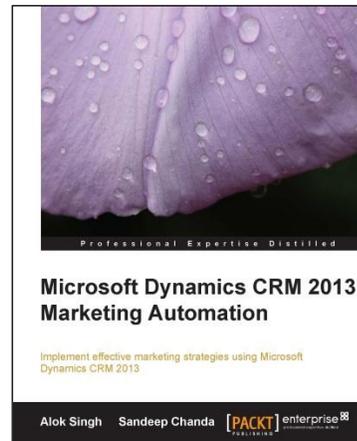


# Microsoft Dynamics CRM 2013 Marketing Automation

**Alok Singh**  
**Sandeep Chanda**



## Chapter No. 1 "Getting Started with CRM Marketing"

## In this package, you will find:

A Biography of the authors of the book

A preview chapter from the book, Chapter NO.1 "Getting Started with CRM Marketing"

A synopsis of the book's content

Information on where to buy this book

## About the Authors

**Alok Singh** is a senior consultant for CRM at Neudesic, a Microsoft National Systems Integrator and Gold Certified Partner. He is a specialist on Microsoft Dynamics CRM and has been consulting with Fortune 500 clients on the technology for the past several years. For more than five years, he has been involved in creating various CRM-based enterprise solutions spanning multiple industries and domains such as sales and marketing, telecom, retail, and finance. In addition to Microsoft Dynamics CRM, he has been working on several other Microsoft technologies, including .NET, Azure, and SharePoint. His areas of interest include gamification, Internet of Things, mobile development, smartphone ecosystems, and haptic devices.

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# Microsoft Dynamics CRM 2013 Marketing Automation

The marketing landscape is changing at a rapid pace. With the advent of digital and social media influencing customer choices, there is an increasing need for Customer Relationship Management (CRM) tools that provide marketing automation and help identify patterns, relationships, and new sale opportunities to make marketing more effective and realize the return on investment on the marketing efforts. *Microsoft Dynamics CRM 2013 Marketing Automation* is not only a step-by-step guide for would-be marketers who are learning basic marketing concepts such as lead funnel, but it is also a hands-on reference for expert marketers and analysts who are trying to create advanced marketing strategies for their showcase products.

The book gives the reader a perspective on how Microsoft Dynamics CRM 2013 can be used as a platform to extend the out-of-box marketing features, and it also provides an overview of some of the marketing automation solutions in CRM marketplace, such as CoreMotives and ClickDimensions.

If you are a beginner in the world of marketing, you will find this book useful to learn the function of a robust marketing tool such as Microsoft Dynamics CRM 2013, understand how to create and use marketing lists, run campaigns, and learn to analyse the return on investment on the marketing efforts. If you are an expert, you will be able to explore advanced e-mail marketing capabilities and create marketing strategies to capture leads from various channels, such as web and social media sources.

## What This Book Covers

*Chapter 1, Getting Started with CRM Marketing*, introduces you to marketing concepts in Dynamics CRM 2013. You will learn about the marketing lead funnel and understand close loop marketing.

*Chapter 2, Segmentation with Marketing Lists*, explains the concepts of creating and managing targeted marketing lists that are tailored towards addressing the relevant audience and creating better loyalty.

*Chapter 3, Marketing Campaigns*, enables you to plan, create, and execute marketing campaigns in Microsoft Dynamics CRM, and it helps you to understand related concepts such as sales literature, target products, price lists, and the working of the campaign activity distribution. Marketing strategies are executed using campaigns in CRM that helps define, distribute, and track the related activities and tasks.

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*Chapter 4, Campaign Response and Performance*, deals with capturing and managing the campaign responses to measure the campaign performance with MS Dynamics CRM 2013. A marketing campaign process just doesn't end with campaign execution, its success needs to be measured, ROI calculated, and key patterns identified.

*Chapter 5, Marketing Metrics, Analysis, and Goals*, focuses on using CRM analytics and dashboards to get an insight into your marketing data, and managing marketing goals for key marketing metrics.

*Chapter 6, Enhance CRM Marketing with Marketplace Solutions*, helps you understand how to enhance the existing Dynamics CRM 2013 marketing capabilities with marketplace solutions such as CoreMotives and ClickDimensions.

