LIQUID × Avasta

Challenger Index

Edition 1: B2B Products 2023

Marketing Automation

MYRIOUS GROUP

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Category: Marketing Automation

Marketing Automation: A forward-looking analysis

CRM integration and expanding horizons

Marketing automation, traditionally a separate domain, is now increasingly integrated with Customer Relationship Management (CRM), creating a dynamic ecosystem. This convergence reshapes marketing strategies, transforming how businesses interact with customers across various channels. This trend is not just about automating marketing tasks but also redefining how businesses interact with their customers across various channels. It is also one of the most invested-in categories through M&A, with Salesforce and Oracle acquiring and scaling Pardot and Eloqua, respectively.

Navigating market shifts and challenges

Adobe, Intuit Mailchimp and HubSpot, as incumbent leaders, confront rapidly changing market dynamics. Adobe juggles maintaining its market share with Adobe Experience Cloud and Marketo Engage. Intuit Mailchimp, an early market entrant prior to its acquisition by Intuit, faces challenges in innovation and brand performance. Meanwhile, HubSpot is threatened by more agile competitors. These incumbents share the common challenge of needing to continuously innovate and adapt their strategies. As the industry shifts towards more integrated and customer-centric solutions, these established players must evolve their offerings to meet new market demands and maintain their leadership positions.

Poised to disrupt the established order

ActiveCampaign and Keap are disrupting the traditional marketing automation landscape. With innovative product strategies and a strong focus on niche markets, these challengers are compelling incumbents to adapt and prioritize agility and customer responsiveness. They exemplify a broader trend among challengers: leveraging technological advancements and targeted marketing solutions to carve out unique spaces in the market. These challengers are also redefining customer engagement. By focusing on user-friendly interfaces, seamless integration of tools and personalized marketing solutions, they are raising the bar for customer experience. This trend signifies a shift in the industry, where technological prowess is balanced with a deep understanding of customer journeys and experiences. As these challengers continue to grow, they are likely to play a significant role in setting new standards and expectations in marketing automation.

Competition and evolving trends

The marketing automation landscape is marked by intense competition and evolving trends. Brands are differentiating themselves with integrated solutions that combine marketing automation, CRM and analytics, aiming for deeper customer insights and streamlined processes. Innovations in AI and machine learning are becoming standard, facilitating personalized experiences and predictive analytics. Cloud-based solutions are predominant, while mobile solutions reflect the growing demand for accessibility. These trends point to a shift towards holistic, technologically advanced and customer-centric approaches in marketing automation.

Brand perception and market momentum

Brand perception is increasingly critical, especially in a category that's marketing to marketers. It's worth noting that most marketing automation brands lack emotional appeal—the category is ripe with rational approaches. Brands that successfully incorporate emotional elements could gain a significant advantage. The market is shifting towards brands that offer personalized, efficient and technologically advanced solutions.

Future prospects: Integration and personalization

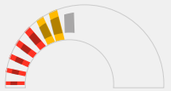
The future of marketing automation is likely to witness more integration with CRM and advanced analytics, further blurring the lines between different business functions. This is foreshadowed by the deeper integration of the space into their ecosystems by Salesforce and Oracle. Further strategic acquisitions and partnerships are likely, as companies strive for comprehensive and integrated solutions. The growing importance of data privacy and security will also shape the development of marketing automation tools.

A transformative phase for marketing automation

The marketing automation industry is undergoing significant transformation, driven by technological advancements and market dynamics. The future will likely feature more personalized, data-driven customer experiences with integrated analytics powered by AI and machine learning. Companies that adapt, focus on customer-centricity and leverage new technologies will likely emerge as leaders in the reshaped landscape of marketing automation.

Marketing Automation: incumbents leading the category

Overall brand perception: 1.7



Industry Averages for Brand Perception: 1.8

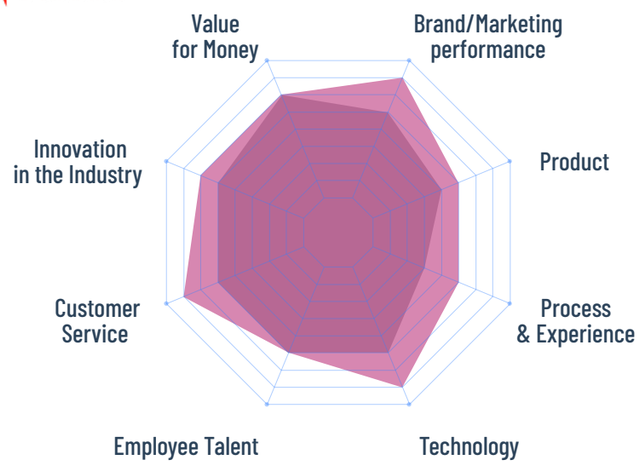
Likelihood of becoming a category leader

