



Blue Ocean Strategy

November 2020





Creation of uncontested market space to make the competition irrelevant.

Sample size and methodology

Fielded late October 2020

Sample size: 341 responses via industry groups and was sent to 4,000 on SparkPost's email list that contains both customers and prospects. Amazon gift card incentive was given.

194 of those respondents completed the critical questions; broken out as follows:

- Enterprise: 102
- Mid-Market: 92

102 enterprise respondents for Blue Ocean, which largely had ratings fall between 2.6 and 3.4 on a 1-5 scale showing most attributes are important or somewhat important and completed the critical questions to keep the results meaningful:

- Marketers: 92
- Technologists: 41
- SparkPost: 21
- Validity: 13
- Sendgrid: 6
- Mailgun: 0 in enterprise, so excluded from views
- Kickbox: 0 in enterprise, so excluded from views

What this is

- An account of what matters to enterprise level marketers and technologists
- A view of how the market perceives how our **brand** measures up against competitors to give us a foundation to create **brand**-level messaging
- A means to begin acting on additional takeaways by brand value attribute to drill down into solutions and features

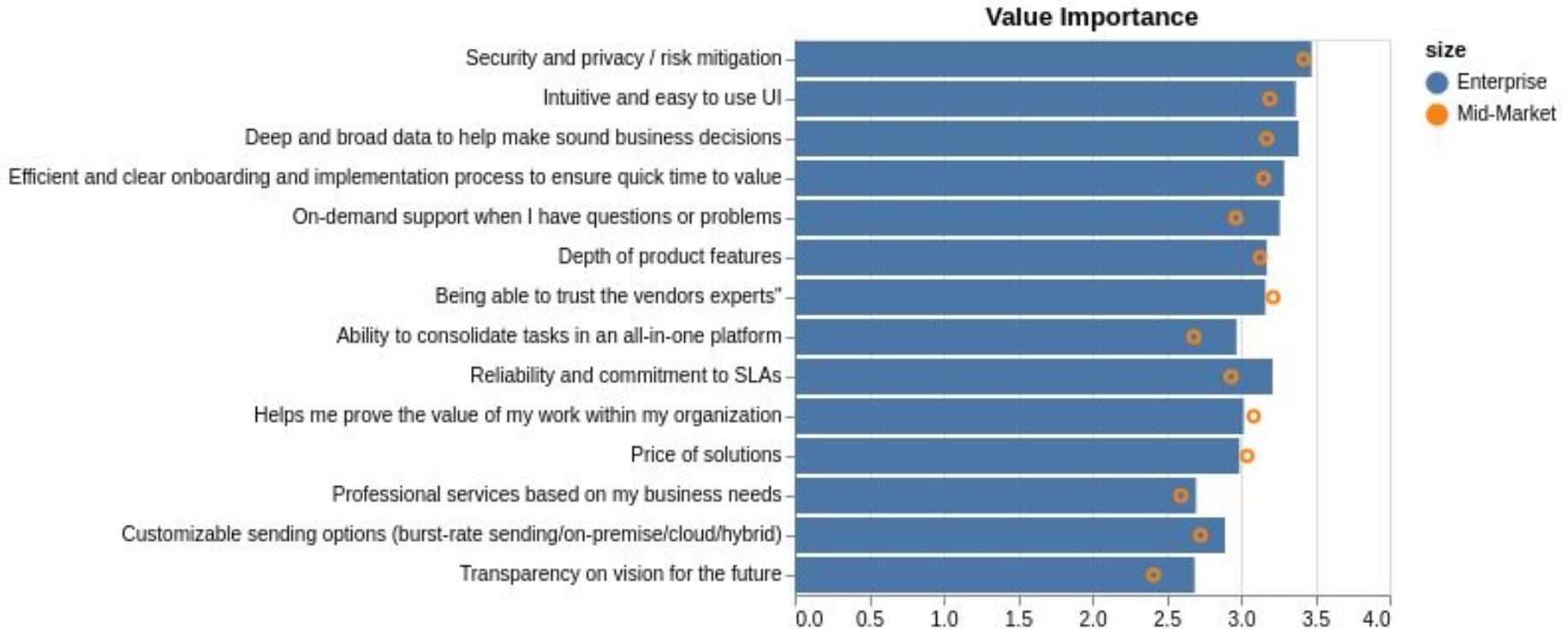
What this is not

- A product-specific view of what capabilities matter most to enterprise buyers
- Brand awareness study - that will need to be fielded by an independent firm to not skew results (i.e. unaided awareness)

