

Challenges of Marketing Automation: Linking MarTech & SalesTech

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KEYWORDS

MarTech, SalesTech, Marketing Automation, EiPaaS, Artificial Intelligence (AI), Data Quality, Privacy

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No more marketing without technology ✕ Marketing and sales are functions that rely increasingly on technology. As more technology tools emerged to meet the needs of modern marketing and sales, marketing technology tools have collectively become known as MarTech and sales technology tools as SalesTech. According to the provider of the MarTech Map, Scott Brinker, the number of marketing tools has grown tremendously: from 150 in 2011 to 9,932 in 2022. Fewer sales technologies exist, but their growth is equally impressive. With this abundance and increasing adoption, marketers can increase their chances of success. But automation is no sure-fire success. Indeed, it often requires reorientation, restructuring, organizational learning, new skills and talents and significant investments, as Lark and Bonfrer argue in their article in this issue (p. 19).

Reasons for the widespread use of MarTech in consumer markets ✕ The increasingly digitalized world facilitates automating processes, including marketing and sales processes. Consider, for example, a consumer visiting an online shop, filling their shopping basket with a pair of sneakers but leaving the shop without purchasing. Nowadays, it is common to contact this consumer again, e.g., via retargeting the consumer with personalized display ads showing the selected pair of sneakers on another website or sending a personalized email that could include a coupon with a rebate. Humans plan these marketing actions, but technology tools execute them automatically, including evaluating when to stop these activities. In this process, the actions could be complex and consider the consumer's reactions.

For example, the online retailer could first send a promotional email for the sneakers without a coupon. Suppose the consumer opens the emails and examines the product again in the online shop but still does not make a purchase. In that case, the online retailer could decide to send another email, this time including a coupon with a price discount,



Marketing and sales need to work together, which is challenging from a human, organizational and technical perspective.



because the consumer's behavior indicated an interest in the product, but not at the current price. The online retailer might continue doing so the next time that the consumer does not instantly purchase a product, but not the third time, because the online retailer does not want the consumer to learn that the behavior of abandoning a shopping basket leads to lower prices.

MarTech makes it possible to execute these actions automatically, at scale and at low and often even zero marginal costs. So companies can pursue even small sales opportunities, and the sheer size of these sales opportunities can ultimately yield a growing and profitable business. The success of online retailers, such as Amazon or Zalando, builds upon such automation. They certainly benefit from the fact that the consumers purchase online and usually do not require human advice. Increasingly, these retailers also use artificial intelligence (AI) to improve these processes, e.g., for calculating the optimal price discount.

The role of MarTech and SalesTech in B2B markets ✕ Despite the vast opportunities that the digital world provides, many companies, in particular in business-to-business, continue to rely on salespeople to sell their products. That is unlikely to change, although remote selling has become more popular. However, what changed is that potential customers are nowadays much better informed when talking to salespeople because the internet provides so much easily accessible information. Thus, the potential customers start talking to sellers later in their purchase process. They also more strongly limit the number of companies they contact. Consequently, companies must work even harder to get into the consideration sets of potential customers to generate leads.

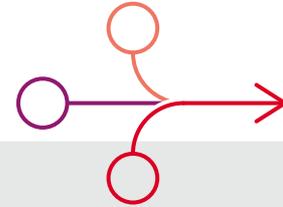
A good sales process involves attracting, nurturing and converting leads into existing customers. Attracting leads requires a broad range of activities, from branding or public relations to promotional material. Lead nurturing focuses on leads that are not yet ready to buy and aims to develop them into prospects that are ready to buy, e.g., by providing them with content that helps them move forward in their purchase process.

Marketing is often responsible for attracting and nurturing leads. In contrast, sales, or the salesperson, is usually responsible for converting leads. So marketing and sales need to work together, which is challenging from a human and organizational perspective because they often belong to different departments with different responsibilities, incentives and employees with different backgrounds. Yet it is also challenging from a technical perspective because marketing and sales often work with different software, and even within marketing and sales, several software solutions, also referred to as "apps," are used. They all require integration, which is cumbersome. In our interview (p. 54), Scott Brinker emphasizes: "The single greatest challenge with MarTech today is integration." A new category of solutions has emerged to solve the integration challenge: Enterprise Integration Platform as a Service (EiPaaS).