Future Momentum

3 → 2

Rank 5 years ago | Rank 5 years from now

Adobe

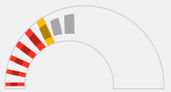


Adobe: GTM strategy crucial to maintain status

Adobe, a leader in marketing automation, offers two distinct solutions: Adobe Experience Cloud for large B2C enterprises and Adobe Marketo Engage for B2B. Marketo Engage is already perceived differently by the customer and user base. Given that Adobe doesn't have a commanding market share lead, a segment of respondents believes Adobe might be usurped as a top three player within the next 5-10 years, making brand migration and market strategy critical.

TTM Total Revenue	$18.89B (+9.86% YoY)
Market Cap	$281.95B (+81.42% YoY)
Target Price	625.00
Entity Type	Public
Employee Size	29,239
HQ	San Jose, CA, USA

Overall brand perception: 1.6



Industry Averages for Brand Perception: 1.8

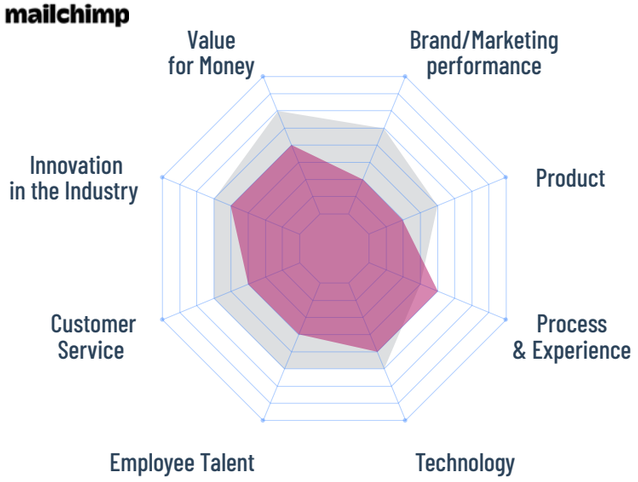
Likelihood of becoming a category leader

Future Momentum

1 → 4

Rank 5 years ago | Rank 5 years from now

mailchimp

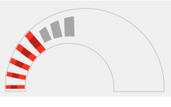


Intuit Mailchimp: Stable yet challenged

Despite being an early market entrant with user loyalty and a competitive pricing structure, Intuit Mailchimp faces a unique challenge. It's the least likely incumbent to be ousted, yet it shows declining purchase intent and low brand and marketing performance scores. Lacking perceived innovation leadership, Mailchimp's new global campaign, "Turn Clustomers Into Customers," aims to bolster its brand and address these shortcomings.

TTM Total Revenue	$700M (2022)
Entity Type	Public (Intuit)
Employee Size	1,709
HQ	Atlanta, GA, USA

Overall brand perception: 1.5



Industry Averages for Brand Perception: 1.8

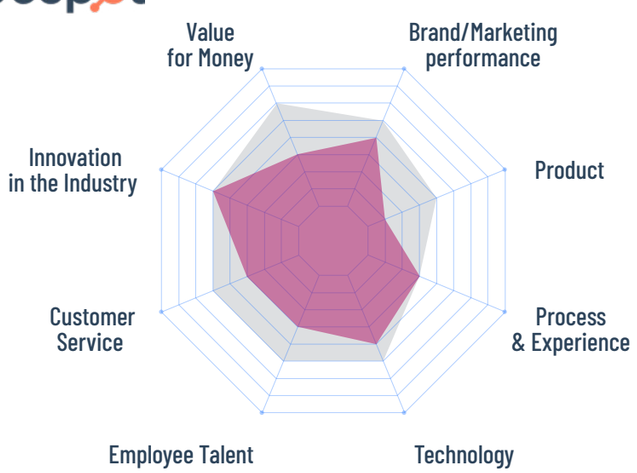
Likelihood of becoming a category leader

