

THE STATE OF MARKETING AUTOMATION MATURITY

BACKGROUND

In the spring of 2015, Spear Marketing Group, a leading full-service B2B demand generation agency, conducted a market research survey designed to document the level of maturity (or lack thereof) present in the typical marketing automation deployment. It was the firm's hypothesis, based on anecdotal evidence and its own work with marketing automation clients, that underutilization of marketing automation software was rampant in the B2B community.

To test that hypothesis, the agency designed a survey that targeted B2B marketing executives, marketing operations titles, and other marketing automation users. More than 100 respondents completed a series of 33 questions that asked how much their organizations were either 1) using specific features, in a way that would illustrate full utilization of the functionality available to them, or 2) enjoying business value in areas consistent with generally accepted best practices.

Respondents were then assigned a "grade" based on how many of their responses aligned with those best practices:

A = 90-100% correct

B = 70-90% correct

C = 50-70% correct

D = 0-50% correct

RESULTS

Taken as a whole, the average respondent answered 56% of the questions "correctly" and scored a grade of C. Whereas that single grade would suggest a general lack of maturity in most marketing automation deployments, responses to individual questions tell a more complex story.

In some notable areas, the average marketing automation user is achieving real business value. In other categories, adherence to best practices is relatively uncommon, even in areas that one would otherwise assume to be a primary business case for marketing automation. For example:

The Good:

- 77% of respondents indicate they measure and report on pipeline contribution from specific campaigns
- 75% of respondents employ thank you pages for form fill-outs and 57% of those who employ thank you pages use them to promote additional offers
- More than two-thirds (68%) of respondents employ both behavioral and demographic lead scoring
- More than half (55%) of respondents utilize some type of subscriber preference page
- 85% of those surveyed said they currently segment email communication based on persona or job function on some or all campaigns

The Not-so-Good:

- 40% of respondents employ no type of auto responder (follow-up email) to new leads
- More than half (54%) of respondents indicate that more than 25% of their database is old, inaccurate or otherwise unusable
- Almost three-fourths (74%) indicated that fewer than 50% of their email campaigns are triggered or automated vs. simply "one-off" (batch) programs

CONCLUSIONS

Any amount of under-utilization of marketing automation is a problem in that it, at the very least, prevents companies from generating a maximum return on their investment. Based on this survey, the average marketing automation user has a long way to go before utilizing the software in a way that would help him or her achieve the most business value.

But all is not doom and gloom. Our survey indicates that the average marketing automation user uses lead scoring in a reasonable sophisticated manner, is able to track pipeline contribution from specific marketing campaigns, and segments email campaigns based on persona or job title. These are not small feats. Data points like these reflect a maturing market in which use of more basic marketing automation functionality is becoming the norm.

What do marketing automation vendors and customers alike need to push marketing automation maturity to the next level? Here are some suggestions:

- Filling the “talent gap” by making it easy (and inexpensive) for new and prospective hires alike to get up to speed on (and hands on with) marketing automation software
- Increasing ongoing training and education for existing customers, not just in technical know-how, but also in strategy and best practices
- Promoting and cultivating the development, growth, and awareness of third party professional service partners—consultants and marketing agencies—who can help clients achieve greater levels of sophistication

Based on this survey, the average marketing automation user has a long way to go before utilizing the software in a way that would help him or her achieve the most business value.

ANALYTICS & REPORTING

Summary

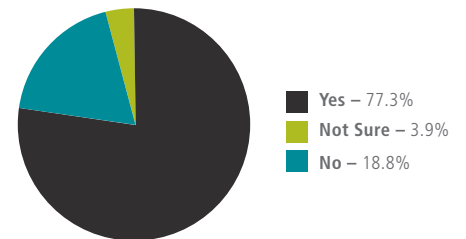
One of the primary differentiators between marketing automation platforms and older generation email marketing systems is the ability to integrate marketing campaigns with a company's CRM database. This simple integration, in theory, means that companies are no longer limited by tracking results based on opens and clicks, but can instead show actual pipeline contribution, if not ROI, by campaign.

