Smarketing! How Marketing Automation Drives Sales Success in this Digital Age

| MAXIMIZER CRM

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A study looking at how the B2B sales cycle has changed and at the role of marketing automation and CRM in nurturing leads to produce improved marketing Return on Investment (ROI) and better sales conversion rates

Management Summary

- B2B marketing departments are seeing their budgets under pressure, but their cost per lead escalating. On the other hand, B2B sales teams are facing rising targets, but are frustrated because a high proportion of the leads marketing deliver aren't properly qualified

- Generating and managing sales leads isn't the straightforward, linear process it used to be. Prospects are now using the power of the Web to build their understanding of companies and their products or services

- So, pioneering B2B companies are having to harness the power of online communications and social media, combined with the continued impact of traditional communications, then intelligently automate their prospect contact to nurture leads until they are ready to buy

- This study draws on numerous independent sources to look at the challenges B2B marketers and sales teams face in today's world of instant digital communication and 'Big Data' – and how pioneering companies are overcoming them

- It also presents a range of evidence that shows how these pioneers have used intelligent marketing automation and CRM to create a feedback loop, which means sales can simply return 'undercooked' leads into the nurturing and qualification process until they are ready to purchase. The results are reduced marketing wastage and improved sales conversion rates

- Companies successfully nurturing leads have instituted lead-scoring systems, which enable them to effectively automate responses to leads as they move up the chain to become genuinely warm prospects

- These companies have also linked their marketing software with their CRM platforms for seamless customer management, up-to-date intelligence and real-time online activity
- Companies that invest in intelligent automation solutions see 70% faster sales cycle times and 54% improvement in quota achievement
- Using all the intelligence from the marketing software and sales databases enables companies to inform the targeting and personalization of useful content that the prospective customer has already shown an interest in – to create, in effect, a 'deal refinery'
- With the marketing database feeding into the CRM system, sales is no longer flying blind and can make an informed and tailored approach to each prospect and customer – and ultimately close more deals – while marketing can use automation and scoring to successfully nurture leads and even reapproach prospects that proved not to be sales-ready
- For these pioneers, the 'blame game' between marketing and sales is over and the departments have fast become friends.

THE CHANGING DYNAMIC OF MARKETING AND SALES FOR B2B COMPANIES

In the tough economic climate challenging businesses of all sizes, SMEs in particular cannot afford to plough their limited resources into chasing leads with questionable potential and with the average B2B lead costing £168 (or $264 or €186), there is little margin for lead wastage. Plus, when there is any dropoff in lead conversions, the blame game between sales and marketing can become both heated and counter-productive. The key is to get sales and marketing to push in the same direction by utilising available technology.

Nowadays, customers have more power to research decisions and shop around online for the right product at the right price. This has had a huge impact on lead generation, making it a major issue for businesses today – particularly those selling to other businesses. 93% of business buyers use online search to begin the buying process and 90% say that when they are ready to buy, they will approach suppliers themselves.

Companies selling to consumers have been ahead of the curve when it comes to the internet, getting into the conversation early through websites, online advertising, email, social media and other digital media – producing content and advising customers. In fact, 52% of all consumer marketers generated leads from Facebook in 2013.

But B2B companies are struggling to use digital channels to effectively generate leads – particularly SMEs trying to do more with tight budgets. The average B2B lead costs £168/$264/€186 (based on August 2013 exchange rates) and yet only 27% are qualified.

There are a number of challenges that B2B marketers and sales teams struggling to keep up with the times are battling to avoid:

- A disconnect between marketing and sales – just 24% of B2B companies have a formal handoff between marketing and sales

- A lack of properly qualified leads – 61% of B2B marketers send all leads directly to sales, without investigating them further

- A lack of detailed intelligence on each prospect – 42% of salespeople feel they do not have the information they require before making a sales call

- A lack of adequate lead scoring – 79% of B2B marketers admit they have no lead scoring system to evaluate whether a prospect is ready to be passed on to sales.

Nurturing can change the nature of a lead

Innovative B2B companies are, however, finding ways of engaging with customers more effectively earlier in the process, while overcoming the traditional blame game played between sales and marketing ('the leads are lousy', 'they just can't close', etc.). Instead, in B2B companies that are ahead of the curve, Sales and Marketing are working closely together to nurture leads, linking databases and passing on relevant information to each other to create a closed loop rather than a linear approach.

However, 65% of B2B marketers have yet to set up lead nurturing[1] , even though nurturing is crucial to converting leads into profitable customers: nurtured leads produce, on average, 20% more sales opportunities compared to non-nurtured leads[2]. Companies that excel at lead nurturing generate 50% more sales-ready leads at 33% lower cost than those who do not[3]. Leads that have been effectively nurtured are also much more likely to make repeat purchases and spread positive feedback about a product and company.

