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Graduating from Email Marketing to Marketing Automation



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MARKETING AUTOMATION is technology that allows you to nurture leads through automated campaigns. Because marketing automation uses email as one of its methods for engaging customers, we are often asked, “What is the difference between Marketing Automation and Email Marketing?” For small businesses, marketing automation is a tool to take your marketing to the next level while saving your organization’s resources in the long run. Marketing automation builds upon your email marketing strategies to produce superior results. In this paper, we’d like to show you what marketing automation can do for you and help you decide if your organization is ready to graduate to a marketing automation solution.

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Businesses began to use email marketing in the mid-nineties. Today, it is one of the most powerful tools in any B2B marketer's toolbox. Compared to traditional marketing strategies like direct mail, print advertising, or trade shows, email marketing costs less and drives a higher return. It is also easier to measure success than with offline strategies, so the return can be easily tracked.

Not surprisingly, all of this has made email marketing a crucial tool for small businesses. Simple email marketing is particularly effective for immediate purchases. However, when the purchase of a product or service requires a lot of research and involves a longer decision-making process, simple email campaigns are less effective.

Implementing a marketing automation platform can dramatically increase the effectiveness of the email marketing strategy you already have in place.

USING EMAIL TO HELP CUSTOMERS THROUGH THE BUYING PROCESS

If your customers go through many stages in their buying process, your buying process is *complex*. For example, buying a car is a complex process. First you decide what features matter to you, then you research different makes and models, then you test drive each car, etc. On the other hand, buying a pack of gum is a *simple* buying process. You see it, and either you buy it or you don't.

There are many reasons why a buying process may be complex:

- Your product represents a significant monetary investment
- You have a product or service that is vital to the success of your customers
- The products and/or vendors require a lot of research
- Your customers will not be able to change their buying decision easily once it has been made
- Your market is relatively new
- There are multiple decision-makers involved in the purchase

When you have a complex buying process, your customers will not make a decision immediately after their first interaction with you. They will need to time to do research, reflect on their options, and ultimately come to a decision that makes them feel comfortable. In the past, buyers needed salespeople to help them through these stages. However, with the massive amount of information now available on the internet, buyers are doing a lot of the initial research and vendor comparisons on their own – without ever engaging with your sales team. Unless you know how to engage them, they will proceed through the different stages of the buying cycle on their own.

Your job is to help them through the buying cycle by providing relevant information at the right time. This lead nurturing will involve multiple communications, each containing the appropriate information. If you are using email marketing to send simple campaigns, ensuring that the right campaigns go to the right people at the right time is a cumbersome process. Marketing automation makes this process much easier, especially for small businesses with limited resources.

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WHAT IS MARKETING AUTOMATION?

In short, marketing automation uses technology to help you determine which stage of the buying process your customers are in, and to guide them to the next stage until they eventually buy your product. Instead of a marketing campaign with a single email, you can design campaigns with a series of emails and other customer engagements.

As an example, here is a very simple automated marketing campaign:

Step 1: You email an invitation to a download a free report.

Step 2: You send a thank you to the people who downloaded the report.

Step 3: Based on the industry of the people who downloaded the report, you send them a case study about another customer in the same space.

Step 4: If a customer clicked on the case study, you create an alert for the sales rep to follow up with the prospect.

FEATURES THAT GO BEYOND EMAIL MARKETING

The features of marketing automation extend well beyond email.

Integrated Marketing. Marketing automation integrates your website and email campaigns with every aspect of your marketing strategy. This allows you to create automated campaigns that include a variety of tactics, such as social media, direct mail, and telemarketing and more. By creating and automating integrated campaigns, you will have a much greater chance of engaging prospects in your database.

Analytics. Email marketing analytics include a standard set of statistics, such as open rates and click through rates. While these are useful, email service providers are unable to connect these data points to the thing that really matters: revenue. When marketing automation is integrated with a CRM system, it allows you to track and analyze leads through the entire buying cycle. This lets you determine the ROI on your marketing initiatives and allocate resources accordingly.

