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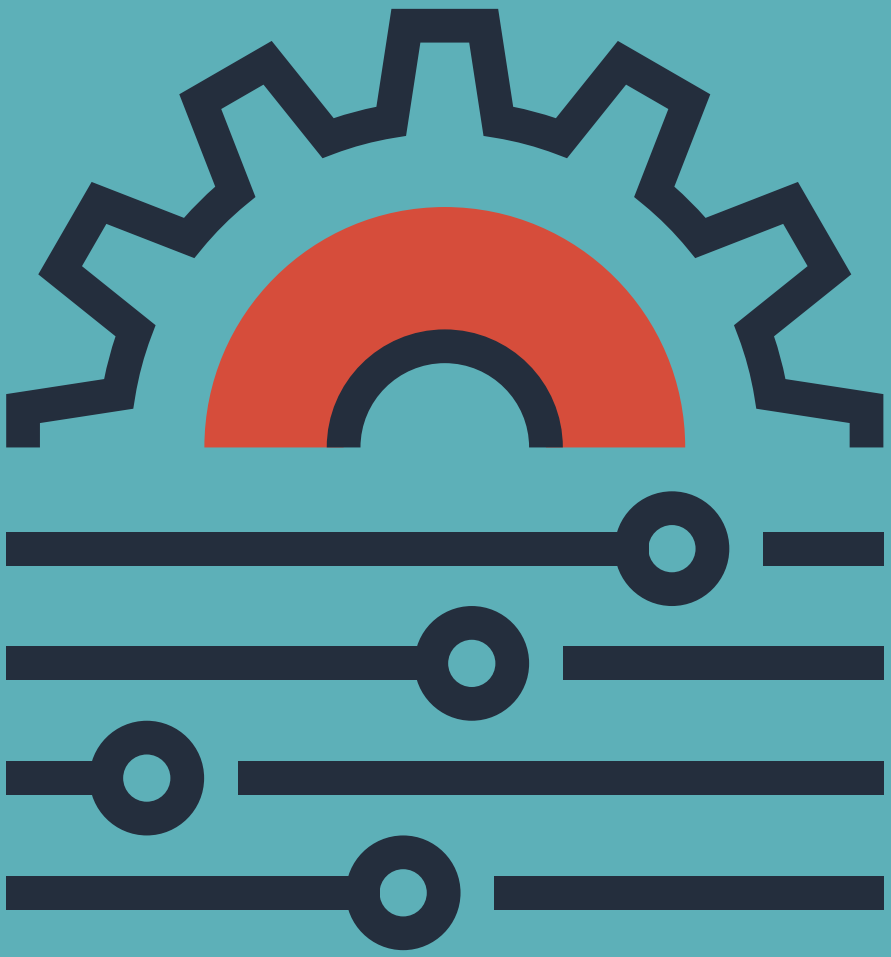
MAKING MARKETING AUTOMATION A REALITY



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London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international. We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points.

As part of Communitize Ltd, we work closely with our sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate our research and generate high-quality leads.

For more information, visit **https://londonresearch.com**

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ABOUT THE AUTHORS

Michael Nutley
Digital Media and Marketing Journalist

Michael is a London Research writer specialising in digital media and marketing. He was head of content for London Research sister company Digital Doughnut between 2012 and 2016, and during that time edited the European channel of Adobe's CMO.com website. Before that he was editor of New Media Age, the UK's leading news publication for interactive business from 2000 to 2007, and its editor-in-chief from 2007 to 2011. He has written widely about the sector, is a regular speaker in the media and on the conference circuit, and has lectured on the future of advertising and publishing at the London College of Communications.

Linus Gregoriadis
Director, London Research

Linus is an experienced digital marketing analyst and business writer who co-founded London Research in 2017 as a sister company to Digital Doughnut, the world's largest community of marketers and digital professionals, and also to Demand Exchange, an advanced B2B lead generation platform. He spent more than a decade setting up and building the research function at Econsultancy, a digital research and training company now owned by Centaur Media. After leaving Econsultancy, where he oversaw the production of hundreds of survey-based trends reports, buyers' guides and best practice guides, he launched ClickZ Intelligence for B2B media company Contentive.

