

THE DEFINITIVE GUIDE TO MARKETING AUTOMATION

FOR MICROSOFT
DYNAMICS CRM



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INTRODUCTION

WHY SHOULD I READ THE DEFINITIVE GUIDE TO MARKETING AUTOMATION?

Every business has one thing in common: the desire to achieve higher revenue and faster growth. But many companies struggle to align their people, processes, and technology to achieve these goals.

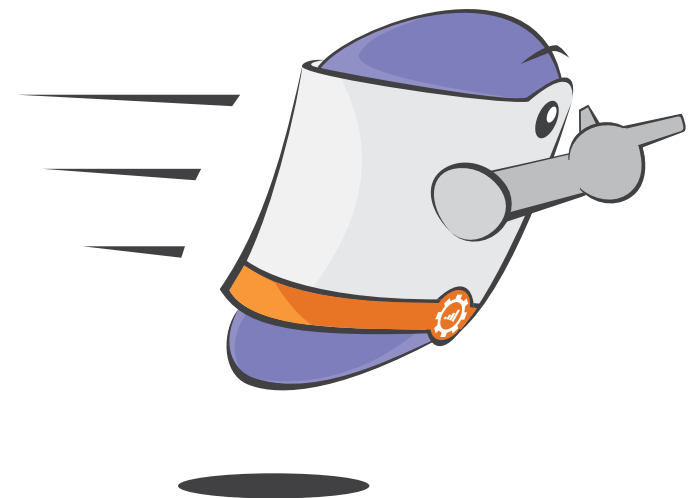
Marketing automation is the technology that allows companies to streamline, automate, and measure marketing tasks and workflows so they can increase operational efficiency and grow revenue faster.

This Definitive Guide to Marketing Automation is designed to answer any and all questions you have about the topic. It will show you what marketing automation is and how it can help your company. It will show you how to select the right system, and what investments are required for success. It will also explain:

- Why marketing automation is so hot right now
- How marketing automation differs from other technologies such as Microsoft Dynamics CRM and email marketing solutions
- The common features and advanced functions of marketing automation tools
- How to build a business case and convince internal stakeholders to act
- The future of marketing automation

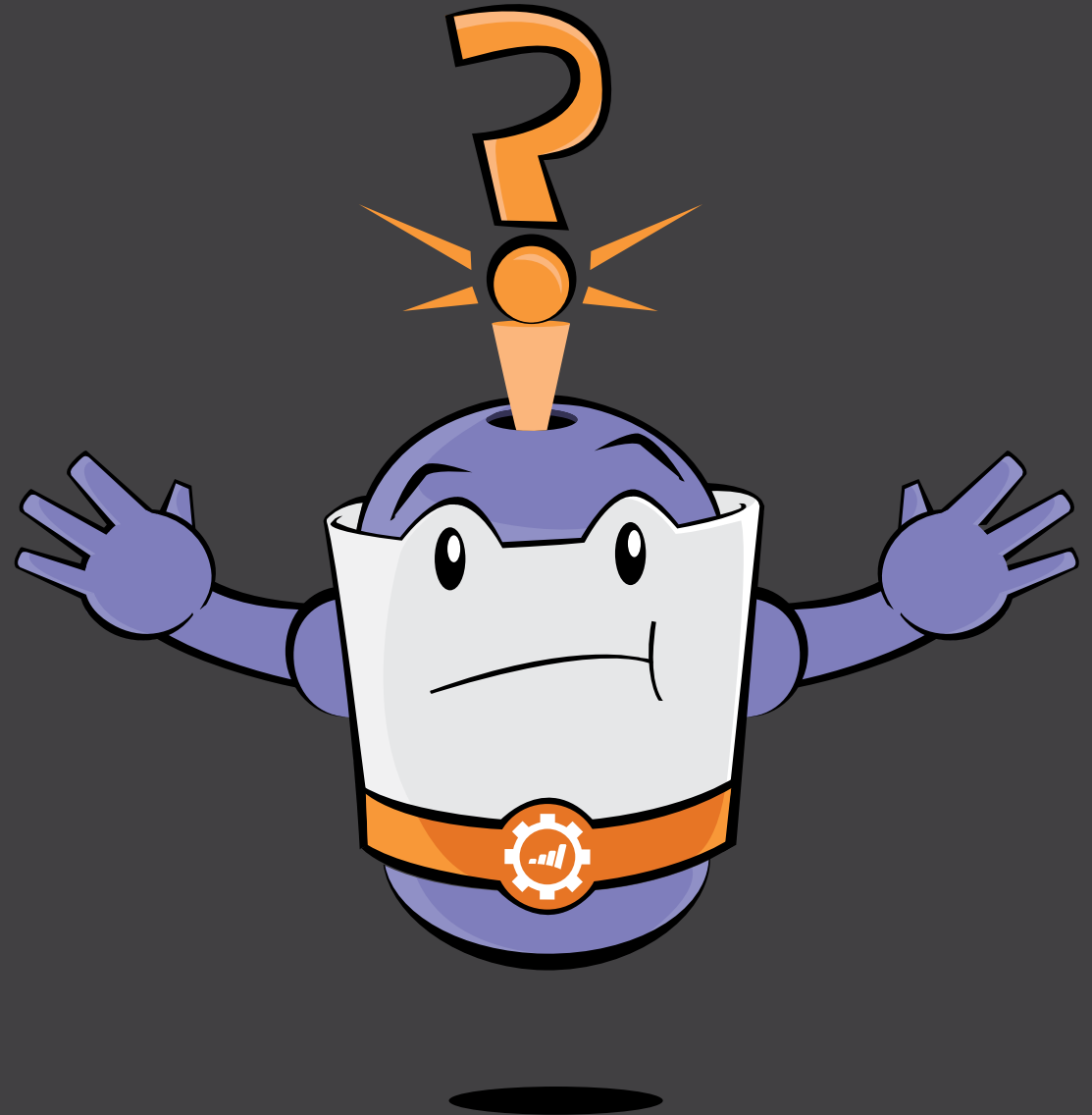
We've also included worksheets that you can use to discern whether your company is ready for marketing automation and how it will help you increase your revenue and attain your other business goals.

We hope this guide will be your ticket to a new world of more effective, efficient, and lucrative marketing.



PART ONE

WHAT IS MARKETING AUTOMATION?



PART ONE: WHAT IS MARKETING AUTOMATION?

SOME CONTEXT

Let's do an exercise.

Raise your hand if your company has the ability to send marketing emails.

I mean it. Don't just read along – really, raise your hand. This one's easy. I'll wait.

OK. Now, keep it raised if your company can easily create new landing pages for each campaign.

Is it still up?

Now keep it raised if your marketing team can set up all the emails for an event before it starts, and let it run 'lights-out'. No one looking. All parts whirring—and working.

Yes, I know—that one's a little trickier. Just a few more. I know your arm may be getting tired.

Do you have the ability to look at a list of potential customers and prioritize them based on fit with your business and likelihood to buy?

Can you filter leads by level of engagement and interest in your brand?

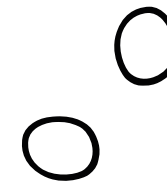
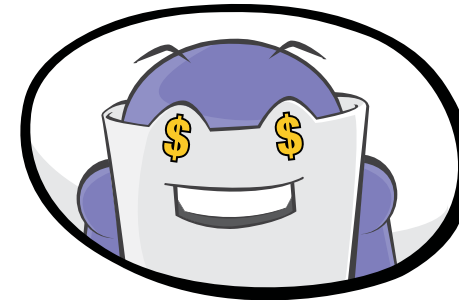
Is your hand still up?

Last question. Keep your hand raised if you can measure the revenue contribution of each of your marketing programs.

If your arm is still up, you probably already know what marketing automation is and you are using it effectively.

Congrats! Give yourself a fist pump, and go ahead and skip to the next section to learn why marketing automation is so hot right now.

Everybody else... read on.



PART ONE: WHAT IS MARKETING AUTOMATION?

MARKETING AUTOMATION DEFINED

Let's begin with a definition:

WHAT: Marketing automation is a category of software.

HOW: It streamlines, automates, and measures marketing tasks and workflows.

WHY: So companies like yours can increase operational efficiency and grow revenue faster.

So **WHO** uses marketing automation?

COMPANY SIZES: Large enterprises have long found value in the technology, but it's important to point out that marketing automation isn't just for big companies. In fact, Small and Mid-Sized Businesses (SMBs) make up the largest growing segment in the marketing automation technology space right now. (That's any company with between \$5 and \$500 million in annual revenue.) And thousands of companies even smaller than that use marketing automation as well.

INDUSTRIES: Companies across all industries are using it. The early adopters were primarily in "business-to-business" (B2B) industries such as high-tech / software, manufacturing, and business services. But increasingly, companies across all categories – including "business-to-consumer" (B2C) industries such as healthcare, financial services, media and entertainment, and retail – are adopting marketing automation for its real-time, relationship-oriented approach to maintaining and extending customer relationships.



Marketing automation is a key technology that enables many modern marketing practices, including:

- Lead generation
- Segmentation
- Lead nurturing and lead scoring
- Relationship marketing
- Cross-sell and up-sell
- Retention
- Marketing ROI measurement

Some of these practices are possible at small volumes without marketing automation, but technology becomes essential with any scale.

PART ONE: WHAT IS MARKETING AUTOMATION?

MARKETING AUTOMATION DEFINED

Features of marketing automation platforms

Features include email marketing, landing pages and forms, campaign management, lead nurturing/scoring, lead lifecycle management, Microsoft Dynamics CRM integration, social marketing capabilities, and marketing analytics.

But hold up. Put that hand down to steady yourself. We'll take a deep-dive into common features in Part Four.

Email Marketing
Landing Pages
Campaign Management
Marketing Programs
Lead Generation
Prediction/Scoring
Lead Management
Microsoft Dynamics CRM Integration
Social Marketing
Resource Management
Marketing Analytics

Marketing Automation

PART ONE: WHAT IS MARKETING AUTOMATION?

MARKETING AUTOMATION DEFINED

What marketing automation is NOT

We've talked about what marketing automation is. Now we need to cover what it is **not**:

1. A fancy name for email marketing

– Not even close. Like the term suggests, marketing automation encompasses marketing campaigns across all channels—from direct mail and phone campaigns to online and social initiatives. What's more, marketing automation combines robust, insight-focused capabilities from Microsoft Dynamics CRM, lead management system, web analytics platform, and other systems to create something that's more than the sum of the parts. That means you get insight that can knock company revenue out of sight.

2. A way to send spam – Like anything else, marketing automation technology delivers results based on how you use it. Yes, it can be used for bad marketing, like spam. But it can also be used for exceptional marketing that truly connects

with customers.

3. A solution that only benefits marketing – Yes, the marketing department benefits from marketing automation. But high-quality marketing automation usage ultimately is about increasing revenue. When you think about

it, that's how things should be.

4. A solution that delivers value without effort – If only you could just buy marketing automation technology, then sit back and watch the results produce themselves. But no. Marketing automation is not a panacea by itself. To deliver, it requires the support of a comprehensive strategy that integrates the right processes, people, content, data, and more. In other words, success is not guaranteed. Want to know what it takes? See Part Six.

PART ONE: WHAT IS MARKETING AUTOMATION?

WHAT MARKETING AUTOMATION DOES

Beyond the time-saving and efficiency benefits of automation, marketing automation enables modern business processes that are essential to any modern marketing department. For B2B companies, this includes **lead nurturing, lead scoring, and lead lifecycle management**. For B2C companies, it includes **cross-sell, up-sell, and retention**. And for all companies, it includes **marketing ROI analytics**.

Nurture relationships with leads that aren't ready to buy. On average, only 20% of leads are sales-ready when they first come in. This means you need a disciplined process – known as lead nurturing – to develop qualified leads until they are sales-ready. **Done well, nurturing can result in 50% more sales leads at 33% lower cost per lead.**

To learn all about this important process download Marketo's [Definitive Guide to Lead Nurturing](http://www.marketo.com/DG2LN)
(www.marketo.com/DG2LN)

Retain and extend customer relationships. The marketer's job is far from finished once someone becomes a customer. For most industries, the real value comes from retaining and deepening the customer relationship over time. This includes selling more of the same product to the customer (up-sell), selling additional products to the customer (cross-sell), as well as customer loyalty and retention. Note that relationship marketing means more than sending a monthly newsletter. You need multiple tracks for each buyer persona and buying stage that "listen" to how the customer behaves, and adjusts accordingly – just like a real-world relationship.

"Without marketing automation, you are just guessing – just hoping that people will take the bait and be ready to buy your products. Statistics show that buyers don't do that. They want to learn at their own pace and be reached when they need more information or are ready to buy. A well-constructed marketing automation strategy makes that a reality."

– John McTigue, Kuno Creative

PART ONE: WHAT IS MARKETING AUTOMATION?

WHAT MARKETING AUTOMATION DOES

Build alignment with sales.

Many of the so-called “leads” you generate are not true potential buyers for your products. You need “demographic lead scoring” to find the customers that fit your target profile. You also need “behavioral lead scoring” to find the hot ones displaying buying behaviors that indicate that they are ready to engage with you and make a purchase. And, once you’ve identified a lead as “hot,” you want to make sure Sales follows up quickly – and in a relevant manner, so you need integration with Microsoft Dynamics CRM and automation of processes like sales alerting, lead recycling, and service level agreements (SLA). According to the Marketo Benchmark on Revenue Performance, companies that implement this kind of lead scoring enjoy 28% better sales productivity and 33% higher revenue growth than companies without lead scoring.

Learn more by downloading our [**Definitive Guide to Lead Scoring**](#).

(www.marketo.com/DG2LS)

Prove – and improve – marketing ROI.

Marketing automation goes beyond process automation to help marketing executives get much-needed insight into which marketing programs are working and which aren’t. It gives CMOs the metrics they need to speak confidently to the C-suite about Marketing’s revenue impact.

For more, check out:

[**The Definitive Guide to Marketing Metrics and ROI**](#).

(www.marketo.com/DG2MM)

“Marketing automation enables marketers to adopt an integrated approach to generating, nurturing and converting leads into customers by automating various marketing techniques and processes to optimize the marketing-sales pipeline. It is rapidly becoming a standard practice, with an increasing number of organizations turning to marketing automation to solve problems, such as diminishing lead quality, proving contribution to the sales pipeline, and difficulty evaluating a lead’s readiness for sale.”

– **Econsultancy Marketing Automation Buyer’s Guide**

PART ONE: WHAT IS MARKETING AUTOMATION?

WORKSHEET: ARE YOU READY FOR MARKETING AUTOMATION?

Use this worksheet to determine if your company is ready to use marketing automation.

For each category, select the appropriate number. If you strongly disagree, choose 1. If you strongly agree, choose 5. The numbers in between 1 and 5 correspond to your level of agreement, neutrality, or disagreement. Tally your score when you're finished, and follow the instructions at the end.

Factor	Disagree			Agree	
	1	2	3	4	5
Our revenue process is complicated. It involves multiple touches from Marketing and/or Sales.					
We target sophisticated buyers who do a lot of research before they engage with us.					
Our company requires more insight into the exact value that our Marketing programs deliver, so we can quantify our investment.					
Our customer base out-sizes our Sales team (assuming you have one), so we lack direct personal relationships with all of our customers and prospects.					
It would be impossible to personally call every potential customer or new lead that we generate.					
Many of our new leads aren't yet ready to buy from us. They require nurturing.					
We would improve our sales results if Marketing played a bigger role in our revenue process, particularly as it applies to nurturing relationships with target early stage prospects.					
We already use most, or all, of the capabilities of our current email marketing service provider.					
Data drives almost every decision that our marketing team makes.					
Our marketing team is generating (or has specific plans to generate) significant amounts of personalized content for our target prospects.					

***This evaluation was based on research from Gleanster.*

To interpret your results, tally your score.

- If you scored **> 35**, you're ready for marketing automation.
- If you scored **between 20 – 35**, you're moving in that direction. You should consider getting started with marketing automation very soon.
- If you scored **under 20**, you may not be ready for marketing automation quite yet. But that doesn't mean you can't keep reading!

Regardless of your score, there's good news: where you are now is exactly where you need to be in order to get more leads, get better leads, and know how to tell the good from the bad.

So flip over into Part 2, and let's get this party started.

THOUGHT LEADER SNAPSHOT:

JUSTIN GRAY, CEO LEADMMD



Justin Gray is the CEO of LeadMD. He founded the company in 2009 with the vision of transforming traditional “grassroots” marketing efforts through the use of marketing automation and CRM solutions.

With 13 years of experience in the industry, Gray has seen the potential for growth in this space and the willingness mid-size companies have to join the SaaS revolution as it pertains to their marketing processes.

Marketo interview with Justin Gray

MKTO: What do you think the future of marketing automation will look like in the next few years?

JG: Marketing automation, as it currently stands, is software, but it won’t be long before it’s a full platform. I know – that concept isn’t revolutionary in and of itself, but it’s important to note that skill sets are what will drive this change. The ecosystem that evolves around software takes marketing automation from being simply a “tool” into being a real element of change.

Just as the combustible engine changed the way we work, then the computer advanced us leagues ahead, and now software is delivered via the cloud – the next revolution of progress lies in connected data. I think we’ll see Marketing Resource Management (MRM) emerge again as a component of MA – but this time with ease of use as a centerpiece.

Marketing automation as the mouthpiece for forming conversations was step one, and now the next step will be to shape this platform to listen to, react, and share the data of other systems in response. The heart of that evolution boils down to integration. As we expand our skillsets, best practices, plugins, and apps, we develop a true ecosystem – the future of marketing automation. This platform will then become much greater than the sum of its parts and will be set apart as the place where marketers spend their day. I’m excited.

MKTO: What are the most important things you have to keep in mind in order to be successful with marketing automation?

JG: Marketing automation is a journey. If you think it’s at all like a light switch that you can just flip on, you will fail. If you think you don’t need a strategy or can afford to just skip over the planning process, you’ll also be quick to fail. The reality is that marketing automation is bigger than CRM and higher on the proverbial food chain of data. Too many people are treating marketing automation as a tool, as if it’s just an email platform, and it’s limiting the growth of the space. As we see the ecosystem grow, the respect for it will grow as well. And once marketing automation is treated as a platform for success, it will become precisely that.

MKTO: What should you focus on when selling marketing automation to your executive team? What are some things that might resonate with a CEO, CFO, or Sales?

JG: Three things comprise the language that is spoken by the CEO, CFO, and Head of Sales – efficiency, scalability, and ROI—both tangible and intangible. Lead with these heavy hitters because they’ll translate well to the pain points these

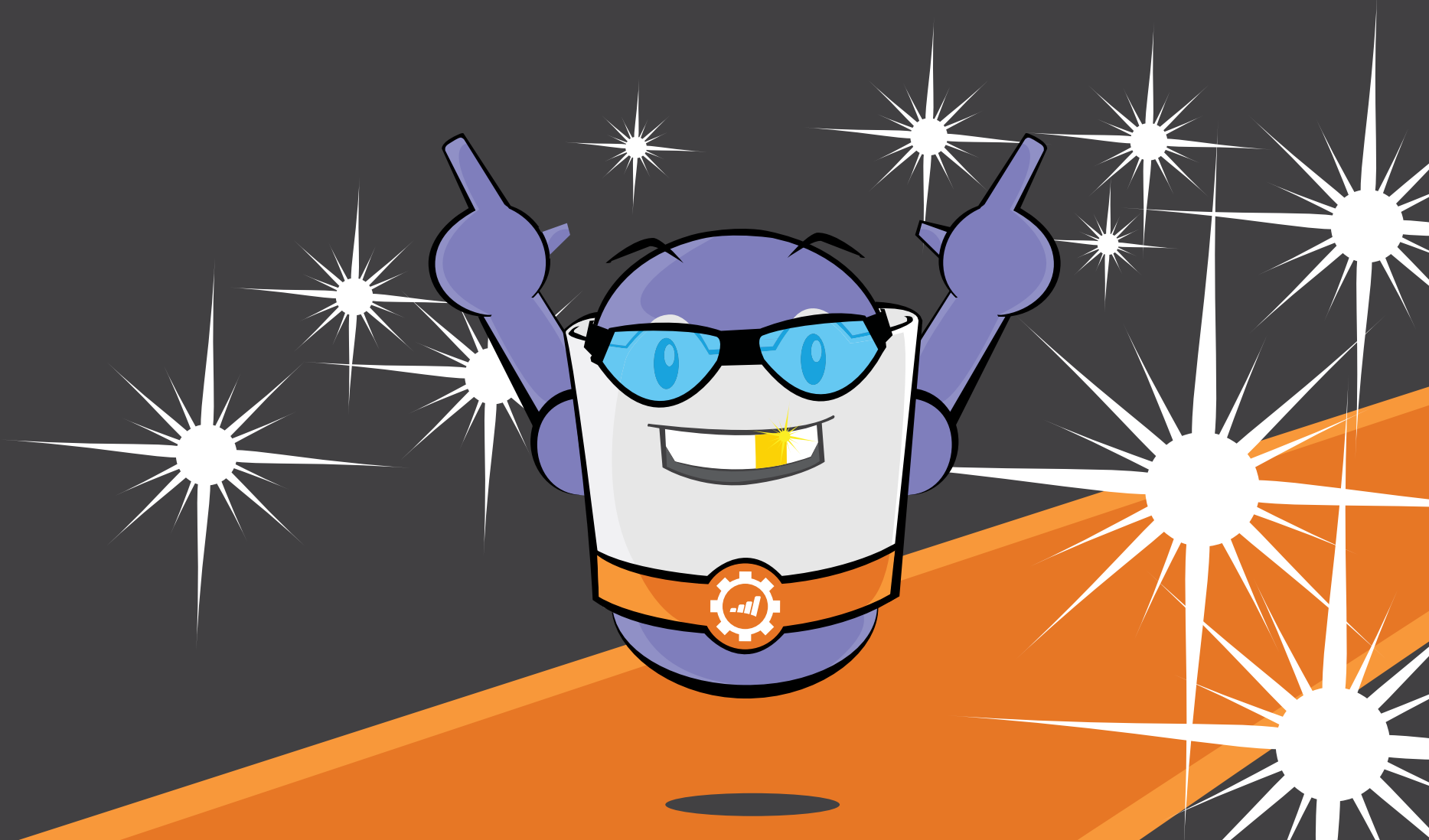
executives experience often. Also, be prepared to admit that you’re not measuring correctly – or at all – right now.

