

## **A primer on marketing automation for instructors of college-level marketing courses**

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### **ABSTRACT**

This paper can serve both as a primer for the instructor on the topic of marketing automation, and as an educationally valuable reading assignment for marketing students. The primer begins with two short vignettes that provide real-world examples of how and why firms are turning to marketing automation to make their marketing and sales processes more efficient and effective. After providing three definitions of “marketing automation,” the authors make the case that marketing automation is appropriate and cost-effective for SMEs as well as larger businesses. Next, the primer presents and supports ten reasons why businesses, especially SMEs, should make use of this technology. Finally, four examples of marketing automation tools suitable for use by SMEs are discussed. The primer is written in a manner that can be adapted with relative ease to a PowerPoint or Prezi slideshow to support an in-class lecture on the topic.

Keywords: marketing automation, SME, marketing process efficiency, sales efficiency, lead scoring, prospect tracking, targeted e-mail

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## INTRODUCTION

As the following paragraph documents, marketing executives at top firms in the U.S. and E.U. are realizing that they must cultivate close working relationships with their information technology (IT) departments so that they can efficiently enhance the effectiveness of their marketing endeavors. A prime motivating factor behind this reality has been the rapid and continued development of marketing automation. Since this topic ordinarily receives either no, or at the most limited coverage in most entry-level college marketing textbooks, the authors provide here a primer on marketing automation. While the focus of this primer is on the marketing automation opportunities available to small- and medium-sized enterprises (SMEs), the discussion can easily be expanded to include the use of marketing automation by large firms.

## COLLABORATION BETWEEN MARKETING AND IT

According to *eMarketer*, a recent survey of marketing managers in the U.S., France, Germany, and the U.K., 39 percent of those involved with business-to-consumer (B2C) marketing said they already have a fully collaborative relationship with their IT department, 27 percent said they should have such a relationship with IT within the next 12 months, and another 15 percent said their relationship development with IT will take between one and two years. Thus, 81 percent of survey respondents indicated that they either already have a collaborative relationship with IT, or plan on developing such a relationship in the near future. Regarding these results, *eMarketer* says, “Working together with tech departments is a must-do for marketers, especially as *marketing automation* and other marketing technology applications become more prevalent” (*eMarketer*, 2015; emphasis added).

## MARKETING AUTOMATION IN ACTION

A recent Google search on the term, “marketing automation case study” returned 1,470 results. Two of these have been digested into relatively brief vignettes to demonstrate why the use of marketing automation is becoming increasingly prevalent.

### Lead Scoring and Nurturing at McAfee

CRM Technologies’ Marketing Operations reports that the market-leading security technology firm, McAfee, realized that its revenue growth was the result of close collaboration between its sales and marketing teams (CRMT, 2012). Over time, however, those in sales became disenchanted with the quality of many of the leads that were being sent to them from marketing’s multi-channel lead generation programs, and began to believe that it was not worth the effort to follow up some of them. This situation caused marketing to realize that, while the volume of leads was outstanding, it would be quite beneficial to develop an automated approach to evaluating (or scoring) responses to its various programs so that only “quality leads” were sent along to sales. Those leads that fell below the quality threshold would not be discarded, however; instead, marketing viewed them as ideal for candidates for nurturing through what might be called a “quality-enhancing journey.” Marketing envisioned this program as one that would provide the nurtured with “the right information at the right time in the buying process to enable leads to becoming sales-ready over time “ (CRMT, 2012). To fulfill its vision, McAfee

eventually used CRM Technologies' Eloqua software and services to develop a sophisticated lead scoring and nurturing program for its worldwide operations. The result not only has been a more harmonious working relationship between McAfee marketing and sales, but also 35 percent fewer, albeit more highly qualified, leads and a fourfold increase in conversion rate. (A detailed case study can be found at CRMT, 2012.)

