2018
ESP SATISFACTION REPORT

How Enterprise Marketers Feel About Their Email Technology

MessageGears™

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INTRODUCTION

Spending years talking to enterprise organizations about their email marketing needs, the perception that changing email service providers is extremely difficult, time consuming and expensive has been difficult to avoid. It comes up in conversation after conversation, to the point that it feels like an accepted fact for large B2C companies — if they're going to make a change, the problems with the current one better be debilitating enough to justify months of hard work and transition.

So we set out with this survey to see if this anecdotal evidence would be reflected in the unfiltered opinions of people at these sorts of organizations. We teamed up with research firm Survata in the fall of 2017 and asked 101 B2C marketers at companies that send at least 10 million emails per month how they use email and what they think of their ESP.

Our goal was to find out not just whether marketers at large companies think changing ESPs is hard, but why? What are their pain points? What's standing in their way? Are there factors — such as company size, email volume, or size of email marketing budget — that exacerbate these obstacles? We chose larger organizations that send over 10 million per month because the massive amount of customer data they're drawing from eventually leads their marketing teams into a wall where their data simply isn't up to date enough to be reliable. That limits the sorts of messages they can send their customers, and leads to a situation where marketers are typically either lukewarm or borderline hostile toward their ESP.

What we found…

1.

Large companies are staying with ESPs they don't love

2.

The C-Suite's view on strengths and priorities doesn't usually align with their team's

3.

Companies with on-premises ESPs are more reluctant to change

There's an ESP enthusiasm problem out there but, the larger the company, the less likely they are to change anyway. In this paper, we'll also break down related findings that look at an apparent disconnect between the C-Suite and the rest of the marketing team when it comes to the need to change ESPs, along with the particular reticence to change among those who manage their email platform in house.

THE LARGEST COMPANIES ARE STAYING WITH ESPs THEY DON'T LOVE

While few businesses of any size seem to relish the idea of transitioning to a new email service provider (ESP), the bigger the company, the more reluctant they are to make the switch.

Our survey found that 40% of companies that send more than 100 million emails per month have been with their current primary ESP for more than 5 years. Meanwhile, 36% of companies sending 10-50 million emails per month have only been with their ESP for 1-2 years, and just 10% have stuck with their ESP for 5+ years. Just 1 in 5 of the biggest email senders had been with their ESP fewer than 2 years.

MONTHLY EMAIL VOLUME

TIME WITH CURRENT PRIMARY ESP	10M to 50M	50M to 100M	Over 100M	Totals
Less than 1 year	2%	17%	0%	0%
1-2 years	36%	13%	20%	25%
3-5 years	43%	50%	14%	35%
5+ years	10%	21%	40%	23%
Not Sure	10%	0%	26%	13%
Totals	100%	100%	100%	100%

That's a look at where the companies have been. We also asked them to look ahead and anticipate whether they'll make a move toward a new ESP in the coming year.

- Among companies with $1 billion in revenue or more, **only 6% of respondents said they expect to change** their current primary ESP in the next 12 months, compared to 26% of all other companies.
- Interestingly, these results didn't change based upon satisfaction level. Among the 18% of $1 billion companies who were either unsatisfied or had mixed feelings about their ESP, **none expected to change**, indicating whatever was driving change, it wasn't their feelings toward the ESP they're currently using.

It was one of the stronger and more consistent findings contained in our survey — the larger the company, the more hesitant they are to make an ESP change. People at these companies gave a variety of reasons for why they didn't expect to change, regardless of how they feel about their current ESP. They involved a variety of systemic problems that strike to the heart of some of the challenges facing large enterprise organizations as they ramp up their email marketing efforts:

Deep integration with current ESP solution
"We are an Oracle shop. We use Oracle and our ESP is Oracle."

Extremely long buying cycle
"For us to change in the next 12 months, we would have started to research other options at this point."

Communication is difficult in large organizations
"Very siloed company; any changes take much longer than 12 months."