Future Momentum

4 → 3

Rank 5 years ago | Rank 5 years from now

HubSpot



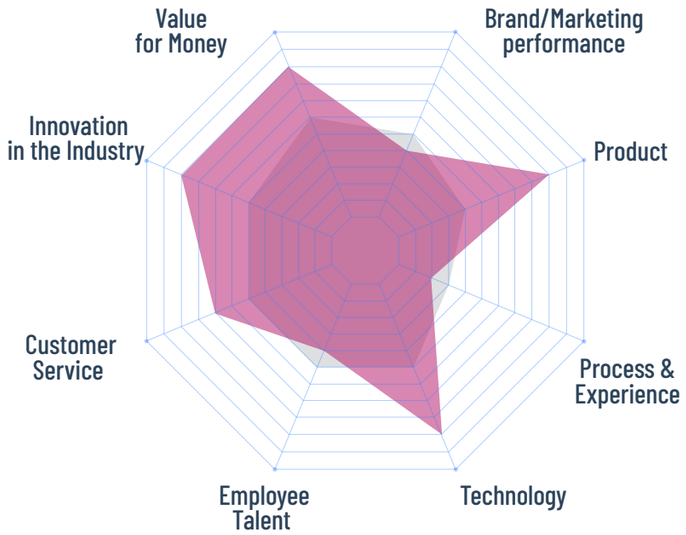
Hubspot: Defending from all sides

HubSpot, a pioneer in marketing automation, faces increasing competition. Despite its early market presence and growth, HubSpot's brand and performance scores lag behind the challengers and honorable mentions in this category. While its top three status seems secure for now, its growth pace may not match that of dynamic competitors posing a potential squeeze for this incumbent.

TTM Total Revenue	$2.06B (+26.21% YoY)
Market Cap	$23.42B (+66.18% YoY)
Target Price	550.00
Entity Type	Public
Employee Size	7,136
HQ	Cambridge, MA, USA

Marketing Automation Challenger Profile: ActiveCampaign

ActiveCampaign



Summary:

Founded in 2003, ActiveCampaign is a SaaS provider that focuses on email marketing and sales automation services primarily but not exclusively for small SMBs. ActiveCampaign's solutions span every customer touchpoint, from outreach through conversion and growth, and have benefited over 185,000 businesses.

TTM Total Revenue	$300M-500M (2023)
Entity Type	Private Company
Employee Size	1,000
HQ	Chicago, IL, USA

Shaking up the MarTech landscape

Crossing the chasm to challenge established players

ActiveCampaign, a marketing automation challenger, is on the brink of disrupting the established order. With a strong brand momentum score second only to Klaviyo, ActiveCampaign demonstrates that a focus on product quality and value can significantly enhance reputation. Despite needing improvements in brand and marketing performance, the company's strategy of differentiating through product innovation and cost-effectiveness is proving effective in building a positive brand image.

Customer-centric product strategy

Central to ActiveCampaign's roadmap is its customer-centric approach, highlighted by the inception of its Customer Advisory Board (CAB). This board, representing a diverse user base, is pivotal in shaping product strategy and responding to market trends. ActiveCampaign's commitment to evolving alongside customer needs and industry shifts is key to its ability to deliver leading products in marketing and sales automation.

Strategic growth and expansion

Since its founding in 2003, ActiveCampaign has undergone significant evolution, transitioning from a consulting firm to a SaaS model focused on marketing and sales automation. This shift catalyzed notable growth, evidenced by substantial funding rounds and the acquisition of Postmark in 2022. ActiveCampaign's valuation as a unicorn company at over $1 billion underscores its successful strategic pivot and expansion.

Balanced customer feedback

Customer reviews of ActiveCampaign show a balance of praise and criticism. Users commend its user-friendly interface and robust automation capabilities, while criticisms focus on technical aspects like email builder performance and customer service issues. The pricing model also emerges as a concern, particularly for businesses with growing contact lists.

Conclusion: ActiveCampaign's path forward

ActiveCampaign's journey from a modest beginning to a major marketing automation platform is marked by a sharp focus on small and growing businesses and customer-driven innovation. Its strategy of maintaining close ties with its customer base, coupled with a dynamic approach to product development and market adaptation, positions it as a formidable challenger in the marketing automation landscape.