London Research and Act-On would like to thank the following people for their help in producing this report.

Andrew Campbell, Martech Director, Customer Experience Division, Home Agency
Tim Creak, Marketing Specialist, EMEIA Marketing Operations, Fujitsu
Lucy Dawson, Co-Founder and Director, Ratio Creative
Adam Sharp, CEO and Co-Founder at specialist marketing technology consultancy CleverTouch Marketing

londonresearch.com
UK: +44 (0)207 193 4600
US: +1 415-463-7044
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1

Why Marketing Automation?

Introduction: The Evolution of Marketing Automation

One of the great ironies of marketing automation is that customers only notice it when it's *not* being used (or not being used properly). They don't realize when they're served a personalized version of a web page based on their previous browsing behavior or when they get an offer through their preferred channel. But they certainly notice when they're sent irrelevant offers, mistimed messages, or over-frequent emails.

Back in the 1990s, GM O'Connell, founder of Modem Media, one of the first digital agencies, came up with the concept of "advertising as a service" — advertising that was so targeted, so relevant, and so useful that consumers would cease to regard it as advertising at all and instead see it as a service being provided to them by the company. Marketing automation is the avenue through which you can realize that dream.

Twenty-five years of progress also mean that the benefits of marketing automation are no longer just the preserve of big enterprises. The basics are available to any company that does business online. They're also not limited to the people at HQ working on big strategic campaigns. The tools and technologies can benefit marketers — and sales people — working at any point in the customer journey.

Marketing automation was originally introduced by companies selling enterprise-level B2B products, where the length of the sales process, the amount of information required by buyers, and the amount of the price tags justified investment in the technology. Subsequently, as the suppliers industrialized their software, it moved into lower-value areas of B2B and into high-end B2C.

Now, low-end B2C is driving the latest wave of MA adoption with the rise of subscription-based consumer goods, such as shaving and pet food brands. These brands see building a direct relationship with their consumers as self-preservation against the likes of Amazon.

That is quite a trigger, says Andrew Campbell, Martech Director, Customer Experience Division, Home Agency: "If those brands want to go direct-to-consumer, clearly they need data, they need insights, they need marketing automation, and they need publishing and engagement capability because they used to use an intermediary for all that and now they need to do it themselves."

> ***"B2B is characterized by high-value purchases, considered purchases, long lead-times, quite an information-intensive decision process, and multiple stakeholders. Now if you are booking a hotel room or a flight, you'll probably go on Skyscanner and compare services and configure the options that suit you, so as a consumer you are able to behave more like a B2B buyer. So, it's now worth B2C marketers adopting marketing automation."***
>
> **Andrew Campbell**
> Martech Director, Customer Experience Division, Home Agency

What everyone is looking for is one-to-one conversations with customers at scale. That means knowing what each person wants from the brand at every point in their journey to purchase based on all their previous interactions. And it means tailoring the brand's responses based on all the messages — implicit as well as explicit — that the customer is sending.

The result of this understanding is that prospective customers are contacted with the information they need through the channels they prefer at the frequency that suits them. The contrast with the traditional cold-calling approach couldn't be more stark.

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The Promise: Key Benefits and Opportunities

Many businesses already have a range of digital marketing tools. Some of these will have been bought for specific strategic goals and then integrated with each other in a marketing technology stack. Others will have been acquired on an ad hoc basis, often by individual channel or functional heads, to meet immediate requirements — and without much consideration of interoperability.

The promise of marketing automation is to bring all these elements together and make them work as one integrated system. In that sense, it can be regarded as the central nervous system of the business.

