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Replacement Survey 2023

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Findings: Not what you'd expect

Prevailing wisdom is that the COVID-19 pandemic was the catalyst for replacing marketing technology applications and that the wobbly economy is slowing the pace of replacements. This year's MarTech Replacement Survey debunks both views.

Looking at four years of data from this research leads to one of two conclusions: That COVID actually slowed the pace of martech replacements, or that our first edition of this report was an outlier (see Figure 1).

Whether the economy is impacting the rate of replacements is less clear. The 2021, 2022 and 2023 editions of this research yielded remarkably similar results in some categories (marketing automation, data management/CDP, analytics/business intelligence, and multifunction marketing suites) and differing results in others (CRM, email distribution, CMS, attribution performance tools).

Figure 1 - Martech replacements 2020-2023
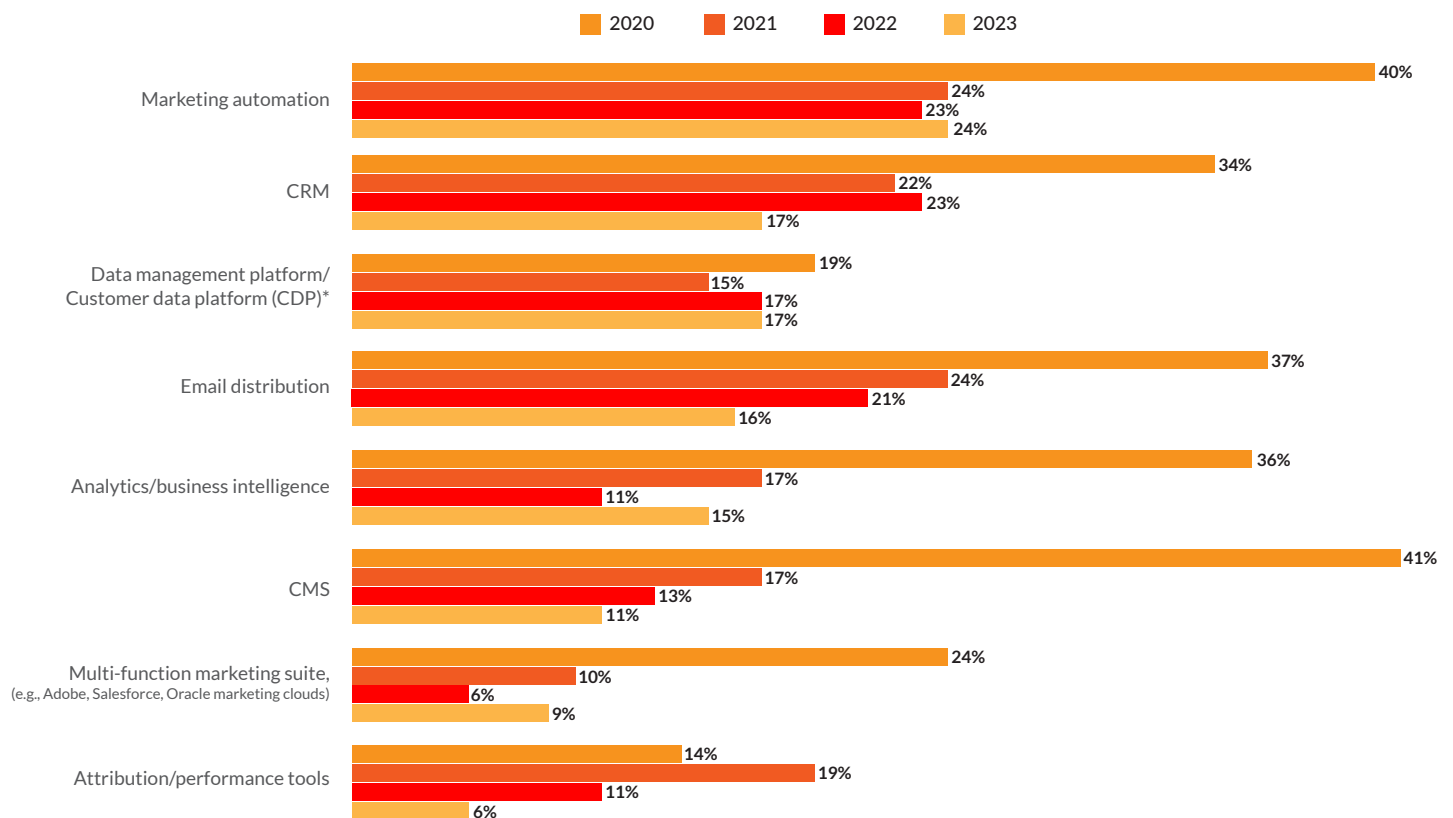
Legend: ■ 2020   ■ 2021   ■ 2022   ■ 2023

- **Marketing automation**: 40%, 24%, 23%, 24%
- **CRM**: 34%, 22%, 23%, 17%
- **Data management platform/ Customer data platform (CDP)***: 19%, 15%, 17%, 17%
- **Email distribution**: 37%, 24%, 21%, 16%
- **Analytics/business intelligence**: 36%, 17%, 11%, 15%
- **CMS**: 41%, 17%, 13%, 11%
- **Multi-function marketing suite,** (e.g., Adobe, Salesforce, Oracle marketing clouds): 24%, 10%, 6%, 9%
- **Attribution/performance tools**: 14%, 19%, 11%, 6%

n 2023=294
Q: What application(s) did you replacet?