Preconceived notions about the challenge and expense of changing
*"Too high of a learning curve equates to expensive."*

These responses suggest that many marketers at organizations that send the largest amounts of email are unenthusiastic about the performance of their current primary ESP — 14% of respondents from organizations sending more than 50 million emails per month were "very satisfied" with their ESP, compared to 29% of respondents at organizations that send fewer than 50 million — but still often feel locked into the ESP they've been working with for several years.

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The Larger the Enterprise, The Tougher the Change

While we expected our survey to find that changing ESPs was a stressful process that most marketers entered with trepidation, we weren't as confident about whether or not it would find a link between company size, email volume, and even deeper difficulties with change. So, we had to ask ourselves, why would the largest enterprise organizations in our survey be the most hesitant to change ESPs?

And our experience tells us that it makes a certain amount of sense. While all the companies included in our survey are relatively large — we didn't survey anyone at a company that sends less than 10 million emails per month — we're very familiar with the immense challenges that come with emailing at these sorts of scales. Some of the reasons the largest companies have the hardest time changing include:
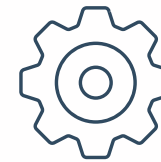
SYSTEMS INTEGRATION

When you have more customer data, that typically means the complexity of your systems increases, as does the sophistication of your I.T. operation in order to keep your data as up to date, secure, and accurate as possible. That also means that your ESP's platform tends to get more deeply entwined into what you do, making it increasingly tougher to extricate yourself from.

BUYING CYCLE + TRANSITION TAKES UP TIME

Because there tend to be so many approval layers in larger organizations, the buying cycle typically drags on over many months if not years. During that time, the marketing team has to conduct extensive research, meeting time, testing, proof of concepts, etc. Then there are possibly dozens of people, including full teams, to train and understand the new system. At smaller companies, there are far fewer moving parts.

ALL ESPs SOUND THE SAME

Speaking with these large organizations, we hear it all the time — Every big cloud-based ESP has such a similar product that it's not worth the pain to change. Many of these marketers who struggle with their current ESP don't know there are other deployment options available in the marketplace. Why change if you think the difference is negligible?

AVERSION TO RISK

While these large enterprise organizations may not be thrilled with their current ESP, unless they're 100% certain a significantly better option is ready to step in, it's often the path of least resistance to stay with the devil you know, and hope they make improvements. Change feels expensive, and the idea of changing to a worse — or even, for the matter, similar — ESP can seem like tossing money down the drain.

THE C-SUITE ESP ENTHUSIASM GAP

Keeping the C-Suite informed about challenges with regard to any email marketing program is an important part of ensuring campaigns are ultimately successful.

That's especially true when the challenges are ESP related, and might indicate an ESP change – as difficult a road as that can often be with cloud-based ESPs – is necessary if the team is going to meet its email goals.

Our research suggests the sort of cohesion that ideally would exist within these large companies may not be widespread, as there appears to be a significant disconnect between the C-Suite's view of the potential of ESP change and that of the people closer to the day-to-day email marketing operations.

- While 50% of the C-Suite executives in our survey said they were "very satisfied" with the performance of their current primary ESP, **just 17% of managers, senior managers, directors and vice presidents felt the same way**.
- The C-Suite is "very satisfied" with the speed and accuracy of real-time data access with their ESP at a rate of 80%, **compared to just 19% of the rest of the marketing team**.
- C-Suite executives were nearly **twice as likely as other marketing team members** to say their ESP's best attribute was ease of use (50% to 27%) and real-time data access (30% to 16%).

In addition to the difference in how they see the ESP's performance, they also – in almost contradictory fashion – have different levels of openness to changing their ESP.

- While **70% of C-Suite executives said they either expect to change ESPs in the next year** or aren't sure if they will, just 43% of other marketing team members said the same.
- Half of the C-Suite said they expect to have a different ESP in 12 months, compared to **17% of non C-Suiters**.