> ***"We had a lot of different IT systems or emailing platforms in place before we merged to our marketing automation platform. In the last 12 to 18 months, we've reduced and closed down a lot of these. All of our outbound email, all of our outbound nurture campaigns, everything now is done through a single platform."***
>
> **Tim Creak**
> Marketing Specialist, EMEIA Marketing Operations, Fujitsu

Most significantly, marketing automation is a step on from the established use of a CRM system and a content management system. Adam Sharp, CEO and Co-Founder at marketing technology consultancy CleverTouch Marketing , says that MA provides the missing link between a CMS, which personalizes using browsing data, and a CRM system, which runs personalization based on customer data.

By bringing these core systems together, marketing automation allows marketers to understand a consumer's behavior and respond to it across multiple channels. At the same time, it enables a level of personalization based on that individual's previous interactions with the business, on browsing data, and on data brought in from third parties.

This personalization might be as simple as an email offering a discount on items a customer has previously bought. Or it might be as complicated as a product recommendation based on the segmented behavior of other customers.

All of this results in reduced acquisition costs, increased sales, better lead quality, a better customer experience, and an improved Net Promoter Score. According to a report by Annuitas Group, marketers using marketing automation see a 451% increase in qualified leads, which deliver 47% larger purchases than non-nurtured leads.[1]

However, marketing automation is, in some ways, a misnomer. It's not simply a matter of performing existing marketing tasks faster, cheaper, and at greater scale, but also opening the door to new capabilities and approaches, such as building a moderated online knowledge base for self-service customer care in the way pioneered by mobile operator GiffGaff. The opportunity is there for a step change in customer experience and engagement.

Marketing Automation Benefits

Increase sales

- Faster sales cycles resulting in better business performance.
- Higher-quality leads for the sales team to pursue.
- More targeted spending on highest-performance channels and programs, leading to revenue growth.

Reduce costs

- Better alignment between sales and marketing.
- Reduced cost per lead due to increased ability to segment, target, and personalize.
- Reduced need for involvement of IT and data analysts.
- Less time spent pursuing sub-standard leads.

Improve customer experience and loyalty

- Better segmentation and personalization to increase relevance for recipients.
- A more consistent experience for prospects and customers across sales and marketing channels.
- More brand advocates, fewer "unsubscribes" and critics.

Better measurement and data

- More accurate reporting, and integration with digital analytics.
- Better marketing attribution, due to integration of data across different channels.
- Increased ability to build single customer view.

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[1] https://www.annuitas.com/

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The First Steps of the Journey

Many Companies Are Not Yet Employing Full MA Capabilities

Many companies have yet to take full advantage of marketing automation. In a survey of 355 mainly UK and US B2B marketers carried out by Econsultancy and Act-On in 2017, just over half of respondents (53%) said they were using MA, with a further third (37%) saying they were planning to adopt it.[2]

The same report also found that while virtually all respondents agreed that effective marketing automation was critical to long-term business success, only two-fifths (41%) felt their business was using marketing automation to its full capacity. This was despite 82% of respondents saying that MA was making them more efficient, while 79% said it was delivering ROI.

There are a significant number of challenges in implementing MA, including:

- The need for a strategic approach
- The need to design your program first, then think what this means for data, MA, and publishing
- The need to think long-term — to give the program time and not expect immediate results
- The need to avoid focusing too narrowly (for example, on one channel)
- The need to look beyond "just automation"

Building the Business Case

Building the business case for marketing automation requires the same approach as for any other major investment. There needs to be a clear consensus among senior figures in the marketing department around the purpose of the investment and its objectives, and these objectives must align with those of the business as a whole.

There also needs to be a clear understanding of what a successful implementation will mean for other parts of the organization — particularly the sales department — and agreement on how that success will be measured.

Once this stage has been reached, the project leader must get buy-in from all relevant stakeholders. Most obviously, this means the board and particularly the CFO, but gaining support from the head of IT or CTO and from the head of sales will make winning over the people who control budgets that much easier.