### **Increasing Marketing Productivity at LeanLogistics**

On its website, Marketo tells of its relationship with LeanLogistics, a leading developer of applications for supply chain and transportation management systems (Marketo, 2015). The company, whose clients include such firms as The Dannon Group and Ace Hardware, assists its clients with increasing supply chains efficiencies and also helps shippers, carriers and others with cost reduction, service improvement, and supply chain visibility. LeanLogistics had been using an outdated marketing automation system, which was manually integrated with Salesforce.com, but realized that a state-of-the art system was required for increased growth. The company's research led them to choose Marketo's marketing automation solution because of its perceived capabilities, customization features, value, and ability to integrate with Salesforce.com. By the end of the first week with Marketo, LeanLogistics was launching marketing campaigns for both webinars and trade shows. The company says that, while those campaigns previously had taken 2 to 3 days to put together, they only took 2 hours to launch with Marketo. Webinars and tradeshow that formerly required 6 weeks to prepare, took just one day with Marketo. These efficiencies allowed LeanLogistics to substantially increase not only the number (twice the number of campaigns created in the same amount of time), but also what it views as the quality, of the campaigns it is launching. Furthermore, by using Marketo's "task" function, LeanLogistics marketers can observe lead progression and increase conversion rates. Finally, Marketo's features also allow LeanLogistics to maintain all of its webinar and tradeshow registrants in one place, allowing the company to track all communication and feedback related to its events in increased detail. LeanLogistics' marketing team believes that Marketo has given it the ability to develop powerful, mutually beneficial working relationships with both their sales and client services teams. (A detailed case study can be found at Marketo, 2015.)

### **MARKETING AUTOMATION: WHAT IS IT?**

*Marketing Automation Times* says that "Marketing automation ... focuses on the definition, scheduling, segmentation, and tracking of marketing campaigns (with the objective of making) processes that would otherwise be performed manually much more efficient, and (making) new processes possible" (MarketingAutomationTimes, 2015). The Content Marketing Institute explains that marketing automation "... takes traditionally manual tasks and, well, automates them; (thus), ... activities such as contact management, list segmentation, lead scoring and nurturing, A/B testing of website pages and offers, email marketing, and performance measurement and reporting can all be done more efficiently through automation." (Roetzer, 2014). And finally, *Sales Lead Insights* states that "Marketing automation is the use of technology to generate, nurture, score and qualify leads, and drive sales using customized, multi-touch marketing communications that are tailored for each contact's profile, level of interest, behavior, or place in the buying process" (Macintosh, 2010).

The common thread that seems to run through these three definitions, as well as the many others one can locate online, is that marketing automation streamlines the various marketing processes by using technology to automate marketing-related tasks that formerly were accomplished manually.

## **MARKETING AUTOMATION: BY THE BIG AND FOR THE BIG?**

The majority of the 1400+ marketing automation case studies that the authors located online discuss how large providers of enterprise marketing automation solutions -- Hubspot, Marketo and Pardot are the market share leaders (Alp Mimar, 2015) -- were able to help a various relatively large businesses streamline their marketing processes. This fact begs the question, "Is marketing automation only for large companies?" As demonstrated below, the answer to that question is, "No." That is, while marketing automation, because of its high cost, originally might have been reserved for larger firms, lower-cost platforms that are more suitable for the budgets of small- and medium-sized enterprises (SMEs) continue to come on the market. The remainder of this paper discusses why SMEs should use marketing automation and summarizes the features of four web marketing automation tools suitable both in scope and in cost for use by smaller firms.

## **MARKETING AUTOMATION: REASONS SMES SHOULD USE IT**

Why are more and more businesses using, or considering using, marketing automation? More specifically, why should an SME consider its use? The following paragraphs discuss ten potential answers to these questions.

### **Marketing Automation Combines Marketing Functions**

Marketing automation platforms can combine a company's various customer acquisition and retention channels. Thus, with marketing automation, a single software suite is managing such activities as email, social media, landing pages, webinars, and even offline activities like direct mail. Combining these channels can be a time-saver for the marketer, and might even be a cost-saver, if the firm formerly was paying for separate platforms to manage these tasks.

### **Marketing Automation Integrates Marketing Channels**

Combining marketing channels has its benefits, but marketing automation also offers the opportunity to integrate them as well. The result: rather than launching incohesive campaigns through isolated "silos" within the organization, marketing automation can make a firm's messaging uniform across the many channels it uses to "get out the word."

