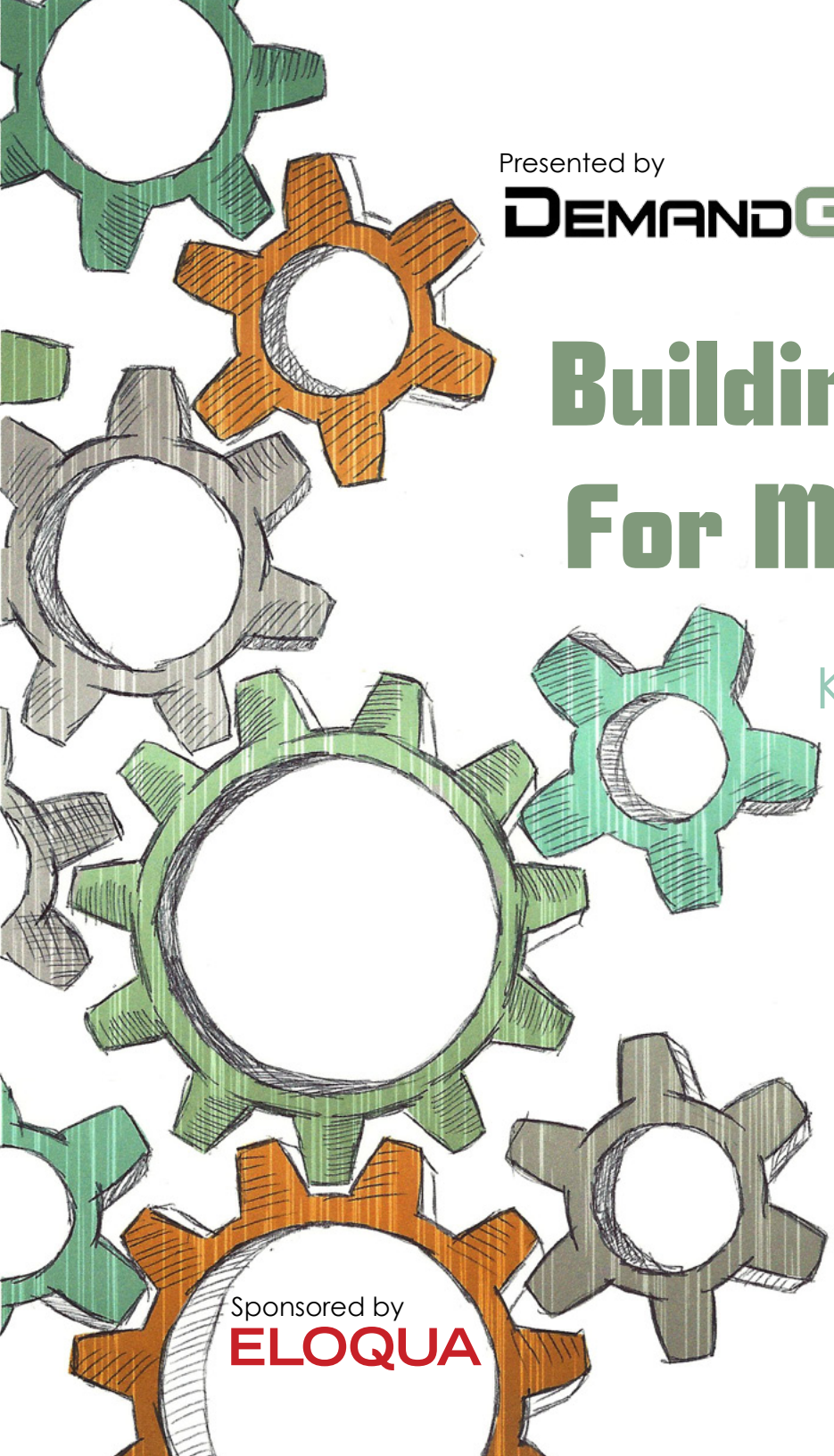


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DemandGen Report

Building The Business Case For Marketing Automation

Key Considerations & Best Practices To Ensure A Successful Rollout & Optimize Results

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When DemandGen Report began publishing almost five years ago, only a small percentage of cutting edge companies had successfully adopted marketing automation solutions. Fast forward to 2012, and the technology has exploded from a base of tech-savvy early adopters to companies of all sizes and across a variety of industries.

Estimates on adoption rates for marketing automation within the BtoB sector vary, but all sources point to the category growing by at least 50% per year for the past four years. According to MarketingSherpa's *2011 B2B Marketing Benchmark Report,* **54% of CMOs have either begun or completed their implementation of marketing automation software**, and another 17% intend to begin implementation. The report also found that 79% of CMOs have established some kind of automation process.

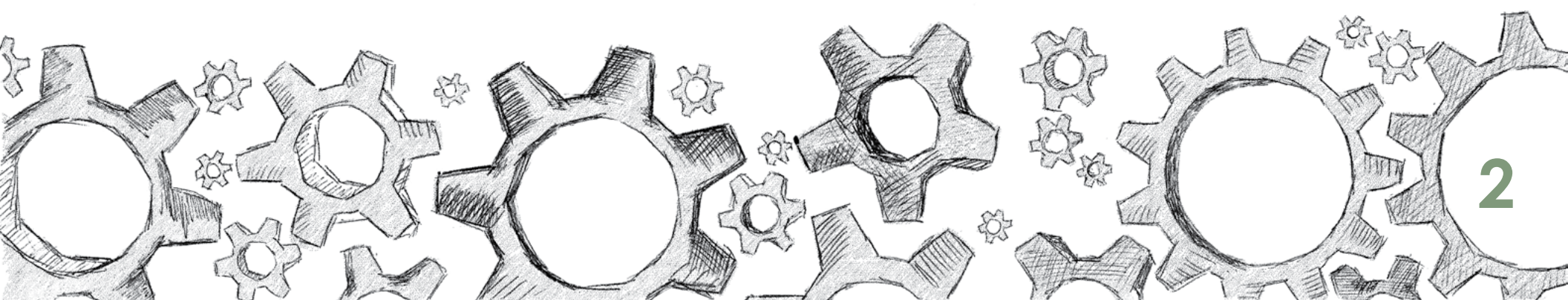
54% of CMOs have either begun or completed their implementation of marketing automation software, and another 17% intend to begin implementation.

- 2011 B2B Marketing Benchmark Report, MarketingSherpa

As more of the BtoB buying process has shifted to the web, marketers are realizing they need deeper intelligence into prospect interests and interactions. Reports on email opens and clicks are a good start, but most marketers are now starting to integrate insights into behavior across web, social and email channels to truly gauge a prospect's information needs and interest level.

