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Marketing automation systems integration: The art and engineering to make it all work seamlessly

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Abstract

The successful implementation of any complex information technology (IT) solution is challenging, but integrating a marketing automation solution into an organisation brings additional and unique considerations. The key decision points range from how to perform appropriate business process modelling and requirements analysis, through to the selection of customer data integration technology, software applications and implementation partners. There are aspects of both art and engineering required to make this integration appear seamless. The current economic downturn places additional pressures on marketing and IT budgets, but a successful implementation of marketing automation systems can simultaneously cut costs and drive additional revenue. This paper identifies success criteria for marketing automation systems integration, and presents the four key factors influencing the outcome of such integration projects.

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Introduction

Today's empowered customers, coupled with the increasing number of marketing channels, are pushing the need for truly customer-centric marketing, driving marketers to leverage unprecedented volumes of customer data on shorter and shorter timescales.

Faced with increasingly difficult financial conditions, the global economy has slowed markedly,¹ companies are looking for ways to cut costs. Information technology (IT) budgets for 'cost centres' such as marketing are prime targets, but well-considered IT investments can make marketing operations more efficient and increase revenues, delivering returns larger than simple cost-cutting measures.² To achieve these benefits, it is vital that IT investments target the right business processes. Investment in marketing automation solutions can have a substantial impact, by enabling companies to capitalise on the insights available through the explosion of customer data that is now available

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Targeted technology investments

to marketers, along with optimising the workflow processes that can make marketing a more efficient function.

For example, targeted technology investments helped one retail bank to significantly raise productivity. When the bank implemented a solution supplying 'next-best offers' direct to sales reps, along with enhanced contact management and other process improvements, it reported that it was on track to double the number of daily branch-wide sales calls and improve its conversion rates.³ This is a great example of well-integrated marketing automation: a solution that uses IT to automate marketing processes such as marketing planning and budgeting, marketing resource management, campaign management, interaction management, lead management, analytics and reporting and other functional and vertical aspects of marketing functionality.⁴ Any marketing automation solution is, however, only as good as the implementation methodology used to integrate that solution with a company's business processes.

So what is a successful marketing automation solution, and what key factors influence and measure this success? The first section of this paper outlines the need for measuring the success of any marketing automation solution, and suggests some sample metrics. The remainder of the paper investigates the 'art' and the 'engineering' that influence the ability to achieve this success, by exploring some of the key considerations when implementing marketing automation.

Measuring successful marketing automation systems integration

Implement metrics that can be measured locally

Marketing is a strategic function within a company, the objective of which is to enable the company to drive revenue and create more profitable customer relationships.⁵ The bottom line is that any implementation of marketing automation should have a measurable impact on the financial performance of the company. These changes in financial results are, however, often difficult to attribute to any specific changes in the marketing department alone. It is therefore important to implement metrics that can be measured locally within the marketing department itself, as a primary measure of success.

'Part of the measurement has to be real money measured against an expected yield, not just a measure of perceived value or an increase in transactions'.

— Keith Prince, Neoview Solutions Architect at HP

There are already increasing pressures on the chief marketing officer (CMO) to improve accountability, cut costs and drive more revenue. Conventional wisdom, attributed to US retailer John Wanamaker,⁶ has long suggested that at least half of a CMO's marketing spend is wasted, and that the CMO just does not know which half. A successfully integrated multichannel marketing automation solution must improve this situation, enabling revenue to be directly attributed to marketing programmes and campaigns, and making it possible for

**Marketing
performance
measurement is key**

the CMO to understand the return on marketing investment across channels.

To assess the success of any marketing automation solution, it is important that a set of robust marketing performance measurement (MPM) metrics are in place. Without existing metrics as a baseline, improvements attributed to any marketing automation will be mostly subjective and difficult to substantiate. If no MPM methodology exists within the company, then a key goal of a marketing automation programme should be to enable MPM metrics to be captured.

