



E-Book

Successfully leveraging marketing automation technology: Building a business case

The past couple of years have forced organizations to focus inwardly, improving operational efficiencies and trimming budgets. While budgets and campaigns are being cut, marketers are being asked to identify, segment and target the most profitable customers and boost customer loyalty. Marketing automation software can help solve these challenges, but it too requires a financial investment.

In this E-Book, readers will learn:

- The different types of marketing automation software and the market landscape
- The benefits of marketing automation software (including some unexpected ones)
- Expert best practices for implementing marketing automation
- How to build a business case to get funding for marketing automation

Sponsored By:





Successfully leveraging marketing automation technology: Building a business case

Table of Contents

[Firms navigating the marketing automation software market must still focus on the customer](#)

[Marketing automation benefits can extend beyond automation and tracking](#)

[Start the business case for marketing automation with savings, but complement with revenue](#)

[Ten best practices for implementing marketing automation software](#)

[Resources from Marketo](#)

Firms navigating the marketing automation software market must still focus on the customer

Marketing automation technology can help an organization run smoothly, with marketing information housed in one central location. But it's a complicated technology that can be difficult to understand.

By Chris Maxcer, contributor

The marketing automation software market can be overwhelming, encompassing components of traditional CRM suites or being segmented into smaller, distinct components of marketing technology and confusing buyers with buzzwords like “customer intelligence” and “customer centricity.”

At its heart, marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration (CDI), and campaign management. It helps marketing teams design, deliver and track campaigns and customer behavior, sometimes using analytics to predict outcomes and help deploy event-triggered offers. The core idea is to use software to make manual marketing processes more efficient, if not automate them—and at the same time, possibly create innovative new marketing actions that can easily work with thousands or even millions of customers when manual efforts would be too costly or even impossible.

For example, multi-channel campaign management (MCCM) has become a popular segment in marketing automation as marketers shift investments from mass-marketed, one-channel, one-way, company-driven campaigns to multichannel, measurable, interaction-driven campaigns. But there's more to marketing automation than campaign management.

All of the different approaches to marketing automation come back to the desire to understand the needs and wants of customers and anticipate the future needs and wants of customers in a profitable way, according to Adam Sarner, research director for Stamford, Conn.-based Gartner Inc.

For example, offer management is helping marketers understand who the right people are to market to and which campaigns drive the greatest propensity to buy.

"[It's] what offer, what combination of offers, looking at social monitoring and trying to discover what the new black is next season," Sarner said. "It's still under the same umbrella."

And while there are individual components, marketers must also think of marketing automation as part of a greater whole.

"We look at marketing automation as one of several important components of CRM solutions," said Warren Wilson, research director for Ovum, a London-based research firm. "Others include sales- and field-force automation, campaign management, customer service, analytics, [and] support for multiple languages and currencies. In marketing automation itself, we assess maturity on the basis of things like integration across multiple channels, support for email and online marketing, campaign and event management, and marketing via the Web."

When marketing teams are looking for an automation solution, one good starting place is the enterprise's existing CRM or even ERP solution suite. Even if an ERP provider doesn't produce its own marketing automation application, it may have business partners that offer well-integrated components that are worth evaluating.

"Partners often specialize in a particular industry," Wilson said. "They may specialize in integrating CRM—or a module within CRM, such as marketing automation—with other key business management apps such as financials, supply-chain management, or inventory and warehouse management."

Marketers, who are often familiar with the shifting buzzwords and strategies in their own markets, must take that into consideration when searching for their own software.

"Some vendors are trying to raise the bar and define a new flavor of CRM called 'customer experience management' that is even more comprehensive, sophisticated and personalized than traditional CRM," Wilson said. "This, too, involves tailoring and sophisticated control in

order to manage business processes more closely than ever, from initial marketing campaigns through acquisition, service, satisfaction and retention."