Considering these new realities and requirements, marketing automation is quickly moving from early adopter use to a competitive necessity for many organizations. Industry benchmarks have increasingly supported the benefits marketing automation implementations have delivered to both the top and bottom line.

For example, according to the *2011 Lenskold Group Lead Generation Marketing ROI Study,* 39% of marketers that have implemented marketing automation with CRM or sales systems were overall more likely to report and forecast revenue metrics, such as ROI and net present value (NPV), versus 24% of BtoB marketers without marketing automation.



Research studies, as well as a growing list of successful case studies, have demonstrated the powerful effect marketing automation has had on BtoB organizations.

However, the marketing automation roadmap has also seen its share of companies who failed to realize the potential and ROI of the system. These stalled use cases were typically not a result of the technology failing, but rather companies being poorly prepared for the changes in process and new skill sets required to utilize these powerful systems to their fullest.

This E-book is designed to help companies who are building the internal business case for their initial launch of marketing automation (or are trying to right the ship after a stalled attempt) to prepare their organizations to effectively utilize the expanded functionality marketing automation solutions provide.

This E-book will also address the process changes required to share the expanded intelligence across sales and marketing organizations. Mirroring the maturity curve for successful early adopters of marketing automation, the E-book will specifically address the following key areas:

The Migration Model — *Tracing the Proper Path for Marketing Automation Adoption;*

Preparing New Lead Management Processes — *The Importance Of Alignment & Collaboration;*

Setting Expectations — *Reality Checks On What You'll Need, and How Long It Will Take To Succeed;*

Putting The Tools To Use — *Crawl, Walk, Run;*

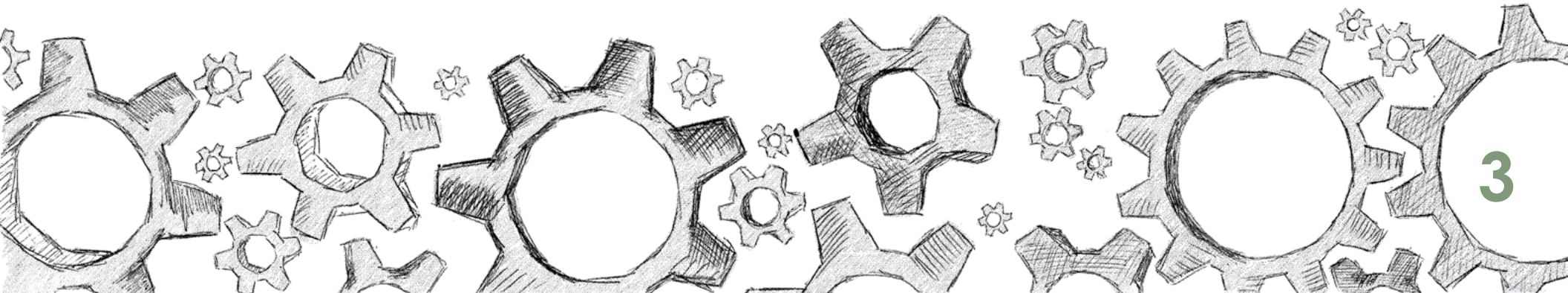
Sharing The Results — *Early Stage Wins;*

Keeping Score — *The Power of Prioritization;*

Accelerating Deals — *Increasing Conversion Rates Via Segmentation;*

Maximizing Prospect Value — *Keeping Buyers Warm Via Nurturing; and*

The Efficiency Factor — *Cost Savings.*



The Migration Model - *Tracing the Proper Path for Marketing Automation Adoption*

The most common progression we see for companies that successfully deploy marketing automation is to graduate from an email marketing platform or to add deeper reporting and campaign tools onto their CRM system.

For companies at the very early stage of digital marketing, running email campaigns using an Email Service Provider (ESP) or directly from a CRM is often a sufficient means of communicating with prospects.

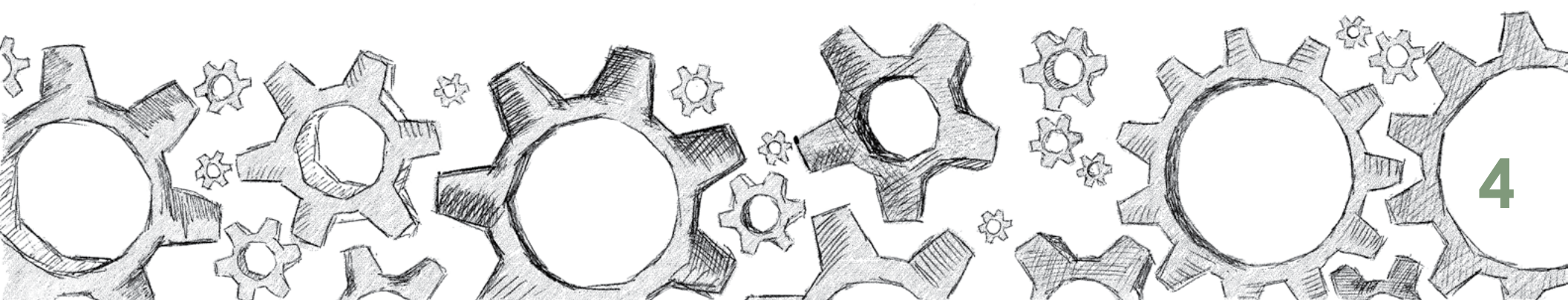
But with reports showing opens, closes and unsubscribes from inside of tools, ESPs stop short of giving the complete picture about a prospect's interests and interactions with your company.

With complex BtoB buying cycles often lasting months and spanning multiple touches across many different channels, a more powerful solution is required to provide insight into where prospects really are in the buying cycle, and which types of programs are likely to help sales to close more business. Companies with no visibility or intelligence into their prospects' engagement behavior across channels are often unaware they are being considered until late in the decision-making process when buyers have already established "short lists" of preferred vendors.

> **The driver for migrating from ESPs to marketing automation "... is to take leads off the website and put them into a system where they can continue the conversation."**
>
> *- David Lewis, CEO, DemandGen International*

BtoB organizations are now moving beyond basic activity tracking. They are advancing to engagement marketing, monitoring which offers a prospect responds to or which web pages they visit and responding with relevant content.

David Lewis, Founder and CEO of marketing automation consultancy DemandGen International, points out that the driver for migrating from ESPs to marketing automation "... is to take leads off the web site and put them into a system where they can continue the conversation."



Preparing New Lead Management Processes -
The Importance of Alignment & Collaboration

In addition to enabling marketing departments to continue the conversation with prospects and track their cross-channel behavior, another critical driver for marketing automation is to provide deeper reporting and intelligence on contacts and leads within the CRM system.