Sounds risky, I know, but hear me out. Why admit this? Because you’re not really able to measure properly with the archaic, non-integrated tools currently at your disposal. Many marketers are looking for ROI on marketing automation, but the kicker is that a vast majority of them weren’t measuring what they had previously been doing. So, how do you compare something to nothing? You can’t.

The first step in selling marketing automation to your executive team is admitting you have a problem. Then, step two is using marketing automation to establish a benchmark. Wondering where improvement fits into the process? It’s step number three. Too many organizations try to jump right to improvement, right from the beginning. Don’t be that guy (or gal) – it never ends well.

PART TWO

WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

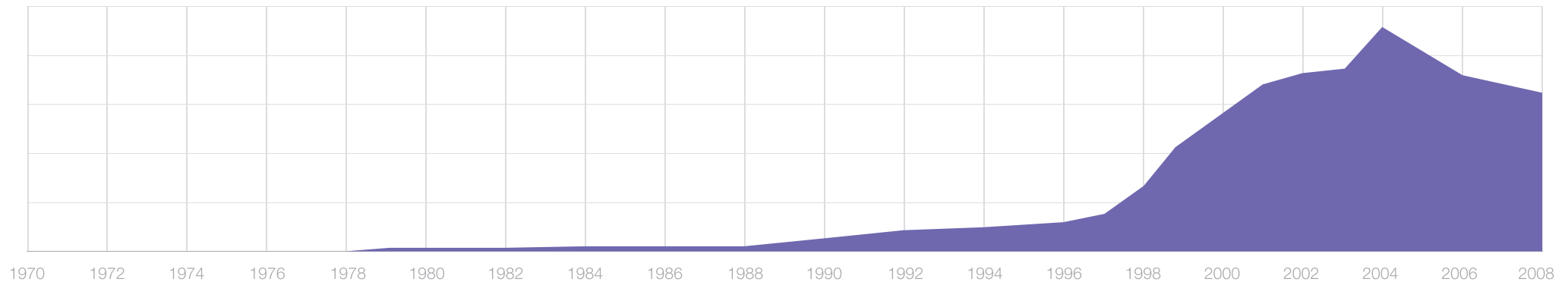


PART TWO: WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

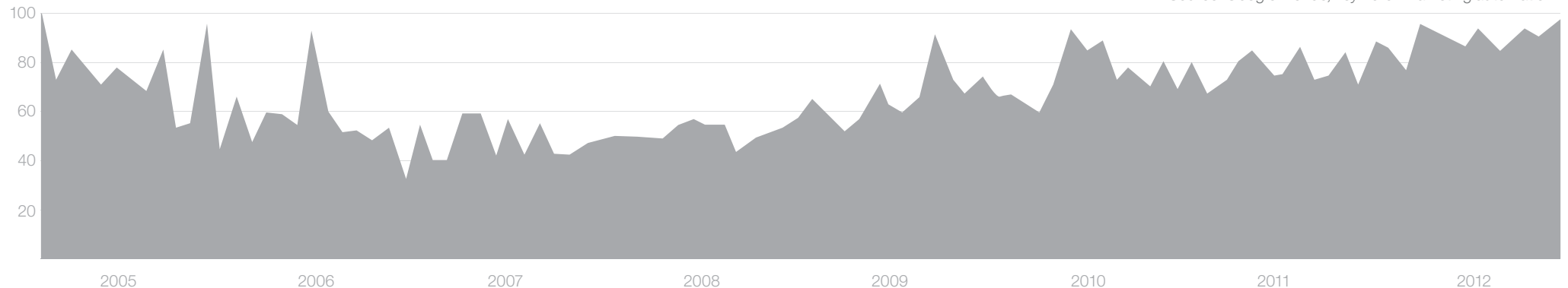
TRENDS DRIVING MARKETING AUTOMATION

Marketing automation is not a new concept. According to the Google Ngram Viewer, the term was first used in 1980, and then started to gain traction in the late 1990s, peaking around 2004. The term then started to decline in usage, reaching a low point in 2007 before it slowly began to rise again. Today, it's back up near the 2004 peak.

Source: Google Ngram View, keyword "marketing automation"



Source: Google Trends, keyword "marketing automation"



PART TWO: WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

TRENDS DRIVING MARKETING AUTOMATION

The dot-com boom and bust

The first rise and fall of marketing automation was tied to the dot-com boom and bust. The late 1990s brought an explosion of marketing automation vendors, including Annuncio, Aprimo, Broadbase, Epiphany, MarketFirst, Paragren, Prime Response, Revenio, Rubric, SAS, Siebel, and Unica – just to name a few.

But then the bust happened. Not one of those companies (with the exception of privately-held SAS) survived as a stand-alone vendor.

Some of the solutions are still in the market today. For example, Epiphany is part of Infor Epiphany CRM solutions; Unica is part of IBM; Aprimo is part of Teradata; and Siebel is part of Oracle. But overall, the bust left marketing automation with a somewhat tarnished reputation.

Today: The rise of Software-as-a-Service Solutions

The middle of the 2000s marked another shift for marketing automation, when next generation vendors like Eloqua (now owned by Oracle), InfusionSoft, and Marketo emerged. At the same time, marketing automation started to get hot again – much hotter than before. This is likely due to three key trends:

1. Changing buyer behaviors forced companies to change how they market and sell.
2. The 2008 recession permanently altered how companies approach revenue generation and measurement.
3. A new software delivery model unlocked many new sales opportunities.



PART TWO: WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

TRENDS DRIVING MARKETING AUTOMATION

Trend #1.

Changing buyer behaviors forced companies to change how they market and sell.

Before the internet and social networks, buyers had limited ways to obtain the purchase information they needed, so the seller controlled the buying process. But then buyers moved into the power position. They could access the information they wanted on their own online, anywhere and at any time. And they could delay engaging with selling representatives until they knew as much (or more) than the salesperson did.

For example, think about how you approach buying a car. You don't go to a dealer until you know exactly what model you want, and how much you want to pay, right?

To address the challenge, Marketing started to play a larger role in the revenue process. They nurtured relationships with early-stage prospects until they became ready.

But this solution posed a challenge of its own: the problem of scale. Self-empowered buyers demand relevant, personalized conversations on their own timeframe. If you don't provide that experience, they're likely to opt out of your communications. But how do you manage individual dialogues with hundreds of thousands, even millions, of potential customers?

This is precisely why having a marketing automation platform became so critical in the mid-2000s. There literally wasn't any other way to keep up with the demands of modern marketing. As Lucille Ball famously demonstrated at a candy factory, attempts to implement such massive processes without the right systems quickly create colossal messes and lost opportunities.

“In a business of any size – especially one with an engaging web and social media presence – buyer interactions can number in the thousands, millions, or even hundreds of millions. Without the right tools to automate the planning, execution, and measurement, even the hardest-working marketer can be overwhelmed by the complexity.”

– Phil Fernandez, Revenue Disruption

PART TWO: WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

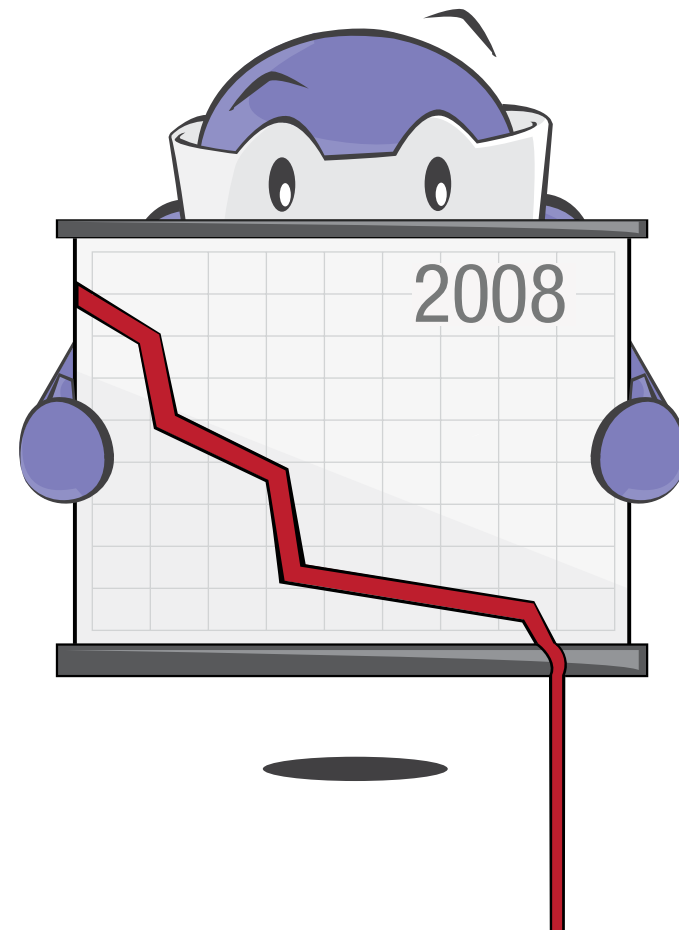
TRENDS DRIVING MARKETING AUTOMATION

Trend #2.

The 2008 recession permanently altered how companies approach revenue generation and measurement.

No business completely escaped the impact of the economy in 2008. But while some organizations hunkered down to weather the recession, cutting resources and headcount, leading companies recognized that growth was their ticket not only to survive – but also thrive. So they reorganized their processes to increase revenue effectiveness. They refused to tolerate traditional dysfunctions between marketing and sales departments, and those associated with measurement tools like spreadsheets. Instead, they invested in technology that automated and streamlined critical revenue processes.

At the same time, budget cuts made it more important than ever to measure the effectiveness of their marketing investments, even as new highly-measurable digital channels raised the expectation for measurement across all channels. Empowered with these new tools, companies determined what was working and what wasn't, and then scientifically re-allocated their resources to operate more strategically.



PART TWO: WHY IS MARKETING AUTOMATION SO HOT RIGHT NOW?

TRENDS DRIVING MARKETING AUTOMATION

Trend #3.

A new software delivery model unlocked many new sales opportunities.

Unlike prior generations of marketing automation, today's leading companies provide their solutions using "software as a service" (SaaS) – meaning marketers could access the tools in a browser with little or no IT support. Also, these solutions are sold as a recurring subscription, so marketers can buy them using operating budgets instead of making capital investments.

These two factors are critical. Marketing is unfortunately seen as a cost center at most companies. This made it a challenge for marketing to get the capital investment and IT support needed by traditional solutions. But at the same time, marketers have large discretionary operating budgets that they easily spend on marketing programs such as tradeshows, online advertising, and agency services. By enabling companies to buy marketing software like any of these services, the SaaS-based marketing automation vendors removed the largest impediment to marketing automation adoption.

Conclusion

Given this history, you can understand why SMBs are the fastest-growing group of marketing automation adopters—because only after marketing automation software was offered as a service could it be available and affordable to them. This shift drove rapid growth in the space. As the industry began to mature, businesses from all sectors began to cross the chasm and join early adopters from high-technology organizations. Soon, even traditionally conservative and pragmatic companies started to use marketing automation, which has resulted in the phenomenal growth we see today.

"This is the first time in the history of B2B marketing in which marketers are responsible for purchasing and managing their own technology."

– Carlos Hidalgo, ANNUITAS

CASE STUDY:

ALGONQUIN COLLEGE

Highlights

- Improved lead generation by 28% year-over-year and increased sales by 18%
- Lowered cost of distribution and marketing
- Enabled precise measurement of which campaigns are most valuable in terms of closing new business
- Able to understand what is required to move prospective students from consideration to buying
- Allows Marketing to measure ROI and take a leadership role in driving higher revenues

Challenges

With campuses in Ottawa, Canada's Capital, and across the Ottawa Valley, Algonquin College has over 19,000 full-time students and more than 36,000 continuing education students.

To generate student leads, the organization operated essentially in batch email mode, leaving the college in the dark in terms of tracking the effectiveness of its marketing content. In addition, because of the diverse student base, the sales cycle could range from just a few days to four years. It was clear they needed a solution that was flexible enough to provide detailed insight into prospect behavior and the sales pipeline.

Solution

Algonquin College considered several marketing automation products before they ultimately selected Marketo based on its ease-of-use and CRM integration, which were at the top of the requirement list. However, the college was particularly impressed with Marketo's ability to provide first-hand insight into how customers progress through the website, interact with landing pages, and respond to marketing campaigns in real time.

The marketing organization is now in a position to move from basic nurturing to what they term "advanced nurturing" - where they use a set of elaborate campaigns and triggers to launch relevant, targeted content at the instant the prospect expresses interest. This will allow Algonquin to further refine lead segmentation and ensure they deliver the right message at the right time.

Benefits

With marketing automation, Algonquin College has gained deep, actionable insight to determine the content that has the most immediate positive impact on lead generation, open rates, conversion rates, and closed sales.

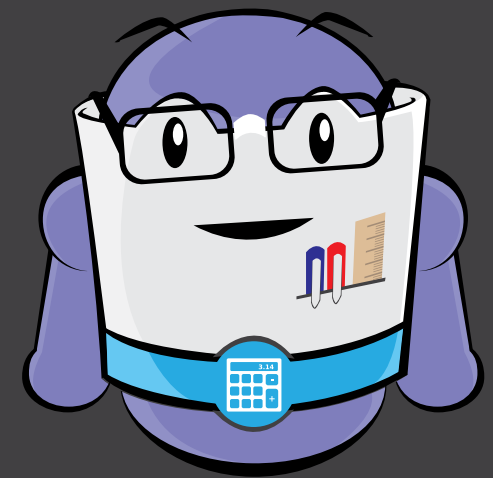
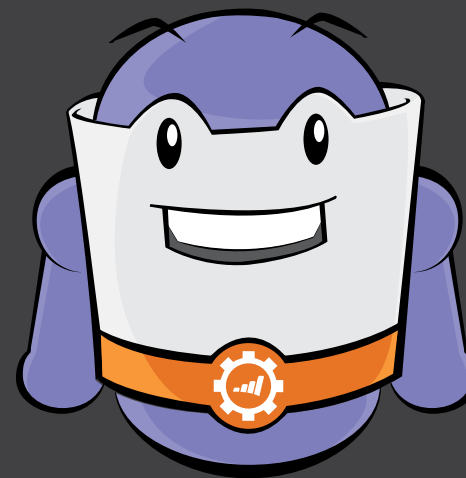
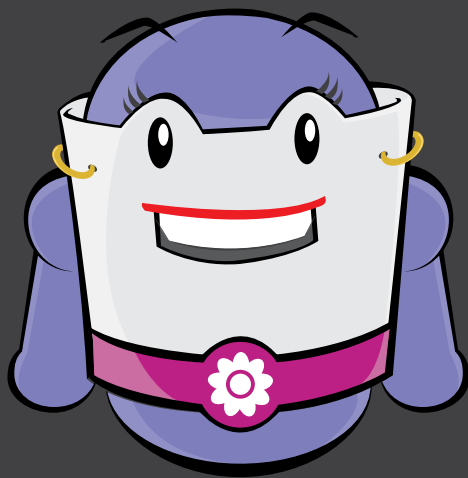
As a result, they have improved deal flow and are able to move prospects through the buying cycle faster. In fact, the college has improved lead generation by 28% year-over-year and increased sales by 18%, all while lowering its cost of distribution and marketing. In addition, their ability to measure ROI has dramatically improved with Marketo, allowing Marketing to take a leadership role in driving higher revenues.

28%
LEAD GENERATION
YEAR-OVER-YEAR

18%
INCREASED SALES

PART THREE

HOW IS MARKETING AUTOMATION DIFFERENT FROM...?



PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

CONTEXT

We already know that marketing technology is not a new thing. For example, companies already use solutions for email marketing and Customer Relationship Management (CRM), so many marketers are confused. What does marketing automation replace, and what does it complement? Furthermore, how does marketing automation compare to other new technologies and marketing trends, such as content marketing, inbound marketing, and social marketing?

This section answers those questions.



PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO MICROSOFT DYNAMICS CRM

The fusion of Microsoft Dynamics CRM and marketing automation allows you to increase the ROI of your sales and marketing organization, improve close rates, deliver more predictable revenue, and make both teams more successful

If you dig into the design and capabilities, you'll find that while Microsoft Dynamics CRM provides indispensable value to any kind of sales organization, the reality is that it falls short for most marketing departments. Microsoft Dynamics CRM is designed and optimized for a very different purpose, which is what creates the whitespace for marketing automation vendors.

From a functional perspective, Microsoft Dynamics CRM typically does not provide functionality for things like email marketing, prospect behavior tracking, and marketing program management. And it's true that many CRM systems can be customized to handle things like automated campaign flows, lead scoring, and de-duplication. But it's hard.

In the end, marketing automation systems focus on the needs of the marketing department in a way that Microsoft Dynamics CRM does not, while Microsoft Dynamics CRM provides a must-have solution to the sales department (as well as many others). Most importantly, given the advanced integration capabilities of today's platforms, the two categories of technology are designed to work together in a way that was never possible before. Both systems are necessary, and it's necessary to understand what each one does for you – and what it doesn't.

	Microsoft Dynamics CRM	Marketing Automation
Business Goal	Track opportunities and pipeline, manage contact and account information	Develop customer relationships, automate marketing programs, measure marketing ROI
Departmental Focus	Primarily sales and sales management, some marketing	Primarily marketing and marketing management, some sales
Communication Style	Individual communications (sales rep to buyer)	Communications to groups and segments (may be personalized and triggered 1:1)
Architecture	Database-oriented, transactional queries	Workflow-oriented, highly detailed behavioral data queries

“When it comes to marketing automation capabilities, using CRM is like building a car from a kit. All the parts are there, but you need the time and skill to put it all together. Using marketing automation is like buying the car you want or need, with all the features you want already installed and some gas in the tank, ready to drive. In either case, you still need to know how to drive and where you want to go.”

– Mac McIntosh, Marketing Automation Expert

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO MICROSOFT DYNAMICS CRM

Both Microsoft Dynamics CRM and marketing automation provide significant benefits for sales and marketing organizations. If you currently have Microsoft Dynamics CRM, how would marketing automation help you get better ROI on your marketing? Let's take a look.

Deliver more qualified leads to sales

The biggest impact is that marketing automation enables marketers to deliver more qualified leads to sales by prioritizing the leads in your Microsoft Dynamics CRM. Rather than assume all leads are equal, marketing automation identifies which leads need to be followed up with right away, and which still need more time to be nurtured. This information shows up directly in the lead record in Microsoft Dynamics CRM.

Save time and money

Marketing automation extends the functionality of Microsoft Dynamics CRM's support for manual campaigns with fully automated campaigns, allowing you to save time and money. Through automating processes, you can do more with less, and Sales and Marketing can be much more aligned.

Develop leads who are not ready to buy through lead nurturing

In companies with long sales cycles, it's often hard for sales people to adequately follow up with each and every lead until they show an active interest. Lead nurturing through a marketing automation solution solves this issue by developing leads who are not ready to talk to a salesperson yet.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO MICROSOFT DYNAMICS CRM

Prioritize leads in Microsoft Dynamics CRM

The capabilities within a marketing automation tool add a lot more information to each lead profile. Through rich visibility into a lead's website, email, and social history, Sales can learn much more about prospects before they make their first call. And because this information is real-time, their sales calls can be much timelier.

Increase data quality in Microsoft Dynamics CRM

Marketing automation includes several tools to increase the data quality in Microsoft Dynamics CRM. This includes prevention of duplicates by appending information to the existing record, as well as identifying and merging duplicate records. As a result, Sales can now be sure that the information that is in Microsoft Dynamics CRM is actually correct.

Report back on key metrics

Marketing automation provides the information to manage the revenue cycle by the numbers. Based on metrics, Marketing and Sales effectiveness can increase, revenue becomes more predictable, and it's possible to see how marketing programs contribute to the bottom line.

In effect, marketing automation delivers more, higher quality leads to your Microsoft Dynamics CRM platform. And because marketing automation provides real-time information about leads, marketing automation becomes a great compliment to Microsoft Dynamics CRM as it helps Sales improve close rates, deliver more predictable revenue, and makes Sales reps more successful.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO EMAIL MARKETING

Virtually every company has invested in having the ability to send emails to their customers.

In fact, MarketingSherpa's 2012 B2B Marketing Benchmark report ranks email marketing as one of the top three marketing tactics. On average, companies with over 100 people allocate 9% of their marketing budget to email alone, and those with fewer than 100 employees up the ante to 16%.

The fact is, email still works really well. But the world is changing. The inbox is fragmenting like never before. Marketers have to deliver their messages in more formats to multiple devices. And their messages have to be more relevant, delivered more frequently, and somehow still make it into the "most important" section of their buyer's inbox.

In reality, much of the email marketing you see today is pretty terrible. Messages are untargeted. Their delivery is ill-timed and poorly formatted. It's no wonder that engagement—the holy grail of email response rates—is falling along with declining open and click rates.

Other traditional marketing tools—such as Microsoft Dynamics CRM, landing pages, social media, and web analytics—only compound the problem. Because they don't integrate with the email solution, email is left in a silo. It suffers from limited segmentation, and creates excessive amounts of administrative work for marketing teams who endeavor to connect their processes and consolidate reporting manually. Costs quickly escalate for ad hoc solutions that deliver poor ROI, and revenue flounders because companies deliver inconsistent, unpersonalized experiences to their customers.

The answer is to use email solutions that do more—coordinating with other tools, delivering more dialogues that build relationships and engage buyers (not companies) on their timetables. That's where marketing automation comes in.

"A marketing automation solution delivers essentially all the benefits of an email marketing solution along with integrated capabilities that would otherwise need to be cobbled together using various standalone technologies."

— Gleanster Research

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

SEVEN SIGNS YOU NEED TO GRADUATE FROM EMAIL

Seven Signs You Need to Graduate from Email to Marketing Automation

There are 7 signs that will indicate that your company is ready to graduate from email to marketing automation.

