

The background is a solid dark brown color. In the upper right quadrant, there is a large, stylized graphic. It consists of a megaphone shape, which is a large circle on the left and a flared, trapezoidal shape on the right. Overlapping the bottom right of the megaphone is a stylized hand with five fingers, palm facing left. The entire graphic is rendered in a lighter shade of brown than the background. Below the graphic, there is a thin horizontal line.

WHAT IS MARKETING AUTOMATION?

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Marketing Automation: Definition

“Marketing automation can be defined as the act of automating marketing processes and multi-functional campaigns, across various channels”.

Of course, a simple definition like this one doesn't adequately convey the vast plethora of rich possibilities that a suite of marketing tools can open up for a business. In this article, we aim to demystify what are marketing automation platforms, and describe how best it can be used in an operational environment.





Automation and the goal of marketing

In any business, there is a sales and marketing lifecycle, and online businesses are not exceptions to this status quo. The process of acquiring customers starts with marketing that attracts the interest of relevant visitors. Once visitors are convinced to purchase, they become customers. However, the cycle doesn't end there, because it is simply not enough to develop leads into customers: they must become delighted customers. This is the ultimate goal of marketing, so that **customers become evangelists and ambassadors for your brand**.

Marketing automation tools are used for digital marketing, combined with solid strategies, they are powerful allies in the quest to achieve your marketing goal. As we will see later on, marketing automation also has the advantage of reaping rich rewards in increased revenue through the maximization of ROI.



Marketing campaigns:

Any marketer knows that a cohesive and well-thought of communication strategy is central to their efforts to increase revenue. These strategies, known generally as marketing campaigns, are created to achieve certain goals. They also can be long or short campaigns, and can span multiple channels. The concept of a marketing campaign doesn't change with the context of marketing automation, but it becomes the central idea. Therefore, all tactics and tasks that are then put into place are organized by campaign.



Customer data organization and storage:

We will touch upon this point in more detail later on, but for now the importance of customer data in marketing automation must be firmly established. Wildly successful results achieved through the implementation of marketing automation owe their success to the adroit use of customer data. Customer data is often stored in different locations, as each customer-facing team develops their own means of organization. However, the power that combining these disparate databases yields is tremendous. Marketing, sales, and support team databanks can generate informative profiles of customers, allowing a marketing automation software to create highly personalized and relevant campaigns for customers.



Workflows:

The nuts and bolts of a marketing automation software, a workflow defines the list of automated tasks and processes that are to be done to convert a lead into a customer. These tasks and processes, also known as actions, are generally trigger-based and thus lead to a contextual, relevant, and timely response to customer actions. Responses can be singular instances, like an onsite notification or exit overlay, or can be a set of predetermined actions that are set into motion.

A workflow is best described with an example. Let's say a customer spends time browsing your website, and fills up their cart with a few products. But the customer doesn't complete the checkout process. This is the classic case of cart abandonment. Now, there are several reasons why a customer would potentially leave a cart full of products behind, but from a marketing automation perspective, we aren't trying to solve those issues. We would like the customer to purchase the products that they displayed a clear intention to buy.

In response to cart abandonment, an immediate email will probably not have a huge impact. Whatever issue was blocking the purchase, could still be applicable. However, waiting a couple of days to send a reminder email, saying that the products are still available could trigger a purchase. And industry statistics bear out the assumption, with positive reactions to these sorts of reminders. If the first email fails to convert the customer, then another email extolling the virtue of the products, and perhaps a few reviews thrown in would do the trick. Industry wisdom says that reviews, especially celebrity ones, go a long way to convince a person in their purchase decision. And so on. The workflow can be as simple or as complex as the case may demand, and should be reviewed and tweaked to suit each organization.