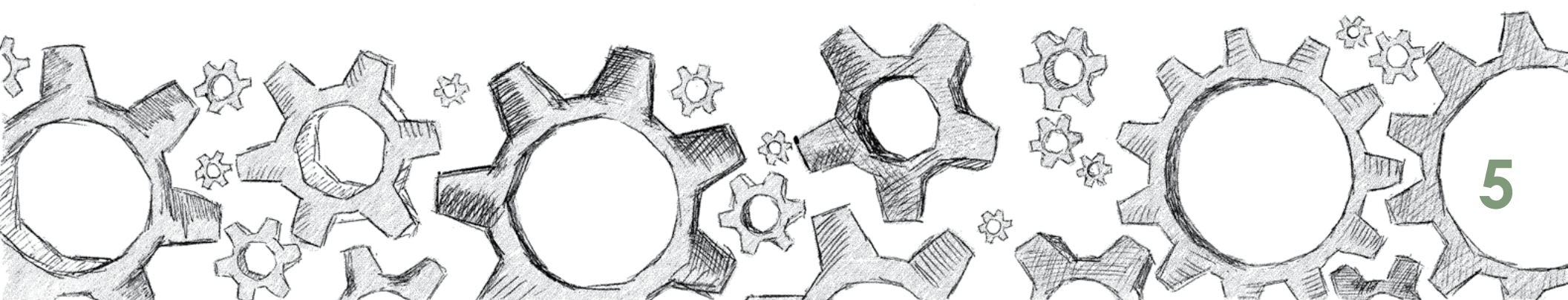
Marketing departments had traditionally been responsible for generating leads from trade shows and webinars and then passing them over to sales. Those contacts that registered for a webinar or dropped a card at a trade show booth were often added immediately into a CRM system as a lead, but premature hand-offs often caused a disconnect with prospects that were not prepared for a sales call.

Carlos Hidalgo, CEO of lead management consultancy The Annuitas Group, says the transformation is being driven by new rules of engagement. "Companies are realizing the need for an engagement model that can deliver dynamic content in a one-to-one, yet mass context. The only way to achieve this is through a process-enabled automated system."

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By integrating with a CRM system, marketing automation systems have enabled BtoB organizations to add deeper intelligence, so that prospects could be scored and prioritized based on their true interest level. And by tracking engagement over time, companies are using marketing automation to alert sales and marketing teams when a prospect is delivering the signals that indicate true buying intent.

Adoption of a marketing automation tool is perhaps the most vital step a BtoB company can make towards turning their interactions with prospects into a conversation instead of a lecture.



Change Management Required:

Closer collaboration around lead management has often tripped up companies when deploying marketing automation. This is a core area where change management and evaluation of current processes and organizational structure should be assessed.

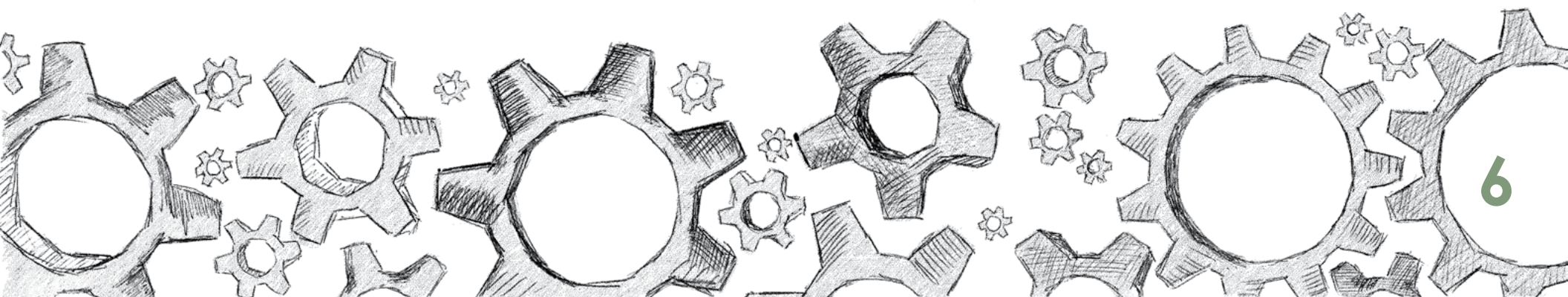
For marketing and sales to effectively utilize the visibility and intelligence a marketing automation system provides, the company must make sure their sales and marketing teams are aligned with common definitions, expectations and metrics for lead management.

Illustrating the critical role and alignment process plays in a successful rollout of marketing automation, a recent DemandGen Report survey found that 76% of respondents would develop better processes to improve their marketing metrics as part of the implementation, while 60% said they would improve alignment between sales and marketing.

Hidalgo emphasizes that marketing automation is a transformative technology - and it requires rethinking the people, process and technology across the internal organization. "The involvement of marketing & sales is a must, but other groups like IT, ops, finance and web development should be considered. Any other resource or group that has a part in the demand generation process (from inquiry to close) should ideally be part of the lead management journey."

In addition bringing together the different departments that will be involved in either the rollout or the ongoing lead management process, Hidalgo recommends that companies take the time to outline their goals and expectations for the new systems at the front-end. "Many companies rush to make an automation purchase before taking the time to define their internal requirements – i.e. what will they need from the automation solution," Hidalgo says. "It is best to approach the purchase of automation in a cross-functional manner that includes groups beyond marketing, such as sales, operations, customer service and finance, as these decisions will have an impact on each of these functional areas."





Setting Expectations - *Reality Checks On What You'll Need, How Long It Will Take To Succeed*

Many of the early adopters who have struggled with using marketing automation effectively across their organization didn't have the core processes or structure in place. And unrealistic expectations have often tripped up new automation adopters.

Many marketers mistakenly believed they could turn the technology onto "auto-pilot," magically producing a steady flow of campaigns and qualified leads. The reality is these powerful systems still do require educated users, creative campaigns and the right organizational structure to help BtoB organizations be successful in connecting with prospects across multiple channels.