Landing Pages. Marketing automation enables you to quickly and easily create landing pages for your website without needing assistance from the IT or web department. Because landing pages are so easy to create, you can also set up A/B tests to see which pages convert more email recipients into leads. This allows you to maximize the performance of your marketing campaigns.

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THE ADVANTAGES OF MARKETING AUTOMATION

Saves the Marketing Department Time

In a small business with a limited marketing staff, the most precious resource is time. Marketing departments need to produce the most high-quality leads in the least amount of time. By automating marketing campaigns, your organization can take the manual work out of crafting each individual email. In the time that it used to take to create one email, you can set up an entire multi-stage campaign to nurture leads over weeks or months.

Save the Sales Department Time

Marketing automation can save the Sales Department a lot of time. For a sales representative, there's no bigger waste of time than chasing down a lead that isn't ready to make a purchase yet. Marketing automation can ensure that leads aren't passed to the Sales Department until they're ready by using lead scoring.

Marketing automation systems score your leads based on the way they engage with your campaigns. For example, a lead might receive five points if they download a white paper and ten points if they download a price sheet. (The assumption is that people who download a price sheet are farther along in the buying process.) Additionally, marketing automation can award points for certain demographic characteristics. For example, a lead with the word "Vice President" in his or her title might score higher than a lead with the word "Manager" in his or her title. (The assumption is that a Vice President has more purchasing authority than a manager.)
By scoring leads, you can ensure that you only send leads to your Sales Department when they are in the appropriate stage of the buying cycle. This saves your Sales Department the time and hassle of sifting through weak leads.

Enable Marketing to Produce More Sales-Ready Leads

If a potential customer engages with your campaigns, but isn't ready to buy yet, there's little more that you can do with a simple email marketing system except continue to email them. However, with marketing automation, you can continue to engage with that customer and look for signs that they are getting ready to purchase. For example, suppose your company attends a major trade show once a year. Your sales representatives will take the most qualified leads from this show, while the rest are entered into your sales database. With email marketing, these leads are rarely revisited even though many have the potential to become future buyers. Marketing automation, on the other hand, will continue to send them messages and monitor the website looking for behaviors indicating that they are looking to buy. When such a behavior is detected, the system will alert the Sales team to reach out. This makes every marketing program you conduct more effective, because you continue to receive the benefits of each program month after month.

Generate More Revenue

Email marketing provides basic metrics, like open rates and clicks. Unfortunately, these statistics don't show you whether or not your marketing campaigns are actually creating sales. Because Marketing Automation tracks customers through the entire buying cycle, it allows you to determine exactly how much impact each of your marketing programs are having on your revenue. This allows you to expand the successful programs, abandon the weak ones, and grow your top line.

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FEATURE COMPARISION

	Email Service Provider	Marketing Automation
Sends Mass Emails	**YES**	**YES**
Tracks Open Rates and Clicks	**YES**	**YES**
Easy to Build Landing Pages	—	**YES**
Easy to Build Web Forms	—	**YES**
Easy to Create Multi-Step Campaigns	—	**YES**
Integrates with all Direct Mail, Social Media, and More	—	**YES**
Data Deduplication and Normalization	—	**YES**
Scores leads	—	**YES**
Recycles and Nurtures Leads	—	**YES**
Ensures only Qualified Leads go to Sales	—	**YES**
Measures the impact on Marketing initiatives on Revenue	—	**YES**
Monitors Website Actions	—	**YES**
Provides the IP Addresses and Company Names Associated with Anonymous Website Traffic	—	**YES**
Integrates with Data Directories to Fill in Missing Contact Info	—	**YES**

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WHO BENEFITS FROM MARKETING AUTOMATION?

The Marketing Team: With Marketing Automation, the Marketing team is able to produce more leads in less time. More importantly, they are able to demonstrate the return on investment (ROI) of their efforts. This makes it easier for the Marketing team to justify expenditures to their bosses within the organization.

The Sales Team: Marketing automation aligns the efforts of the Marketing and Sales departments, by allowing them to mutually decide which leads are worth the attention of the Sales team and which need to be nurtured further. As a result, the Sales team doesn't need to spend time chasing poor leads, generating their own leads, or complaining about the Marketing department.