Customer journey and touchpoints:

To really grasp the power of marketing automation, it is vital to think like a customer. What would a customer like? How would they react to this? are questions that should be at the center of your strategy. The reason is simple: the customer is the target audience, and by understanding them, their needs, and their behavior, the strategy becomes more effective. Therefore, to understand customers, you need to see how they progress through your website, as they consume it. A purchase may be the pinnacle of achievement, but it rarely exists in isolation. There are many interactions with your brand which eventually lead up to the purchase. This progression is known as the customer journey, and every interaction they have with your brand – online or offline – is called a touchpoint. Using marketing automation, your goal would be to ensure the best possible interactions across these journeys, because one weak link in the touchpoint could be the difference between making or breaking a deal.



Customer lifecycle:

A customer's lifecycle consists of the stages that a customer goes through from the time they are identified as a lead (known as acquisition) to the moment they become delighted ambassadors of your brand (known as advocacy). Companies should ideally nurture customers through the various stages, using marketing and customer success strategies.

Marketing automation tools will chiefly be used by marketing, sales, and customer success teams within and organization. Most of the concepts we have outlined above are marketing-centric and will probably immediately strike a chord with people in those business areas. The idea is to take classical marketing knowledge and expertise, and retrofit it to suit the burgeoning world of marketing automation.



Why use marketing automation

The reasons for implementing marketing automation are manifold, and perhaps deserve an article of their own. Each individual organization would have a unique set of use cases for the effective application of marketing automation techniques and tools. That being said, let's look at some typical reasons why marketing automation is being hailed as the future of digital marketing.



Automation promotes efficiency:

Although this point is certainly not restricted to marketing automation, the benefits of automation in a general sense are clear. The positives of automation, like the efficient completion of repetitive tasks, removal of human error from the equation, and the increase in speed are standard for any automation, not just marketing automation. Additionally, when people are freed from repetitive through the intelligent application of efficient software, they have time to consider more complex tasks and issues. Therefore, the gains are not just efficiency but mental capital as well, which would otherwise be squandered.



Campaign management hub:

A marketing automation suite consists of customer data, like demographic data, behavior patterns, shopping history, and so on, and tools for digital marketing. Therefore, it contains all the relevant information in one place. On the surface, this might appear to be a simple feature, but can have extraordinary ramifications for successful implementation of digital strategies. All marketing campaigns can be conceived, planned, created, implemented, tracked, analyzed, and reviewed in one location.



Includes best practices for digital marketing:

This is a benefit best illustrated with an example. You have designed the perfect email marketing campaign. The designs are excellent, and the content is sparkling. The campaign is all set to boost conversions for your website in a major way, and the only step left is to actually send out the emails. When is the best time to do so? Are you going to use a mail merge, and send them out all at once? How do you ensure delivery? These are all valid questions, which, in the example described, will be causes for concern. The email marketing campaign has failed if it doesn't reach its intended target. And that's where a marketing automation solution would come in. Right from scheduling to delivery, and then tracking and analytics, marketing automation takes care of the whole gamut of requirements.