Blue Ocean Executive Summary

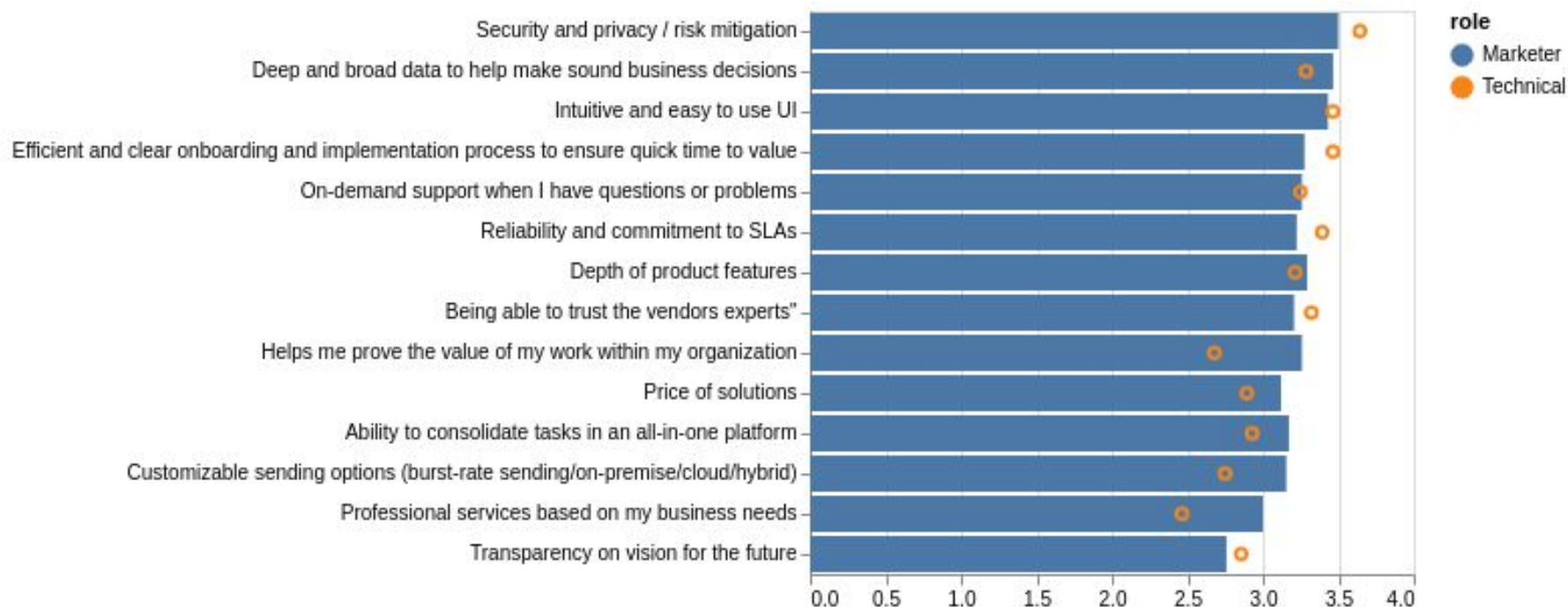
	Vs. Competition		
	Deficient	On-Par	Dominates
Meets or is close to meeting enterprise market needs	Price of solutions (vs. Sendgrid)		 - On-demand support when I have questions or problems - Being able to trust the vendor's experts - Reliability and commitment to SLAs - Price of solutions (vs. Validity) - Professional services based on my business needs
Is below market needs	Security and Privacy / Risk Mitigation (vs Sendgrid)	- Intuitive and easy-to-use UI (vs Sendgrid) - Depth of product features (vs Sendgrid) - Ability to consolidate tasks in an all-in-one platform - Customizable sending options (burst-rate sending/on premise/cloud/hybrid)	- Security and Privacy / Risk Mitigation (vs Validity) - Deep and broad data to help make sound business decisions - Depth of product features (vs Validity) - Efficient and clear onboarding and implementation to drive quick time to value - Helps me prove the value of my work within my organization - Transparency on vision for the future

What Do Enterprise Respondents Care About?

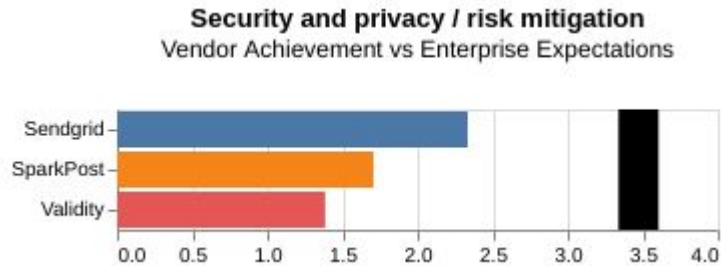


For additional respondent-provided values, see appendix.

By Enterprise Persona?

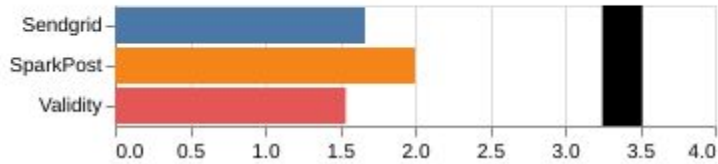


***Detailed Look at Value Attributes In
Order of Importance to Enterprise***



- Leverage security and privacy in marketing content and messaging more. Not just generally, but how it folds into our products and is a customer-facing part of our offering. (Audits, etc.)
- Develop an exciting security and privacy center on our website (2021) to lean into how strong we are in this area.
- Promote 2FA and our stringent security standards to clients
- Embed security as a section in the QBR template to keep it top of mind

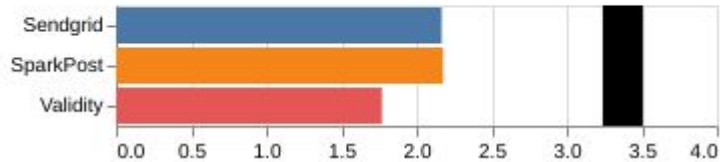
Deep and broad data to help make sound business decisions
Vendor Achievement vs Enterprise Expectations



- Continue messaging and content around our deep and broad data sources.
- Research on the types of data that marketers want and why the industry is falling flat overall. Understand the pain better and determine where we want to lean in toward solving it.

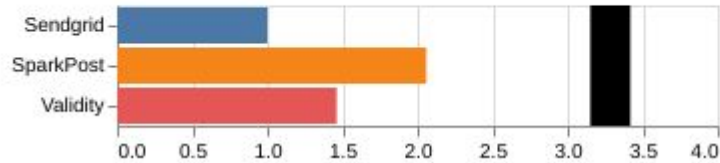
Intuitive and easy to use UI

Vendor Achievement vs Enterprise Expectations



- On par or leading competitors, so need to promote our product UI once we have something we're proud to showcase. Real product images (gifs with movement) on the website and in emails instead of generic graphics.
- Continued research by product on what's important when it comes to making tasks easier in the product.

Efficient and clear onboarding and implementation process to ensure quick time to value
Vendor Achievement vs Enterprise Expectations



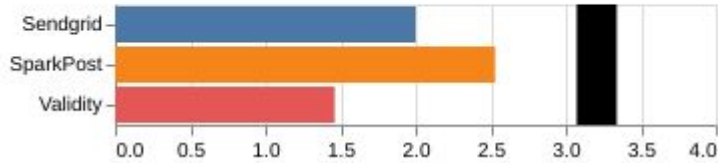
- Leading the pack by far with our onboarding driving quick time to value and this is a HUGE barrier for most enterprise clients--especially on sending. Need to lean into messaging on this.
- Post-onboarding surveys across all products to refine and enhance process and increase the spread.
- This is specific to enterprise!