Enterprise Integration Platform as a Service (EiPaaS)

✕ The success of the German software provider SAP builds upon the simple idea that SAP provides a wide range of software solutions, and all solutions are perfectly integrated. Essentially, it means that all software solutions consistently access the most recent data and automatically start the necessary processes whenever data changes. If such a solution existed, it would be fantastic. The reality, however, is different. Even the largest software providers can only cover a subset of all necessary solutions. The increase in MarTech tools illustrates the challenge that large software providers face. As a result, they acquire other software providers, which they afterward need to integrate into their own software, often with moderate success. And even then, the solutions still require integrating other solutions.

The alternative is to rely on best-of-breed solutions and integrate them, often using an Enterprise Integration Platform as a Service, or "EiPaaS," sometimes also referred to as "iPaaS" (see Box 1). These systems could cover best-of-breed solutions but, of course, also marketing or sales suites. Such solutions further help to address the challenge of high turnover of apps in companies. For example, Blissfully's "SaaS trends report 2020" outlines that companies replace roughly 30% of their apps every two years.

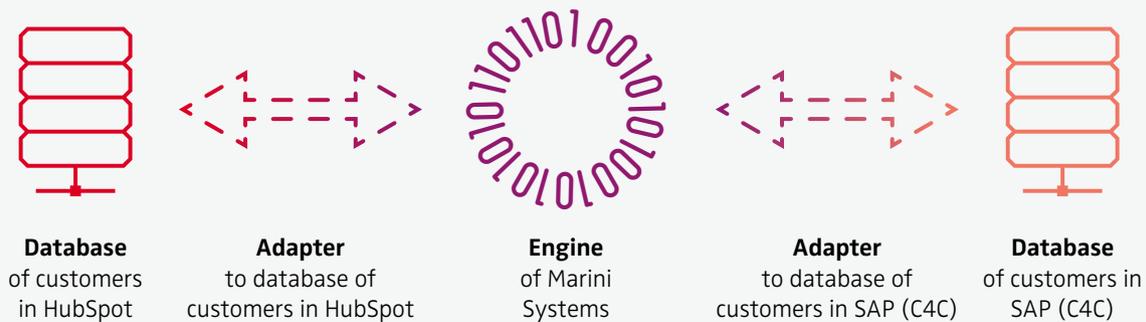
**BOX 1**

How Enterprise Integration Platform as a Service (EiPaaS) solutions operate

EiPaaS is a platform that connects otherwise disjointed systems to derive an integrated solution. It acts as a conduit for communication between several systems, enabling data integration and sharing. The core idea of EiPaaS is to have an engine and an extensive range of adapters. Figure 1 illustrates this idea for the simple integration of two systems of a company. In our illustration, the company is Adidas, and the two systems are SAP (C4C) and HubSpot. The EiPaaS solution is from the German provider Marini Systems.

The engine of Marini Systems manages the exchange of data between the two systems. As is typical for an “as-a-service” solution, it sits in the cloud. It must be scalable, secure, GDPR-compliant, contain user management and enable planning, testing, reporting, documenting and debugging, among other additional functionalities.

FIGURE 1 > Integration of two systems via EiPaaS



The adapters are part of the EiPaaS solution and adapt the engine to the database in each system. In Figure 1, it requires having one adapter for Adidas' customer database in SAP (C4C) and one for the customer database in HubSpot. Both databases are accessible via Application Programming Interface (API), but it is also feasible to integrate locally installed on-premise databases that do not rest in the cloud. Essentially, the adapters describe the specific database, like the fields it contains and the requirements that the values in each field have to fulfill, such as being numeric.

Adidas has to create a plan for each pair of systems or, more precisely, the databases of both systems. The plan describes how to exchange data between the databases of both systems, HubSpot and SAP C4C. It involves mapping the fields of both systems: For example, Adidas has to link the field “name” of the HubSpot system to the field “surname” of the SAP C4C system. Adidas also has to define the requirements these mappings must fulfill, e.g., the telephone number has to be numeric. Other requirements include the frequency of exchanging the data (e.g., real-time, once a day, upon certain events such as signing up at the website of Adidas to attend the presentation of a new collection in one of their stores) and whether the data transfer is unidirectional or bidirectional.

