

What exactly is a marketing automation tool?

What is a marketing automation tool? Is it the “go-to” tool for lead management, or will your Customer Relationship Management software suite suffice? Is Email Marketing the same as Marketing Automation? Is Marketing Automation a ‘nice to have’ or a ‘need to have’? And how exactly does “marketing automation” fit within the notion of an integrated CRM solution anyway?

These are all valid questions that our NZ Customers ask us every day, the following Whitepaper 'What is Marketing Automation' attempts to clearly answer these questions:

Let's start with a definition of marketing automation.

Wikipedia defines Marketing Automation as:

'Marketing automation refers to software platforms and technologies designed for marketing departments and organizations to more effectively market on multiple channels online (such as email, social media, websites, etc.) and automate repetitive tasks. Originally focused on email marketing automation, marketing automation refers to a broad range of automation and analytic tools for marketing[1] especially inbound marketing. Marketing Automation platforms are used as a hosted or web-based solution, and no software installation is required by a customer.'

Marketing automation focuses on the lead acquisition and demand generation activities within a marketing group, as opposed to the sales activities, where CRM systems as a whole tend to focus. Simply put, these tools automate marketing processes — and include features and functions such as:

- campaign design and customer segmentation
- lead generation
- nurturing campaigns
- lead and prospect scoring
- closed loop analytics
- Web Site Tracking
- Process Automation

"The reality is that marketing has been largely under served from CRM providers, so other vendors saw a gap in the market and decided that they were going to serve the marketing organization with the right automation tools," explains Suresh Vittal, a vice president and principal analyst at Forrester Research. Marketing automation is technology that allows you to nurture leads through automated campaigns"

Vittal continues:

"Many of the large CRM vendors don't provide the type of flexibility and capability for efforts like lead management to the marketing organization as they do to the sales organization. The marketing capabilities delivered within CRM applications tend of focus entirely around campaign setup and profiling. They don't support marketing professionals in creating dynamic landing pages, implementing sophisticated nurture campaigns, tracking online visitor behaviour, scoring prospects by implicit and explicit actions and automatically transferring prospects to sales staff when they are sales-ready via Marketing Automation."

The gap left by the traditional CRM Vendors including SugarCRM has given rise to a host of specialty and marketing niche players, including Eloqua, Marketo, inBOX25, Pardot, Silverpop, Exact Target and Unica, to name a few. These organisations provide a specific set of functions to Marketing Professionals within an organisation over and above standard email marketing.

So what's the difference between Email Marketing and Marketing Automation?

From a technology perspective, marketing automation software triggers various events when the right conditions are met: It can alert a salesperson when a high value prospect spends time looking at your pricing on your website; it can schedule a call from the assigned sales rep to a particular prospect; it can launch a targeted email to that prospect or add them to a pre-built email drip or lead nurturing campaign; it can score your prospects based on behaviour and qualifications and let you know when a score reaches a "sales ready" threshold. Ideally, it should be possible to trigger each of these actions based on any combination of conditions you choose.

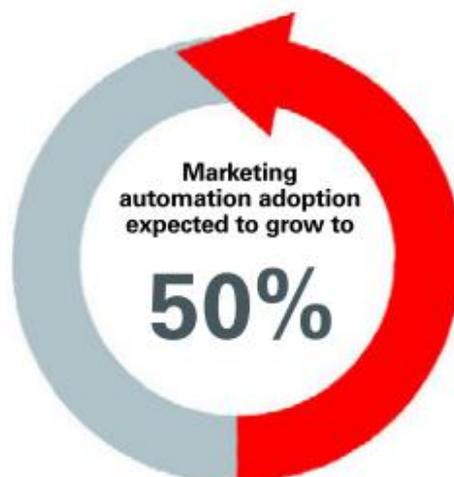
Email marketing is an unintelligent solution: you launch your email to your list, get stats on opens and click-throughs, and hopefully generate some revenue from your email "blast" with a follow up phone call if you can get your sales guys to follow up in time! This has come to be known as "spray and pray".

