

Navigating the ESP Landscape

Rethinking the RFP Approach



Introduction

The request for proposal (RFP) has been a staple of big business vendor selection since the 1960s. When done well, it can make the vendor-selection process more efficient and increase the likelihood of making the right — often critical — choice. For many companies, the RFP is necessary when choosing a new email service provider (ESP) because it allows them to understand how vendors can serve the many interests involved in messaging at a large company. But the process can often be flawed, with messaging and data technology outpacing companies' ability to adjust their requirements to the new reality of the industry.

Many of today's RFPs reflect outdated understandings of ESP technology, rather than the current reality of the company's needs and potential. If the RFP serves more to make the selection process easier than to make it more effective at identifying the right choice, the RFP has lost its way.

Yes, RFPs can be useful. But, when it comes to choosing a new ESP, we found that companies are making mistakes that are reducing the RFP's effectiveness. And most of the key decision makers simply don't realize it.

Keep an Open Mind

Think of your ESP RFP as a trip you are planning from New York to Paris. If you decide in advance that flying is the best way to get there, then any cruise lines you invite to pitch your travel are not going to get your business. You'll be focused on speed of travel, cost to check bags, on-time arrival record, etc. The benefits of going by ship — luxury staterooms, onboard activities, not having to deal with the TSA — won't go into your decision. So you may miss the opportunity to take a broader view of what you want/need for that trip. Same thing with your ESP RFP. You need to step back and think about how you are doing things like data management, cross-channel coordination, real-time personalization, etc., and determine whether there are new ways to do some of these things that you should be exploring in your RFP. It's about keeping an open mind in the RFP process for as long as possible.



67%

of companies say they require an RFP process

90%

think the RFP process is very valuable

Contributor Profile: Chris Marriott

*President, Founder of
Marketing Democracy LLC*

A 20-year veteran of digital marketing, including over a decade in email marketing, Chris is an experienced digital marketer with a passion for connecting leading marketers with the right marketing technology partners and platforms.

Chris founded Marketing Democracy in 2015 to help companies navigate the ESP RFP process, but started managing enterprise email RFPs as far back as 2012 while working at The Relevancy Group. Today Marketing Democracy manages 18-20 billion emails a year out to bid for some of the biggest email marketers in the world. Previously, he served as a tenured executive at Acxiom, leading its Global Digital and Email Agency Services team.

Decision Makers Love RFPs

Large companies love using RFPs when selecting a new martech vendor. And why not? You send a questionnaire, and candidates make a case for why they're the strongest choice — on your terms. It cuts research and evaluation time. And — especially in the case of changing ESPs, when the technology can be complex, and the landscape is crowded with similar options — it helps to focus the discussion on the points you want addressed.

Our survey uncovered that RFPs are particularly popular among those in position to make the final decision on the company's next ESP. While a strong number of the overall respondents (35%) said the RFP tells them everything they need to know about ESP options, 56% of key decision

makers believed that. Diving deeper, 70% of those in the C-Suite said the RFP tells them everything they need to know. Of those who felt that strongly about the RFP's effectiveness, three-fourths of them were Director or above at their organization.

That shows that the people who are in the final room, deciding the company's next ESP, controlling the budget, are leaning heavily on those RFP responses — and, in many cases, the scorecard companies use to cut the options down to a final few who might be called in to present their solution in more detail — to make that call. Once the RFP comes in and is evaluated, in many cases, the decision is pretty much done.

Over Half

of key decision makers say the RFP process is very valuable



The Tip of the Iceberg

The stats above indicate that the RFP process is viewed quite differently depending on where you sit in the company. The C-Suite may look at responses to the RFP itself, but in many cases the review of those responses is just the beginning of an RFP process. In the RFPs we manage on behalf of our enterprise clients, we see that the deeper into the process a client goes, the

more influential the folks who are going to use the tool become in the final selection. Don't get me wrong, scorecards are great and we use them at every step of our process. But eventually you need to get your hands into the platform, and that won't be the C-Suite.



RFPs Aren't Being Built Efficiently

While RFPs' popularity may be high among those who decide on a company's ESP, what's not as clear is whether that popularity comes more by merit or convenience for the key decision makers. An RFP process can be useful for making difficult decisions among a crowded field, but that's only if the RFP is designed thoughtfully and meticulously with the company's current needs in mind.

That requires a lot of work and can often require stripping the RFP down to the bone each time, but 62% of our survey's respondents said their company modifies less than half of the RFP before they send. Meanwhile, more than two-thirds said their

company requires an RFP when seeking a new ESP, and that internal knowledge is the main driver of the candidate selections.