1. EMAIL BLASTS,
NOT CUSTOMER DIALOGUES

2. WASTING TIME ON
MANUAL CAMPAIGNS

7. SAD SALES
TEAM

3. EMAIL IN
A SILO

6. CAN'T TELL IF EMAIL
IS DRIVING PIPELINE
OR REVENUE

5. TRIGGER
INSENSITIVITY

4. DIFFICULT OR IMPRECISE
TARGETING & SEGMENTATION

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

SEVEN SIGNS YOU NEED TO GRADUATE FROM EMAIL

1. You're sending email blasts rather than engaging in customer dialogue.

Customers are savvy. They don't want to be blatantly marketed to, and they are getting better and better at screening out mass emails. However, customers are willing to engage with relevant content, and they're willing to build relationships with companies that they like, who approach them in the right way. In order to engage in a relevant customer dialogue, you need what we call "multi-step drip campaigns" to nurture your relationships with customers patiently, over time, and move them through their purchase journey.

The first step in making your email blasts engaging is to map out workflows, but it's important to note that the workflows must be adaptable — never static. You should always adjust your email campaigns to the responses and behaviors of your prospective customers. This is where marketing automation comes in. Without it, you are limited to "batch and blast" email campaigns that are based on your own timetable — not the buyers'. You're decreasing your ability to get relevant content to your customers on time.

2. You're being inefficient by wasting time on manual campaigns.

Consider ShipServ, the world's leading marine marketplace. Before they started using marketing automation, they had a set of marketing tools, but were ineffective when it came to nurturing customer relationships. They could see the open rate on an email campaign, but they had no way to take the next step and respond to these stats in an automated way. As a result, they were constantly analyzing data manually, creating lists and setting calendar notices in order to simulate a personalized marketing experience for each customer. Needless to say, this difficult and cumbersome task limited their ability to scale their business. Instead of being able to clone and individually tweak similar campaigns, they were stuck building fresh campaigns from scratch each time — a huge time-suck.

3. Your email marketing exists in a silo.

Email is divorced from your other customer interaction channels. It would be awkward to walk up to a customer in person and start a conversation without referencing the conversation where you left off last time you talked. Yet that is exactly what happens with most marketing emails. In addition, email marketing platforms are generally divorced from web site pages.

A customer who clicks through to your company's web site after receiving an email campaign becomes lost. You're leaking opportunity because your email marketing is unrelated to other marketing.

"While there's certainly value in using marketing automation solutions to send email, and create landing pages and website forms, it's a bit like using a supercar to drive Miss Daisy around town."

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

SEVEN SIGNS YOU NEED TO GRADUATE FROM EMAIL

4. Your segmentation and targeting are subpar. This is arguably the most important of the seven signs. The ability to precisely micro-segment your database and target your list of leads and contacts is a crucial part of your marketing campaign. An old (and still valid) rule of thumb is that 50% of your success in a campaign comes from how well and how specifically you target your list. The more you target, the more relevant your message, the better your response rates... and your economics.

Good targeting today means both demographic and firmographic filters—in other words, who the person is, and if necessary what company the person

works for. In addition, behavioral filters—which web sites customers visit, what keywords they click on, what they say on social networks—are key metrics. If your email exists in a silo, you're missing out on the ability to target the right people in the right way based on their behaviors.

Jupiter (now part of Forrester) did a study a few years ago and found that companies who target their emails based on behavior have up to a 350% increase in open rates and a 50% increase in conversions. That's a lot.

It's also important to know where your buyer is in their buying cycle. Are they an early-stage prospect? An active lead? An engaged customer? Without a way to segment your customers according to where they are in the buying cycle, you can't send the right message at the right time.

5. You have “trigger insensitivity” problems. Triggers are the ability to listen and respond in real-time with a one-to-one response that goes directly to the customer displaying a particular behavior. Real-time triggers can include:

- When a customer visits a web page
- When a customer fills out a form
- When a customer's lead score changes
- When an opportunity is updated in Microsoft Dynamics CRM
- When an activity is logged

When any of these activities occurs, marketing automation can trigger an email to that customer. It's relevant and timely. And timeliness is everything with marketing.

According to research done at MIT recently, the difference between following up to a customer hand-raise in 30 minutes versus 5 minutes means the difference between a 100 exchange in the contact rate and a 21 exchange in the likelihood of actually qualifying that lead.

“Marketing automation is breaking free of email.”

– Eric Wittlake,
B2B Marketing Expert

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

SEVEN SIGNS YOU NEED TO GRADUATE FROM EMAIL

6. You can't tell if your email is driving pipeline or revenue. Email platforms can tell you about open rates and click-through rates, but what you really need to find out is which activities are leading to actual revenue. If you can't make this connection, you can't determine marketing ROI.

7. You've got a "sad Sales team." They don't know which leads are good or who to follow up with, and they can't send their own marketing emails. When you don't have Marketing and Sales working closely together, Sales becomes frustrated and sees less value in Marketing. Sales and Marketing must be closely aligned for success.

"I can explain a move from an Email Service Provider (ESP) to a marketing automation platform with an analogy – still photographs versus video. ESPs are like still photographs – you can get great stats from using one, but each campaign is effectively a snapshot in time. Marketing automation platforms are like videos – you can see the behavior of people in multiple campaigns over time, taking all the snapshots and connecting them together to make a "flip movie" or video out of them."

– Joseph Zuccaro,
Founder and President of Allinio LLC

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO INBOUND MARKETING

Inbound marketing is: The process of helping potential customers find your company – often before they are even looking to make a purchase – and then turning that early awareness into brand preference, which ultimately creates leads and revenue.

Inbound marketers create relevant and compelling content to attract and convert leads—for the purpose of building audiences and attracting attention. Their job is not to find leads, but to help leads find them.

Inbound marketing can deliver:

- **Increased brand awareness.**
Buyers must find you before they can buy from you. If your company shows up high in the search results, you'll get "free" brand awareness when customers seek information. Also, you earn highly relevant brand exposure when they share your content.

- **Better brand preference.**
Brand preference trumps brand awareness any day, so inbound marketing builds preference by engaging with buyers early, often before they are intending to make a purchase. All other things being equal, people are more likely to buy from a company with whom they have a relationship.
- **More leads for less investment.**
Inbound marketing has a tendency to build on itself. Great content pays off dividends for a long time, multiplying as you create more content.

Where Inbound Marketing Falls Short

Inbound marketing is a highly effective strategy, but it will fail for most companies if executed alone.

Two of the most critical limitations are:

1. It's hard to target specific audiences with inbound marketing.
Inbound marketing can't effectively reach a specific set of contacts—for example, decision makers at a list of target accounts. To use a military analogy, inbound marketing is like an "air war." It allows you to efficiently carpet-bomb broad areas, but it's harder to use it to hit specific targets. In contrast, you need "ground war" tactics (think Marines and snipers) to target specific objectives and hold territory.

2. Inbound marketing doesn't motivate people to act. By definition, inbound marketing waits for buyers to take action when they're ready. It's not a good solution when you need someone to act on a specific timetable, such as signing up for an event. All good marketers readily acknowledge inertia and recognize that people sometimes need a push not a pull, to take action. This is especially true for targeting pragmatists and late adopters who don't actively seek out alternatives and new solutions.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO INBOUND MARKETING

Marketing Automation + Inbound Marketing Together

Because of the limitations of inbound marketing, a complete marketing strategy needs to incorporate a full portfolio of approaches, including events, webinars, email, and advertising—plus inbound tactics.

To extract the maximum value from inbound marketing, companies need to combine it with relationship marketing, scoring, and other components of marketing automation. We call this the Inbound Marketing Multiplier. Without it, you simply generate raw names for your business – without turning those names into leads and customers.

Above all, it's critical to remember that inbound marketing is a strategy, not a technology. Many technology solutions can help with inbound marketing, including blog software, content management, SEO, and social media monitoring. These can sit alongside a marketing automation solution. So, definitely pick the right inbound marketing tools and the right marketing automation platform for your business, but don't handicap yourself by thinking of it as an either-or proposition.

“The best marketers are using both inbound marketing and marketing automation together, and they are getting great returns.”

– Greg Head,
CMO of InfusionSoft

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO INBOUND MARKETING



Common Misconceptions about Marketing Automation

Vendors who promote inbound marketing technology like to pit inbound marketing and marketing automation against each other, vilifying marketing automation as a source of robotic communications and unwanted spam. But while this “good” vs. “evil” debate may make good copy, it oversimplifies the problem and favors an isolated agenda.

The reality is, marketing automation is a tool that can be used for good marketing that people love, or bad marketing that people hate. It’s not the tool itself but how it’s used that matters. In fact, in most cases, marketing automation provides behavioral segmentation and 1:1 targeting capabilities that improve the relevance of communications.

Here are some of the inaccurate claims made about marketing automation.

Misconception	Response
Doesn’t build the list	Complete marketing automation systems include functionality for lead generation, including online and offline events, pay-per-click, and tradeshow, as well as organic programs such as social and content marketing.
Too narrow, too email focused	While modern marketing automation started with email, many platforms today provide a single source of truth for everything you know about a prospect or customer. They combine information from Microsoft Dynamics CRM, social activity, your website and blog, buyer purchase history, and other behavioral information. With this complete view of a customer’s needs and interests, you can trigger relevant interactions at the right time, over any channel.
Not Social	Today’s marketing automation systems directly provide or integrate with social capabilities including social profiles, campaigns, sign-on, and promotions. This means you can trigger marketing actions based on any of these activities, such as making a tweet, sharing a post, and so on.
Ignores customers	Marketing automation is not just about new business. The same segmentation and nurturing capabilities can and should be used to develop and deepen relationships with customers, not just prospects.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO SOCIAL AND CONTENT MARKETING

Social marketing has become an integral part of the marketing mix, and content marketing plays an increasingly dominant role as well. But while social and content marketing are both hot tactics for building awareness and generating leads, they still require marketing automation to convert those leads into revenue. Without marketing automation, you also can't measure the effectiveness of these programs.

Social marketing is the process of building relationships online on social platforms and influencing buyers even before they're identified as potential leads.

A few years ago, everyone was talking about the importance of social listening, along with having a presence on sites like Facebook and Twitter. Today, the conversation has shifted. Leading marketers recognize that social is more than just a channel or tactic; it is a strategy that should be present in every aspect of your marketing. Leading marketers ask themselves, ***"How can I entice and engage my audience to share my message and be a brand ambassador? How can I socialize every campaign?"***

Content marketing is the process of creating and distributing highly relevant and valuable content to attract, acquire, and engage clearly defined and understood target audiences—with the objective of driving profitable customer action.

Content strategies operate on the belief that buyers will ultimately reward businesses who deliver consistent, ongoing information with their business and loyalty, so the ROI of your content marketing hinges on your ability to communicate with prospects and customers without selling. When content offers relevant and valuable information that makes buyers more intelligent, instead of pitching products or services, buyers look forward to receiving it. They also engage with your content, and amplify your message by sharing it with their networks.

The Need for Automation

Like inbound marketing, social and content marketing are essential ways to adapt to and leverage changing buyer dynamics in today's era of information overload. Clearly, all three strategies deliver results and should be part of any marketing portfolio.

But don't forget that these three tactics are also all mostly "Top of the Funnel" (TOFU) strategies. In other words, they build awareness and can generate new names for your database. However, the vast majority of these leads will not be ready to make a purchase—particularly because good content, inbound, and social marketing tends to entertain and inform broadly, rather than promote specific products. In other words, while highly effective, these three tactics cannot deliver revenue on their own.

"Marketers are beginning to realize that the quality of content is crucial to success in both lead generation and lead nurturing. Marketing automation will yield higher conversion rates and ROI because campaigns are better targeted towards the right persona and utilize consistently high quality, relevant content."

—John McTigue,
Kuno Creative

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO EVENT MARKETING

Event marketing serves as an important way to connect in person with potential customers. Events also offer the unique opportunity for prospects and customers to interact with solution providers and get a firsthand sense of the company's focus, perspective, and personality.

Events help:

- **Generate leads**
- **Build brand awareness**
- **Increase customer and prospect engagement**
- **Educate your market**

While you can't automate all aspects of a great event, there are many areas where technology can play a significant role in making that event seamless and professional. For this reason, the event technology category is growing fast. This includes webinar platforms, virtual event providers, and event registration solutions.

Marketing automation complements and integrates with such event technology solutions, thus eliminating the need to waste time manually importing data from each platform and risk costly errors. It also provides direct event capabilities itself. Examples include email invitations, registration landing pages, reminders and follow-ups, and event reporting and analytics—and the ability to clone previous events to streamline the process and increase productivity and efficiency.



Marketing automation + Event technology
equals the ability to run dozens or hundreds of great events with minimal work.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO REVENUE PERFORMANCE MANAGEMENT (RPM)

At the end of the day, revenue is every company's most important objective.

Revenue Performance Management (RPM) is a strategy to optimize interactions with buyers across the revenue cycle to accelerate predictable revenue growth.

RPM arose out of marketing automation as a strategy to optimize interactions with buyers across the revenue cycle.

Marketing automation itself is not always a CXO-level priority, but every company has an objective to improve revenue performance. RPM bridges this gap by shattering obsolete approaches to Marketing and Sales while providing the blueprint for building a far more effective and efficient revenue process in companies of all sizes.

Revenue Performance Management transforms the way Sales and Marketing work together. In order to achieve this kind of transformation, RPM requires companies to address their organization, compensation and incentives, job roles, and work practices as well as their technology infrastructure. It's important to note that RPM is a business strategy—not a technology. But it requires marketing automation tools for implementation.



Without marketing automation, Revenue Performance Management (RPM) can be slow, error-prone, and inconsistent across an organization.

PART THREE: HOW IS MARKETING AUTOMATION DIFFERENT FROM...?

RELATIONSHIP TO REVENUE PERFORMANCE MANAGEMENT (RPM)

Six Sigma for Revenue

Over the last couple of decades, we've seen other core business processes undergo fundamental transformations to improve efficiency, quality, and contributions to profitability. In the 1980s, General Electric, under the leadership of Jack Welch, started a trend by instituting the Six Sigma set of practices to improve their manufacturing processes and eliminate product defects. Six Sigma focuses on measuring, analyzing, improving, and controlling company-wide business processes. It has created a lot of opportunities for the supply chain in enterprises because of a continuous focus on measurement and improvement of processes.

Now, we need to apply that same rigor to the demand chain, which is why we're seeing the rise of Revenue Performance Management. RPM is doing for revenue what earlier process transformations have accomplished for other key business functions. In the 1980s, it was Six Sigma. In the 1990s, it was Supply Chain Management. In the early years of the 2000s, there was Agile Development. All of these revolutionary processes have led us to where we are today: RPM.

Traditionally, companies have been focused on the sales cycle. But in a world where Marketing is taking more and more responsibility for revenue, just analyzing and perfecting the sales cycle is no longer enough. A key principle of RPM is aligning Marketing and Sales. From the buyer's perspective, there is only one buying cycle, but from a traditional company perspective, Marketing and Sales cycles have always been separate.

The sales process needs to start with marketing, and the same tracking methods need to be applied to the entire process, from start (marketing) to finish (the sale) in a single integrated revenue model. RPM is creating a new mindset that maximizes a company's revenue by merging the Sales and Marketing processes.

To achieve breakout revenue growth, businesses need to transform every aspect of how they create revenue. They must re-think the roles, responsibilities, metrics, and processes that are used by their departments on the front-line of revenue creation—specifically Marketing and Sales.

We'll see more of RPM in Part Five, where we talk about Marketing Automation Maturity. You can also take a side trip to our RPM cheat sheet at www.marketo.com/rpm.

THOUGHT LEADER SNAPSHOT: JASON KORT, EDITOR FOR MARKETING AUTOMATION TIMES



Jason Kort is a Senior Consultant at akaCRM and one of the forces behind Marketing Automation Times, a blog dedicated to providing the latest news and information on the world of marketing automation. Jason is an experienced online marketing professional with a history of developing personalized, relevant and timely communications to help businesses close more sales.

Marketo interview with Jason Kort

MKTO: What do you think the future of marketing automation will look like in the next few years?

JK: The end user experience will continue to improve as each marketing automation company deploys more of the same design interface that can be found on the consumer web (i.e. Apple, Google, Amazon). Passive reports and dashboards will be replaced by more actionable reporting elements as the ultimate goal is to help Marketers be better Marketers. CRM integration will continue to advance and those relationships will grow stronger. The customer wants a one-stop shop for all customer marketing activities.

MKTO: What are the most important things you have to keep in mind in order to be successful with marketing automation?

JK: You would not build a house without a blueprint and yet many companies rush into marketing automation without a plan. Marketing automation is a tool that requires careful planning for it to be successful.

It all starts with great content, so always start with an audit of your marketing materials. After that, build customer personas to understand what your customer needs and then match the right content with those customers.

Think of marketing automation as the pipeline for delivery and reporting. Content is the fuel that fills the pipeline.

MKTO: What are some benefits of marketing automation that you would point out to someone who is considering switching from their Email Service Provider (ESP)?

JK: Automation: The ability to have multiple campaigns triggered based on activities is a huge time saver.

Process: Having a repeatable business cycle allows for a more predictable marketing ROI.

Reporting: Learn much more than who clicked what and when. With marketing automation you can monitor prospect behavior throughout the purchase process and target relevant messages that matter. You can also better understand what type of content works as well as messaging.

The Power of Now: Instant notifications and lead scoring allow your sales team to quickly react and reach customers when they are ready to talk.

MKTO: What are the most important things to look for in a marketing automation vendor?

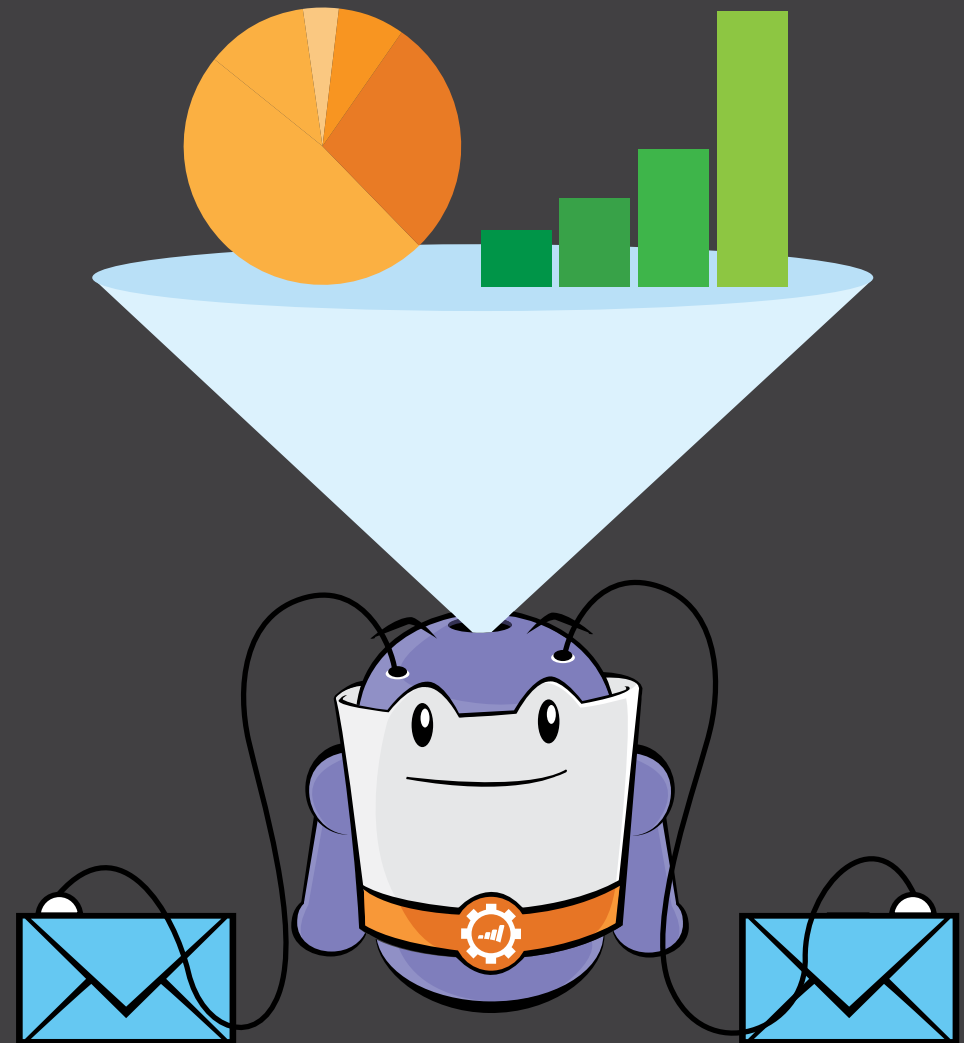
JK: Like many industries, I think service is the most important element in selecting a marketing automation vendor. The technology platform is important but the program that trains and supports your team is equally important.

Recently I helped a customer troubleshoot their marketing automation solution. Their internal team tried to fix the issue and was so frustrated that they hired me as an outside resource. Once inside I found that there were some simple fixes that resolved the problem and allowed the customer to start using the solution. The marketing automation company involved also agreed to do more end user training with the customer.

The point of this story is that often technology needs a helping hand from a human being. Make sure your marketing automation provider can provide you with help.

PART FOUR

COMMON FEATURES IN MARKETING AUTOMATION

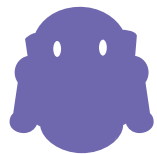


PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

FEATURES OVERVIEW

Marketing automation platforms provide broad functionality including email marketing, landing pages and forms, campaign management, lead nurturing/scoring, lead lifecycle management, Microsoft Dynamics CRM integration, social marketing capabilities, and marketing analytics.

Each vendor has different strengths and capabilities across these categories, so we've also indicated how common each feature is in the tables below:



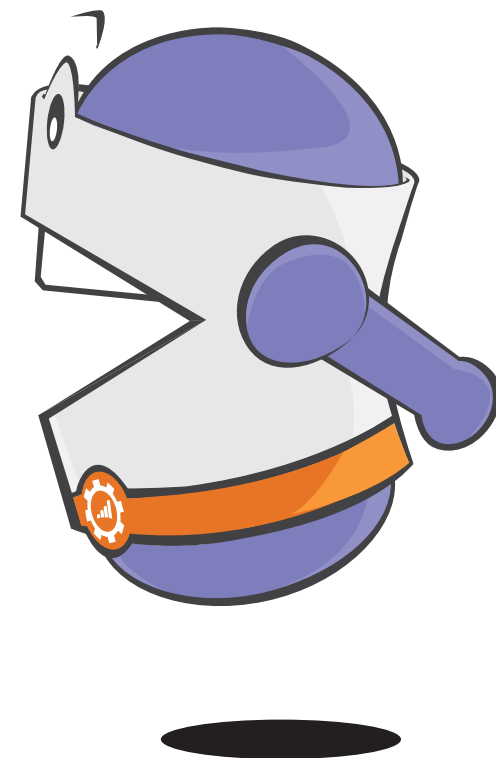
COMMON



VARIANCE



SOMETIMES



PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

EMAIL AND ONLINE MARKETING



COMMON



VARIANCE



SOMETIMES

Email marketing is often the most important online marketing channel and is even more powerful when combined in a single platform with landing pages and forms. Marketing automation systems can usually replace an email service provider (ESP), though the depth of email functionality does vary across vendors.