According to Ray Wang, partner of Enterprise Strategy for San Mateo, Calif.-based Altimeter Group, the different types of marketing automation solutions can be simplified into seven core components. The components don't have to be present in an all-inclusive suite, of course, but they give marketing teams a good starting point for evaluating the components they want to automate:

- Interactive marketing—for example, Web-based engagement tools.
- Outbound marketing—traditional mailers, flyers, etc.
- Inbound marketing—customer experience at touch-points.
- Social marketing—managing not only the social channel but the social experience.
- Real-time decisions—event-based triggers created with prediction algorithms to suggest the right solution for up-selling or cross-selling opportunities.
- Marketing operations—the core automation component for all marketing operations.
- Lead/contact management—pushing high-quality leads to the right salesperson.

These components can also take into account all the different channels, from print to e-marketing opportunities like marketing on mobile devices or search.

Delivery from the cloud

In addition to the different kinds of marketing automation tools, there are three core software deployment options: traditional licensed software that's installed into an enterprise data center; hosted solutions that are deployed and managed offsite; and pure on-demand SaaS services delivered straight from the cloud.

"Right now, there's a big interest in on-demand marketing automation—putting it in the cloud," Sarner said. "But the expectation is that it's cheaper, and cheaper is not necessarily true depending on where you are in terms of complexity. There are some quick wins—and

they are generally cheaper at first—but as soon as you put in complexity, like tying into different databases, tying into transactional data, integrating with data from different departments, the costs go up."

By the third year of a deployment, Sarner said, the total cost of ownership is very much like that for traditional licensed marketing software.



“In our second year of using Marketo, we now drive significantly more sales opportunities with the same budget and have increased sales-ready leads by 400%.”

John Watton
VP of Marketing,
ShipServ



Powerful & Easy Software to Turn Marketing into Revenue

See More Success Stories at:
www.marketo.com/customers

Marketing automation benefits can extend beyond automation and tracking

Marketing automation provides three core benefits and can extend into other areas of the business.

By Chris Maxcer, contributor

If marketing automation solutions help marketing teams design, deliver and track campaigns and customer behavior, what other benefits will automation software bring? Understanding the areas in which an enterprise can expect to find compelling gains is one of the first steps on the road to building a business case and successful launch plan.

R. "Ray" Wang, partner of enterprise strategy for Altimeter Group in San Mateo, Calif., said there are three core benefits of marketing automation solutions.

"The first is improved influence and engagement with customers and prospects," Wang said. "The second is the reduction of repetitive tasks so that marketing organizations can focus on marketing strategy."

The third is a direct impact on sales quality. The quality of sales is improved, of course, when marketing delivers compelling messages and offers that prep the sales channel for success.

Follow the money

Kim Collins, managing vice president of CRM as well as the agenda manager for marketing and sales strategies, processes and technologies with Stamford, Conn.-based Gartner, recommends that marketing teams consider both revenue and expense as they search for marketing automation benefits.

"[Find] solutions that help marketers drive revenue, be more effective in the market, and justify their investment," Collins said. For example, driving customer satisfaction and customer retention can help retain revenue, she said, even though associating that revenue with the efforts of marketing can be difficult.

"The other area [where] we see marketing organizations gain benefits is in efficiency -- automating marketing to become more efficient to reduce costs, to eliminate waste, to increase productivity," Collins added.

The quick takeaway here is that marketing teams need to consider both revenue and cost reduction as areas that can help drive value and create a foundation for a rock-solid business case.

Be careful with the big social marketing plans

The hot marketing technology of the day is social media marketing—basically automation software that works with Web-powerhouse networks like Facebook or Twitter and the mass of blogs and forums. A marketing automation solution that simply blasts marketing messages out to these new channels may not bring benefit to the enterprise, but some automation solutions can provide other social benefits, such as greatly improving a company's ability to listen.

"There are vendors and solutions for what we call social media monitoring, which is basically listening to what people are saying about your company and your products and understanding how that might affect your brands—and then actually taking action," Collins said. Of course, not all products or brands necessarily require sentiment analysis, and online chatter, either positive or negative, might have only a small effect on sales and profitability. Still, marketing teams that have social-minded CEOs should consider social media components to help gain executive buy-in.

Faster decisions

"One of the biggest complaints we hear is that it may take corporate marketing departments weeks to make decisions that can be made in hours from within a marketing

department channel," Collins explained. "The reality is that while you need to be able to make the decisions fast, you also need checks and balances, and that's an area where automation can help. You can have a review and approval process, automated so executives or managers can look at a campaign, verify it, compare the list, and say, 'OK, this is good to go.'"