Lightly edited RFPs, forcing an RFP even if it hasn't been proven effective, and relying on internal recommendations rather than seeking a variety of knowledge isn't the recipe for a worthwhile RFP process. These are signs of companies letting the RFP guide them instead of the other way around. Often, the ESP they wind up with is better suited for their needs from five years ago than for their needs today. And companies like MessageGears that might solve significant data challenges get pushed to the side.

Requirements Take Time

If you re-use the RFP your company used 5 years ago for your next RFP, you're likely to pick the ESP that was perfect for you 5 years ago. Which, if you think about it, you already did... five years ago. You could save yourself the trouble in that case, and give your existing partner a new 5-year contract. It's a similar situation if you use RFP questions from a friend ... you'll end up picking the perfect ESP for your friend's company. Perhaps the hardest part of any RFP is building out a requirements document. But that's the foundation of your process and, if you have a weak foundation, you aren't going to get the results you want and need.



Nearly 40%

of marketers think
all ESPs are the same

50%

of C-Suite expects migration
to take less than 6 months.

30%

of Managers expect it to
take more than a year.



Unsound RFPs Make ESPs Look Alike

The tendency of companies to build RFPs around convenience and outdated — or unrealistic — standards is impacting the way key decision makers view the ESP landscape. Because the RFPs many companies require generate similar answers from a slate of familiar, internally sourced candidates, it's difficult to find meaningful space among the responses. That leads to decisions based upon cost or personal connections, rather than the option whose features best fit the company's needs today.

On a scale of 1 to 5, 73% of respondents gave a 3 or higher when asked their level of agreement with the statement "All ESPs are the same." Among key decision makers, nearly one-third gave it a 5, but only 6% of

non-decision makers who work primarily in email did the same. Because key decision makers are leaning on skewed RFPs, they see few differences between ESPs, while those with their hands in email daily have the on-the-ground experience to know the differences can be vast.

And that leads to assuming a decision before the data is collected. Among respondents who said their company entered an RFP with a preferred vendor in mind, 81% said the RFP tells them everything they need to know, compared to 19% of those who didn't have a preferred vendor. That sort of backward approach leads to decisions that don't solve anything.



Ask the Right Questions

If your RFP leads you to the conclusion that all ESPs are the same, the fault lies with you, not with the ESPs. Asking simple "Yes or No" questions will absolutely lead you to the conclusion that apparently everyone can do everything. Ask an ESP if it can do Send Time Optimization, and most if not all will tell you "Yes." But there are huge differences in how this might be handled by them, from managing it natively in the platform to partnering with a third party who many or may not be integrated into the platform and be available through single sign-on. And that's just *one* requirement. If you know what you want, and are open to how you get it, then you will ask for greater details that, when added up across a couple of hundred requirements, will show real separation between the vendors.

When it comes to deciding on an ESP, how valuable is the RFP process?

For Mid-Level Marketers

36%

For Senior Marketers:

48%

For C-Suite:

70%



What Needs to Change?

If your company is entering an RFP process, how can you avoid falling into the “All ESPs are the same” trap? The most important point to keep in mind is that they aren’t. There’s a large, disparate landscape of ESPs that each have strengths and weaknesses. Once your decision makers understand that, the next step is to make sure you’ve harnessed resources from Marketing and I.T. to fully outline your company’s unique needs on the messaging front so you can find the ESP that best addresses them.

RFPs, performed in a thoughtful manner, can be a terrific resource for streamlining what can be a long, arduous, and important

process of picking a new ESP. Completing the RFP is important, but picking the wrong partner is a mistake you’ll be paying for over the course of years. Go into the RFP process with eyes wide open, knowing the ultimate needs for your messaging program to succeed, write the questions with those at top of mind, and you’ll come out the other side with a more informed and confident decision.

