



EMAIL  
MARKETING

VS.

MARKETING  
AUTOMATION

WHAT'S ALL THE CONFUSION?

MEMBERSHIP

AVENUE

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# Introduction

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While marketing automation solutions are commonplace in business-to-consumer and business-to-business marketing today, they are almost non-existent at nonprofits. Most institutions are unaware of the power, simplicity and effectiveness of marketing automation systems or how they differ from email service providers (ESP's) such as MailChimp, Constant Contact, Vertical Response, or others — let alone whether they should be integrating marketing automation into their marketing.

Both marketing automation and email marketing use email as a primary means of communication. It's easiest to think of email marketing as the starting point that marketing automation builds from. While email marketing is limited to email communications, sophisticated marketing automation systems also extend messaging to SMS, Short Messaging Systems, commonly known as text, websites and beyond.

Here are the crucial differences between email marketing and marketing automation.

# AT A GLANCE

## THE BIG DIFFERENCES

There are a lot of differences between marketing automation systems and email marketing and it takes some time to understand them fully, so here are the big ones in a nutshell:

# 1 Segmentation based on Interests Instead of Demographics

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One of the great powers of marketing automation is the ability to learn the interests of each individual prospect or customer which allows “Segmentation based on Interests”, instead of traditional list segmentation in an ESP, which is based on demographics.

The automation engine gathers information about an individual's interests by monitoring their behavior within email, on your websites, landing pages, social media and more – today, tomorrow, or months in the future, well beyond when any individual email was sent. Email systems only know about that one email, and not anything else.

For example, if a person clicked on an message about penguins, spent time on the penguin section of your website, and spent a large amount of time at an exhibit about penguins, then the system will know they interested in penguins, and wouldn't send them a message about adopting a monkey. By capturing how your customers are engaging with you, it will send relevant messages based on those interests which will allow you to connect with your members and prospects and conversions will increase significantly.



"The most innovative and successful membership campaign ROI ever!"

- Stacey Greenwaldt, Director of Membership  
Milwaukee Public Museum

# 2 Converting Anonymous Prospects to Known Subscribers

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You have tens, or even hundreds of thousands of anonymous visitors to your website, and thousands of anonymous tickets buyers at your institution. Marketing Automation systems use a wide variety of methods that excel at turning many anonymous prospects into known ones.

Knowing the name and contact information of a once anonymous prospect is an incredibly important part of leading them down the path to becoming a loyal customer who is deeply connected and engaged with your institution. A visitor to a website, for example, can be converted to a known prospect through an offer that is exchanged for an email. The prospect's profile will already include the pages they visited on the website and the content or offer they responded to.

The system continues to monitor and respond to the prospect's engagement, or lack thereof, ultimately building a personal profile of the prospect.

# 3 Email Blasts vs. Personalized, Interest-Based Messages

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Email marketing systems (ESP's) send mass emails – the same message at the same time to the entire list. Conversely, marketing automation sends emails and other messaging that contain messages specific to the recipient's interests at the time when the recipient is most likely to engage.

By tracking and compiling a prospect's interests as demonstrated by online engagement, a properly designed marketing automation system will send the right message at the right time via the right channel to the right person, which will dramatically increase conversions.

“Isn't marketing automation just a fancy word for email marketing?”

While marketing automation *contains* a powerful email marketing system, it encompasses marketing campaigns across all channels – from direct mail to social media. Marketing automation combines robust, insight-focused capabilities from your CRM, lead management, web analytics and other systems to create something that's more than the sum of its parts –complete integration.



# 4 Generate Revenue, Not Hidden Expenses

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Many ESP's are cheap, but they require a large amount of labor to maintain. That is a hidden cost that isn't on your billing statement. Designing, scheduling, and segmenting lists over and over again isn't free or cheap. It takes a large amount of staff hours to perform this, even to do it marginally well. Conversely, marketing automation scales automatically.

To perform all of the custom messaging and interest based segmentation that is performed by the marketing automation engine by hand would take thousands of man-hours to compile and sort through.