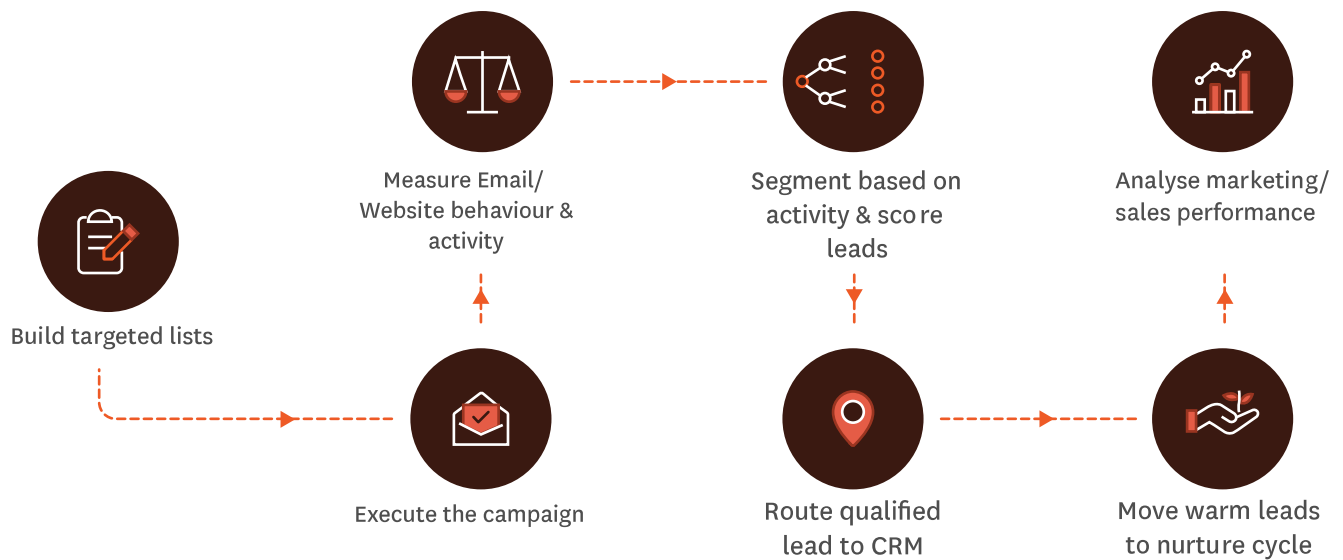
Track and review:

We have mentioned this a few times previously, but it cannot be stressed enough: result tracking and analysis. The results of traditional marketing have always been somewhat shrouded in a hazy mist. One could never calculate exactly how much business was due to marketing initiatives. However, with marketing automation, there is absolutely no guesswork. Results are available for analysis in black and white. Therefore, not only can you measure the success of your campaign accurately, but more importantly you can analyze the results, gather insights, and plug those into the next campaigns that are created.



Scalable:

To build a little more upon the example we used above, consider the possibility of sending the email campaign to 10 people. It would be easy. As that number increases, the ease decreases, the tedium increases, and the possibility of mistakes increases exponentially. In short, a manual system is just not scalable. And that is just the situation if the email campaign contained a few form letters. Throw in personalization – a cornerstone of effective conversion rate optimization – and the complexity would become impossible to manage. Marketing automation gives you the ability to market to a huge audience at once, and it is as easy as setting up a campaign on a dashboard.



1

Customer data is the solid foundation upon which marketing automation is built. As we outlined in the key concepts above, it is an amalgamation of various types of data and behavioral information, which is used to create complex and personalized profiles of each individual customer. Typical sources of this sort of data are emails, the website, the app, social media, usage patterns, and user history.

2

The tools contained within the automation suite will then use this data to create customer segments. Of course, marketers have the ability to customize these segments based on their individual requirements, and in fact should do so once they have a firmer grip on using the software for their businesses. Customer segments are critical to effective marketing, as they facilitate targeting based on a variety of pertinent factors. As compared to spray-style marketing, where a one-size-fits-all approach is used to create marketing material, targeted marketing reaps higher rewards overall.

3

Campaigns are then created using marketing automation tools, plugging in relevant customer data in the form of personalization. A campaign can encompass multiple channels (emails, SMS, onsite messaging, etc.) and span varying lengths of time. Variations of the campaign are created for different segments, and as the material is sent out, it pulls in information from customer profiles. The upshot of this is that a complex campaign, made of many different parts and thus consisting of multiple variations, can be accomplished in a disproportionately short period of time.