Online engagement
A staggering 93% of business buyers use online search to begin the purchasing process[4], undertaking extensive research before approaching a provider. Marketing must therefore be ready to engage potential customers when they are at the research stage, with targeted content that prompts further communication and builds a rapport. In digesting all the information available to them, customers are spending much longer in the sales funnel than before and entering the buying conversation at a much later stage.

1. Marketing Sherpa, 2012 B2B Marketing Benchmark Report, Oct 2011

2. MarketingSherpa, 2012 B2B Marketing BenchmarkReport, 2012 B2B Marketing

3. Marketo, The Definitive Guide to Lead Nurturing, 2009

4. iMediaConnection, The b2b Marketer's 'New Normal': How to Use Social Media to Generate Leads, Oct 2010

Moreover, figures from across the board indicate that prospects are becoming less and less receptive to the outbound marketing practices associated with the traditional sales model. Indeed, figures assembled by MindMetre Research for Maximizer clearly indicate that the media mix has radically changed and there is a shift in emphasis to inbound channels as a means of effectively engaging prospects.

GAINING A COMPETITIVE EDGE: THE 'DEAL REFINERY'

Becoming customer focused

To truly be able to compete in today's competitive marketplace, companies need to develop a customer-centric strategy that utilizes inbound marketing, lead scoring and automation, feeding the marketing data gathered during the nurturing process directly into the CRM platform, so that this business intelligence can be used by sales in the approach and negotiation phase. This approach – which this paper has christened the 'deal refinery' - enables marketing to coax a prospect through the sales funnel and build a meaningful relationship and helps sales keep that rapport intact, by giving salespeople all the information they need to address the areas of interest and concern already revealed by the prospect.

Fuelling the 'deal refinery' with digital content

With the hard sell no longer enough to close the deal, instituting the various elements of the 'deal refinery' approach is critical for B2B-oriented SMEs aiming to make the most of their marketing and sales resources, by ensuring that they cultivate better leads and have the intelligence necessary to do a better job of closing. Intelligent digital content, including blogs, infographics, press releases, whitepapers, articles, interviews and

social media posts, is emerging as the key tool for businesses to generate awareness – and ultimately leads. With the majority of consumers now using online search as their starting point, hosting and posting a variety of branded online content, which not only informs prospects, but establishes a company as a thought leader in its field, is imperative for a business aiming to attract high quality leads.

Effective content marketing increases a business' visibility, offering companies the chance to compete with the range of information – much of it, bad – out there on the web. Once this content is distributed, it grows organically, as it's featured on different websites and reposted. This approach is still largely at a nascent stage, but the idea is spreading – only 10% of companies now have a dedicated marketer for content creation[5], but 18% of marketers maintain that developing quality content is a top priority for 2013[6].

5 HubSpot 2013 State of Inbound Marketing Report, Apr 2013
6. HubSpot 2013 State of Inbound Marketing Report, Apr 2013

The inbound marketing engine driving the 'deal refinery'

Generating useful content and putting it out into the marketplace allows leads to 'find' the business – the foundation for inbound marketing. Inbound marketing offers a much more relevant response to modern customer behaviour than the traditional push approach, enabling a brand to 'earn' its way into a consumer's consciousness. The most effective inbound marketing focuses on providing interesting content that boosts a website's visibility, produces greater traffic, improves the company's reputation and drives leads that ultimately result in sales. This is why blogs and social media are being heavily utilized in the B2C sector – 52% of all marketers generated leads from Facebook in 2013[7].

Inbound marketing also delivers greater Return on Investment (ROI), by providing cheaper leads that convert at higher rates, making it a very attractive prospect to SMEs. Research from HubSpot shows that 34% of all leads generated in 2013 came from inbound channels[8], with these sources delivering 54% more leads than more traditional outbound media[9]. Smart businesses are already wising up to the benefits of the inbound approach: this year, 48% of marketers are boosting their inbound marketing spend – the third year in a row that inbound budgets are increasing at a pace of almost 50%[10].

Automation and synchronization

To ensure that the right content is going to the right prospect at the right time, it is essential that businesses automate their marketing communications, so that responses to leads are prompt and go out to them in near real time – when they are actually researching a product or service and looking for information.

Marketing automation makes the process manageable for SME-sized marketing teams, being the ultimate facilitator of effective lead nurturing and a key weapon in the arsenal of any SME looking to gain a competitive advantage. Companies that automate lead management see a 10% or greater increase in revenue in just 6-9 months[12] and marketing automation users report passing three times more leads onto sales after just one month[13]. By tracking and recording a prospect's online activity and inbound communications, marketing automation ensures that pertinent content is sent out as and when the would-be buyer is researching a potential purchase and considering their next move.

