Marketing Automation:
# the definitive guide

Part 1 – The Key Benefits

MIND THE GAP

The key benefits of Marketing Automation

Marketing Automation (MA) is currently the hottest sector in the CRM space with 40 per cent year on year growth. First adopted by the technology companies, who adore technology it has now permeated into many other sectors including publishing, financial services, business services and manufacturing.

The technology is fast changing too and can incorporate both inbound (PR and social media) and outbound (email and web intelligence) functionality as well as traditional CRM integration and digital asset management.

For all the lead scoring, automated lead nurturing, CRM integration, dynamic content, preference centres the real key benefits of deploying Marketing Automation are:

1. *The ability to scale;* running multiple campaigns at the same time in order to satisfy demand management and the demands for quality pipeline.

2. *A single view of the customer;* relationships and behaviour tracking not transactions and spread sheet juggling.

3. *It puts marketing back on the front foot;* with continuous campaigns running longer than the buying cycle it is now possible to not just measure campaign ROI but really forecast future revenues.
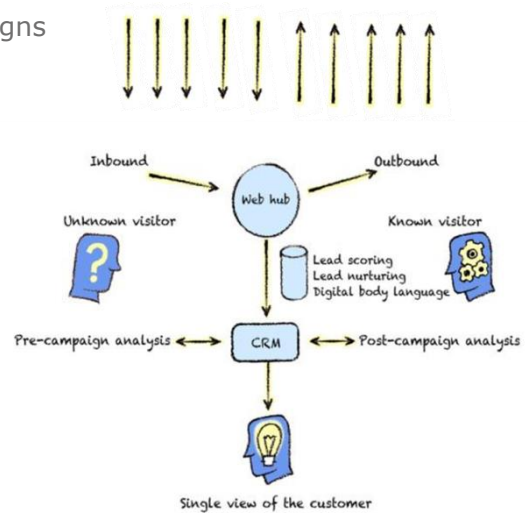
Those organisations that invest in Marketing Automation and then execute it properly are at a major advantage to those organisations that don't. More importantly they place themselves on the front foot for additional credibility within the rest of the organisation.

What are the differences between email and Marketing Automation?

Marketing Automation is a confusing term – it doesn't really mean anything and indeed a lot of the MA vendors are trying to carve out new positioning with terms such as 'multi-channel marketing', 'behavioural based marketing' 'all in one marketing' or (most tragically) the 'marketing system of record for the modern marketer'.

Unlike email, MA has the following key benefits – it has a memory and true automation. By this we mean it has the ability to track an individual's behaviour over time and record the engagement and then automate the subsequent next action. It can remember campaigns, assets, workflow, opt-outs, unsubscribes, and preferences.

The main features of a Marketing Automation platform

Unless a MA platform has the following core characteristics it cannot call itself a MA platform and is frankly of little use to you.

It must have:

- The ability to send email (outbound)
- The ability to store campaign assets in a library
- The ability to store customer and prospect records
- The ability to automate a multi-touch marketing campaign
- The ability to score customers and prospects based on who they are and their engagement.
- The ability to talk to other platforms (an API) e.g. CRM or Webinar integration
- The ability to automate tasks and map the organisation workflow

Increasingly, social media is becoming a more important feature, and the pace of development is rapid. Marketers know it is important to balance the outbound with the inbound and so the following social media functionality is now popping up in a lot of MA platforms.

- Social listening e.g. listening for conversations on Twitter
- Share to social e.g. adding the 'likes' and 'forward to a friend' functionality
- Social sign-on e.g. the ability to market content on platforms such as LinkedIn or Facebook and automatically embed the user profile data within the MA platform for seamless behavioural tracking

So what is MA really about then?

It is fundamentally about you and your willingness to drive change for the better in an organisation.

For all the feature differences between email and Marketing Automation the real benefits of an effective MA deployment is the ability to drive change in an organisation. Those marketers that adopt MA are drivers of real change in a business, those that don't do it or don't do it well, will simply be left behind.