On-demand support when I have questions or problems
Vendor Achievement vs Enterprise Expectations

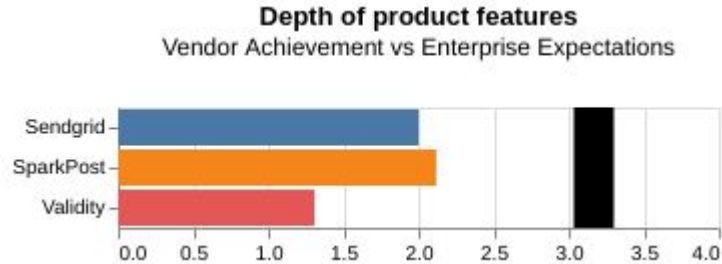


- Not only do we lead the pack, but we are close to the industry expectations. We need to promote this loudly. Stats like “On average, we respond to support tickets in X hours across our 6,000 clients globally.”
- Lots of sentiment on sites like Trust Pilot giving us high marks on this. We need to fold into our marketing messages to show the proof on this point.
- Test messages that work best.

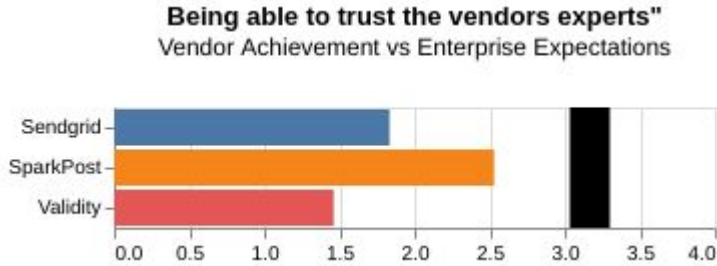
Reliability and commitment to SLAs
Vendor Achievement vs Enterprise Expectations



- Also beat the pack here and are not too far off from the industry standard. Can lean into this with the 99.99% uptime message backed by SLA.
- Test messaging around what might stick given MG offers this. What can we say about this that is different?

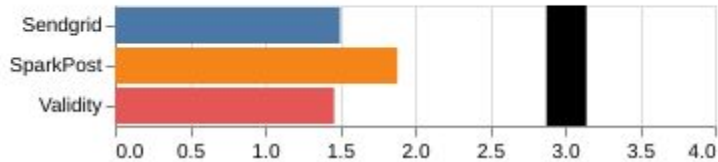


- Lead the pack by far against Validity--only marginally with Sendgrid. We're all far from expectations here. Messaging around a platform will help with this as we expand.



- Lead the pack by far against competitors. We're not far from industry expectations.
- Leverage our own employees in our marketing alongside clients to show how together we compose the dream enterprise team.
- Continued investment in solid QBR templates that are strategic and deliver value.
- Client marketing to drive advocacy!!

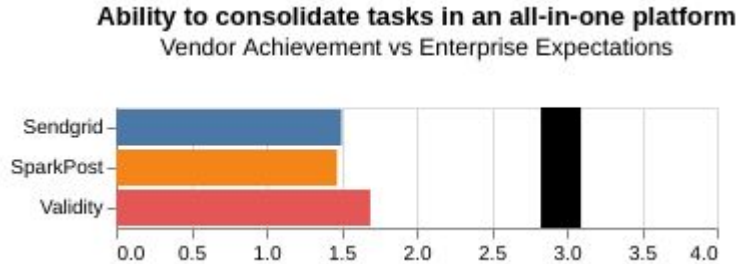
Helps me prove the value of my work within my organization
Vendor Achievement vs Enterprise Expectations



- Slightly ahead of competitors, but far behind industry expectations.
- Tools, assessments, calculators to help SHOW how we help clients.
- QBRs dedicate a portion to lookback on our collective successes to show how amazing our clients are to their bosses. Help them shine.
- Better identify clients that want to be “email famous” and give them a brand platform to do that through us. (Speaking, quotes, etc.)

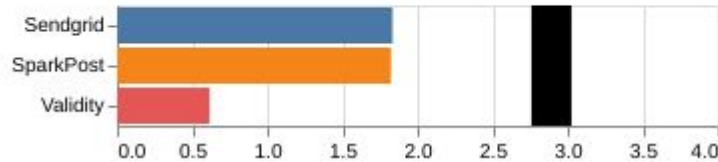


- We beat Validity, but not Sendgrid, but do we care about beating them on price if our value is leaps and bounds ahead?
- Platform story will help better package that value in addition to leaning into the other attributes we're good at/have the potential to be good at



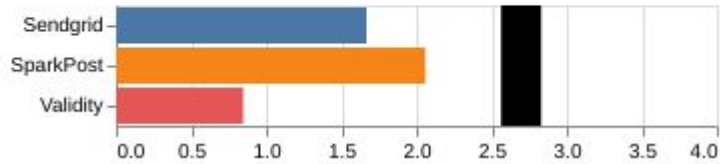
- The pack is far from expectations. Do we really see ourselves as solving this or being an enterprise premium layer that plays well with the front ends? We can be the platform of the extra, premium products that they can't get natively in their marketing cloud.
- Message on how we fit into their very carefully crafted best-of-breed tech stack and how we'll never back them into a tech corner.

Customizable sending options (burst-rate sending/on-premise/cloud/hybrid)
Vendor Achievement vs Enterprise Expectations



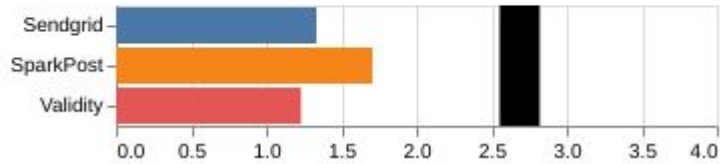
- On par with Sendgrid. We need to message more strongly the idea that you can customize your sending environment with us. We go deep and wide with our processing capabilities, can scale it across multiple hosting types and it's all wrapped under a unified analytics layer.
 - “It's best-of-breed and built for you”
- Is this an opportunity for product to create differentiated offerings?

