# Marketing automation

## Raluca Dania TODOR[1]

**Abstract:** *The automation of the marketing process seems to be nowadays, the only solution to face the major changes brought by the fast evolution of technology and the continuous increase in supply and demand. In order to achieve the desired marketing results, businessis have to employ digital marketing and communication services. These services are efficient and measurable thanks to the marketing technology used to track, score and implement each campaign. Due to the technical progress, the marketing fragmentation, demand for customized products and services on one side and the need to achieve constructive dialogue with the customers, immediate and flexible response and the necessity to measure the investments and the results on the other side, the classical marketing approached had changed continue to improve substantially.*

**Key-words:** *marketing automation, online marketing, customer relationship management*

## 1. Introduction

In order to be able to face competition, successful companies need to maintain a very good relationship with their existing customers and also to be able to anticipate their future needs. Thus, companies do no longer target customers as groups, but they are trying to target them as individuals. Websites, social media or direct calls can help companies to gather information about their customers, helping them also in the analysis and forecasting process. But to be able to use this data, companies need to use marketing automation tools.

The email marketing is considered to be an effective part of online lead generation and nurturing. Companies using marketing automation tools have more insight into the prospect's interest, behavior and buying intention.

[1] Transilvania University of Braşov, raluca.todor@unitbv.ro

## 2. Marketing automation

Marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration, and campaign management. The use of marketing automation makes processes that would have otherwise been performed manually much more efficient, and makes new processes possible.

At its best, "marketing automation is a software but also tactics that allow companies to buy and sell like Amazon – that is, to nurture prospects with highly personalized, useful content that helps convert prospects to customers and turn customers into delighted customers. This type of marketing automation typically generates significant new revenue for companies, and provides an excellent return on the investment required."(Hubspot 2015, 1)

The key to efficient automated processes is also the usage of business intelligence. Business intelligence and automation solutions transcend the customer lifecycle by working behind the scenes to improve customer experience. While marketing automation, and CRM (Customer Relationship Management) software are very powerful for penetration and retention of existing customers, business intelligence software receives current sales information. The users extrapolates this information, the result being unlimited graphical reporting and campaign creation.

"Smart companies in the 21st century use business intelligence (BI) solutions to gain a clearer picture of their internal operations, customers, supply chain, and financial performance. They also derive significant ROI by using BI to devise better tactics and plans, respond more effectively to emergencies, and capitalize more quickly on new opportunities. In short, they are using BI to become intelligent about the way they do business."(Eckerson 2003, 1)

## 3. Customer Relationship Management (CMR)

The Customer Relationship Management is basically an application that is designed for the businesses to organize all the data that they have on their customers. A CRM's primary purpose is to organize, track, and manage all of the customer information, activities and conversations. This helps the sales, marketing, and customer service teams better understand their customers. It also ensures they are delivering the right message at the right time.

In short, CRM means that "you will not be trying to sell a single product to as many customers as possible. Instead, you´ll be trying to sell a single customer as many products as possible – over a long period of time, and across different product lines."(Peppers 1996, 21)

### 3.1. CRM Integration - how to build a Prospect List

Marketers use marketing automation to create new ways of appealing to customers by tracking and monitoring the progress of the marketing campaign. The software displays information statistically and graphically. It monitors the first time customers view a product and when those same customers convert and purchase the product. This data provides marketers with information on which marketing campaigns are the most effective.

Marketers use marketing automation to create profiles and analyze customer-specific data. For example, with the CRM web-based software, marketers analyze customer retention statistics, track potential clients, develop a transactions history, and monitor web performance and customer behavior.

In order to build an efficient database, there are some steps that should be followed.

1. The contacts are searched in each available database such as www.data.com or www.zoominfo.
2. The contact information is extracted and populate into an excel spreadsheet.
3. Each contact is checked and verified on LinkedIn so she/he is at the target company. If not, the contact has to be removed.
4. Prospect contact data, such as email or phone number, is searched. If this in not available, the contacts email address is guessed based on the format of other known contacts in the same company that are found in the database. The company's main phone number is used if the personal phone number cannot be located.
5. The email addresses are loaded into an email verifier website or a testing email campaign is done.