Our data shows that companies are indeed measuring pipeline contribution from campaigns and, consistent with best practices, defining the stages of their company's sales cycle based on industry standard "stages" (MQL, SQL). However, more than half of those that responded said they don't report on the pace and volume at which leads move through those stages, or employ any system of alerts (email or otherwise) to notify sales that lead follow-up is past due.

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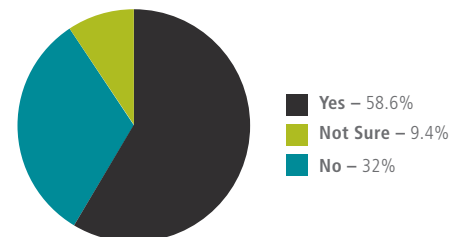
Q: Do you measure and report on the pipeline contribution (i.e. opportunities derived) from specific programs or campaigns?

Measuring pipeline contribution provides a marketer a more accurate gauge of business value compared to basic metrics (clicks, leads, cost per lead).



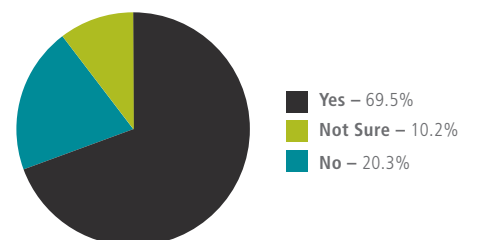
Q: Do you measure and report on the revenue contribution (i.e. revenue derived) from specific programs or campaigns?

Measuring the actual revenue contribution from campaigns is the best way possible to know which programs, tactics, and marketing channels are contributing most to the bottom line.



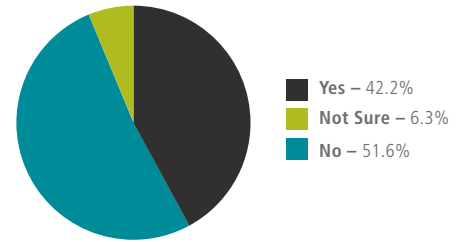
Q: Have you defined the stages in your company's sales cycle based on industry standards (MQL, SQL, etc.)?

Defining sales stages based on industry standards provides a useful benchmark against which to measure a marketer's pipeline velocity and conversion metrics compared to the industry as a whole.



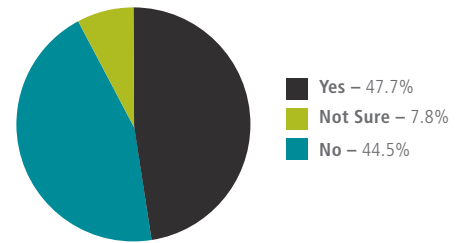
Q: Do you measure and report on the pace and volume at which leads move through those stages?

Measuring pipeline velocity is a useful way to identify bottlenecks in the selling process, as well as help plan for the number of leads at the top of the funnel necessary to meet revenue targets.



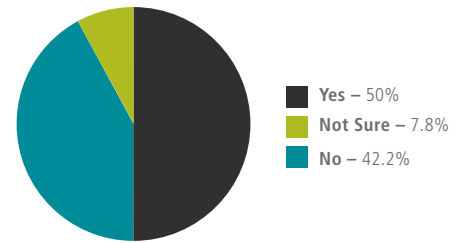
Q: Do you measure and report on the speed with which sales responds to assigned leads?

The speed at which sales reps respond to assigned leads is a primary factor in the rate at which those leads convert to opportunities and deals.



Q: Do you employ any system of alerts (email or otherwise) to notify reps that lead follow-up is "past due"?

Employing a system of alerts for leads that are waiting for a response can be an effective way to prevent potentially qualified leads from being lost in the lead queue.