A marketing automation system is highly intelligent as it knows not only who opened and clicked through from your email, but also which pages each prospect viewed and for how long. It knows which prospects downloaded your white paper or filled out a form. It ties to the contact within the CRM system and knows the relative value of each of these prospects. Most importantly, it scores and qualifies each of these prospects based on who they are and how they interact with your campaigns and website and escalates quality leads so that sales can focus their time on the best prospects. In effect it automates the warming up process with leads and allows organisations to achieve significant scale and branding benefits and allows sales staff to focus all of their efforts on closing warm/hot leads!

Is it a 'need to have' or a 'nice to have'?

Benchmark data from research firm Sirius Decisions indicates that the number of B2B organizations using marketing automation is accelerating, and adoption rates will grow to 50% market penetration by 2015. The Modern Marketing era is driven by the self-educated buyer who marketers must engage to achieve a relevant, targeted, and value-based customer experience. According to Phil Winters, Customer Strategist 60% of a purchase decision within a B-B environment does not involve a sales person. The web provides a huge reasonably agnostic education tool for potential buyers hence the importance of relevant digital content and marketing automation:

This access to vast sources of information that marketers are applying to execute and achieve more refined marketing simply can't be gleaned manually. Buyers demand and deserve value-based interactions across all points of engagement. More importantly, timing and relevance are critical factors for content delivery and sales engagement. It has become a mandate to tailor content aligned to the buying process in a manner that demonstrates how your solution or services can help prospective buyers address their challenges and objectives. People have no interest in being inundated with product specs. They do, however, seek informative interactions to support their search. Marketers are leveraging the power of marketing automation to refine, target, and optimize program initiatives, including customizing content and automating communications. Marketing automation technology empowers marketers to improve their knowledge of buyer behaviour and understand how it plays out in campaigns.



How does a Marketing Automation Tool fit with an integrated CRM?

While Customer Relationship Management (CRM) tools and marketing automation systems are complementary, they both serve different functions that only reach their full potential when paired together. A CRM is primarily a sales and service tool, focused on collecting data about existing customers and managing new prospects and sales opportunities. Marketing automation is focused on lead generation and personalized, one-to-one communications powered by the data collected through prospect and visitor tracking.

To break it down even further, your CRM is essentially a database. Marketing automation is the tool that allows you to execute on the information stored in that database. Integrating the two systems allows you to sync information bi-directionally, meaning that an update to a record in your CRM will automatically be made in your marketing automation tool as well (and vice versa). Having this steady “communication” between the two platforms is what makes this connection so powerful, while also ensuring that data is always consistent.

So what are a few examples of how your CRM and marketing automation tool can work together? Let’s take a look:

➤ **Effective Filtering and Segmentation**

An effective CRM is full of valuable data across leads, prospects and customers. All CRM users feed the machine and this makes it an ideal place for a marketing professional to complete their segmentation and filtering. Target lists or CRM Lists are produced that update automatically into the Marketing Automation platform and these lists will grow automatically overtime. Individual segments within these lists can also be applied

➤ **Tracking a contacts 'digital body language'**

Having marketing automation in addition to your CRM lets you go beyond basic demographic information in your prospect records to detailed behavioural tracking. In advanced CRM systems, you can see what pages your prospects are visiting, what types of content they’re interested in, and where they are in the buying cycle. This information is fed from the Marketing Automation platform into the CRM automatically.

➤ **Automate Lead Qualification and Assignment**

The data gathered via your marketing automation system can be used to score and grade leads so that you always know which leads are the most qualified and the best fit for your product. When they reach a certain scoring threshold, you can use your marketing automation tool to automate lead assignment within the CRM system, cutting down on your manual processes and ensuring that lead assignment is both fair and efficient.

➤ **Campaign ROI**

But one of the age old challenges that marketers have faced is proving the actual end \$ value of all the campaigns, the blog posts, the digital content, the landing pages, and the leads they generate. This is very hard to achieve (almost impossible) without a CRM system as a CRM system is where the \$ value of opportunities that originate from specific marketing campaigns are recorded. The CRM makes the Marketing Automation tool much more tangible as the Marketing Professional is able to prove the success of one campaign compared to another.