



# The CMO Guide to Inbound Marketing

## About the Author



### Jon Miller

Vice President Marketing, Marketo

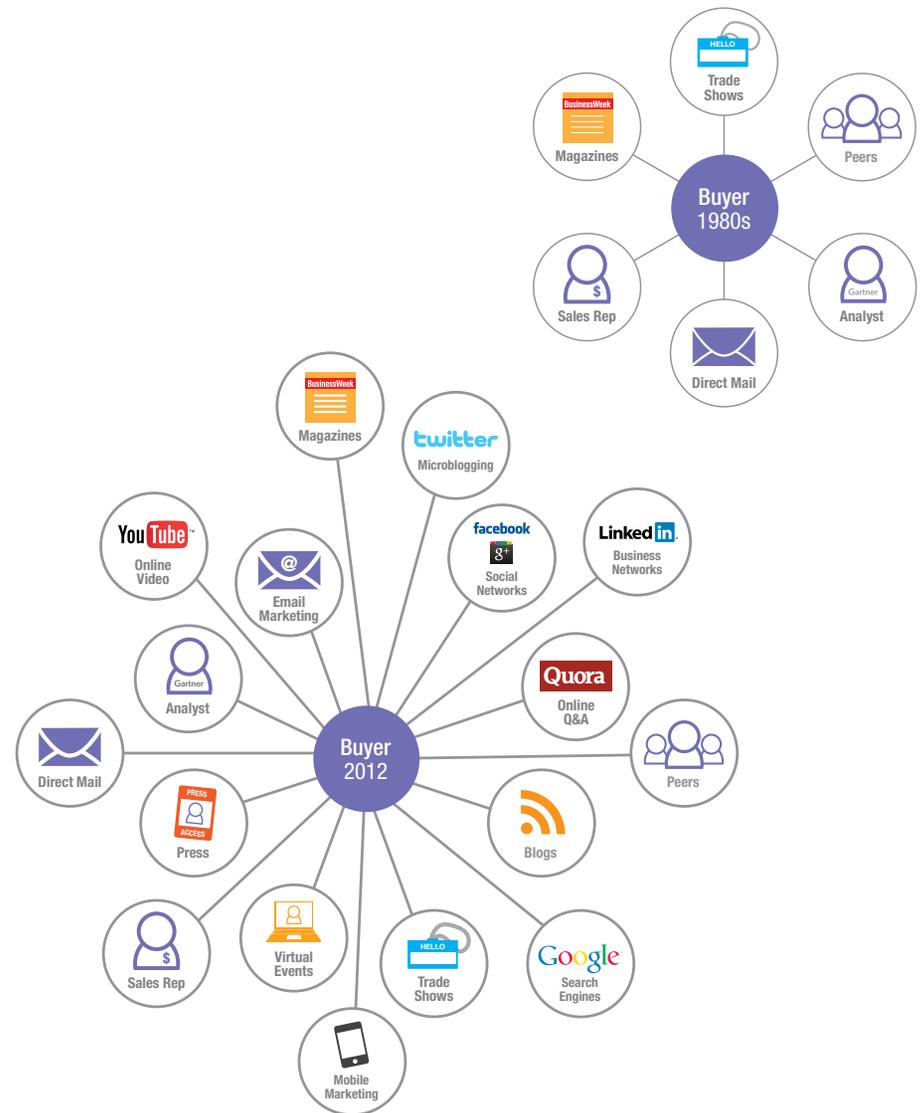
Jon leads strategy and execution for all aspects of Marketo's hyper-efficient demand center (powered by Marketo's solutions, of course). He explores everything from lead nurturing and social media to marketing ROI and revenue performance management in Marketo's popular blog, *Modern B2B Marketing*, and was named a Top 10 CMO for companies under \$250 million revenue by The CMO Institute. Before co-founding Marketo, Jon held positions at Epiphany, Exchange Partners, and Gemini Consulting. Jon graduated Magna Cum Laude in Physics from Harvard College and has an MBA from the Stanford Graduate School of Business.

Not so long ago, information about your company and its solutions was not readily available either online or offline. The only way a prospective buyer could learn more was to meet with one of your sales representatives. As a result, buyers were (more or less) forced to engage with sales early in the buying cycle.