PROGRAMS

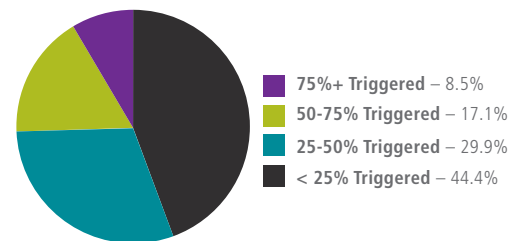
Another common use case for an investment in marketing automation is the ability to create automated, triggered, multi-step email campaigns. Without marketing automation, companies are limited to one-off, “batch” email programs. With marketing automation in place, those same campaigns can be triggered automatically by events, demographics, or behavior – for example, registering for a Webinar or visiting a high-value Web page.

Surprisingly, this is one area where our survey respondents showed the most room to grow. Almost three-fourths of those surveyed indicated that fewer than 50% of their email programs are triggered or automated. No company automates all of their campaigns, but still, that statistic is alarming. Automated campaigns not only enable companies to communicate with customers in a more timely, relevant and personalized way, but they also reduce the burden on the marketing team, who otherwise are saddled with the constant production of more manual, one-off campaigns.

Also surprising – the low number of companies who use auto-responders. Industry studies have long proven that timely response to leads (literally, within seconds) can have a dramatic impact on the rate at which those leads are qualified. Putting in place campaigns that automatically respond to new leads, therefore, in parallel with sales follow-up, is one of the easiest ways to gain immediate business value from marketing automation. Yet 40 percent of those surveyed have no such campaigns in place.

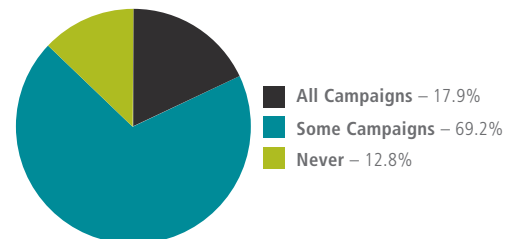
Q: What percentage of current email campaigns in an average month are “triggered” (automated) vs. “batch”?

Triggered campaigns enable marketers to respond automatically to behaviors, actions, or demographic factors in a more timely and relevant fashion.



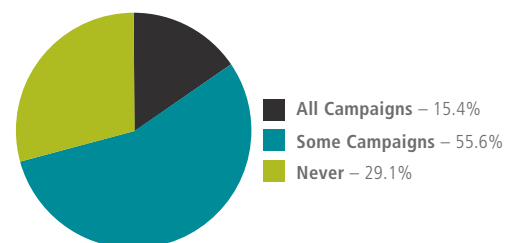
Q: Do you currently segment email tracks based on persona/role/job function?

Segmentation based on buying persona is a key best practice that can help increase engagement rates, lead response, and the rate at which leads progress along the sales cycle.



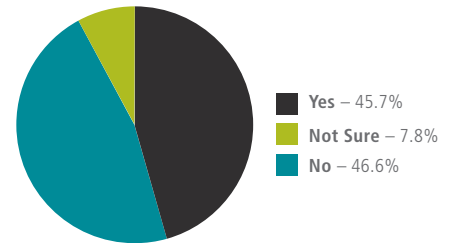
Q: Do you currently segment email tracks based on sales stage (e.g. early, mid, late)?

Prospects at different stages of the selling cycle respond better to content and messages that are aligned with their specific information needs.



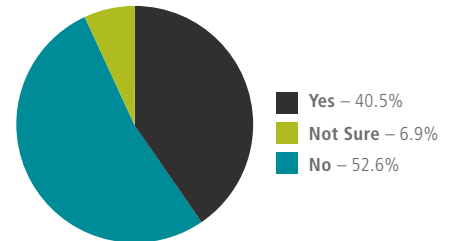
Q: Do you currently employ a “lead recycling” campaign for leads that are rejected by sales?

A dedicated “lead recycling” campaign can be an effective way to improve the rate at which once rejected leads re-engage, and ultimately become re-qualified.



