THE ROI OF MARKETING AUTOMATION

A comprehensive look at how marketing automation delivers exceptional return on investment for users

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CHAPTER 1

The FYI on ROI

Of the newest breed of marketing tools, marketing automation stands apart as a tool that can generate a serious return on marketing investment. As marketers begin to sift through the new landscape of technology and solutions to find the products that can go beyond a compelling "new and ground-breaking" storyline to truly deliver the next-level results they promise, marketing automation has gained a reputation as a solution that can add serious revenue and results. In fact, Marketing automation was amongst the most piloted marketing technologies of 2015 *(2015 State of B2B Marketing Report, Salesforce)*. Companies employing a marketing automation system gain a dramatic tactical advantage over their competitors, accelerating their sales funnel, gaining insight into the performance of marketing operations, and streamlining outdated sales and marketing processes. This eBook is a resource for forward-thinking marketers weighing the investment of marketing automation as a potential resource for their company, and will cover the return on your marketing automation investment in the following areas:

1	**Accelerating your sales funnel**	**2**	**Aligning sales and marketing**
3	**Improving your sales close rate**	**4**	**Providing performance insight**

Supported with statistics from some of the industry's leading researchers, this guide is designed to teach you everything you need to know about the return you can expect from marketing automation. From the areas of your business that automation can improve, to the results other companies have seen from automation, this guide should leave you feeling confident in your ability to assess the value of an automation solution. Let's dive in.

> "Marketing automation was amongst the most piloted marketing technologies of 2015."

2015 State of B2B Marketing Report
Salesforce

CHAPTER 2

Accelerate Your Sales Funnel

Technology has given companies access to millions of potential leads, but successful companies know that it is the quality of leads that matters, not the quantity. Automation can help make that distinction. Marketing is becoming less focused on the sheer volume of leads generated, and more concerned with building a database of qualified leads. The size of the lead database matters less than the measure of value it can yield.

So how can marketers working from an outdated "batch and-blast" playbook improve the quality of their leads and the rate at which they move through the sales pipeline? Marketing automation provides an elegant solution to this potentially troubling marketing question.

Automation allows you to transform your sales funnel from an abstract, inefficient cost center to a revenue-generating machine, reimagined with the latest technology and data. When it comes to moving leads through the sales funnel, it's like the difference between trying to carry water with your hands and carrying it in a shiny new bucket.

Marketing automation approaches the improvement of your sales cycle at two different stages by:

★★★★☆

Using scoring and grading algorithms to sort the true top-of-funnel leads from the rest.

Tightening up potential holes in your funnel with lead nurturing campaigns.

Let's take a look at the improvements made at each stage.
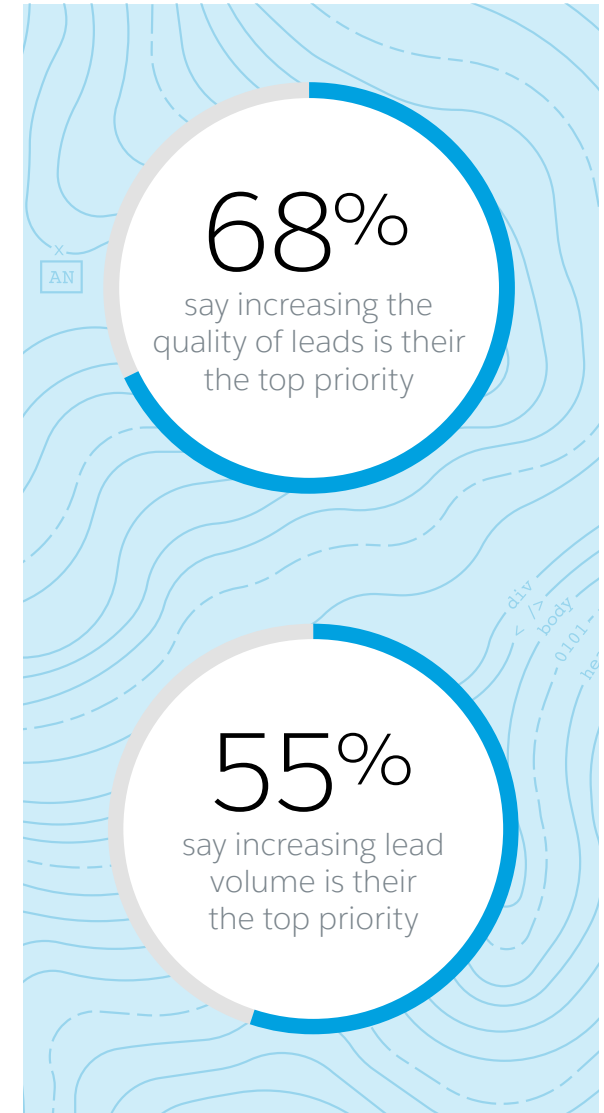
Work with The Right Ingredients

World-class chefs can only make their masterpieces when they start with the best ingredients. The same goes for your marketing. If you are passing on unqualified leads to your sales team, you are not only setting them up for failure from the start, you are wasting their time and damaging marketing's credibility in the process.