Some of the reasons the executives gave for expecting a change included the following:

> *"We are always looking for new ways to change, better ourselves and advance."*

> *"We are looking for better ways to reach our customers."*

> *"I feel we can find a better ESP than the present one."*

> *"To look for a better and [newer] service."*

Every one of those executives said they were either satisfied or very satisfied with their current ESP's performance, and there was no C-Suite acknowledgment of the switching challenges noted by several other team members, such as:

> *"It would be too time consuming to learn to use a new system."*

> *"There are some factors involved: Learning a new system, moving to a new platform. Everything takes time."*

> *"My company is too big to change ESPs on a whim. It would need to be approved and then it would take a long time to move all our systems."*

> *"Very tedious and time-consuming endeavor."*

> *"We fear change. Don't need new problems."*

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C-Suite Sits Far from the Day-to-Day Work

While we've been familiar with the problem of the disconnected executives when it comes to email marketing at enterprise organizations, we weren't sure if we'd see evidence of it in our research into those companies' attitudes toward their ESPs and change. But throughout the survey, we kept seeing it: **executives seem to have a fundamentally different viewpoint on their company's relationship with their ESP**. The question becomes, to whatever extent this has become a problem, how have enterprise companies gotten here?

We suspect there are a number of reasons why the people residing in the C-Suite might have an unusually rosy view of the ESP their marketing team is using, but also be more open than the rest of the marketing team to changing that ESP in the near future.

EMAIL'S NUMBERS ARE ALMOST ALWAYS PRETTY GOOD

Yes, even if your marketing team is constantly frustrated by the ESP you're signed with, there's an excellent chance the ROI is still pretty strong compared to most other forms of marketing. Email marketing teams at these large companies are good at what they do. And when they do their jobs, email's going to be a consistent source of clicks and conversions. So what if only 17% of those below the C-Suite are very satisfied with their ESP? The numbers are solid, so the frustrations are just the cost of doing business.
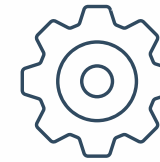
THE C-SUITE ONLY KNOWS WHAT THEY'RE TOLD

Because the analytics look strong, that's what the team tells the CMO in their weekly meeting. Besides, who wants to share complaints, especially when the desired results are there? So the C-Suite thinks everything's great, and the email marketing team gnashes their teeth while fighting through the chronic data lag and time-eating syncs that prevent them from doing what they want to do. The good ROI that should be better keeps these hostile marriages going far longer than they should.

THE C-SUITE IS OPEN TO CHANGE BECAUSE THE WORK'S NOT THEIRS

Meanwhile, almost paradoxically, the C-Suite says they're far more open to changing ESPs, even though they're also far more satisfied with the one they have. And, once again, it's a problem of lack of communication. Because they don't know about the frustrations with using the ESP, the likelihood is high they don't know about the frustrations with changing either. And, besides, to them, the ESP is just a tool, and a high-ROI tool at that. If there's a better mousetrap out there, sure. Why not? All the while, the email team — and I.T. too, for that matter — is looking on with dread. The perception is that changing ESPs is worse than a thousand root canals. And with most of the big ESPs, there's good reason they feel that way.

If you're on the email marketing team, it's important that you keep the C-Suite as informed as possible — of both the good and bad — if you want them to have a realistic view of how your ESP relationship is shaping up. Otherwise, you may not be able to convince them to make a change when you need it. Or, maybe worse yet, you may have a change forced on you for reasons that are out of your control.

COMPANIES WITH ON-PREMISES ESPs DON'T WANT TO CHANGE

While our survey found that most enterprise organizations are in no rush to change their email service provider – less than 20% said they expect to make a switch in the next year – it was striking how much more solidified those feelings were among marketing teams using their own in-house or commercial on-premises ESP solution.

Among those using an in-house or commercial on-premises ESP:

- **75%** said they don't anticipate changing ESPs in the next 12 months.
- The SaaS/Hybrid email marketing teams were far more open to change, with **31%** saying they expect to make an ESP change in the coming year, compared to **14%** of In-house/Commercial on-premises users.