*These categories were combined in the 2020 edition of this report. They were separated in the 2021 to 2023 editions. Results are combined here.

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Also, those who participated in this survey appear to have reached a tipping point. Those who self-identified as marketing operations professionals (either management or staff) were the largest group of respondents to the survey for the first time, followed closely by those identifying themselves as "marketing management."

The number of marketing operations people participating increased steadily since the first edition was fielded in 2019, from 15% of all respondents to 26% of respondents this year. This result adds another data point confirming that marketing operations is a growing profession.

On behalf of the team here at MarTech, we hope you find this report useful and informative. We welcome any comments or suggestions you may have to improve future editions.

Best regards,

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Takeaways: TL;DR

24%
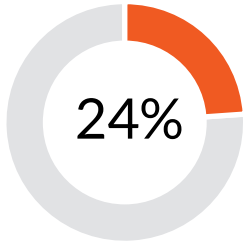
Marketing automation was the most-replaced martech application for the third year in a row.

38%
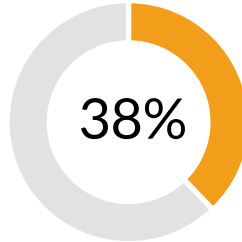
The percentage of all replacements made to improve customer experience.

The growing use of commercial applications is accelerating the pace of replacements. In 2023, 31% of the replacements were made of software that had been in place for two years or less compared to 21% in 2020.
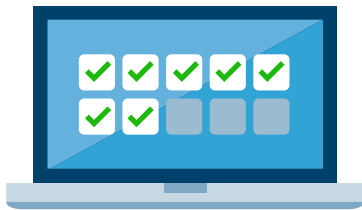
7-in-10 marketing software adoptions were approved in less than six months.
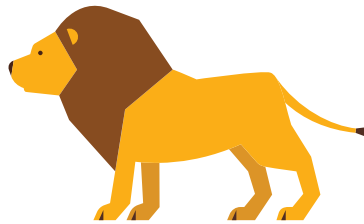
People identifying themselves as marketing operations professionals were the lion's share of respondents for the first time.

Commercial applications replaced other commercial and homegrown applications in 90% of the instances.

IT professionals led the effort to replace martech software in only 6% of the cases.

Nearly ⅔ retrained existing staff when making a martech replacement.

Marketing automation tops the list of most replaced applications

Marketing automation was the most frequently replaced martech application for the third year in a row. Nearly a quarter of all respondents to this year's survey replaced marketing automation platforms (see Figure 2).

SEO software was the only other application replaced by more than 20% of respondents.

Nine of the categories on this year's list were replaced by 10% or more respondents. The remaining 10 categories were replaced by less than 10%.

Respondents replaced 2.1 applications on average (619 replacements by 294 respondents).

We reached out to some survey respondents to find out why they replaced their marketing automation solutions. "We were consolidating CRMs because of a merger and the marketing automation tool we selected we felt would better integrate [with our new stack]," said Steve Wagner, a marketing manager. "The major challenges were mapping fields to the new tool that we had in the old one and replicating the workflow to keep marketing programs running."

Program manager Nichole Cook told us: "We outgrew our ESP wanting to build more complex campaigns and integrate the audience selections with the campaigns. We wanted to track customer behaviors on and offline and build campaigns around the customer rather than around the product. We wanted to easily set up cross-channel campaigns based on customer behaviors."

Figure 2 - Marketing automation, SEO tools most replaced applications

	2023
Marketing automation	24%
SEO software	22%
Work and project management	18%
CRM	17%
Email distribution	16%
Analytics/business intelligence	15%
CMS	11%
Other (please specify)	10%
Customer data platform (CDP)	10%
Digital asset management	9%
Multi-function marketing suite, (e.g., Adobe, Salesforce, Oracle marketing clouds)	9%
Digital events/webinar platform	8%
Customer journey orchestration/analytics	7%
Data management platform	7%
Ecommerce	7%
Digital experience platform (DXP)	6%
Attribution/performance tools	6%
ABM	5%
Identity resolution	1%

n 2023 = 294
Q: What application(s) did you replace?