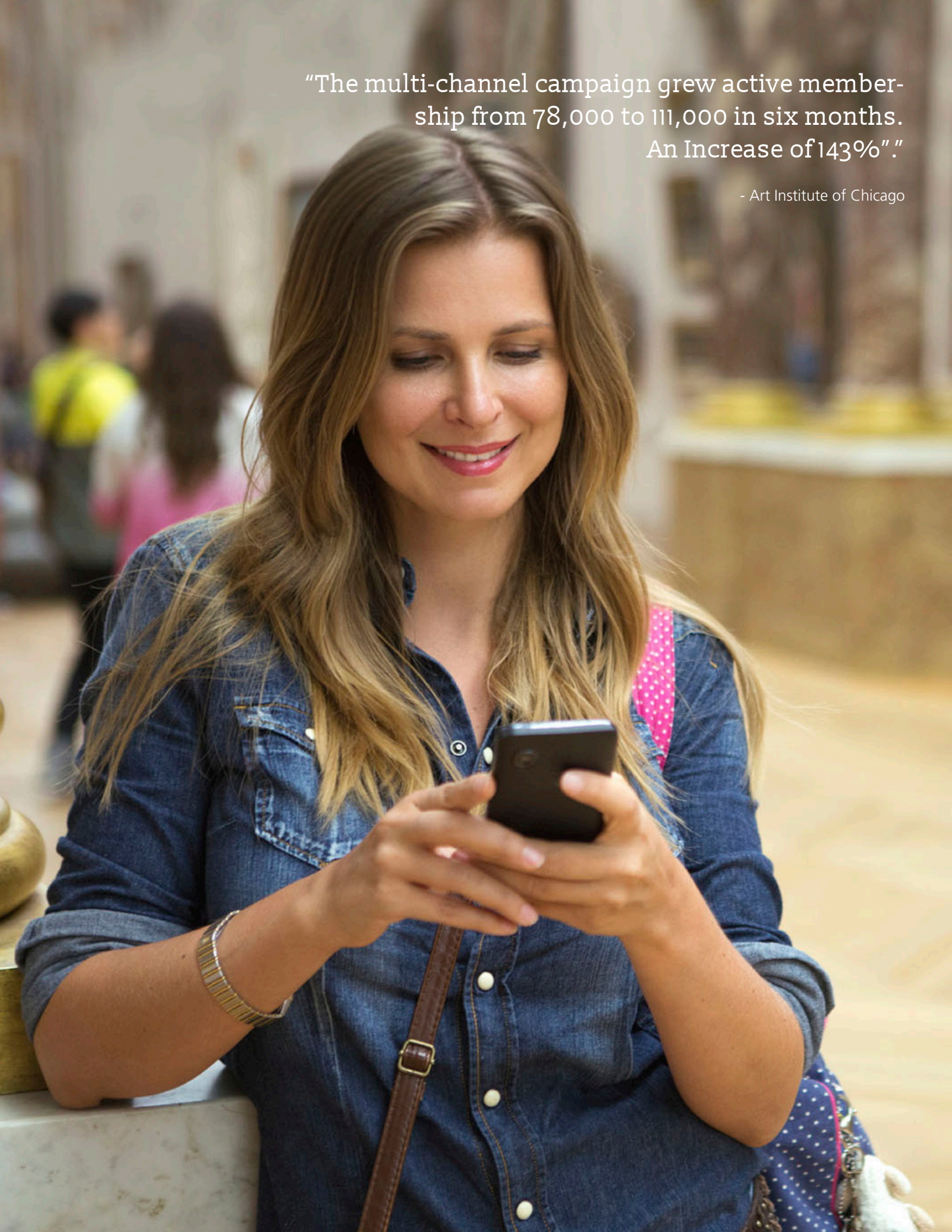
The additional cost of a marketing automation system is far less when considering labor hours. But more important is the additional revenue that it will generate. That additional revenue will pay for the system many times over.

“A marketing automation solution delivers essentially all the benefits of an email marketing solution along with integrated capabilities that would otherwise need to be cobbled together using various standalone technologies.”

Gleanster Research

"The multi-channel campaign grew active membership from 78,000 to 111,000 in six months. An Increase of 143%".

- Art Institute of Chicago



# THE LONGER STORY

Want to know more about how email marketing and marketing automation differ? Read on...

# Email, Tried & True

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Make no mistake; email is one of the most powerful marketing methods available. In fact a Google survey of thousands of businesses indicates that targeted email is the second most effective marketing method behind only search. The important question is “how is that email being sent?” Is it part of an integrated strategy or is it standing alone in a silo. By integrating email marketing as a part of your marketing automation, you will see exponentially more results.