### **Marketing Automation Supports the Customer "Journey"**

Prospects do not always click the "Buy Now" or "Subscribe" button the first time they hear a business' marketing message. When that is the case, the marketer needs to lead them along a path as they journey from prospects to buyers. Along that path, the marketer wants to create as many touch points as possible with the objective of leading prospective customers in

the right direction. Marketing automation allows marketers to design, or map out, those touch points along the prospect's journey so that marketing messages that are timely and relevant can be delivered. Ultimately, of course, the desire is for the prospect to initiate actions (i.e., completing a web form), which can lead to real-time interaction when the prospective customer is ready to buy. A marketing automation platform can design and track all these activities.

### **Marketing Automation Offers a Comprehensive View**

When the data from a variety of touch points are integrated, the marketer obtains an all-inclusive view of the customer/prospect. For example, Whoopra builds a comprehensive profile for each prospect/customer, and then allows the marketer to synchronize customer data and track customer activity information the firm's website and mobile application, email activity, help desk contacts, live chat, and other touch points (Whoopra, 2015). This type of comprehensive information would be quite difficult, if not impossible, to obtain if each bit of information resided on its own platform. With marketing automation, information from each touch point is fed into the profile for each customer/prospect. This comprehensive information, in turn, can be used to create and send custom targeted marketing materials and campaigns.

### **Marketing Automation Tracks, Nurtures, and Qualifies Leads**

Most marketing automation software platforms have a customer management component that can be employed to track, nurture, and qualify leads, with the objective of closing more sales. For example, the Leads and Sales Pipeline from InTouch allows the marketer "to manage opportunities through (the firm's) sales funnel, from initial contact through to a win or loss" (InTouch, 2015a). Many customer management tools can also be used to project revenue growth and more accurately manage cash flows.

### **Marketing Automation Produces Detailed Reports**

The fact that marketing automation platforms integrate marketing channels gives the user the ability to track all of their firm's marketing activities and generate custom reports that detail results. While individual platforms, such as Google AdWords, have reporting functions, they cannot integrate information to the same degree and detail that marketing automation platforms can. For example, Infusionsoft's Dashboard can, in one place, report such items as email open rates, email click-throughs, new contacts, new qualified leads, opt-outs, email broadcasts sent, number of active webforms, contacts captured by web forms, and active automation links (Infusionsoft, 2015a).

### **Marketing Automation Fosters Coordination between Marketing and Sales**

When marketing and sales are not coordinated, leads generated by marketing campaigns may not be efficiently converted into revenues by sales. Marketing automation can help remediate this problem by providing the same information to both marketing and sales. Ordinarily, the provision of this data is accomplished through a marketing automation platform's customer-management tool. This data can be used by marketing to create customer profiles and marketing materials designed for each customer and/or prospect persona. Furthermore, sales can

use the data to help qualify individual prospects with regard to their purchase readiness, and then can jointly work with marketing to move each prospect along a journey to buying. (For an example of this coordination at work, see the above McAfee vignette.)

### **Marketing Automation Can Reduce the Learning Curve**

When any business function employs a variety of disparate software packages, much valuable time must be invested in learning how to use each one. With marketing automation, on the other hand, there is only one platform to master; thus, the learning curve is reduced. Additionally, most marketing automation packages designed for SMEs are quite user-friendly; that is, they do not require the user to understand software design, how to use HTML, or master other software development skills. In fact, a number of these platforms include ready-made, easy-to-use templates that can be customized with the SME's own branding.

### **Marketing Automation Increases Personalization**

The sceptic might contend that marketing automation makes dealings with customers/prospects quite impersonal, and that is a fair argument since automation cannot substitute for face-to-face dealings with customers and prospects. On the other hand, marketing automation facilitates the tracking of such valuable information as the marketing and other content consumed by customers/prospects, the keywords for which they search, the emails they have opened and clicked on, and even their interactions with the business on social media. When this information is aggregated and analyzed for each customer/prospect, the business can then target individuals and market segments with offers and other marketing messages that are personalized to their demographics, interests, online behavior, goals, etc.