Professional services based on my business needs
Vendor Achievement vs Enterprise Expectations



- We are much better than the competition in this area. We are not far from industry expectations.
- More client voice to advocate for our services.
- Message tests to see what resonates and roll out formally to sales and on the website/ in our marketing.

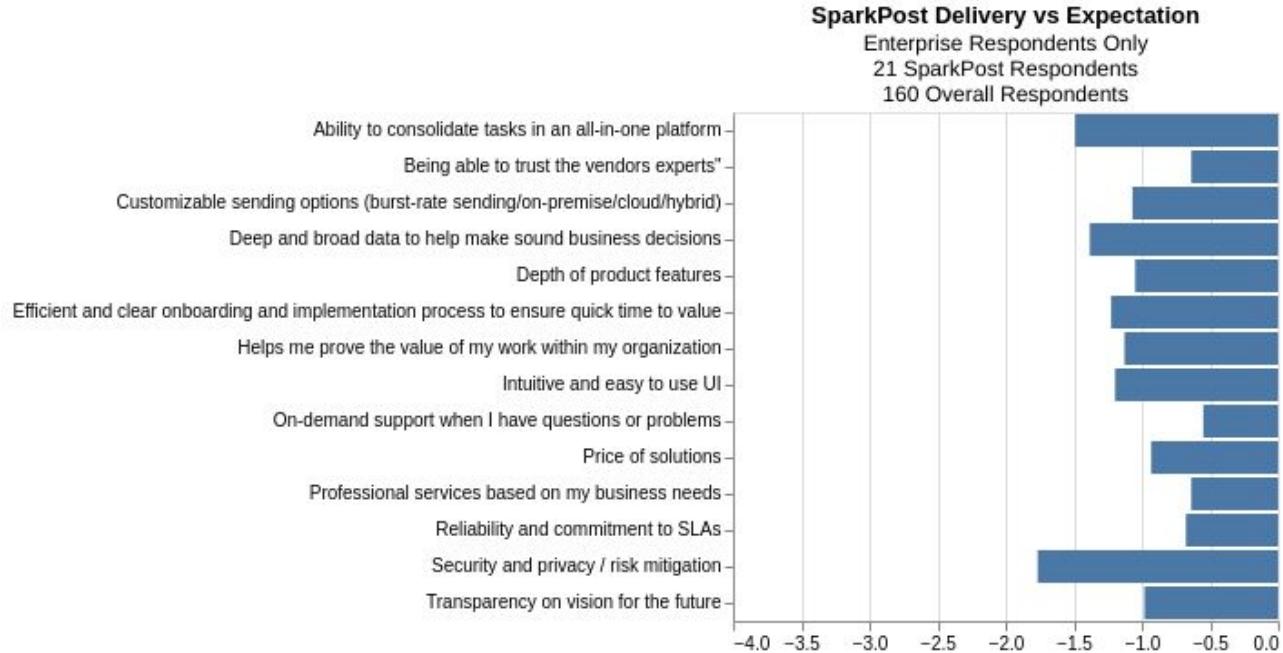
Transparency on vision for the future
Vendor Achievement vs Enterprise Expectations



- We're ahead of competitors on transparency. We do have more work to do to catch up with industry expectations.
- Client specific newsletter that addresses client needs in a more focused way.
 - Videos from the product team
 - Roadmap presentations periodically
- Client campaigns such as a New Year video from Rich delivered via email.
- Video when we make our next acquisition where Rich does a fireside chat with the acquired company's CEO about why the two coming together is good for the industry.