In addition, marketing automation solutions can often keep campaigns and projects available in a centralized system that can be logged so that business team members can see what's been done, what's happening, and what will happen.

"It can enable you to be nimble and quick—and not contradict what's being marketed to customers in other channels," Collins added.

Automation for more automation

In an ironic twist, small and medium-sized businesses often find it difficult to define tangible business benefits when they don't have enough customer and campaign data accessible to make their case. In these situations, Gartner is seeing smaller customers that simply avoid multi-million-dollar on-premise solutions in favor of smaller, more tactical Software as a Service (SaaS) solutions, purchased with the intent to help the company learn, gain data, and build a business case—kind of like sticking a toe in the water before jumping in head first.

"I've seen companies that didn't have the in-house tools to model their data, so they used SaaS to help them learn and model—and then make a more permanent, long-term cost-of-ownership equation for more marketing automation," Collins said.

The right offer at the right time

Another key area where marketing automation solutions can be efficient with thousands or even millions of customers is identifying and delivering the right offers at the right time.

"We had the epiphany with this in the call centers years ago, and now we're trying to put this online, to come up with the right offer in real time, paying attention to the changes that

are coming in and using that to come up with the next best offer," said Adam Sarner, a research director for Gartner and a colleague of Collins.

More importantly, each marketing organization will need to generate its own list of must-have benefits; and for Sarner, this means looking for purpose.

"What we've found is [that] if there's not a clear purpose associated with a business result companies are looking for, and if there's not a clear purpose on the customer side—why they are participating in the first place—we usually see a failed project," he said. "So we look at this idea of mutual purpose: What's in it for us? Is it measurable? And what's in it for the customer? What's their motivation for participating? You should stick the idea of mutual purpose around a buying process and start there," Sarner said. "For example, ask, 'Where does harnessing a social media component move customers along the buying process?'"

The same question, of course, helps identify benefits via almost any channel in a campaign.

Start the business case for marketing automation with savings, but complement with revenue

A compelling business case for marketing automation software starts with savings and efficiencies but should also show revenue potential.

By Chris Maxcer, contributor

When it's time to identify the worth of a marketing automation solution, many marketers stumble. They need to make a strong business case to upper management to justify the expense, the time, the shifts in processes and impacts on related areas of the organization. But if marketers try to make a business case solely with persuasive and positive words and images, they may be doomed to a polite rejection. With a good business case, revenue and tangible outcomes are king. In order to turn hazy plans into concrete new realities, marketers will have to follow the money.

Chicken before the egg?

"The challenge so often is there haven't been systems in place to track costs and understand costs that go into a particular campaign, so it's been hard to understand the cost side of the equation," said Kim Collins, Gartner's managing vice president of CRM and agenda manager for marketing and sales strategies, processes and technologies. "Once you start to automate, if you put in some marketing automation solutions, you can capture that more easily."

But it's not just freeing up some time with automation that will sell people on marketing automation.

"The harder problem comes with revenue," Collins said. "If I pass off a lead to the sales channel, sales wants to get all of that revenue credited to it—and marketing doesn't necessarily get any credit for that sale. The same thing is true with the other channels. If I send a lead out through the contact center where telemarketing is being done, or if I send it out on a social channel, I might not be able to know if they actually became a client. It's

hard to track, making revenue attribution models very difficult to understand with marketing."

What's the answer? While a marketing automation solution can help by giving an organization important data surrounding costs, it can also help identify and manage results as they are passed into other channels. A print advertising campaign, for example, may still be particularly difficult to track, but an email campaign or online event-triggered offer can more easily be credited to a marketing catalyst.

"It's all about being able to attribute value back to what marketing is doing," Collins explained, noting that marketers will need to puzzle out a reasonable equation or rules of thumb as they make their business case

The upside of costs

"It's an easy sell for components like marketing resource management (MRM), where you can point out how much cost you can cut out, what level of productivity and throughput you can increase with it," Collins said.

That can be put into a fairly straightforward business case, but it's much harder to show the dollar value of improving the brand via sentiment analysis.