## Most Effective Marketing Channels



Search  
Engines



Targeted  
Email



Websites



Content



Online  
Video



Mobile



Social  
Media



Audio  
Content

When comparing email marketing and marketing automation statistics, it's important to understand that using marketing automation supplants traditional email marketing. The suggestion is not, therefore, to abandon email marketing but to supercharge it through marketing automation to bring you better and more measurable results.

But email marketing presents unique limitations and challenges as well. In traditional email marketing, there's not much you can do if your customer isn't ready to buy immediately. Marketing automation continually engages prospects and identifies signs that indicate they are ready to purchase. When those behaviors are detected, the system responds by delivering the prospect to the point of conversion.

## Email Marketing Defined

A type of direct digital marketing that uses mass Email as the marketing communication delivery method. Email marketing is used in a number of ways by organizations and marketers for brand and customer loyalty building, acquiring or converting customers, company advertisements, or for communicating promotional offers and more.



Email marketing delivers the same message at the same time to the entire list segment. The messages are not personalized to the interests of the individual but rather generalized to the entire segment. This leads to less engagement and less conversion. Since each contact generally receives the same content — a newsletter, a thank you or follow-up email, or even an introductory auto-responder series — it's difficult to send personalized communications. As your audience grows, you rely on static campaigns and an increasing number of separate lists, rather than one database of contacts that can be segmented and sorted into multiple campaigns automatically.

*Your customers aren't all the same, but email marketing often treats them as if they were.*

Another way to think about this is to think about list segmentation. In ESP's the segmentation is generally very limited. Even a well-segmented list of 1000 might contain 10 segments, creating 10 routes to conversion. Each of those segments then gets different messaging. Segmentation within a marketing automation system, on the other hand, is done on an individual basis. It is possible that each of the 1000 list subscribers take a unique path, one created specifically by their engagement, to conversion.



## List Segmentation Defined

Manually dividing an email list into smaller lists based on criteria manually set by the marketing or email team.

In marketing automation, instead of a marketing campaign proceeding with a single email, you design campaigns that weave your prospect's needs into a series of communications. This means you can send an initial email to a segment of your list. Then, if a prospect takes a specified action — downloads a white paper, reads a blog post, or views the pricing page on your website — it will trigger an email — a totally different email than the one that's sent to prospects who didn't take action.



# Signs You're Ready To Graduate From Email to Marketing Automation

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You're sending email blasts instead of engaging in dialogs.

You're wasting time on lots of manually-generated campaigns.

You're got imprecise targeting and segmentation.

You can't tell if email is driving revenue.

Your email is operating in a silo without integration to your other  
marketing.



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# Marketing Automation - What Is It?

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Marketing automation is the most significant advancement in digital marketing of the last decade. Over 80% of the top-performing companies in the U.S. use marketing automation. Currently 91% of the most successful prospects agree that marketing automation is “very important” to the overall success of their marketing across channels.<sup>1</sup>

## Marketing Automation Defined

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Marketing automation refers to software platforms and technologies designed for marketing departments and organizations to more effectively market on multiple channels online (such as email, social media, websites, etc.) The systems automate repetitive tasks, convert anonymous prospects to known prospects, automatically create and build personal profiles based on demonstrated interest, and facilitate a personalized route to conversion.



Marketing Automation Systems automatically determine what stage of the conversion or sales process the prospect is in and then nurtures him to the next stage – a stage he helps define through engagement. It does so by delivering repeated messages that are closely tied to the prospect’s interests as measured by their engagement.



# THE BIG DIFFERENCE

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The chief difference between email marketing and marketing automation is that the latter responds dynamically to prospect behaviors and engagement. This includes their behavior on your website, social media, email, and other aspects of their digital footprint. In turn, this gives you more insight into their needs and preferences. The system then automatically delivers messages based on the prospect's specific interests. This close targeting, based on an individual's behavior, leads to significantly more conversion.

Email marketing is a blanket method, delivering the same messages at the same time to the entire email list. While you can segment your email lists to create closer targeting, it does not even approach the interest-based targeting accomplished by marketing automation.

# Creating Leads Through Inbound Marketing

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A central component of marketing automation programs is inbound marketing. Inbound is not only a method of nurturing leads once they are found, it is actually the method used by the system to draw in new leads.

## Inbound Marketing Defined

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Inbound marketing refers to marketing activities that bring visitors in, rather than marketers having to go out to get prospects' attention. It earns the attention of customers, makes the brand easy to notice, and draws customers in by offering interesting and relevant content. Inbound allows a prospect to come to the brand on their own terms by engaging in content fashioned to their interests.