It is incumbent on the modern marketer to build an information architecture and leave a coherent marketing framework and a lasting legacy behind. Otherwise all that is left is a lot of spent energy and wasted marketing budget.

Part 2 – Which platform is right for you?
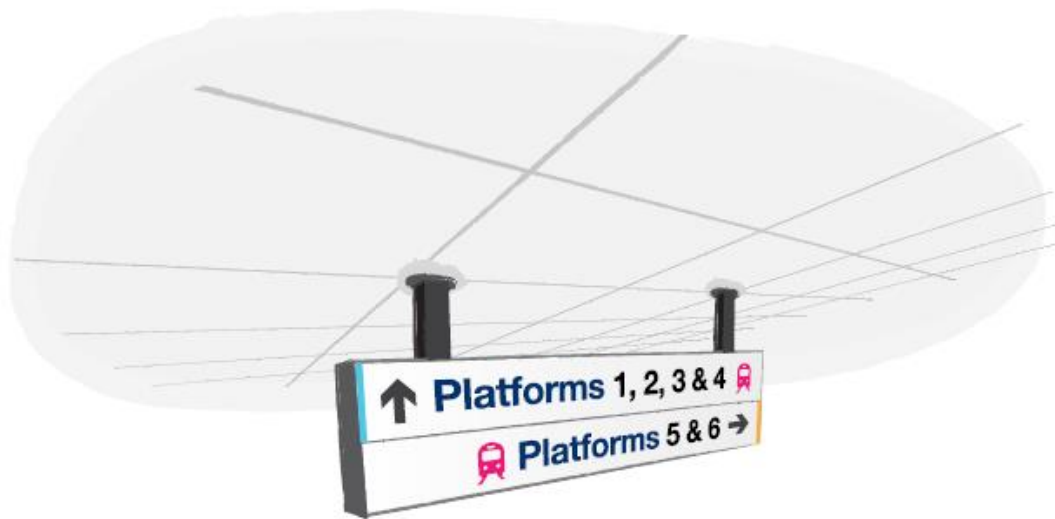
At CleverTouch we've been involved in Marketing Automation since 2003, when the founders were early pioneers of the technology. CleverTouch is now the fastest growing European consultancy in Marketing Automation with more experience, on more MA platforms, than anyone else globally. As a company CleverTouch has helped over 120 organisations adopt MA efficiently and effectively, and are the trusted voice of Econsultancy, the IDM and recognised by Forrester Research for their expertise in this space.

This part of the guide is written to fast track your understanding and provide a snapshot of the various technologies out there.

Mergers & Acquisition (M&A) in the MA space

While there are literally 1000's of email providers the MA space is already rather consolidated; with strong incumbents and several vendors being acquired by larger email vendors or enterprise software vendors. The acquisitions have been driven by those who see the potential in MA and want to integrate the functionality into their own existing products or create new marketing software subsidiaries in their own right. Whatever their strategy all the acquirers are recognising that the key to revenue outperformance isn't in the contact database with the CRM, but in the campaign forecasting capabilities - and in the opportunity for scale and doing more with less, all of which Marketing Automation provides.

In the last 18 months the following acquisitions have occurred (in approximate chronological order)

1. Aprimo acquired by Teradata
2. Unica acquired by IBM
3. Pardot acquired by ExactTarget
4. Manticore Technology acquired by Sales Engine International
5. LeadFormix acquired by Callidus Software
6. Eloqua acquired by Oracle
7. Pardot/ExactTarget acquired by Salesforce.com
8. Neolane acquired by Adobe
9. Microsoft acquires Marketing Pilot

Of the major players, the only ones still independent are Hubspot, Act-on Software & Marketo. The former two are VC funded and so a trade sale or public listing are inevitable, whilst Marketo recently IPO'd on the NASDAQ stock market.

For those that fail to gain significant market traction, their technology IP is being consumed by larger software companies, and in many cases is simply parked; Oracle's acquisition on Market2 Lead in 2010 was a classic example.