In that era of “information scarcity,” traditional marketing tactics (e.g., telemarketing, tradeshows, and direct mail) proved an effective way to reach out to prospective customers. But in today’s era of “information abundance,” overwhelmed prospects have found ways to screen out and opt out from the tidal wave of unwanted marketing communications. As a result, traditional outbound marketing tactics have been declining in effectiveness for years. In their place, companies need different methods to build awareness, develop relationships, and generate leads – methods that don’t rely on interrupting buyers but instead seek to connect with buyers when they are most open and engaged.

This strategy goes by many names depending on whatever pundit or thought leader is pushing the idea: inbound marketing, content marketing, social media marketing, seed nurturing, etc. Each term has its own nuances, but in aggregate they describe a marketing strategy that no company can afford to ignore.

This new world can be overwhelming and confusing, especially for marketing executives who are not “digital natives.” That’s why I created this guide: **to help fellow marketing executives understand what inbound marketing is all about** and how they can evolve their organizations to take advantage of it. In addition to providing an overview of inbound marketing, I describe its limitations, and how to complement it with additional strategies to create a complete end-to-end revenue-generating process.



## What is Inbound Marketing?

My definition of inbound marketing is:

*The process of helping potential customers find your company – often before they are even looking to make a purchase – and then turning that early awareness into brand preference and, ultimately, into leads and revenue.*

In the world of inbound marketing, the marketer's job is not to find leads; it is to help leads find you.

In traditional marketing, companies need to buy (or beg) to get exposure using other people's media. Whether it's a display ad on a website, a booth at a tradeshow, or an email sent to a third-party list, companies are essentially "renting" attention that someone else built. This can be effective, but it's also expensive.

In contrast, with inbound marketing, companies build up their own audience and attract their own attention. They do this by creating relevant and compelling content to attract and convert leads – that can be found search for information online or ask their social networks.

## Why Should CMOs Care About Inbound Marketing?

Your primary job as the CMO is to position your company for success and to drive revenue. But the trends of information abundance and attention scarcity mean that the tried-and-true ways of accomplishing these goals don't work as well anymore.

Fortunately, buyers put down their "anti-marketing" shields when they are actively seeking information or passively looking to be entertained or educated. That's when companies can begin to engage and build relationships with them – and influence the buying preference – using inbound marketing. When done right, this approach returns dramatically better results than traditional marketing techniques that rely on interrupting prospects. However, it requires an investment of time and energy (or blood, sweat, and tears depending on who you ask). In other words, **inbound marketing is about applying more brains, not more budget**, to drive revenue. (Later, I will explain how to staff and budget properly for inbound marketing.)

Inbound marketing can deliver:

- **Increased brand awareness.** Buyers must find you before they can buy from you. Historically, the main way companies built awareness was to buy it through advertising. But with inbound marketing, companies can build awareness organically. According to some studies, up to 93% of buying cycles start with a search online. The potential customer is actively seeking information, so if your company shows up high in the search results, you'll get "free" brand awareness. Potential buyers can also get exposed to your content and your brand through their social networks. If you create content that people are compelled to share, you are earning highly relevant brand exposures – and you minimize the chance of being tuned out.
- **Better brand preference.** It's not enough for people to be aware of your brand; you also want them to prefer your brand ([B2B branding](#) this means avoiding risk and building trust). Search plays a role here; good inbound marketing often leads to high organic search rankings, which many buyers correlate with brand leadership and trust. Inbound marketing also builds preference by engaging with buyers early in their buying process, even before they are looking to make a purchase. By helping or entertaining them at this early stage, you are building a relationship with them. All other things being equal, people are more likely to buy from a company with whom they have a relationship. Of course, this requires you to create content that people like – or even love. Mediocre content may get you noticed, but it won't do much to build "Likes."
- **More leads for less investment.** Because of the declining effectiveness of marketing tactics that interrupt the buyer, inbound marketing can generate qualified leads for less investment over time. Traditional marketing suffers from declining marginal returns. For example, if you double your investment in traditional marketing, you won't get twice the results. In contrast, inbound marketing has a tendency to build on itself over time; great content pays off dividends for a very long time, and this effect multiplies as you create more and more content. This means that inbound marketing is not a short-term strategy. Results will be small at first, but will grow over time – so if you need leads immediately, inbound marketing is not likely to deliver.