Batch Email Marketing Email marketing is the ability to create “what-you-see-is-what-you-get” (WYSIWYG) emails and newsletters with easy-to-use design tools, send emails to groups of customers and prospects, and track and report on deliveries, opens, and clicks. It gives you a complete view of email performance.	
Email Deliverability and Reputation Management Simply sending emails cannot impact revenue if the emails do not make it to the recipients’ inboxes. Since marketing automation typically replaces a stand-alone email service provider (ESP), your vendor should offer functionality and services to ensure inbox delivery. This can include opt-in management, bounce handling, unsubscribe processing, and suppression lists, as well as higher-end services such as dedicated IP addresses and capabilities like email preview, spam checking, link validation, and delivery monitoring.	

Real-Time Triggered Emails Triggered emails give you the ability to listen for specific customer behaviors and events and respond with an appropriate real-time email. For example, when a prospect clicks on a specific link, a sales rep logs a call, or a lead score goes above a certain threshold, you can automatically send the right message at the right time. Personalized, 1:1 emails based on real-time behavioral data can increase open rates by 50% and conversion rates by 350% (Jupiter Research).	
Landing Pages The landing page is an essential part of many marketing campaigns. By directing clicks to a landing page customized for a specific email rather than a generic home page, marketers can significantly improve their conversion rates. That’s why many marketing automation systems include the ability to build WYSIWYG pages with a graphical interface, without help from IT or the Web department.	
Forms Registration forms can be placed on landing pages, microsites, and corporate websites. When a prospect or customer fills out the form, it captures the activity and adds the lead to the database (if new). Some systems have “progressive profiling,” which are smart forms that recognize known visitors and ask different questions to build out the profile over time. Some systems also allow for “social sign-on,” letting users register on landing pages using their social credentials.	







Testing An effective split-testing strategy drills into what works to maximize response rates, and can raise your conversions by 48% or more, according to MarketingSherpa. You can test emails (subject lines, copy, graphics, calls to action, frequency, timing, etc.) as well as landing pages, forms, and so on.	
Dynamic Content Emails and landing pages that have been customized for specific segments drive much higher engagement. Customize text, images, and calls-to-action based on criteria, including location, industry, job title, and much more. For example, send different messages to current active opportunities than to early-stage prospects.	
Mobile Optimized As mobile devices become increasingly popular in business, the marketing system must support mobile-optimized emails and landing pages.	
Sales Emails This is the ability to personalize “from addresses” and signatures on behalf of individual sales reps, so that automated emails appear to come from the specific sales owner.	

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

LEAD MANAGEMENT

The bread and butter of marketing automation, most vendors provide at least some level of lead management functionality.



Marketing Database A marketing database is the system of record for your most important marketing assets: your leads and contacts. It should include more than the data in your CRM system, providing a rich view of all marketing interactions between each person and your company, including website visits, email clicks, scoring changes, data updates/history, and so on.		Multi-touch Campaigns / Lead Nurturing This is the ability to automate “drip marketing” campaigns that send relevant messages over time, based on prospect behaviors and pre-defined campaign steps. This can include automated email marketing flows, but can also include other channels as well. Often, this capability is used to run lead nurturing workflows that are designed to maintain and deepen relationships with prospects over the long term.	
Single View of the Customer The more powerful marketing automation solutions extend the marketing database to include data from third-party systems, social networks, in-house applications, and more. They provide a true single view of your customer and prospect. This enables the platform to trigger “right-time, right-message” interactions and extend beyond marketing into broad customer lifecycle management.		Online Behavior Tracking This is the ability to track which emails prospects open and click, what webpages they visit, what keywords they use, even what they say on social networks – all with the goal of understanding who they are, what they are interested in, and where they are in the buying process with your company.	
Segmentation The ability to precisely micro-segment your database and target the exact right list of leads and contacts is essential to the success of all marketing activities. These filters should include a combination of demographic, household, and firmographic attributes (title, company size, location), as well as behavioral filters and CRM information. Here are some example lists: high-score leads in a particular region who visited your website in the last seven days; contacts at active opportunities who registered for an upcoming webinar; or prospects who received an email offer and did not click through but visited your website anyway.		Lead Scoring and Grading With lead scoring, you automatically qualify leads based on demographics and BANT criteria as well as specific prospect behaviors, including recency and frequency. By tracking each of these factors and assigning appropriate weights to each, you get a comprehensive view of prospect interest and engagement. More advanced capabilities include reducing scores based on inactivity, and supporting multiple scoring models that separate demographic fit from behavioral interest, as well as scores for different products, divisions, etc.	

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

LEAD MANAGEMENT










COMMON



VARIANCE












SOMETIMES

<p>Data Quality and Append CRM data is often full of duplicates and missing records. This isn't a problem for salespeople who work with one record at a time, but it's hard to use for Marketing. Data quality is an essential underpinning to any successful marketing program, consisting of de-duplication, cleansing, and appending. De-duplication recognizes leads and contacts you already have in your database, prevents duplicates before they enter, and merges any duplicates that already exist. Cleansing standardizes data, such as titles and company names, and removes bad data, such as contacts that are no longer with the company. Appending means filling in missing or incomplete data by adding additional contacts to an account or filling in missing fields, such as phone number or industry.</p>		<p>Microsoft Dynamics CRM Integration (Data Sync) Marketing automation solutions have varying levels of integration with CRM systems. While some require manual mapping of fields, others do it automatically and maintain the connection over time. Some sync information in near real-time; others less frequently. Some systems provide access primarily to lead and contact information; others give access to opportunity and custom objects as well. This is a particularly complex area with high variance among solutions, so it's worth taking the time to understand your needs and your vendor's capabilities.</p>		<p>Sales Intelligence Sales intelligence provides account executives with easy access to the key interesting moments and prospect behaviors, so they can focus on the hottest leads and opportunities—and know what the prospect wants to talk about. Some solutions provide reps with drill-in capabilities to see which emails are opened and clicked, which web pages the prospect visits, and how the lead score changes over time.</p>	
<p>Automated Sales Alerts and Tasks This is the ability to create tasks automatically and provide real-time sales alerts over email, RSS, or mobile device. It can be important to ensure that Sales receives and acts on lead information in a timely fashion.</p>		<p>Lead Lifecycle Workflows This takes marketing automation beyond email and web marketing, extending the workflow engine to integrate with Microsoft Dynamics CRM to create complete lead management workflows. It includes automated data field updates (e.g. update lead status based on changes to the lead score); automated list management; and lead routing / territory assignment rules. It also lets you ensure sales follow-up by creating tasks directly in the CRM system, reassigning leads if they don't follow-up, and converting hot leads to opportunities. And it supports lead recycling processes, where sales leads are passed back to Marketing for further nurturing.</p>		<p>Sales Campaigns Some solutions allow Marketing to create campaigns that Sales can add prospects into, or even run targeted campaigns of their own.</p>	
				<p>Revenue Cycle Modeling This is the ability to define the stages for how leads flow through the revenue cycle, automate the rules for how leads move from stage to stage, and to provide an easy-to-understand framework for the sales and marketing process. It provides the foundation for establishing clear rules governing how leads transition from one stage to the next and assigning Service Level Agreements (SLAs) for lead response and disposition.</p>	

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

MARKETING PROGRAMS/ LEAD GENERATION

Believe it or not, marketing automation did not originally provide capabilities for running broad marketing programs or generating leads. As a result, many platforms do not provide deep functionality in this area. But some vendors do, so once again, it's worth understanding your requirements here.

		 COMMON	 VARIANCE	 SOMETIMES
Program Management Manage marketing campaigns and programs across multiple channels, including online ads, video campaigns, mobile, virtual events, and social media. Create and optimize program assets such as landing pages, emails, campaigns, and lists. Track program objectives, results, and costs to assess the program ROI.				
Event Marketing including Webinars From attracting attendees to registration administration to post-event follow up, the event management lifecycle can be laborious. Event marketing capabilities streamline the entire event process, including personalized invitations, registration, reminders, and post-event follow-up. They can also provide analytics, so know how many people have registered, how many attended, and so on. For online events, some marketing automation systems integrate with tools like Cisco WebEx®, Adobe Connect, Citrix GoToWebinar, ON24, and Readytalk to streamline the process further.				
		Cloning Each marketing program contains multiple emails, landing pages, campaigns, and lists, but many programs are similar in structure. The ability to clone an existing program can save significant time and resources, especially if your system makes it easy to edit all program parameters in one place and automatically update all the underlying assets (e.g. emails).		
		Program Import/Export Some systems provide access to a shared library of pre-built verified programs and the ability to exchange marketing programs with other users. This means you can take advantage of their best practices to jump-start your implementation and see results faster and with less effort.		

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION







SOCIAL MARKETING

Marketing automation vendors have been adding social functionality for the last few years, but each vendor offers a different set of functionalities – so take the time to understand what your vendor provides.

Note: For much more on all aspects of social marketing, see the:
[Definitive Guide to Social Marketing](http://www.marketo.com/DG2SM).
 (www.marketo.com/DG2SM)




 COMMON VARIANCE SOMETIMES

Social Listening and Tracking Monitor what leads and contacts say on sites such as Facebook, Twitter, YouTube, LinkedIn, blogs, and online communities, and use those social insights to segment prospects, trigger campaigns, change lead scores, and more.		Social Profiles Incorporate social profile data to enhance segmentation and scoring, including name, location, and description – as well as a history of social sharing activity.	
Social Sharing and Campaigns Add intelligent share buttons to your campaigns and content so your audience can amplify your message to drive broader reach – and then track who shares your content and drives conversions. Most tools let you customize the default share message and image for each share; some provide triggered capabilities to prompt the share at the right time.		Social Engagement and Promotion Social applications such as polls, sweepstakes, and referral programs can enhance audience engagement and encourage people to amplify your message. Some tools let you easily create and include such social content on your website, landing pages, Facebook pages, and emails so that you can tap into your customers' and prospects' social networks.	
Social Campaigns Schedule automated posts to one or more social accounts. Use or integrate with URL shortening services. Measure likes, comments, replies, retweets, etc.		Social Analytics By adding tracking to social sharing applications, you get insight into who shares your content, your social conversion rates, how much “social lift” you are getting from your campaigns, and how social impacts your bottom line.	

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

ANALYTICS

Reporting and analytics reside at the intersection of marketing art and marketing science. They give you the ability to prove the impact of your marketing efforts. All vendors provide some level of marketing measurement and analytics, but the depth of functionality – especially in terms of measuring impact on revenue and ROI – varies greatly, from extremely basic to extremely deep.



COMMON



VARIANCE



SOMETIMES

Web Analytics

This capability tells you why prospects visit your site, which pages they visit, and how often they come back. It can even tell you who visits your site when visitors aren't in your database, thanks to anonymous company lookup, and can send daily alerts to sales reps so they know which companies are interested. When prospects do register, you also have the complete history of their prior web activity as part of their record and lead score.



SEO/Keyword Analytics

Monitor and track how you rank for relevant keywords on major search engines and compare your overall performance to competitors.



Basic Reporting

The ability to access pre-built and build custom reports and dashboards to measure leads by source/campaign/month, email performance, landing page performance, web activity, and so on. Systems vary in report depth, such as the ability to use custom metrics and queries. Some systems let you create report subscriptions that automatically send updates to your team and executives.



Multi-Touch Revenue Attribution

Customers do not purchase your product because of just one campaign. Rather, marketing usually impacts a sale multiple times across multiple people. Multi-touch attribution is the ability to allocate credit (pipeline, revenue) among all the marketing activities that have successfully touched a sale as it moves through the revenue process. Some systems also provide a visual way to see all the marketing programs and touches that influence the contacts associated with a sale as it moves through the funnel.



Program ROI Analytics

This is the ability to measure and compare revenue performance by channel or program along metrics like revenue, pipeline, investment, ROI, prospects generated, etc. As a result, you can see which marketing investments generate the greatest return, and get visibility into how the marketing budget should be allocated going forward.



Revenue Cycle Metrics

These metrics analyze how leads flow through each stage of the revenue process, from anonymous to customer and beyond, so Marketing and Sales can adjust business processes to increase pipeline and revenue. Key performance metrics for each stage can include balance, flow, conversion rate, and velocity.



PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

RESOURCE MANAGEMENT

Some marketing automation systems include functionality for marketing resource management, helping to coordinate internal processes and increase marketing efficiency.



COMMON



VARIANCE



SOMETIMES

Budgeting

This can cover all aspects of managing marketing investments, including assigning top-down budgets to various groups and divisions, planning marketing spend across programs, tracking open-to-spend, ensuring budget compliance, coordinating workflows and permissions, and reconciling plans with actual invoices.



Calendaring

It can be tedious to maintain a marketing calendar across multiple groups and to communicate the calendar and activities to interested groups, such as Sales. This functionality is about managing the calendar for the entire marketing department, from promotions to content to PR and so on.








PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

INFRASTRUCTURE

Larger enterprises and more complex organizations may have needs for additional infrastructure capabilities such as security and integration.

 COMMON  VARIANCE  SOMETIMES

User Roles and Permissions Assign permissions that align with specific pieces of functionality or tasks. Example user roles include a role that gives the ability to create but not approve landing pages or emails, and a role that can create but not activate a campaign.		Sandbox A sandbox is a testing environment that isolates untested changes and outright experimentation from the production environment. This lets the enterprise test out changes to the production system with less risk.	
Secure Partitions / Workspaces This is the ability to give users access to only specified lead partitions and assets (e.g. campaigns, landing pages, emails, reports). This lets you create different organizational views that align with how your organization is structured, so different groups can use the system without risk of interfering with each other – while still supporting sharing as appropriate across functions and the demand center.		API/Integrations An application programming interface (API) is a specification that tells other systems how to call into the marketing automation platform to get data or perform an action. Other integrations allow the marketing automation system to trigger actions in other systems. In both cases, it allows the platform to interoperate with the other systems in the enterprise.	
		Ecosystem An ecosystem is a complementary set of solutions that amplify the power of the underlying platform. A strong ecosystem can help ensure that your needs will continue to be met even as you require additional capabilities.	

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

ADVANCED FUNCTIONS

As mentioned directly above (and noted by the word “**variance**”), functionalities for unique marketing automation categories may vary significantly across vendors. For example, two vendors may have Microsoft Dynamics CRM integration, but differ greatly in the level of depth and quality that they offer.

To streamline your evaluation process, here are some key capabilities you may not find in all systems. While the list isn't comprehensive, it will give you a sense of what you may want to look for.

Usability / Speed

- **An auto complete feature**—to suggest campaigns and field names when you enter specific values.
- **The ability to clone an entire marketing program**—while keeping multiple emails, landing pages, links, and segments intact.
- **Tokens**—that let you input your event location, date, and time once, and then auto-populate the fields into every relevant email and landing page associated with the event.
- **A pre-built library of best practice marketing programs**—including email and landing page templates, events like webinars and tradeshow, and lead scoring and nurturing workflows. This library should be included inside the application.

Email and Online Marketing

- **A/B testing**—so you can quickly and easily set up A/B testing for multiple landing pages or emails.
- **Dynamic content**—that contains text, graphics, or HTML, and can be personalized in a landing page or email, based on behavioral and demographic segmentation.
- **Progressive profiling**—to easily create dynamic forms that recognize known visitors, pre-populate any existing fields, and gather additional information to complete lead records.
- **Hidden form field population**—based on a URL parameter or a cookie without custom code. For example, you might capture the lead source and search keyword as a hidden field.

Social

- **Facebook registration page publication**—to improve your lead registration programs' EdgeRank inside Facebook.
- **Social campaigns**—including polls and voting, referral programs and sweepstakes. For example, you might reward \$100 to those who refer three friends to an event, or enter a user to win an iPad if they share the content you create.

PART FOUR: COMMON FEATURES IN MARKETING AUTOMATION

ADVANCED FUNCTIONS

Lead Management

- **Real-time, behavior-based trigger responses**—based on real-time behaviors, not just pre-set schedules. For example, if your customer visits a key webpage twice in one week, you might send him a special offer and alert the sales team immediately.
- **Advanced segmentation**—combine real-time triggers, demographic fields, and behavioral attributes in a single list.
- **IP lookup**—by inferred company and geocoding by zip code, state, region, and so on.
- **Multiple lead scoring models**—to track interest and engagement for multiple products or businesses.
- **Separate lead scores for lead demographics and behaviors**—according to the Marketo Benchmark on Revenue Performance, companies that implement this kind of lead scoring enjoy 23% better sales productivity and a staggering 33% higher revenue growth than companies that only use demographic scoring.
- **Decay score**—based on inactivity, sales recycling, or other behavioral triggers.

CRM integration

- **Sales campaigns**—which empower sales reps to send trackable marketing automation emails and add contacts to campaigns from inside your CRM.
- **Advanced data sync**—offers the ability to immediately synchronize your marketing database with CRM opportunities, activities, campaigns, and custom object information. Also makes those fields available for segmentation, scoring, and reporting.
- **Self-healing schema**—identifies and syncs changes to specific CRM fields, such as new field names or values, and automatically adds new custom fields.
- **Data triggers**—used to activate marketing workflows in real-time based on data changes in opportunities and custom objects in your CRM.

Other

- **Work groups**—to define groups of leads, campaigns, and assets that are only accessible for Marketing purposes by certain specified users.
- **Role-based access**—that allows only certain functions for certain users. For example, you might require manager approval for new campaigns, or limit access for customers and third party users.
- **Technical**—to ensure system uptime and email deliverability.



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(www.marketo.com/RFP)

CASE STUDY:

RINGCENTRAL

Highlights

- 12% increase in revenues through nurturing programs
- 42% increase in revenues via email prospecting
- Over 2,000 leads converted to sales opportunities
- Amplified social marketing programs

12%

INCREASED REVENUE
FROM NURTURING PROGRAMS

42%

INCREASED REVENUE
FROM EMAIL PROSPECTING

Challenges

RingCentral is a leading provider of cloud business phone systems designed for today's mobile and distributed workforce. For years, the company operated purely on an e-commerce, self-service sales model.

To support the company's growth, multiple sales channels were developed and marketing outreach initiatives evolved to include email communications, landing pages, webinars, demos, advertising and social media. However, while the marketing outreach was forging ahead, the marketing and sales teams lacked the ability to reach, engage and create meaningful dialogues with prospective customers as well as with the existing client base.

The problem was exacerbated due to the massive business customer base of over 280,000 companies and thousands of leads. Armed with only a mix of homegrown marketing tools, the company recognized the need to find a comprehensive marketing automation solution.

Solution

With limited marketing resources, RingCentral knew the task of reaching out and engaging with their huge customer and lead database was a major undertaking. They needed a solution that could provide scalability without having relying on IT to manage the marketing system.

Social has also been a core part of the RingCentral's product and marketing platform. Further, the company realized that traditional marketing methods do not work for everyone. Thus, social integration was a key factor in the decision to select Marketo.

Marketo's B2B social marketing integration leverages sharing behavior, not only increasing the reach and impact of marketing messages, but enabling the company to close more business.

Benefits

With Marketo, RingCentral has been able to develop a comprehensive demand generation and sales funnel that captures, educates, and qualifies leads and efficiently advances them through to close. As a result, RingCentral has been able to accelerate the sales process, generate higher revenues, convert more leads to sales, increase upsell opportunities, and improve sales efficiency.

These benefits equate to tangible results that include a 12% increase in revenues through nurturing programs, a 42% increase in revenues based on improved email prospecting, and over 2,000 leads converted to sales opportunities using Marketo Sales Insight.

RingCentral also launched a Facebook poll on their customers' views of the 2012 election using Marketo's social marketing technology. This single campaign resulted in 1,300 survey respondents, 28% sharing the poll socially, and 189,000 social impressions.

THOUGHT LEADER SNAPSHOT:

CARLOS HIDALGO, CEO & PRINCIPAL ADAM NEEDLES, CHIEF STRATEGY OFFICER THE ANNUITAS



Carlos Hidalgo is the CEO and Principal of ANNUITAS, a demand generation firm that helps B2B marketing and sales leaders at enterprise organizations Transform Demand. As CEO of ANNUITAS, Carlos drives strategy and leads ANNUITAS core practice teams to Transform DemandSM for clients. Most recently, Carlos was named one of the 50 Most Influential People in Sales Lead Management for the fourth year and was named as a Who's Who in BtoB Marketing in 2011.

Adam B. Needles is the Chief Strategy Officer and Principal of ANNUITAS. Needles is a passionate B2B marketing change agent — helping ANNUITAS clients build successful, modern, buyer-centric demand generation programs and transform their lead-to-revenue Demand Processes. He is the author of *Balancing the Demand Equation: The Elements of a Successful, Modern B2B Demand Generation Model* — a book written for B2B marketing leaders.

Marketo interview with Carlos Hidalgo & Adam Needles

MKTO: What do you think the future of marketing automation will look like in the next few years?

CH: I believe that over the next few years we will continue to see more consolidation in the space by technology vendors focused on delivering a more complete, end-to-end solution to marketers for truly strategic demand generation.

I also see automation expanding into a wider array of industries in the coming years. Manufacturing and B2B financial services are great examples of industries that are beginning to wake-up to the benefits that marketing automation can bring as they seek to better align with their customers. I think this is only a sign of good things to come for this space as a whole.

AN: I'd echo Carlos' comments about the vertical focus becoming an important part of marketing automation in 2013. Taking a strategic approach to demand is something that is taking hold in B2B marketing and sales teams at enterprise organizations across industries. It's incumbent upon both marketing automation vendors and their partners to collaborate to develop more tailored approaches to these industries.

MKTO: What are the most important things to look for in a marketing automation vendor?

CH: There are quite a few important aspects, but I will cover a few that some folks may not have considered beyond the traditional checks of support, training and pricing.