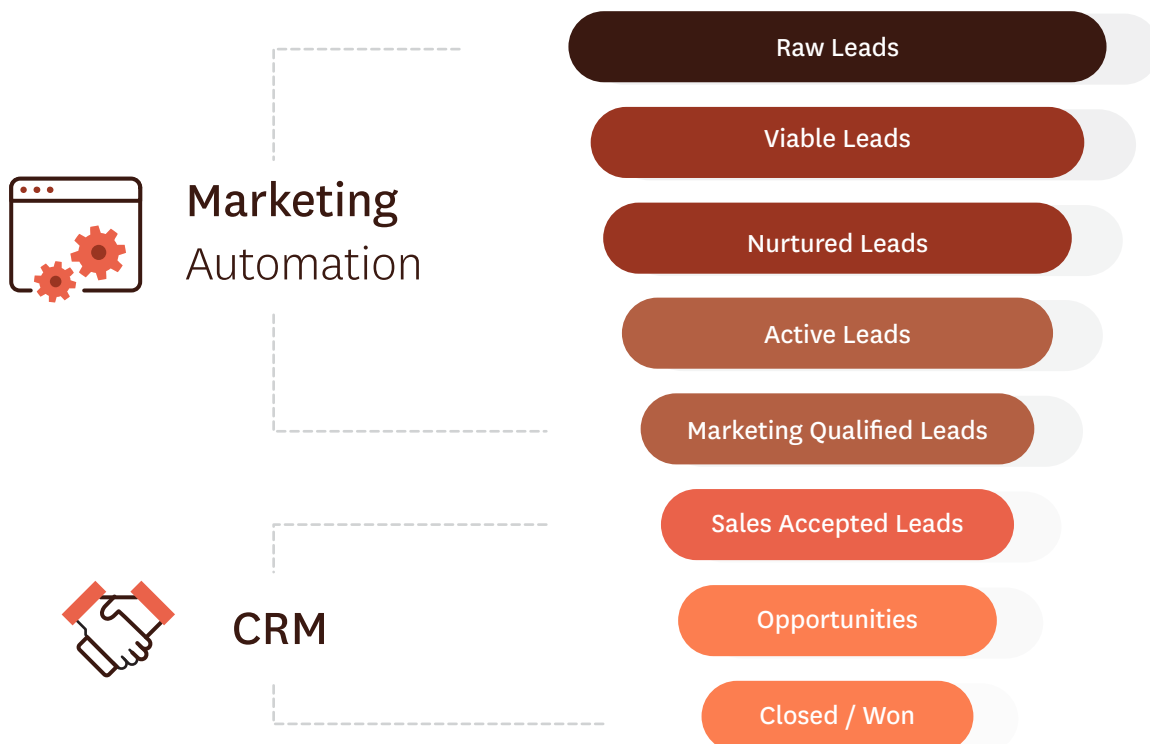
Campaigns are meant to reach the customers at critical junctures of their journeys, with relevant and timely messaging, to help them move forward in the customer lifecycle.

How marketing automation differs from CRM

On the surface, marketing automation software appears to be indistinguishable from CRM software. They appear to serve the same ends – delighting customers – using a deft combination of automation and customer data. The differences are subtle and lie along the same divisions as with sales and marketing.

Even though sales and marketing are often used in the same breath, and sometimes to mean the same thing, they are essentially different activities that take place at different stages of the customer lifecycle. Consider an organizational funnel, where raw leads are at the top and the conversions are at the base. **Marketing typically targets the raw leads, and helps to qualify them to the point at which the sales team would take over. The sales team then takes these qualified leads and converts them into customers, and then furthers them along the roads of purchase and beyond.**


CRM software stores customer data, just like marketing automation software does. In fact, it goes a step further and stores interaction with customers as well, giving sales people richer insights into individual customers by maintaining a detailed history along with their profiles. Some CRM software feature opportunity ranking, quote information, and deal data. However, in the case of marketing automation, customer profiles and data merely mark the starting point. **The main thrust of a marketing automation software is to create campaigns and the dissemination of messaging, whereas a CRM is looking to complete deals.**



How marketing automation differs from email service providers

One would assume that, considering marketing automation is definitively multichannel in scope, the difference between an email service provider (ESP) and a marketing automation suite of tools would be clear. However, two factors blur the distinction: email marketing automation forms the bulk of marketing automation; and ESPs are evolving to become more feature-rich and thus encroach upon marketing automation territory.