# Where does Content Marketing Fit In?

**Content Rules**, a fine book by Ann Handley and C.C. Chapman, defines content as “anything your organization creates and shares to tell its story.” This includes buying guides, checklists, calculators, whitepapers, analyst reports, and webinars to attract and educate buyers as they search for solutions. It also includes research data, funny videos, curated lists, infographics, and highly relevant thought leadership pieces (e.g., blogs, podcasts, ebooks, etc.) that attract potential buyers who don’t yet know they have a problem or aren’t actively searching for solutions.

The pundits who promote inbound marketing and content marketing like to debate whether or not they are the same thing. I prefer to think of them as highly intertwined strategies. Inbound marketing needs content for fuel (as does lead nurturing); and content needs various inbound marketing tactics such as search engine marketing and social media to promote it. And both require marketers to think more like publishers, creating a continuous flow of relevant content for every stage of the revenue cycle.

Regardless of the form the content takes, it needs to follow two key rules when it comes to inbound marketing. First, content must be helpful, not promotional. A good rule of thumb is to ask whether prospective buyers will find your content useful and relevant even if they never purchase your product; if not, then perhaps it is too promotional. Put simply, success with inbound marketing is not about “always be closing” – it’s “always be helping.”

Second, content must be relevant to the buyer. Generic materials will cause potential buyers to opt-out or tune out. To be relevant, you need to map content to each of your buyer personas as well as the various stages of the buying cycle (since content that may be useful to a late-stage buyer will come across as promotional to early-stage researchers).

## Where Inbound Marketing Falls Short

Inbound marketing is a highly effective strategy, but in isolation it will fail for most companies. Two of the most critical limitations are:

- 1. It's hard to target specific audiences with inbound marketing.** If you want to reach a specific set of contacts – for example, decision makers at a list of target accounts – inbound won't do so effectively. The same is true for targeting executives; most CxOs are not spending their time reading blogs and watching YouTube videos, so you're not going to reach them by producing content meant to be found online. To use a military analogy, inbound marketing is like an "air war" – it allows you to be very efficient by carpet-bombing broad areas, but it makes it hard to hit specific targets. In contrast, you need "ground war" tactics (think marines and snipers) to target specific objectives and hold territory.
- 2. Inbound marketing doesn't drive people to action.** With inbound marketing, you wait for buyers to take action when they feel ready. While it's generally a good idea to let the buyer control the momentum, there are times when you need someone to act – for example, signing up for an executive roundtable. Similarly, all good marketers know that inertia is a very real effect and sometimes people need a push, not a pull, to take action. This is especially true for targeting pragmatists and late adopters who don't actively seek out alternatives and new solutions.

## How Does Marketing Automation Fit In?

Because of the limitations of inbound marketing, a complete B2B marketing strategy needs to incorporate a full portfolio of lead-generation approaches, including events, webinars, email, and advertising as well as inbound tactics. Put another way, to extract the maximum value from inbound marketing, companies need to combine it with lead nurturing, lead scoring, and other components of [marketing automation](#). We call this the *Inbound Marketing Multiplier*. (For more, see the Marketo whitepaper [Amplify Your Impact: How to Multiply the Effects of Your Inbound Marketing Program](#).)

Vendors who promote inbound marketing technology like to pit inbound marketing and marketing automation against each other, vilifying marketing automation and all outbound marketing as unwanted spam. This "good" vs. "evil" debate may make good copy, but it oversimplifies the problem in favor of a single agenda. The reality is that marketing automation and outbound tactics are tools that can be used for good marketing that people love or bad marketing that people hate. In other words, it's not the tool but how it's used that matters. As Greg Head, CMO of InfusionSoft (a provider of sales and marketing software for small business) writes, "The reality is the best marketers are using both inbound marketing and marketing automation together, and they are getting great returns."

Marketing automation enhances inbound marketing by helping you in the following key ways (disclosure: Marketo provides marketing automation solutions):

**Develop relationships with inbound leads that aren't ready to buy.**

According to the MarketingSherpa 2012 B2B Benchmark Report, 73% of B2B leads are not sales-ready when they first come in. If you send those leads to sales prematurely, you'll annoy the buyer and perpetuate the perception that marketing-generated leads are no good. So even if inbound marketing generates the right kind of leads for your business, you need a disciplined process to nurture these leads until they are sales-ready. This requires more than a monthly newsletter or a single nurture track. You need multiple tracks for each buyer persona and buying stage that "listen" to what the prospect says and how he behaves, and adjusts accordingly – just like a real-world relationship. Don't settle for basic "one-size fits-all" lead nurturing.

