

The binary business case for marketing automation

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2017 is set to be the year of wholesale adoption of marketing automation technology as consumer budgets constrict and the battle for share of wallet intensifies. Locally, economic pressures triggered by a ratings downgrade and reduced consumer spending is likely to create fierce competition among local brands and business providers.



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At a global scale, the job of marketing is more challenging than ever: following a failed takeover bid by Kraft Heinz, Unilever's CEO Paul Polman, said he'd be putting pressure on the company's marketing divisions – who command some of the largest marketing budgets in the world - to improve return on marketing investment in the coming months.

In [Allocadia's 2017 Marketing Performance Maturity Benchmark Survey](#), only 21% of marketers could measure revenue contribution. Part of the problem is the prevalence of organisational siloes: only 8% of organisations have marketing, sales, and finance data in one consolidated data warehouse that represents the 'single source of truth'.

Rethinking marketing ROI

In a time when machine learning and automation technologies are more powerful and accessible than ever, and the prevalence of data greater than at any time in history, using antiquated tools to track and measure marketing activities not only limits marketers' effectiveness but actively undermines their success.

The *Harvard Business Review* found that companies spend 6.7% of their marketing technology budgets on analytics, but expect this to grow to 11.1% over the next three years. For marketing departments wishing to secure additional budget to build their analytics capabilities, being able to prove ROI is essential: a 2016 survey found that marketing departments that are able to prove ROI are 1.6 times as likely to receive higher budgets.

The marketing automation investment imperative

Marketing automation technology enables marketers to effectively integrate all the elements required to prove ROI – real-time campaign spend and acquisition, customer behavioural analytics, broader organisational and revenue objectives, and constant feedback on the effectiveness of certain activities, campaigns, and types of content – through a single platform.

Instead of fussing over spreadsheets or trying to make sense of profit-and-loss reports, marketing teams can simply open the automation program to pull out the data required, including campaign investment, number of leads generated, sales conversion statistics and average sale values.

More importantly, 80% of companies in a [VentureBeat Insights study](#) increased their leads – and 77% increased their conversions – as a result of using marketing automation technology. A separate [study by Nucleus Research](#) revealed that

sales productivity increased by 14.5% when automation software is used, while reducing marketing overheads by an average of 12.2%.

And with the global shift away from capex to opex, there's some good news: not only is the business case self-evident but, with the advent of secure cloud services, companies can access marketing technology on an opex, pay-as-you-go basis for at least 80% of the services.

The power of automation

Marketing automation has become such an integral part of the marketing and sales mix that a [Gartner study](#) found that 71% of companies with annual revenue of more than \$500m now have a 'chief marketing technologist' role. In light of the growing importance of omni-channel communications in reaching an increasingly fragmented consumer base, the role of the chief marketing technologist will become essential to an organisation's sales and marketing success.

When marketing automation is combined with omnichannel communication, marketers can close the loop by connecting the dots in the customer journey, from promotion right through to purchase. By including a call-to-action in other promotional activities - such as a billboard, print ad or radio campaign - marketers can track the success of each promotional activity and adjust their budget to serve the highest-performing activities.

Add to this the ability to prove ROI across the marketing value chain, and marketers have a powerful tool to prove their worth to the company's bottom line. Little wonder then that Fortune 500 companies who use marketing automation tools such as conversion rate optimisation [show an average ROI of 223.7%](#).

ABOUT THE AUTHOR

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