The core capabilities of any MA platform

To be a credible MA platform the following core features are a pre-requisite:-

1. A database for contact management
2. An email engine for outbound activity
3. A lead scoring model for scoring behaviour and contacts over time
4. Web tracking
5. A digital asset library for use and re-use of assets
6. A programmable workflow for true automation
7. CRM integration with bi-directional capability

Increasingly the following are also becoming pre-requisites;

8. A social strategy to re-purpose and rebalance assets over, both outbound and inbound channels, and track the behaviours across both
9. An infrastructure and ecosystem mentality; including platform partners and technology alliances with cloud connectors.
10. A search capability integrated to both Google and the website that can be tracked and scored.

Amongst the leading platforms, functionality is largely the same; however, depth of functionality and complexity can have a significant impact on time to marketing and the skill sets required can range from simplistic and intuitive to the more advanced and expert.

Please don't assume all these features are out of the box in all platforms; until fairly recently two of the most popular platforms either re-used an email engine from a partner supplier or didn't have email capability at all.

Ready, Aim, Fire

In all cases, it's important to plan properly and to organise the data; think multi-touch campaign and multiple campaigns. If that's done well then the results and revenue outperformance can be staggering. **Time to 'first marketing campaign'** should be one of your major milestones.

From a change management perspective, an effective deployment can mean the modern marketer putting marketing on the front foot and forecasting future outcomes rather than justifying ROI and job preservation.

Some brief examples:

- *Acronis,* a leader in desktop virtualisation, went from four-five attendees per webinar to 250-300 when they implemented a logical three-phase approach.
- *Trend Micro,* in partnership with Dell, increased revenue by over 400 per cent as a result of fully automated campaigns; such was the success of the campaign that that same campaign has now being running for three and an half years.
- *NTRGlobal* were able to forecast future revenues based on past campaign activity; this resulted in a 35 per cent performance improvement in over just four months.

The most tragic cases are when inappropriate platforms have been chosen through a lack of understanding of the options and the appropriate resource or skillsets aren't put in place.

Please don't be sold on the demo or the likeability of the salesperson, they may not be around after the contract is signed. Ensure you meet the post-delivery team or have a trusted partner to support you - it really is a journey.

Why listen to CleverTouch, what sets us apart?

Whereas Gartner or SiriusDecisions will give you a theoretical or analytical assessment of the platforms - we can provide an analytical and a practical marketing assessment.

As marketers we have been implementing MA 'client side' since 2003 - and in the last five years alone we have helped implement or support over 120 existing MA installations. Simply put, we have more experience, on more platforms, than anyone else globally. As such we have developed this overview to help whittle down the appropriate vendors for your consideration set.

We hope we haven't offended anyone too much in our assessment, as like Switzerland, we pride ourselves on our independence and objectivity.

All the views expressed in this document are entirely our own and are not written to cause offence to any vendor but to provide our own independent perspective.

Your MA consideration set - graphically

HubSpot

We first looked at HubSpot several years ago. We love the founder's book *'Inbound Marketing'* and their content and material is fabulous; as are its free marketing tools such as website grader, now morphed into marketing grader, which are fun too.

However, at the time of the research the product made no real sense for any business beyond one with a local customer base. The content and hype around Hubspot is infectious, however, the product had some significant shortfalls and until recently could not really be considered a true Marketing Automation platform. For example it had a proprietary content management system but no email capability.

What has changed is the funding into Hubspot; Google, Sequoia Capital and Salesforce.com all invested and that in itself makes it now worth re-visiting. We think Hubspot has approximately 17,000 websites using the platform, which is quite impressive and would make them, by customer base, the largest vendor in the space.

However we think that at least half of these customers probably have the wrong software. Hubspot isn't cheap and doesn't scale well for hungry users with large potential prospect bases; for the same cost they could have something much more scalable, usable and robust.