Perhaps the purest method of inbound marketing is to exchange a piece of value, a piece of information, a download or an offer, in exchange for a point of contact such as an email address or SMS number. An anonymous prospect might, for example, find an offer mentioned in social media, click through to a dedicated landing page to redeem it and give their email to receive the coupon or code necessary. An anonymous prospect is now a known one, with a growing personal profile rife with information for the system to start her into a workflow leading to your marketing goals.



# Membership Avenue Inbound Marketing Methods

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## Email

PURL Encoded Direct Mail

Landing Pages / Offers

Point of Sale Integration

On-Site Collection Methods

Website Forms & Widgets

Website Forms

Website Tracking

Search & Paid Search (PPC)

Direct Referrals

Social Media

Hashtag Engagement

Check-Ins

Offers

Contests

Surveys

Review Response

Feedback Requests

App Integration

Supplementing Existing Marketing

# Understanding Inbound Paths

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Let's take a look at a couple inbound paths to better understand how they work to convert anonymous users to known and then begin advancing them to the marketing goals



Notice how the system responds to what it learns about the prospect. This feature of marketing automation is perhaps its most powerful. Here's another example:



# Automated Lead Nurturing

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Marketing automation solutions are designed to intelligently and dynamically nurture leads until they convert to one of the established marketing goals. This goal might be for a prospect to convert via an online process or to be handed over to a sales team.

A unique feature to Marketing Automation Systems is lead scoring. Lead scoring is a method of engagement measurement. As a prospect responds to messaging delivered via email, SMS text, or through other online properties such as websites and landing pages, the prospect's score increases indicating a greater level of interest. The lead score then triggers both the type and frequency of messaging to the prospect.

## What is a Lead Score?

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Marketing automation systems use lead scoring and/or grading. As a prospect engages with content in email, websites, etc. their score increases. The system then uses those scores as triggers to move the prospect to the next stage of marketing. This might be a hand-off to a physical sales team or to some other form of digital communication.





Email marketing does not use lead scoring, it simply tracks who opens and clicks-through on a particular email blast. For this reason the system does not contain logic that identifies leads ready to convert but treats all leads equally. This means that if direct sales contact is part of the process, the sales staff will reach out to many more unqualified leads, risking lead alienation. If direct sales is not part of the process, it means that the prospect will be delivered to conversion methods that they are not ready to respond to, increasing the chance of alienation.

Conversely Marketing Automation is built around lead scoring and individual lead tracking. These methods yield a prospect list that is ranked down to the individual subscriber allowing sales or the system to contact only the most qualified leads – ones that are ripe for conversion.

Think of the lead score as the “weight” on a seesaw with the prospect on one side and his engagement as shown by lead score on the other. The fulcrum in the middle is the marketing automation system. Once the weight gets to a predefined point, the prospect is delivered to the sales team, or to the “tipping point” conversion online.

Sophisticated Marketing Automation Systems go beyond lead scoring to utilize personalized engagement tracking. In this method complex workflows are used so that as a prospect engages with automated messaging in email, SMS text, website or other media the system analyzes not only that they engaged but very specifically what they engaged with, how they found it, and even when they engaged.

With sophisticated, automated workflows prospects not only take their own path **to** the marketing automation system, but continue to define their own path to the conversion goals.

To understand that better let's take a look at a sample workflow:

## What is a Workflow?

Workflows are a set of programmatic rules within a marketing automation system. Marketing automation systems use workflows to deliver the most relevant messages to recipients at the times and in the channels most likely to connect with the prospect. A workflow is the set of rules that guides the system to build personal profiles and to deliver the most relevant messages.





An anonymous user searches the web for "Impressionist Exhibits San Diego" and clicks on our PPC ad.



The prospect visits the link to learn more about the exhibit and fills out a short form to receive an offer.



Emails start to flow to Frank Doe, featuring Impressionist art and related exhibits and collections at the museum.



Frank visits the museum website. The system tracks his behavior and sees that he visited the membership pricing page.



A separate track of email begins featuring membership information specific to Frank.



Impressionist art and related exhibit content continues to flow.



A point of sale integration indicates that Frank is a senior citizen.



Frank is moved from general membership emails to membership emails specific to senior citizens and he becomes a member.



The messages include membership content

Frank is moved to messaging specific to membership renewal for seniors, adjunct offers for family, and planned giving.