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> **The major challenges were mapping fields to the new tool that we had in the old one and replicating the workflow to keep marketing programs running.**
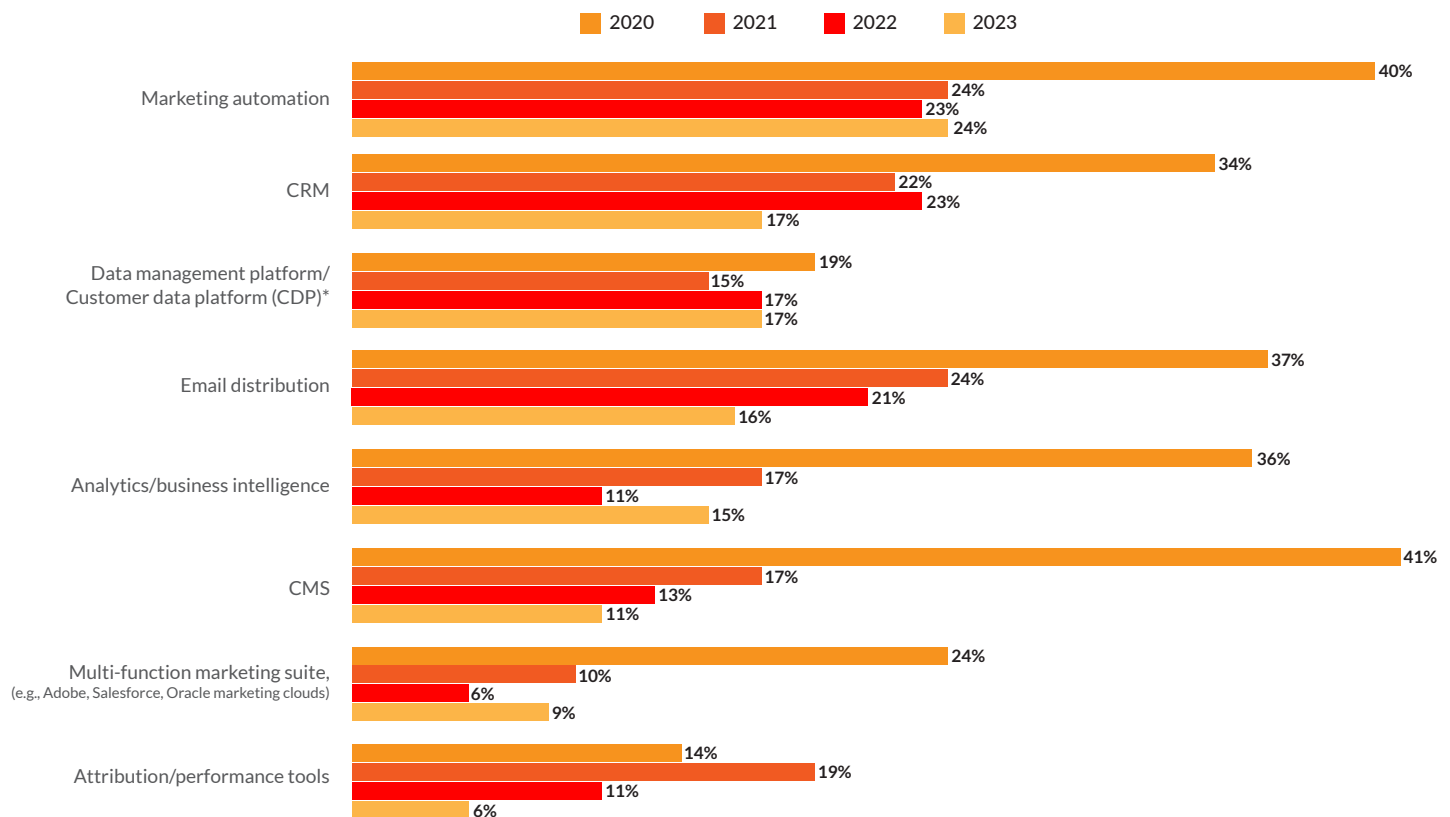
Was the conventional wisdom about COVID's impact on martech replacement incorrect?

The temptation was to compare results from the 2020 survey (which asked about replacements made in 2019) with the 2023 data (which asked about replacements from mid-2022 to mid-2023) and conclude that conventional wisdom was correct: Companies upgraded their marketing technology to cope with the reality that more business was being conducted online. As a result, they were upgrading their martech applications rapidly.

The data tell a different story. Replacements of key marketing technologies were remarkably consistent from 2021 to 2023. The outlier was the results from the 2020 edition of this survey (see Figure 3). That leads to one of two conclusions: Results for the 2020 edition were, indeed, an outlier, or that the pace of replacement slowed in 2021 and remained consistent since.

Expanding the view to include more applications, but limiting the data set to 2021-2023, only the Work and project management category experienced an increased number of replacements each year (see Figure 4).

Figure 3 - Martech replacements, 2020-2023

Legend: 2020, 2021, 2022, 2023

Marketing automation: 40%, 24%, 23%, 24%
CRM: 34%, 22%, 23%, 17%
Data management platform/Customer data platform (CDP)*: 19%, 15%, 17%, 17%
Email distribution: 37%, 24%, 21%, 16%
Analytics/business intelligence: 36%, 17%, 11%, 15%
CMS: 41%, 17%, 13%, 11%
Multi-function marketing suite, (e.g., Adobe, Salesforce, Oracle marketing clouds): 24%, 10%, 6%, 9%
Attribution/performance tools: 14%, 19%, 11%, 6%

n 2023=294
Q: What application(s) did you replace?

*These categories were combined in the 2020 edition of this report. They were separated in the 2021 to 2023 editions. Results are combined here.