### **Marketing Automation Makes Marketing More Productive**

While individual specialized tools, such as email marketing platforms, might do some things better than marketing automation services, the time-savings offered by the latter can overshadow any lack of functionality. Being able to perform more marketing tasks in the time available makes the marketing function more productive and potentially more effective, as was demonstrated by the two introductory vignettes included earlier in this paper.

## **MARKETING AUTOMATION: FOUR EXAMPLES OF PLATFORMS FOR SMALL BUSINESSES**

As can be discerned from the preceding discussion, marketing automation platforms offer much potential to assist SMEs with their marketing efforts. And, as was mentioned above, today there are a number of affordable, user-friendly packages on the market. Each of these has the ability to combine several marketing functions under a single interface, and that can be a real time-saver in the world of business where, as the saying goes, "time is money." The following paragraphs summarize the features included in four marketing automation tools that are suitable for SMEs.



## **InTouch**

InTouch (<http://www.intouchcrm.com>) calls itself “The All-in-One Email Marketing & CRM System for Your Growing Business,” and says that it “... provides everything you need in one place to manage the acquisition and nurturing of new and existing customers (InTouch, 2015b).” The InTouch platform includes the following components:

- A contact management database designed to be the starting point for all marketing and customer communications. It is designed to simplify the task of sending the correct messages to the correct people in a timely manner.
- An e-mail marketing tool that allows users to “build relationships, send offers to the right people at the right time, track response rates and follow up.”
- An automated campaigns feature, which allows businesses to build and automatically send out predefined emails to educate, sell, say thank you, gain feedback, etc.
- A web forms tool designed to make it simple for customers/prospects to self-add their information to the business’ contact database, as well as to easily subscribe to the firms’ email lists. Tasks such as sending out follow-up emails, grouping contacts, ensuring contact follow-up, advancing leads to the sales pipeline and others can all be automated.
- A marketing survey tool allows the marketer to quickly develop custom online surveys that can be distributed to contacts by means of an email campaign.
- An social media management feature that allows the user to manage all the firm’s social media interactions from a single interface. Tweets can be sent with just one click. The business’ Facebook profile and other information can be maintained from within InTouch. Email campaigns can be tweeted to let contacts know what those campaigns are saying. Social sites can be added to email campaigns to make it simpler for contacts locate the business’ Facebook and Twitter pages, and contacts can be directly imported into the InTouch database from the firm’s Twitter account.
- A text messaging tool, which allows the marketer to send text messages directly to customers who have agreed to receive them (i.e., those who have opted in). This feature is quite powerful because the marketer knows that texts ordinarily get read.
- An easy-to-use drag and drop sales pipeline management tool that gives the marketer a central interface that can be used to track prospects from the first contact through to a sale, or other event viewed as a success.
- An interactive shared calendar to facilitate time management without the need for additional software. This online team calendar allows the user to maintain all appointments, meetings and projects, establish deadlines, and generate automated task reminders, all of which are shared with any team members in real time.

The reader can learn about the cost of InTouch at: <http://www.intouchcrm.com/pricing/>.

## **SalesAutoPilot**

SalesAutoPilot ([www.salesautopilot.com](http://www.salesautopilot.com)) bills itself as “the world's most sophisticated yet easy to use "all-in-one" marketing and sales machines ... (that provides) professional email marketing, CRM, multi-channel communication and e-commerce ... (Sales Autopilot, 2015).” The platform, which is primarily intended for businesses involved with e-commerce, is module-based and includes the following components:

- The “Marketing Autopilot” is an e-mail marketing tool with a number of features. It allows the marketer to easily prepare and distribute surveys, polls, email newsletters, and transactional emails, to set up automatic responses to incoming emails, to segment mailing lists according to pre-defined criteria, and to conduct A/B split testing. In addition, it can be integrated into Google Analytics.
- The platform’s “Ecommerce” component provides SKU management, order form creation, personalization features, order tracking, a variety of payment options including PayPal integration, shipping options, and integration with Google Analytics.
- The “Multichannel Communication” component is capable of sending text messages, direct mail, and conducting telemarketing campaigns.
- The “Customer Management” module gives the marketer a complete contact/customer history, the ability to schedule tasks and event, and access to sales activity reports. It also can be integrated with Google Contacts.

