Many of the world’s largest corporations are now utilizing automation tools to analyze and track all of their online marketing activities. However, these tools are not limited to the Fortune 500. Some innovative companies with less than 50 employees and revenues under $10 million are also tapping into these tools and are using the intelligence and efficiencies gained to support their rapid growth curve.

The missed opportunity, however, is the majority of America’s 30 million small businesses are still relying on manual systems and processes to generate leads for their pipeline and then attempt to measure the results of their efforts. Because of their small IT staffs and tight advertising budgets, many small to midsized businesses (SMBs) have wrongly assumed that marketing automation systems are only beneficial and affordable for the Fortune 500.

With marketing automation systems now available with a wide range of pricing and delivery options, a growing number of SMBs are upgrading their lead generation and prospecting with advanced techniques—drip marketing, lead nurturing, lead scoring—which were once limited to corporate conglomerates with powerhouse ad agencies.

Since research shows top-performing companies average a 65% year-over-year return on marketing investment, according to the Aberdeen Group’s April 2009 Marketing Automation report, it is quickly becoming a competitive necessity for organizations of all sizes to better measure and allocate their marketing resources.
“New advances in demand generation technology are providing mid-sized enterprises with systems that can automate manual marketing processes and drive efficiency,” Jesse Hopps, CEO of Demand Metric, a management advisory firm focused on sales & marketing strategy for mid-sized firms, recently told DemandGen Report.

The Automation Transformation

Because the first marketing automation systems to hit the market were designed for the diverse staff needs and complex environments of large B2B players, the solutions appeared out-of-reach for many SMBs from both a technology and budgetary point of view. However, the expansion of lower priced tools, which stress both ease of use and implementation, has opened the door for marketing automation to stretch from conglomerates to start-ups.

“There is a pre-conceived notion that marketing automation is overly expensive and complex,” notes Ian Michiels, group director, customer management technology group at Aberdeen. “This is not true.”

Having consulted with hundreds of mid-sized organizations, Demand Metrics’ Hopps has found that marketing automation systems have proven to be a driver of new business and top-line growth. “Sales/marketing technologies that provide automated lead scoring and nurturing functionality, and real insight into a prospects implicit buying behaviors, (webpage views, email opens, collateral downloads etc), has resulted in more targeted sales communications and increased win rates for organizations that are aware of trends and best practices,” Hopps told DemandGen Report.

For most SMBs, the most urgent driver to adopt marketing automation is to feed more leads into the pipeline for their sales team. However, companies who properly apply these analytics tools quickly realize that the real payoff comes in identifying qualified prospects based on their response to offers and other web behavior.

According to Aberdeen Group’s recent research report, “Lead Prioritization and Scoring: The Path to Higher Conversion,” the top objectives of a lead management strategy were:

- Improve the quality of leads that are passed on to sales (78%).
- Optimize conversion or profitability from various sources of leads (64%).
- Measure marketing performance more effectively (53%).

In addition to gaining more insight into the ROI of their marketing efforts, industry insiders have stressed that the real benefit for SMBs is replacing manual processes with more efficient automated systems, allowing smaller companies to more effectively reach out to potential customers in a timelier manner.

“Many small businesses still rely on picking up the phone to call people, but that is like the adage about the blind squirrel occasionally finding a nut...he never finds enough,” noted Jeff Ogden, president of Find New Customers. Using automated marketing techniques these companies can provide prospective customers with valuable information and continue to automatically reach out to those people who show interest, Ogden explained.
The Payoffs of Integrated Marketing

In the Web 2.0 world, it is almost impossible for a company to expand its client base without a presence in digital marketing. Web marketing provides tremendous efficiencies in terms of cost and the ability to reach targeted buyers.

In building an online marketing strategy, many SMBs have taken a “toe in the water” approach to automating their efforts. The typical path start out by utilizing separate solutions to address each of a company’s different sales and marketing communication needs. This approach has ultimately only exacerbated the efficiency issue as these disparate solutions are then managed by separate employees and leave a trail of disconnected databases in their wake.