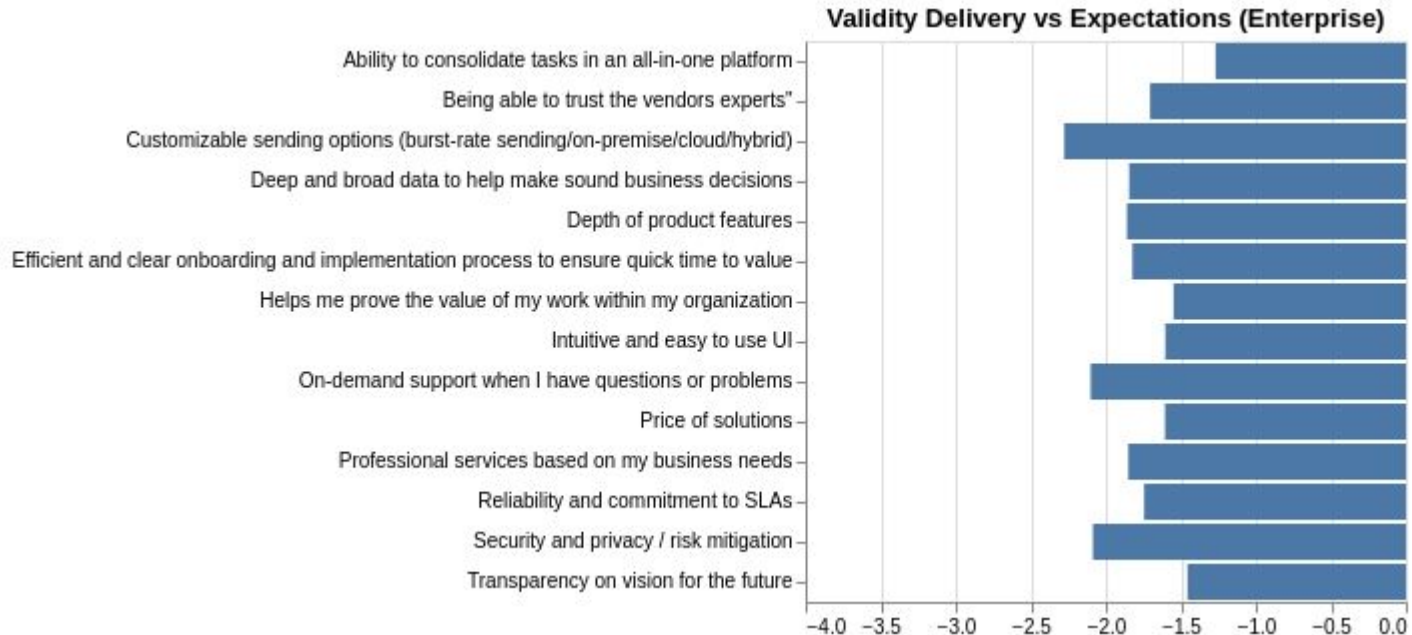
SparkPost

Overall Enterprise Expectations vs. Delivered to SparkPost Enterprise Customers



Validity

Overall Enterprise Expectations vs. Delivered to Validity Enterprise Customers



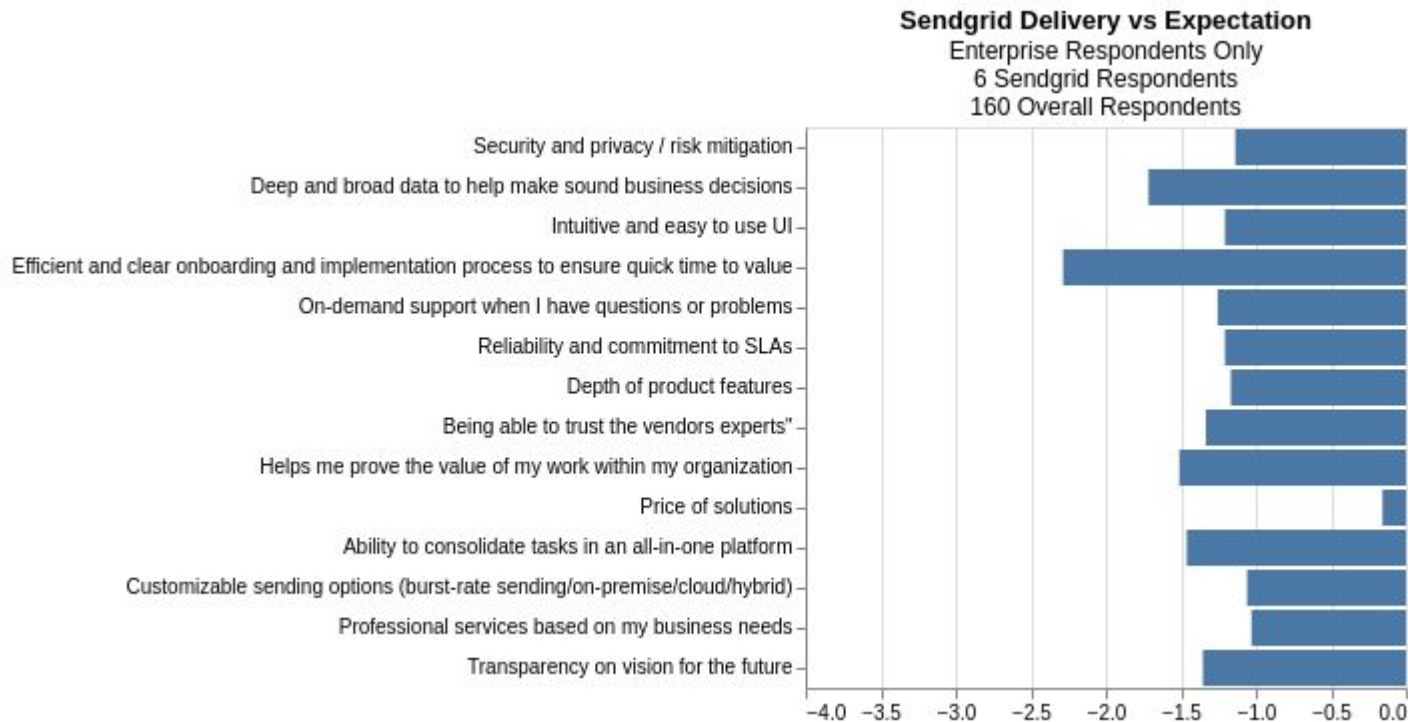
Competitive Positioning - Validity

		SparkPost when compared to Validity	
	Deficient	On-Par	Dominates
Meets or is close to meeting enterprise market needs			• On-demand support when I have questions or problems • Being able to trust the vendor's experts • Reliability and commitment to SLAs • Professional services based on my business needs
Below market needs		• Intuitive and easy-to-use UI • Ability to consolidate tasks in an all-in-one platform	• Security and Privacy / Risk Mitigation • Intuitive and easy-to-use UI • Deep and broad data to help make sound business decisions • Depth of product features (vs Validity) • Efficient and clear onboarding and implementation to drive quick time to value • Price of solutions (vs. Validity) • Helps me prove the value of my work within my organization • Transparency on vision for the future



Sendgrid

Overall Enterprise Expectations vs. Delivered to Sendgrid Enterprise Customers



Competitive Positioning - Sendgrid

		SparkPost when compared to Sendgrid	
	Deficient	On-Par	Dominates 
Meets or is close to meeting enterprise market needs	Price of solutions		- On-demand support when I have questions or problems - Being able to trust the vendor's experts - Reliability and commitment to SLAs - Price of solutions (vs. Validity) - Professional services based on my business needs
Below market needs	Security and Privacy / Risk Mitigation	- Intuitive and easy-to-use UI - Depth of product features - Ability to consolidate tasks in an all-in-one platform - Customizable sending options (burst-rate sending/on premise/cloud/hybrid)	- Deep and broad data to help make sound business decisions - Depth of product features (vs Validity) - Efficient and clear onboarding and implementation to drive quick time to value - Helps me prove the value of my work within my organization - Transparency on vision for the future