When searching for a vendor I think it is important that you partner with someone who understands the new B2B marketing challenges and more importantly, the new B2B buyer landscape.

If the vendor is simply going to discuss all of their features and functions, that is a warning signal. Make sure they are able to articulate how those features and functions are going to better equip marketers to improve their buyer engagement and sales enablement.

An organization should be looking for a vendor that can provide the necessary guidance on how to best use their solution to advance and mature their marketing approach. One good way to measure this is to go and read some of their thought leadership pieces. Are they truly thought leadership or veiled sales pitches?

THOUGHT LEADER SNAPSHOT:

CARLOS HIDALGO, CEO & PRINCIPAL ADAM NEEDLES, CHIEF STRATEGY OFFICER THE ANNUITAS



MKTO: What should you focus on when selling marketing automation to your executive team? What are some things that might resonate with a CEO, CFO, or Sales?

CH: The focus here is outcomes – how will this automation solution help drive better overall business outcomes? If the CMO and their staff can clearly articulate this, then they will be well on their way.

When discussing outcomes, remember this is not showing increased clicks, opens and impressions. The outcomes we are discussing are positive impact to pipeline, improved lead conversions by stage, overall impact to revenue, ability to better enable Sales and help them achieve quota. All things that lead to increased revenues.

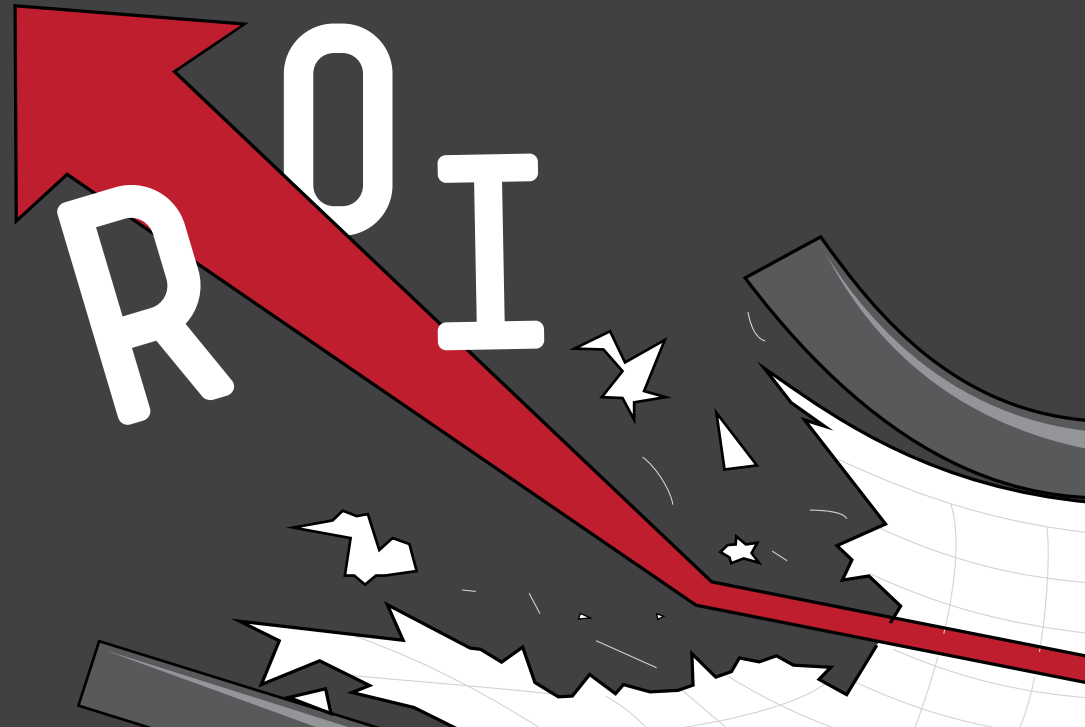
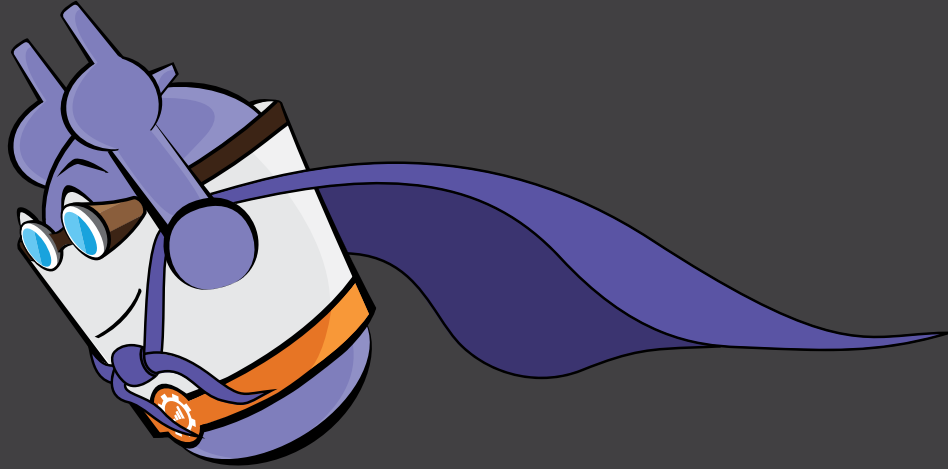
When you make it simply about marketing, it loses quite a bit of luster and may be perceived as lacking substance from an executive point of view.

AN: To me, the sales leadership must be bought in. They know how to design, deliver and repeat interactions with buyers to convert them to revenue. They must understand that successful marketing automation drives perpetual demand generation that – upstream of sales interactions – really is just a continuation of what sales will do downstream.

When they see this and realize the alignment it can bring between marketing and sales to deliver revenue, it becomes a powerful value proposition. And, honestly, while marketers have to fight for budget, sales leaders can move mountains (successfully) if they think it will increase revenues. Bottom line, make sure Sales is behind your purchase of marketing automation.

PART FIVE

BUSINESS CASE FOR MARKETING AUTOMATION



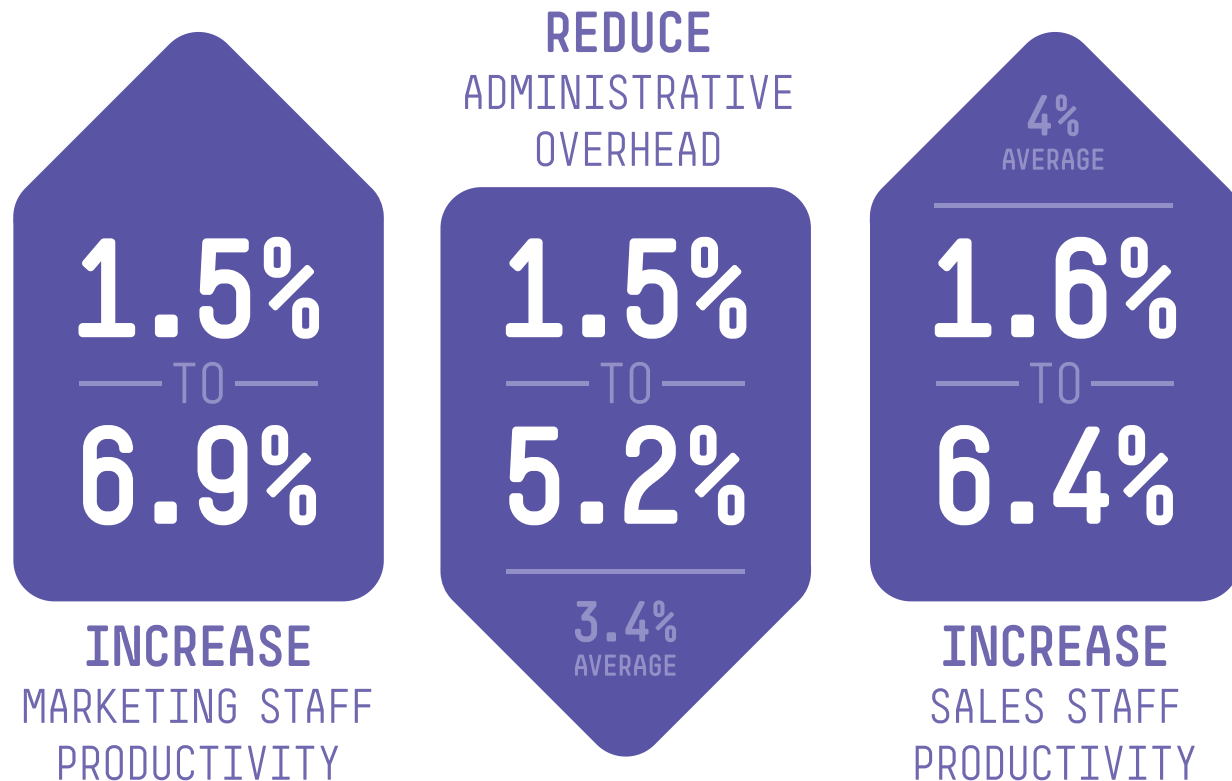
PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

ROI RESEARCH

When discussing marketing automation's ROI potential, nothing is more convincing than cold, hard data.

Here are some of Nucleus Research's findings on the effectiveness of marketing automation:

- By instituting marketing automation capabilities, companies can expect to achieve an increase in marketing staff productivity between 1.5 and 6.9 percent. The biggest boost, of course, will come to companies transitioning from a labor-intense manual marketing system.
- Enabling marketing automation can reduce administrative overhead to a savings of 3.4 percent (on average), with most companies saving between 1.5 and 5.2 percent.
- Sales productivity can be expected to increase by an average of 4 percent, with two-thirds of companies experiencing sales force productivity gains between 1.6 and 6.4 percent.

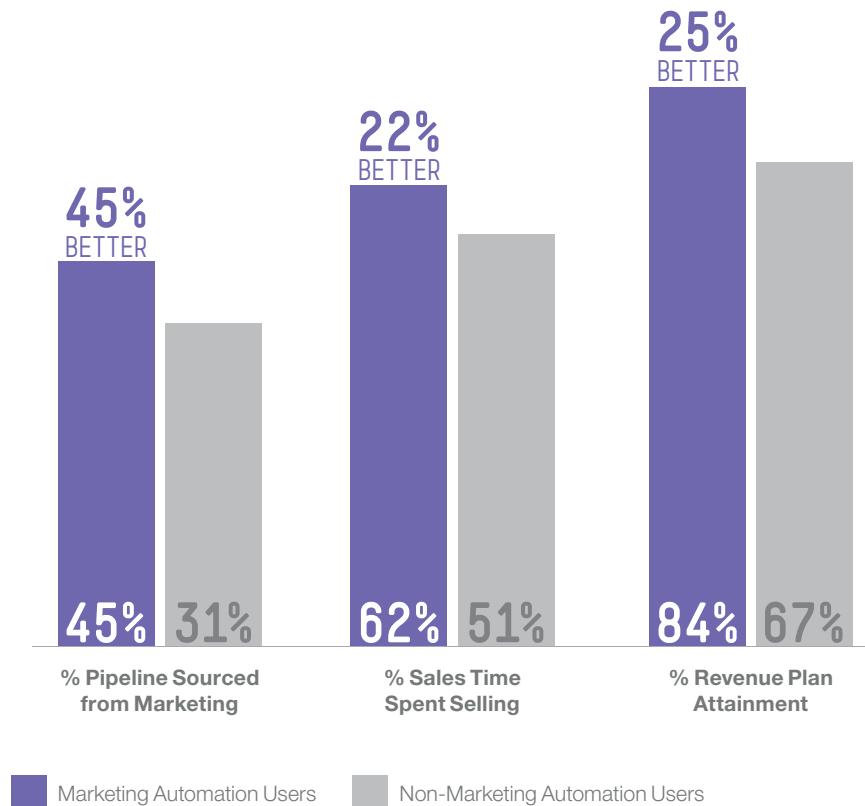


Source: Nucleus Research

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

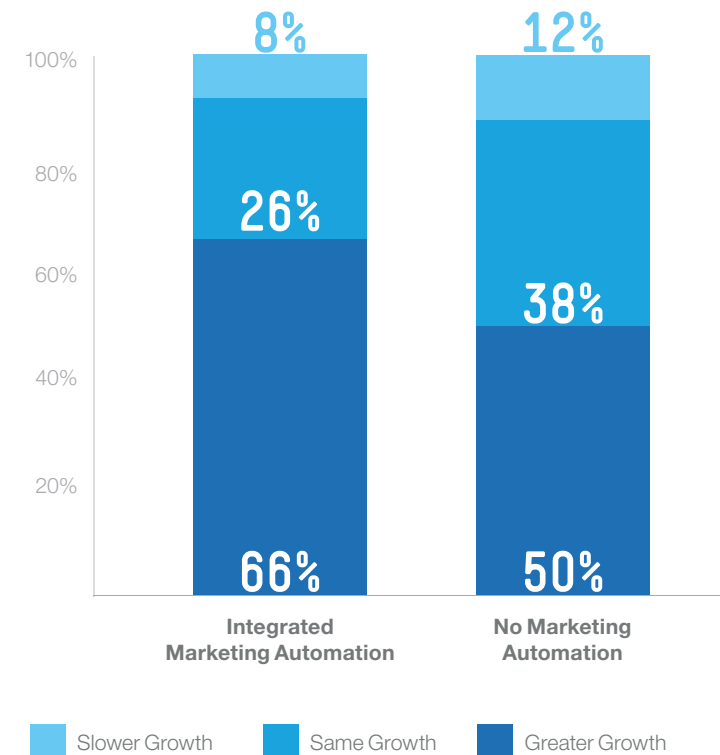
ROI RESEARCH

With marketing automation, companies can expect three core benefits: more pipeline, more productive Sales reps, and higher revenue. Here's another benchmark analysis done by Marketo which tells essentially the same story:



Source: Marketo Benchmark on Revenue Performance as a Sept 15, 2012 (N=489)

The Lenskold Group conducted a study in 2012 on Generation Marketing Effectiveness. Their results showed that companies using marketing automation report faster growth than ones that don't. Here is a visual:



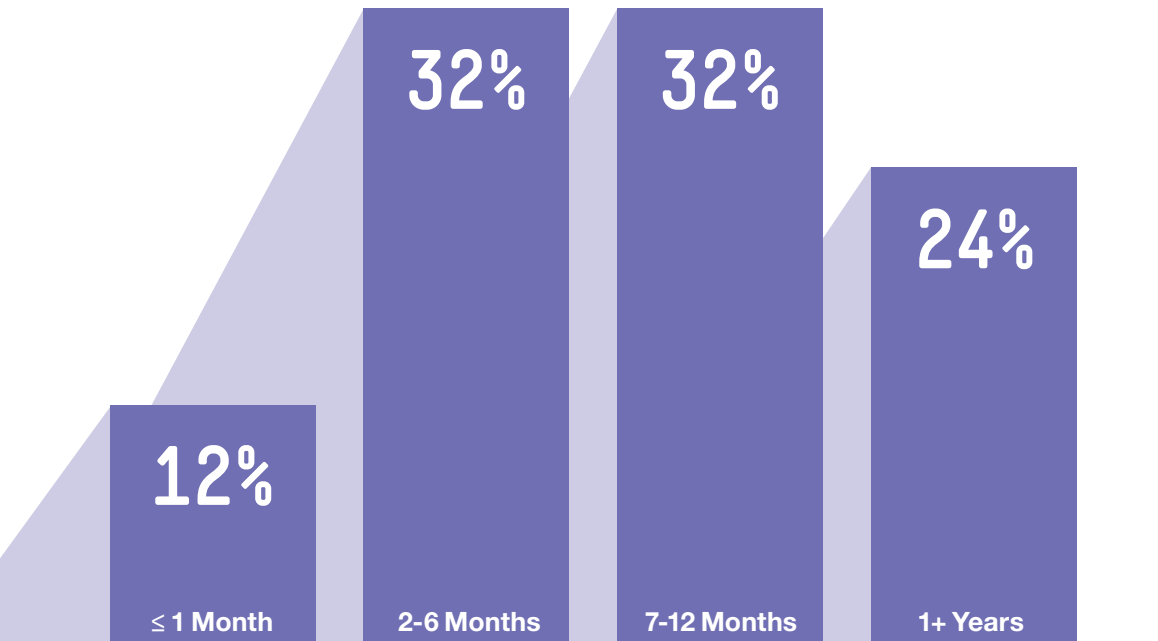
Source: The Lenskold Group 2012 Lead Generation Marketing Effectiveness Study

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

CONTEXT

In fact, the majority of companies see ROI from using marketing automation within a year, according to this Focus Research Study:

Time to Marketo Automation ROI



Source: Focus Research Study: Marketing Automation, March 2011

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

THE RETURN ON MARKETING AUTOMATION: CORE BUSINESS CASE

There are **three core benefits** to marketing automation.

1. Save time and money
2. Measure and optimize marketing investments
3. Faster revenue growth

1. Save Money and Time

If you can build your business case for marketing automation on its ability to save you time and money, that's generally the best way to get CFO signoff. Here are three bulletproof ways to save your company money with marketing automation:

- **Less Human Resources** — Modern relationship marketing requires you to interact with customers in a modern way. For example, say you want the ability to follow up on marketing emails by sending different emails to those who responded and those who didn't. Without marketing automation, that means a lot of

overhead in terms of hiring humans to do the work manually. By investing in the technology to automate these processes, companies are able to reduce the campaign management budget by 80%.

- **D.I.Y. Marketing** — Marketing automation saves time and money by allowing companies to D.I.Y. (Do It Yourself). Instead of outsourcing things like landing pages to expensive design firms, marketing automation technology gives the ability build marketing campaigns in-house. Not only does this save money, but it also saves time and makes a company more agile.

- **Simplifying Approval and Compliance** — Marketing automation saves time and money by simplifying approval and compliance processes. Especially for large companies or those in highly regulated industries, sending a marketing campaign might require many levels of sign-off. Marketing automation simplifies and standardizes this process, and means fewer spreadsheets to track and update.

“By using advanced marketing automation and analytics software, marketers are strengthening their agility and increasing their offensive capabilities to grow revenue more consistently and profitably.”

— Phil Fernandez,
Marketo CEO

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

THE RETURN ON MARKETING AUTOMATION: CORE BUSINESS CASE

2. Measure and Optimize Marketing Investments

In today's world it's important to be able to measure Marketing under pressure and prove that it can deliver. Executive teams are eager for analytics, and campaigns like pay-per-click are proving that Marketing can (and should) be measurable.

Marketing automation helps measure and optimize your marketing investments in four ways:

- **A system of record** — Marketing automation provides the core system of record for all your marketing information. If you don't have a system of record for your marketing efforts, you can't measure.
- **Measure and test** — The ability to run tests (this landing page vs. that landing page; this offer vs. that offer) helps your company learn what works over time, which ultimately gives you better optimization and more revenue.

- **Prove program ROI** — What is the specific amount of revenue generation from a marketing program? How can the results be compared? Marketing automation dials into which marketing campaigns are directly affecting revenue. Thus, you can spend your money where it's proven to work best.

- **Funnel impact** — How does your funnel work? What is your conversation rate from a name into a lead? From an opportunity to a close? Marketing automation will help you understand how leads are moving through your funnel and help you make forecasts around the nuances of the impact marketing has on revenue.

Gleaning all of this information about your marketing efforts allows your company to optimize its marketing decisions to directly impact revenue growth.

“Today's marketers need to speak the language that their CEO and CFO can relate to and understand. Gone are the days where marketers talk about website hits and Facebook likes. Today's marketers need to ensure that they have both pipeline and revenue targets.”

— Will Scully-Power,
Managing Director
of Datarati

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

THE RETURN ON MARKETING AUTOMATION: CORE BUSINESS CASE

3. Faster Revenue Growth

Marketing automation drives revenue by helping you:

- Focus on the right customers.
- Develop relationships before they are ready to make a purchase.
- Engage at the right time.
- Scale personalized interactions with each customer.

Post-Sale

After the purchase, marketing automation lets companies more effectively and efficiently build and retain long-term customer relationships. It does this by enabling companies to:

- Engage in personalized and interactive multi-channel dialogues with their prospects and customers.
- Capture data about, analyze and respond to consumer behavior both online and offline.
- Closely integrate marketing activities and information with other parts of the organization, such as sales or call centers, to create a seamless experience for buyers.

The result is deep, long-lasting relationships that increase customer lifetime value.

Read-on to learn how to quantify these benefits.



5 Key Metrics to Measure Marketing Automation Success

1. Conversion rate of new names into marketing qualified leads
2. Number of marketing qualified leads
3. Win rate on marketing qualified leads
4. Percentage of pipeline sourced by Marketing
5. Investment per marketing-sourced customer (acquisition cost)

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

THE RETURN ON MARKETING AUTOMATION: CORE BUSINESS CASE



Marketing Agility

The Challenge

It can be dizzying for marketing executives to juggle the complex array of programs and activities needed to reach target customers across a broad range of online and offline channels—from social media and other web channels, to email, direct mail, events, and more. And they must constantly adapt these campaigns based on new insights, competitor moves, new technologies, and so on.

Still, research from the Massachusetts Institute of Technology (MIT) shows agile firms grow revenue 37% faster than non-agile companies.

The Solution

To succeed and win in this highly complex and lightning-fast business environment, marketers must possess a high level of agility—that is, they must have the ability to quickly optimize marketing activities based on changes in market conditions or customer preferences and behavior. This means marketers must always test and try new things, and respond with nimbleness, control, and finesse.

Putting It to Practice

Marketers lay the foundation for marketing agility by:

1. Gathering in-depth information on customer preferences and behavior
2. Quickly creating new campaigns and adapting existing ones

As such, platforms that automate marketing processes can be an essential tool for the agile marketer, because their marketing databases offer you a single view of your customer.