For example, most companies have started down the automation path with an email services provider (ESP). In these instances, most companies have dedicated someone from the sales support team to administer and manage that ESP and its deliverables. That team member is charged with growing that email database and sharing reports on opens, clicks to the appropriate sales representative.

After companies see the value of email marketing, they often want to add analytics around website tracking to follow the activity of their prospects after they have opened or clicked on an email. Typically, someone from the web or IT team is then assigned with tracking and reporting on web analytics. Once they are measuring web activity, companies then want to add tools that can improve Web conversions, so the next step is finding a tool to automate form creation, landing pages, web seminar management and other lead generation activity.

In the long run the approach of stringing together different systems has cost companies valuable time and money. The disparate systems leave companies with different members of their team managing different databases, and no common view of the customers and prospects they are communicating with.

Because smaller businesses inevitably have fewer employees and smaller IT staffs, an integrated marketing automation solution frees up valuable time previously spent moving data from one program to another. These solutions have also enabled companies of all sizes to increase the number of campaigns they are able to deliver and manage, and ultimately have visibility into how marketing initiatives are impacting the pipeline.

“In the past, marketers were using disparate systems for email marketing, website analytics, direct mail, online
advertising, etc, making it extremely difficult to accurately track the results of integrated marketing efforts,” Hopps said.

Companies that have successfully deployed marketing automation have advanced their marketing programs beyond email campaigns, adding more advanced processes including lead nurturing, drip marketing and lead scoring. And by integrating their efforts, they have linked feedback from email campaigns, online marketing and webinars to sales prospecting.

The payoffs of developing an integrated, automation approach to marketing, have proven to be dramatic. According to SiriusDecisions research, companies that integrate campaign management with lead management “can expect to close roughly five deals per program compared to an average of one deal per program for companies with no marketing automation program in place.”

The Case To Automate

While the majority of the early adopters of marketing automation were BtoB giants such as CA and SAP, recent case studies have shown that small to midsized (SMB) businesses that have deployed marketing automation solutions have actually leveled the playing field with larger competitors.

Many small businesses are finding great success using integrated marketing automation designed to assist smaller companies. “I do a lot of industry webinars and with the automated system I can track who registered, how many click-thrus, how many attended a webinar and how long they stayed,” said Victoria Satran, Director of Marketing for Computer Guidance Corporation. “It gives me valuable information for prospecting and providing information to customers.”

Integrated solutions also provide access to marketing history for each and every potential contact. “I can easily access a report of all messages I sent out and I can do it for one contact, a selected group of contacts or all contacts, and I can create a history encompassing a customized time period from one day to 90 days and beyond,” said Satran.

Automation tools can provide feedback for a seemingly infinite combination of marketing programs. For example, this allows users to send out monthly and include follow-up links that send people to different resources such as whitepapers, websites and webinars. Because all of these marketing activities are linked together, users can track the traffic and find out the exact steps a prospect has taken to reach that resource.

Securing Scalability To Drive Growth

Once a company has decided to head down the automation path, industry insiders suggest they look for automation solutions which are easy to use, simple to implement and cost-effective.

The reality for small businesses is that one or two people may be designated to manage the marketing automation system, along with other roles and responsibilities within the organization. If a project requires multiple, complicated steps and IT intervention, it may never get off the ground.
Analysts also recommend SMBs factor in any costs for training or hiring on consultants to help implement the solution. One easy way to calculate the ROI of marketing automation is to do the math on the difference between employee time spent on manual processes versus the time spent on the new automated processes, according to Aberdeen. Taking the net savings out over a number of years can result in a “justifiable tangible” return on technology investment.

To minimize the intimidation factor of implementing a fully integrated marketing automation solution, marketing consultants have suggested smaller businesses should look for a vendor that can start small and grow with them.

“A marketer may want to start with an email campaign – the bread-and-butter of automated solutions – but then they may want to add multiple webinar registrations,” said Mike Gospe, principal and co-founder, KickStart Alliance. “You want to look for automated tools that can help set up multiple landing pages so you can link people who come to your site from various offers or campaigns. This becomes especially important when you want to compare one offer versus another. Also look for a friendly dashboard that provides meaningful responses.”