Data.com is one of the best source to find the desired contacts. It is periodically updated and the companies have to pay a specific amount in order to get access to a certain number of contacts. As an example, a way of differentiating and identifying the right contacts for a campaign where only people involved in CRM processes are targeted.

### 4. Marketing automation platform

A study commissioned by Salesfusion and executed by Learn Marketing Automation surveyed nearly 700 Business to Business (B2B) marketers from small to medium-size businesses (with less than 100 million dollars in revenue and found that marketers with a Marketing Automation platform and supporting processes are nearly three times more likely to have strong communications with sales (Cummings

et al., 2010, 38).  There are a number of reasons indicating why companies choose marketing automation, the most important being the ability to nurture leads.
The main elements of a Marketing Automation platform:
- Lead Management
- Campaign Management
- Email Marketing
- Progressive Profiling and Dynamic Content

### 4.1. Lead management

The evolution of the marketing or sales practices changed the business processes by adding new technologies but also new ways to define a customer, according to their marketing or sales stage. A **lead** is a contact generated by a marketing campaign to existing or potential new customers that express interest in the company's offering or inquire into products or services. Lead is a term mainly used in Marketing.

*A Lead Management* software is a technology which helps businesses track and optimize the entire sales process. At his basis, lead management is the process of tracking and managing prospective customers. According to the HubSpot Marketing Automation experts, lead management, sometimes referred to as customer acquisition management or contact management, it generally encompasses the following processes:

- Lead generation, meaning that the businesses create consumer interest and inquiry into products or services through a range of marketing tactics. These often include blog posts, advertisements, white papers, social media, events, and PR campaigns.
- Customer inquiry and capture happens when the consumer of marketing respond with interest and their data is recorded. This creates a sales lead.
- Filtering, grading, distribution, and contact processed occur when leads are sorted by the validity of the request, prioritized based on likelihood of becoming a customer, dispersed to sales representatives to be contacted. Depending on the size of the marketing program, a lot of work can go into defining how to accurately categorize and sort individual leads.
- Lead nurturing means that the leads are sorted by contacted or uncontacted and scheduled for follow-up processes. They may be put into follow-up campaigns or directly called by the company's representatives.

### 4.2. Campaign management

"A campaign is a series of interconnected promotional efforts usually undertaken within a defined timeframe, designed to capture customers' interest, and thereby achieve precise marketing goals." (Kumar et al., 2012: 26)

The five process steps of a campaign are:
- • Campaign planning: which implies defining the objectives, the target group, the communication medium(s), the campaign budget, designing the campaign.
- • Campaign execution: refers to creative execution, the personalization of the messages, assigning a target group to the campaign, and the release of the campaign.
- • Campaign analysis: is the evaluation process of the campaign results in light of the original objectives including, according to Kumar V. and Reinartz W.
- • The statistics on the campaign: to see the total number of responses, the amount of business generated from the campaign, and more.
- • Campaign reports: for example, the Campaign Return on Investment Analysis Report, which helps companies measure the return of the investment, using the following calculation method:

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

The Return on Investment calculates the benefit to an investor resulting from an investment of some resource. The return or profit is calculated as a percentage. The formula for calculating Return on Investment is dependent on how an investor tracks revenue, profits and expenses. (Kumar et al., 2012: 31)

According to Technopedia a "campaign management system usually provides a user-friendly dashboard that allows business/marketing leaders to see vital data and to identify the key outcomes in various marketing efforts. For instance, a typical campaign management system splits out different screens and presentations for social media platforms like Facebook, Twitter and others, showing at a glance how each one of these campaign parts is different". (Techopedia, 2014)

A lot of campaign management systems address the issue of "tabulated return on investment (ROI)" for marketing campaigns — this means that business/marketing leaders should be able to see how each part of a campaign is bringing profits to the company and whether it can cover the costs or not. Marketers try to point out that marketing ROI is fairly abstract and ambiguous by nature, but using more advanced technology, businesses are able to pinpoint more of the details on how much they are getting for their investments in marketing.

Such a campaign management system must be "designed on top of an existing business IT architecture. The system therefore should be built to be compatible with legacy systems including call centers, data warehouses, servers and mainframe systems, or with any other part of a hardware or network design that streams data from one node or point to another. This can require some fairly advanced

brainstorming around implementation and ongoing maintenance to make sure that systems are working correctly" (Techopedia, 2014).