This is where hype has won over functionality and good sense. Well done to HubSpot, named by Inc. and Forbes as one of the fastest, most promising, growth companies, but unless the platform develops significantly over the next few years, we'd avoid it in favour of some of the other more robust and comprehensive platforms listed below.

www.HubSpot.com

Pardot

Pardot is a great platform for the SMB and mid-market space - and has nice people too. It is a really likeable, privately grown company, or at least it was until the recent string of acquisitions landed it inside the Salesforce.com marketing cloud. Fortunately, with the exception of its CEO the core team seems to have stuck around.

With the acquisition by ExactTarget, and now Salesforce.com, expect Pardot to become more enterprise wide in terms of their influence and functionality. Currently, some of the requirements of a complex enterprise would be too much for Pardot; features such as operating campaigns at variable speeds as determined by the user, different user profiles or multiple lead scoring models.

In terms of positioning, the platform is really good 'deeper in the funnel'. With its integration to Salesforce.com, salespeople have the ability to see all the marketing activity of their chosen accounts, which is very smart. Pardot's initial unique offering was its Microsoft Dynamics native integration, which many of the other MA vendors now have out of the box too.

The company has grown organically, and with no debt, adding approximately 200 new customers per quarter - and we think over 2500 websites are currently running Pardot

Pardot's onboarding and customer service is of a really high quality, one of the best in the industry. We think it's a serious consideration for anyone in the SMB to mid-market space and now anyone running Salesforce.com

www.pardot.com

Act-on software

We rate the Act-on software platform very highly, unlike Pardot they have gone the VC route after some seed funding from CISCO. Their heritage is very interesting; the Chairman was CEO of WebEx (see the logo similarity) and the CEO, Raghu Raghaven, was CTO and co-founder of Responsys, an enterprise email platform. Raghu brought much of his learning and core team along from Responses and it shows.

What's very impressive about Act-on software is the speed of development and the feature rich functionality, which is really well thought out and easy to use. For instance it had WebEx integration (naturally) before any other MA vendor. In terms of time to first marketing campaign, the emphasis on visuals and simplicity means that campaigns inside Act-on can be delivered really quickly. The development of reporting, social media integration and competitor web tracking functionality is very neat too. As is the ability to socialise the web tracking URL around the business – so easy any executives you want on-board will love it.

Act-on is probably the fastest growing company in the space today and we think it has about 6500 websites using its software.

Its sales model is direct, and very assertive; very much in the WebEx mode, which some prospects will appreciate more than others. However, we think that getting the best from

the platform does require local partners for support. So if you do go down the Act-on path we would encourage at least a few days on-site training in the platform.

We think it is probably the leader in SMB space; for ease of use and functionality, and as such is a serious consideration for anyone in this space.

www.actonsoftware.com

Manticore Technology

Four years ago (before the emergence of Act-on and Pardot) we had several clients on Manticore technology - and the platform was pretty good. However, the company decided to move up the value chain to compete with Eloqua; we think this was a big mistake, and as such they lost a lot of key staff and clients. In 2010, it struggled to raise VC funding - and it was then that we encouraged all our clients on Manticore to consider other platforms.

In June of that year, Manticore Technology merged with Sales Engine International, a sales acceleration business. Sales Engine claims a position on Fortune's fastest growing 500 but for a company that has 'International' in its name we just don't see the company in Europe. In our opinion Manticore is no longer as relevant in the market space as it once was. We estimate they have less than 200 websites globally are using the Manticore technology

http://www.salesengineintl.com/

Marketo

In the mid-market to enterprise space Marketo is a key consideration. On the Gartner magic quadrant it scores very highly. Marketo had explosive growth due to a combination of significant VC funding (over $100m) and great marketing content. CMO, Jon Miller, is seen as a bit of a marketing guru and their content rivals Hubspot's. Until 2011, what has hampered Marketo's progress (if you could call it that) in Europe has been the lack of feet on the street in the UK and mainland Europe. The company has since addressed this; opening an office in Dublin with ex-Salesforce.com leadership and by adding sales and technical coverage in the major markets of Europe, as well as having local language versions of its products.