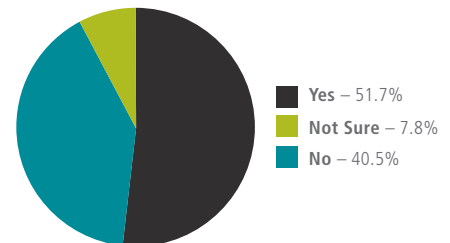
Q: Do you currently employ a “wake the dead” campaign or similar, dedicated effort for non-responders?

Some prospects will never respond, but often, utilizing a different creative approach, targeted specifically to non-responders, can serve to “resuscitate” leads that otherwise would never engage.



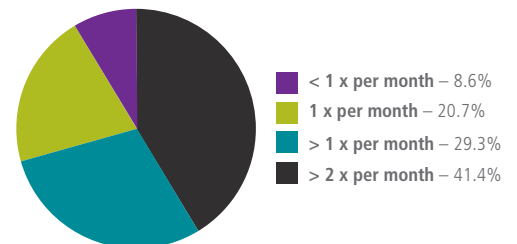
Q: Do all new inbound leads receive one or more follow-up emails (auto-responders) independent of sales activity?

An auto-responder campaign is an effective way to ensure that all leads are responded to promptly and systematically, independent of sales bandwidth.



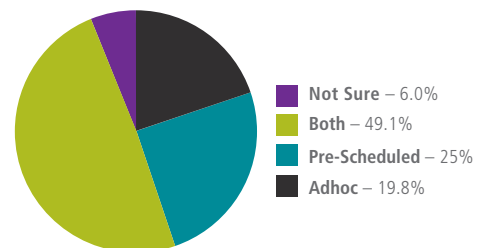
Q: On average, how often do existing prospects (i.e. marketing database contacts) receive some form of email communication from your company?

Best practice dictates that a frequency of at least one email per month is the minimum required to maintain some level of brand awareness.



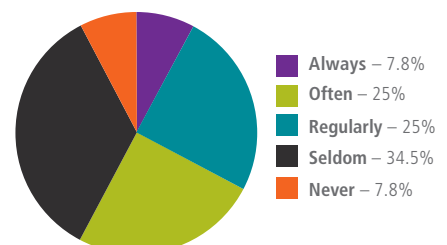
Q: Are ongoing email “touches” scheduled in an adhoc fashion, or does each lead go through a pre-scheduled queue of emails?

Sending each lead through a pre-determined “queue” of emails is an effective way both to recycle older content and also to ensure that every lead receives the ideal sequence of messages or offers.



Q: How often do you test subject lines? (Never, Seldom, Often, Regularly, Always)

Testing subject lines consistently is one of the easiest ways to improve email campaign performance over time.



FORMS & LANDING PAGES

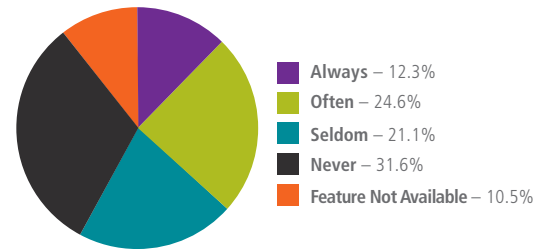
Most marketing automation technologies afford companies a number of advantages when it comes to creating more sophisticated landing pages and registration forms. For example, forms can pre-populate automatically for “known” prospects (those who have been contacted previously), which in turn allows marketers to decide which questions to ask on that form, based on information they already know about an individual prospect.

However, landing pages can also be the “orphan children” of campaign planning. Without available bandwidth, schedules, staff/resources, or knowledge of best practices, marketers often default to a more generic approach. More than half (52%) of our respondents, for example, reported they either seldom or never use progressive profiling, a key feature that enables marketers to further qualify prospects as they re-engage with a lead nurturing program. Similarly, almost half (45%) reported that they typically offer lead nurturing content ungated, which saves the hassle of creating another custom landing page, but eliminates any opportunity to learn more from prospects as they engage with the campaign.