Lead scoring

Marketing automation goes hand-in hand with lead scoring. Each time a prospect shows interest in a product, marketing automation assigns a number of points weighed to the activity undertaken – from commenting on a social media page to downloading a whitepaper or watching a tutorial – until they reach a "golden number", whereby they've expressed enough interest to be qualified as a 'warm' lead. This scoring against predetermined criteria takes the onus for qualification away from sales and makes it an automated process driven by inbound marketing.

7 HubSpot 2013 State of Inbound Marketing Report, Apr 2013

8 HubSpot 2013 State of Inbound Marketing Report,Apr 2013

9 HubSpot 2013 State of Inbound Marketing Report, Apr 2013

10 HubSpot 2013 State of Inbound Marketing Report,Apr 2013

11 Bulldog Solutions, The State of Demand Generation 2012: Trends and Guidance, Sept 2012

12 HubSpot 2013 State of Inbound Marketing Report,Apr 2013

13 Marketo, The Defi nitive Guide to Lead Nurturing, Marketo, 2009

A key advantage of an automated inbound process is that it allows a vendor to collect substantial intelligence on buyers by looking at the information they are seeking, enabling sales to then be fully prepared for the deal conversation, by understanding what the prospect is looking for and where they are coming from. Of course, if companies are to make effective use of the intelligence resulting from inbound activity, it is critical that they synchronize marketing automation software with their CRM system to allow sales teams to tap into all the information gathered during the marketing process and enable salespeople to create a seamless experience in their approach to and subsequent dealings with each prospect.

In addition to using this data to make the sale, businesses can also utilize this information to see what type of marketing is and isn't working, enabling the fine-tuning of existing campaigns and improving customer care. Marketing automation also makes it easier for departments to keep abreast of existing customer relationships and ensure that timely and relevant communications are distributed at the appropriate point, to nurture the existing customer relationship and encourage repeat custom.

## How CRM powers the final stages of the 'deal refinery'

A vital part of the sales component of the 'deal refinery' is CRM software. At a time when marketing is becoming increasingly data-driven as consumers create a digital footprint, sales needs a platform that can record and present all the different interactions that companies have with each prospect and customer – whether email queries, sales conversations, web visits, social media activities, customer service follow-ups, deliveries, payments or other direct exchanges, to drive informative responses and customer interactions.

The CRM system is at the epicentre of sales operations and an indispensable tool in activities that further develop relationships with leads, enabling salespeople to organise contacts, update calendars, check diaries, track ongoing opportunities, manage their prospect pipeline, view customer timelines and have an overall view of each customer that will inform all future actions.

Today's customers, whether business to consumer or business to business, expect companies to deal with them in a very informed and individualized way, sending communications that reflect previous interactions and that are properly targeted and correctly personalized. A comprehensive and user-friendly CRM system that allows easy access to all this information – going back to early marketing touch points – is thus indispensable. This, in turn, means that the CRM platform has to offer a means of linking the marketing database with the sales database. The result is informed and better received sales calls, leading to more conversions, shorter sales cycles and boosted productivity.

Finally, management can use the CRM platform to monitor and manage the sales process, seeing what is working, what is not, conversion rates, ROI, which sales categories or geographies need greater support and
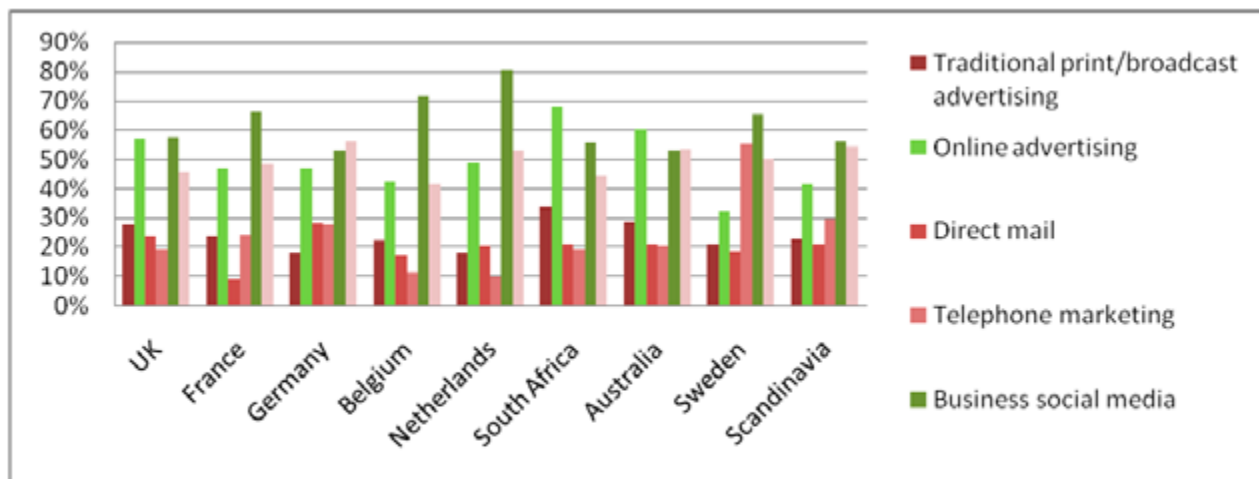
Source: MindMetre Research