Marketing automation prevents this scenario from ever happening with lead scoring and grading. Filtering out the bad leads before they ever get into your funnel increases the value of your database, and sets you up with only the best opportunities from the start.

So, how does it work? You can quickly build a persona of your ideal prospect and assign every incoming lead a letter grade based on how well they fit your criteria. Choose from a number of variables including industry, job title, and company size to get as specific as possible. As each lead enters your marketing automation database or your CRM, they will automatically have a grade displayed on their profile.

Increasing the quality of leads is the top priority for a majority (68%) of B2B professionals, followed by increasing lead volume (55%) *(B2B Technology Marketing Community)*

But the first impression is only half of the equation. You can't always judge a book by its cover and the same is certainly true for leads. This is where lead scoring comes in. Lead scoring helps you determine how interested leads are in your product or service based on the actions they're taking. You can keep tabs on less sales-ready leads by increasing their score as meaningful actions or engagement take place. This means that even though a lead may not be a great fit on day one, they can still make their way into your sales funnel if their actions indicate significant interest in purchase. This transition can take place automatically through automation rules and real-time alerts.

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say increasing the quality of leads is their the top priority

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CHAPTER 2

ROI Value

Stop wasting time and resources on unqualified leads. Companies throw away huge portions of their marketing budgets generating and qualifying leads that will never buy. Marketing budgets are tighter than ever, and putting your dollars where they matter most is essential to business success.

Build a Real Relationship

According to SiriusDecisions, two-thirds of a customer's purchasing journey takes place before they ever contact a sales representative. This can mean big problems for companies unwilling or unable to nurture leads through the buying process. Customers are looking for information on their own, which means if you aren't giving it to them yourself, your competitors certainly will. This can lead to a "leaky" sales funnel and a loss of valuable leads in your database.

Automation solutions are designed to fix this problem using lead nurturing campaigns. In the old sales and marketing model, you would interact with a prospect and then remain in the dark until you interacted with them again. Lead nurturing sheds some light on these in-between moments by automatically delivering relevant content and information based on a buyer's actions or a predetermined time interval. Nurturing allows you to be a helpful resource to your entire database, providing exactly what each individual lead needs at the perfect moment.

> "
> Two-thirds of a customer's purchasing journey takes place before they ever contact a sales representative. "
>
> **SiriusDecisions**

Build a Real Relationship (continued)

One of the great features of marketing automation is that it can enable you to visually build out multiple nurturing campaigns for your different segments to address the most likely scenarios your potential customers will find themselves in. With this type of campaign building, you test the path that your prospects will take as they interact with each element of your campaign and ensure that you're not losing any opportunities. Depending on how your prospects interact with a campaign, you can adjust their score, move them to a new campaign, and even notify the sales rep assigned to the account in real time if they take serious purchasing action.

You invest a staggering amount of money into building your database. For most marketing departments, a database represents the largest single monetary investment of the entire department. Stop losing leads from your funnel to neglect – or even worse, to competitors who are actively nurturing those buyers.

> " Prospects receive an average of 10 marketing touches from the time they enter the top of the funnel until they're a closed-won customer. "
>
> **Aberdeen Group**

Align Marketing and Sales

Automatic lead scoring and grading, assignment rules, and real-time notifications turn disparate departments into one cohesive, revenue-generating machine.

The marketing and sales relationship is often tenuous at the best of times, and openly hostile at the worst. This misalignment is not the fault of individual departments, but often the result of outdated organizational structures and strategies. Marketing and sales are working with different tools and different goals, and yet they are expected to always be on the same page. This broken system of poor communication and misaligned objectives has become the norm at many companies, leaving marketing and sales forever at odds. Fortunately, marketing automation can help provide a solution.

Marketing automation tools are designed to increase the efficiency and effectiveness of marketing and sales processes. This helps create better alignment between sales and marketing, improves lead generation, and ultimately increases revenue. Here is a brief look at how this is done:

Streamline Data Collection

For sales and marketing both, updating a prospect's CRM data is a hassle. The tedium of adding notes and updating profiles quickly overshadows the value of a detailed prospect profile. Marketing automation tools are able to pull in a tremendous amount of information for a prospect automatically.

A prospect's company, social data, recent activity, and more are automatically imported into your CRM. This puts a wealth of information at your sales reps' fingertips when they reach out to a lead, and eliminates the finger pointing over who is responsible for updating what.