Ironically, an effective landing page and registration form, one that adheres to design best practices and takes full advantage of the hosting technology, can increase conversion rates substantially and have an enormous impact on campaign ROI.

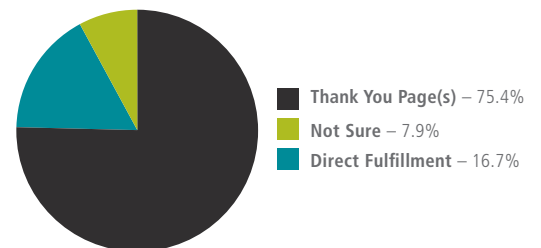
Q: Do you currently employ progressive profiling?

Progressive profiling is an effective technique for gathering additional profile information about an existing prospect, therefore increasing the chances of that prospect becoming sales-qualified.



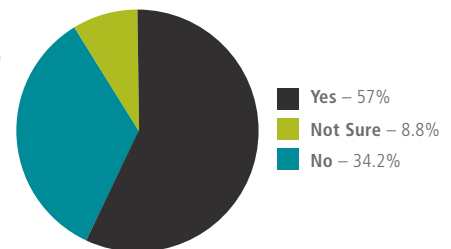
Q: Do you employ thank you pages, or does a form fill-out direct the respondent immediately to the content on offer?

A thank you page is a standard best practice that provides the marketer the opportunity to present additional offers or other “next steps.”



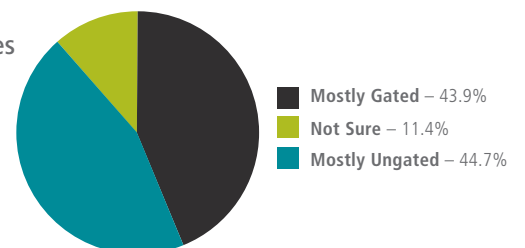
Q: Do thank you pages promote additional offers, content or “next steps”?

An effective thank you page does more than just thank the prospect for his/her interest, but also drives additional engagement by presenting additional offers.



Q: For lead nurturing campaigns, do you gate content behind landing pages or offer content ungated?

Some mix of gated and ungated is optimal, but using gated offers as part of a lead nurturing campaign is a more effective way to gather additional profile information from existing prospects.



LEAD SCORING

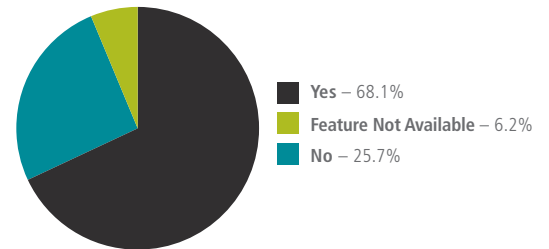
As a key feature in most any marketing automation platform, lead scoring plays an important role in sales productivity, sales engagement, and the rate at which raw inquiries convert to qualified leads, opportunities, and deals. Our survey indicates that while most every company is using lead scoring at a basic level, few are employing the type of best practices that ensure lead scores are accurate, relevant, and useful for the sales team.

For example, while more than two-thirds (68%) of respondents employ both behavioral and demographic scoring, only half (50%) employ some kind of score degradation or expiration scheme in order to reduce behavioral scores over time. With those schemes in place, companies can very quickly experience “score inflation” – a situation where lead scores climb indefinitely and quickly become irrelevant. Similarly, only 55% of those surveyed employ negative lead scores – a key technique for filtering unqualified leads, and more than a third (35%) award lead scores to email opens (as different from clicks or conversions), even though open rates are a notoriously unreliable way to measure engagement.

Few (users) are employing the type of best practices that ensure lead scores are accurate, relevant, and useful for the sales team.