overall get a snapshot of what is going on with the business. Indeed, having comprehensive customer data and other vital business information in one place makes it much easier for managers to track performance, make decisions, build forecasts, formulate strategies and set goals. A CRM system that enables managers to have fast and easy access to this information ensures that managers and directors make decisions on complete and up-todate data. CRM systems equipped with dashboards that show key performance metrics and are updated in real time enable management to address problems, adapt strategies and take note of opportunities more quickly.

CONCLUSION

In a marketplace in which the customer is king and digital content from a vast array of sources is at the fingertips, the traditional linear B2B sales approach has proven to be outmoded and ineffective. Instead, content-driven inbound marketing that passes qualified leads to a well-informed sales force is at the heart of what successful, visionary SMEs selling

to other businesses are doing today. In these pioneering companies, marketing nurtures the leads until they are really ready to buy and the sales team uses the substantial intelligence gathered through this process to seal the deal.

This 'deal refinery' process encourages sales and marketing to work hand-inhand, bringing together two departments using two different software platforms to create a seamless lead nurturing and selling process. A CRM platform that links into marketing software and mines the data there, whilst pulling together sales and service data, is the foundation of the 'deal refinery'. The result is a joined-up lead generation and conversion process, that combines the strengths and abilities of both the sales and marketing teams.

With marketing producing content that qualifies leads as early on as possible, sales is left to do what it does best – convert leads into customers. Using automation and lead scoring techniques, marketing is able to cultivate relationships with prospective customers, to generate prospects that are better prepared to buy before they deal

with sales. Freed from spending the time previously needed to qualify prospects, sales teams can focus on closing deals, thereby boosting productivity and speeding up the sales cycle. This also means that sales can devote more time to each prospect, creating a stronger business-customer relationship at the purchasing stage.

The content and inbound marketing that makes the 'deal re finery' work is a cost effective way for SMEs to boost sales and sharpen their competitive edge. By providing prospects with targeted and useful collateral through a personalized approach, a business can bolster its image as trusted provider in its field, that understands the challenges its customers face, developing a conversation more likely to lead to a sale.

Finally, with the 'deal refinery', if a lead proves to feel less informed and not quite ready for the sales conversation, instead of being wasted, that prospect is simply recycled, put back into the deal refinery and nurtured further, until the time is right for sales to contact again. Effective lead nurturing acts as a 'dating' process for businesses: leads are courted until they are ready to commit and if the time comes and they are not quite ready to make the leap into marriage, they continue to be wooed until they are 100% ready for commitment.
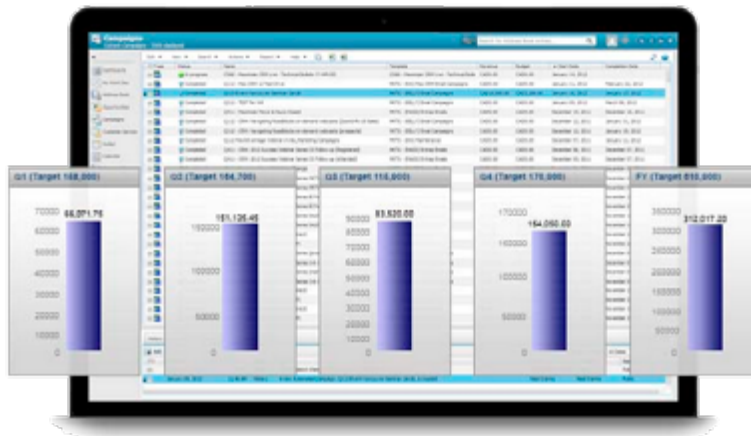
About Maximizer

Maximizer CRM is fueling the growth of businesses around the world.

Our CRM solutions come fully loaded with the core Sales, Marketing and Service functionality companies need to optimize sales productivity, accelerate marketing and improve customer service. With flexible on-premise, our cloud and your cloud deployment options, tailored-to-fit flexibility, state-of-the art security infrastructure, industry-specific editions and anywhere/anytime mobile access, Maximizer is the affordable CRM solution of choice.

From offices in North America, Europe, Middle East, Africa and AsiaPac, and a worldwide network of certified business partners, Maximizer has shipped over one million licenses to more than 120,000 customers worldwide.

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