76%

of respondents think all ESPs
are **mostly** the same



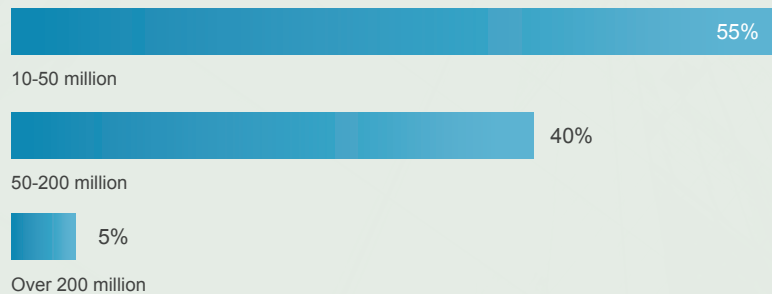
Getting it Right

For a marketer, managing an RFP takes up an enormous amount of someone’s time. And that’s on top of his or her day job. Which can easily lead to short cuts being taken in the process, including what I call “emotional shortcuts” to a decision (“I used this vendor at my last job, and I liked them then”). If you can hire a consultant to help manage the process, you’ll be better off. Particularly a consultant who doesn’t care who you end up selecting (meaning they don’t work with vendors on the side). If that’s not viable for your organization, the next best approach is make it someone’s primary job for the duration of the selection process. The only thing worse than a bad RFP decision is no decision at all, and if someone external or internal isn’t tasked with making sure there is a decision, then RFPs have a bad habit of just fading away. No one is happy when that occurs.

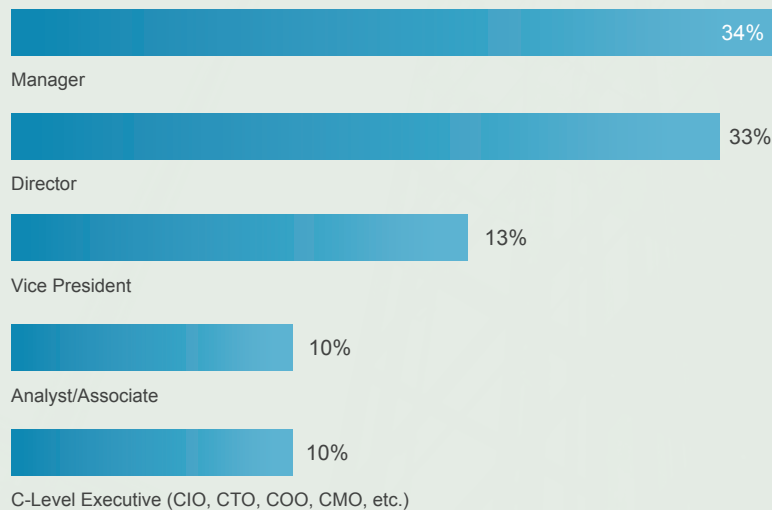


Marketer Profile

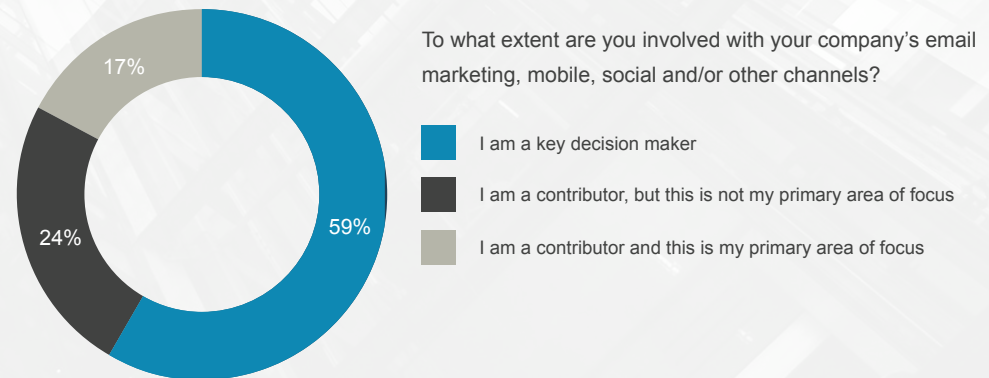
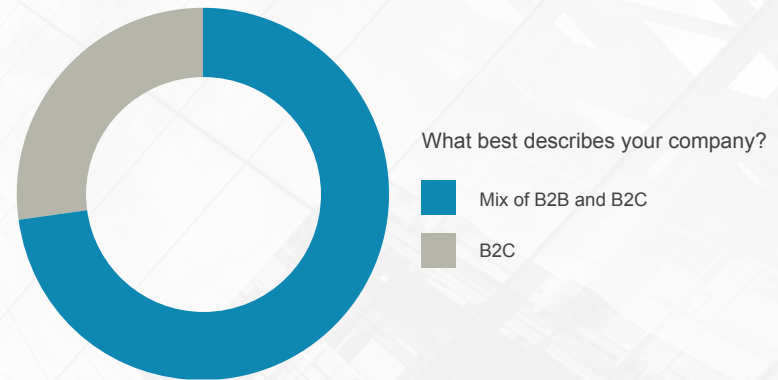
How many promotional, triggered and transactional emails does your company send per month?