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A big challenge for successful MarTech and SalesTech implementation lies in exchanging the data so that no duplicate records occur.

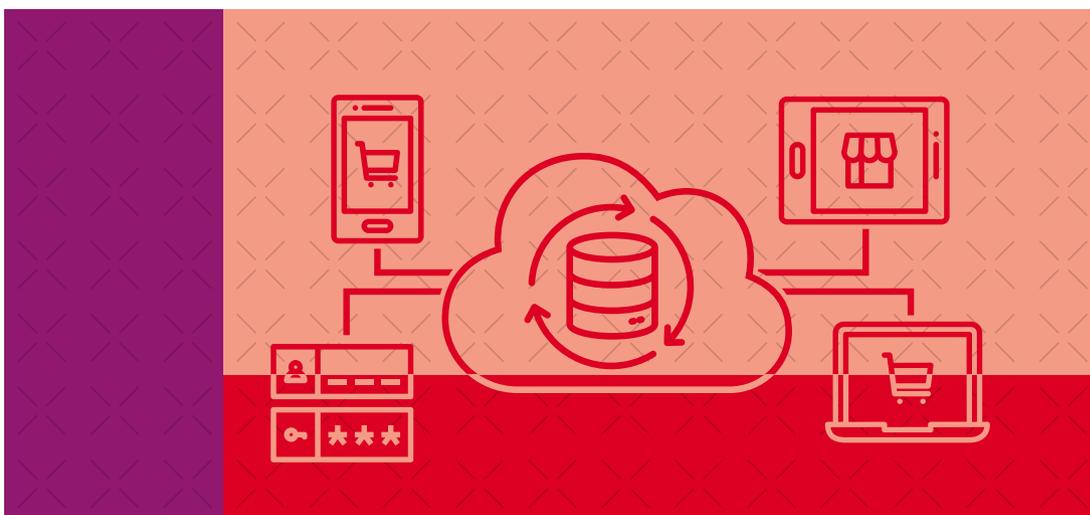
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idea of an EiPaaS is to simply add additional systems to the engine via an adapter that the EiPaaS provider needs to develop only once. Figure 2 outlines the idea. The engine of the EiPaaS solution connects all systems or, more precisely, the databases of all systems. A plan describes each connection between two systems that the engine connects. As in the case of two systems in Figure 1, the plan maps the fields between the two databases, including the direction of the transfer of the data, etc. The engine can also document all exchanges between the systems.

Tech outlook for marketers ✕

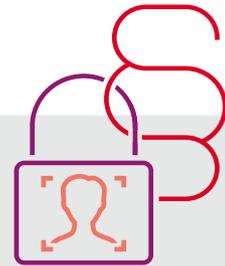
> **Automation creates new opportunities** ✕ MarTech and SalesTech make it possible to automate processes at scale, and Storbacka and Storbacka describe how companies can implement a “revenue engine” for promising use

cases (p. 31). Such automation can save costs, but the major advantage is that it enables to realize additional sales opportunities. Take the retargeting example from the beginning of this article: the probability of selling the sneaker to the consumer with the abandoned shopping basket is small, but many such opportunities exist. Without automated solutions, it would not be feasible to pursue these opportunities. Marketers need to know how to plan the processes that underlie such automation that is often hyper-personalized, i.e., personalized for thousands of prospects or customers. And personalization not just means that we use the proper name but also offer the right product with the right message at the right time. For example, customers ordering around lunchtime also indicate that they might be more attentive to marketing messages sent around lunchtime.



BOX 2

The privacy challenge: ensuring legal compliance and consumer acceptance



The increasing focus on consumers' privacy with regulations such as GDPR (General Data Protection Regulation) or the upcoming ePrivacy regulation in the European Union have put an even stronger focus on each company's integrated data.

GDPR aims to give users more control over their personal data by defining user rights to understand, change and restrict personal data processing. It increases the responsibilities of all actors who process personal data. For example, a company must specify a legal basis for personal data processing. The two applicable legal bases for marketing are mostly legitimate interest and consent.

Companies can apply the legal basis of legitimate interest if the personal data processing is necessary for their legitimate interest unless such interests are overridden by the interests or fundamental rights and freedoms of the user. To claim this legal basis, companies must provide documentation case-by-case showing that their legitimate interests in processing a user's personal data outweigh the user's interests in not having the data processed.