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# 1

## Getting Started with CRM Marketing

In this chapter, you will be introduced to the challenges in the world of marketing and learn how the **Customer Relationship Management (CRM)** systems are playing a key role in bringing in automation and helping organizations realize their marketing objectives. You will also be introduced to concepts such as **marketing lead funnel** and **close loop marketing**.

We will discuss the following topics in this chapter:

- Present day marketing
- Marketing challenges
- Marketing automation with CRM
- Understanding lead funnel

### Present day marketing

Marketing is the process of engaging with the target customers to communicate the value of a product or service in order to sell them. Marketing is used to attract new customers, nurture prospects, up-sell, and cross-sell to the existing customers. Companies spend at least five percent of their revenue on marketing efforts to maintain the market share. Any company that wants to grow its market share will spend more than 10 percent of its revenue on marketing. In competitive sectors, such as consumer products and services, the marketing expenditure can go up to 50 percent of the revenue, especially with new products and service offerings.

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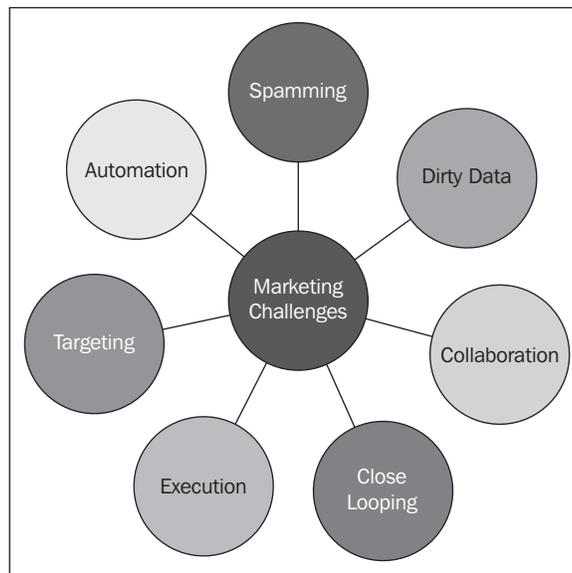
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Marketing happens over various channels such as print media, radio, television, and the Internet. Successful marketing strategies target specific audience with targeted messages at high frequency, which is very effective. Before the era of the Internet and social networks, buyers were less informed and the seller had better control over the sales pipeline by exploiting this ignorance. However, in this digital age, buyers are able to research beforehand to get enough information about the products they want and, ultimately, they control the process of buying. Social media has turned out to be a great marketing platform for companies, and it hugely impacts a company's reputation with respect to its products and customer services. Marketing with social media is about creating quality content that attracts the attention of the social platform users, who then share the content with their connections creating the same effect as word of mouth marketing. The target customers learn about the company and its products from their trusted connections. The promotional message is received from user's social circle and not the company itself. Social platforms such as Facebook and Twitter are constantly working towards delivering targeted ads to the users based on their interests and behaviors. Business Insider reports that Facebook generates 1 billion in revenue each quarter from advertisements, and Twitter is estimated to have generated more than 500 million in advertisement revenue in the year 2013, which clearly shows the impact of social media on marketing today. Buyers are able to make well-informed decisions and often choose to engage with a salesperson after due diligence. For example, when buying a new mobile phone, most of us know which model to buy, what the specifications are, and what the best price is in the market before we even go to the retailer.

Marketing is now a revenue process that is not about broadcasting the product information to all, it's about targeting and nurturing relationships with the prospects from an early stage until they become ready to buy. Marketing is not just throwing bait and expecting people to buy it. The prospects in today's information age learn at their own pace and want to be reached only when they need more information or are ready to buy. Let's now explore some of the challenges of present day marketing.