Next steps

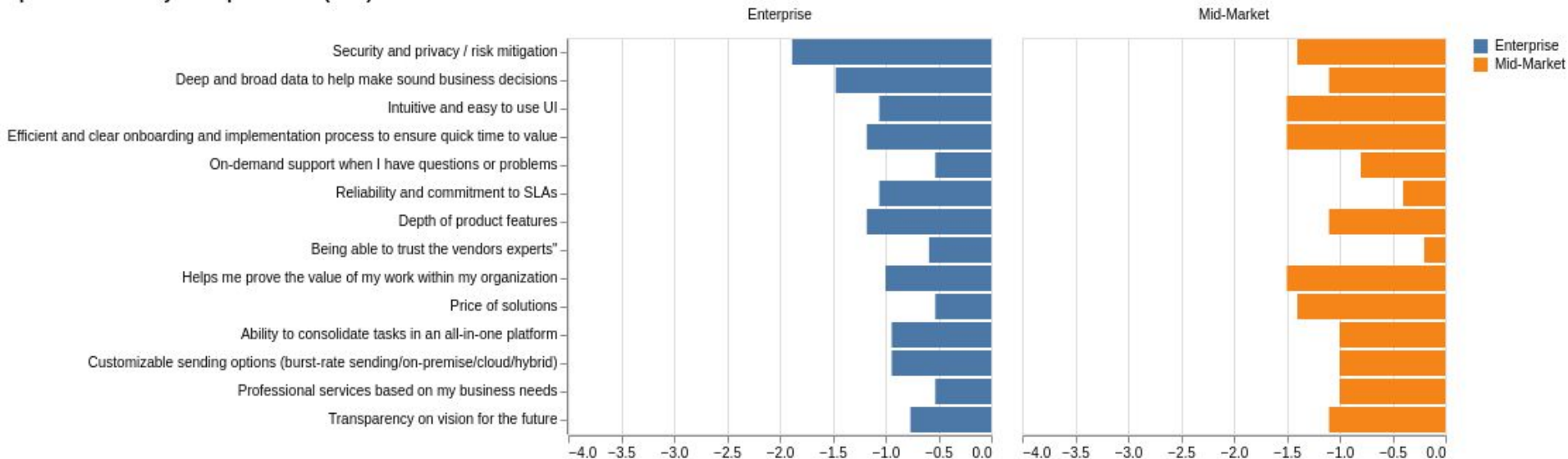
Putting Blue Ocean Into Action

Action item	Owner(s)
Test value propositions via paid media tests (services, etc.)	April and Elise
Enhance personas	Reema
Empower sales with training on these findings	Natalia, April and Katy
Enhance brand brief with findings and evangelize through new messaging including on the website and all marketing materials	April
Align with product to determine what can be actioned now vs later for product, messaging or both	Natalia, Amie, Hal and Charlie

Appendix

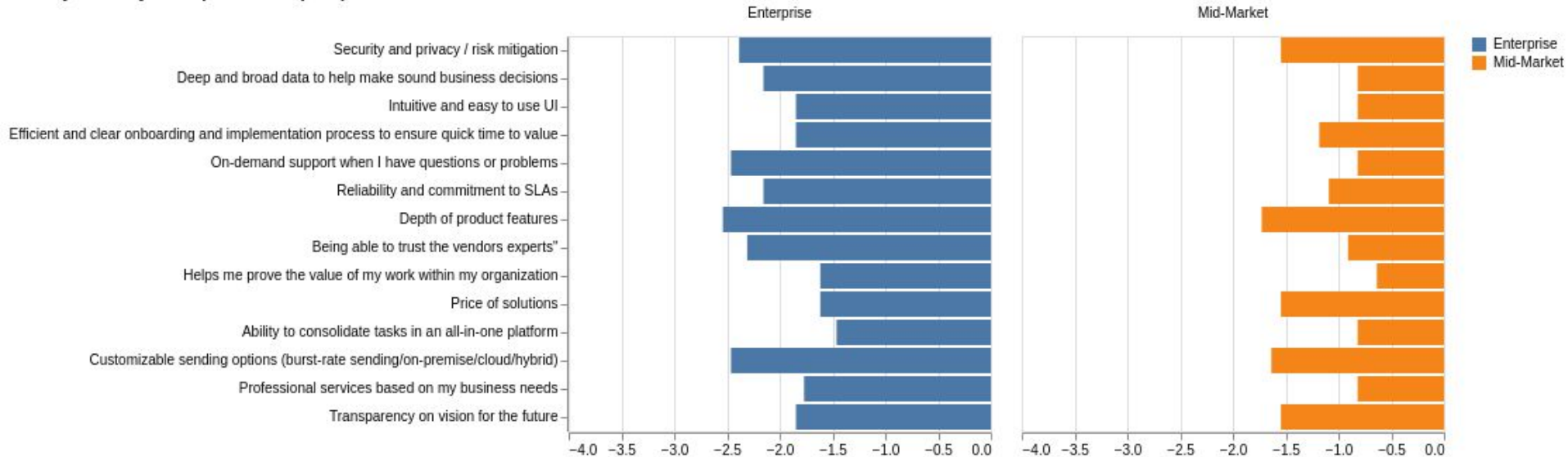
SparkPost Enterprise vs. Mid-Market Comparison

SparkPost Delivery vs Expectations (25-7)



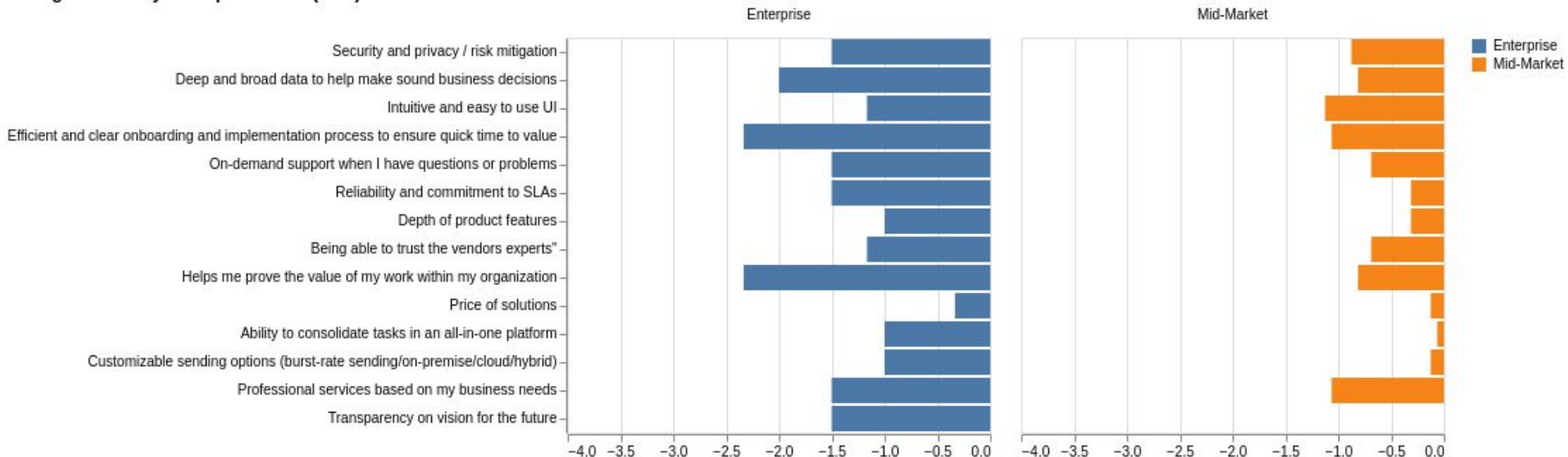
Validity Enterprise vs. Mid-Market Comparison