A download of the museum app adds Frank's mobile number to his profile and he starts to receive mobile messages and offers.



## More Payoff – Less Time

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In Email marketing, in order to ensure that your emails are sending the right messages at the right time, you have to do a lot of manual work – and even that work will only be approximate. Time spent in Marketing Automation, however, is primarily used to set up mutli-step campaigns that respond to individual prospects' behaviors and engagement – not just one behavior but ongoing behaviors. While these workflows can be complex, they are substantially more powerful and are reusable. The best news is that Membership Avenue has already developed, and continues to develop the workflows that drive membership and donor conversion for nonprofits. In fact, it's the only marketing automation system that is specific to the marketing goals of nonprofits.

Using basic email marketing means that the more leads you have in your database and the more campaigns you wish to run, the more time-consuming email marketing becomes. In other words, it's not scalable. Marketing automation scales automatically. The system can run multiple campaigns, respond to lead scoring, respond to individual engagement, and continue to nurture leads to drive conversion all without additional work. The system does that work for you.

# Tracking Beyond the Inbox - Keen insights on ROI

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Even better, the system attributes revenue directly to each marketing program, which means you'll have a much better idea of what's working and what isn't. One drawback to simple email response statistics is that it is difficult to attribute revenue to a particular email campaign. An Email Service Provider will only provide you the functionality to send mass blasts and track open rates, but this is not scalable. With email marketing you might know how many people responded to a particular campaign, but with that little information it is tough to reconcile how the marketing effort contributed to the bottom line.

Conversely, marketing automation automatically delivers very deep analytics that pinpoint not only the path that a prospect took to conversion, but clearly shows what components of that path are the most effective. In other words you can attribute revenue directly to the portion of the workflow that drove the conversion.

The ability to track and nurture customers through the entire buying process allows you to determine the exact impact each campaign has. If you discover 75 percent of prospects convert after taking a certain series of actions — like watching a video or reading a blog post — then it's import-

ant to scale and replicate that process. Using marketing automation data, you can track what works, replicate it, and use analytics to measure and validate the success of your marketing efforts.

## Marketing Automation – More Power, Same Budget

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Perhaps the best news about getting all the advantages of marketing automation described here is that it can be done without additional marketing budget and without additional resources – it costs about the same as running email marketing.

Now's the time to graduate from email marketing to marketing automation and what better way to do that than to choose the only marketing automation system designed from the ground up for non-profits? Membership Avenue will run the entire program for you, integrate with your current marketing and demonstrate the power of our system through significantly more ROI.

# FEATURE COMPARISON



EMAIL  
MARKETING



MARKETING  
AUTOMATION

Sends Mass Emails	Yes	Yes
A-B-N Testing	Sometimes	Yes
Tracks Opens and Clicks	Yes	Yes
Email List Segmentation	Limited	Unlimited
Creates Individual Prospect Profiles	No	Yes
Easily Built Landing Pages	No	Yes
Easily Built Web Forms	No	Yes
Web Form Integration	No	Yes
Easy to Create Multistep Campaigns	No	Yes
Social Media Integration	No	Yes
Direct Mail Integration	No	Yes
SMS (Text) Integration	No	Yes
Lead Scoring	No	Yes
Automatic Lead Nurturing	No	Yes
Lead Recycling	No	Yes
Qualifies and Grades Leads	No	Yes
Monitors Website Behavior	No	Yes
Provides IP of Anonymous Website Traffic	No	Yes
Integrates with Data Directories	No	Yes
Native CRM integration	No	Yes
Dynamic Website Content Generation	No	Yes
Multichannel Campaign Management	No	Yes
ROI and Revenue Analytics	No	Yes
Tracks Website and Landing Page Activity	No	Yes
Manages campaigns automatically	No	Yes
Automatically scales	No	Yes

# About Membership Avenue

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Membership Avenue is the only marketing automation system designed specifically for non-profits. Operating as a managed service we supplement and integrate seamlessly to your current marketing efforts. Through the power of unique inbound marketing methods coupled with marketing automation we will drive exponentially more ROI from your marketing efforts. Best of all, we manage it all for you which means you'll get the improved results without additional personnel, resources or even budget.

Professionals with decades of experience in nonprofit and membership marketing teamed with digital marketing professionals to create this unique service — the only complete marketing service dedicated to the unique needs of nonprofits.

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