Because small businesses have to keep an eye on cash flow and avoid over-committing their resources, analysts have also suggested looking for solution providers that offer flexible requirements regarding pricing and contract terms. Some vendors require a 12-month contract, which can be a daunting prospect for a small business.

Other red flags SMBs should watch out for include setup fees and termination fees. Many of these problems can be avoided by using the “safety net” of using various solutions in a free trial environment, where small segment of the company’s database is loaded and a real campaign is launched to get a sense of how the solution fits a company’s needs.

Optimizing for the Nuances of BtoB Marketing

Unlike a consumer targeted marketing environment where the goal may be to drive as much traffic as possible, effective BtoB marketing should focus on the quality of each individual prospect. Therefore, BtoB marketing strategies should not be focused on clicks and volume, but rather identifying qualified prospects with real buying intentions. The bottom line in BtoB marketing: 10 real prospects are better than 40 unidentifiable clicks.

Qualified prospects can be identified and cultivated using a variety of different tools of the trade, from emails to webinars. With the full menu of tools in mind, smaller firms should keep the following tools and capabilities in mind:

Because segmentation is a key factor in the success of marketing automation, it is critical that companies begin the process with a complete understanding of their target audience.

“Some marketers think the answer to their marketing success is simply getting the right tool,” notes Gospe. “But you don’t want to fall into the ‘garbage in garbage out’ mentality. If you don’t
consider the right strategy for nurturing dialogue with prospective customers, then you are wasting time. You need to know that the content you are providing will be relevant.”

Great content can go a long way to making the most out of marketing automation. For his own business, Ogden has created a priceless combination of content and automation. “When people download a whitepaper from my website and provide their email address, they go into a lead nurturing program,” explains Ogden. “Then I send them educational emails for six to nine months, automatically. I actually get more than 1,000 visitors to my site every week, 25%-35% of emails I send are opened and click-thru rates are 50%. Most companies are in the single digits for openings and click-thrus. The key is to have remarkable, terrific content to share on a regular basis.”

Conclusion

Marketing automation is now affordable and accessible for companies of all sizes. Solutions that integrate campaign management with lead management can offer powerful ways to acquire new customers. While industry research suggests only around 10% of B to B firms have adopted marketing automation, that number is expected to explode over the next five years.

For those companies that move quickly to incorporate these tools and processes, there is still an opportunity to leapfrog the competition. However, that window is likely to close quickly and those smaller firms that spend too long on the sideline, the risk of falling behind the pack is very real.

As Aberdeen research has suggested, companies who adopt integrated marketing automation solutions will benefit from a standardization of end-to-end marketing activities. “Inefficient, standalone processes are eliminated as automated solutions eliminate marketing chaos. By centralizing campaign management, data collection and follow-up reporting, companies gain a holistic view of their marketing campaigns and can then optimize their marketing budget.”

The other real benefit Aberdeen points to that coordinates well with the hands-on, customer approach of most SMBs is the personalization of marketing strategies. “Using automated solutions, companies can deliver more personalized campaigns to prospective customers, building more intimate relationships that result in customer acquisition and long-term loyalty.”
About Act-On Software, Inc.

Act-On Software, Inc. is an innovative provider of integrated online marketing services for the Fortune 5,000,000. We are located in Portland, Oregon, and are privately held, with venture funding by Cisco Systems.

Act-On was founded by a team that previously designed and built the industry leading online marketing platform for high-end retailers.

With a decade of experience in building and running a high traffic SaaS platform, and with feedback from a thousand customers over that period, we have created a new generation of marketing automation software aimed at the needs of the millions of smaller marketing teams looking for integrated solutions.

Whether you are a marketing professional looking for a do-it-yourself e-mail and web marketing service, or a team that needs the greater sophistication of our demand generation, lead qualification, website tracking and event management capabilities, you will find the Act-On service to be easy to use, with a rich feature set at a fraction of the cost of competitive systems.