Validity Delivery vs Expectations (25-7)

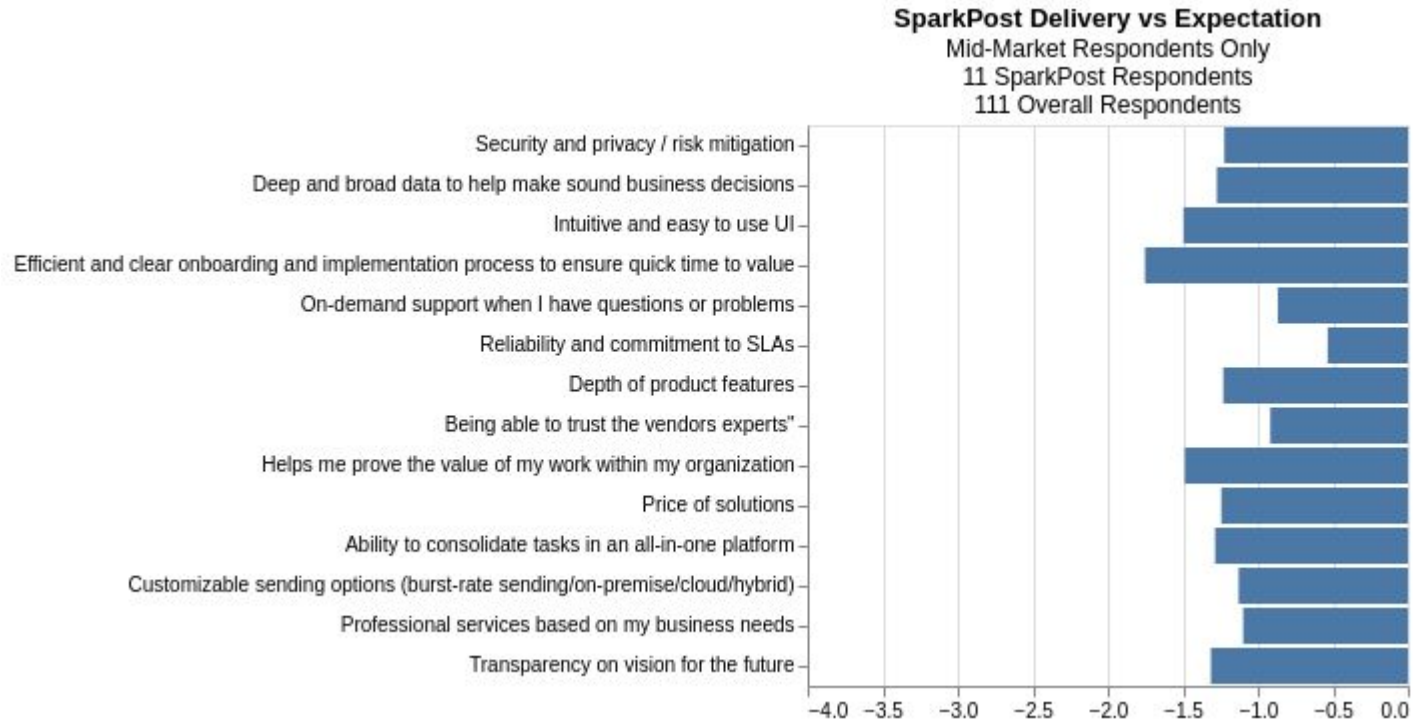


Sendgrid Enterprise vs. Mid-Market Comparison

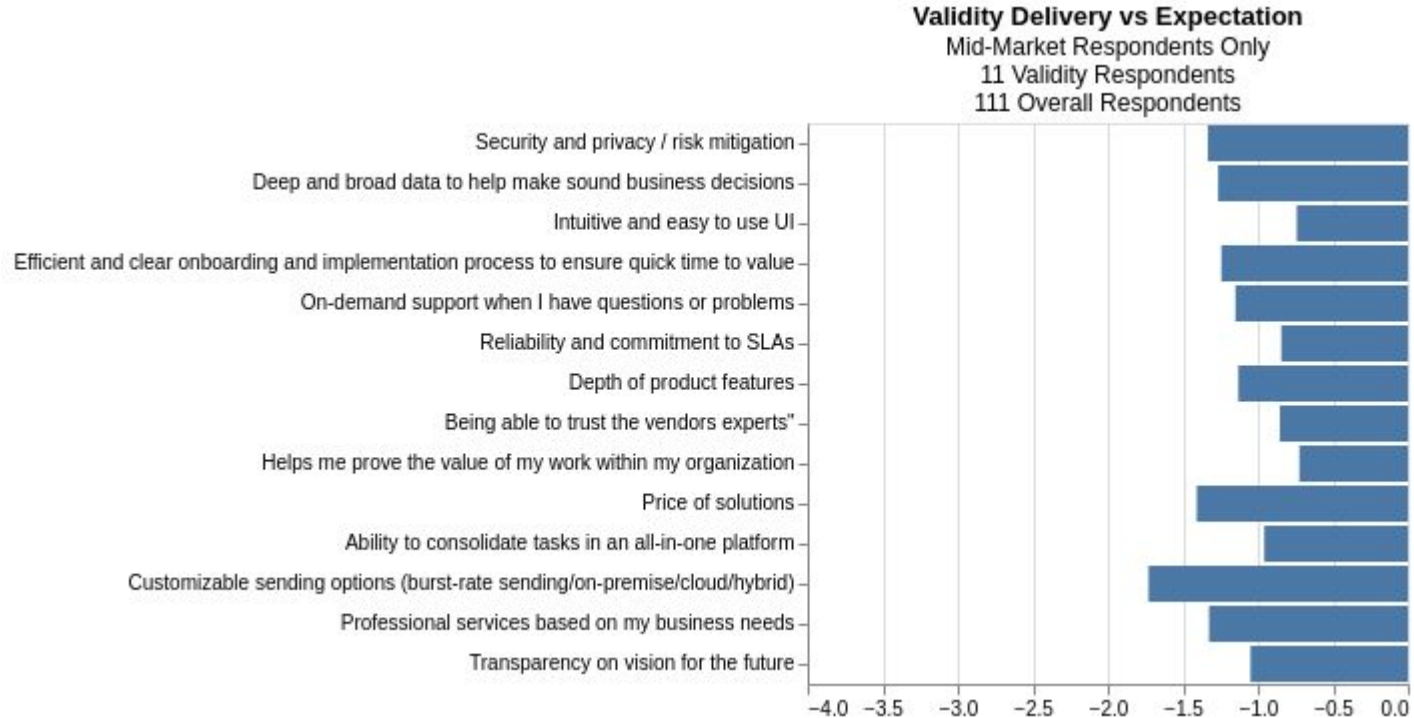
Sendgrid Delivery vs Expectations (25-7)