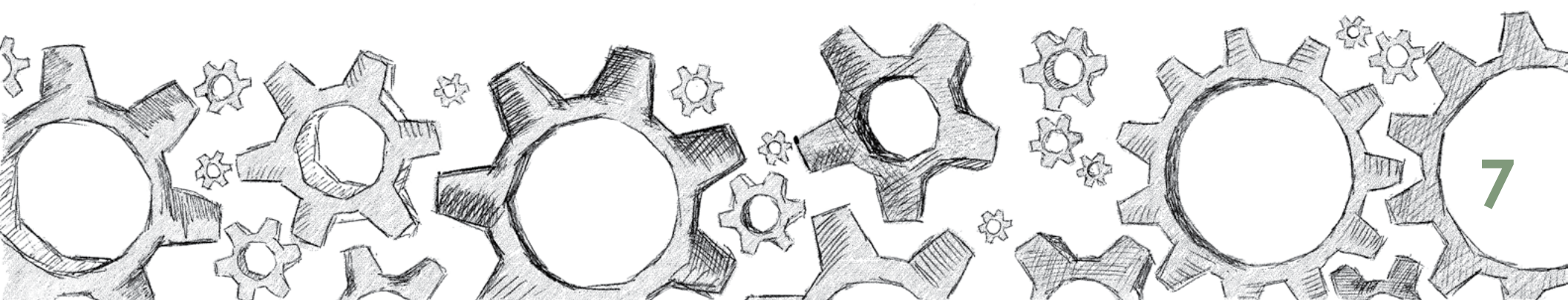
> **"If sales people perceive that there are problems (leads being misrouted or passed incorrectly, for example) they will say it doesn't work and lose faith in the project."**
>
> *- Cari Baldwin, Partner, Bluebird Strategies*

The following are some of the recommended steps industry consultants and successful adopters have shared to understand what will be involved in the implementation process and set realistic goals and timelines:

Get Buy-In From Key Stakeholders

Sales and marketing are the most integral teams in a successful deployment, and getting sales buy-in is critical to ongoing support and success. "If sales people perceive that there are problems (leads being misrouted or passed incorrectly, for example) they will say it doesn't work and lose faith in the project," says Cari Baldwin, Partner at demand generation consultancy Bluebird Strategies.

It's also important to loop in other departments that may be involved in the rollout or the new processes put in place as a result of deploying—such as web developers and IT. Ideally, buy-in should be driven top-down, with the C-suite recognizing the value of and need for a new approach to lead management and pipeline acceleration.



Train for Transformation & Allow For A Learning Curve

It is important to realize that training should cover more than just how to send an email, build a landing page or run a report. Making the transition from a "batch and blast" email approach to engagement marketing is a fairly significant paradigm shift, so some time should be dedicated to learning the basics behind lead scoring and nurturing. And it is also vital that the right people — and enough people — are dedicated to the project.

Plan For Staffing & Skill Sets To Develop Power Users

It's important to realize that demand generation is still a relatively new practice, and the features and functionality that comes with a marketing automation system will often be foreign territory for many existing marketing teams. Therefore, industry experts have stressed that attention to staffing and skill sets is key to long-term success.

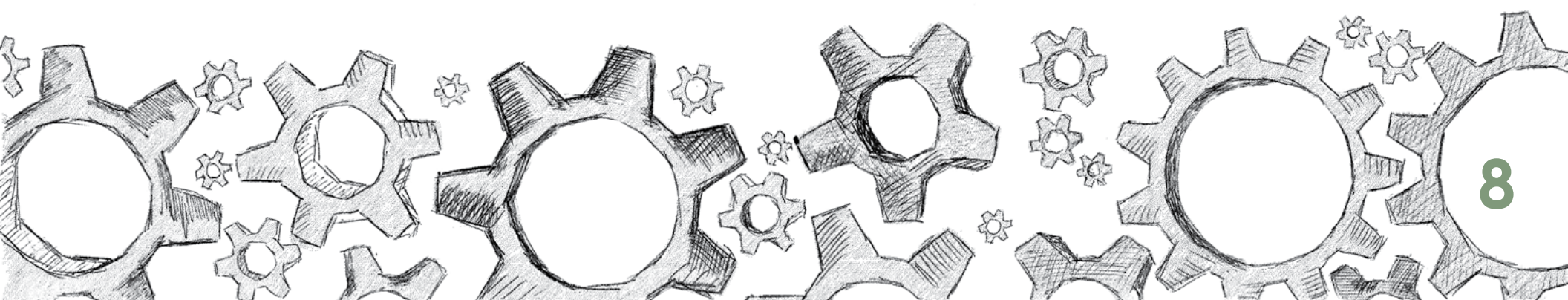
"Finding the right people is not optional," says Chris Parisi, VP of Technology at marketing consultancy Bulldog Solutions. "While there are certainly marketers that are qualified to utilize automation effectively, there are some traditional marketers that are lacking some of newly defined skills."



Parisi points out that "power users" have a combination of "marketing savvy and technical skills, a solid understanding of data and a bit of technical know-how."

Map Out Key Integration Points

In order to generate the most actionable intelligence possible for the entire organization, marketing automation systems are typically integrated with CRM systems, Content Management Systems, as well as web analytics and other Business Intelligence tools. Early in the rollout phase, companies must make decisions and establish rules for how information should flow between the systems. The CRM integration is probably the most important integration point, as that will determine how leads and lead intelligence are processed and shared between databases and departments.



Establish Realistic & Achievable Timelines

Another trap some companies have fallen into in rolling out a marketing automation system is overpromising on the timelines and results the system will deliver.

There are a number of variables that influence how long it takes to roll out and fully utilize a marketing automation system, including:

- The size of the organization;
- Condition of existing databases;
- Number of users;
- Complexity of integration needs;
- Skills/proficiency of users; and
- Use of experts/consultants.

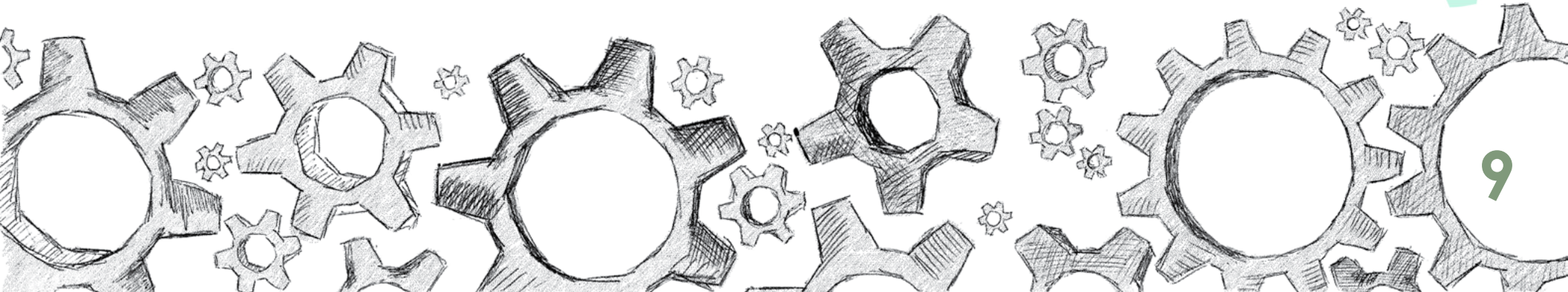
“It’s important to map out the journey and communicate to the team ‘here’s where we are and here’s where we are going,’ so that everyone shares the same vision.”