What clients love about the platform are the dynamic funnel reporting and the salesforce.com integration. The visualisation of the product was a strength, whereas customer on-boarding engagement wasn't. Until recently clients were encouraged to watch a few training videos and play in the Marketo sandbox - consequently, effective or advanced utilisation was always a bit of an issue. Marketo has now built out a partner base to address such challenges.

While Marketo is firmly in the mid-market and enterprise space, we think its introduction of Marketo Fire, to compete in the SMB space, was a bit of a distraction. Unless a company operates in multiple markets with multiple product lines then Act-on and Pardot are probably better offerings. However, in the mid-market to enterprise space it's

becoming a serious challenge to Eloqua - especially following the acquisition of Crowdfactory to enhance its social media offering; which only goes to cement a strong leadership position. Furthermore, with the launch of the Marketo launchpoint platform- an ecosystem of complementary technologies and partners, it's adopting a more information architectural approach to marketing; something that a growing number of enterprise and mid-market clients want and need.

We think Marketo is a serious challenger to Eloqua and must be part of the consideration set for any larger mid-market to enterprise organisation. Its success and acceptance in the marketplace was rewarded with an IPO on the NASDAQ in June – and at the time of writing it has a valuation of $1.5bn, significantly above its opening price.

We estimate in excess of 2500 organisations are using Marketo on over 4500 websites.

www.Marketo.com

Eloqua

Eloqua was founded in 2003 and is seen as the pioneer in this space. Its success has been steady rather than meteoric but they did (along with Treehouse Interactive, a privately held Utah based company) invent the space.

Initially receiving $50m in VC funding they had a successful IPO on the NASDAQ in August 2012; trading on the NASDAQ with a market capitalisation of $725m, until it was purchased by Oracle just 4 months later for approximately $850m In 2011, the company had revenues of $71.3 million, up 40 per cent year on year and c.330 employees. Eloqua, recently acquired by Oracle, is definitely seen as the leader in the enterprise space in terms of functionality and its ecosystem. It has a very successful user community, Topliners, where content and learning is shared co-operatively. CTO, Steven Woods' book *'Digital Body Language',* is a seminal read for anyone looking at MA.

Equally, Eloqua has the most expansive partner network and pioneered the marketing cloud apps space with its appcloud – a platform where middleware cloud connectors can be shared; often free of charge, for faster integration. For example a cloud connector exists for faster and easier integration between Eloqua and WebEx or Eloqua and Radian6.

For organisations in the enterprise space Eloqua has become the defacto standard, although it's fair to say Marketo is a strong challenger; think Intel and AMD. Criticism of the complexity and time to market for campaigns is something Marketo and other platforms exploit to their own advantage. Eloqua has addressed this with an easier to use version 10 upgrade, but it's a very powerful tool so users shouldn't be surprised that what is functionally rich to one person is complex to another.

It's also fair to say Eloqua has shown leadership around integration, social sign-on being a powerful example. It does have a tendency to imply that everything that isn't SaaS is therefore legacy, which is a little too simplistic considering its expertise and reliance on the enterprise space.

Eloqua has to be engaged, if only to benchmark others by. Its suitability for the mid-market to SMB is questionable and really depends on the sophistication, resources and organisational complexity of such companies.

With the acquisition by Oracle, Eloqua will become even more suited to the enterprise space and we expect to see more enterprise functionality created; for example tiered security, channel or discrete domain capabilities within the same instance, industry specific offerings and of course advanced integration to Oracle CRM.

We estimate that there are 3500 midmarket to enterprise clients using Eloqua.

www.eloqua.com

Silverpop

We feel a little disappointed in Silverpop. It has a great reputation for email deliverability and when it bought Vtrenz, an early stage MA pioneer - appointing Bryan Brown as Director of Product Marketing - we thought the company really might go places; especially when it merged the B2C and B2B platforms together.