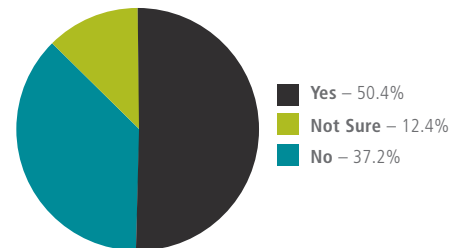
Q: Do you employ both behavioral and demographic scoring?

Using both behavioral and demographic scoring ensures that reps are able to distinguish between leads that are valuable for who they are versus what they do.



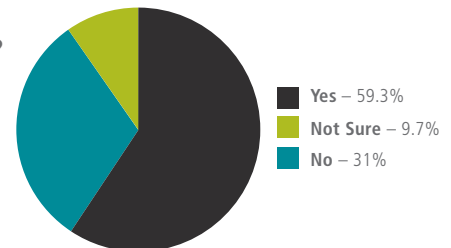
Q: Do you have any score degradation or expiration scheme in place to reduce behavioral scores over time?

Without some kind of score degradation method in place, lead scores can rise indefinitely, eventually rendering their value meaningless.



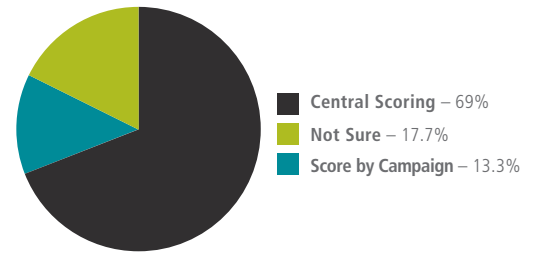
Q: Do you award visits to specific, high-value Web pages a higher lead score?

Not all Web pages are created equal; some pages (pricing, demo) merit a higher lead score.



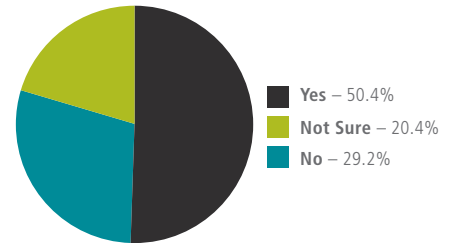
Q: Are lead scores awarded through a central scoring campaign, or by each individual email campaign?

Using a central scoring campaign, different from defining lead scores at the campaign level, makes it easier to make universal changes when merited.



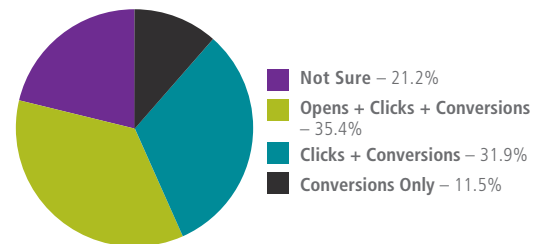
Q: Do you currently suppress lead scoring for employees, competitors, etc.?

Suppressing scores altogether for some categories ensures that those contacts never make it through to sales.



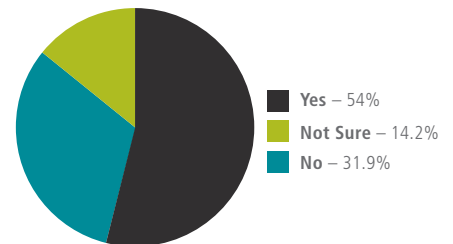
Q: Do you currently award a lead score on email opens, clicks, and/or form conversions?

Email opens are an unreliable measure of engagement and assigning score values to email opens can inflate lead scores unnecessarily.



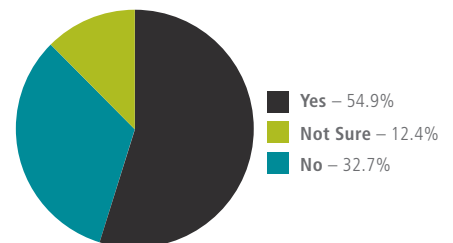
Q: Do you currently employ a lead score "threshold" that either alerts sales or sends a lead to sales?