Marketing Automation Challenger Profile: Keap

Overall brand perception: 1.5

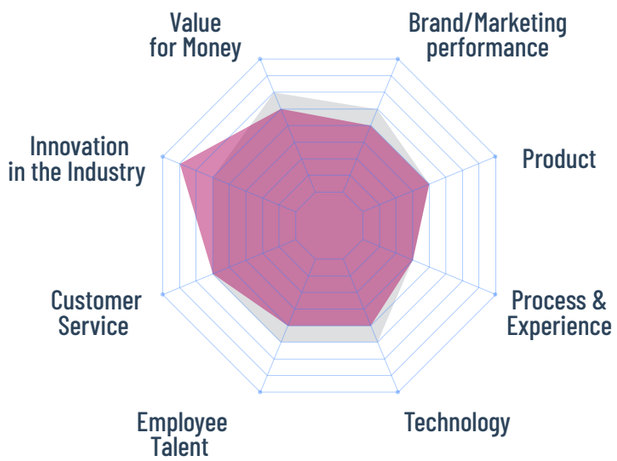
Industry Averages for Brand Perception: 1.8

Likelihood of becoming a category leader

Future Momentum

Rank 5 years ago: 6

Rank 5 years from now: 6



Summary:

Keap is a private software company founded in 2001. Remaining true to its entrepreneurial spirit, Keap focuses on email marketing, CRM and automation services exclusively for SMBs. Keap's workforce of 323 employees has published over 1,000 updates and 50,000 automations for its 31,500 customers and 205,600 unique users.

TTM Total Revenue	$100M-$300M (2022)
Entity Type	Private Company
Employee Size	390
HQ	Chandler, AZ, USA

Niche, yet evolving

Niche focus with limited momentum

Keap has been a steady presence in marketing automation and CRM since 2001. Catering primarily to small businesses in various service industries, it offers a comprehensive solution for customer interactions. However, Keap's brand momentum and competitive edge lag behind similar challengers like ActiveCampaign, raising questions about its ability to expand its market share or entice customers from other platforms.

User-centric product enhancements

Keap's recent strategy has concentrated on enhancing user experience and marketing automation efficiency. Notable updates include digital wallet integration for streamlined payments, improved segmentation and automation tools for targeted marketing efforts, a user-friendly onboarding experience through the Playbook checklist, and enhancements in email marketing and contact management. These improvements showcase Keap's dedication to simplifying operations for small businesses.

Rebranding reflecting simplicity and growth

The 2019 rebranding, transitioning from Infusionsoft to Keap, symbolizes a commitment to simplicity and growth support for small businesses. The new brand identity, emphasizing ease and connectivity, aligns with Keap's focus on functional and approachable solutions. In support of the new brand idea, Keap recently reimagined its ikon conference as the *Let's Grow Summit* to empower small business entrepreneurs with growth and leadership skills.

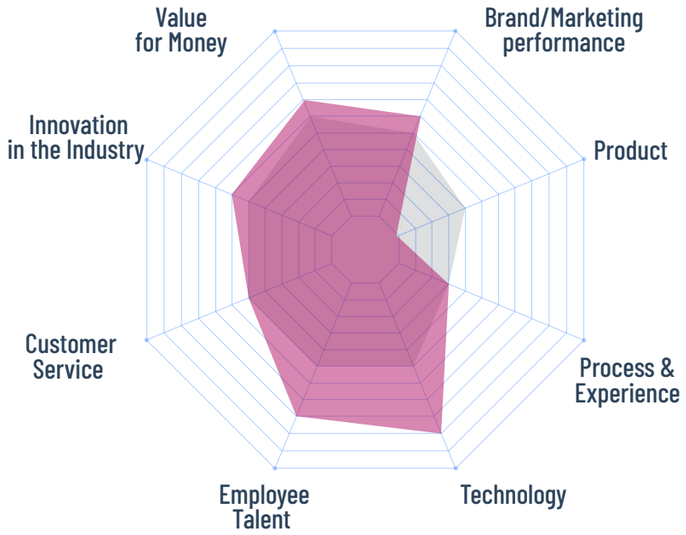
Customer reviews: A mixed bag

Recent customer reviews shed light on Keap's marketing automation strengths and weaknesses. Users laud its campaign automation, efficiency in managing diverse business processes and the ability to deliver personalized content effectively. However, criticisms center around its complexity and pricing, suggesting room for improvement in user accessibility and cost-effectiveness.

Conclusion: Keap's path in marketing automation

In conclusion, Keap maintains a specific focus on the small business sector, balancing innovation with its niche market's needs. While facing challenges in brand momentum and market expansion, Keap's commitment to user-friendly and efficient marketing automation solutions underscores its role as a dependable, though somewhat constrained, player in the marketing automation arena.

