# 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.
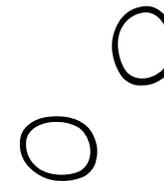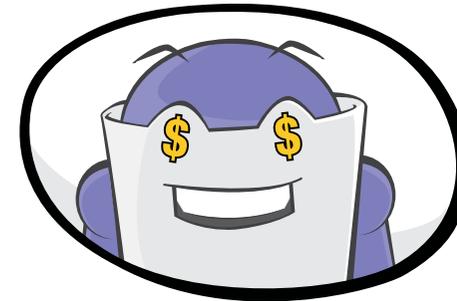
# MARKETING AUTOMATION DEFINED

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.

# MARKETING AUTOMATION DEFINED

**Features of marketing automation platforms**

Features include email marketing, landing pages and forms, campaign management, lead nurturing/scoring, lead lifecycle management, 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
CRM Integration
Social Marketing
Resource Management
Marketing Analytics

} **Marketing Automation**

# MARKETING AUTOMATION DEFINED

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## 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 your 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.

# 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** (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

# 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 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**

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# 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.

# ABOUT THIS GUIDE

# #DG2MA

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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.