Improved Lead Qualification

Often times, marketing and sales have very different ideas of what makes a good lead. Automation removes this subjectivity, allowing sales and marketing to work towards the same metrics of success. Sales and marketing should work together to define the activities and profile criteria that constitute a qualified lead. From there, automatic lead scoring and grading, assignment rules, and real-time notifications turn disparate departments into one cohesive, revenue generating machine.

Unify Communications

Marketing automation doesn't just make communicating with prospects easier for marketers. It can also empower your sales team to seamlessly continue building relationships where marketing left off.

Marketing teams can give their sales teams access to pre-created templates that ensure that communications with prospects are streamlined throughout the buying cycle.

With marketing automation, marketing teams can also give their sales reps access to nurture campaigns so that sales can quickly and easily re-route less engaged and cold leads back to marketing to be warmed up to a sales-ready state.

> "73% of all B2B leads are not sales-ready."
>
> **MarketingSherpa**

CHAPTER 3

Giving Credit Where It's Due

Marketing and sales are also often at odds over how to attribute a closed deal. Marketing may feel like sales is taking credit for the leads they've generated and sales may feel like marketing is trying to take credit for their legwork. Closed-loop reporting clears up the murky water around ROI reporting, increasing visibility across the entire sales cycle and improving accountability of both the sales and marketing processes.

Although marketing will never generate 100% of a company's leads, the days when marketing leads were viewed as mere annoyances to a sales team are over. Marketing automation platforms have made marketing leads valuable assets to sales teams, increasing revenue, improving marketing and sales alignment, and creating a much needed paradigm shift in the balance of lead generation.

ROI Value

When marketing and sales departments work against each other, leads and revenue are lost, and the efficiency of the entire company suffers. Through streamlined data collection processes, improved data quality, mutual goal setting, and lead generation tracking and reporting, automation puts these departments on the same team, working towards shared goals and success.

With dramatic improvements to the function of the sales funnel and the realignment of sales and marketing departments, automation increases both departments' effectiveness and their close rates.

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B2B Marketing Makeover:
Five Must-See Ways to Rethink Marketing with Automation

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CHAPTER 4

Increase Closing Rates

Closing a deal is no longer the responsibility of a lone sales rep or sales team. As the purchasing process becomes more complex for buyers, marketing and sales activities across the entire funnel play into a company's close rate. As a prospect moves through the different stages of the sales funnel, marketing automation allows companies to systematically improve each stage, ensuring that leads are given the greatest chance at closing as they progress towards purchase.

With advanced lead scoring and grading, the leads entering an automation user's sales funnel are more qualified and more likely to purchase. This means companies with automation are losing fewer of their top-of-funnel leads, tightening up the top half of their sales funnel. For middle-of-the-funnel leads, dynamic content, automatic segmentation, and lead nurturing campaigns all contribute to a more personalized, hightouch sales process from sales and marketing teams. This leads to stronger relationships built between a company and their sales prospects – and ultimately a higher number of prospects moved into a sales ready state.

SiriusDecisions has found that best-in-class companies can improve the number of leads converted from each stage of the sales funnel with the techniques mentioned above. The percentage of won deals can increase by nearly 10% while other stages, like the transition from leads to prospects, see a boost of up to 18%.

ROI Value With so many moving pieces in the modern marketing and sales departments, it can be difficult to organize them all to give your sales team the best chance at closing. Automation makes it incredibly easy to improve targeting, personalization, and relevance at each stage of the sales funnel.

> " 63% of surveyed marketers indicate that the ability to set measurable objectives for each of their campaigns is the biggest value driver of marketing automation."
>
> **Gleanster**

Get Added Insights

As marketers are held more accountable for their campaigns and getting results becomes the number one priority, insight into marketing performance is more important than ever.

For today's marketing departments, lack of data is no longer an issue. Marketers are beset on all sides with data from industry reports, analytics suites, and a whole host of disparate marketing tools. As we become more reliant on data for our decision making, it is becoming harder and harder for marketers to identify and focus on the data that truly matters.

So what data should marketers prioritize? Marketers need to be focused on determining the accurate ROI of marketing initiatives, creating transparency in their sales cycle, and understanding campaign and content performance – not pageviews and social shares.

With so much data clouding a marketer's vision, it is more important than ever to have a marketing automation platform to provide clarity in these areas.

Let's look at a few reporting methods that can provide marketers with the insight they need.

Accurate ROI

Accurately tracking ROI has always been a struggle for marketers, and has kept marketing on the sidelines of budgeting and strategy meetings for years. Marketing automation closes the loop on your reporting, attributing each closed deal to the campaign or conversion point that sourced it, and showing the various marketing touch-points along the buyer's journey from click to close.