MPM is in itself an extensive topic that cannot be sufficiently addressed here in detail, but some suggested primary measurements of a successful marketing automation solution are listed below.⁷

Driving revenue

- Return on marketing investment
- Incremental revenue generated
- Customer loyalty index or net promoter score
- Customer satisfaction
- Return on assets (ROA)
- Customer retention rate
- Cost per lead
- Press mentions
- Customer acquisition rate or number of new customers
- Customer profitability
- Market share
- Campaign response rates
- Budget adherence
- Brand awareness

Cutting costs

- Improve marketing department productivity
- Reduce marketing waste (such as undelivered direct mail media or wasted postage)
- Rationalise agency spending
- Reuse existing customer data, segmentation and insight
- Improve cost tracking and financial management with increased visibility and accountability

When captured and analysed, these marketing performance measurements can be used to justify both the marketing budget itself and any budget allocation for IT investments to start laying the foundation of an enterprise marketing management (EMM) platform. If MPM metrics are in place before the introduction of a new marketing automation solution, their baseline can provide the chief measure of success. Any change in the metrics can be accurately calculated and attributed to the marketing automation solution.

The art and the engineering

Marketing represents the interface between art and engineering from a number of perspectives. Marketing has creative roles for advertising and branding, and more scientific roles for customer segmentation, analysis and campaign targeting. And these roles are becoming increasingly blended, especially in online and multichannel marketing.

The implementation of a successfully integrated marketing automation solution also sits at this interface between art and engineering, requiring both a deep understanding of an organisation's marketing processes and a rigorous implementation methodology.

The following four aspects have been drawn out as key factors influencing the success of a marketing automation solution.

- *Process*: Business process analysis and improvement
- *Data*: Effective management of customer data
- *Methodology*: Agility in both implementation and operation
- *Partnering*: Selection of tools, vendors and implementation partners

Furthermore, as with all programmes involving business change, it will always be difficult to achieve success without sufficient sponsorship from at least one senior stakeholder in the business.

‘It’s vital to have buy-in from key senior stakeholders who see the vision and benefit of marketing automation’.

— William Adeney, Market Intelligence Manager

at Mercedes-Benz UK Ltd

More than just an IT implementation

The risk of a marketing automation solution failing to deliver the anticipated business benefit will increase if these key factors are not well addressed. Companies implementing marketing automation need to think of the initiative as far more than just an IT implementation project, otherwise their solution will fail to realise the benefits across the company. The programme needs to secure buy-in from, and be led by, a team from the marketing function, automating those marketing processes that are standard and repeatable while allowing manual intervention and flexibility in marketing operations where necessary, to add extra value.

Identify operational inefficiencies

Process: Business process analysis and improvement

Marketing encompasses a complex ecosystem with many participants, functions and processes that can benefit from automation. Organisations should understand the existing marketing processes, identify where operational inefficiencies can be removed and assess the best approach to optimise the processes. All too often, this critical work is overlooked. This is typically due to a combination of the following three reasons.

Lack of time. At the outset of the programme, the CMO has usually defined a target date for implementation. However, the time required for contracting with a systems integrator, and any tool or software selection, is usually underestimated. By the time the software

implementation starts, the project time-frames are usually already challenging. The software vendor or an inexperienced systems integrator will be focused solely on the immediate requirements, normally the technology tasks to integrate the marketing automation applications with legacy systems. This pushes aside the vital tasks of modelling, reviewing and optimising existing business processes.

Insufficient expertise. Skilled business analysts are required to carry out the process modelling, but this resource does not generally exist within the marketing department. Business analysts may be available from within a company's own IT department or from an external systems integrator, but they may have little experience with marketing processes and may be unable to offer solutions to optimise existing processes.

Lack of authority. Even if the business processes are well understood, and experienced marketing practitioners and consultants have identified ways to improve existing processes, these improvements typically require organisational changes that go beyond the marketing department. The project sponsor may not have authority to implement these changes. Even where there is the will to change, and authority is granted, political realities often mean that such change may not be implemented within the project time-frame.

Even if these obstacles are overcome, the modelling of marketing processes remains a challenging area. It requires business analysts who understand marketing, speak its language and are able to engage across a wide spectrum of user communities. Marketing automation solutions have users from varied backgrounds, including data analysts and users from creative agencies and technology departments.

