

Marketing Automation: One Step at a Time

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Imagine a wall. Your small business is on one side. A pot of gold is on the other. The gold is the profits you can earn with a marketing automation system. The wall is the work to get started. For many companies, the wall is too high to climb and marketing automation is out of reach. This paper offers an alternative – a path that lets companies use marketing automation without paying the high initial costs. Let's take the first step....

The Problem with Marketing Automation

Companies of all sizes are rapidly adopting marketing automation systems. Yet small businesses have been lagging their larger brethren. This is puzzling: saving labor and getting better results are probably more important in small business than anywhere else. So what's holding them back?

It's not a fear of technology. Nearly all small businesses use email and have a Web site, the two major channels supported by marketing automation. They're rapidly adding social media as well. If anything, small businesses have too many technologies to coordinate. This makes marketing automation – which replaces separate technologies with a single, integrated system – especially attractive.

Nor is cost the issue. It's true that money is tight at most small businesses, but they're already paying for email, Web hosting, and other services. The cost of a marketing automation system may not be much more than they're already paying for the separate systems. If you factor in savings on design fees, custom programming, and internal labor, the net cost is nearly always less. Again, this is the sort of improvement a small business should crave.

The real problem is fear. Marketers have been told that marketing automation requires that they reinvent their marketing programs, contents, and processes. Buying the technology alone won't guarantee any improvements. Faced with the cost and disruption of a massive

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deployment project, time-starved small business marketers decide they just can't afford it. The wall is too high, so they do nothing.

This is a mistake. Let's be clear: the most effective marketing automation deployments include careful planning, process change, and program redesign. But companies who can't make that commitment can still gain value from an incremental approach. This has two basic steps:

- replace your existing systems with a marketing automation system running pretty much the same programs you do now
- then, slowly expand your marketing programs to take advantage of new opportunities that marketing automation provides

The incremental approach will take longer to yield full marketing automation benefits and may ultimately take more work than an all-at-once conversion. But that work will be spread over a longer period of time, with changes made when the marketing department finds them convenient. The slower deployment also lets marketers learn new skills and develop new programs as they need them. The result is a less demanding transition that is less disruptive and has a higher probability of success. It's climbing a sequence of steps rather than trying to clear the wall in one impossibly high leap.

Making It Work

Incremental deployment has its own risks. The chief is that you'll stop before you finish the journey – in which case, you'll never gain the full benefit from marketing automation. This is a common problem for all types of marketing automation deployments: only about one-third of marketers use the full array of system features. But the danger is especially acute for companies that don't set a long-term plan in advance.

If there's one critical moment that determines whether your deployment will stall, it's right at the start. A Raab Associates study found that half of all features ever deployed are used within the first month. In other words, many companies install a marketing automation system, start using some features, and never add anything else. Marketers who add new features soon after their initial deployment are likely to keep adding features in the future.

Which feature should you add first? There's no one right answer: after all, the fundamental premise of incremental deployment is that actions should match your own situation. But here are some principles to help choose:

Is Consolidation Enough?

What if you have the resources to replace your existing systems but not to expand your marketing programs? Is that worth the effort by itself?

MedQuest Solutions found it was. When Michael Malmrose took over as MedQuest's VP of Marketing, he found a system riddled with challenges. "The biggest ones were: Not having all of our customers and leads in one system. Not being able to see data about email campaigns. Not having one master location for web form submittal. Not having the capability to set up some kind of automated drip campaign."

MedQuest soon deployed the Act-On marketing automation solution and found immediately benefits. "We can consolidate customers and leads in one system, and profile them easily. We can add columns to further categorize the leads. There's a quick reporting tool so we can see how many leads are in which stages of the sales process, and we like the statistics Act-On provides."

Malmrose plans to further extend his marketing programs by integrating Act-On so sales reps can see hot leads within Salesforce.com and by running more Webinars. But he's seeing benefits even without those enhancements. "Act-On allows us to better qualify the leads that come in. We determine the quality of a lead based upon how many actions they take, and with Act-On we have a very good picture of those actions. Better follow up, because of better data about a lead, is helping us close more sales."

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- **easy to deploy.** Pick a feature that requires relatively little change. You were probably doing email with your old systems, so try a slight enhancement that marketing automation has now made easier. Segmentation is a good candidate: instead of sending the same emails to everyone, define two or three segments and create targeted messages for each. Another option is drip marketing, which means replacing a single email with a series of emails. Segmentation and drip marketing both add to the number of emails you'll distribute, but that sort of increase is exactly what marketing automation helps to manage.
- **easy to measure.** Another advantage of starting with an email expansion is you already know how to measure response. But you might also consider measurement itself as a starting enhancement. The reason is that marketing automation makes some important measurements substantially easier. For example, marketing automation is nearly always synchronized with a CRM system, allowing you to link sales back to marketing-generated leads. This helps show the value of all your lead acquisition and nurturing programs, and therefore will trigger additional changes down the road. One caution: attributing sales to leads only works if your CRM users are reliably updating their own information about opportunity outcomes.
- **high potential.** You'd like that first change to yield big results. One high-potential possibility is better use of Web forms, where customization for different programs and carefully tested design changes can produce large improvements in completion rates. Most marketing automation systems make Web landing pages so easy to build and modify that marketers can do the work for themselves at lower cost and faster than a Web designer or IT department. Although creating your own Web forms is a bigger change than doing more emails or reading reports, the clear benefits can still make it a good starting point.
- **gateway to change.** Ideally, your first change will be the small rock that starts an unstoppable avalanche of further changes – leading eventually to full marketing automation deployment. Better reporting is especially promising because it provides a foundation for continuously replacing old programs with better-performing ones. Formal testing takes this one step further by allowing direct comparisons of different promotion versions. More fundamentally, testing helps to build an analytical mindset that leads to fact-based decisions throughout the marketing process.

