



## Marketing From The Cloud

Research Brief: How Digital Marketers Are Using  
SaaS Based Software Tools

*September, 2010*

**Underwritten, In Part By:**

**CrownPeak™**

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### Introduction & Methodology

In July and August of 2010, Big Blue Moose – in conjunction with, and partially underwritten by, CrownPeak conducted an online survey of 105 businesses regarding their use of Software-as-a-Service (SaaS) delivered marketing technology solutions. Additionally, this research was combined with other publicly available industry research to produce this brief: *“Marketing From The Cloud – How Digital Marketers Are Using SaaS Based Software Tools”*.

The survey looked at the following tools as the suite that digital marketers are currently utilizing in both on-premise (e.g. installed) and Software-as-a-Service delivery models:

- Web Analytics
- Web Hosting
- CRM
- Web Content Management
- Email Campaign Management
- Content Testing & Targeting
- Lead Nurturing / Drip Campaigns

*“100% of those surveyed are using at least one SaaS based software tool for their online marketing.”*

### Key Findings:

- Of those surveyed, all of them (**100%**) were using at least one **Software-as-a-Service based software tool** as part of their day to day operations.
- More than 50% of those surveyed said that **half or more of the software tools they utilize are delivered as a Software-as-a-Service**.
- Respondents said that **Web Analytics and Web Content Management were the two SaaS based tools that had the greatest impact** on their ability to optimize their digital marketing strategy.
- When asked which tools were highest priority to be added to their suite, Marketers responded that **the top two were Web Content Management and Content Testing & Targeting**.

Drawing on the findings of this survey and on general industry research, the analysis clearly points to marketers becoming **less dependent upon the internal IT organization** and **more dependent upon SaaS and Cloud-based solutions** for their marketing suite.

The research also suggests that while Web Analytics and Email Campaign Management are well established, cloud-delivered solutions, other types of marketing software such as **Web Content Management** and **Web Content Testing & Targeting** are quickly becoming the most important pieces of the marketer’s toolbox.

The results of the online research are presented below – with additional analysis from the third-party research.

### Executive Overview

It's certainly no secret that SaaS (Software-as-a-Service) is growing within the enterprise. Businesses are continuing to increase the adoption of software applications delivered from the cloud. The drivers of this adoption are ease of deployment, flexible scalability and some level of predictability in pricing.

In July of 2010, Gartner research director Sharon Mertz said: *"after a decade of use, adoption of SaaS continues to grow and evolve within the enterprise application markets. As tighter capital budgets demand leaner alternatives, familiarity with the model increases, and interest in platform as a service and cloud computing grows."*<sup>1</sup>

Forrester goes even one step further – in a report that came out last year called *The ROI Of Software-as-a-Service*, Liz Herbert writes: *"SaaS has grown from beyond its early roots of popularity in a few select application areas such as HR and CRM technologies and is now gaining acceptance across a broad range of applications..."*<sup>2</sup>

Nowhere is this adoption being seen faster than in the marketing department. As marketers are under increased pressure to move faster and with more "real-time" measurement on their activities – relying on an IT infrastructure is becoming challenging. Is it any wonder then, that Web Analytics (solutions such as Google, WebTrends, Adobe's Omniture Suite and IBM's Coremetrics) were some of the fastest to be adopted by the marketing department?

Ian Truscott, a Senior Analyst at Gilbane Group agrees. In reviewing a preliminary version of this report he said: *"We've been observing the trend for our clients to reach for SaaS solutions for some time. These and other services available outside the server room are an increasingly essential part of the marketer's solution palette as they strive for agility. SaaS lowers the barrier to entry for digital marketers, often poorly served by long-standing enterprise procurement and information technology implementation processes. These services can still be a significant investment, but requirements like hardware procurement, technology support, budget for upgrades etc. dissolve and the focus returns to functionality and business value."*

The need for agility, in combination with the recent recession has been transformative to the IT department and the way applications are delivered to marketing. In fact, according to research from The Hackett Group and produced on CIOInsights *"more than 60% of top performing businesses believe that cloud computing/on-demand infrastructure sourcing is highly effective"*. More than 30 companies participated in the Hackett Group study<sup>3</sup>

Also, according to a 2009 CIO Insight report - of the top 15 on-demand business applications – six of them (CRM, E-Commerce, Email Marketing, Blogs/Social Media, Analytics and Content Management) are sales/marketing related applications<sup>4</sup>.