This might make sense if the companies using In-house/Commercial on-premises were typically more satisfied with their ESPs, but the numbers didn't suggest that was the case. Only 18% of them were "very satisfied" with their ESP's performance, versus 27% of those using SaaS/Hybrid ESPs. They were roughly twice as likely to be somewhat unsatisfied (14% vs. 8%) and slightly less likely to be satisfied (86% vs. 93%). The reasons In-house/Commercial on-premises users gave for not expecting an ESP change to be forthcoming were varied, but a few notable ones included the following:

"Cost too high and our data is very unstable. It isn't the right time to change ESPs."

" We are currently experiencing a lot of budget issues right now. I'm not sure whether we can reach the budget to change our ESP soon."

"For now, a higher authority is standing in the way."

DO YOU EXPECT TO CHANGE PRIMARY ESP IN NEXT 12 MONTHS?

TYPE OF PRIMARY ESP USED	YES	NO	NOT SURE	TOTALS
In-House/HomeGrown	15%	85%	0%	100%
Commercial SaaS	28%	42%	31%	100%
Commercial On-Premises	13%	50%	38%	100%
Hybrid	38%	31%	31%	100%
Other	0%	50%	50%	100%
I'm not Sure	0%	63%	37%	100%
Totals	20%	53%	27%	100%

Among just the In-house/Homegrown ESP users, some of the issues with clinging to their current technology were even more pronounced:

- **85%** of marketers at those companies say they will not change their ESP in the next year.
- While some had only had their homegrown ESP in place for a short time, **45%** have been using that in-house solution for at least 3 years, with **25%** of them having it in place for more than 5 years.

Also, satisfaction level didn't seem to play a significant factor with the homegrown ESP users. Despite the fact that they built their own solution to be customized for their own needs, **only 10% said they were "very satisfied" with the ESP's performance**. Among those who said they weren't going to change ESPs soon, 24% said they were at least somewhat unsatisfied with their current ESP's performance.

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It's Tough to Let Go of Your Baby

Let's face it: When a large company decides to take the route of building their own email platform or bringing in a platform to live on site, it's probably because they've become frustrated with the limitations of having to do all their email campaign building in the cloud.

It's not a move you make lightly. Building your own on-site platform is not only a challenging, time-consuming process to get up and running in a way that works with your systems and allows you to use your customer data the way you want to, but **includes the ongoing difficulty of updating your platform to keep up with new industry and technological developments**, along with new features your marketing team needs. You essentially become your own ESP.

Meanwhile, on-premises solutions provide you with the platform, but come with their own set of challenges. You have to house and maintain servers, ensure compliance with regulations, and put forth a large initial outlay of funds, along with ongoing costs as you scale up your business and your email marketing program.

All that means it's a big decision to take these approaches, and large companies do so because they want full control over their massive amounts of data, so they can run their email campaigns how they want to. When they think about change, there are several reasons their marketing teams are likely to hesitate:
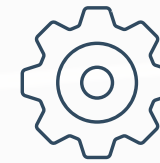
SUNK-COST FALLACY

It's easy to get caught up in the idea that you've put X amount of money and X amount of time into migrating your data away from the cloud, investing in your own solution or one that lives under your roof, and that would all be wasted if you punted on it now. Even if you're not especially satisfied with the solution, at least you have control over it, and maybe you can improve it over time. Either way, because of the prior years of investment, you feel committed.

THE PEOPLE WHO BUILT IT ARE PROUD

If you were a key part of the team that actually built your company's homegrown email platform, making an ESP change can feel like a failure. You made the recommendations to I.T. for what you needed. You helped with the testing, maybe the design and feel. It's your baby. It's been built for your needs. And, no matter the challenges, it's tough to let go. Besides, every ESP has challenges, right? At least with the homegrown one, you have the ability to make improvements at your pace, and you don't have to keep copying your data to move it back and forth to the cloud.

EMAIL'S FREE NOW!