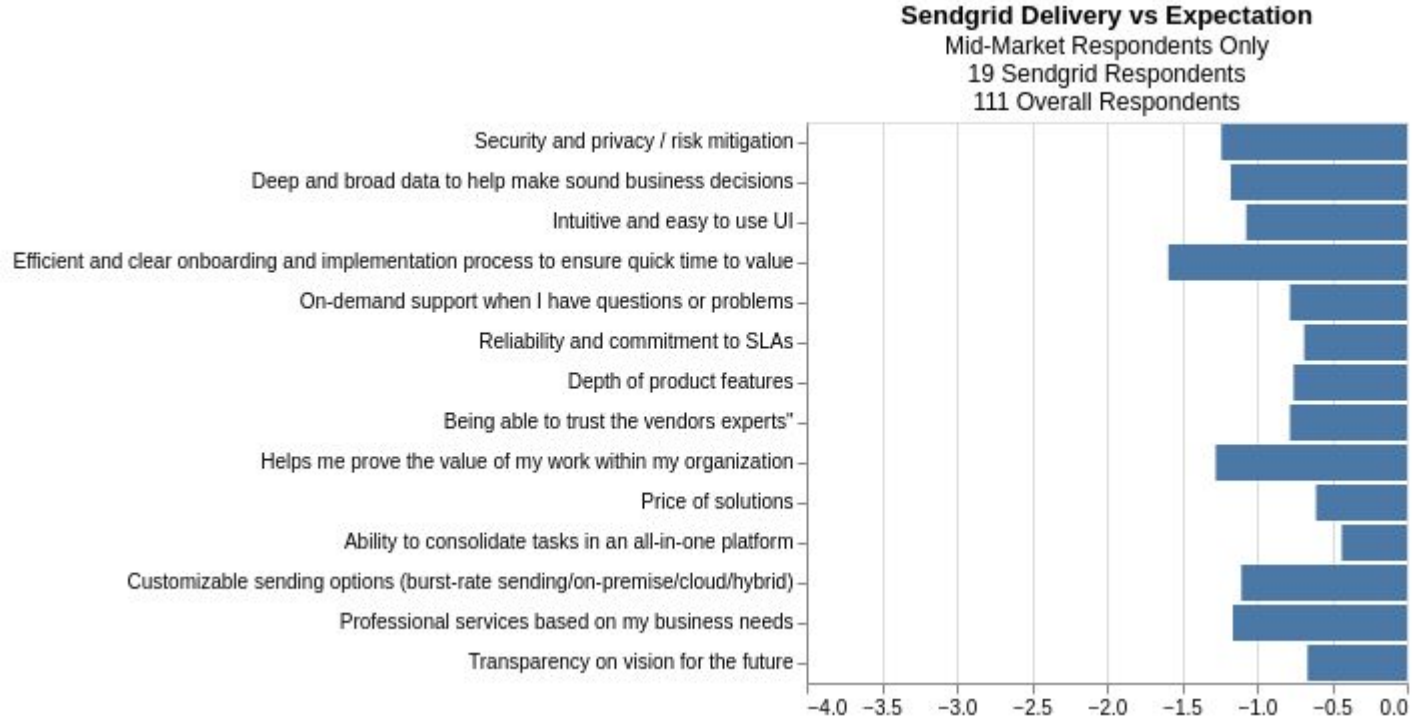
SparkPost Mid-Market View



Validity Mid-Market View



Sendgrid Mid-Market View



Additional Respondent-Provided Values that Are Important

- Clear history and financial standing of the company towards the future. Also if relevant, underlying technology stack.
- email deliverability, regulatory compliance
- Ability for high degree of data driven personalization at massive scale of our business
- Single Sign On with MFA
- Cost to operate
- Easily integrated with our existing marketing and CRM databases. (List transfers / outputs)
- Logs. Hands-Down, Logs. The ability to see who changed what, and when things changed. Understanding who the responsible party is across an Enterprise type of environment where several teams may need access to the same level of data. (And it would be really nice if this was a full text field I could expand and not just a form field with a set width)
- Scalability
- In depth reporting
- Integration, reliable data, powerful and diverse reporting, API agility, flexible exports,
- Integrations
- Ability to self-manage easily at all levels (junior to senior)
- Dedicated account support that can act as an extension of our team and knows our account
- whether technical resources are required to get the most value from the product
- Ability to customize user roles/ department access
- Ability to accommodate or take into serious consideration future roadmap based on my company's needs.