Which of the following best matches your job title?



This survey was fielded by MessageGears in partnership with Survata in November 2018 to a panel of 100 marketing professionals representing business-to-consumer (B2C) organizations sending at least 10 million email marketing messages per month. Participants were limited to those that indicated that they had been involved in an RFP process for changing ESPs in the last 5 years.

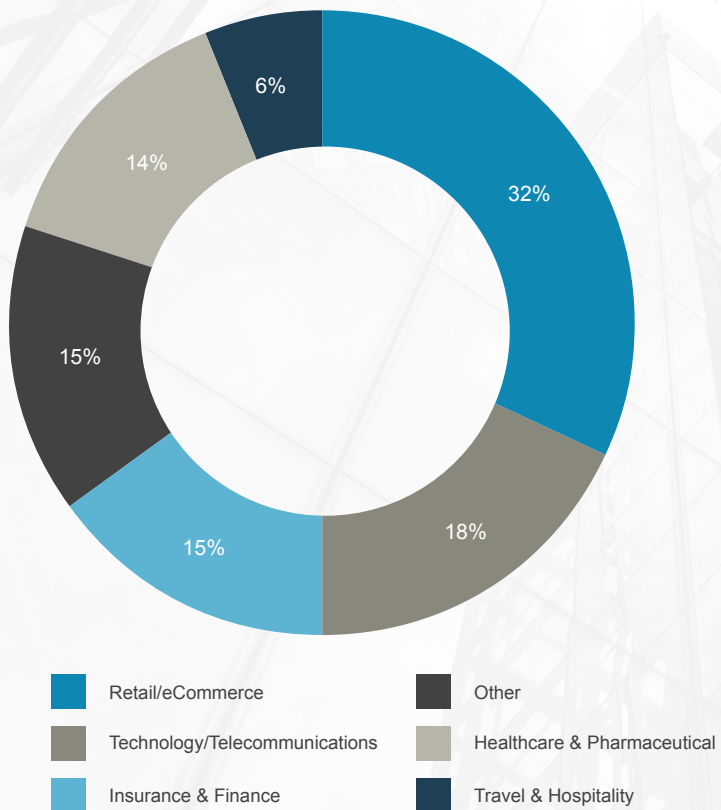


Have you participated in an RFP process for changing ESPs in the last 5 years?

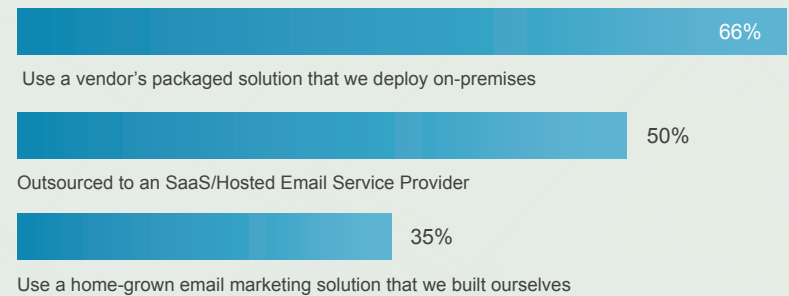


Marketer Profile

In what industry do you work?



What technology do you currently use to manage your email marketing? (All that apply)



Services & Features

For each of the following email marketing services please indicate which on the list you utilize, and who provides that service (in-house or ESP, Agency Partner, Don't use this service)

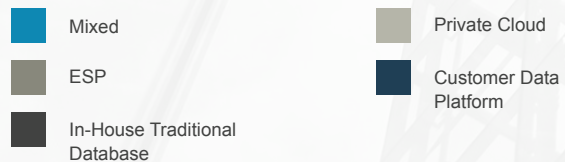
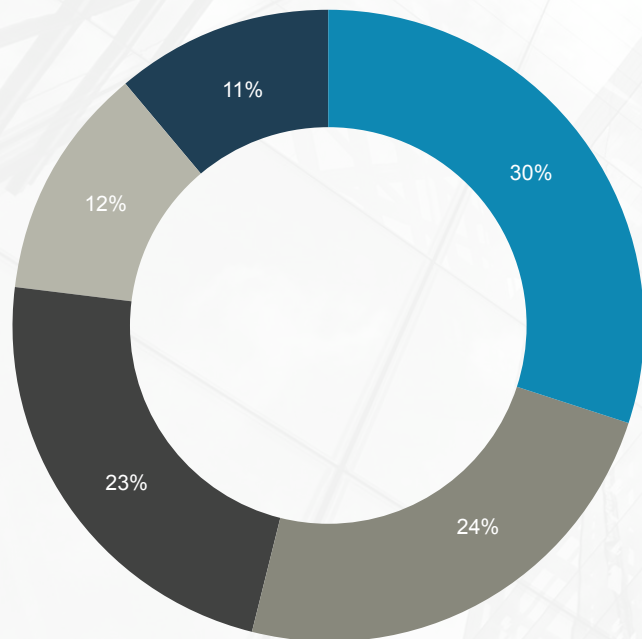
Service	In-house	ESP/Agency Partner	Don't use this service
Campaign production (set-up email campaigns, pull reports, etc.)	58%	41%	1%
Creative services (email templates, copywriting)	64%	33%	2%
Strategy & analytics (program optimization, data analysis)	56%	42%	2%
Technical services (managing and integrating data)	52%	47%	1%