Once email's under your own roof, especially if you've built your own platform, there's a strong likelihood that most — if not all — of the concrete cost of sending email has migrated over to the budget for I.T. instead of Marketing. After all, the maintenance and upgrades are coming from the tech side, instead of Marketing paying an ESP to do that work. So, to the decision makers in Marketing, email feels free. And if changing ESPs is going to put that cost back onto the Marketing budget, there better be one heck of a compelling case for why it's worth it.

All that means that, even if these Marketing teams aren't thrilled with the performance of their ESP, they still feel like the safer move is to stick with the devil they know rather than the devil they don't.

CONCLUSION

For those of us in the ESP world, the findings of this survey should be a bit sobering, if not altogether surprising. That's not to say it's necessarily the ESP's fault that making the switch is tough for enterprise organizations, but maybe it's a chance to think about an important question — **Does it have to be this way?**

Enterprise marketers are horrified at the prospect of having to transition all their systems to a new platform, learn a new interface, transfer all their active and suppression data, audit all their subscribe/unsubscribe forms, and so many other tasks. Getting campaigns up and running on the new platform ends up taking months of difficult, often tedious work. These obstacles tossed up in front of them certainly aren't beneficial to the customer, but it's a nice security blanket for the ESP, especially with these

large accounts that produce a significant amount of revenue.

When we see that less than 20% of marketers at large companies are very satisfied with their ESP — only slightly more than the 17% who are at least somewhat unsatisfied — that's not the easiest news to hear. But it's important that ESPs know what their clients and prospects are feeling, and how they view that relationship. Understanding that is the only way we can work to improve it in the future.

Still, though, it wasn't all bad news for ESPs. That 17% number of enterprise marketers who are unsatisfied still means that more than 4 out of 5 said they're satisfied with their current primary ESP. That at least suggests that ESPs are doing some things well, and generally helping their clients reach their customers and hit their ROI numbers. The majority we surveyed said they

don't expect to change ESPs in the next year, so that suggests most ESPs have time to keep growing their client relationships, and finding new ways to help them do business better.