'There's often an assumption that marketing automation is a technology project, but first and foremost you must truly understand what business processes are being targeted for automation, and this should be coupled with a hard look at the business case'.

— Keith Prince, Neoview Solutions Architect at HP

Data: Effective management of customer data

Good data management practices are fundamental throughout a business, but when the data refer to a company's customers, there are additional factors that add to the complexity. It is easy to lose sight of the importance of these data. The many overlapping industry terms, such as master data management (MDM) and customer data integration (CDI), are often a hindrance without clear definition. A robust approach to the management and governance of a company's customer data is, however, essential for successful marketing automation.

Marketing automation also places considerable demands on data management resources. Customer data, including data on prospective customers, are essential, but data such as product catalogues, budgetary and financial data, sales agent records as well as digital asset management for marketing collateral may also be required.

Understanding the structure and flow of this information through the

**A robust approach
to customer data
management is
essential**

**Right offer, right time,
right channel**

marketing department is critical to the success of the implementation. The key aspects that need to be considered are described below.

Information quality. The accuracy, consistency and completeness of the data must be managed in an auditable manner. This includes parsing, standardising and cleansing the customer data to meet internal and external standards (such as national postal addressing requirements). Data quality and profiling toolsets or external service providers can be used, but the challenge is often not with the technology, but in ensuring that the company's own data quality rules are well understood. There must also be ownership of data governance within the company.

Customer identification. The ability of a company to recognise its customers and to maintain a single customer view (SCV) that integrates data from all its customer touch points and systems requires specialist knowledge. In all but the simplest of solutions, the business rules required for managing the relationships and hierarchies are complex, and are often poorly understood by the company itself.

Data enrichment. Enhancing customer records with data external to the company facilitates a better understanding of past, current and prospective future customers. Selecting the right data allows a marketing programme to engage with individuals in a manner designed to enhance customer satisfaction and brand reputation, enabling the right offer to be made at the right time through the right channel.

Permissions, privacy, data protection and data security. Respecting the permissions that the customer has given the company to use their data, and complying with local legislation are obligatory aspects of any marketing automation solution. Companies depend on trust, and losing that trust will result in customer attrition, but offering customers more granular and informed choices around channel preference can increase trust and loyalty.⁸ IT departments are, however, often inexperienced with what this means to marketing systems. The increasing number of channels complicates the management of marketing permissions, and it is imperative to have expert support when answering real-life questions such as, 'Can I automatically opt someone in to marketing because they have made a purchase?' As consumers continue to exert more control over their data, the focus on having marketing automation solutions that get this right the first time will increase. Media attention is growing, and the costs of getting it wrong can be substantial. Norwich Union Life, fined £1.26m in December 2007, is just one of a number of companies that the UK financial services regulator has fined for failing to protect confidential customer data.⁹ Other risks include adverse publicity, damage to the company's reputation and brand image, and potentially direct harm to the people the data relate to.

'Due to the regulated nature of the financial services industry in the USA, some decisions are constrained through regulation: such as which elements of consumer data we are allowed to manage in-house'.
— Atul Srivastava, Director of Information Capabilities

at American Express

Up-to-date and accurate data are essential to the successful operation of any marketing IT system. When the aim of the system is to automate your customer interactions, this becomes even more crucial. The key aspects listed above go beyond traditional CDI functionality,¹⁰ but all are required for successful marketing automation.

Methodology: Agility in both implementation and operation

Marketing must innovate to maintain competitive advantage. Consequently, marketing processes constantly change in response to market trends, competitive conditions, customer shifts, new channels and regulatory changes. This agility of process needs to be present both in the marketing automation solution itself and in the project processes used to manage the implementation.

Agility in implementation. When implementing marketing automation systems, it is essential to adopt an approach that recognises, embraces and enables change, rather than one that simply tries to control it. Modern IT processes are increasingly taking into account the need to effectively manage change during the project lifecycle. These processes range from agile software development methodologies such as SCRUM¹¹ to project-wide management practices such as the dynamic systems development method (DSDM).¹² Greater agility may also be possible from leveraging data centre and IT hosting facilities external to the company itself. This can produce support benefits but can also decrease the solution implementation time by removing dependencies on internal IT facilities.