For each of the following email marketing services please indicate which on the list you utilize, and who provides that service (in-house or ESP, Agency Partner, Don't use this service)

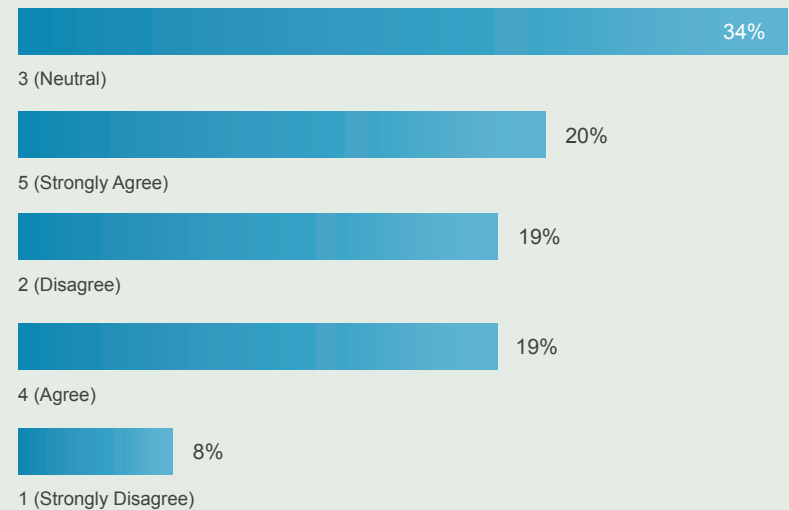
Feature	Must have	Nice to have	Don't need
Social Integration	71%	27%	2%
Direct Mail Capabilities	66%	30%	4%
Behavioral Triggers	46%	52%	2%
Push Messaging	51%	43%	6%
SMS Messaging	55%	42%	3%
Transactional Triggers	57%	41%	2%
Customizable reports	71%	28%	1%
Journey Builders/canvases	41%	51%	8%
Web Forms	72%	26%	2%
Website Personalization	61%	36%	3%
Pre-Built Email Templates	53%	41%	6%
Flexible Data Integrations	67%	31%	2%

Data & Technology

What is your primary operational data store?

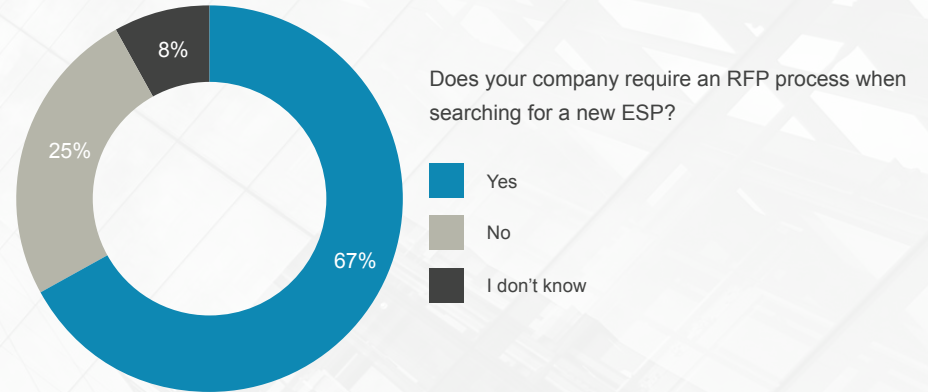


On a scale of 1-5, with 1 being strongly disagree and 5 being strongly agree, how much do you agree with the statement: All ESPs are basically the same?

