Shuffling the Stack
Why organizations change and upgrade their marketing software
2021 Edition
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.
Replacing marketing software is commonplace

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.

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

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

N=374
Source: Third Door Media
Mission critical marketing software was replaced across the spectrum of applications, marketing software is being replaced frequently. Bedrock applications like marketing automation, email and CRM were replaced most often.

What application(s) did you replace?

- 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
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 less than 20% in the 2019 edition of this report.

How long was the legacy system you replaced used for?

- 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 replaced 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?

- Commerical to commercial: 53%
- Homegrown to homegrown: 16%
- Homegrown to commercial: 13%
- Commerical to homegrown: 18%

N=197
Source: Third Door Media
Features drove replacement of commercial software

Why did you replace this commercial application?

- Better features (51%)
- Reduce expenses (23%)
- Better/easier integration (19%)
- Other (8%)

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

An additional 19% said they 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?

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- Outdated code: 12%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

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?

<table>
<thead>
<tr>
<th>Yes</th>
<th>47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>53%</td>
</tr>
</tbody>
</table>

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.

N=196
Source: Third Door Media
Data, experience, integration and cost are the catalysts for replacements.

**What factors were important when choosing the replacement?**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data centralization/data capabilities</td>
<td>51%</td>
</tr>
<tr>
<td>Improved customer/digital experience</td>
<td>42%</td>
</tr>
<tr>
<td>Integration capabilities/open API</td>
<td>41%</td>
</tr>
<tr>
<td>Cost</td>
<td>41%</td>
</tr>
<tr>
<td>Ability to actively measure ROI</td>
<td>34%</td>
</tr>
<tr>
<td>Support</td>
<td>31%</td>
</tr>
<tr>
<td>Security</td>
<td>29%</td>
</tr>
<tr>
<td>Compliance</td>
<td>23%</td>
</tr>
</tbody>
</table>

N=177
Source: Third Door Media

This multiple choice question sheds light on all of the factors that motivated replacements.
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: 39%
- Executive management: 30%
- Marketing operations: 12%
- Marketing staff: 11%
- IT: 8%
- Sales: >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?

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

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.
Survey participant profile

What does your company mostly sell to?
- Both businesses and consumers: 31%
- Consumers: 38%
- Other businesses: 31%

What is your company’s annual revenue?
- $25 - $500 million: 20%
- Under $25 million: 54%
- More than $500 million: 26%

Which best describes your 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%

Where do you currently reside?
- North America: 88%
- Europe: 5%
- South America: 1%
- Middle East: 1%
- APAC: 4%
- Africa: 0%
REACH DIGITAL MARKETERS 365 DAYS A YEAR

Build brand, thought leadership and in-market leads at scale.

Each month, more than 1.1 million marketers engage with Third Door Media’s properties and our clients’ content.

What people do is the definitive indicator of their intent. What they read. What they download. What they attend. What products and services they research. Community members trust the accuracy and authority of Third Door Media’s content, and the content we amplify. And, they know we respect their privacy, because we ask permission every single time we share their personal information.
Third Door Media Team

We’re here to help. When you become a partner you not only gain access to our audience of digital marketing professionals, you get the support of our dedicated and experienced team who will ensure your program is successful. We look forward to helping your business grow.

Leslie Bacon, SVP, Marketing Solutions  (203) 918-1378  lbacon@thirddoormedia.com
Carolyn Goldfarb, Sales Director  (917) 834-6172  cgoldfarb@thirddoormedia.com
Sarah Power, Director, Business Development  (516) 581-3348  sarah@thirddoormedia.com
Mary Warley, Senior Director, Business Development  (617) 899-9814  mary@thirddoormedia.com
Toby Schremmer, Director, Business Development  (321) 456-6078  tschremmer@thirddoormedia.com

Here is a sampling of the companies we are proud to call partners:

acoustic  Acquia  acxiom  Adobe  allocadia  alyce  blueconic  bombora  botify
Bruce Clay  CallRail  Cloudinary  conductor  crownpeak  dialogtech  dnn  bradstreet  Google
INFLU²  infutor  INVOCA  iterable  LiveRamp  Lytics  magnolia
MERKLE  Microsoft  MOZ  nielsen  neustar  ON24  OnTrust PreferenceChoice  OPENPRISE
PANTEON  PEGA  Postclick  salesforce  SAS  semrush  SharpSpring  Siteimprove
Tealium  TREASURE DATA  upload  validity  Wordpress VIP  workfront  zeta  zoominfo.