Executives: Because marketing automation provides metrics that demonstrate the impact of marketing programs on overall revenue, it makes it much easier for the executives to decide how to allocate their budgets. It also reduces tension between the Marketing and Sales department, which creates a better work environment.

IS MARKETING AUTOMATION RIGHT FOR YOUR ORGANIZATION?

For some organizations, graduating to a marketing automation solution can have a huge impact on revenue. For others, a simple email service provider will suffice. You should consider marketing automation if:

- Your customers buying process lasts longer than a week
- Sending emails alone does not drive sales
- Your marketing needs an easier way to create and send targeted, multi-touch email campaigns
- Your marketing team needs a quicker, easier way to deploy website forms and landing pages
- Your marketing department does not have enough time to do everything they need to do with their current resources
- You sell different products or services to different demographics
- You want to send different messages to different titles or industries
- Your salespeople are complaining about the quality of the leads your marketing team is delivering
- You want to know which of your marketing campaigns are most effective
- You can't tell if you should be spending more or less money on marketing

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MARKETING AUTOMATION AND YOUR EXISTING TOOLS

Email Service Providers. Marketing automation will replace your current email service provider.

Website monitoring tools. Marketing automation may replace the tools you use for website monitoring. Some marketing automation systems allow you to see which leads have visited your website and what actions they took.

Data Directories. Many marketing automation solutions use third party databases like LinkedIn, Demandbase, or Data.com to clean up and fill in contact information, and to ensure that your Sales team has the correct information for each lead. This also allows the Sales team to find the right contact within the organization.

Customer Relationship Management Software (CRM). Marketing automation systems do not require you to have a Customer Relationship Management system in place. However, most marketing automation systems are designed to integrate with CRM systems. If you are currently using a CRM system or plan to do so in the future, make sure that you choose a marketing automation system that is compatible. While your CRM may be a key tool in helping your Sales Department manage customers, it probably doesn't provide as much value for the Marketing team. A marketing automation platform can extend the functionality of your CRM to make the Marketing Department more effective as well.

Website. Your marketing automation system will not only help you set up email campaigns, but also landing pages and online forms to capture contact information from your leads. Marketing automation also provides you with the IP addresses and company names of your anonymous website traffic, giving you insight into people that may be considering your organization. With a little bit of setup, your marketing automation system will seamlessly integrate with your website.

MOVING FROM EMAIL MARKETING TO MARKETING AUTOMATION

Migrating from an Email Service Provider to a Marketing Automation System is a straight-forward process.

1. If you have both an Email Marketing System and a CRM, merge the two lists into the CRM.
2. If you are using a CRM, sync the CRM and the Marketing Automation systems. Marketing automation systems are designed to do this easily.
3. If you are not using a CRM, export your list from your Email Marketing System and upload it into your Marketing Automation platform. You will also want to migrate any email templates.
4. Set up your email deliverability settings (your vendor will help you with this).
5. Set up your website: Add a tracking code, choose a domain for your landing pages and create landing page templates.

Setting up a marketing automation system is a fairly quick process and usually does not involve heavy involvement from your IT professional.

CONCLUSION

Marketing automation is a relatively new technology, but it offers tremendous opportunity, enabling small businesses with limited staff to compete with larger organizations. Because the features of marketing automation extend well beyond those of email marketing, so do the benefits. By integrating your website, CRM, and other tools, marketing automation not only saves time, but also makes your initiatives more effective. By measuring the return on each marketing program, it can show you where to allocate your resources to maximize revenue. If your organization is looking to grow its revenue without adding to the workload, marketing automation is the solution for you.

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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's **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, Marketo was recently named one of "**America's Most Promising Companies**" by Forbes, the **#1 Marketing Software Vendor** on the INC 500, and the **#1 fastest-growing private company** of 2011 by the Silicon Valley Business Journal. In both 2011 and 2012 the company received the **CRM Market Leaders Awards Winner for Marketing Solutions** by CRM Magazine.

For More Information:

Over 2000 companies have selected Marketo. For more information on how you can gain the combined benefit of cost effective lead management automation and seamless connectivity to the power of Microsoft Dynamics CRM, contact us at: +1.877.260.MKTO or **sales@marketo.com**.