## **Marketing challenges**

Today, most of the businesses engage with the prospects via the web and social media. With the great reach of the Internet and social media, it's now a lot easier to get the message to a large audience very quickly and more frequently. Also, with the prospect data and interactions going into the thousands and even millions, marketers can be overwhelmed and confused by the size and complexity of the data they receive. Even the best of marketers might find it almost impossible to run their campaigns without the right automation tools for the planning, execution, and measurement of their marketing strategy. Some of the challenges in the world of modern day marketing are shown in following figure:



The commonly-faced marketing challenges

## Spamming

The Internet has made communication a lot easier, but it has also made marketers more prone to errors and renders their marketing efforts ineffective and irrelevant. Many a times, marketing campaigns actually confuse and annoy the prospects with irrelevant and conflicting messages that eventually end up as noise to the overexposed customer.

## Automation

Marketing involves lead acquisition, lead nurturing, lead scoring, customer segmentation, lead transfer, customer data integration, and closed loop marketing analysis, which are tasks involving a high volume of data that are time-intensive to process. Moreover, at any point of time, most companies are concurrently running various types of campaigns. This can make marketers inefficient and prone to error, turning the marketing campaign to an ineffective exercise.

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## Targeting

The golden list of the prospects doesn't work; it's difficult to sell to the prospects just with their name and contact details. To get the most out of a marketing campaign, you need to consider all the information you have about the customer. This is so complex that most companies skip this. Consequently, they are deprived of essential information about the people on the marketing list, which makes their marketing ineffective and gives little returns for their campaign expenditure.

## Execution

The best planned campaign will suffer if the execution is haphazard and not methodical. Campaigns generally involve a target list upon which the marketing team performs various predefined actions in a systematic manner, such as sending e-mails, making follow-up calls, and tracking the status of each list member. Complexity reaches its peak when the responses are to be tracked and reported, which involves tracking individual responses from various marketing channels. Manual execution of campaigns has a high probability of errors with too much reliance on the skills and efficiency of the marketing team. This increases the risk by making marketing affairs more people-centric and less process-centric.

## Close looping

The CEOs want the worth of every marketing dollar with proof of results for the marketing investments, and the CMOs need to make effective marketing decisions as every marketing effort needs to be accountable and all the costs and **Return on Investment (ROI)** measured. Let's consider an example where the company decides to advertise its product on social sites such as Facebook and LinkedIn. The cost involved in advertising is different for each of the platforms. When calculating the ROI for each of the platforms, it might be difficult to manually determine the advertising effectiveness on a social site without a proper automation or analytic tool. In scenarios where multiple concurrent campaigns running, it becomes extremely difficult to measure the effectiveness of the individual campaigns. At times, marketers even fail to identify what went wrong and what went right, and they fail to optimize or fine tune their future campaigns.

## Collaboration

Marketing and sales are two functions that need to work extremely closely with each other to generate revenue in a company. Most of the time, marketing teams generate and nurture leads by the method of scoring until a lead reaches a probability. Once they have reached the threshold, they are simply passed on to the sales team. In this model, the sales team misses most of the key information about the customer and the previous interactions with the marketing team, and thus the sales team fails to get a complete customer perspective before they start to sell.

## Dirty Data

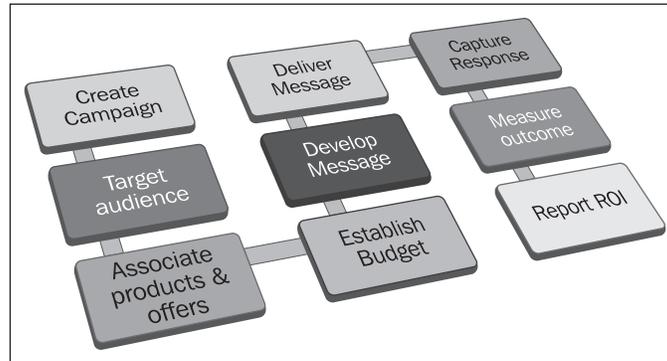
Incorrect data in your marketing database can do anything from wasting money to annoying the customers and can possibly lead to losing the customers. In fact, the more highly targeted and selective your marketing campaign becomes, the more important it is to use clean data. Marketers might fail to clean and remove any redundant or incorrect entries, which can result in an increase in the overall marketing costs and provide incorrect marketing performance results.

In the previous sections, we have seen various marketing challenges faced by today's marketers. We will now see how CRM's marketing automation feature can help us overcome these challenges and significantly improve the efficiency of our marketing programs.