The pricing structure for Sales Autopilot can be found at: [http://www.salesautopilot.com/prices#.Vj9wi\\_mrS70](http://www.salesautopilot.com/prices#.Vj9wi_mrS70).

### **InfusionSoft**

Infusionsoft says that its sales and marketing platform can be used to help “harness the power of automation to organize contacts, turn leads into customers and transform customers into raving fans like no other software on the market (InfusionSoft, 2015b).” The platform includes a number of marketing automation features, including the following:

- A customer management component designed to allow the marketer to organize contacts in ways that lets him/her become more familiar with customers/prospects, so that their individual needs can be addressed.
- An email marketing tool, which gives the marketer the ability to “trigger personalized communications based on email sends, opens, clicks, form submissions, and payment history, so (the marketer knows) messages will be timely and relevant to customers' needs (Infusionsoft, 2015b).”
- Ecommerce shopping carts
- A contact organization feature that, among other things, allows the marketer to segment and tag customers/leads for personalized follow-up.
- A lead database that gives the marketer the ability to collect data about the behaviors of leads.
- A lead scoring feature that allows the marketer to generate a lead-quality score based on interactions with the company and its marketing campaigns.
- A lead prioritization tool that lets marketing and sales classify leads based on how ready they are to buy.
- A customizable Homepage dashboard that can be designed to suit the roles and responsibilities of each user of the platform by means of a variety of drag-and-drop widgets that quickly give access to reports, statistics, and other information the user considers being high-priority.

Infusionsoft also offers at no cost, and in advance of contracting for its services, what it calls its “Sales and Marketing Scorecard, which assesses which of a firm’s marketing strategies are effective and which are not. The Scorecard appraises the marketer’s sales and marketing



based on how effectively they attract leads, increase the customer base through follow-ups, and cultivate customer loyalty. Information on Infusionsoft's pricing structure can be found at: <http://www.infusionsoft.com/pricing>.

## **Yodle**

Yodle's homepage (<http://www.yodle.com>) makes the following promise to businesses considering its use: "Find and keep more customers in just a few minutes a week. See why 50,000 small business owners trust Yodle with their local online marketing (Yodle, 2015)." Yodle's marketing automation platform, "Marketing Essentials," combines the following functions into a single integrated package:

- Website construction and optimization
- Listing in more than 50 business directories
- Search engine placement and search engine optimization (SEO)
- Construction and maintenance of a Facebook business presence
- Quick creation and distribution of special offers to the business website, Facebook Business page, to 50+ business directories, and via email to existing customers
- Simple creation and distribution of emails – appointment reminders, thank you notes, newsletters, holiday greetings, promotional messages, etc.

While Yodle does not publish its pricing structure on its website, one can learn about it by phoning one of its marketing consultants at: 888-724-9963.

## **SUMMARY**

This paper was written as a primer for instructors of college-level marketing courses who wish to enhance their knowledge of the increasingly important field of marketing automation. The primer begins with two short vignettes designed to provide real-world examples of how and why firms are turning to marketing automation to enhance both the effectiveness and efficiency of their marketing and sales processes. Next, this primer provides three definitions of "marketing automation," whose common thread is that it streamlines the various marketing processes by using technology to automate marketing-related tasks that formerly were accomplished manually. After briefly making the case that marketing automation is appropriate and cost-effective for SMEs as well as larger businesses, the primer discusses ten reasons why SMEs should make use of this technology. Finally, four examples of marketing automation tools suitable for use by SMEs are discussed.

The authors wrote this paper with the vision that it could serve both as a primer for the instructor and as an educationally valuable reading assignment for students in his/her marketing classes. Finally, the authors endeavored to write this primer in a manner that can be adapted with relative ease to a PowerPoint or Prezi slideshow to support an in-class lecture on the topic.

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