Figure 4 - Martech replacements, 2021-2023

	2021	2022	2023
Marketing automation	24%	23%	24%
SEO software	16%	23%	22%
Work and project management	15%	17%	18%
CRM	22%	23%	17%
Email distribution	24%	21%	16%
Analytics/business intelligence	17%	11%	15%
CMS	17%	13%	11%
Customer data platform (CDP)	n/a	9%	10%
Digital asset management	13%	11%	9%
Multi-function marketing suite, (e.g. Adobe, Salesforce, Oracle marketing clouds)	10%	6%	9%
Digital events/webinar platform	16%	14%	8%
Customer journey orchestration/analytics	9%	8%	7%
Data management platform	15%	8%	7%
Ecommerce	11%	14%	7%
Digital experience platform (DXP)	n/a	3%	6%
Attribution/performance tools	19%	11%	6%
ABM	5%	13%	5%
Identity resolution	4%	6%	1%

n=306
Q: What applications did you replacet?

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Several considerations factored nearly equally in replacements

This survey identifies two tiers of features cited as "important" in deciding to replace a marketing technology application.

In the top tier, all mentioned by over 30% of respondents this year, are improved customer experience, cost, integrations/APIs, improved data management, and measuring ROI. Although these capabilities have shuffled positions from year-to-year, they are the top choices of respondents and consistently close in the percentage of respondents selecting them.

The bottom tier consists of support, security, compliance and "other". These features were important factors in driving replacements in fewer than 30% of the cases. The most frequently mentioned reason for answering "other" to this question was a variation on improving the experience for users on the marketing team.

Figure 5 - Experience, cost, APIs, data handling, and measuring ROI among the top reasons for replacements

Improved customer/digital experience	38%
Cost	37%
Integration capabilities/open API	36%
Data centralization/data capabilities	35%
Ability to actively measure ROI	33%
Support	26%
Security	18%
Compliance	14%
Other	6%
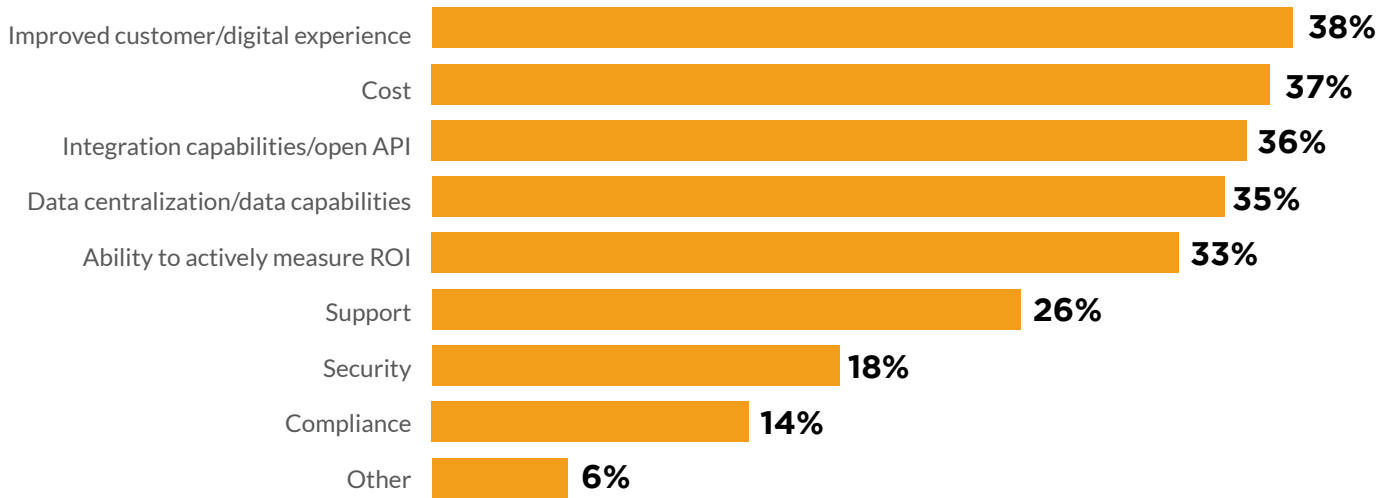
N 2023 = 294
Q: What factors were important when choosing the replacement? (Select all that apply)

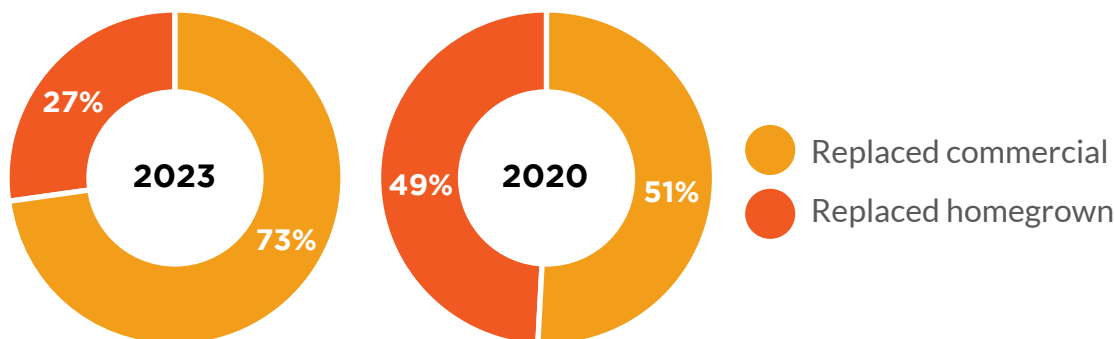**MARTECH**
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Replacements of commercial applications increased dramatically

Marketers are replacing many more commercial applications now than they did in 2019. Nearly 3-in-4 replacements in the latest survey were of commercial applications, compared with half in 2019 (see Figure 6).