- Cari Baldwin, Partner, BlueBird Strategies

As a general benchmark, industry experts suggest users should plan on several months before they are fully utilizing all of the features and functionality of a system and demonstrating the impact internally.

“Plan on 6 months to fully implement and use 100% of the marketing automation functionality,” says Baldwin. “It’s important to map out the journey and communicate to the team ‘here’s where we are and here’s where we are going,’ so that everyone shares the same vision.”





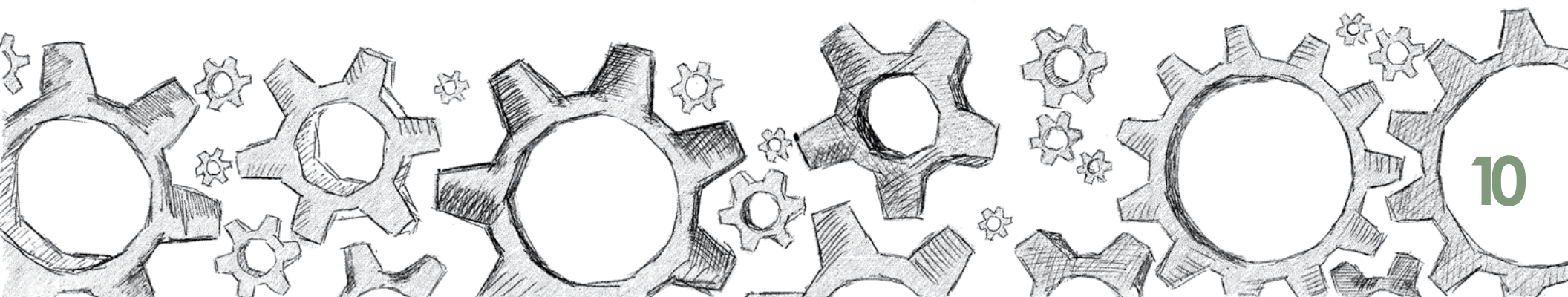
Putting The Tools To Use: Start Simple & Add Sophistication

Considering the expanded functionality marketers have at their disposal after deploying a marketing automation system, organizations might be tempted to try and get it all running at once. To avoid getting overwhelmed, industry experts recommend new users start small by creating email campaigns and corresponding landing pages.

Then as their comfort level increases, marketers can add on functionality and develop more sophisticated campaigns. Applying the 'crawl – walk – run' approach to marketing automation, the progression might look something like this:



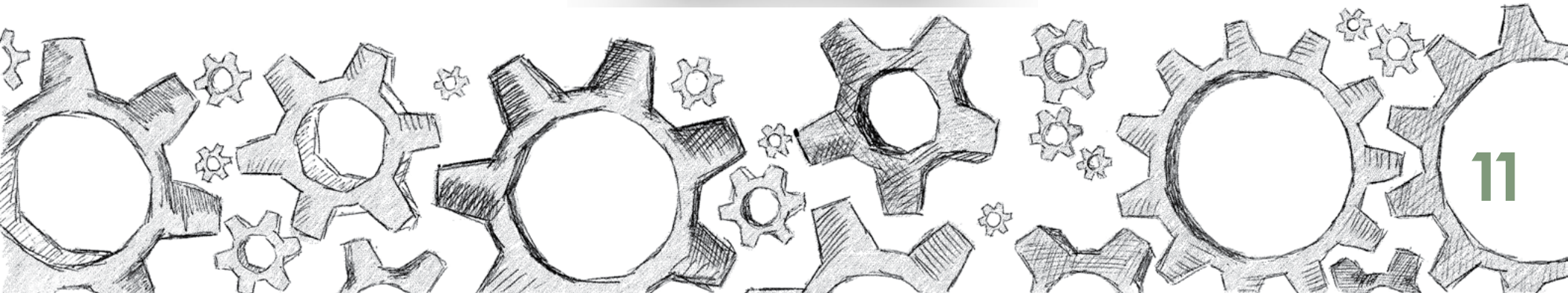
- **Crawl** – Gain a basic mastery of the system. Get some campaigns going, maybe a few running at the same time. Set up lead scoring, and make sure that your highest value web pages are incorporated into your program – along with all of the offers and landing pages featured in your campaigns.
- **Walk** – Get a little more sophisticated. Begin building out segments of the people that respond to webinar invitations, or download every piece of content that you offer to them. Also, clean up the database to remove duplicates and fill in the blanks wherever possible. It's impossible to target someone for a campaign without knowing who they are.
- **Run** – Get advanced. Does the marketing automation solution interact with other tools currently used? For example, can the organization automate the lead management process from a webcasting system, or create custom objects or dynamic content in email campaigns or landing pages?



Industry analysts point out that even basic campaigns can generate interesting results. "Try several things that you can measure fairly quickly; monitor the results and expand the winners," suggests David Raab, Principal of Raab Associates. Once successful programs are established, Raab says organizations should allocate time to "refining those further and trying new ideas in other areas. Remember that the market itself is always evolving, so you have to watch your campaigns carefully and see how results are changing so you can take advantage of new opportunities."

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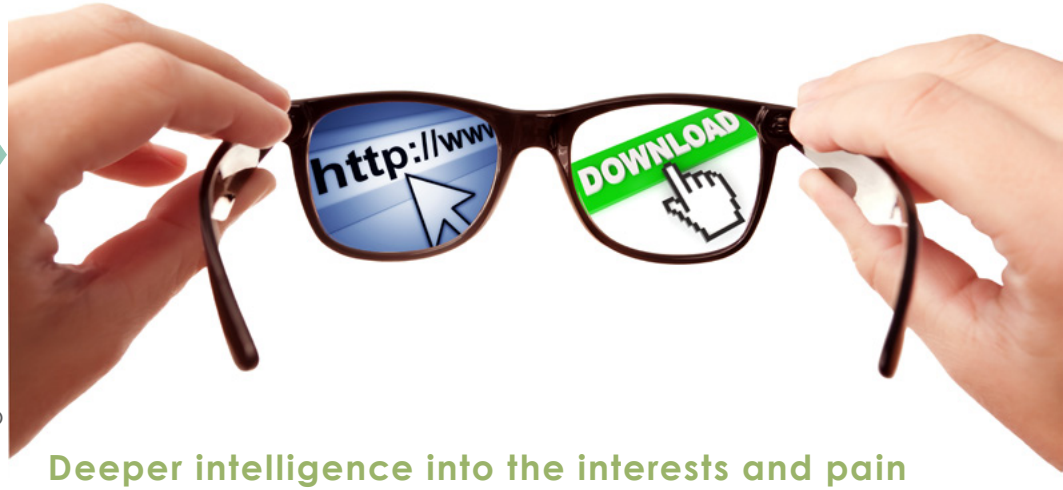
The Value Of Improved Visibility

Deeper intelligence into the interests and pain points of prospects is invaluable currency for sales reps in today's business climate. The more relevant they can make their first conversation, the more likely they are to have a second one, and ultimately turn that prospect into a customer.