**Identify who's hot – and who's not.** Success with inbound marketing requires a very wide top of the funnel. You'll have lots of names coming in from people who respond to your content – but in all likelihood many of them will not be true potential buyers for your products. You need "demographic lead scoring" to separate the wheat from the chaff, e.g., the prospects who best fit your ideal profile. You also need "behavioral lead scoring" to track what prospects do and to find the hot prospects displaying buying behaviors which indicate that they are ready to engage with sales. These scoring rules should be customizable to your business; don't rely on generic rules. Finally, you need a good way to show the sales team who's hot, without making them wade through all the detail of every page view and click-through.

**Ensure no lead gets left behind.** Once you've identified a lead as "hot," you want to make sure sales follows up quickly – and in a relevant manner. This requires deep integration with your CRM system – the deeper the better. It also requires creating and enforcing a service level agreement (SLA) detailing

how leads are followed up. By integrating marketing automation with CRM, you can ensure every lead is flowing through the system properly – without making the sales team do anything differently. (Always a good idea.)

**Prove – and improve – marketing ROI.** Marketing automation should go beyond process automation to help marketing executives get much-needed insight into which marketing programs are working and which aren't. It should give the CMO the metrics he or she needs to speak confidently to the C-suite about marketing's revenue impact. Inbound marketing solutions can tell you which programs generate leads, but you need marketing automation to understand the dynamics of how potential buyers move through the revenue cycle to turn into qualified leads, opportunities, and ultimately into customers. These analytics should be powered by a data mart to provide stable data and, more importantly, insights into trends over time. (For more, see my book [The Definitive Guide to Marketing Metrics and ROI](#).)

Inbound marketing is clearly a strategy that works and should be part of every marketing portfolio. But it's critical to remember that **inbound marketing is a strategy and not a technology**. Many technology solutions can help with inbound marketing, including SEO, blog software, social media monitoring, and content management (see the end of this guide for a full list). These can sit alongside any marketing automation solution. My advice? Pick the right inbound marketing tools and the right marketing automation solution for your business, but don't compromise by thinking it's an either/or proposition.

# Staffing and Budgeting for Inbound

Success with inbound marketing will not happen by itself; random acts of marketing punctuated by bursts of short-term activity won't cut it. If your company is committed to an inbound marketing strategy, what kind of resources should you as a CMO invest in on a sustainable basis?

The more you put into your inbound efforts, the more you'll get out of them. Here's a good baseline for monthly activity for a small- to medium-sized company (i.e. 25 to 1,500 employees).

- **Pick a theme to anchor your efforts each month.** This should be distinct from your news calendar; the monthly theme should focus on a key customer issue, not your company or product. (In some cases, your theme might center on an SEO keyword phrase for which you want to improve your ranking.) As the CMO, you should personally plan to spend at least one hour a month brainstorming content ideas and strategies.
- **Produce at least one major piece of content to support the theme.** This can be a whitepaper/ebook, video, survey, buying guide, webinar, and so on. I call these your "big rocks."
- **Create two or three minor pieces of content around the theme.** Fill in the content plan with "small rocks" that also support the theme, such as infographics, webinars, presentations (e.g., SlideShares), podcasts, and so on.
- **Write three thought leadership blog posts per week.** Get into the habit of regularly sharing ideas, tips, best practices, news commentary, and so on with your audience via SEO-optimized blog posts. Some but not all of these posts should relate to the monthly theme, but regardless, the posts should not be about your company. To quote [Content Rules](#), "share, don't sell".
- **Post regular social media updates** (e.g., on Facebook, Twitter, LinkedIn, and Google+). Post regularly to social sites to build your reach, engage with potential buyers, and get the word out about new content. (Note that Google+ is likely to quickly grow in importance as Google relies on it more heavily for search results.) [Buddy Media](#) offers great research about how to optimize posts, including best practices for length, frequency, and types of content.
- **Dedicate time to analyzing and optimizing results.** Although a good inbound marketer should be constantly measuring results and tweaking accordingly, it's also a good idea to have a staff member dedicate at least two hours a week to dive into this. Without dedicated time, this important optimization can sometimes fall by the wayside as urgent daily tasks come up.