Marketing Automation Challenger Profile: Zoho



Summary:
Zoho is a multinational information technology company founded in 1996 and dual-headquartered in India and the US. Among the 55 unique products it's launched since its inception are several widely-used enterprise management products and services, most notably the Zoho Office Suite. Zoho has over 100M active users worldwide.

TTM Total Revenue	$1B+ (2023)
Entity Type	Private Company
Employee Size	15,000
HQ	Chennai, India, USA

Emerging force in marketing automation

Expanding beyond CRM
Originally recognized for its CRM solutions, Zoho has made significant strides into the marketing automation arena with Zoho Marketing Automation. This expansion complements its CRM offerings, showcasing Zoho's commitment to providing a comprehensive, multi-channel approach to marketing automation. This strategic move demonstrates Zoho's ambition to extend its influence beyond CRM and solidify its position in the broader SaaS landscape.

Technology as an underutilized strength
Despite positive user feedback and frequently winning against incumbents, Zoho faces the challenge of relatively weak brand performance compared to industry giants. However, its strong technological foundation presents an opportunity for brand enhancement and market penetration.

Customer-centric updates
The launch of Zoho Marketing Automation 2.0 marks a significant upgrade with features like intuitive interfaces, a drag-and-drop landing page builder, and advanced contact management. It enhances lead generation, qualification, and journey orchestration, supported by tools for cross-channel engagement, social media, web analytics and ecommerce management. Integration with Zoho CRM further streamlines marketing strategies.

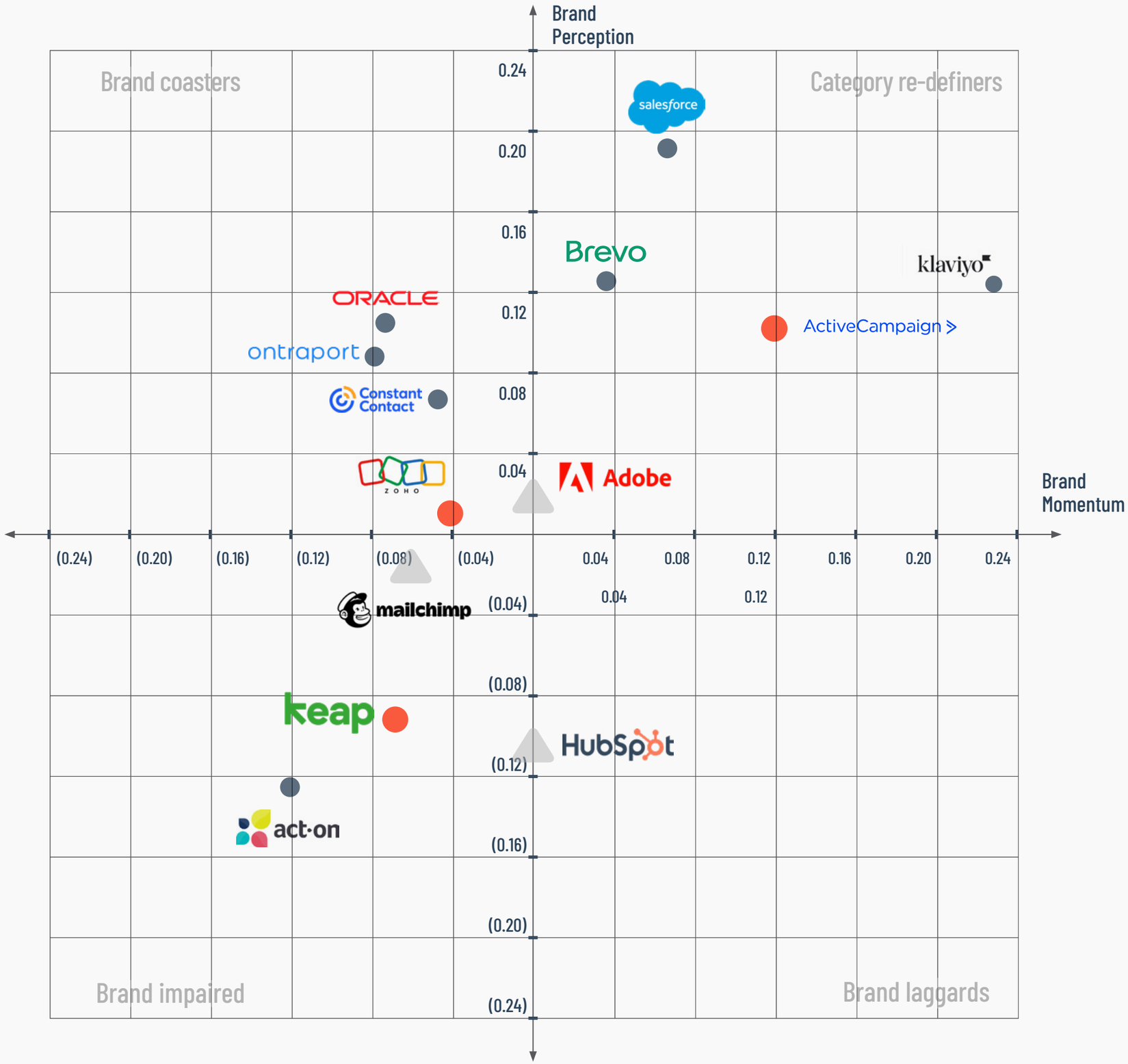
Positive customer reception and challenges ahead
User reviews reflect appreciation for its efficiency in streamlining marketing operations, particularly for small and medium-sized businesses. However, Zoho grapples with challenges in customer support and ease of use. Its evolution from AdventNet to a prominent SaaS player highlights a focus on innovation and user-centric solutions.