Commercial applications were selected as the replacement in nearly 90% of the instances. Commercial applications replaced other commercial applications nearly 70% of the time. Commercial applications replaced homegrown applications 20% of the time (see Figure 7).

Homegrown applications were replaced with new homegrown applications or commercial applications, but in just over 10% of the instances reported.

Figure 6 - Replacements of commercial applications account for nearly 75% of all replacements
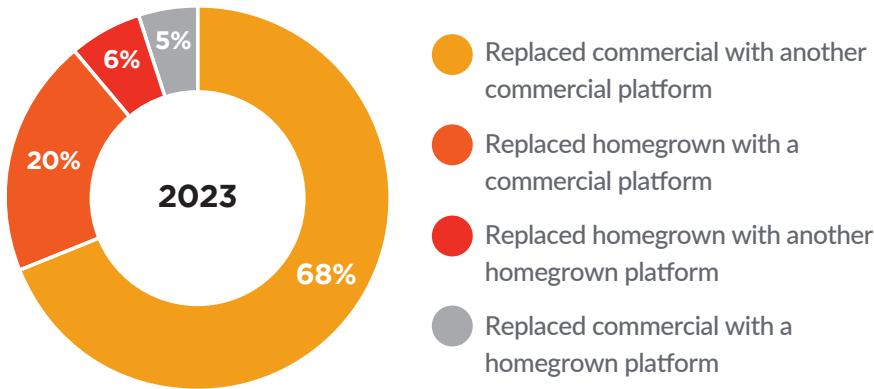
2023: 27% / 73%
2020: 49% / 51%

● Replaced commercial
● Replaced homegrown

n 2023=256, n 2019 = 332

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Figure 7 - Commercial applications replaced other commercial applications nearly 70% of the time

- ● Replaced commercial with another commercial platform
- ● Replaced homegrown with a commercial platform
- ● Replaced homegrown with another homegrown platform
- ● Replaced commercial with a homegrown platform
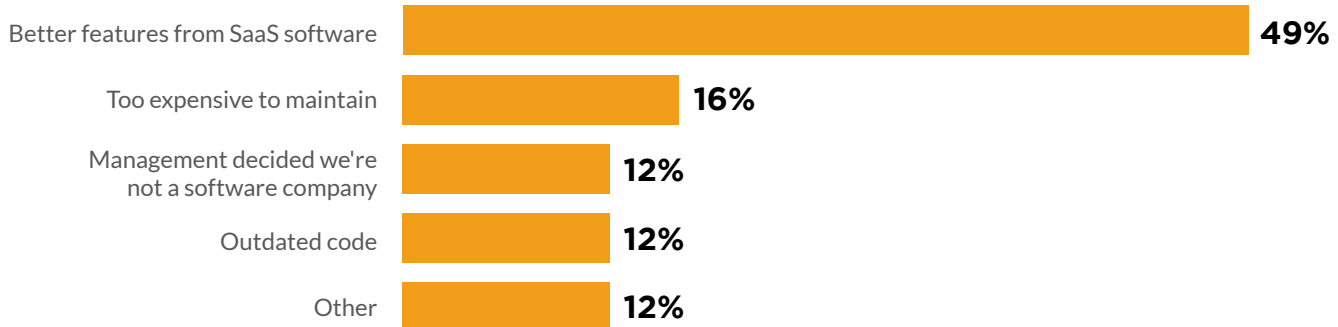
6%   5%
20%
2023
68%

n 2023 = 296
Q: What scenario best describes this replacement? (If you replaced more than one application, please choose one of them and answer all questions related to that application.)

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Half of those replacing homegrown applications said "better features" were the reason they switched (see Figure 8). The expense of maintaining (16%) or updating (12%) homegrown applications figured into nearly 30% of replacements.

## Figure 8 - Better features the key driver of homegrown software replacements

Better features from SaaS software	49%
Too expensive to maintain	16%
Management decided we're not a software company	12%
Outdated code	12%
Other	12%

n 2023 = 69
Q: Why did you replace this homegrown application?

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"Better features" was also the top reason commercial marketing software applications were switched (see Figure 9). The ability to integrate applications (25%) and price (22%) were also cited frequently by those replacing commercial applications..

Figure 9 - Features, integrations, and cost are the catalysts for replacing commercial applications

Better features	42%
Better/easier integration	25%
Reduce expenses	22%
Other (please specify)	11%
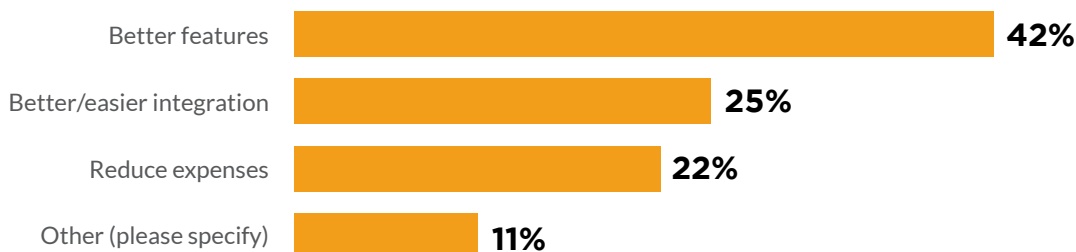
n 2023 = 186
Q: Why did you replace this commercial application?