Employing a score value threshold is a useful way to alert sales to leads that are likely qualified enough to merit sales engagement.



Q: Do you currently employ negative lead scores (e.g. visits careers page, unsubscribes)?

Negative lead scores are a standard best practice to ensure that unqualified leads don't make it through to sales undeservedly.



DATA

Good data hygiene is not a function of marketing automation, per se, but bad data can quickly render any marketing automation deployment ineffective. A marketing database that is out of date, or one that contains a large proportion of invalid or unmailable names, can drag down campaign performance, lower the perceived ROI from marketing automation (or even demand generation as a whole), and even cost a company thousands of dollars in license fees for contacts that are, in effect, unusable.

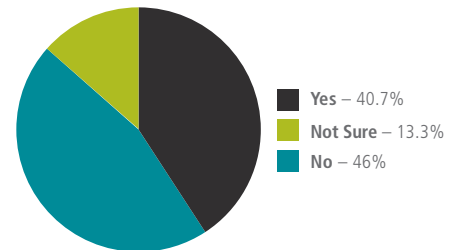
Our survey indicates that data cleanliness is a major issue for the typical marketing automation customer. More than half of those surveyed (54%) indicated that over 25% of their marketing database is made of contacts considered to be old, inaccurate, duplicate or otherwise unusable. That number aligns with the 46% who don't yet employ any kind of third party data solution, many of which integrate seamlessly with marketing automation platforms, to enrich, append, or de-dupe new leads.

Is poor email strategy a possible culprit here? More than half of all respondents (58%) reported an unsubscribe rate in excess of 1%, generally seen as an acceptable B2B standard. A high unsubscribe rate can often be attributed to a lack of segmentation, or content that the email recipients otherwise find irrelevant.

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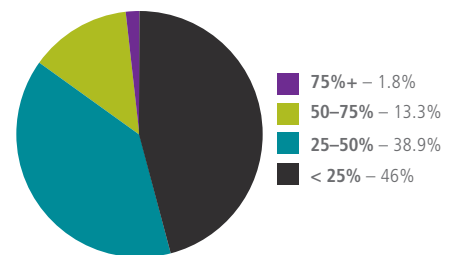
Q: Do you employ any kind of third party data solution to automatically enrich or append new leads?

Using third party data solutions can be an effective way to enrich, append and "clean" data as it enters the system, before it becomes an issue.



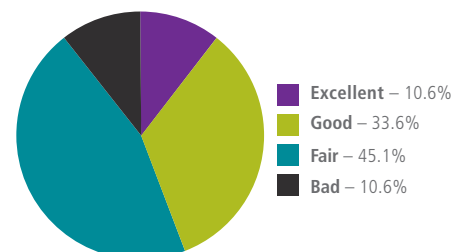
Q: What % of your database do you estimate to be old/inaccurate/unusable/duplicate leads?

Good data hygiene improves campaign performance and increases both the accuracy and relevancy of campaign reports.



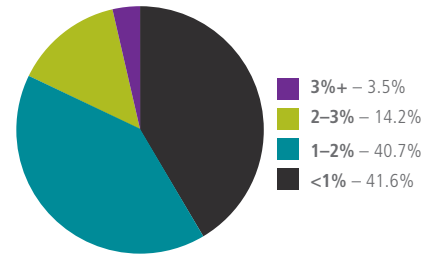
Q: How would you describe the current accuracy in general of your contact data?

Good data is the foundation of an effective database marketing program.



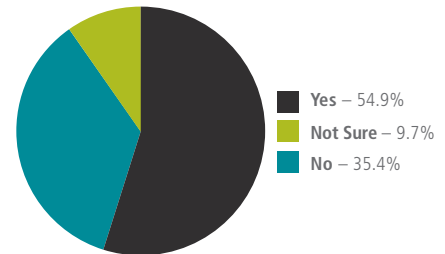
Q: What is your current average unsubscribe rate?