To get sales on board with the power of marketing automation systems, one of the first places to start is the intelligence the systems provide into prospect behavior.

For example:

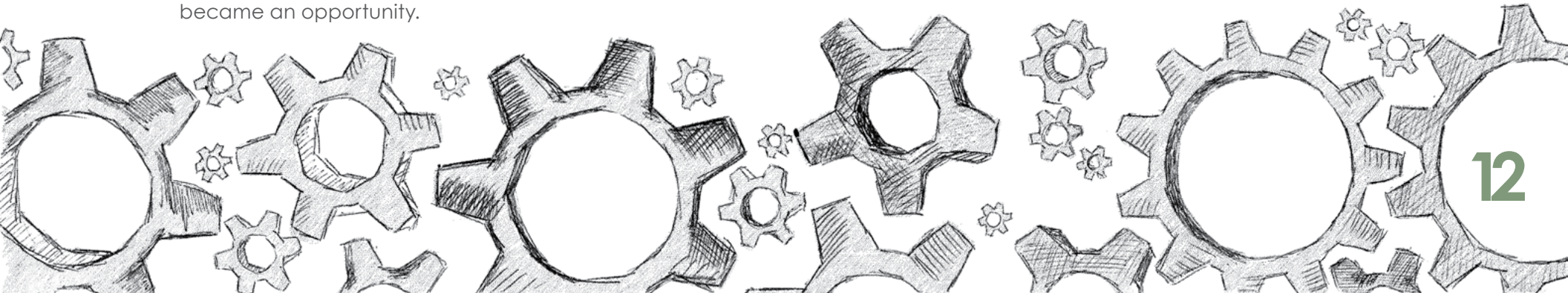
- How they connected with your brand (the first campaign they responded to);
- Which case studies, white papers or webinars they viewed;
- Which events they attended in the months before they purchased your product;
- What web pages they looked at in the month before they were engaged with sales;
- Which emails they opened, clicked, or forwarded to other people in their company; and
- What the last campaign to touch them was before they became an opportunity.



Deeper intelligence into the interests and pain points of prospects is invaluable currency for sales reps in today's business climate.

This intelligence allows sales to see if the prospects' behavior is changing after a sales call. For example, if the prospects are now looking at pricing pages, or ROI case studies, then they are exhibiting buying signals that sales can seize upon. This intelligence can also help sales to focus on similar companies after closing a deal in a particular vertical.

The bottom line is that the reporting and analytics within a marketing automation tool provides a window to prospect behavior designed to help you to drive more opportunities and revenue.



Tracking Your Progress: Generating Early Wins

In order to maintain support for the new technology and approach, it's important that marketing establish set performance expectations based on where key metrics are - both before and after system implementation. Ideally, the goal should be to improve on these performance metrics month over month.

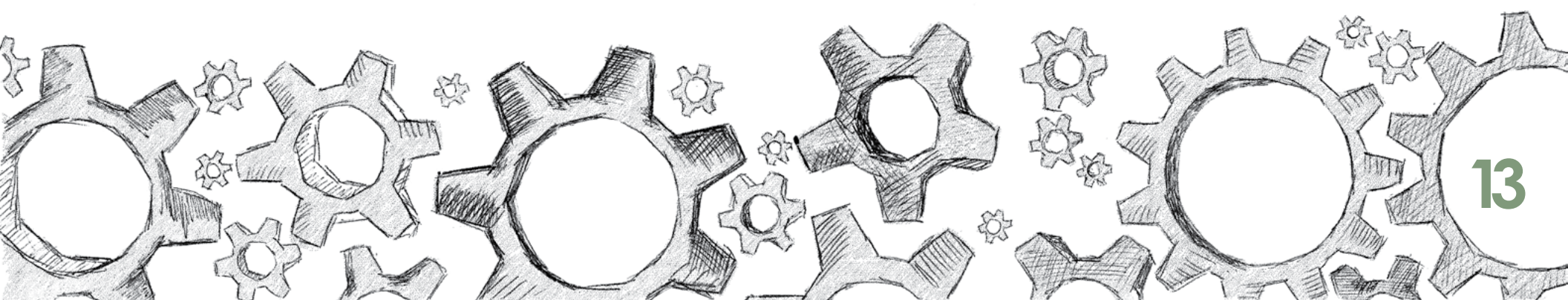
Most companies who have deployed marketing automation solutions have quickly seen improved metrics in the following areas:

- Email open rates;
- Email click-throughs;
- Database size;
- Web traffic numbers;
- Reductions in bounce rates (email and web site); and
- Average conversion rates of contacts to leads.

Having more detailed information about the campaigns and content a prospect is responding to allows for a clearer understanding about where they are in the buying process.

But there is one red flag marketers should be prepared for: a good chance exists that, at least initially, lead volume may drop. Because marketing is focusing more on developing conversations with a targeted group of qualified prospects, as opposed to feeding any and all contacts into the top of the funnel, lead volume often dips in the early stages after a rollout. It is important to communicate with sales that while the volume may be lower, the quality of the leads that are getting passed should be higher than before.

Improved lead quality is becoming a rising concern as companies concentrate on connecting with the new buyer. Having more detailed information about the campaigns and content a prospect is responding to allows for a clearer understanding about where they are in the buying process.



Keeping Score - *The Power of Prioritization*

Given the nature of the complex sale most BtoB organizations face, it often takes a few months before pipeline and revenue numbers clearly demonstrate the impact of the marketing automation implementation. In the meantime, industry experts suggest marketing teams focus on lead scoring and prioritization to demonstrate the efficiency of delivering qualified prospects.

Lead scoring functionality enables marketers to assign points to prospects based on activity or demographic profile. Lead scoring is also, quite possibly, the most important aspect of any marketing automation implementation.