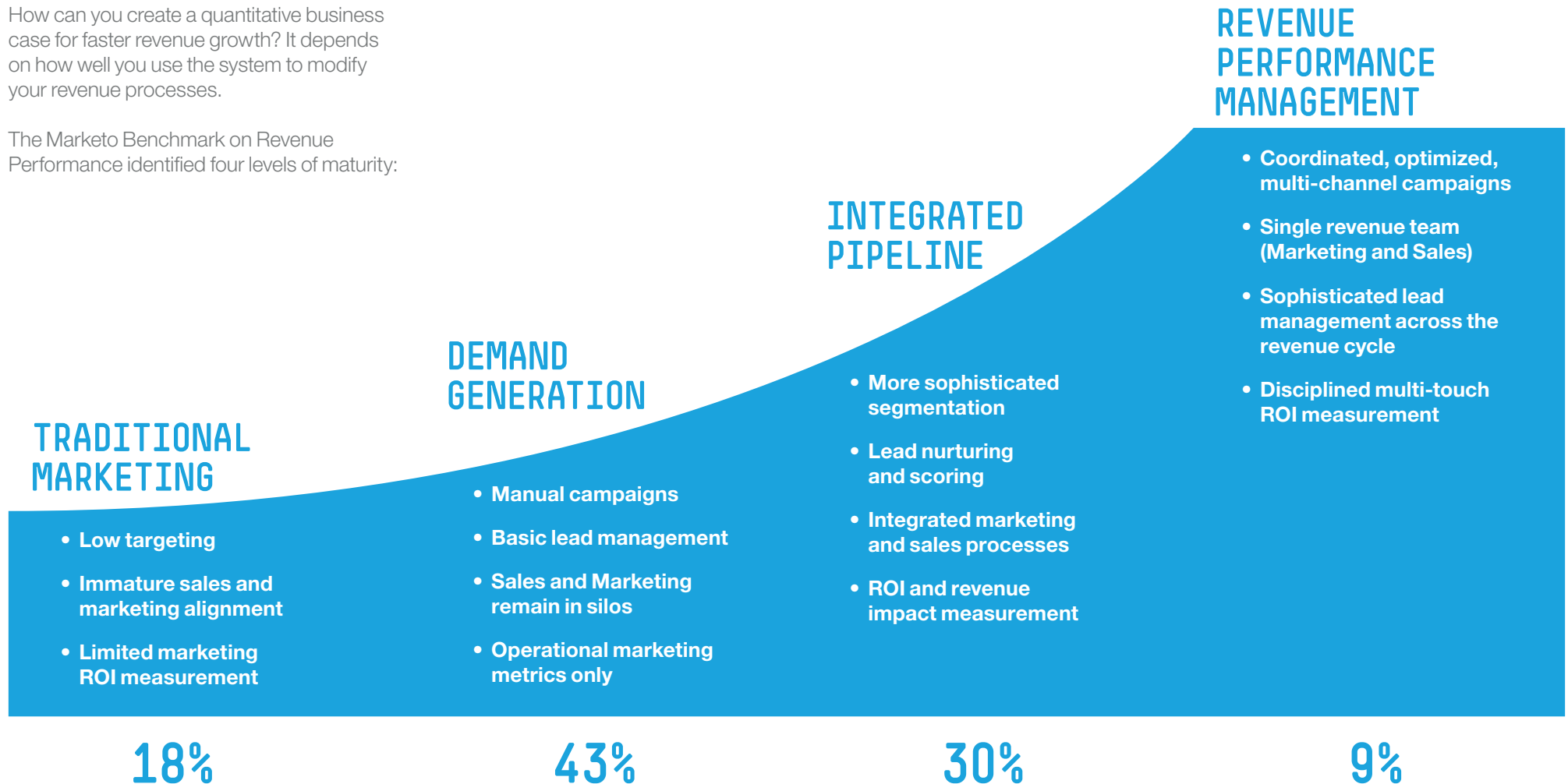
Visio-style flow charts crumble in the face of these complex needs, no matter how nice they look during a demo. It can be very difficult to edit the spaghetti of connected steps. Instead, look for modular user interfaces that are based on triggers, listening to customers and responding with the appropriate actions. They not only offer easy-to-use interfaces, but also are easier to evolve and maintain over time.

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

IMPACT OF MATURITY ON REVENUE GROWTH

How can you create a quantitative business case for faster revenue growth? It depends on how well you use the system to modify your revenue processes.

The Marketo Benchmark on Revenue Performance identified four levels of maturity:



Four levels of marketing automation maturity, and what percentage of companies are at each level.

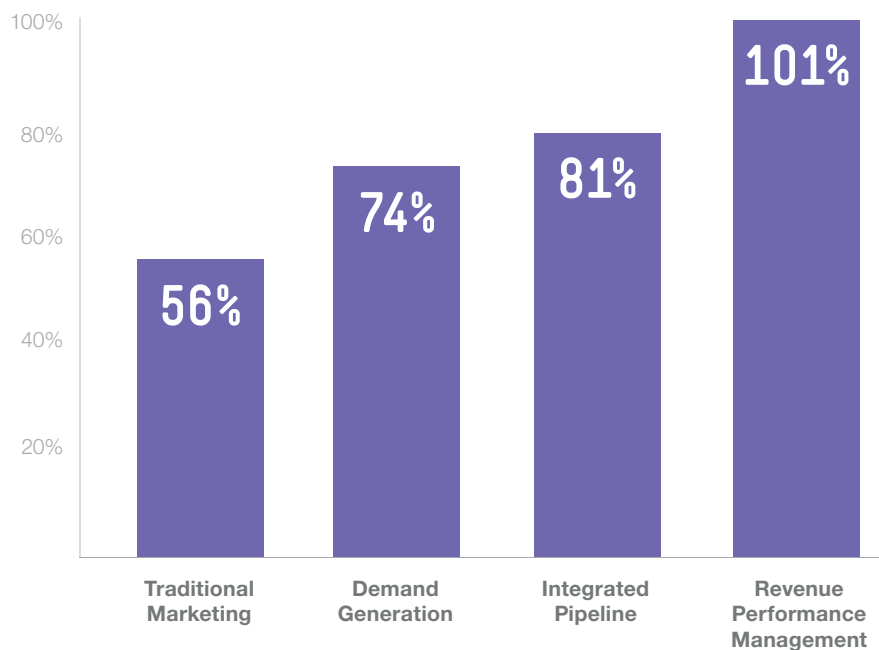
PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

IMPACT OF MATURITY ON REVENUE GROWTH

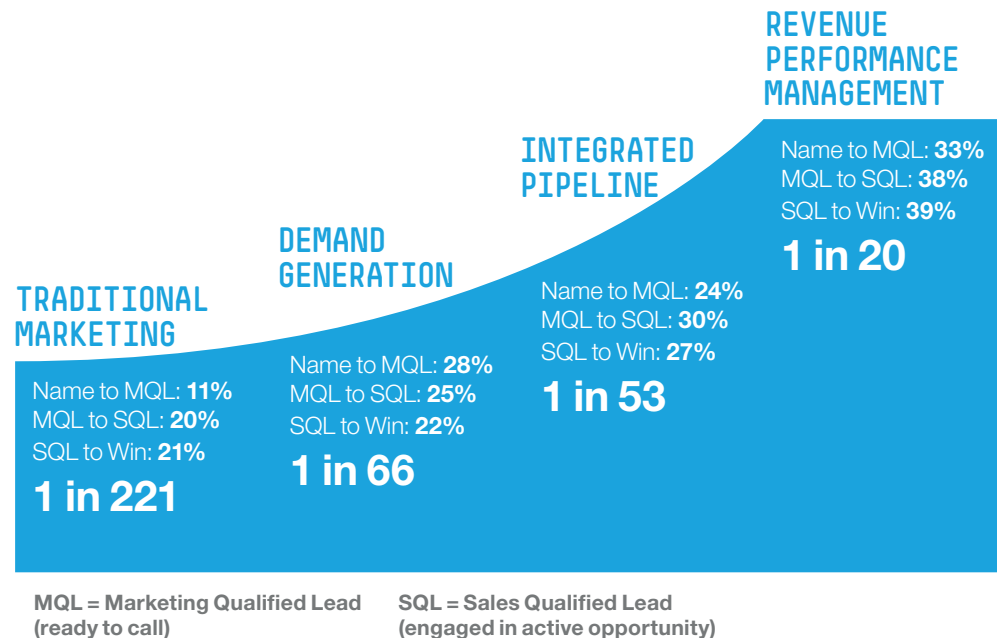
The Benchmark study found that your company's level of maturity significantly impacts its results and ROI from marketing automation.

In fact, the most mature users of marketing automation achieve **32% greater revenue** than average companies—and a **whopping 79% more** than the least mature companies.

% Revenue Plan Attainment



Benchmark research also showed that conversion rates improve as maturity increases throughout the revenue cycle.



PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

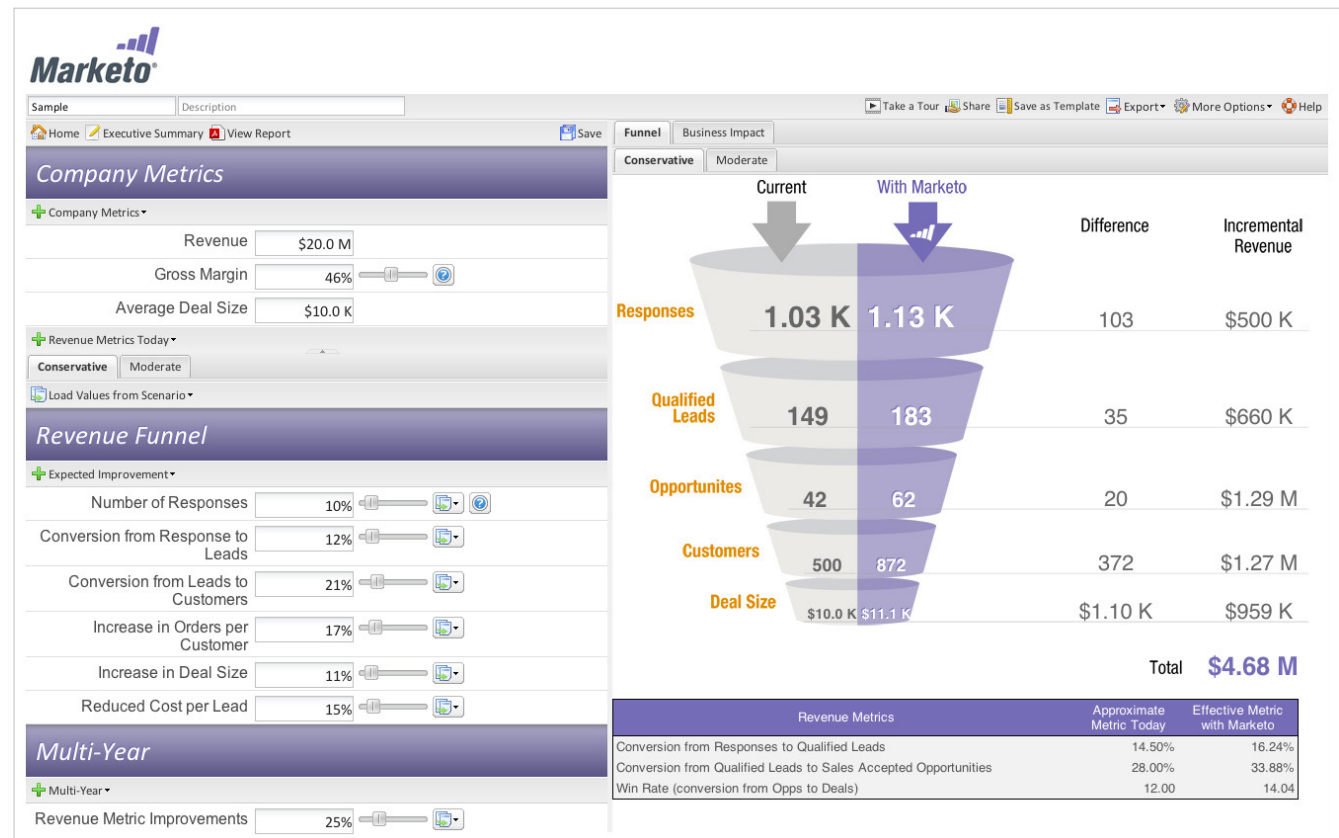
BRINGING IT TOGETHER

Now it's time to combine the improvement in marketing maturity and assumed changes in conversion rates to estimate how your organization could improve deal flow and revenue using marketing automation.

The key steps are:

1. Gather your baseline revenue metrics such as annual revenue, gross margin, number of annual deals, and average deal size.
2. Establish your baseline conversion rates for Name to MQL, MQL to SQL, and SQL to win
3. Estimate how marketing automation will improve your marketing maturity and therefore your conversion rates
4. Calculate how improved conversion rates will translate into improved lead flow, wins, and ultimately revenue

You can access an ROI calculator at www.marketo.com/marketing-automation, or if you'd like more support, contact sales@marketo.com and we can work with you to build a detailed business case as shown.



PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

INVESTMENT AND COSTS

Once you estimate the returns from marketing automation, you need to develop the other side of the business case by understanding the investment required.

While yesterday's legacy, on-premise solutions were sold as software licenses, most modern marketing automation platforms are delivered via SaaS as recurring subscriptions. Available on a monthly, quarterly or annual basis, subscriptions can start as low as \$1,000 and scale up to six figures per month. Many vendors provide discounts for the annual commitments.

The main factors that drive the cost of your subscription are:

- 1. The number of leads and contacts in your marketing database.** This includes those for whom you have contact information, such as email address, postal address, or phone number.
- 2. The functionality in each edition.** Many vendors provide different editions of their solutions; for example, an edition to facilitate lower-cost entry and others with more powerful, higher-end functionality. For example, Marketo provides a Spark edition, which is optimized for small businesses and first-time marketing automation users; a Standard edition that adds more capabilities that are appropriate for most companies; and a Select edition for companies with highly sophisticated marketing requirements.

Most solutions do not typically charge for each marketing user, and provide access for an unlimited number of emails (within reason). Many vendors also have an additional per-seat charge for named Sales users to get insight and action inside Microsoft Dynamics CRM.

For sample pricing, see www.marketo.com/pricing.



Marketing Automation as a Percentage of Budget

On average, large technology companies report that marketing automation accounts for 3.1% of their programs budget, and 1.6% of staff allocations, according to IDC's 2013 Marketing Planner. Meanwhile, MarketingSherpa's 2012 Marketing Benchmark indicates that companies spend an average of 7% of their overall budgets on marketing automation.

(Note: MarketingSherpa reports a larger percentage because it surveys smaller companies across more industries than IDC.)

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

INVESTMENT AND COSTS

Other Investment Factors

Most marketing automation vendors offer add-ons to their basic software subscriptions—including new-customer enablement, premium support packages, consulting services and instructor-led education and training. The purpose is to accelerate ROI and time to value, and costs tend not to exceed 20% of the software subscription.

Moreover, the best results come from looking beyond only the software. You should also look at the end-to-end process to make sure you have all the ingredients for success.

Here are some questions to ask:

1. Do I generate enough leads?
2. Do I have enough content?
3. Do I need to modify my end-to-end business revenue process and/or improve marketing-sales alignment?
4. Do I have the right skills on staff?

Depending on the complexity of the vendor you select, your marketing automation maturity, and ROI goals, you may need to look at additional investments in these areas. (See Part Six for a deeper-dive into non-technology investments required for marketing automation success.)



Time to Value

As a metric, Time to Value—the span of time between a project's start and when the operational system delivers value—can be as important as Return on Investment. No executive wants to wait long to get results. Nobody wants to explain why all those “promised benefits” have yet to arrive.

The critical concept here is the time to payback—when cumulative benefits exceed cumulative costs. Make sure you ask your marketing automation vendor how long implementation and ramp-up will take, as well as how quickly you can expect to see value.

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

SELLING MARKETING AUTOMATION INTERNALLY

Sometimes, your executive team won't immediately see the value of a marketing automation investment. To convince them, you'll need to understand their priorities—and what challenges stand in their way. Then, you can connect the dots for them and position marketing automation to address their specific concerns.

When you're trying to gain internal support for a marketing automation purchase, position it based on the problems that your overall business has now, and how that impacts every individual. Otherwise, your organization won't see your business case as a priority for the current moment.

Your ability to deliver a compelling business case for marketing automation hinges on how well you structure your argument to resolve the chief challenges and priorities of your audience.

No matter which executive you want to convince, make sure to manage expectations about the time to value and effort required. Don't overpromise and under-deliver. Marketing automation is not something you just turn on and see instant results. Getting value takes time and effort. As you invest more, you'll start to crawl, then walk, then run. Your peers will appreciate and respect your pragmatic, level-headed approach.

“Every business has problems. Your business has unique problems to it, and you have a different sense of priorities of how you're going to address those problems. Start with the headache that your CMO has every night when she goes home and is trying to figure out how to fix it. Start with what the CEO announced during your company's annual meeting and said are his or her priorities.”

– Steve Gershik,
Demand Generation Expert &
VP Marketing, StackMob

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

SELLING MARKETING AUTOMATION INTERNALLY

Does Marketing Lack Credibility?

80% of CEOs admit they do not really trust and are not very impressed by the work done by Marketers, according to The Fournaise Marketing Group. And according to the VisionEdge Marketing and Marketo 2010 Marketing Performance Measurement and Management Survey, more than 2/3 of CEOs give their marketing departments a B or C grade.

Marketing is too often perceived as an arts and crafts function that throws parties and creates color brochures. At a minimum, many execs think of it as a cost center, not a revenue-driving department.

Many executives are loath to invest more resources into a cost-center. Why automate marketing processes, they ask, if it will just produce mediocre results faster?

Needless to say, you'll need to address some of these perceptions head-on when making the case for marketing automation.

“Marketing is a highly creative endeavor. It requires thinking and planning. And it touches people... creative marketing people, salespeople, and most importantly, customers. So marketing automation is best done in a way that doesn't stifle creativity, doesn't create a burden for your salespeople, and doesn't offend your customers.”

– Joe Martinico, Editor, marketingautomation.com

SELLING MARKETING AUTOMATION INTERNALLY



Five Tips for Selling Marketing Automation Internally, according to Carlos Hidalgo of ANNUITAS

- 1. Seek to understand management's objectives.**
Understanding their collective and individual goals will help you present a case that meets their felt needs.
- 2. Create a financial case that lines up with their objectives.** The key is to work backwards from the main objectives that your executive team holds dear. If revenue is the main objective, make your case based on revenue.
- 3. Discuss, don't present.** Start by asking questions that seek to understand what they are looking to achieve. Then transition by saying, "If I could show you how to meet those objectives efficiently and effectively, would you be interested in learning more?"
- 4. Support your case with real life case studies.** This will help you answer the potential question, "This all sounds good in theory. How do you know it will work?"
- 5. Be ready if they say yes.**
Have your high level plan ready, an overview of the next steps, timeframes, and required resources.

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

HOW TO POSITION MARKETING AUTOMATION FOR EACH EXECUTIVE

CMO

Chief Concerns:

- Drive customer intimacy
- Measure and prove marketing ROI
- Build alignment with Sales
- Improve Marketing credibility in the organization
- Manage and leverage growing complexity of changing buyer behaviors, channels and technologies

Connect the Dots:

- Highlight marketing automation's ability to measure the ROI of individual programs, show how Marketing impacts revenue, and substantiate budget requests.
- Reduce the threat of increasing complexity by positioning marketing automation as the key to improving Marketing's ability to adapt to changes and test innovative strategies.
- Discuss marketing automation as a key function for bringing Marketing and Sales into better alignment. What CMO doesn't want to hear praises, not complaints, from the head of sales?
- Rally support from the rest of the executive team, so the CMO perceives an investment in marketing automation as a low-risk decision. This will protect his/her credibility.

CEO

Chief Concerns:

- Grow revenue and "making the number"
- Manage costs, meet shareholder expectations for profitability
- Attract and retain talent
- Innovate and out-execute the competition
- Build and align the organization, enhancing collaboration
- Manage risk

Connect the Dots

- Contextualize marketing automation as the key to business growth. Position it as a solution to enhance sales effectiveness and get more from every sales person. Instead of talking about marketing automation, refer to Revenue Performance Management (RPM), the modern strategy that spans Marketing and Sales to optimize interactions with buyers across the entire revenue cycle and accelerate predictable business growth. (Refer to Section 3 for a description of RPM.)
- Talk about the predicted performance improvements that you'll gain from knowing precisely which marketing programs drive revenue, which waste it, and how to optimize Marketing's spend.

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

HOW TO POSITION MARKETING AUTOMATION FOR EACH EXECUTIVE

Head of Sales

Chief Concerns:

- Make quota
- Get an accurate forecast
- Beat the competition
- Expand market share
- Make customers successful
- Develop the team

Connect the Dots:

- Show how the Sales department is often the primary beneficiary of a marketing automation investment.
- Tell Sales it can expect more high-quality, “win-ready” leads, along with greater insights for Sales reps to use for prioritizing their time on the right leads and opportunities.
- Discuss plans for marketing automation-powered lead scoring, which can result in fewer overall leads passed to Sales. This is a good thing because it means fewer poor-quality or premature leads will be passed on. Instead, set the expectation that Marketing will nurture relationships with leads that aren’t yet ready, so the sales team doesn’t have to.

“Companies that implement lead scoring enjoy 28% better sales productivity and 33% higher revenue growth than companies without lead scoring.”

– **Marketo Benchmark on Revenue Performance, 2012**

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

HOW TO POSITION MARKETING AUTOMATION FOR EACH EXECUTIVE

CFO

Chief Concerns:

- Manage expenses
- Contain risk
- Enable profitable growth
- Plan for the future

Connect the Dots:

- Do the math. Present your developed business case. Don't worry too much about the fact that you're making estimates, provided they're clearly labeled. You'll build credibility simply by walking in the door with a spreadsheet of numbers, showing you can speak the CFO's language.
- Project the implications of having the ability to better measure what your organization gets for its marketing investments—namely, connecting Marketing's spend to revenue, reducing waste, and optimizing expenses.

CIO

Chief Concerns:

- Make investments that support the business
- Manage security and risk
- Innovate and evolve infrastructure for the future—from mobile, social, SaaS, etc.
- Control costs

Connect the Dots

- Project a reduced IT workload, since Marketing will be able to safely take on some of the tasks that previously required IT help, such as landing page creation.
- Highlight the value of a more cohesive reporting environment from data that's integrated across formerly disparate systems (CRM, email, website, and social). Explain that marketing automation can also improve data integrity and quality.
- Answer specific technical questions about security, data management, integration, and other IT requirements by partnering with your proposed vendor.

PART FIVE: BUSINESS CASE FOR MARKETING AUTOMATION

THE COST OF DELAYING

Here are some common reasons why people may delay investing in marketing automation, and how you can overcome them.