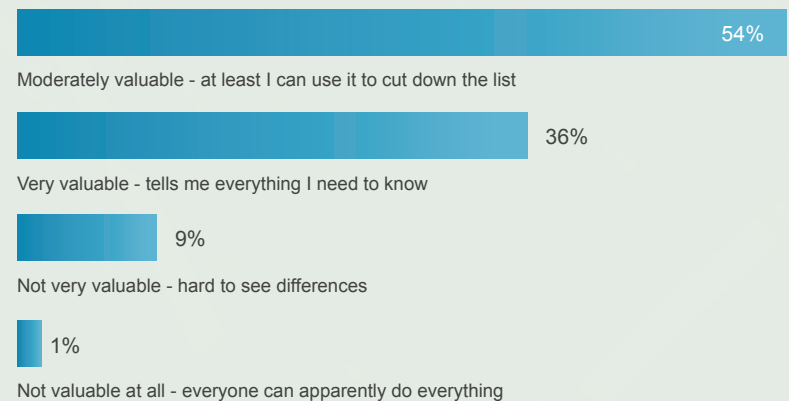


Considering a New ESP

What factors indicate to you it may be time to switch ESPs? All that apply



When it comes to deciding on an ESP, how valuable is the RFP process?

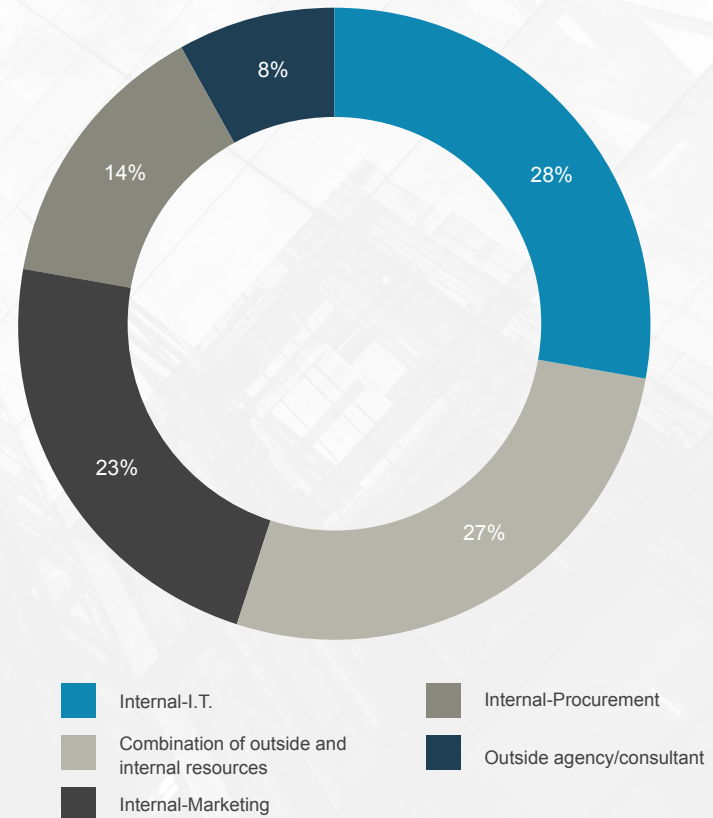


RFP Process

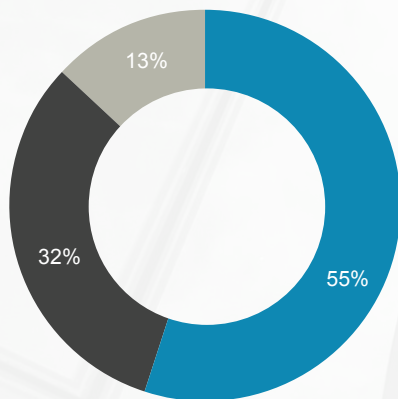
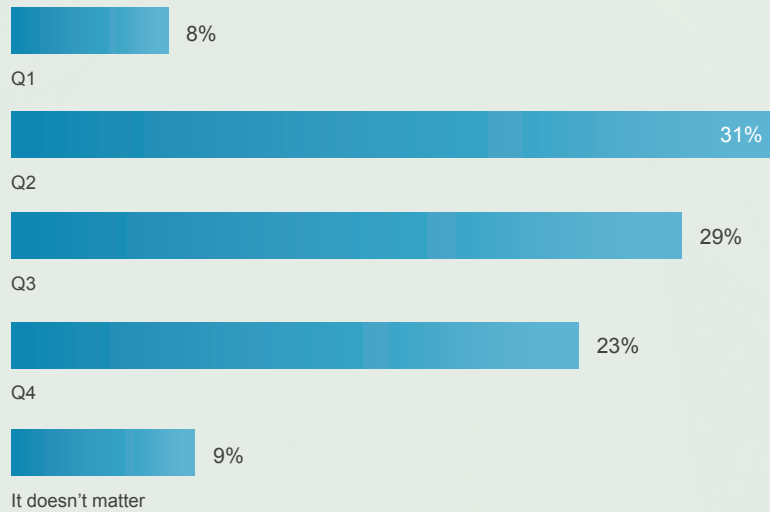
Who participates in the writing of requirements (and use cases) when preparing an RFP for a new ESP? All that apply



Who managed your most recent email vendor RFP?