> ***"For our business case, we focused on understanding who would be part of the investment board and sought to influence them via their peers. We did use a combination of demonstrating the cost savings benefit from our investment, so we already had some tangible idea around costs of existing tools and technologies that we knew we'd replace, and an estimate of the savings from being able to standardize a lot of different processes for execution, which would cut down on external agency spend. Then we looked at our stakeholders directly under board level and at understanding how we could try and lobby them around how the activities that marketing would be enabled to do by this investment would benefit them."***
>
> **Tim Creak**
> Marketing Specialist, EMEIA Marketing Operations, Fujitsu

All of this activity falls within the remit of the project leader. This crucial role requires an understanding of the business, its culture, and its goals; a grasp of marketing in general and of the workings of the marketing department; a knowledge of marketing technology at least to the level of the business benefits it can deliver; and sufficient people skills to navigate the politics of the organization.

> ***"It is really important that you have a PM that takes on board the implementation goals and milestones but also really focuses on the soft skills, the training, the education, the wider adoption and understanding within the organization. That is really key."***
>
> **Adam Sharp**
> CEO and Co-Founder, CleverTouch Marketing

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[2] https://econsultancy.com/reports/state-of-b2b-marketing-automation/

Customer-Centricity: Creating a New Framework

The process of winning support and investment for the implementation of marketing automation is further complicated by the fact that it goes hand-in-hand with a cultural shift in the organization.

Customer-centricity is the foundation of an MA-based approach, but technology alone cannot put the customer at the heart of the business. That requires aligning everyone around the customer journey, breaking down organizational silos, moving from channel-based to business-based metrics, and changing the way people are incentivized.

For this reason, MA implementations are rarely delivered bottom-up. The initial push may almost always come from marketing, but the cultural change can only be implemented from the C-suite down since it involves the entire business.

Alignment around the customer journey must happen at a departmental level, as well as among departments. It's crucial that the people responsible for individual marketing channels understand that the principal role of MA is to enable businesses to build long-lasting relationships with customers.

According to Lucy Dawson, Co-Founder and Director, Ratio Creative: "It's about measuring the engagement with that customer throughout the entire lifecycle, rather than just pinging out an email and having some nice stats pop out."

Tools such as RACE (Reach-Act-Convert-Engage) and Google's See-Think-Do-Care give marketing departments a four-stage journey model for strategic planning covering initial consideration, active engagement and pre-purchase, the event of purchase, and post-purchase. At each stage of the journey, objectives are set and metrics established to measure whether they are being achieved.

> ***"Reach, the first stage, is usually about media efficiency, so it's cost-per-visitor. Act will be about engagement, so it's lead scoring, proving activity is actively pushing someone to purchase. Convert is cost-per-sale, value-of-sale, so it's hard sales metrics. Engage/Care is retention-focused, so it's typically customer lifetime value or NPS, or brand advocacy and referral.***
>
> ***"If you are not doing this, you're just doing a load of slightly random campaigns. They're not wrong, they're just not all aligned. There are no synergies and economies-of-scale, and you are not being excellent at the stages that really matter."***
>
> **Andrew Campbell**
> Martech Director, Customer Experience Division, Home Agency

Developing Technology Capabilities and Skill Sets

There are two widely accepted approaches to building the skills and capabilities required by a customer-centric, MA-based approach. The first is to establish a center of excellence where a small number of highly trained people support the operational workload on the chosen MA platform. This makes it easy to maintain consistency as well as simplifying governance and compliance. The drawback is that marketers can become frustrated by having to rely on the center-of-excellence for everything, which can be seen as slowing the process down curtailing their initiative.

The alternative is to train everyone in marketing in the use of the platform, but this can be challenging for very large organizations, or for those where marketers are used to executing all of their marketing activities through agencies. Because it relies on everyone following the guidelines, it can result in the need for periodic governance checks to maintain quality and avoid possible compliance failures.

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Selecting the Right Technology and Partner

Technology as Enabler, Not Silver Bullet

The key point for anyone considering investing in marketing automation to remember is that the technology on its own won't help. If the business isn't set up to use the technology (as discussed in the previous section), then there is a risk that only a fraction of the platform's capability will be used, and it will never deliver ROI.