Conclusion: Zoho's trajectory in marketing automation
Zoho's journey in marketing automation, characterized by innovative updates and a user-focused approach, positions it as a strong contender in the field. Its ongoing challenge lies in leveraging its technological strengths to enhance brand recognition and customer satisfaction, crucial for competing in a dynamic market.

Marketing Automation Challengers: Honorable mentions

klaviyo	**Opportunity:** Klaviyo has the potential to grow rapidly, leveraging its next-generation marketing automation capabilities and near cult-like brand following.	**Risk:** The pressure to justify its high valuation and generate significant profits may challenge its ascent as an industry challenger.
act-on	**Opportunity:** Act-On Software has carved a niche with a strong user base, recognizing its advantages over incumbents.	**Risk:** Low brand scores could impede its next growth phase and ability to challenge established players.
Constant Contact	**Opportunity:** Constant Contact has the opportunity to leverage its niche market presence.	**Risk:** Low scores may limit its momentum and capacity to challenge industry leaders.
ontraport	**Opportunity:** Ontraport's strong talent and innovation could drive growth beyond its current niche.	**Risk:** Stalled momentum and low value-for-money scores could hinder its competitive edge.
ORACLE	**Opportunity:** Oracle can redefine its ecosystem through the successful convergence of its diverse product categories, building on Eloqua's acquisition.	**Risk:** Negative brand equity for Oracle among B2B marketers poses a significant challenge.
salesforce	**Opportunity:** Salesforce can leverage Pardot's integration for cross-selling but needs to address product weaknesses to threaten incumbents.	**Risk:** Weak product and technology could impair Salesforce's ability to successfully grow Pardot organically.
Brevo	**Opportunity:** Strong brand momentum (for Sendinblue) and high scores for product and technology.	**Risk:** Slow and ineffective brand migration since rebranding to Brevo in 2020—customers still strongly attached to Sendinblue brand name.

Marketing Automation Future performance



Category re-definers
Long term will win share: the brand and market demand are in sync; brand is supporting purchase intent.

Brand coasters
Long term has permission to correct for shortfalls in drivers of category demand: the brand has a positive reputation but declining share of future demand.

Brand impaired
Long term will lose share: brand is declining in reputation and company is increasingly declining in growth and retention.

Brand laggards
Long term will miss out on maximum potential share: the brand is not effective at conveying the competitive advantages that meet future demand.

Incumbent
Challenger
Honorable Mentions

Liquid x Avasta Challenger Index: Assessing brand dynamics

The Challenger Index stands as an essential instrument for both B2B and B2C sectors, offering a strategic perspective to evaluate brand strength, market alignment and potential for growth. With its neutral, outside-in assessment approach, the Challenger Index highlights the multi-dimensional nature of brand dynamics—financial, technological and behavioral—to inform and shape robust business strategies.

About the study authors

Liquid Agency
www.liquidagency.com
Liquid Agency is a brand consulting and activation company that orchestrates brand, employee and customer experiences to fuel a company's growth. For over 21 years, Liquid Agency has shaped powerful B2B and B2C brands such as: GE, Hitachi, HP, Intel, Nike, Nordstrom and Walmart. Liquid Agency helps organizations build belief in who they are, what they do and where they're going. The results are lasting bonds with employees and customers that power organizational performance, create value and capture ROI.

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Interested in learning more? Book a call here.

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