"What's the impact of the chatter out there, negative and positive," Collins asked. "It's very hard to come up with an attribution model for those areas."

The key takeaway here is that extra due diligence in nailing down cost savings and expectations can go a long way to justifying a marketing automation solution -- and in some cases, cost reduction and productivity gains can make the case all on their own.

Look for fast benefits

If a marketing team can reduce the time to deployment and put a solution to work faster, it can sometimes help spur executive approval. In this way, Software as a Service (SaaS) solutions can reduce the initial capital outlay and let an organization ease in with specific

campaigns or efforts that may be able to show value more quickly than large-scale, big-bang rollouts.

"Some are focusing on total cost of ownership (TCO) and time to benefit—these have always been important and have made the SaaS model pretty compelling," said Warren Wilson, research director for Ovum. "You have no up-front costs for hardware or licenses, no software to install or maintain, and rapid time to benefit—import your data and you're good to go."

Also, the recession has served to make those features more compelling.

"Still, many companies continue to prefer the security of having their apps on-premise, and if they have the resources—financial and human—they often choose that route," Wilson said.

Gartner's Collins is seeing similar sentiment for quick returns. With a faster deployment option, she said, marketing organizations can push a business case forward if they focus first on the near future.

"Identify, in the first year, the two or three things you want to do with the system," she recommends, "and know that in the second year, it'll be used for many more things, and the value will go up."

A shortlist for action

According to Ray Wang, partner of enterprise strategy for San Mateo, Calif.-based Altimeter Group, many business cases can be less intimidating and can be tackled if you turn your attention to a few key areas:

- **Focus on the expected outcomes.** "Are you seeking to improve reach per dollar? Can every dollar shifted from analog to digital raise the impact -- and by how much?" Wang asked.
- **Streamline the key processes.** "Take the commoditized processes and automate," he said, noting that lead management and lead qualifications should be automated with rules. Similarly, budgeting and forecasting should be streamlined and more collaborative.
- **Don't be afraid to use a manual solution.** "Sometimes, you can't automate a process," Wang explained.

"Remember that marketing is still an art," he said. "But it's more credible with some numbers."

Ten best practices for implementing marketing automation software

Like any software implementation, marketing automation poses risk. These 10 tips can help you avoid failure.

By Chris Maxcer, contributor

Any significant software implementation presents the prospect of failure, and marketing automation solutions have their fair share of potential pitfalls.

With some handy best practices, however, smart marketing automation implementation teams can avoid the deep, dark holes by charting a clear path to their desired destinations. Most importantly, many of the truly critical best practices depend on advance preparation to ensure implementation success as marketing automation technologies go from purchase to getting put to work. Here's a closer look at 10 best practices:

Define problems, then work through solutions

According to Warren Wilson, research director for Ovum, a London-based research firm, a common mistake is looking to technology to magically solve an ill-defined business problem. "It's crucial that companies define exactly what problem they're facing, how they'll measure success, what milestones along the way will tell them if their project is on track, as well as what ongoing metrics will tell them if it's delivering the benefits they sought," Wilson said.

Don't skimp on the user interface

User adoption is crucial, Wilson notes, and many marketing automation vendors have been focusing on making their user interfaces (UIs) more intuitive. If a marketing automation solution has powerful analytics and is priced right, for example, it could all come to naught if end users can't understand it or are unable to get their jobs done. In addition, some vendors are doing a better job of tailoring their applications to specific user roles, Wilson explained, so the user sees only the functionality that is relevant to his or her job.

Make a clear path to sales

According to recent research from IDC, as much as 80% of the content that marketing generates is not used by sales, even though much of it is specifically created for sales and channel enablement. Similarly, IDC believes that in typical organizations, as much as 20% of total sales and marketing expenses can be saved by streamlining and automating key sales and marketing processes.

How to get there? Use a framework that defines a common set of definitions for inputs and outputs, such as suspects, responses, leads, sales qualified leads, opportunities, and wins.