This may well be the current status quo, but the differences between the software are considerable on a conceptual level, if not on an application one. Let's delve into these in greater detail:

 Marketing automation systems	 Email service provider
Conceptually multichannel marketing, right from the get-go	Primarily focused on email marketing automation, although slowly evolving to include other channel support
Intended to nurture leads, to be later handed over the sales team after qualification, through the use of segmentation and personalization	Limited personalization capabilities, and generally has only manual segmentation
Lead scoring functionality	Simple customer lists
Integration with other marketing channels for a synchronized set of campaigns and greater consistency of brand messaging – all in one place	Since the primary function is email marketing and support for integrated channels is not uniform, usually more systems are required to cover other channels – leading to fractured data and integration hassles
Tracking customer behavior beyond just the email – for example, links to webpages, etc.	Tracking and analytics restricted to email metrics
Considered a scalable solution for large customer bases	Considered a starting point for marketing with a limited ability to scale

Signs that you need marketing automation

We've discussed why you should jump on the marketing automation bandwagon above, listing out all the tangible benefits of using a customer knowledge bank to intelligently drive strategies. However, there are signs within an organization that point to the marketing automation being a necessity rather than an option.



CRM is limited in scope:

There is going to come a time, as your business scales up, where the superficially enhanced automation capabilities are going to limit your marketing effort. The CRM will help you get sales deals in order and further than process admirably, but for advanced segmentation, personalization, and multichannel marketing, marketing automation is the only way forward.



Spread out customer data:

Insights cannot be gained from incomplete information, nor should they be. Using all the information about customers at your disposal to craft meaningful and relevant interactions is a fundamental of great marketing strategy. Marketing automation will not only collate all the information for different sources together, but use it intelligently to create segments.



Can't handle the volumes:

Having a lot of customers is not a negative by any means, but does increase the effort needed to interact with all those people in a timely and contextual manner. Beyond about 20 customers, drafting out and sending individual emails as a part of a campaign becomes a huge overhead, and frankly an inefficient way to spend time. It is just better to get automation in earlier, and weed out the chances of human error.



Analytics are fuzzy and inconclusive:

How much ROI did your last digital campaign generate directly? This is not an easily answered question, if ordinary email metrics are all you have at your disposal. Calculating ROI is a vital part of determining budgets and marketing strategies at the highest level, and thus cannot be left to chance and mere guesswork.

Marketing automation is rapidly being adopted as a de facto standard for online businesses, and rightly so, because when it is applied correctly, it can reap large rewards for its investment.



What to look for when choosing a marketing automation system

Now that we have outlined all the pluses of using marketing automation system, the next step is to choose the right one for implementation. This isn't a decision to be taken lightly, seeing as implementation requires a considerable investment of resources – time, money, training, and so on.



Features:

The following features are the most common ones to look for when shopping for the perfect marketing automation system. This is the very minimum, as these functions form the basis of what is considered to be marketing automation.

- Channel support: email, social media, SMS, landing pages
- Campaign creation and management
- A/B testing
- Automatic segmentation
- Personalization engine
- Integration across channels
- Trigger-based actions
- Website and app usage tracking
- Lead scoring and tracking
- Tracking and analytics



Scalability:

This is generally a given with marketing automation suites, as they are often browser-based and priced on amounts of data or customers. However, it is worth taking a minute to explore how scalability is handled by the suites under review.



Ease of use:

Adoption of any new suite should involve minimum disruption and training. The focus on user experience is standing people in good stead, by cutting down on training time and the employment of expensive consultants. Setting up the workflows should also not take an inordinate amount of time.



Integration:

Consider existing systems and make sure new systems either play well with those, or replace them adequately.



Security:

Often the last to be considered, security is arguably the most important factor of them all. With the increasing legislation for customer data use and storage, security cannot be taken lightly. You will be entrusting customer data to a third party, and must assess the risks of doing so carefully.



Support:

Consider springing extra for customer support. It is invaluable with setup and other post-implementation scenarios. Although not directly related, a marketing automation provider that has a customer success team and demonstrated knowledge in the area of marketing automation is an invaluable asset to have alongside the software.

