Targeted One-to-One Marketing

The power and potential of marketing automation

professional advantage

This white paper at a glance

With greater data, tools and communication channels than ever before this whitepaper examines how to use these resources to personalise your marketing efforts with the power of marketing automation.

Specifically this whitepaper discusses:

1. How automation aids digital media but that caution is still required
2. The benefits you will receive from marketing automation
3. How important it is to understand your prospects
4. The dollars are in your data
5. The critical element in marketing automation - people
6. How Marketing can be seen as revenue generators

Introduction

Over the past few decades there's been a revolution occurring in marketing departments across the country. Technology has wielded its magic, bringing new channels, practices and opportunities. Since the early 1990s we've seen the widespread adoption of the internet, the arrival of the e's – email and ecommerce, the rise and fall of the dot com boom, the emergence of web and app economies, plus the release of a vast array of new software tools such as customer relationship management (CRM) solutions and advanced analytics.

More recently vendors have begun to bundle the best of the past few decades' software, tools and learning to create dedicated marketing automation solutions. These integrated software solutions streamline sales and marketing operations, reducing repetitive manual processes through the introduction of guidedworkflows and automated processes. Focusing on prospect nurturing and lead generation, they make it possible to deliver highly targeted marketing campaigns and content to relevant target markets at the same time as supporting internal operational efficiencies.

As a result, marketing departments today have access to a greater wealth of data, tools and communication channels than ever before. The challenge is to use these resources to touch prospects and clients in a way that will lead to the development of stickier, more mutually beneficial and more profitable relationships.

It sounds easy but the personalised marketing offered by marketing automation requires respect for the prospect, smart strategies and a light touch. Using insights into prospect preferences and behaviours can deliver great rewards but used incorrectly it can equally work against you, causing the customer to lose trust in you and your brand.

More than ever marketers need to be smart in the way they manage their prospects if they want to reduce marketing risk, improve campaign success rates and increase customer loyalty.

This paper looks at the power and potential of marketing automation and identifies best practices for obtaining the most out of targeted one-to-one marketing.

Automation aids digital media (but caution is still required)

Right now a large number of marketing practitioners are rushing headlong into the embrace of digital media. Everyone, it seems, wants their company to be on Facebook, Twitter or YouTube. There's a tendency to eschew traditional direct marketing methods in favour of email. It's understandable behaviour because all these channels are comparatively fast, cheap and make it relatively easy to issue frequent communications, particularly when matched with a marketing automation system. Given Australia's love affair with smartphones, tablets and other mobile devices, there's the added benefit that a message issued by any of these channels could be picked up and viewed almost immediately.

However there are a couple of things marketers need to consider. First, marketing in the digital age is still marketing. Common sense rules apply. Communications must be correctly addressed, appropriately written for the audience, timely and pertinent. Just because you can get a message out doesn't mean you should.

Secondly, digital technologies may make it easier to reach the prospect but you must be able to identify in advance how you plan to monitor and measure success. Otherwise how will you know whether a campaign has achieved its goals?

Thirdly, as with any marketing material, digital communications take time to craft and to issue, particularly if you start reparing separate marketing pieces for different target audiences. Although the cost of production may be less expensive than print or other alternatives, there is still a high cost of human involvement and this needs to be factored in.

The key is the same as it's ever been: use the most appropriate channel for the message, audience and circumstances. Embrace social channels but don't neglect traditional methods such as the humble direct mail campaign. Direct mail is a great way of generating prospect data and the responses will teach you a lot about your customer behaviours.

The benefits of marketing automation

The majority of modern marketing campaigns are designed to be conducted across multiple channels. This may include a social media element backed up by websites, blogs, direct mail and advertising and it's where marketing automation really shines. The data captured by such systems makes it possible to design highly targeted, personalised campaign communications across any and all channels, and to better monitor, track and analyse the success of each channel.

Marketing automation systems also support the next step in marketing – the management of leads through the processes of generation, scoring, nurturing and qualification.

Planning and conducting an email campaign

Company X plans to issue a special cash-back offer to help launch a new product. It decides to make the offer available to select prospects via email. The marketing automation system is used to identify the hottest prospects who have expressed an interest in similar products in the past. It is also segments the prospects according to demographic data or other common factors, enabling Company X to create a number of customised email offers.