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Three-to-five years the sweet-spot of replacements

Seven-in-10 respondents said they replaced martech that had been used for three or more years. Responses to this question were on a classic bell curve, with "less than a year" and "more than 10 years" accounting for 8% of responses each (see Figure 10).

Figure 10 - Nearly 70% of applications replaced were in service for 3 or more years
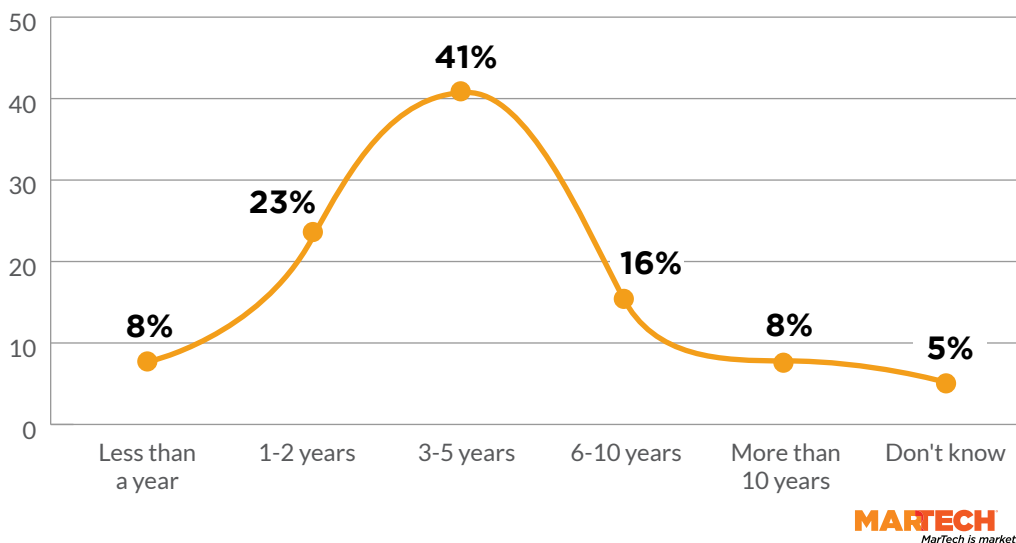
The growing use of commercial applications is accelerating the pace of change. In 2023, 31% of the replacements were made of software that had been in place for two years or less. Only 21% of replacements made in 2020 were applications in place for two or fewer years (see Figure 11).

These results demonstrate that marketers are willing to change marketing technology applications – even mission-critical applications – if the replacement software offers more value. Evaluating new applications is one of the principal tasks marketing technology professionals say they're responsible for, according to MarTech's annual Salary & Career Survey.
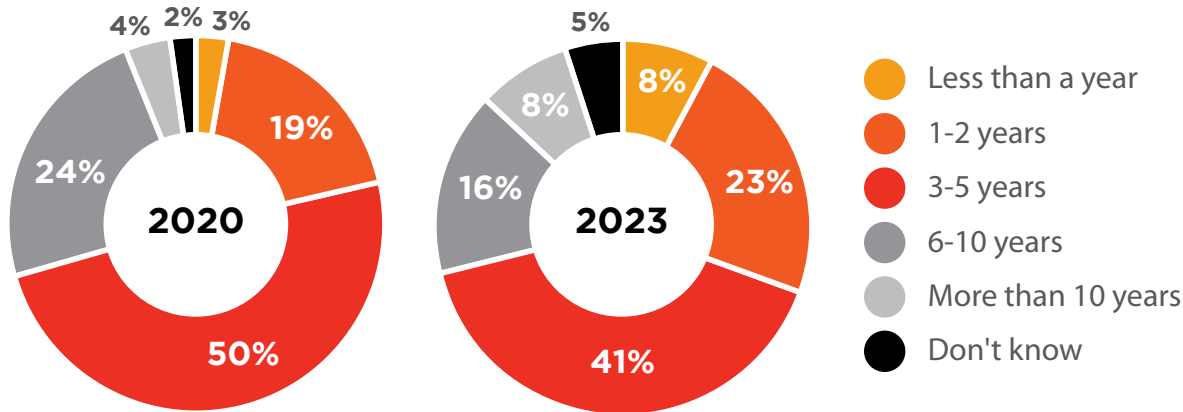
" **The growing use of commercial applications is accelerating the pace of change. In 2023, 31% of the replacements were made of software that had been in place for two years or less.**

Figure 11 - Use of commercial software is accelerating replacements

2020
- 19%
- 50%
- 24%
- 4%
- 2%
- 3%

2023
- 8%
- 23%
- 41%
- 16%
- 8%
- 5%

Legend:
- Less than a year
- 1-2 years
- 3-5 years
- 6-10 years
- More than 10 years
- Don't know

N 2023 = 226
Q: How long was the legacy system you're replacing used for?

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Marketers champion replacements most

Marketing management, operations, and staff led the charge to replace applications more than 60% of the time (see Figure 12).