> ***"It's about getting people to understand what this product offers them as an organization and how they can make the most of it. It's all built-in for a reason. It all ties together very nicely but you have to make the effort to understand what you're using and all the really cool stuff that sits within these systems."***
>
> **Lucy Dawson**
> Co-Founder and Director, Ratio Creative

Once again, the key element here is the understanding of your customers and of their journey to purchase. Once you know what you are trying to achieve, you can choose the most appropriate MA platform to help you meet those goals.

> ***"If you think pointing tech at a problem will solve it, it won't."***
>
> **Andrew Campbell**
> Martech Director, Customer Experience Division, Home Agency

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The Importance of a Strategic Approach

Taking a strategic approach to marketing automation is crucial for other reasons as well. The first is that MA is not an island. By its very nature, it interfaces with many other systems within the business and will form the basis for further integration as the organization becomes more digitally mature.

At the very least, it needs to form the spine of the business — linking together its CMS, its CRM system, and its databases. Any purchase decision needs to take account of that integration as well as the ambitions of the marketing department - and the business - in the future.

A strategic approach is also vital because this position as the backbone means automation projects cannot be run as pilots. As Adam Sharp of CleverTouch Marketing points out: "You can't pilot MA, because MA is such an infrastructure play. You can't pilot building a preference center, you can't pilot moving all your data into a system, you can't pilot linking with your CRM. You either do it properly, or you don't do it at all."

That's not to say you need to go all-in from the moment you switch on your MA platform. The Econsultancy/Act-On report found the majority of businesses move gradually, automating one marketing function—usually email—before moving on to another.

Another strategic consideration when choosing an MA platform is your ecosystem of partners. While one of the reasons for adopting marketing automation may be to reduce the amount of work going through agencies, you're unlikely to abandon those partnerships altogether. Therefore, it's worth making sure your chosen platform works with their systems too.

Key MA capabilities to look for:

- **Technology Capabilities:** personalization, measurement/optimization, timing
- **Partner Qualities:** upgrade path, support levels, training

Questions to ask potential suppliers

Once you've decided that you need a marketing automation platform—or want to upgrade to something more suitable—there are some key questions you need to ask any potential supplier.

1. **Scalability.** Will the technology scale to meet your needs in the future?
2. **Training.** How much training will be needed across the organization to make sure you get the most out of marketing automation? And how much support is available from your supplier for that training?
3. **Reporting.** Will your chosen platform produce reports that allow everyone in the business to understand what's going on, not just the analytics team?
4. **Integration.** How easy is it to integrate your MA platform with the other martech products that you use or may want to use, from both the same supplier and others?
5. **Future-proofing.** What does the supplier's roadmap for its MA platform look like, and does it match your company's goals and ambitions?

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Culture, Ownership, and Process

Importance of Sales and Marketing Alignment

> ***"We've started to see more interest from sales in what we're doing. We've still got the autonomy to decide what we want to be able to do, so we're not being told how to do the marketing, or how to do the market automation piece. But what we are doing is understanding each of our major campaigns from a strategic perspective, and aligning them back to the sales growth objectives, or understanding how we can best support the sales targets."***
>
> **Tim Creak**
> Marketing Specialist, EMEIA Marketing Operations, Fujitsu

As we saw earlier, the introduction of marketing automation goes hand-in-hand with major organizational and operational considerations. One of the most significant is the breaking down of the long-standing separation of marketing and sales. According to the 2017 State of B2B Online Lead Generation report by London Research, only 37% of company respondents described the relationship between marketing and sales as "very joined-up, with shared leadership and shared KPIs."[3]

Greater alignment between these functions is being driven by two principal factors. The first is the changed expectations of customers about the amount of information available to them. They expect to be able to research product and services online in much greater depth than ever before, which means marketing is now providing information that might previously have been made available by a salesperson.