Most organizations will want in-house staff to deliver on the ongoing portions of this plan, though some aspects of content development and design can be outsourced. I recommend hiring at least one inbound marketing manager to develop the strategy and manage the overall function and one content marketing manager to write, create, and curate content. These individuals should also monitor and manage the organization's social media activity, engage with other influencers online and offline, own the company blog, and take responsibility or work very closely with the teams responsible for online conversion and search engine optimization. As the team grows, these additional functions should be split into separate dedicated roles. You'll also need incremental design and web development resources to implement the programs, but these can be shared.

The ideal inbound marketing manager should be an analytical, socially savvy "digital native" who understands search engine optimization, has experience with social media and a strong understanding of the fundamentals of content marketing. Ideally, she or he has demonstrated this by building a strong personal presence online via a personal blog, Twitter account, etc. Your ideal candidate should also understand that at the end of the day inbound marketing is not just about producing flashy content but about generating leads and revenue. Here's a link to Marketo's job description for an [Inbound Marketing Manager](#).

For more on staffing and budgeting for Inbound Marketing, check out Kuno Creative's article "[How Much Money Will You Need in Your 2012 Inbound Marketing Budget](#)" as well as their [Inbound Marketing Budget Calculator](#).

# How to Measure the Value of Inbound Marketing

There are hundreds of possible inbound marketing metrics to choose from, and almost all of them provide some measure of value. These include SEO rankings, inbound links, number of articles published, content downloads, reach (e.g. Twitter followers, Facebook fans, LinkedIn followers, blog subscribers), comments, retweets, Likes, shares, clicks, traffic, leads... and many more. Check out the [Marketo Social Media Tactical Plan](#) for a list of over 100 social media and inbound marketing metrics.)

The problem is that most of these relate only loosely to the metrics that concern the CFO, CEO, and your board of directors. Of course, it's okay to track some of these metrics within your department if they help you make better marketing decisions, but be careful about measuring activity instead of results. When it's hard to measure business outcomes, marketers use metrics that stand in for those numbers: activity not results, quantity not quality, efficiency not effectiveness. Vanity metrics such as the total number of followers may sound good and impress people, but they don't measure business outcomes or indicate how to improve marketing performance and profitability. As a result, resources and energy are allocated to activities that don't impact revenue.

While vanity metrics indicate that marketing is doing something, they also produce questions about whether those are the right things to be doing – and ultimately whether marketing is having any impact on the financial metrics the C-suite cares about. That's why it's essential to push the team to use credible financial metrics that show how marketing helps the company generate more profits and faster growth than your competitors.

Here are the top five metrics that I use personally to measure and demonstrate inbound marketing success:

- **Month-over-month growth in organic website traffic, leads, and opportunities.** Organic traffic is people who are finding your website by means other than paid promotion or direct brand awareness (e.g., by typing in your URL or searching your brand names). Track how much of that traffic converts into leads, and tag the lead source properly so you can see whether those leads turn into pipeline and revenue. Moreover, don't just track the absolute level of these, but also track the trends so you can see how quickly you are going up – a capability provided by certain marketing automation solutions.
- **Social engagement, not just reach.** Reach is defined as the total size of the audience you can reach, including your Twitter followers, Facebook fans, LinkedIn followers, blog subscribers, and email list. But the world is noisy, and just because someone follows you doesn't mean they are engaging with your brand. Social engagement becomes even more important as prospective buyers use social sites more than email. It's through social engagement that you enable "seed nurturing," the process of building relationships with qualified prospects before you have their contact information. Fortunately, Facebook also reports on engaged users using a metric it calls "People Talking About This." This is important because the more people talk about your page or comment on or share your posts, the more your updates will show up on the main news feed for your fans. Other tools, such as FeedBurner, show similar metrics for engagement.