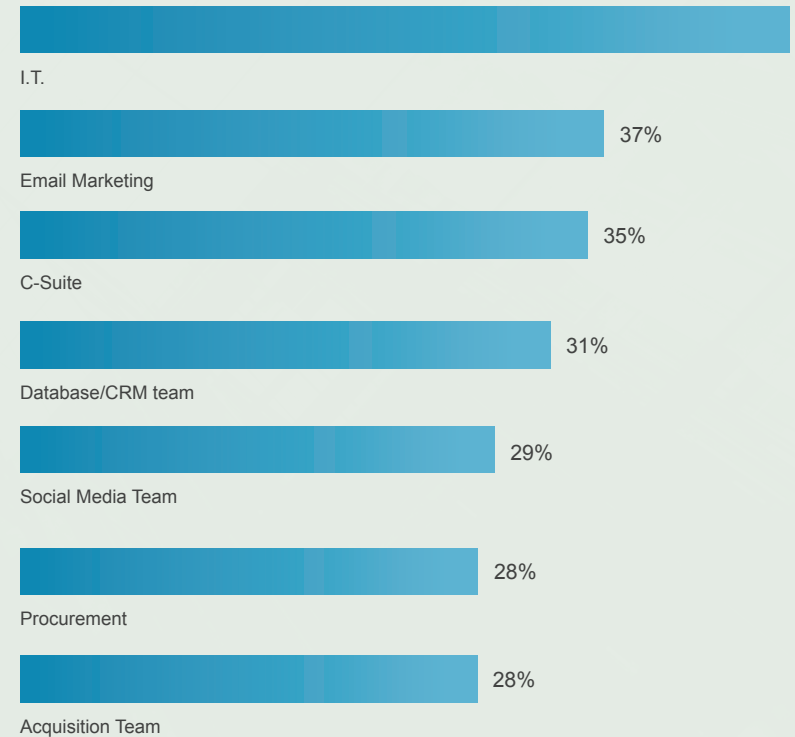
What time of year is most likely for your company to send out RFPs?



When your company last went to RFP for an email service provider, did it have a preferred vendor in mind at the outset?

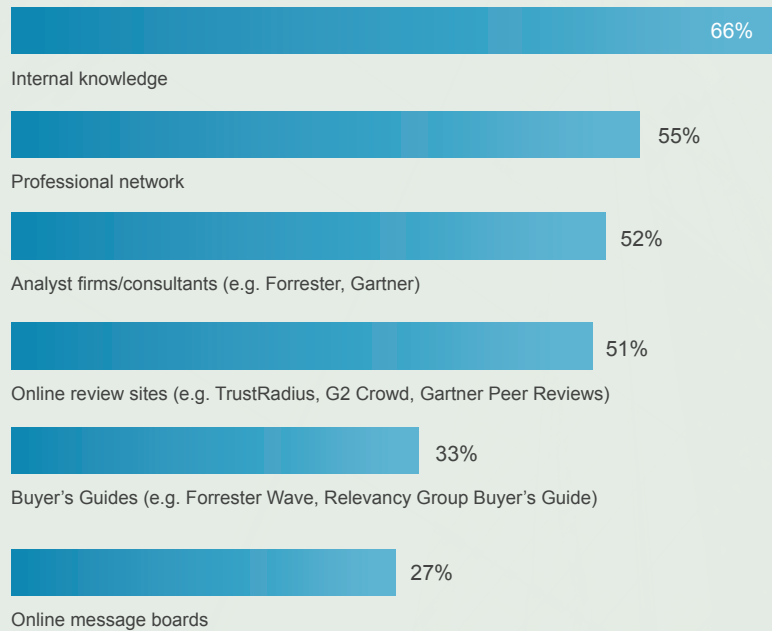


Thinking back to your last ESP RFP (or if your company was to do an RFP tomorrow) which stakeholders had (would have) the greatest say in your selection?