Strategy to adopt marketing automation

Apart from the marketing automation suite itself, there are other factors to evaluate before bringing in automation. Assuming that you have already established that you need it and that current solutions are not satisfying your requirements, we are going to list some questions that need to be asked before implementation.

- **Where in the funnel do you want the marketing automation to come in?**

Software ranges from mid-funnel and bottom-funnel to full-funnel functionality. The former are limited in scope, like CRMs for instance, but can be easier to use initially.

- **Who will be affected by the marketing software?**

Have enough people internally vet the different systems on offer, and involve members of all affected teams – marketing, IT, sales, support, and so on. Bringing in multiple viewpoints will help identify gaps in the system from a uniquely organizational point of view. Additionally, having people come in early in the decision-making process ensures that internal processes do not become issues during final implementation. Issues ironed out in the beginning will make the adoption process much smoother.

- **What does your customer data look like?**

Gather all the customer data that exists in the organization and make sure it is clean – without duplicates, no outdated information, and so on – and ready plug into the new system.

- **What do you expect the marketing automation platform will do?**

Visualize the processes that will change, be created, or be replaced with the implementation of a software. Often, spelling out a plan through visualization helps crystallize objectives when dealing with a vendor.

- **What content are you going to send out?**

It is sensible to plan ahead with content, because it both is derived from and informs marketing strategy. Have broad strokes of strategy in place for quick implementation, and avoid a bottleneck later on, when the platform is newly in use.

How to avoid common mistakes in marketing automation

After covering the dos, let's tackle the don'ts of marketing automation. These mistakes are simple pitfalls and are easily avoided with a little planning and preparation.

Always have a plan:

Marketing automation is an exciting new frontier for marketers, and it is understandable that sometimes enthusiasm can get the better of one. However, like with any strategy, ensure that marketing campaigns follow a plan and have defined goals before plunging in.

Before you can nurture leads, you have to generate them:

Good quality leads become customers. There must be inbound marketing strategies in place, through the adroit use of SEO and ads, to bring visitors intentionally to your website. These leads will be susceptible to marketing effort and mature into the customer lifecycle.

Go the multichannel route:

Email marketing is tried, tested, and true. But it isn't the only channel available. Don't neglect other opportunities to engage meaningfully with customers.

Strike a balance:

It is tempting to bombard customers with marketing materials, especially when laboring under the impression that it is in their interest. There is a line between being consistent and being annoying; and it is best to err on the safe side.

Optimizing marketing automation

You've implemented a marketing automation platform, and everyone is comfortable using it. You've got a handle on all the bells and whistles, so what is next? Optimization. Here are a few tips to get the most of your brand new shiny software:



Prioritize:

You can have as many or as few campaigns as you could possibly imagine, so where do you start? Quite simply, with the one that you expect to reap the highest returns.



Establish goals and expectations:

When you are formulating plans, it is best to form intelligent assumptions about expected outcomes. Then track actual results against these predictions to measure the success of each campaign. The variance between expected and actual outcomes will yield insights that add to marketing knowledge and can be used in future campaigns.



Slow and steady:

Start with a few campaigns, and stagger them for testing. Refine the next campaigns, and then launch them. This will improve your campaigns' chances of success.



Keep it relevant:

Relevancy separates marketing emails from spam. It is good business practice to stick to sending quality content that is interesting and relevant to good quality leads only.



Measuring the ROI of marketing automation

Marketing automation platforms bring in value, if implemented correctly and used intentionally. But the question remains: just how much value is it bringing in? In any organization, value needs to be quantifiable, because those numbers impact the business as a whole. There are a few factors that contribute to determining the ROI of a marketing platform:

- Number of visitors who have become leads
- Conversion ratios
- Metrics of campaigns
- Website traffic metrics
- People and time resource allocation

Summary

As we said before, we could wax eloquent about the benefits of marketing automation. It drives transactions and ultimately has a positive impact on revenue. It helps the marketer convert leads into customers, and foster customer loyalty with relatively little investment.

Marketing automation is the way forward for any business.



Getting started with **Marketing Automation?**

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