For the legal basis of consent, a user must give voluntary, informed and unambiguous consent with an explicit affirmative action for one or more specific purposes of personal data processing activities. Loosely speaking, legitimate interest represents the opt-out approach for getting permission for personal data processing, whereas consent represents an opt-in approach. Usually, an opt-in approach yields lower consent rates for personal data processing than an opt-out approach.

Independent of legal requirements, privacy is a delicate topic. Not all consumers welcome technology and AI in their daily lives, as Puntoni et al. analyze in their article (p. 25). Companies should take consumer anxieties and concerns about data collection and usage seriously and act transparently and responsively to avoid resistance.

- > **Artificial intelligence (AI) and virtual reality can make automation smarter and more human** ✕ AI can make automation even smarter and, thus, more successful. It can improve decision-making and assist managers in increasingly more complex situations, as Hesel et al. describe in their article (p. 49). AI and robots are also finding their way into more and more service contexts. Wirtz (p. 37) explains how AI, robots and even holograms can improve the user interface via natural language processing or by scanning vast amounts of data quickly to identify the best solutions and how human-robot-teams can cooperate successfully. In sales, AI can identify cross-selling opportunities, the optimal alignment of prospects to salespersons or personalized offerings. As technology offers new customer touchpoints, their quality becomes even more critical, and virtual reality (VR) can play a crucial role in improving this experience. Whole new "worlds," like the metaverse, offer new ways to interact with consumers and to cooperate distantly within organizations. Hennig-Thurau and Ognibeni (p. 43) provide remarkable insights into what marketers could achieve in the metaverse.
- > **"No code" enables marketers and salespeople to implement automated processes themselves** ✕ One of the bottlenecks of marketing automation is the restricted availability of tech and data experts. Therefore, the industry increasingly provides "no code" or at least "low code" solutions for setting up automation plans. "No code" means that the user needs no programming skills; "low code" refers to few programming skills. The huge advantage of "no code" solutions is that the user with the substantive knowledge, in our case, marketers or salespeople, can create and change applications, which often avoids delays in implementing solutions because of the



Companies must document their legal basis for personal data processing, which requires integration with other data.



large backlog of coders and data scientists. So marketers can implement such processes much faster and better react to market developments, yielding a competitive advantage.

- » **Compliance with privacy regulations is mandatory but tricky** ✕ Companies must document their legal basis (Box 2) for personal data processing, which requires integration with other data. For example, getting consent from a user for personal data processing via a cookie consent banner but not being able to integrate this consent with the CRM data represents a missed opportunity for personalized marketing messages that build upon this user's behavior. Having consent in the CRM data but asking the user via a cookie consent banner a second time for consent and not getting the consent also represents a problem. And it could become even more challenging if the regulator enforces a requirement that companies make it as easy to withdraw as to provide consent.

Statements such as “third-party cookies are dead” describe the problem that companies face increasing difficulties in relying on other companies' data with their marketing. So, for example, instead of providing a third party with information about my customers, e.g., their cookies, companies now need to make sure they use their (first-party) information to provide the best customer experience. That requires, for example, realizing which customers visited the website and automatically informing salespeople about the interest that these customers revealed on the website.

Furthermore, the “right to be forgotten,” implemented in several privacy laws such as GDPR, requires that companies delete a user's personal data at the user's request or after a specific time. Implementing such requests is challenging and risky if the data is not integrated. It certainly helps if the engine of the EiPaaS solution documents all the exchanges of personal data between systems. Errors in not complying with GDPR can lead to heavy fines that could be as high as 4% of a company's global annual revenue or €20 million, whichever amount is higher.

Marketers need to embrace technology ✕ The digital transformation started some time ago, but most companies still have miles to go. Integrating MarTech and SalesTech and lately also new technologies for remote and hybrid work is a real challenge for many of them. A whole “as a service” industry has developed to assist companies in becoming tech-savvy and embracing the opportunities that information technology provides. Yet without integrated data, marketers will not get very far. Nonintegrated data essentially means “garbage in, garbage out.” New approaches, like EiPaaS, exist to facilitate this cumbersome task of managing and integrating data. They will help marketers build an accurate 360-degree view of their customers to provide great experiences on their individual and hybrid customer journeys. ✕



FURTHER READING

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