Objection	Response
“We have too many important campaigns and events coming up.”	All the more reason to bring in marketing automation, since it can increase the ROI of every other program you run. You need to be prepared to effectively nurture all the new names and leads about to enter your system. The longer you wait, the lower your chances are of converting these early-stage names into buyers.
“We have to do something else first—like finish our website, implement CRM, fix our data, etc.”	Once these projects are done, there will always be more projects, and more after that. In fact, the nature of marketing is such that you’re always doing something new. The good news is that marketing automation platforms are built to adapt as you evolve. The sooner you invest, the sooner you’ll learn how to incorporate its value into all of your programs – so you get more results from everything you do.
“We lack the staff to run the programs.”	<p>It’s true that marketing automation doesn’t run itself. The more you put in, the more you get out. That said, you can hire consultants or agencies to help you get up and running. From there, many companies find they only need to spend a few hours a week—to run some reports and tweak your campaigns and workflows—to get decent ROI.</p> <p>Of course, at this level of usage you won’t get the same ROI as highly-sophisticated users, but you can certainly do better than you would without marketing automation. And if you pick the right system, you can do more sophisticated work and get even more from the system as your staff grows in size and skill.</p>
“We don’t have enough content in place.”	Most companies don’t start with tons of content. What’s needed is a plan to create that content. For example, say you want to send out content every 3 weeks, and you have 4 pieces at the moment. You have 12 weeks to create something new. Simply commit to building a new piece of content every month. Re-use old blog posts. Divide newsletters into bite-sized chunks. With this approach, you’ll grow your content library over time.

In short, there’s never a perfect time to roll out new software or start a new project. Don’t let the delay go on too long. You’ll always be busy. Once you’ve determined you’ll benefit from the investment, the longer you wait to implement marketing automation, the longer you’ll wait to see your revenue move up and to the right.

“Stop planning to get ready to get started, and get started instead. Then look for continuous improvement rather than perfection out of the gate.”

– Mac McIntosh,
Marketing Automation
Expert

THOUGHT LEADER SNAPSHOT: HOWARD SEWELL, PRESIDENT, SPEAR MARKETING GROUP



Howard J. Sewell is president of Spear Marketing Group and a B2B marketing veteran with more than two decades' experience in direct marketing, demand generation, and lead management.

Marketo interview with Howard Sewell

MKTO: What are the most important things to look for in a marketing automation vendor?

HS: Here are the questions I'd ask:

1. How many FT employees (or equivalents) am I going to need to manage the system?
2. How easy is it to customize the system to our specific business model and/or sales process?
3. How easy is it to change or modify programs if our sales process changes?
4. How often do you release product enhancements?
5. How quickly can I be up and running?

MKTO: What do you think the future of marketing automation will look like in the next few years?

HS: I see marketing automation becoming a more mission-critical piece of the IT landscape. For example, look for integration with other systems beyond CRM (e.g. Finance, ERP). Marketing is increasingly ROI-driven, and marketing automation can be not only the platform to provide that measurement, but the engine that drives company revenue. Technology that was only recently regarded as "email software" is now becoming a vital component of a company's sales and marketing infrastructure.

MKTO: What are the most important things you have to keep in mind in order to be successful with marketing automation?

HS: Have a plan! It sounds so basic, and yet it's the primary reason why many companies don't achieve the value they should from marketing automation. So often, new marketing automation customers have a pent-up demand for campaigns, so they immediately launch into a series of "one-off" programs and

never take the time to ask the question: what is it exactly that we want marketing automation to do for us? My advice: don't just be a "campaign factory." Have a strategy in place and orient your use of the technology (and the programs you design) towards specific sales, marketing, and business goals.

MKTO: What should you focus on when selling marketing automation to your executive team? What are some things that might resonate with a CEO, CFO, or Sales?

HS: Be wary of offering generic benefits like "increased marketing ROI" or "shorter selling cycles." Those benefits may be legitimate possibilities, but they carry less weight when they could apply to any organization. Instead, identify the most pressing sales and marketing challenges at your company, and speak to those specific issues. For example:

- Increase the rate at which users upgrade from our freemium version to a paid license
- Increase the rate and volume of qualified leads passed to field sales

- Enhance our demand generation effectiveness by optimizing program spend based on true ROI
- Increase the number of pipeline opportunities by more effectively marketing to existing leads
- Increase the efficiency and bandwidth of inside sales without adding headcount

PART SIX

GETTING SUCCESSFUL WITH MARKETING AUTOMATION - MORE THAN TECHNOLOGY



GO BEYOND SOFTWARE

Would you buy a Ferrari and then keep it in the garage? That's what happens when companies purchase marketing automation without a strategy or plan for using it.

While there are important differences between marketing automation platforms, success is often primarily determined by three things:

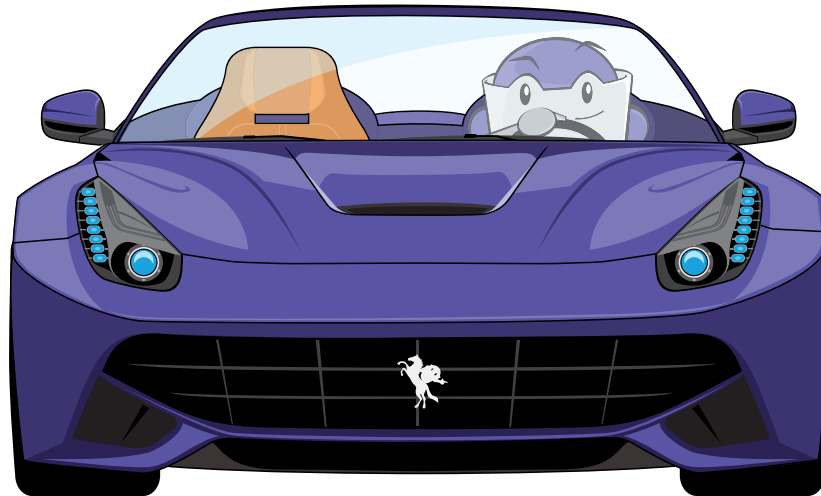
1. **Your strategy and process**
2. **Your content and lead flow**
3. **Your people**

With limited investment in these areas, you can usually get good (but not great) ROI from marketing automation. And as we saw in Part Five, the more you invest, the higher you move up the curve, and the better your return on investment.

The key is to ***“think big, start small, and move quickly”***. In other words, the best results usually come from getting started with what you have today, and then incrementally investing over time to move up the curve.

“I’ve seen over and over where a company will be unsuccessful with their marketing automation strategy and they blame the technology; they blame the platform. They say, ‘Well, we need to switch to a new platform because this just isn’t working out.’ And in my observation, 9 times out of 10, it’s not the technology’s fault; it’s the fact that the strategy, if it exists, is flawed and is not executed well.”

– Matt Heinz,
Marketing Automation Expert



PART SIX: GETTING SUCCESSFUL WITH MARKETING AUTOMATION – MORE THAN TECHNOLOGY

STRATEGY AND PROCESS

As Bill Gates famously said, “The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.”

Don't just automate your old processes when you are introducing marketing automation into your organization. New technology requires new ways of doing things. When it comes to automating marketing, the most important thing to understand is that you **“still have to think.”**

“Start with a process. Marketers typically work off of intuition, but defining processes is critical to successful marketing automation strategies and helps you achieve quality, consistency, and collaboration.”
– Eric Dukart, COO, Sundog

Some of the processes that your company should examine as it thinks about marketing automation include:

Sales and Marketing Alignment

- What defines a sales-ready lead?
- How does your lead qualification team prioritize their time?
- How will you implement lead nurturing for leads that are not yet ready?
- How will you recycle sales leads that don't move forward?
- What service level agreements (SLAs) will you have for lead follow-up?

Marketing automation can drive the most results when a company uses it as an opportunity to realign its entire revenue engine around the modern customer's new buying cycle.

Measurement and Metrics

- What key metrics do you report on a weekly, monthly, and quarterly basis?
- How do you measure campaign ROI?
- What key performance indicators (KPIs) will you use to determine if your revenue processes are on track?

With marketing automation, marketers can look beyond traditional metrics (clicks, opens, etc.) and start measuring (and forecasting) what executives really care about: current and future pipeline, revenue, and profits.

Data Quality

- Do you have dirty data full of duplicates and bad records?
- Missing or incomplete data?
- How will your data get cleansed – and maintained – to ensure your marketing automation doesn't suffer from “garbage in, garbage out”?

Quality data is an essential underpinning of any successful marketing automation implementation.

CONTENT AND LEAD GENERATION

If marketing automation is the rocket, then content and lead flow are the fuel.
Read on to learn how to fill your tank to full.

Content

Having enough content is often the most underestimated challenge for successful marketing automation. Simply put, content is a must-have for consistent lead generation and nurturing. Ideally, this is based on a solid understanding of your buyer personas, so that your content and messages resonate with your audience. Without this, even the most finely crafted marketing automation programs can fail to deliver results.

Ask yourself:

- Do you have a defined content calendar?
- Do you have content for each stage of the buying process, by persona?

If the answer is not yes, then you'll need to make progress in this area, or risk limiting your long-term marketing automation success.

Lead Flow

Some companies have too many leads and need to score them before handing over only the highest-quality sales-ready leads. Other companies, especially new and small businesses, don't have enough leads. Marketing automation can help leads flow through the funnel more efficiently, and done right, it can nurture leads to make them sales-ready. But if you have nothing coming into the top of your funnel, you will have nothing to nurture.

If you don't have enough sales leads, put a plan in place to get more – with content marketing, social media, trade shows, and promotions – anything that will help to get prospects into the top of your funnel.

“You have to remember you need capabilities to manage the marketing automation, which includes people and processes in addition to the technology. That is the key for success.”

– **Matt Johnson,**
VP Chief Strategy Officer, Innoveer

PART SIX: GETTING SUCCESSFUL WITH MARKETING AUTOMATION - MORE THAN TECHNOLOGY

PEOPLE

Your internal employees as well as external service providers are the most critical aspects of success with your marketing platform.

Some important skills for success are:

- **Business process design and implementation.** Can your team envision demand generation and lead-lifecycle processes that align to today's modern buyer? Can they work cross-functionality to implement across the organization?
- **Analytics.** Do you have someone who can absorb, visualize, and discuss large amounts of data and complex concepts, and make decisions to solve problems based on available information?
- **Technical aptitude.** Marketing is increasingly becoming a technical profession that includes proficiency with technology solutions. This represents a huge shift in the job description of a marketer, which previously required little to no technical abilities. Although today's marketing automation platforms are much easier to use than previous systems, users still need to be comfortable using technology. Basic levels of technical acumen are a must; having a *"marketing technologist"* on staff is even better.

You'll need to evaluate the skills of your team. If you don't have the right skills on-staff, you'll need to augment your current staff with training, external consultants, and/or additional hires.

"Success of marketing automation is not just about the technology. That's the easy part. This is all about change management and adjusting the way the company thinks about the customer experience. It requires support and alignment by key stakeholders, a commitment to developing better processes (not doing it the way they have always done it but with automation) and defining clear use cases on what problems they want to solve and how they will use the technology to solve the problem – this all drives marketing automation adoption and success."

– Jeff Pedowitz, President and CEO,
The Pedowitz Group

DREAM BIG. START SMALL. GET FAST WINS. BUILD FROM THERE.

All of the factors discussed here are critical for marketing automation success, but don't let not having all of them keep you from getting started.

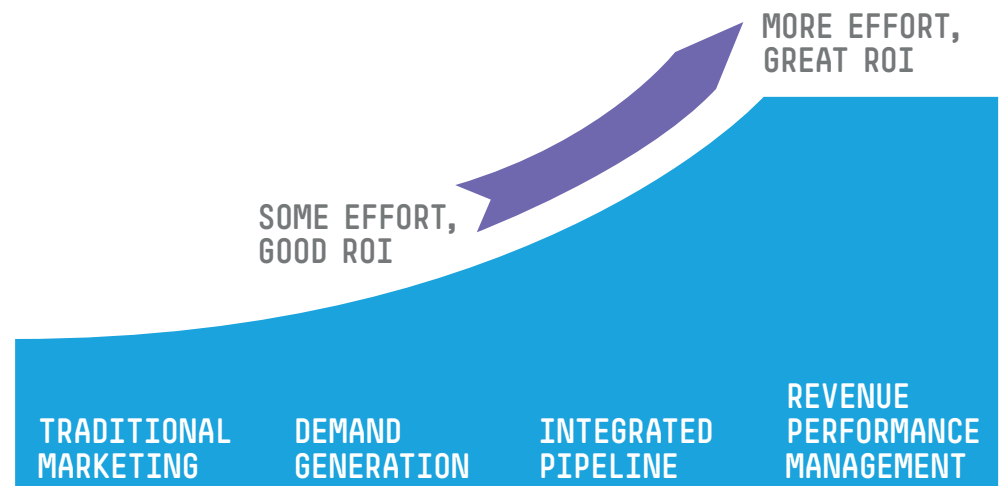
The best marketing automation implementations adhere to the adage, *"think big; start small; most quickly."*

... If you dream big, you'll position yourself to achieve the grand—albeit granularly articulated—vision of what you want success to resemble. Depending on your organization, this end goal may take the form of a full RPM transformation. It might also be more modest.

... If you start small, you won't get stuck in analysis paralysis, or feel the need to wait until all of your content is created. You won't need to map out every single campaign, or get your website perfect. Slow and steady wins the race.

... If you win small victories quickly, you'll show results in a way that your organization values —whether it's a new lead generation campaign or a basic system for lead scoring. These small wins will cultivate stakeholder buy-in across your organization, and increase your chances for success over the short and long term.

Overall, be realistic about what resources you'll require to achieve your objectives, but don't let the "perfect be the enemy of good." Get started. See value. Then, evolve.



THOUGHT LEADER SNAPSHOT:

DAVID LEWIS, PRESIDENT & CEO, DEMANDGEN INTERNATIONAL, INC



David Lewis is an early pioneer in Internet marketing, marketing automation, and CRM systems with over 22 years' experience in marketing and selling technology. In 2007, David Lewis founded DemandGen International, Inc. a global consulting firm helping companies deploy and utilize marketing automation and CRM systems. DemandGen has become the trusted advisor to the world's leading marketing and sales teams combining superior service, business process, and technology expertise.

Marketo interview with David Lewis

MKTO: What are the most important things you have to keep in mind in order to be successful with marketing automation?

DL: Three words: people, process, systems.

People. Your organization must be culturally aligned, with the right leaders across Sales and Marketing who view marketing and sales as one integrated process. Within your organization, you need team members who are skilled in lead management and associated systems: such as marketing operations

people with strong analytical sense, and technical resources on the marketing team far beyond the webmaster.

Process. Prior to marketing automation almost all campaigns were on the "one and done" model: it was all about lead generation. Now Marketing is a formal, integrated, repeatable process: it's about understanding your B2B buying process, and moving from static lead generation campaigns into lead management in a logical, automated manner.

Systems. Choosing the right systems for your business is paramount—and every business' choices are unique. Select with care, and keep integration top of mind. The right marketing automation system for your business also needs to integrate seamlessly and completely with your CRM, your website, and your other marketing tools and systems such as content management, event marketing, and analytics platforms.

MKTO: What are the most important things to look for in a marketing automation vendor?

DL: Customer base. A large and strong base of customers that are "like you" is important to demonstrate that the vendor platform has broad appeal, and that it has been significantly tested by a wide range of customers using it for different applications.

CRM integration. Marketing automation is only half of the solution: CRM and marketing automation together represent a completely integrated sales and marketing solution to the same data set. Keep in mind that the MA needs not only to integrate with the CRM you're using today, but also to provide the "hooks" into any CRM you might use in the future. Be sure to look at the add-ons that an MA offers in terms of adding functionality to the CRM.

Commitment to innovation. Does the platform keep getting new functionality on a regular basis that expands what its offering? Or is it trying to play catch-up with other leading systems in terms of ease of use or functionality? If you choose a "catch-up" system, you might save some money in the short term, but you'll lose in the long term: those systems will never catch up to the others that already provide the functionality you'll eventually

need, and you'll have missed opportunities to use that functionality in the meantime.

Ease of use. Look not only at overall ease of use, but at the consistency of ease of use across the application. You want to make sure that the solution is easy to use not only in core areas like email and landing page development, but also in more sophisticated areas such as lead scoring, nurturing program design, and reporting.

Scalability. Your business will grow; will your marketing automation platform grow with it? Make sure the system you buy can handle the size of your database and volume of your campaigns now and into the future; how will performance be impacted if your business grows significantly?

Pricing. Look for a pricing model that supports growth. Be sure the vendor's overall pricing model will enable you to grow and be successful without penalizing you with exorbitant fees. Ensure that the solution pricing model and contract won't result in you getting a surcharge for achieving your planned growth mid-contract.

MKTO: What should you focus on when selling marketing automation to your executive team? What are some things that might resonate with a CEO, CFO, or Sales?

DL: Focus #1: You'll get more done and increase your output. When you think about the shape of the demand funnel, it's widest at top and narrowest at bottom; yet the number of resources you have to address demand are typically in an opposite ratio.

Most companies have more salespeople at the bottom where the funnel is narrowest, and fewer marketers to support the top of the funnel. This common situation speaks to the need for a solution that can automate many of the touch points throughout the demand funnel. Such a solution allows you to focus marketing resources on strategies to create demand, while your marketing automation system automates the process of converting this demand into prospects for Sales.

Focus #2: Factory thinking. Putting a marketing automation system in place enables you to define your processes "from click to close," establishing the touch points needed to help prospects become educated on and evaluate your product. The experience of implementing marketing automation forces your organization to think these processes through, which enables you to establish and automate them. This kind of "factory thinking" engenders higher and more consistent output.

Focus #3: Marketing and Sales alignment. Because these systems are used by both Sales and Marketing, the process of implementing and using your marketing automation system essentially forces these two groups to become one integrated organization with a tighter relationship and better communication. In short, working together will produce better results for your company.

PART SEVEN

BUYING MARKETING AUTOMATION



PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS

So you've decided to buy marketing automation. Now you need to select the right solution.

Of course, we think Marketo is almost always the best solution—yes, we're biased. But here's an unbiased process you can follow to buy the marketing automation solution that is right for your company.

Step #1:

Write down your goals for the project. To get where you want to go, write it down. Statistically, you increase your likelihood for success simply by putting your goals on paper.

Hard metrics may include:

- More leads and/or better quality leads
- Improved conversion rates
- Reduced acquisition cost per Marketing-sourced lead, opportunity, or customer

Soft metrics may include:

- Improved Sales-Marketing alignment
- Better visibility into Marketing ROI
- Increased speed and agility to launch new campaigns and landing pages
- Reduced time to pull reports

Step #2:

Plan your timeline. Now, identify the steps you'll take to get where you want to go. Remember, you aren't ever "done" with marketing automation, so build time to evolve and adapt and learn into your process.

Ask yourself, ***"When do I want to..."***

- Start the selection process?
- Have detailed vendor presentations and demos?
- Make my final decision?
- Start implementation?
- See first value?

"Plan for growth. No matter how carefully you define your needs, they'll evolve in ways you don't expect. You need a vendor that is likely to support future needs, whatever they may be. So look beyond for specific features for flexibility and a history of product improvement."

— David Raab, Marketing Automation Expert

PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS

Step #3:

Identify your requirements.

Remember, picking the right solution involves more than just picking the right technology.

Take action:

- **Review your administrative, integration, and technical requirements.** What other technologies do you have that the system will need to work with? What level of integration do you need for Microsoft Dynamics CRM—are leads and contacts only okay, or do you also need opportunities, custom objects, and so on?
- **Check Part Four's functionality checklist.** Verify you'll get what you need today – and what you'll want in the future.

- **Isolate requirements beyond technology.** Who will use the system? How important is ease of use? What level of additional services, training, and support will you need? See Part Six for more on this topic.
- **Turn the requirements into functional “scenarios.”** Describe real-world marketing programs and processes you want to be able to run initially, and down the road.



The Importance of Easy

You want to select a solution that's easy to buy, easy to own, and easy to use.

- **Fast to get results.** It should be easy to get started quickly, so you see initial results in days. Buying marketing automation shouldn't require a leap of faith on your part.
- **Make it easy to accomplish marketing tasks faster.** Marketers aren't mechanics, so they shouldn't have to spend time managing the machine. When a solution is easy to use, it frees up your marketers' time for more strategic and creative aspects of their job.
- **Don't spend your time training a power user.** Instead, go with a modern platform that makes all of your users powerful. This lets you distribute usage across all the marketers in your organization.

Easy is what drives flexibility and agility. When the solution is easy to use, your team can quickly turn ideas into implemented reality – so you get great results faster.

The Importance of Powerful

While you absolutely don't want to deal with unnecessary complexity, it's crucial that you make sure you won't outgrow your solution either. Going too small or cheap—without aligning to your future requirements—is a clear path to failure. Think about how embarrassing it might be to select a solution, only to have to replace it later?

Instead, choose a vendor that is powerful enough to solve your real-world challenges now – and as you move up the maturity curve. Ideally, your solution will let you unleash the power when you need it, but that power doesn't result in complexity that gets in the way when you just need to get something simple done and out the door.

PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS

Step #4:

Assemble a team to choose and manage the solution. Make sure you cover both bases by getting sign-off from all stakeholders on goals, requirements, and potential scenarios—even Sales and IT. Just make sure you avoid selection by committee. Typically, a voting approach doesn't create the best decision process. While all stakeholders must accept your choice, Marketing and the primary users of the solution should drive the decision.

Step #5:

Evaluate potential vendors against your scenarios. You'll choose the vendor that best suits your needs if you follow these recommendations below:

- **Select vendors to evaluate.** Ask each one to demonstrate how they would deliver your specific processes and scenarios. Alternatively, ask for a free trial of the solution being considered.
- **Scour the technology.** Check all boxes to cover your administrative, integration, and technical needs.
- **Look beyond the technology.** Evaluate each vendor's ability to make you successful through access to best practices, community, consulting, support, and training.

- **Ask tough questions.**

The vendor shouldn't have anything to hide. Make sure the vendors actually show you they have what they say they have in terms of functionality.

- **Avoid a feature bake-off.**

Focus on the process and business needs you identified in step 3, and avoid becoming dazzled by features that don't deliver on your criteria. (That being said, it's okay to update your goals as you learn about what's possible. Just make sure it's compelling enough!)