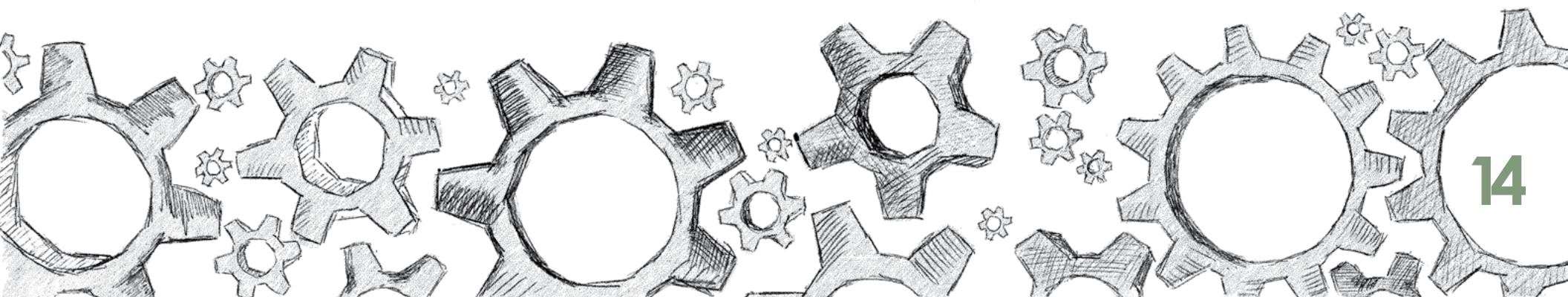
Lead scoring, when put into practice, looks at responses to email (and other campaigns) over time to better identify which individuals are more ready for a conversation with a salesperson. When demographic information and engagement behavior is calculated into a lead score before it is passed to sales, and assuming that sales and marketing have both contributed requirements into the scoring framework, more leads will be accepted by sales and ultimately translate into true selling opportunities.

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More sophisticated lead scoring systems look beyond those basic explicit details about a lead (seniority of lead, department and title, company size or industry, etc.) to also consider the implicit details of a prospect's interests – which offers they respond to, which pages they visit and where they might be in their buying cycle.

By implementing these "two tiered" lead scoring systems, marketers are able to monitor the scores of the leads that have moved to the top based on increased activity.

By holding back the prospects that are clearly still looking for further education, and only sending sales the ones that are exhibiting buying signals, they will are able to focus on the highest quality leads and close more business rather than sorting through the noise.



Accelerating Deals - *Increasing Conversion Rates via Segmentation & Visibility*

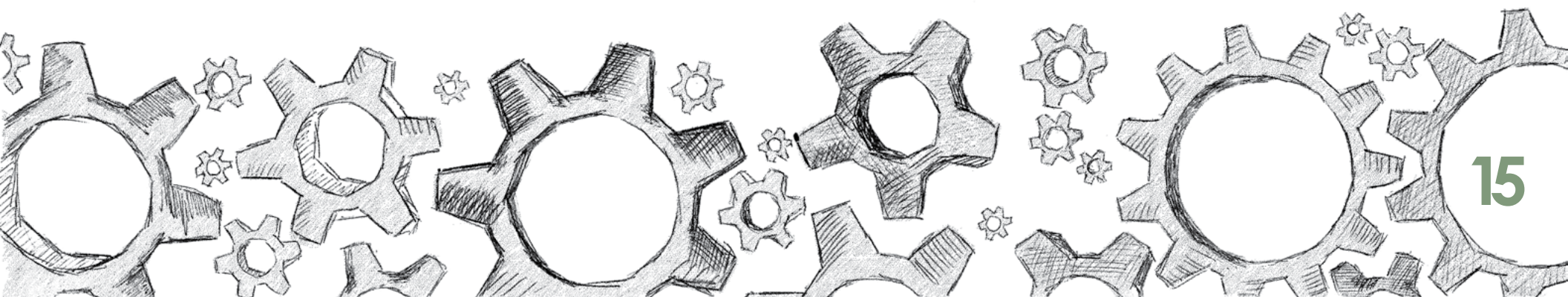
As marketing and sales teams start to see the impact of focusing on qualified leads, the conversation quickly shifts from response rates to conversions. Marketing automation allows for a degree of relevancy that is simply not available from mass email providers or through database marketing.

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When marketers are able to utilize engagement behavior to target and segment their database, response rates typically increase and unsubscribes decrease because emails are only sent to prospects who have demonstrated interest in a topic or business issue.

"You are able to see what prospects are interested in and then respond by sending them case studies and other information that speaks directly to their needs and areas of interest," says Jill Konrath, a sales strategist and author of the best-selling book *Selling to Big Companies* and *Snap Selling*. "That relevancy is so powerful in today's business environment and the relevancy quotient just keeps increasing."





Maximizing Prospect Value - *Keeping buyers Warm Via Nurturing*

Companies typically invest the biggest slice of their marketing budgets into generating leads, but little into tracking those leads and accelerating them to closed deals. In fact, companies without marketing automation systems in place often wind up ignoring longer-term leads because sales discards them if they are not immediately ready to buy — and they are never re-engaged.

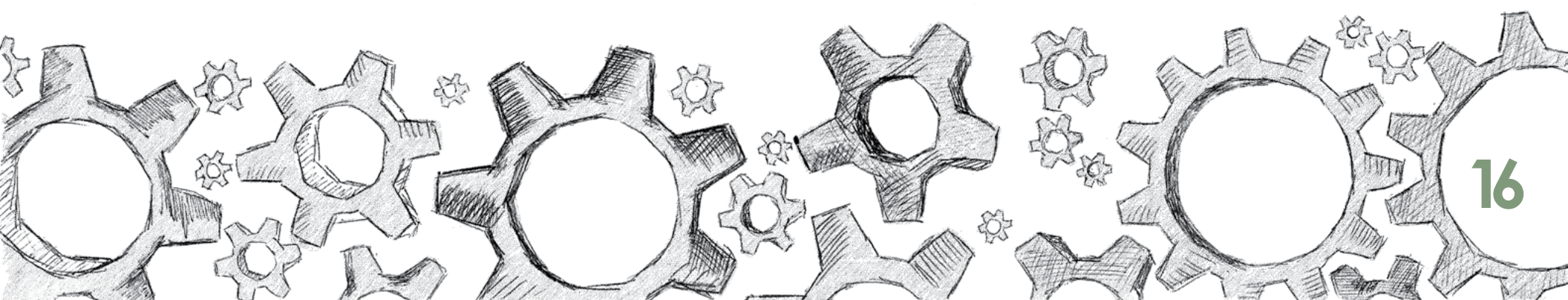
For BtoB industries with complex buying cycles, up to 80% of the leads generated by marketing are long-term leads and are not ready for sales engagement. However, many of those longer-term prospects do go on to buy within 12 to 18 months.