> ***"Marketing now has to provide more of the content to enable individuals to do their own research in the comfort of their office or home environment. Marketing has to own much more of the journey and the relationship, if you like. The whole idea of marketing being there just for thought leadership and awareness is gone. It needs to drive the desire, help people make choices."***
>
> **Adam Sharp**
> CEO and Co-Founder, CleverTouch Marketing

The second factor is the trend for companies to be more customer-centric. Once the entire organization is focused on the customer journey, the gap between sales and marketing ceases to be as impactful. This change is also reflected in the metrics applied to marketing, as discussed earlier.

> ***"By rooting MA in customer journey mapping and modeling, you have a much more joined-up approach, and within that, it's not just about the analytics and data on its own, or the creativity and content on its own, or the tech on its own. Those three elements have got to all work together to deliver the experience. There is a shift away from campaign/content/channel optimization toward customer metrics, whether those are NPS, customer lifetime value or referral and advocacy."***
>
> **Andrew Campbell**
> Martech Director, Customer Experience Division, Home Agency

By focusing on the totality of the purchase journey rather than the component channels, marketing is increasingly able to follow individual customers and build an understanding of their needs at each touchpoint. From this, it's a short step to lead scoring — tracking the signals that identify a warm prospect who will respond positively to a sales call or someone in the awareness or consideration phases who needs nurturing to move them through the journey.

> ***"You have to start at the top, and both sales and marketing have to believe in what you are trying to achieve. And there has to be benefit for both parties. A clear benefit for sales is they can see how engaged somebody is and they can see when they are busy on the website or when they have clicked through and downloaded something. It's quite timely for them to be able to respond, and even if it just triggers a series of sales emails and transfers from marketing to sales, it is still quite nurtured and pre-set, until that person is ready to speak."***
>
> **Lucy Dawson**
> Co-Founder and Director, Ratio Creative

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[3] https://www.londonresearch.com/state-of-b2b-lead-generation

For lead scoring to work, it's crucial the system is developed collaboratively between marketing and sales. Both sides must agree what the next actions are at each touchpoint, what they mean, and how they should be scored.

At the same time, marketing automation remains the responsibility of marketing and, increasingly, of marketing operations. The Modern Marketing Model[4], describes this as including "planning and executional components of marketing." This can be where competencies around segmentation and targeting, positioning, customer experience, distribution, and marketing communications reside. It typically sits below, and supports, marketing strategy.

This approach is already evolving further, influenced by agile thinking. Companies are starting to build multi-functional digital strategy teams that include marketers, marketing operations people, and project managers.

> ***"The good thing about the market now is people are realizing they don't just need a budget for the software. They need a budget for the services and support. Organizational development and skills development goes hand in hand with the implementation. Increasingly, companies are becoming more and more aware of this and trying to do it properly."***
>
> **Adam Sharp**
> CEO and Co-Founder, CleverTouch Marketing

Modern Marketing Model (M3)

Capabilities in the 'execution' area of the Modern Marketing Model include data & measurement, integrated marketing communications, distribution and customer experience.

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[4] https://econsultancy.com/introducing-the-modern-marketing-model-m3/

5

Developing the Right Data Capabilities

It has become axiomatic to say that data is the new oil, but this idea takes on a new meaning in the context of marketing automation. Without data, marketing automation would grind to a halt, and any impurities in the data will have a significant detrimental effect on the working of the MA platform.

Organizations that have yet to adopt marketing automation collect data in different ways and via different systems — and store it in different formats in different databases. Further, this data is usually poor quality, partly because people fill in forms inaccurately and partly because it goes out of date so quickly. While MA on its own will not solve these problems, its introduction requires them to be addressed.

The introduction of marketing automation should be accompanied by an audit of internal and external data sources to make sure the right data is going to and from the right places (at both a technology platform and a departmental level). MA should also be used as a reason to introduce a new culture and best practices around data collection and storage.