"Automating these processes is an opportunity to achieve better operational and cultural alignment between marketing and sales," said Gerry Murray, research manager of IDC's CMO Advisory Service. "Successful implementation will require executives to institute standard definitions for lead qualification and escalation, establish joint teams to drive sales enablement, coordinate metrics across the two groups, and increase transparency and reporting. The end result should be a shared set of objectives and tools to help both organizations optimize the customer experience."

Marketers must sell or provide customer service

For R. "Ray" Wang, partner of enterprise strategy for Altimeter Group, marketers must understand how to seal the deal and support customers. "I think everyone in marketing or in a company should at least serve a tour of duty in customer support and sales," Wang said. "If not, at least sit in on the calls. It helps put marketing in perspective for the end customers, which is the sales, service, and related product teams."

Don't be a social lemming—look before you leap

"Organizations are looking to leverage social communities for marketing, but all too often, people just jump into it," said Kim Collins, Gartner's managing vice president of CRM and agenda manager for marketing and sales strategies, processes and technologies.

"I recommend that you first listen—listen to what's going on and learn how people are using those social media channels," Collins added. "You want to hear them before you take action."

Because marketers have tended to abuse every channel—telemarketing is now the bane of everybody, we have tons of mail that just gets thrown away, and we all get spam—jumping in can get you into trouble with your customers."

The takeaway, she said, is to figure out how people want to be communicated with, how often, and where before you attempt to implement a solution.

Educate early, train for success

According to Collins, organizations that achieve the most success with marketing automation solutions tend to invest heavily in training and education.

"Before you even start looking for a solution, you should start educating your people about the changes that will be coming, of the strategy that's changing, how the processes will change, and how the solutions will make them more efficient," she said. "[And] you have to sell it to them and actually get their input early on in terms of what a user might want to see in a system and what might help them. By the time you've selected the solution, the training becomes more about how to drive value out of the solution."

Be ready to act

In addition to creating a technological framework and process alignment with sales, marketing organizations need to move their campaign efforts beyond the catalysts that drive customers to act. "A common issue with event-triggered offers is execution," Collins said.

For example, a well-structured offer for a new service plan could easily spark a customer to call sales to sign up, but if your sales team isn't familiar with the offer, they might not only lose the deal but paint a picture of incompetence. "You need to have all of your people well trained and ready for the customer," Collins said.

Get executive sponsorship

A common must-have best practice for successful software implementations across industries and around the world, marketing organizations must also find executive sponsors who understand the value of marketing automation solutions, as well as the far-reaching requirements for the process changes that make them effective.

"You've got to have someone in a senior leadership role to take responsibility and drive those changes," Collins stressed.

Follow the CEO

Similar to nailing down executive leadership is the notion of CEO alignment.

"For the marketing automation solution you want to implement, make sure that it ties into some of the larger company goals," said Adam Sarner, a director of research for Gartner and a colleague of Collins.

"If your CEO is talking about retention, then your marketing automation plan should be focused on retention. We still see a lot of mistakes where a group will go after something that has nothing to do with the top-line interests, and guess what, it doesn't get funded."

Set yourself up for quick wins

Because budgets have been so tight over recent years, marketing groups are now facing accountability requirements where they have to prove the value of their efforts, according to Sarner.

"The cat is out of the bag—before you get these big marketing budgets, you have to prove the effectiveness of where the money is going and why," he said. But how? "Start small and come up with quick wins. Show those wins to expand marketing projects to get more budget—show the ROI—and create milestones and identify the purpose of what you're going for. Is it retention? Acquisition? Get much more focused on the business goals and then prove them," Sarner suggested. "That's the best way to get started on marketing automation."

Resources from Marketo



[Marketing Automation Buyers Kit](#)

[The Definitive Guide To Lead Nurturing](#)

[The Definitive Guide to B2B Social Media](#)

About Marketo

Marketo provides sophisticated yet easy marketing software that helps B2B marketing professionals drive revenue and improve marketing accountability. Our demand generation solutions automate lead generation campaigns and lead management activities including email marketing, lead nurturing, lead scoring, and landing page optimization to help marketers generate and qualify sales leads, shorten sales cycles, and improve conversion rates. At the same time, our marketing analytics give marketers the tools they need to measure results and demonstrate marketing accountability, helping turn marketing from a cost center into a revenue-generating part of the company.