## Marketing automation with CRM

CRM has been passively used for a long time by marketers as a customer data repository and as a mining source for business intelligence reports as they perceived CRM to be a more sales focused customer data application. The importance of collaboration between the sales and marketing teams has inevitably evolved CRM into a **Revenue Performance Management (RPM)** platform with marketing features transforming it into a proactive platform. It can not only record data effectively, but also synthesize, correlate, and display the data with the powerful visualization techniques that can identify patterns, relationships, and new sales opportunities.

The common steps involved in marketing with CRM are shown in the following figure:



Important marketing steps in CRM

## Targeting

CRM can help in filtering and selecting a well-defined target population using advanced filtering and segmentation features on a clean and up-to-date data repository. It can select the prospects based on demographic data such as purchase history and responses to the previous campaigns, which will profile campaign distribution and significantly improve campaign performance. CRM can be easily integrated with other lines of business applications, which can help create intelligent marketing lists in CRM from various sources. For example, it can integrate with ERP and other financial software to segment customers into various marketing lists that target very specific customers and prospects. Workflows and automations supported by most of the CRM platforms can be used to build the logic for segmentation and creation of qualified lists. Targeting with CRM can help create groups that are likely to respond to certain types of campaigns and help marketers target customers with right campaign types.

## Automation and execution

The CRM applications can help create, manage, and measure your marketing campaigns. It can track current status, messages sent, and responses received against each member of the list and measure real-time performance with reports and dashboards. The CRM systems can be used to plan and establish the budget for a campaign, track the expenses, and measure ROI. The steps involved in campaign execution and message distribution can be defined along with the schedule. Message distribution and response capture can be automated with CRM, which can help in running multiple promotions or performing nurture campaigns.

CRM can help perform marketing tasks in parallel and track which prospect is responding to which campaign to establish the effectiveness of a campaign. With powerful integration with other marketing automation platforms, marketers can create and customize the message, create landing pages for the campaign within CRM, and then use the built-in e-mail marketing engine to distribute the message, which can embed tracking tokens into the e-mail to capture and relate the incoming response. Integration of CRM with popular e-mail clients avoids switching applications and errors in copying data back and forth. The CRM system can capture preferences, advise on the best time and channel to engage with the customer, and provide feedback on products and services.

## Close looping

Close loop marketing is a practice of capturing and relating the responses to marketing messages in order to measure the effectiveness, constantly optimize the process, and refine your message to improve its relevancy. This, in turn, increases the rate of conversion and ROI. This also involves an inherent close looping between the marketing and sales teams who collaborate to provide a single view of progression from prospect to sale.

The division between the marketing and sales departments leads to lack of visibility and efficiency as they are unable to support each other and cannot measure what works and what does not, eventually reducing the overall efficiency of both teams put together. Close loop marketing has gained great importance because companies have started perceiving the sales and marketing teams together as revenue teams who are jointly responsible to increase revenue.

Close looping enables us to compare the outcome of multiple campaigns by multiple factors such as the campaign type, number of responses, type of respondents, and response time. CRM can track various parameters such as the types of messages and the frequency of marketing, which can be compared against prior marketing campaigns to identify trends and predict customer behavior.

In order to achieve close loop marketing, we need to centralize data. This can bring together the customer's profile, customer's behavioral data, marketing activities, and the sales interactions in one place, so we can use automation to make this data actionable and continuously evolve the marketing processes for the targeting and nurturing of customers.

CRM can be the centralized repository for data and can also automate the interactions between the sales and marketing teams. Also, the social CRM features allow users to follow specific records and create connections with unrelated records, which will enable free flow of information between the teams. This elicits great details about the customer and supports actionable use of information to increase revenue efficiently without resorting to marketing myths and assumptions.

