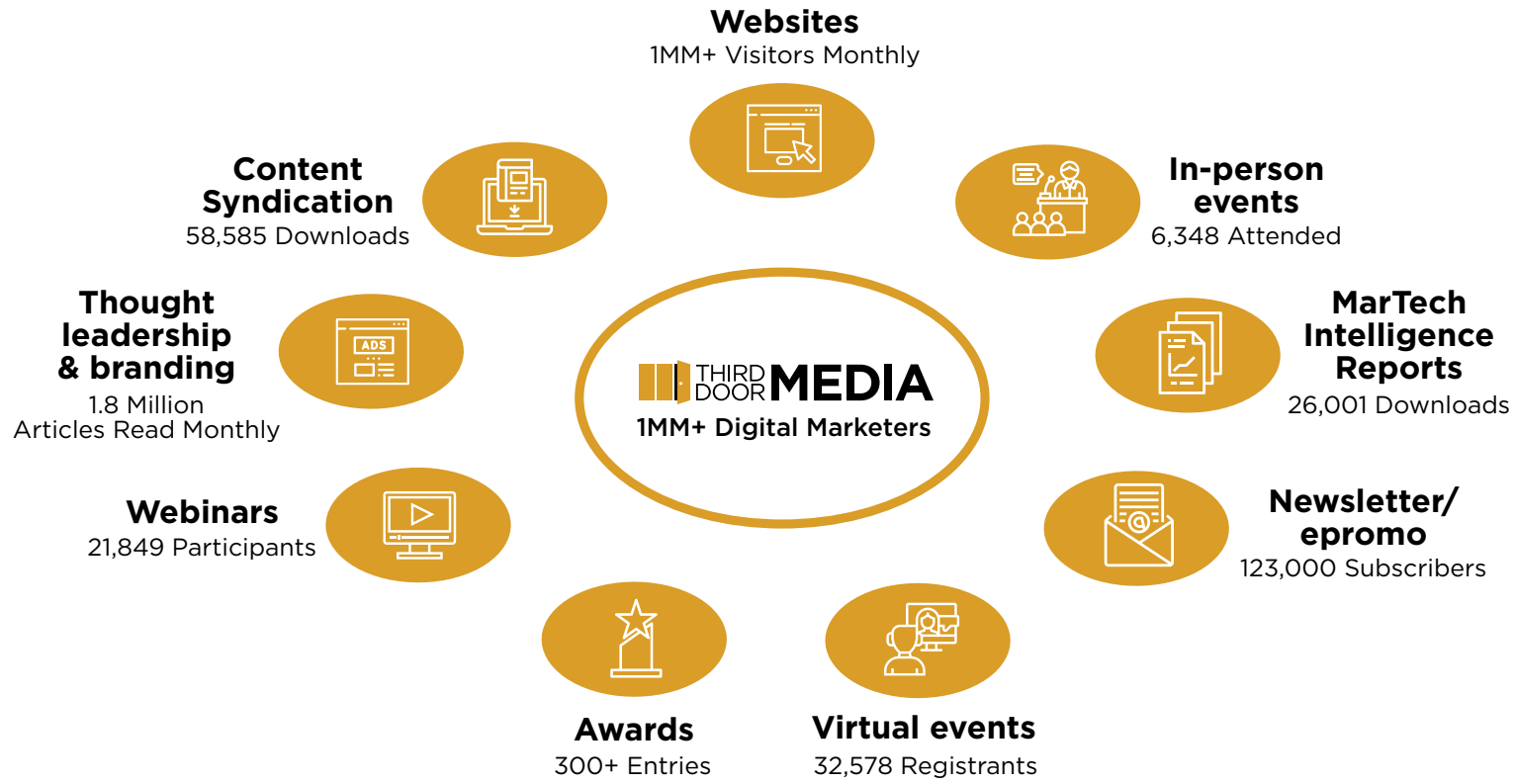
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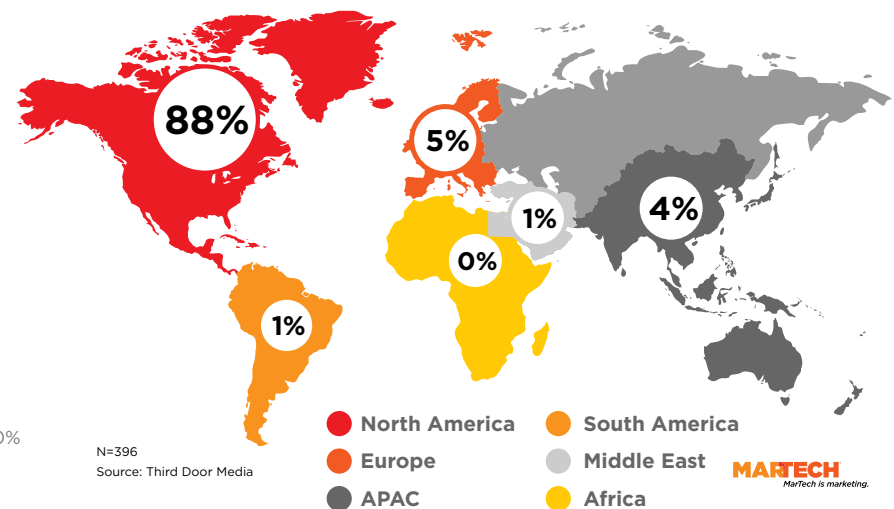
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Third Door Media Team

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