Executive management championed the replacement in about 1/3 of cases, an increase of about 10 percentage points compared to last year's edition of this report but only 2 percentage points higher than 2021.

Technology professionals continued to play a very limited role in advocating for martech replacements. IT was the champion in only 6% of the cases, compared to 8% in 2021.

Figure 12 - Most replacements are management-led initiatives

2023

Champion	Percentage
Executive management	32%
Marketing management	32%
Marketing operations	20%
Marketing staff	10%
IT	6%
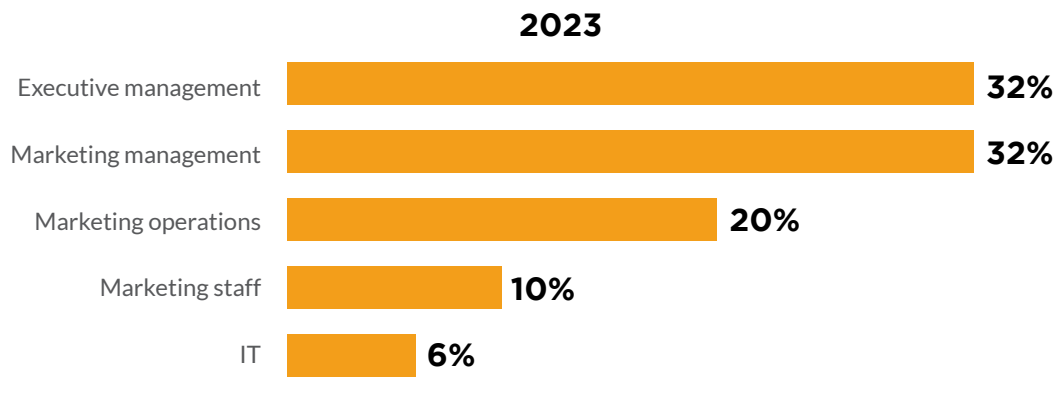
N 2023 = 226
Q: Who in your organization championed the replacement?
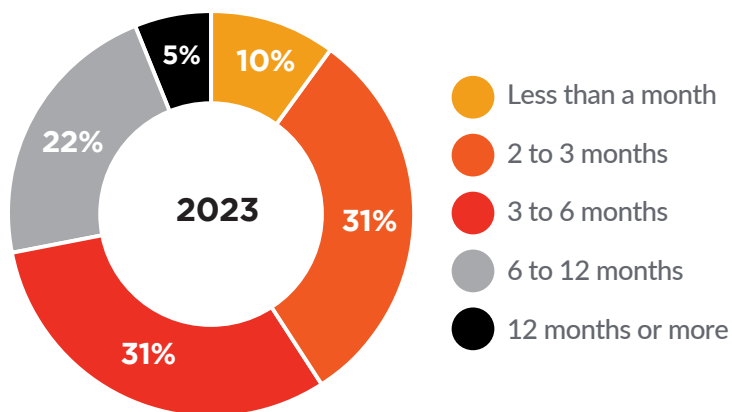
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Replacements approved quickly

Marketers move quickly when deciding to green-light a replacement. Over 40% of respondents said the decision to replace took 90 days or less. Another 50% said the decision took less than a year. Only 5% said the decision-making process took more than a year (see Figure 13).

Figure 13 - Over 70% of replacements approved in less than 6 months

Less than a month — 10%
2 to 3 months — 31%
3 to 6 months — 31%
6 to 12 months — 22%
12 months or more — 5%

2023

N 2023 = 226
Q: How many months was the replacement under consideration before it was approved?
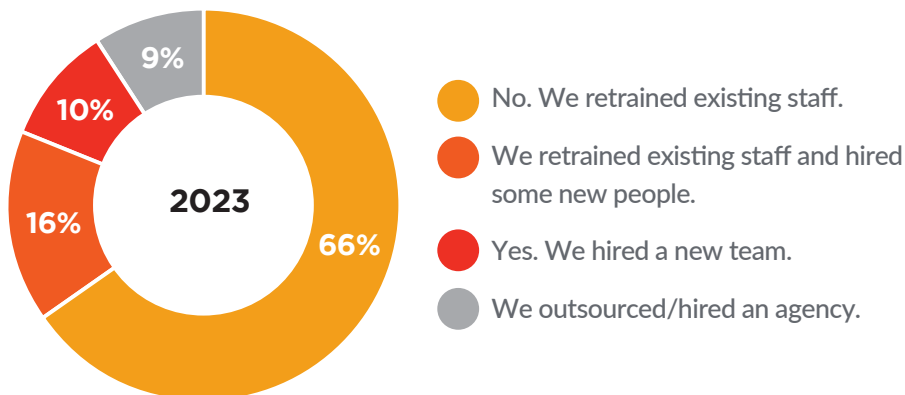
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New martech, same team

Organizations chose to retain their people after implementing new marketing technology in nearly 2/3 of the cases, a nod to the skills gap and tight labor market.

Hiring a new team or outsourcing to an agency was the chosen path for staffing in fewer than 20% of the instances (see Figure 14).