It's no coincidence that the features suggested here – email segmentation, drip campaigns, response reporting, Web landing pages, and formal testing – are among the most widely deployed across all marketing automation installations. Many other marketers have already found them a good place to start. By the same logic, you probably don't want to start with the least-common features, including lead scoring, dynamic content, branching nurture campaigns (harder than non-branching drip campaigns), and Return on Investment analysis (harder than simple response reporting).

What About Process?

The suggested starting features require few changes in your marketing processes, little work on marketing/sales alignment, no mapping of programs against the customer lifecycle, and modest amounts of new content. This is on purpose. Those are precisely the issues that make traditional marketing automation deployment so daunting. We're not saying you don't need them – quite the contrary, we believe **your system will be crippled if you don't address them eventually**. We're only saying you can defer them until marketing automation has established a momentum that makes it clear the added investment is worthwhile. And we're further arguing that you can address them incrementally, starting with simple approaches and growing more sophisticated over time. Compared with planning everything in advance, this will take longer and you'll probably make more errors along the way. But it's easier to get started and you'll see progress as you go, making it much more likely that you'll complete the journey.

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Next Steps

So let's assume you've decided to apply the incremental approach. What comes next?

The answer isn't "just wing it". We're climbing a flight of steps, not stumbling blindly in the dark. Incremental deployment still requires a planned sequence of tasks. The differences compared with conventional methods are the initial planning is simpler, you start taking action much sooner, and you adjust your plans based on initial results.

- **deploy the marketing automation system.** Just duplicate your existing marketing programs, except for simple improvements you've always wanted to make. It's best to convert all parts of one program – emails, landing pages, Web tracking, follow-up messages – and then move on to the next program. This will help you learn how the pieces of your marketing automation system work together, while avoiding temporary connections such as new emails to old landing pages. Start with one or two small programs to reduce risk, but then quickly convert your major programs so you can start benefitting from improved efficiency and better reporting.
- **make your first improvements.** Take your list of major programs and identify improvements that will be easy to deploy, easy to measure, high potential, and gateways to further change. Select changes in this group that exercise different features in the marketing automation system – segmentation, landing pages, reporting, etc. Then, lay out a schedule to introduce a new change at regular intervals – say, one per month. Having a schedule is critical to ensuring you don't stop making improvements after your initial deployment.
- **measure results.** Each improvement should include a way to measure its impact. This doesn't have to be a formal Return on Investment calculation, which requires financial information you may not have available. But you need some way to see whether your efforts are bearing fruit, both to guide your future investments and to show the value of marketing automation to others. Like other aspects of your deployment, your measurements can grow more sophisticated over time.
- **tackle the hard stuff.** Getting better at basics like email segmentation is good, but the full value from marketing automation requires the deeper changes mentioned earlier: lifecycle mapping, lead scoring, process improvements, behavior-driven nurture programs, revenue analysis, and tighter integration between marketing and sales. Once your first few changes are complete, start looking for projects that add these components. Again, take the smallest steps first: start with projects inside the marketing department, including nurture programs, process improvements and lifecycle mapping. Later, expand to tasks that involve other departments: lead scoring, sales integration, and revenue analytics.
- **keep looking ahead.** Your first list of improvements might cover a three to six month span. Every time you finish one project on that list, add a new one to the bottom, so you always see there's more to do. Eventually this list should be integrated with your regular marketing planning process. Remember that marketing automation is a tool to do better marketing, not an end in itself.

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Making Change Happen

Change won't happen just because you have the perfect task list. Be sure to address other factors that will determine your success:

- **resources.** Your staff will need training the use the new system and to apply new marketing techniques. Incremental deployment means the training can be consumed in small just-in-time doses, but it's still needed. Some projects will require additional resources, such as budget to create more marketing materials and acquire new data. Build these resource requirements into change plans.
- **motivation.** Incremental deployment means your organization is making many small changes instead of a single big one. That should reduce organizational resistance but it also means applying constant pressure to keep things moving. Leaders must reinforce the need for change, hold staff accountable for making it happen, and reward success.
- **measurement.** In addition to tracking the results of individual projects, you need to track your progress with change itself. Maintain a scorecard that tracks key measures such as number and size of campaigns, emails and landing pages created, tests conducted, system features used, training courses completed, percentage of leads in nurture campaigns, and similar measures. The measures themselves will change over time as you shift focus to new objectives.

Final Thoughts

The benefits of marketing automation are too important for small business to ignore. Incremental deployment makes them more accessible than a massive reengineering project, just as climbing steps is easier than leaping a high wall. But climbing stairs is still work and you can still fall down if you're not careful. Marketers who follow a systematic, disciplined process have the best chance to reach the marketing automation pot of gold.

About Raab Associates Inc.

[Raab Associates](#) is an independent consulting firm that helps marketers get the most from today's technology. We help our clients to define needs, evaluate vendors, make selections, plan deployment, and measure results. Established in 1987, Raab Associates is noted for thorough research and objective advice. For more information, visit www.raabassociatesinc.com or email info@raabassociates.com.