## **Revenue management by collaboration**

The marketing and sales teams together are the revenue team for an organization and are responsible to generate and increase revenue. It is imperative to align the sales and marketing teams for collaboration as the marketing team owns the message and the sales team owns the relationship. CRM offers an integrated approach where the lead can be passed from the marketing team to the sales team based on a threshold lead score or other qualification criteria agreed upon by both the sales and marketing teams. This qualification of the lead by the marketing team to the sales team retains all the previous interactions that the marketing team had with the lead, which helps the sales team understand the buyer's interests and motivation better by getting a 360 degree view of the customer. CRM tracks the status, qualification, and activities performed against the lead. This provides a comprehensive history of all the touch points with a lead and brings in transparency and accountability to both the marketing and sales teams. This ensures that only fully qualified leads are sent to sales, resulting in shorter sales cycle and improved efficiency. This strategic collaboration between the sales and marketing teams provides valuable feedback on the effectiveness of the marketing campaigns as well as the sales process. CRM can enable interdependence between the marketing and sales teams to share a common revenue goal and receive joint credits for achievement to become the organization's RPM system.

To summarize, as a marketing automation platform, CRM can create marketing campaigns, identify target customers to create marketing lists, associate relevant products and promotional offers to the lists, develop tailored messages, distribute messages by various channels as per schedule, establish campaign budget and ROI forecast, capture the responses and inquiries while routing them to the right team, track progress and outcome of the sale, and report the campaign ROI.

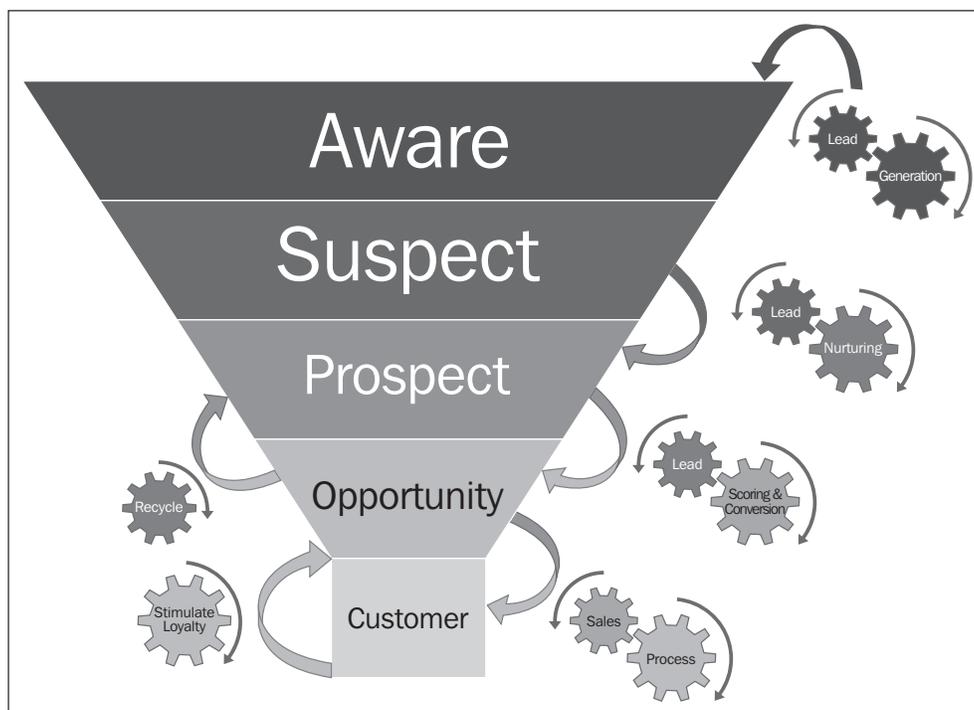
CRM has evolved from being a passive data repository and status tracking system to a tactical and strategic decision support system that provides more than just a 360 degree view of the customer, which is not limited to just tracking opportunities, managing account and contacts, and capturing call notes. CRM can be one of the key applications for an active marketing and revenue performance management that can help relationship building with customer by personalized communications and behavioral tracking, enable automation of marketing programs, measure marketing performance and ROI, and connect the sales and marketing teams to let them function as one accountable revenue team. We will now explore the stages involved in the progression of a lead to customer using a lead funnel.

## Understanding lead funnel

Present day businesses understand the importance of target marketing and have started moving away from mass marketing. Target marketing requires an effective lead management strategy that can help move the leads through different phases and nurture them until they are ready to buy. Once the leads are qualified and ready to interact with the sales, leads move to the sales process by the creation of an opportunity that eventually results in a customer if the opportunity is won.