Figure 14 - Staff was retrained after 2/3 of replacements

No. We retrained existing staff. — 66%
We retrained existing staff and hired some new people. — 16%
Yes. We hired a new team. — 10%
We outsourced/hired an agency. — 9%

2023

N 2023 = 226
Q: Did you hire new people in conjunction with the replacement?

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These results are dramatically different than the pre-pandemic 2020 edition of this report, when 43% of respondents said they hired new staff when implementing new marketing technology applications.

Methodology and firmographics of respondents

Of the 443 respondents participating in the 2023 survey, 294 said they'd replaced one or more marketing technology applications in the last 12 months (see Figure 15).

Figure 15 - 2/3 of those responding replaced a marketing technology application
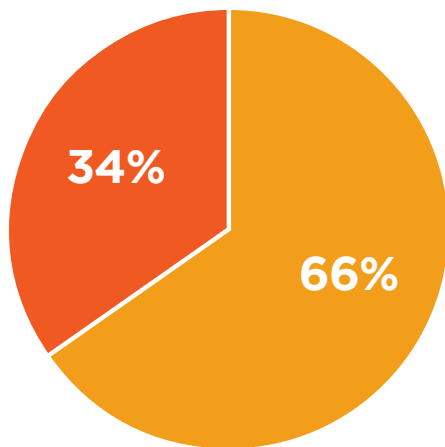
34%

66%

N 2023 =443
Q: Has your company replaced a marketing technology application in the last year?

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" **Of the 443 respondents participating in the 2023 survey, 294 said they'd replaced one or more marketing technology applications in the last 12 months.**

The survey was fielded in the second quarter of 2023. Invitations to take the survey were amplified to readers of MarTech and past attendees of the MarTech Conference.

Two-thirds of respondents (65%) live in the United States. Another 6% were from Canada and 3% from the UK.

MarTech's Replacement Survey comprised 10 questions related to marketing platform replacement, plus a few questions enabling us to categorize the respondents and the companies for which they work.

Of those saying they made a replacement, 25% said they worked for enterprises with sales of $500 million or more. Thirty-two percent said they worked in organizations of $25 million to $500 million in sales. The remainder worked in a business of less than $25 million in sales (see Figure 16).

More than half of respondents said they worked for companies that sell to other businesses. Forty-six percent said they work for companies that sell exclusively to consumers or both businesses and consumers (see Figure 18).

Here are details survey respondents provided about their companies and roles in those companies.

- Nearly 1-in-4 said they work at a technology software/services provider. Another 15% said they worked at an agency. The third-largest segment was business/professional services (14%). All other categories yielded single-digit results (see Figure 16).
- Two-thirds of those responding worked for companies with annual sales of $25 million or above (see Figure 17).
- The largest segment of those responding to this year's survey (26%) identified as "marketing operations" or "marketing operations management" (see Figure 18). Marketing management (24%) was the largest segment responding.

Figure 16 - Products/services sold by companies making martech replacements

Technology – Software/Services	23%
Agency & Marketing Services	15%
Business/Professional Services	14%
Finance	9%
Healthcare/Pharma	6%
Retail/Ecommerce	6%
Consumer Products/Goods	5%
Gov/Non-Profit/Assoc/Education	5%
Manufacturing/Wholesale	4%
Other (please specify)	4%
Media/Publishing	4%
Insurance	3%
Travel/Hospitality	2%
None of the above	0%

N 2023 = 226
Q: Which of these best describes your company's products or services?
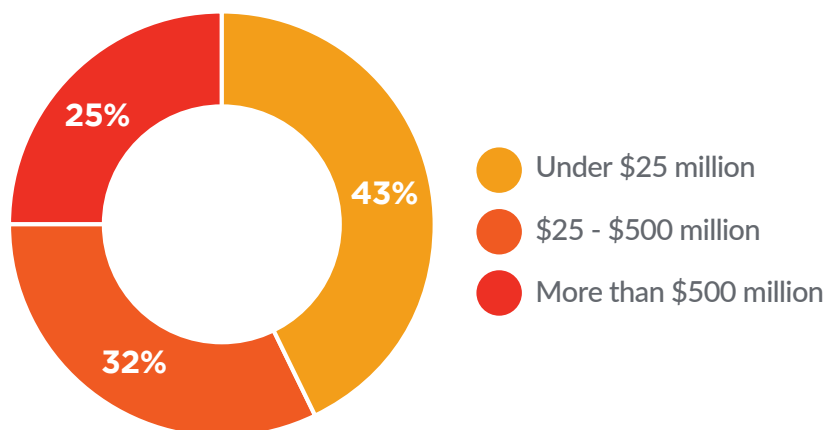
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> **More than half of respondents said they worked for companies that sell to other businesses. Forty-six percent said they work for companies that sell exclusively to consumers or both businesses and consumers**

Figure 17 - Revenue of companies making replacements

43% Under $25 million
32% $25 - $500 million
25% More than $500 million

N 2023= 346
Q: What is your company's annual revenue?

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Figure 18 - Job function of Replacement Survey respondents

	2023
Marketing management	24%
Marketing operations	14%
Marketing operations management	12%
Executive management	12%
Marketing staff	9%
Agency management	7%
IT management	5%
Consultant	5%
Agency operations	2%
Sales	2%
IT operations	1%
Sales operations	0%

n 2023 = 294
Q: What application(s) did you replace?

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