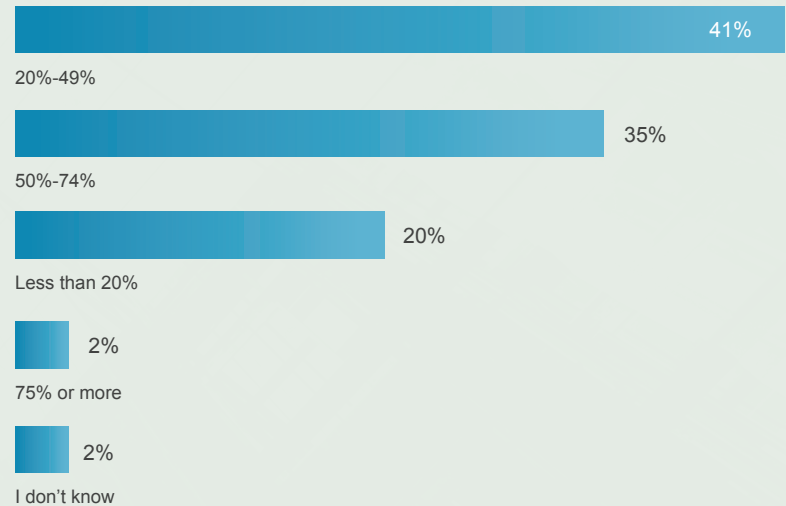


RFP Process

How do you develop the initial list of who you include in the RFP? All that apply

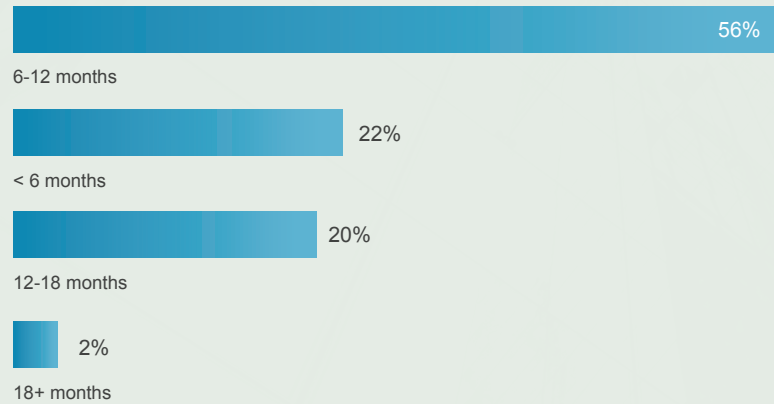


When your company sends out RFPs for email service providers, how much does your company revise the RFP from any previous ones it sent out?

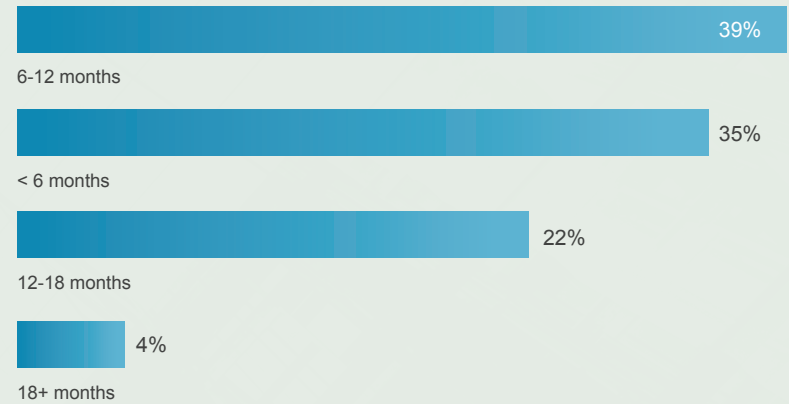


RFP Process

If you started an RFP today, what is your (your company's) expectation for how long it will take to make the final decision?



If you signed a contract today for a new ESP partner, what is your (your company's) expectation for how long the migration to the new platform will take?





Cross-Channel Messaging For The World's Most **Demanding Marketers**

MessageGears is the only cross-channel messaging platform exclusively built for today's enterprise. We empower the world's most demanding marketers to deliver more relevant emails, faster and more flexibly than legacy cloud ESPs. Our unique Hybrid technology connects directly with a company's database, enabling marketers to maximize the value of their customer data in real time – no syncing required. Join sophisticated marketers at Orbitz, Ebates, and Expedia who rely on MessageGears to deliver more personalized cross-channel messaging campaigns that grow their business.

For more information, please visit www.messagegears.com.

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