Unsubscribe rates of 1% or less are generally thought to be “acceptable” by B2B standards.



Q: Do you employ any kind of subscriber management or subscriber preference page?

A subscriber preference page is an effective way to reduce unsubscribe rates and collect additional profile information on individual prospects.



KEY FINDINGS

77% of survey respondents report on campaign pipeline contribution, only 58% on ROI [Tweet](#)

69% of survey respondents define the stages of their company’s sales cycle based on industry standards [Tweet](#)

More than 50% of survey respondents fail to measure the pace and volume at which leads move through the sales cycle [Tweet](#)

74% of survey respondents report that more than half of their campaigns aren’t triggered or automated [Tweet](#)

87% of survey respondents segment some or all of their campaigns based on persona [Tweet](#)

71% of survey respondents segment some or all of their campaigns based on sales stage [Tweet](#)

Only 46% of survey respondents use any form of “lead recycling” campaign for leads rejected by sales [Tweet](#)

Only 40% of survey respondents employ any kind of dedicated campaign for non-responders [Tweet](#)

Only 52% of survey respondents report using auto-responders for all new inbound leads [Tweet](#)

41% of survey respondents email their database at least twice per month [Tweet](#)

Only 25% of survey respondents regularly test subject lines [Tweet](#)

75% of survey respondents employ thank you pages in their campaigns [Tweet](#)

45% of survey respondents leave most lead nurturing offers ungated [Tweet](#)

68% of survey respondents employ both behavioral and demographic scoring [Tweet](#)

35% of survey respondents award lead scores to email opens [Tweet](#)

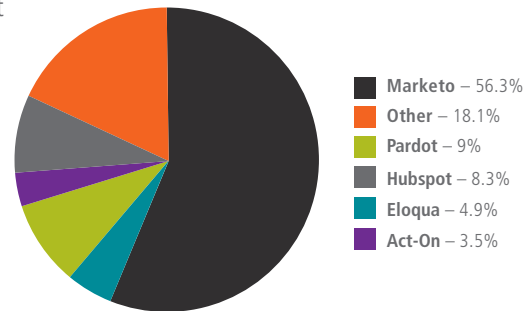
54% of survey respondents report that more than 25% of their marketing database is bad data [Tweet](#)

58% of survey respondents report an unsubscribe rate greater than 1% [Tweet](#)

ABOUT THE SURVEY

This survey was conducted in March 2015 and promoted through a combination of email marketing and social media. Survey results are based on the responses of more than 100 marketing automation users. The authors of this report make no claim to statistical significance. All data derived from this report should be considered observational.

Q: What marketing automation platform do you use?



ABOUT SPEAR MARKETING GROUP

Spear Marketing Group is a full-service B2B demand generation agency that helps technology companies generate, nurture, and convert leads to revenue. Spear's unique, holistic approach to demand generation blends strategic expertise, creative flair, and a deep understanding of marketing technology to achieve measurable results across every stage of the lead lifecycle: lead generation, lead nurturing, and customer marketing. Spear services include email marketing, SEO/SEM, lead nurturing, digital advertising, social media, and content development.

Spear's marketing automation practice helps B2B companies make the most from their investment in marketing automation. The firm currently supports more than 30 marketing automation clients, primarily in the areas of:

- **Strategy**—developing lead management, database marketing, and demand generation strategies that address specific sales, marketing, and revenue objectives
- **Campaign development**—developing creative and compelling marketing campaigns that fully leverage the power of marketing automation
- **Creative execution**—developing innovative, responsive-oriented creative for both online and offline programs including emails, landing pages, display ads, and social media

Our team of certified technical consultants, creatives, and demand generation strategists can help you take your marketing automation deployment to the next level. We currently work with clients of Hubspot, Marketo, and Pardot.

For more information or to schedule a free consultation, visit www.spearmarketing.com.



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