With this reality in mind, another capability that has helped build the case for marketing automation is lead nurturing. Once marketers have the ability to re-engage older leads with new, regularly-timed messaging, they have found that prospects that were formerly tossed in the discard pile now often wind up back in the opportunity column.

Once marketers have the ability to re-engage older leads with new, regularly-timed messaging, they have found that prospects that were formerly tossed in the discard pile now often wind up back in the opportunity column.

Industry leaders have realized favorable results from nurturing efforts when compared to standard campaigns. Some of the highlights have included:

- Nurture programs get 3X open rates of their broader emails;
- 5% more qualified leads are accepted by sales from nurture programs then from broadcast emails; and
- 20% of pipeline can be directly attributed to nurture programs.



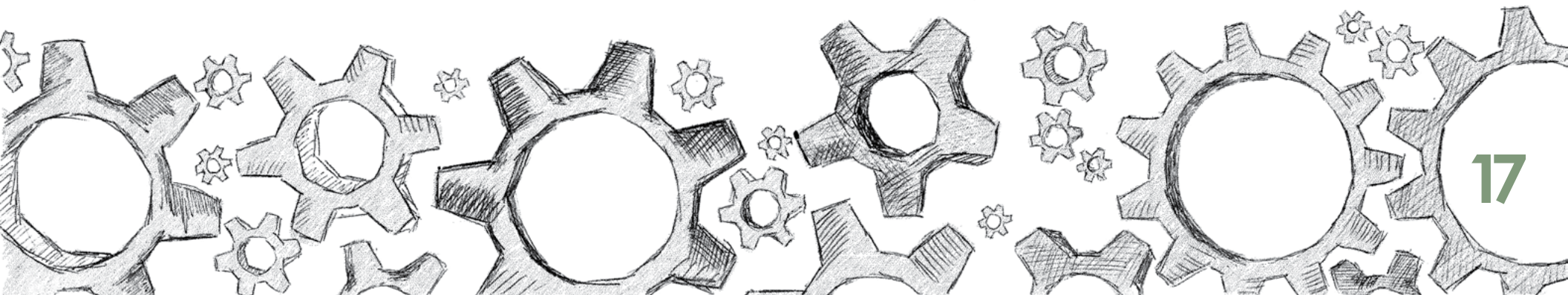
A key aspect of nurturing functionality is the "automation" capabilities. Timed, strategic emails designed to play to the interests of a prospect and sent automatically through the systems have proven to be an effective method for marketers to drive more re-engaged leads through the marketing funnel.

Nurturing functionality is also critical as it can automatically remove prospects from a campaign when they either engaged with sales or have disqualified themselves from the program, either through inactivity or lack of relevancy. Communications are automatically sent, and only to the prospects that are most likely to respond to them.

This type of "timed-release" email marketing — with automated emails sent only to relevant, responsive prospects – simply isn't possible using basic email service providers or CRM tools.

By removing many of the manual processes associated with campaign creation and inefficient delivery, companies often discover that these systems quickly add value to the bottom line.





The Efficiency Factor - *Cost Savings*

Another benefit to a successful marketing automation implementation that marketers often overlook are cost savings. By removing many of the manual processes associated with campaign creation and inefficient delivery, companies often discover that these systems quickly add value to the bottom line.

The following are a few areas where companies have seen greater efficiencies:

Campaign and Asset Recycling

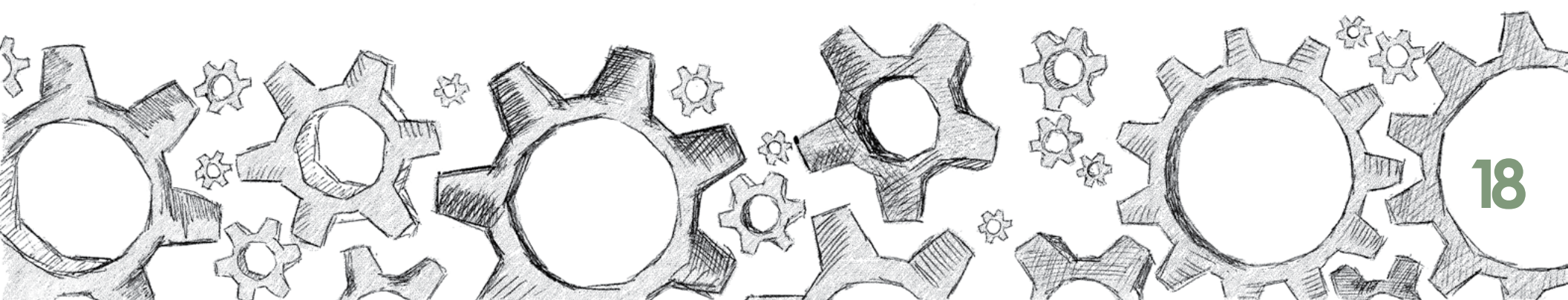
With a clear understanding of which high-performing assets a prospect has already been exposed to, marketers can avoid sending them materials they have already seen. Conversely, new leads can be dropped into nurture programs featuring those high-performing assets (email templates, content offers) on a consistent basis, allowing marketers to leverage content for much longer than batch-and-blast campaigns would allow.

Data Quality and Personnel Leverage

Marketing automation has some built-in data management tools that are not available out of the box with CRM systems. The improved data quality necessary for lead scoring and management has proven to have a ripple effect across the organization. More leads get scored and higher confidence in data quality has resulted in sales spending less time "filling in the blanks" on their leads, and more time talking to prospects.

Better Deliverability

A little known fact about email marketing is that the more responsive prospects are to emails, the more are delivered. ISPs keep track of how their customers react to emails. If they are deleted and not opened, or if they are automatically deleted or marked as spam, then ISPs take a closer look at those emails the next time they come through their systems. Relevancy drives response rates, and the relevancy enabled by marketing automation has proven to increase response rates.



About

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About Eloqua

Eloqua helps clients dramatically accelerate revenue growth through Revenue Performance Management. Eloqua provides powerful business insight to inform marketing and sales decisions today that drive revenue growth tomorrow. The company's mission is to make its customers the fastest growing companies on Earth. Thousands of sales and marketing professionals rely on the marketing automation power of Eloqua to improve demand generation and lead management while driving more qualified leads. Eloqua's customers include Adobe, AON, Dow Jones, ADP, Fidelity Investments, Polycom, and National Instruments. The company is headquartered in Vienna, Virginia, with offices in Toronto, London, Singapore and throughout North America.

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DemandGen Report is a targeted e-media publication spotlighting the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of our coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.