Agility in operation. Once deployed, the demands on a marketing automation solution will constantly change and evolve, and cannot depend on overworked IT staff to make a modification to a process or application. This often drives a modular approach from solution providers so additional capabilities can be used on demand as the business requirements evolve.

With today's modern practices, there is no need for marketing automation solution projects to fail through inadequate change management processes or an inability to adopt new business requirements. An iterative implementation methodology, delivering incremental phases of business benefit, enables marketing automation programmes to closely track the changing needs of the business. But care should be taken to not lose sight of the company's long-term goals. A recent research paper from Gartner, an IT research and advisory company, reinforces this message by recommending a phased road map for any investment in marketing technology.¹³

‘Build out the solution stage by stage following a phased roadmap, concentrating development on only the things that make a difference and can deliver a tangible business benefit’.

— William Adeney, Market Intelligence Manager

at Mercedes-Benz UK Ltd

Deliver incremental phases of business benefit

Close collaboration is required

Partnering: Selection of tools, vendors and implementation partners

Considering the aspects discussed in this paper, it is clear that close collaboration between marketing and IT professionals is required to ensure that the best technology decisions are made for the marketing function of a company. The approach can be further improved by careful selection of applications, vendors and external organisations as partners.

Flexibility. Selection of the appropriate marketing automation tools to purchase, and implementation partners, can be managed through a relatively formal approach, but do not lose sight of the value of real-world implementation experience. Look to work with partners with specialist expertise in marketing solutions who can support the marketing department in the selection of best-of-breed tools. Some partners can offer extensive tool selection labs and proven processes for you to test the technology with your customer data before making any selection.¹⁴ Another aspect of flexibility from an implementation partner is their capability to deliver a solution in hosted, Software as a Service (SaaS) or client premise install models. No one model is right for all clients so flexibility is essential, and typically a hybrid implementation will occur to achieve the best fit with the business requirements. Hosted or SaaS models may, however, enable a faster deployment, as the reliance on internal resources within the company is reduced.

Collaboration. Not only is collaboration required between marketing and IT professionals, but it is often the case that a number of different partners or vendors may be engaged to deliver the overall solution. Selecting partners with experience collaborating together can ease the process and get the programme delivering earlier.

Value. A key criterion is the selection of partners that deliver value to the marketing department, not just an IT product. Measuring this value can often be integrated into ongoing contractual and service-level agreements to ensure that the solution is delivering against its promises.

‘We take a matrix approach when evaluating vendors, looking at the combination of the vendor’s experience in our industry sector with the vendor’s specific capabilities such as online channel experience. Is there sufficient balance between a business focus and the technical aspects of the programme? And is the vendor conversant with more recent technologies?’

— Atul Srivastava, Director of Information Capabilities
at American Express

When formal procurement practices and multiple vendors are factored into the selection, reaching the end result can be a lengthy process. This can be simplified by looking for a single partner with a specialist experience of marketing automation to lead the implementation. Expect such marketing systems integration partners to have expert staff who can manage the systems integration, advise the company on the selection of best-of-breed tools, inform data protection decisions and

so on. This service gives the marketing department the support and agility it needs to innovate and deliver against the company's objectives.

Another area of opportunity is in partnering with organisations that can offer the marketing department support for on-demand services such as creative design, campaign planning and execution, data brokerage and so on. This can give the marketing department the ability to balance demand across the year or outsource functions in their entirety where appropriate.

Conclusion

The business value of marketing automation can and should be measured. The metrics that are used will depend on the business objectives and capabilities of the company, but a number of potential metrics have been recommended. The implementation of marketing automation systems requires a thorough understanding of the business processes that are to be automated and the data needed to support these processes. This is more art than engineering, as marketing business processes need to flex rapidly to take advantage of consumer and market changes. The systems integration between existing applications and new marketing automation tools is a complex engineering task requiring specialist expertise in marketing process workflow and data management skills. Only by combining these approaches, and enrolling the marketing team itself from the beginning, can a seamless delivery be achieved.

A combination of art and engineering

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