CRM not only provides effective lead management, but also uses its powerful data visualization to render a lead funnel that provides visibility into the progression of a lead in the system from generation to customer creation, along with potential revenue for each stage, fallout at every stage, and the rate of fallout.

Lead funnel is a key strategy for marketers, and it can help businesses focus on the most likely leads and effectively manage them. A typical lead funnel with various stages and corresponding processes involved in progression from one stage to the next is shown in the following figure:



Lead funnel showing various stages

We will now explore each of the stages and the processes involved in the progression of a lead into a customer.

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## **Lead generation**

The wide area of the funnel corresponds to the lead generation that is the input to the funnel. The lead generation strategy is critical to provide high volume of leads and fill the wide upper-end of the funnel. Some of the lead generation strategies used are tracking the visitors to your website, tracking the suspects who download free white papers and e-books from your website, joining trade shows, organizing webinars and podcasts, keeping records of the attendees and viewers, having a business blog to showcase your upcoming products to create interest and excitement, and having a social media strategy. Most importantly, the quality of leads generated directly depends on the quality and the relevance of the content for your target audience. Lead generation provides a hint that the person might be a target, with basic information such as the name and the demographic information, and based on some additional interests shown by the person, they can be promoted to a suspect for the nurturing process.

## **Lead nurturing**

Most of the new leads will not be ready to engage because the willingness to buy need not coincide with your readiness to sell. Lead nurturing is a process of building relationship with the suspect who has shown interest in the product so that they become ready to be engaged by the sales team. This involves various actions to build a relationship and establish connection with the customer by providing the right amount of targeted information at the right intervals to educate the suspect and create demand for the product. Lead nurturing can involve drip marketing to include a series of e-mails offering educational content and promotional giveaways to build interest. The nurturing process should create credibility and trust for your company and products. This can be achieved by being a trusted advisor and a thought leader who provides useful information to make the right decisions for your customers.

## Lead scoring and conversion

The sales and marketing teams together come up with a methodology for lead scoring to determine if the lead is sales ready. Scoring can be a manual or automated process that takes into consideration the interest shown by the lead in your product to assign points to a prospect and ranks them as cold, warm, and hot. When the prospect rank reaches an agreed threshold, it is considered to be qualified and is assigned to the sales team after acceptance by sales. The process of lead scoring can vary from company to company, but some of the general criteria used for scoring are the demography, expense budget, company size, industry, role and designation of the lead contact, and profile completeness. In addition, scoring also take into consideration various behavioral characteristics to measure the frequency and quality of engagement, such as the response to e-mail and contacts, number of visits to website, the pages visited, app downloads, and following on social media. Lead scoring is a critical process that helps align the sales and the marketing teams within the organization by passing quality leads to the sales team and making the sales effective.

## Sales opportunity and recycling

Once a lead is accepted by the sales, it is qualified as an opportunity that the sales team will pursue until it is won or lost. A lost opportunity may not be as much of a loss as it is deemed to be. The lost opportunities can be once again recycled back to a lead that can undergo further nurturing to be ready for the sales team again sometime down the road.

## Post sale loyalty

Once we have won an opportunity to get our new customer, the funnel is considered complete. However, it brings an additional layer of responsibility that is often missed. The responsibility to retain the customer by continuous customer delight, which will stimulate loyalty and evolve customers into advocates who will in turn spread the word. In the marketing world, this is also referred as zero dollar marketing! Customer delight is not just about selling the best product, but also about the overall experience of the customer, which involves excellent customer service. Most importantly, listen to your customer and let them know how much you care for them.

*"Make a customer, not a sale"*

*– Katherine Barchetti*

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## Summary

In this chapter, we have seen various marketing challenges and the impact of the Internet and technology on marketing. We also explored how marketing automation with CRM helps streamline, automate, and measure marketing efforts and processes to make them operate efficiently and increase revenue faster. We took a deep dive into the concept of lead funnel and understood the various marketing and sales stages involved in the lead to customer lifecycle. In the next chapter, we will look into segmentation by using marketing lists in Microsoft Dynamics CRM 2013.

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