Accurate ROI raises the accountability of the marketing department, providing insight into how campaigns are truly performing. This clarity also better positions marketing within a company to make decisions and obtain a larger piece of the budget, and means that marketers can do more with their budget – no matter the amount.

Lifecycle Reporting

B2B sales cycles often tend to be longer and more complex than those of consumer products. This leaves the lifecycle of a lead hazy and ambiguous for many marketers. However, marketing automation solutions can provide a complete story of how your buyers move through the sales cycle, how long they spend at each stage, and whether or not your sales funnel has any holes. A better understanding of a lead's lifecycle allows you to structure your campaigns and initiatives to be more timely, and can help you identify and shore up any holes in your sales funnel.

Track and Measure Campaign Performance

Building your campaign on a marketing automation platform gives an unparalleled view into your campaign performance. Not only can you track your buyers potential paths through your campaign, but once your campaign is live, you can see your performance metrics for each stage and quickly spot successes or potential problems right in your campaign builder.

B2C SALES CYCLE

B2B SALES CYCLE
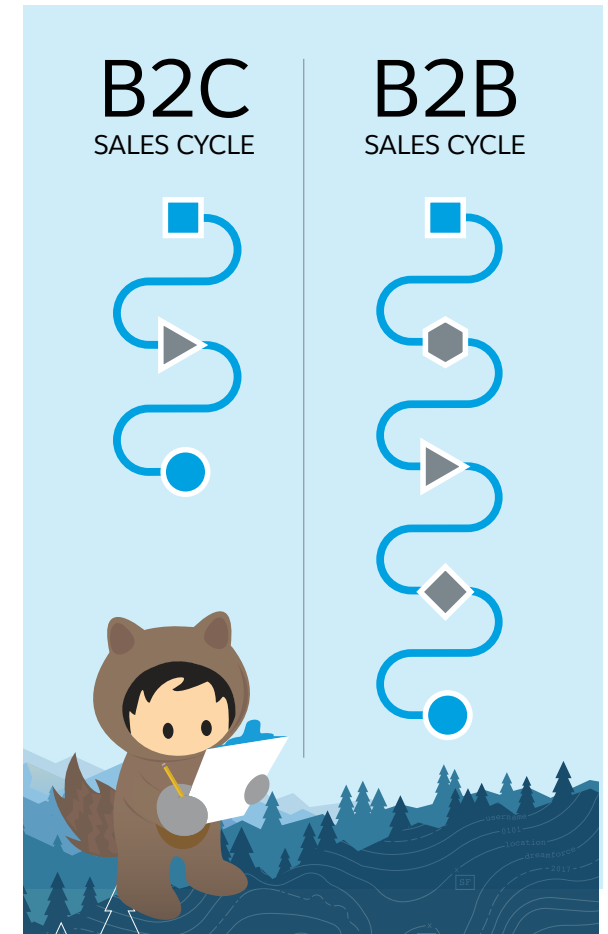
CHAPTER 5

Get Data-Driven Insights

Data analytics tools can be integrated with your marketing automation platform to give you a deeper understanding of the impact of your marketing efforts. Centralize data from your CRM, and additional tools like Google Analytics to draw insights based on a single-view of your business.

Create the Most Effective Marketing Mix

The real strength of marketing automation comes from the integration of multiple marketing channels. With all of this data in one place, it's easy to compare performance and effectiveness of your marketing channels. This allows you to structure your marketing mix to maximize lead generation. Marketers will soon discover that the top campaign in terms of lead volume doesn't always equal the top driver of new business. Marketing automation solutions go beyond the number of conversions generated by each channel and provide detailed information about the quality of those conversions.

Knowing which channels are providing the highest quality leads allows you to better balance that channel in your marketing mix. ROI Value In a business environment quickly becoming overcrowded with data, marketing automation can be an indispensable tool for cutting through the extraneous information to the data that truly matters.

CHAPTER 6

GET STARTED

Marketers are inundated with new technology and tools every day, each promising to deliver better results than the last. However, no tool has seen the adoption and success that marketing automation has.

A quarter of all business-to-business Fortune 500 companies are already using marketing automation, along with 76% of the world's largest SaaS companies. This is no fluke. Automation delivers real results and the return on marketing investment that you've been looking for.

From improved processes to an increase in insight, automation is designed to increase conversions rates, make the sales and marketing processes more efficient, and dramatically increase the bottom line. Why not check out Pardot.com and get started today?

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Reimagine Engagement: Smart. Powerful. Connected.

Your customers are smarter, more capable, and better-informed than ever before. This new breed of consumer demands a better breed of marketing, and the Pardot platform has the capabilities to get you there.

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