NUCLEUS
RESEARCH

MARKETING AUTOMATION RETURNS $5.44 FOR EVERY DOLLAR SPENT

ANALYSTS
Daniel Elman, Jason Blackthorne

THE BOTTOM LINE

Nucleus reviewed 16 ROI case studies published between 2016 and 2020 to understand the value marketing automation technology has delivered to customers in that span. We found that for each dollar spent, deploying organizations realized $5.44, on average, in benefits over the first three years post-deployment, with a payback period under six months. Additionally, we identified the most realized benefit areas as increased marketer productivity, increased marketing campaign efficiency, cost savings from automation and simplified infrastructure, and improved prospect engagement.

OVERVIEW

Although marketing automation has been around for some time, the increasing availability of modern cloud-based solutions and the events of the COVID-19 pandemic has driven many companies to reconsider their marketing investment strategy. To better understand the overall financial returns from marketing automation, Nucleus analyzed its case studies on marketing automation deployments. We found that for every dollar spent, a company gets back an average of $5.44, with a payback period under six months.

Marketing Automation technology includes but is not limited to:

- Campaign automation
- Lead scoring and nurturing
- Workflow automation
- Customer and campaign data analytics

Increasingly, these automation technologies are supplemented with marketing augmentation and optimization capabilities as well. These include segment identification, automated test/re-test of digital assets and marketing collateral to identify optimal performers and layouts, and AI capabilities for next-best action recommendation, campaign evaluation, and automated responses and pass-throughs to sales and other stages of customer lifecycle.

For organizations looking to optimize marketing processes, marketing automation solutions have been critical in keeping both B2B and B2C businesses afloat during the shift to working and shopping remotely. The solution class's vendors support different levels of functionality at various price points, which reflects a range of options for the unique needs of any sized organization. Leaders continue to make investments in usability with self-service capabilities, AI and machine learning, integrations, and analytics to help customers achieve greater marketing efficiency. Users can also uncover insights that drive revenue growth by tracking various marketing Key Performance Indicators (KPIs) in real-time such as customer engagement levels, new lead generation, and customer acquisition cost. As organizations' top marketing priorities become maximizing manager and employee productivity and optimizing omnichannel campaign personalization, flexible and all-inclusive marketing automation solutions are mission-critical to thriving amidst a drastically changing marketing landscape.

> **Marketing automation deployments deliver $5.44 for every dollar spent within 3 years.**

KEY BENEFITS

Upon analysis of 16 ROI case studies covering marketing automation deployments since 2016, Nucleus found four primary value drivers of a modern marketing automation implementation.

- **Increased marketer productivity.** Marketing automation solutions increase marketers' productivity by reducing or eliminating time-consuming tasks. These low value-add tasks include managing customer lead data and creative assets like graphics and videos, manually importing and exporting data across disparate data pools, and moving leads along customer journey paths or marketing funnels. IT employee productivity can also improve with the deployment of a marketing automation solution. In one case, a company saved its IT workers approximately nine hours a month by eliminating the need to build forms and landing pages for its marketing department. Overall, Nucleus found that organizations increased employee productivity by 58 percent on average by using a marketing automation solution. This increase in productivity allowed marketers to focus on higher-level duties like creating more receptive creative assets and enhancing marketing strategies.

- **Increased marketing efficiency.** Organizations that deploy a modern marketing automation solution turn out personalized omnichannel campaigns at a faster rate and increase marketing efficiency. Marketing automation solutions also implement A/B testing, which compares the performance of two versions of a campaign, landing page, or other marketing asset. Companies use this data to maximize audience reception and generate new leads. Nucleus found that, on average, marketing automation customers increased lead generation by 225 percent, and organizations increased the number of campaigns produced by 54 percent. With more leads and campaigns, organizations have a higher chance of bringing in new customers to boost sales and generate revenue.

- **Cost savings from automated tasks and workflows.** By automating low-value tasks and effectively managing the flow of data across a marketing technology stack, marketing automation solutions allow companies to reduce the required number of employees in a marketing department and increase cost savings. For example, one company reduced its employees' time devoted to running reports from 120 hours per month to only three hours per month. On average, customers from the examined case studies were able to redeploy 2.5 full-time equivalents with the automation and process acceleration capabilities.

- **Improved prospect engagement.** The KPIs by which marketing departments measure their campaigns' effectiveness in engaging prospects vary depending on the organization's goals. However, the most common KPIs that marketers use to

measure success are the open and click-through rates of email campaigns and the number of new subscribers or leads. Marketing automation solutions' ability to personalize campaigns and touchpoints with customer data and CRM integration allows organizations to improve prospect engagement. On average, companies with a marketing automation solution open rate's increased by 32 percent, and new subscriber generation increased by 361 percent. More engaged prospects are higher quality leads, and sales team have a higher chance of conversion to generate revenue.

LOOKING AHEAD

As the customer relationship management space evolves into the trendy and more-encompassing "customer experience" space, marketing capabilities must become more tightly coupled with other stages of the customer journey. Additionally, organizations need to optimize their marketing efforts to drive sales and improve customer satisfaction more directly. As the pandemic has forced organizations to rethink their marketing spends and the channels they leverage, the solutions have been thrust further into the spotlight. Marketers are now pushed to demonstrate the ROI and outcomes of campaigns, and need to constantly be optimizing strategies, layouts, and outreach methods to ensure those marketing dollars are being spent as wisely as possible. In the near future, it wouldn't be surprising to see marketing automation terminology expand to include marketing augmentation and optimization capabilities as more central to the definition of the space. With the increased relevance of digital marketing, particularly as physical locations have been closed and in-person/word-of-mouth reach has been limited, customer experience managers are looking at marketing solutions with a fresh eye as potential growth drivers; likewise, CX vendors are investing heavily in their own marketing solutions, seeing them as high-growth product areas as well. With the uptick in focus on the space, it is more important than ever to have a clear understanding of the value and potential outcomes from successfully leveraging marketing automation technology.