### 4.3. Email marketing platform

An email marketing platform needs to be able to send email, but there are some abilities that it should have:
- "deliver reliably to users' inboxes
- pre-schedule an email send or instantly send
- define which email list to send an email or newsletter to
- test send an email prior to mass sending
- modify "from" and "sender" information
- modify subject line
- instantly add unsubscribe link
- serve html webpage version of the email
- log and remove unsubscribed members from individual lists or all emails
- remove email addresses from list after a number of undeliverable sends
- collect data other than email address
- segment email sending lists and create different lists" (Gao 2015, 2)

### 4.4.  Progressive profiling and dynamic content

The Progressive Profiling is the use of dynamic form fields on a website to progressively capture basic and then additional information on a visitor. In order to access various content on a site (e.g. a white paper, webinar or e-book), a prospect fills out a short landing page form with his information. Each time the prospect returns to access more content, another short form is filled out, with a new set of questions to assess their profile and intent.

Progressive profiling helps business in many aspects of lead generation and management. The companies quickly notice a domino effect - one interaction that enables many future ones like:
- Maintain high conversion by cutting down on the number of initial fields
- Capture more information about a prospect each time he accesses new content
- Target the prospect with more specific campaigns that suit his needs
- Keep a permanently updated database of prospects (instead of asking for new info, a business can verify and update older info)

Progressive profiling helps business get more information about their visitors by smartly sharing their content. It helps them target the prospects more accurately and keeps the database updated with current information. The companies should ask for relevant information gradually, nothing too personal at the start and use optional fields for the highly sensitive information.

Dynamic offers are a sales technique represented by the metamorphosis of the standard offers, based on the analysis of information a company gathered on its prospect, his interest and past behavior. Marketers use dynamic offers to communicate their value proposition in the most compelling way in each stage of lead lifecycle. Dynamic Offers are often found being referred to as "adaptive" or "smart" offers.

The most important characteristic of dynamic offers is the relevance and in order to keep up with the customer expectations a business needs to be able to gather and analyze information about them. Once it has all this information it wants to focus on offer management with the goal to create an experience that's customized for the client at every specific interaction regardless of the marketing channel used.

## 5. Conclusions

To sum up the marketing automation tools can provide the following benefits to the organization, according to the company's size and marketing sophistication:
- Increased marketing efficiency.
- Enhanced ability to generate more and better qualified leads.
- A multichannel view of prospect behavior.
- Better alignment of sales and marketing goals.
- Improved lead conversion and ROI.

Some of the challenges the companies have to be aware of with marketing automation include:
- Complicated and time-consuming implementation and onboarding.
- Under-utilization of platform features that lead to it only being used for email marketing.
- Sales and/or marketing resistance to changing marketing processes can impede platform adoption and efficiency.

According to many studies in the modern marketing automation field, companies using automating software have 107% better lead conversion rate, 40% greater average deal size, 17% better forecast accuracy.

A recent study performed in 2015 shows that when it comes to the most effective online marketing tactics, the e-mail marketing is considered to be the most effective method, followed by social media marketing and content marketing.

Marketing automation can be used in order to develop and implement an email marketing campaign, automate repetitive business tasks, create a database for present and potential customers and develop an automated campaign to increase business sales. To sum up, marketing automations tools have become indispensable for companies in order to face the increasing competition.

## 6. References

Cummings, D. and Blitzer, A., 2010. *Think Outside the Inbox: The B2B Marketing Automation Guide.* Atlanta: Leigh Walker Books

Grey, P. and Byun, J., 2001. *Customer Relationship Management.* [e-book] Available at: < http://escholarship.org/uc/item/76n7d23r>

Kumar, V. and Reinartz, W., 2012. *Customer Relationship Management Concept. Strategy and Tools*. Second Edition. Heidelberg: Springer-Verlag

Peppers, D. and Rogers, M., 1996. *The One to One Future*. New York: Doubleday.

TDWI Report Series - Smart Companies in the 21st Century: The Secrets of Creating Successful Business Intelligence Solutions Available at www.tdwi.org

www.emailmarketing.comm100.com/email-marketing-ebook/email-marketing-platform.aspx

www.hubspot.com/marketing-automation-information

www.data.com

www.techopedia.com