- **Lead generation by content, channel, and initiative.** Beyond core organic traffic and leads, track lead generation by content asset and source. What sources are driving the most traffic? What kinds of content drive the most leads? The most revenue? It can also be insightful to track how these vary by product line or business unit. For example, at Marketo we find inbound marketing works better for lower price-point products. Measuring this requires the ability to create landing pages and tracking codes for each asset, a capability found in most marketing automation solutions.
- **Percent of leads with an inbound original source.** With inbound marketing and content marketing, you'll find that people first discover and engage with your brand via inbound channels, but they may not convert on that first engagement, or even on the second or third. When they do convert, they are likely to get to your site by typing in your brand name or URL. That's why it's so important to know the original source of your leads – not the source of the visit that caused them to convert. (Once again, marketing automation tools like Marketo can help you determine this.) It's similar to display advertising, where it's critical to measure not just click-through conversion rates, but also "view-through" conversion rates. At Marketo, we find that a whopping 40% of our customers first met us by engaging with one of our content assets.
- **Forecasted conversion through the funnel.** Your fellow C-suite executives don't really care about the number of raw prospects or even leads that marketing generates; they care about pipeline and revenue. And they care even more about next month's revenue than they do about what happened in the past. After a few months of monitoring the trends of your inbound lead generation, you can start making forecasts about how much contribution inbound will make to future pipeline. This isn't easy, but it's probably the single biggest thing you can do to build credibility as a marketing executive.

For more on the right metrics that help the CMO earn a seat at the revenue table (and how you can get started with marketing forecasting), check out [The Definitive Guide to Marketing Metrics and ROI](#).

In sum, inbound marketing is a strategy that no CMO can ignore – the same time, don't be seduced into thinking you can simply buy some technology and become an inbound marketing machine. Success requires a disciplined approach to content creation, hiring the right staff, and completing your inbound marketing basics with the marketing automation tools you need to nurture and score leads, measure and optimize how those leads move through the revenue cycle.

# Additional Inbound Marketing Tools and Resources

## Additional information worth reading:

SEOMoz - [Beginner's Guide to SEO](#)

Kuno Creative - [Inbound Marketing Blueprint for Business Owners & CEOs](#)

MarketingSherpa - [Inbound Marketing: How to pull in customers without pushing ads](#)

Ardath Albee - [Inbound Needs Outbound](#) and [What Happens When Inbound Marketing Works?](#)

Rand Fishkin - [Inbound Marketing for Startups \(Slideshare\)](#)

Buddy Media - [Strategies for Effective Facebook Wall Posts: A Statistical Review](#)

Marketo - [Social Media, Disclosure, and Ethics Policy](#)

Marketo - [Social Media Tactical Plan](#)

Content Marketing Institute (Joe Pullizi) - [The 7 Business Goals of Content Marketing: Inbound Marketing Isn't Enough](#)

## Tools / Technologies for Inbound Marketing

There are many tools available for inbound marketing, here are just a few:

### [SEOMoz](#)

SEO management, social media monitoring, actionable recommendations, and more in one easy-to-use platform

### [WordPress](#)

A free, flexible, blogging platform / content management system (CMS) that is well-optimized for SEO (this is what Marketo uses)

### [BrightEdge](#), [Conductor](#), and [Covario](#)

Enterprise-class SEO software companies.

### [Compendium](#)

Business Blogging Software

### [HubSpot](#)

Inbound marketing platform, primarily for small businesses (disclosure: Hubspot also provides entry-level marketing automation that competes with [Spark by Marketo](#))

### [Marketo](#)

Powerful and easy marketing automation to help convert traffic into leads, close the gap between when you meet leads and then they're sales ready via lead nurturing and lead scoring, lead management to make sure no lead gets left behind, and marketing ROI analytics to help you measure and prove marketing's impact on revenue.

# About Marketo

Marketo is the fastest growing provider in Revenue Performance Management. Marketo's powerful yet easy-to-use marketing automation and sales effectiveness solutions transform how marketing and sales teams of all sizes work — and work together — to drive dramatically increased revenue performance and fuel business growth. The company's proven technology, comprehensive services and expert guidance are helping enterprise and mid-market companies around the world to turn marketing from a cost center to a business-building revenue driver. Marketo also offers Spark by Marketo™, a new brand of marketing automation tailored specifically for small businesses — the fastest-growing and largest segment of today's economy.

## **U.S.A. Headquarters**

901 Mariners Island Blvd, Suite 200

San Mateo, CA 94402

Tel: + 650.376.2300

Fax: + 650.376.2331

[www.marketo.com](http://www.marketo.com)

## **EMEA Ltd.**

Cairn House

South County Business Park

Leopardstown

Dublin 18, Ireland

Tel: + 353.1.242.3000