Once the email has been sent the system provides real time reports on activities such as:

- the number of emails opened by recipients;
- the number of people clicking through to a web page for more information;
- how long the recipients spent on the landing page;
- how any other pages they may visit.

The software also shows which segment is most responsive to the messaging. If one sector fails to deliver the hoped-for results, creative or messaging can be quickly tweaked, landing pages adjusted and new communications issued to the target recipients who didn't open the first round of emails.

This is a relatively simple project but the marketing automation system provides a quality and depth of information that dramatically improves campaign results. So how does an organisation get started?

Understand your prospects

The foundation of a marketing automation system is the compilation of all available data about prospects and customers within a single location. To use the buzzword, you need a 360 degree view of your contacts. Typically this is done within a CRM system.

A good CRM system allows you to capture far more than simple name-andcontact data. Among other things it should allow you to record whether the prospect is an existing customer for another product; how the prospect first became interested in your company; a contact history including any conversations, invitations, letters, direct mail and other communications; and where the prospect is in terms of the buying cycle.

For maximum benefit information should not be limited to marketing activities. Any interactions with your company need to be readily available for authorised people to view. This may include customer service or support staff, account managers and administrative staff. Therefore, the CRM will need to share data with other key corporate software packages such as the financial system.

Because it is the foundation, the quality of data is crucial. This means it must be accurate, it must be constantly updated and it must remain the one source of customer or prospect data for the organisation. Using the system has to become part of the company culture.

Achieving this vision of a single source of customer data takes time. The biggest challenge usually comes from sales staff who want to hold contact information close to their chest or who are too busy to update records. The best way around this is to educate and demonstrate how the CRM can be used by marketing to maintain the company/prospect relationship by putting in groundwork that supports sales, ultimately speeding the time to purchase and reducing the cost of sale.

The dollars are in the data

Once the CRM data is in place you can start to use automation tools to automatically record customer behaviours and responses to marketing initiatives – such as click-throughs from emails, web site visits and web site searches.

With the help of profiling and segmentation tools, marketing can develop a comprehensive picture of each prospect and customer. This allows the creation of even more highly targeted, more effective marketing materials.

From here, nurturing programs can be applied to manage the prospect through from initial contact to commitment. This might include education with periodic e-newsletters, electronic direct mail, and links to websites or blogs. By matching less expensive communication options such as blogs to prospects in the early stages of the sales cycle, a company can maintain contact without becoming intrusive and still reduce the overall cost of sale.

The data becomes a valuable way of identifying opportunities to up-sell and cross-sell customers. It also helps staff to avoid embarrassment, ensuring they do not approach a prospect at an inopportune time such as when they may be disputing an invoice, or experiencing support or delivery difficulties.

On a broader level, the analytic and business intelligence components of an automation system allow marketers to identify what works and what doesn't. Whether it's information about a campaign that needs to be adjusted on the fly or insights into how the public interacts with a website, analytics shine a light on the patterns arising from marketing activities.

Historically, this kind of analysis was too time-consuming and difficult to achieve with manual systems. Now however it takes relatively little effort for a potentially rewarding pay-off. Marketing risks and costs are being reduced, while success rates are improving and can be more directly attributed to revenue gains.

People are the critical element

No matter how much automation is introduced into marketing processes, at some point in time your organisation will have to talk to the prospect. Similarly, automated system alerts and triggers are helpful, but you're going to need people to review and analyse the information coming from the marketing automation system.

The rule when planning and designing any kind of automation is never forget the human factor. Processes must be designed to assist people in their jobs and should reflect the patterns of interaction that already exist - or that need to be fostered - within your organisation. Automation brings change so staff must be kept informed if they are to be kept onside. They need to understand the opportunities and benefits of a systematised approach in order to encourage rapid acceptance of the new system.

Marketing as revenue generation

There's long been a perception that marketing is a cost burden to the organisation. Once upon a time this may have been largely true. Leads were generated by marketing, but it was the sales department that closed the deal.

Today, the difference between marketing as an expense and its ability to contribute to revenue are narrowing. With the right tools, marketing is reducing costs by spending more wisely and delivering more targeted messages. It is disqualifying poor leads and saving the business from chasing unqualified leads, thus reducing wasted time for sales. Visibility into campaign results has increased dramatically with every element of a promotion now open to analysis. In short, with the assistance of automation tools, marketing has the opportunity to deliver an ever-improving return on investment.

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