The Right Capabilities

Marketing automation solutions are available in a wide range of manageability, capabilities and costs. Here is a good list to work from when evaluating the capabilities of marketing automation solutions.

1. Supporting unique business processes based on best practices.
2. System administration doesn't create a burden the organization can't support
3. Bi-directional synchronization with Microsoft Dynamics CRM
4. Flexibility to have hosted forms on corporate domains and the vendor's own platform
5. Full nurturing support from early awareness, consideration through post-sale customer loyalty
6. Data management and integrity capabilities
7. Engaging customers across multiple platforms including mobile, social, web, and events
8. Global and regional capabilities
9. Troubleshooting, technical support, uptime – how will the platform support your organization when things go wrong?
10. Analytics – consider the platform that offers reporting capabilities needed to measure marketing effectiveness

Source: Marketing automation thought leader Matt Heinz, President of Heinz Marketing

PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS

Step #6:

Talk to references. Now it's time to find out if your vendor can actually make customers like you successful.

- **Ask your vendors for references.** Solicit others from your personal and social networks.
- **Look for references that are similar to your organization.** Chances are, you'll succeed with a particular vendor to the degree that companies similar to yours have done, so look for references that are similar to your organization.
- **Find out whether your situation is similar to theirs.** If you do, you'll drill into whether you're likely to succeed with that particular solution as well. As marketing automation expert David Raab points out, you need to ask more than "Are you happy?"
- **Don't forget to ask about technical AND non-technical factors.** How long was implementation? How much training and additional services were needed, if any? How did the vendor handle any problems that were encountered along the way?

PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS



Questions to Ask During A Reference Call.

Success Criteria & Selection

- What were the key business processes and goals you set for this marketing automation project? How well has the system delivered on those goals?
- Were you the decision maker responsible for purchasing this solution?
- What made you choose the solution you selected?

Implementation & Ramp-up

- How long did it take you to learn basic functions, like sending an email or creating a sales alert?
- How long did it take to implement functions like lead scoring, lead nurturing, and data quality?
- How complete is the integration with Microsoft Dynamics CRM? How hard was it to set up and maintain?
- How long did it take you to integrate the product's sales intelligence component?
- Can you tell me about your experience with implementation and support?

Results

- What's your Sales team's reaction to these new alerts and campaign information?
- Have you seen an increase in leads?
- What's the single best thing about the system? The worst?
- When implementing, what costs did you incur beyond the solution price?
- If you went to another company, would you buy the same system again, or look for other options?

PART SEVEN: BUYING MARKETING AUTOMATION

PURCHASE PROCESS

Step #7:

Make a decision. The time has come. Choose the vendor that can best make you successful in line with the goals you create at the beginning of this process. While this does involve comparing subscription costs and contract terms, the revenue benefits you'll enjoy when you achieve your goals are usually much more significant – so it's best to choose the solution that will help you be the most successful.

Step #8:

Get started. Here we go. You should already have a complete understanding of this part of the process, based on your initial review of the vendors. But just in case, look to:

- Sync the platform with your Microsoft Dynamics CRM. Alternately, you can load your leads and contacts directly.
- Create email and landing page templates (or have your vendor help with this).
- Set your email deliverability settings, including your DKIM and SPF records.
- Set up your website. Implement DNS mapping for your landing page subdomain. Add tracking codes to your content management system.
- Train your users in the system.
- Build (or import) your first campaigns and programs. Work with your vendor's enablement and consulting teams for best practices.
- Press go. Then, measure and share the success you're having.

Step #9:

Review, optimize, and improve.

There's a lot that could be said here, given how endless your possibilities are when using marketing automation. But for the purpose of time and space, here's an overview of how to approach this phase of your process.

- Invest in the training and content you need to be successful.
- After three to six months, do a check-up, and consider re-engaging with your vendor's services. Evaluate additional services that could take you to the next level.
- Engage with your vendor's community to learn and share best practices. Suggest ideas for new features while you're at it.

PART SEVEN: BUYING MARKETING AUTOMATION

ADDITIONAL FACTORS TO CONSIDER



You need to consider factors beyond the features and functions discussed in Part Four. Here's a list of additional factors to take into account when selecting a vendor.

Implementation & Ramp-up

- How long does it take to get live at a basic level? A medium level? An advanced level?
- Do you provide training live or on-demand?
- What skills will my users need?

Service & Support

- What's your service level agreement for technical support?
- How will you help expose our users to new marketing ideas and best practices?
- How active is your online community? How quickly will I get answers?
- Who are your key service partners? Who provides strategy and process design, change management, and technical integration support?
- What third-party products integrate with your platform? How broad is your partner ecosystem?

Likelihood for Long-Term Success

- What kind of ongoing costs and resources should I expect?
- Is your company viable in the long run? What funding and capital do you have? What's your growth rate?
- How well does your product roadmap align with my future needs?

“Make sure that the marketing automation vendor has lots of resources, such as live on-demand training, certification programs, and a strong network of implementation partners (e.g. agencies and/or consulting companies) to help their clients get their programs up and running, or to take their marketing-automation-driven campaigns and results to the next level.”

– Mac McIntosh, Marketing Automation Expert

CHRISTIANA CARE HEALTH SYSTEM

Highlights

- A phenomenal 3,000% ROI on the health system's promotional and education spending
- Continuing expansion of the Christiana Care brand
- Increased revenues from expanded preventative care activities

Challenges

Headquartered in Wilmington, Delaware, Christiana Care Health System is one of the country's leading health care providers, ranking 16th in the nation for hospital admissions and is the largest private employer in Delaware.

While Christiana Care received very positive patient reviews, the company did not have a high level of recognition in the marketplace and was facing threats from competitors. In order to keep their market share and remain competitive and profitable, they needed a marketing automation solution that would help them cost-effectively reach more prospective patients and promote their brand, while lowering their acquisition and operating cost per patient.

Solution

Marketo's on-demand model, easy integration, ease-of-use, and affordability put it at the top of Christiana Care's short list. Christiana Care was able to easily fund the purchase of Marketo's revenue performance management solution just by cutting down on direct mail and print advertising.

Beside the costs savings, three other factors set Marketo apart. First, the marketing team immediately saw how easy Marketo was to use. Secondly, they realized how the solution's Design Studio capabilities reduced the workload burden for web designers since web landing pages and email campaigns could be created without coding skills. Finally, the team learned how marketing automation could be used for A/B testing of their marketing content to determine the best campaigns to achieve their marketing objectives.

Benefits

With marketing automation, Christiana Care has been able to save significant costs on advertising dollars, thus lowering the costs of patient acquisition. In fact, they report that for every \$1 spent on advertising, Christiana is seeing a \$30 gross margin, equating to a 3,000% ROI. Marketo has also allowed the company to expand its brand and efficiently run targeted email marketing campaigns. Further, marketing automation has been instrumental in deploying preventative

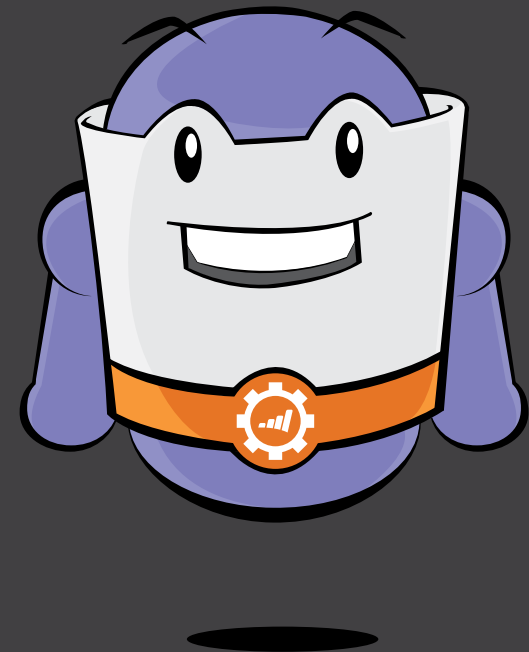
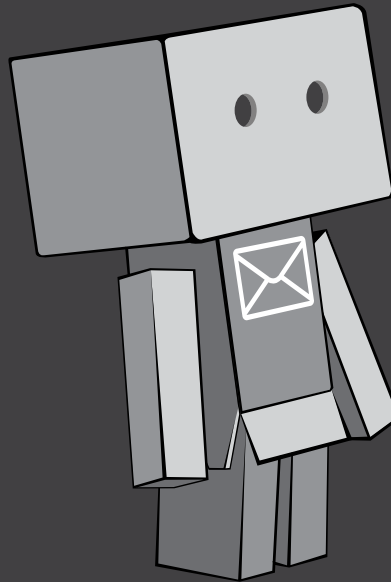
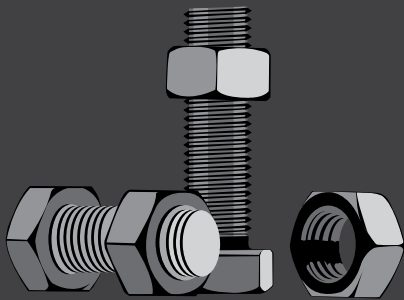
nurture campaigns, which have helped reduce the number of emergency visits. As a result, healthcare costs per patient have dropped while preventative care revenues have increased.

3,000%
ROI

ON CHRISTIANA CARE'S
PROMOTIONAL AND
EDUCATION SPENDING

PART EIGHT

FUTURE OF MARKETING AUTOMATION



PART EIGHT: FUTURE OF MARKETING AUTOMATION

MARKETING AUTOMATION TRENDS

Marketing automation is a dynamic industry, and new capabilities are being introduced all the time. Here are the four key trends that will drive this evolution over the next few years.

Trend #1.

Marketing automation will expand into more parts of the customer lifecycle.

Marketing automation vendors, especially the new generation of Software-as-a-Service vendors, have historically focused primarily on the business problem of generating new business—particularly via the process of turning leads into new customers.

Going forward, marketing automation will venture earlier into the funnel to help generate new leads—from organic inbound marketing through social media and search engine optimization (SEO), to paid lead generation strategies like display advertising, list rentals and retargeting.

They'll also focus on a broader set of business problems across all parts of customer lifetime value, including relationship marketing workflows that improve cross-sell, up-sell, customer loyalty, referrals, and retention.

These shifts will help SaaS-based marketing automation appeal to a broader set of industries, especially business-to-consumer (B2C) sectors like retail, media and entertainment, healthcare, financial services, and telecommunications.

Trend #2.

Social, local, and mobile play an ever larger role in marketing automation

The intersecting trends of social, local, and mobile (SoLoMo) are rapidly changing the face of marketing, and marketing platforms are evolving along with them.

Social. Just because many vendors have added social functionality to their solutions does not mean the category has matured. In fact, most have barely scratched the surface. Going forward, enterprises will use social to track to a wider set of customer behaviors and interact with customers over more channels. They'll also boost existing campaigns by motivating customers to share and amplify their corporate messages.

Local. Location-based marketing takes advantage of mobile device GPS capabilities, especially as it applies to local business like restaurants and retailers. Increasingly, sophisticated marketers will find ways to use location-based information to market all types of businesses, and marketing automation will be at the center of enabling this.

Mobile. As consumers increasingly use their smart devices to consume information, marketers will incorporate mobile into their communication strategies more and more—from ensuring all marketing touches are mobile friendly to entirely new campaigns that take advantage of mobile. This trend will impact how users access their marketing automation tools as well. Analytics and dashboards, for instance, will become accessible from mobile devices.

MARKETING AUTOMATION TRENDS

Trend #3.

Marketing automation platform capabilities will expand

Marketing automation will expand to include more functionality around big data and analytics, dynamic personalization, and marketing resource management (MRM).

Big data and predictive analytics

Big data is all about a firm's ability to store, process, and access the data it needs to operate effectively, make decisions, reduce risks, and serve customers. In the context of marketing, big data refers to all the information created by today's buyers—from keywords they use and content they share, to the webpages they visit and emails they open. Individually, all that data is just noise – but predictive analytics can turn that noise into actionable intelligence.

For example, lead scoring will evolve from a rules-based system to a self-learning algorithm. Also, big data and predictive analytics will allow systems to predict the best offer for individual customers at the moment of interaction, and marketers to dynamically adjust their spending between programs based on a real-time understanding of program ROI.

Dynamic personalization

Email has always been a channel that communicates with the individual. Today, more and more channels are offering this kind of 1:1 personalization. For example, websites change dynamically to cater to individual visitors, and ad networks can present specific messages to specific targets based on individual ID trackers or email addresses. Even television is becoming capable of showing different ads on specific cable boxes.

By combining “big data” intelligence with the marketing database and individually addressable channels, marketing automation will become the “brain” that decides what message goes to which customer, and when.

“When powered by marketing automation, Big Data can mean Big Bucks.”

– **Sanjay Dholakia,**
Chief Marketing Officer, Marketo

“Core tenants of marketing automation like marketing campaigns, lead generation, scoring and nurturing will continue to evolve in a way that does not send all consumers down the same path, but rather dynamically changes to assign a personalized path to each consumer.”

– **Eric Dukart, COO, Sundog**

“The future of marketing automation? One word. Predictive.

Self-learning algorithms will provide automated lead & customer scoring and predictive campaign triggers that use historical data from a marketing automation platform to determine the next campaign to be triggered.”

– **Will Scully-Power,**
Managing Director, Datarati

PART EIGHT: FUTURE OF MARKETING AUTOMATION

MARKETING AUTOMATION TRENDS

Trend #3. **Marketing automation platform capabilities will expand (cont.)**

Marketing Resource Management (MRM)

MRM helps marketers increase the overall efficiency of their operations with program planning, project management, and collaboration. Specific capabilities include:

- Assigning top-down budgets to various groups and divisions
- Planning marketing spending across programs
- Tracking open-to-spend
- Ensuring budget compliance
- Coordinating workflows and permissions
- Maintaining a marketing calendar across multiple groups

Historically, MRM was a component of first-generation marketing automation aimed at the largest B2C companies. Increasingly, modern SaaS-based vendors will incorporate MRM functionality into their platforms as well.

Trend #4. **Usability will increase**

Although many marketing automation solutions are “easy to use,” there remains a shortage of experts that understand the modern best practices and know how to get the most out of the systems. In the future, expect vendors to invest in easier interfaces, wizards, and expanded libraries of pre-built best practices that can be imported into systems.

Also, vendors will increasingly provide benchmarks that help marketers contextualize their results. Finally, vendors will also focus on driving customer success by investing in everything that sits “around” the technology, including services, training, communities, user groups, and so on.

“At this point in time, people who know how to use Marketing Automation platforms are scarce and hard to replace, so ease of use is paramount. As marketers come and go, how are you going to steward the processes and data you need to operate?”

– Joseph Zuccaro,
Founder and President,
Allinio LLC

THOUGHT LEADER SNAPSHOT: DAVID RAAB, PRINCIPAL, RAAB ASSOCIATES



David M. Raab is a Principal at Raab Associates, Inc., specializing in marketing technology and analysis.

As a consultant, Mr. Raab advises major consumer and business marketers on marketing processes, technology and service vendors. Mr. Raab has written hundreds of articles on marketing technology for publications and he is the author of Marketing Performance Measurement Toolkit (Racom Books, 2009) and the B2B Marketing Automation Vendor Selection Tool (raabguide.com). Mr. Raab holds a bachelor's degree from Columbia University and MBA from the Harvard Business School.

Marketo interview with David Raab

MKTO: What do you think the future of marketing automation will look like in the next few years?

DR: Technically, I expect continued expansion of system functions in two dimensions. First, features for lead nurturing will be made more automated, such as lead scoring and content selection. This will help expand use of systems by marketing departments that lack the necessary skills or staff to take full advantage of them.

Second, features for other functions will be added, for sales support, lead acquisition (e.g. advertising, trade shows, etc.) and marketing administration (planning, budgets, project management, etc.). This will make B2B marketing automation more useful across the entire marketing department, so it has a greater chance of truly becoming the central marketing system.

Strategically, I expect vendors to make greater efforts to help users take full advantage of their systems, by expanding in-house services and partner networks. I also expect greater specialization by vendors, such as industry-specific vertical editions. Finally, I expect the largest vendors to continue to set themselves up as “platforms” that are open to expansion by third party developers, through mechanisms such as app marketplaces.

MKTO: What are the most important things you have to keep in mind in order to be successful with marketing automation?

DR: It's important to take a comprehensive view of the customer life cycle, looking at how different programs affect long-term results rather than just immediate response rates. This allows marketers to correctly optimize their programs by shifting resources to the most effective purpose. It relies on sound marketing strategy, better measurements and an analytical mind set. These in turn rely on building appropriate staff skills and processes.

Finding better, more cost-effective ways of generating content is another critical success factor, which again must be driven by a strategic view of the customer life cycle and how marketing automation can help move customers through the funnel. A base of customers that are “like you” is important to demonstrate that the vendor platform has broad appeal, and that it has been significantly tested by a wide range of customers using it for different applications.

THOUGHT LEADER SNAPSHOT:

DAVID RAAB, PRINCIPAL, RAAB ASSOCIATES



MKTO: What are some benefits of marketing automation that you would point out to someone who is considering switching from their ESP?

DR: Marketing automation makes it easier to integrate email with landing pages, Web behavior analysis, lead scoring, multi-step nurture programs, sales activities, social media, and other tools used for lead acquisition and nurturing. Integration is increasingly important as marketers need to manage more channels over a longer span of the customer lifecycle.

This integration involves sharing content, coordinating contacts, and pulling together data from all sources. It saves large amounts of time that can then be used to creating more effective programs.

MKTO: What are the most important things to look for in a marketing automation vendor?

DR: You need to match the vendor to your own situation, in terms of specific functions, level of complexity, and services provided. A system that's either too simple or too complex is equally bad, although for different reasons. Similarly, some companies need a lot of help while others don't. You also need to worry about the vendor's stability and resources, since the industry is increasingly competitive and it will be hard for some vendors to survive. This doesn't necessarily mean that only big or heavily-funded vendors are safe, since even smaller vendors can be financially sound.

PART NINE

MARKETO'S MARKETING AUTOMATION



PART NINE: MARKETO'S MARKETING AUTOMATION CONTEXT

Why Marketo?

Fastest Time to Value

Proven flexibility and ease of use allows companies to get started quickly without compromise.

Start Simple, Never Outgrow

Easy to start simple, yet powerful enough to satisfy even the most demanding requirements.

Connected to Your Enterprise

Connects seamlessly with your key business applications through out-of-the-box integrations and extensive API.

Your Partner for Success

An award-winning community of 20,000+ users, innovative Best Practices and access to an ecosystem of partners, experts and consultants. Marketo has made more companies successful with marketing automation than any other vendor.

Easy. Powerful. Complete.



Email Marketing

Industry leading deliverability rates



Deep Microsoft Dynamics CRM Integration

Native, automatic bidirectional sync



Real-time Sales Intelligence

Delivered to Sales through a native CRM dashboard



Lead Nurturing

Rules and filters personalize emails for specific segments



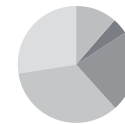
Multi-Dimensional Lead Scoring

Demographic, behavioral and social lead scoring



Social Sharing and Engagement

Video share, social polls, form share



Closed-loop Reporting

Measure revenue impact of all your campaigns



Online and Offline Event Marketing

Integrates with popular online meeting providers



WYSIWYG

Drag-and-drop creation of landing pages, emails and forms



Multi-step Workflows

Perform actions based on filters and real-time triggers



Segmentation

Dynamically send tailored content to leads



A/B Testing

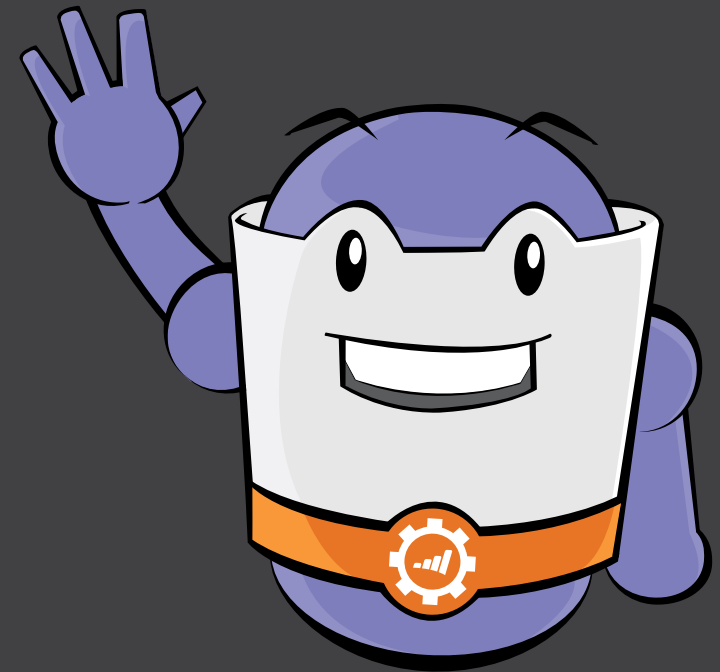
Optimize your landing pages and emails

CONCLUSION CONTEXT

So there you have it: everything you ever wanted to know (and then some) about marketing automation. Whether your company's annual revenue is \$100 billion or \$5 million—or even less—marketing automation is the technology that will propel your business into the new era of relationship-based marketing with quantifiable results.

Marketing automation is constantly evolving. We'll continue to stay on the forefront of marketing automation trends and technologies and keep you up-to-date with our web site, blog and **[marketing automation resources](http://www.marketo.com/marketing-automation)** (www.marketo.com/marketing-automation).

And if you'd like to speak with a representative from Marketo, call 1-877-260-MKTO or email **sales@marketo.com** today.



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About Marketo:

Easy, Powerful, Complete.

Marketo uniquely provides easy-to-use, powerful and complete marketing software that propels fast-growing small companies and global enterprises alike. Marketo® marketing automation and sales effectiveness software – including the world's first integrated solution for social marketing automation – streamlines marketing processes, delivers more campaigns, generates more win-ready leads, and dramatically improves sales performance. With proven technology, comprehensive services and expert guidance, Marketo helps thousands of companies around the world turn marketing from a cost center into a revenue driver.

Known for providing breakthrough innovation and fueling explosive growth, in both 2011 and 2012 Marketo received the CRM Market Leaders Awards Winner for Marketing Solutions by CRM Magazine. Salesforce.com customers also honored the company with the AppExchange Customer Choice Awards for 2012 in the marketing category.