Silverpop has built some really cool features into the product, such as 'Send Time Optimisation'; the ability for the platform to learn when recipients are most likely to read or engage with an email. And the snooze feature, which is native in Silverpop but something we've built into in other platforms, it's that cool. The reality is however, that Silverpop is a platform that has MA functionality but as a company is still operating as an email service provider. MA is way more than sends and click-throughs, however, this is where most Silverpop employees operate, and client education or understanding of the full potential of the platform is woefully low.

In an organisation which has both B2B and B2C clients then the platform and the pricing model is unique and worth very serious consideration. Its support is good, so if you are an enterprise B2B company then Silverpop might just make the shortlist for consideration.

Of the 1000s of clients using Silverpop, we estimate fewer than 10% use it as an MA platform in the B2B world.

www.silverpop.com

Aprimo, Unica and Neolane

We have deliberately clustered these three vendors together as we think they aren't automatic choices for your consideration set.

Aprimo pioneered the Marketing Resource Management (MRM) space and then evolved into the MA space; as such it'll appeal to organisations with a very large and extensive content library. We felt they were floundering a little as they migrated from an on-premise solution to the SAAS world and in doing so lost a lot of key staff. There was additional uncertainly following its acquisition by Teradata, who have subsequently also

acquired ecircle; a very prominent email service provider in Central Europe. There are some great features in the platform but much like Silverpop, it's the company understanding of the space and local support that's the key concern.

www.aprimo.com

Neolane is a French company with an on-premise solution operating at the high end of enterprise; their forte is a little more B2C than B2B. It was a similar size to Eloqua, in terms of revenue, before both their acquisitions. For organisations requiring local data hosting or on-premise solution Neolane might appeal. Its positioning around behavioural based marketing is appealing as is its suite of offerings, which are both extensive and modular. We hear a lot of mixed reviews about Neolane, customers love the vision and the professional nature of the sales organisation - but for many Neolane is just too complex and some customers do struggle to make Neolane work for them. The recent acquisition by Adobe makes sense for both companies as they operate in much the same markets.

www.neolane.com

Unica operates at the very top end of the marketing organisation spectrum, only relevant for very large global organisations - and so IBM as both a user, and then as an acquirer, of the company was not surprising. Unica certainly has the most interesting background out of all the MA vendors; the core team were the college students who developed the betting system which outnumbered the casinos in Las Vegas - and whose story was later retold in the film 21, with Kevin Spacey.

The cynical view in the marketplace is that IBM made such a commitment to making Unica work for them that they had to buy the company out of necessity, as opposed to strategic fit. The more rationale consideration would be to say that like so many other of the acquiring vendors in the space - who have all sold to the CEO, CFO, COO, Manufacturing, Logistics, HR and Operations - that the last bastion was marketing and so the acquisition made sense.

Integrating Unica to some of its other software toolsets and stacks will remain a challenge. It will be interesting to see how IBM, with its current focus on the CMO, will knit its acquisitions in this space together; Unica, SPSS and Cognos being just a few. Unica is functionally rich (just read Akin Arikan's 'Multichannel Marketing' to see) but very expensive and as a result very slow to implement. We think however large and complex your organisation is there are better solutions out there, growing faster and with more focus.

www.unica.com

In conclusion

As with all platforms, you are buying so much more than the software and a login. As you consider the platforms, it is imperative you look beyond the feature set. Ask questions of data security and encryption, API connectivity, support, training and certification. This might appear a loaded position but getting the right consultancy partner on board will drive your campaign success much faster and in turn your ability to influence the rest of the organisation.

Implementing MA is not about the software fundamentally it's really about driving change and finding a new way of working in the organisation

Good luck on your journey of change.

The CleverTouch team

Further reading and useful resources:

MA RFP Template

As a useful tool we have developed an RFP template containing the appropriate questions to ask a prospective vendor or consultancy partner. Some questions are obvious, others less so. It's a catch 22; only by having implemented will you know all the right questions to ask.

However, by using the RFP template in collaboration with this MA platform guide we think you will de-risk the MA implementation; by saving money and making your time to first campaign so much faster.

For more info on this please contact info@clever-touch.com