At MessageGears, that's where our passion lies — helping our enterprise clients do business better. **We want to unleash their marketers' creative potential** by ending the days of data syncs that short circuit them right when they're ready to really ramp up their email marketing game. We've seen too many ESP demos that look impressive but make promises that large companies will never see fulfilled once they actually put it into practice because data lag issues simply won't allow it. That's a big reason for the enthusiasm gap, and it's the biggest problem we're intent on solving.
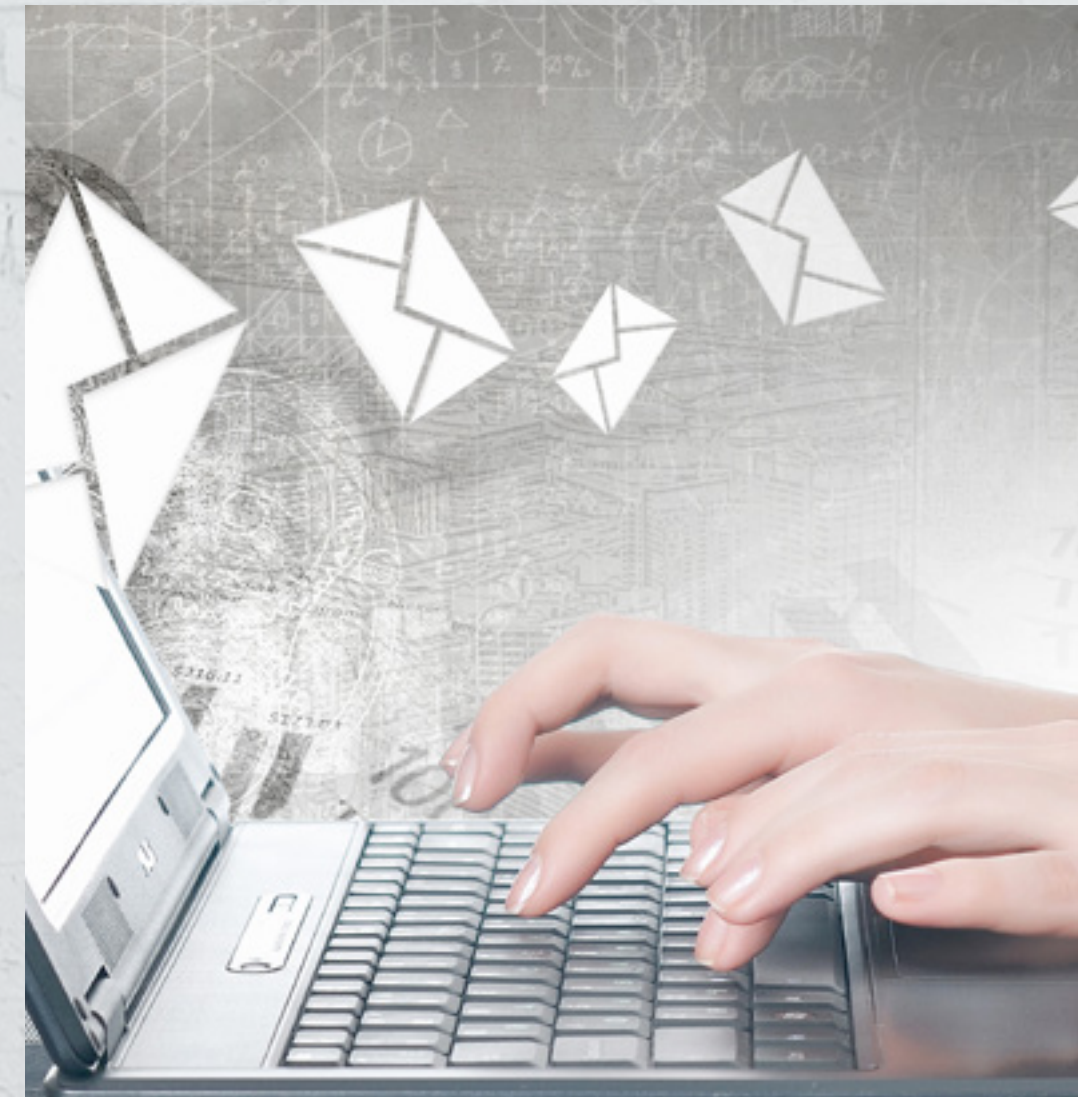
> **"** *Our passion lies in helping our enterprise clients do business better.* **"**

About ⚙ MessageGears

MessageGears enables the world's top brands to send dynamic, high-volume marketing messages with speed and precision by providing a platform that overcomes the inherent limitations of marketing cloud email systems.

WE TAKE PRIDE IN OUR CUSTOMERS' SUCCESS.

Our company was built around the idea that enterprise organizations faced major issues with scaling their email programs. We knew there was a better way, so we created it. Our customers' success validates what we set out to do from the beginning, and shows us each day that we truly do have a mission and a purpose. And our customers' success is everything we care about

WE VALUE STRONG, LONG-TERM RELATIONSHIPS.

We're stronger as a team when our customers and team members feel invested in building a relationship over time. It's about people, and how we can help them take that next step toward their marketing and organizational goals. We believe that sort of support leads to long-term trust and respect, and we believe that benefits everyone involved.

WE ADDRESS THE UNIQUE EMAIL NEEDS OF THE ENTERPRISE.

Large B2C organizations deal with specific challenges when it comes to email marketing. We build technology that allows these businesses to take advantage of their internal data while efficiently leveraging the cloud for the heavy lifting. No copying. No back and forth. No time wasted. That's email marketing at the scale of big business.

MessageGears.com

ADDITIONAL INSIGHTS

Find additional insights, advice, and research at **messagegears.com/marketing-resources**, including:

➡ 5 COMMON QUESTIONS ABOUT HYBRID EMAIL MARKETING

➡ HOW TO CONVINCE A RELUCTANT DECISION MAKER TO CHANGE ESPS

➡ EMAIL NEEDS TO BE BETTER

➡ RAISING OUR STANDARDS FOR EMAIL

➡ 3 TRENDS DRIVING THE FUTURE OF EMAIL MARKETING

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