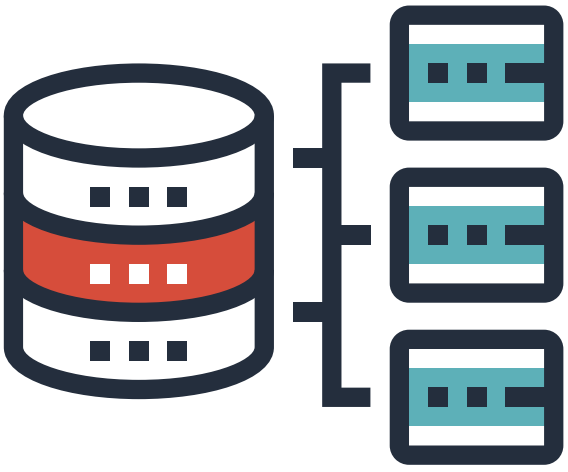
> ***"There is a great opportunity in MA to start to clean your data through expanding your forms and asking for different things at each stage, as people progressively get more engaged. It's quite a nice, gentle way of doing it."***
>
> **Lucy Dawson**
> Co-Founder and Director, Ratio Creative

Indeed, a key role of MA is in bringing together data sources from across the organization to establish a "single source of truth" that then forms part of the integration of marketing tools.

> ***"When starting MA, you have to have a plan and it depends on what data you have and its quality. You might not put all your data in your platform to start with. You might just take a segment and build out customer profiles so you have more control over that data quality. Then you can see how people are reacting and responding to help you devise a strategy for all your segments."***
>
> **Lucy Dawson**
> Co-Founder and Director, Ratio Creative

The introduction of the EU's General Data Protection Regulation (GDPR) has added an extra incentive for the introduction of marketing automation and the creation of a single source of truth. It's essential for compliance for companies to know whether they have permission to contact someone, and they must also ensure the data they hold about consumers is available on request. Both of these are almost impossible if the company's data is held in disparate databases across the organization.

> ***"Twelve or fifteen months prior to GDPR coming in, we didn't have anything that could accurately record or audit or provide a log where we'd be able to track our engagements or our compliance around GDPR, so we actually implemented MA as a way of helping us achieve compliance. We ran a massive two or three month campaign, which went out to our entire database across EMEIA with the opt-in messaging, with the GDPR messaging, to help us gain either refreshed opt-in permissions or new opt-in permissions across our contacts. This was done with the objective of ensuring we had a really clear, defined set of people that we'd be able to contact in those countries for our marketing campaigns post-GDPR."***
>
> **Tim Creak**
> Marketing Specialist, EMEIA Marketing Operations, Fujitsu



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6 Recommendations

In conclusion, the report shows that marketing automation can bring significant benefits to your business, but that commitment from your organization is required if you want to get maximum value from your investment.

There are a number of steps to take in order to successfully introduce, implement, and optimize marketing automation software into your business:

1. **Build the business case:** Understand your objectives, and make sure they align with those of the business.

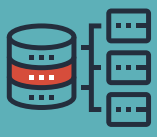
2. **Get buy-in from stakeholders:** You need the CFO to sign the check and the CEO to drive tangible cultural change throughout the organization. But you also need heads of other departments (particularly IT and sales) to understand and engage with what you're doing — and to support it.

3. **Understand the customer journey:** Set objectives and establish metrics for each step along the buyer's path.

4. **Change the culture:** Make sure everyone understands and believes in the fact that the customer is now the focus of the business.

5. **Choose your platform:** Think about which additional technologies you need to integrate (now and in the future). View the training and understand the support available and at the product roadmap. You should also consider the impact this might have on your partners.

6. **Develop your capabilities and skill sets:** Choose whether a center of excellence or widespread training and adoption suits you best.



7. **Develop your data capabilities:** Establish best practices around the collection, cleaning, storage, and use of data.

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To learn more about our marketing automation solution, please contact Act-On Software:

sales@act-on.com

If you are interested in producing high-quality B2B research, please contact London Research.

info@londonresearch.com