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<sup>1</sup> Gartner Says Worldwide SaaS Revenue Within the Enterprise Application Software Market to Surpass \$8.5 Billion in 2010 (<http://www.gartner.com/it/page.jsp?id=1406613>)

<sup>2</sup> Forrester – The ROI Of Software-As-A-Service, July, 2009

<sup>3</sup> CIO Insights – IT Agility Embraced by Top-Performing Companies <http://www.cioinsight.com/c/a/Trends/IT-Agility-Embraced-By-TopPerforming-Companies-190875/>

<sup>4</sup> CRMForecast Report <http://www.crmforecast.com/saasresearch.htm>

In short, all indications are that SaaS is gaining in adoption, and that the marketing department is one of the fastest to adopt SaaS oriented solutions. Our own survey supported these results.

### Notes On The Survey Methodology

Respondents were presented the survey online, and targeted to those responsible for the digital marketing software in the organization. All answers are tabulated here – but of the 105 respondents, 72% responded that they were in some kind of marketing function, 19% responded that they were in “technology” and 9% responded that they were in an “other” business functions.

The same list of SaaS applications were used for all seven questions and respondents were given examples of each in the beginning of the survey:

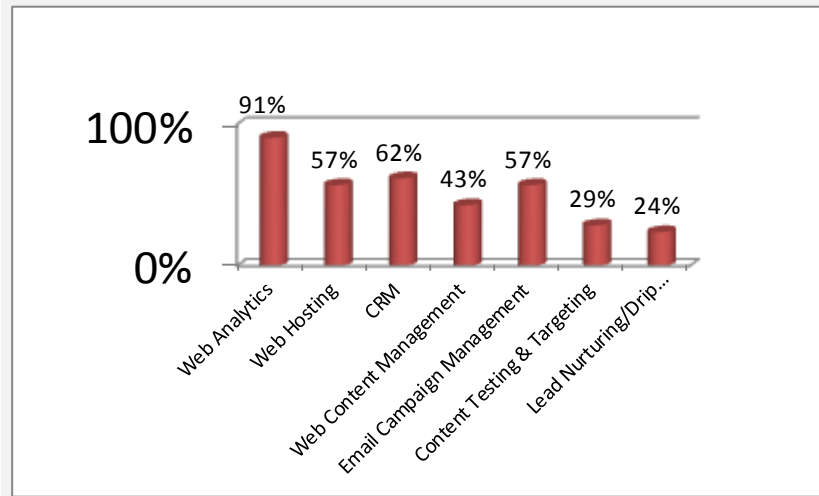
1. **Web Analytics** (i.e. Google Analytics, WebTrends SaaS or Omniture’s Site Catalyst)
2. **Web Hosting** (i.e. Rackspace, or other third party Web Hosting)
3. **CRM** (i.e. Salesforce.com)
4. **Web Content Management** (i.e. CrownPeak, Clickability, Acquia or other Hosted Blog or CMS platform)
5. **Email Campaign Management** (i.e. ExactTarget or Constant Contact)
6. **Content Testing/Targeting Tools** (i.e. Optimost, Test & Target, or Google Website Optimizer)
7. **Lead Nurturing /Drip Campaigns** (i.e. Eloqua or Marketo)

The results of the survey were as follows:

### Web Analytics Continues To Dominate SaaS Tools

Respondents were asked of the digital marketing tools that they currently utilize – which of them are delivered as a SaaS (Software-as-a-Service). One of the choices was “None – all are on-premise software” and had 0 responses.

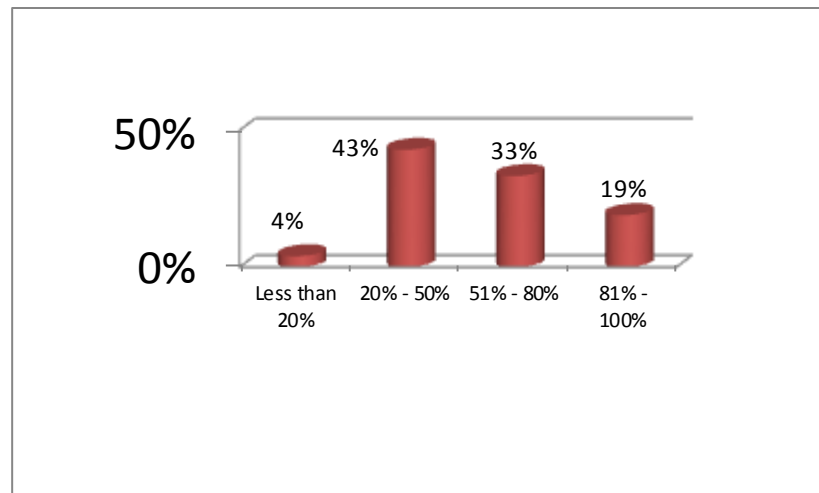
90% of those surveyed responded that they utilized Web Analytics as a hosted service. Most of the other solutions hovered right around the 50% mark adoption mark. The exceptions were the Content Testing And Targeting Tools and the Lead



Nurturing/Drip Campaign tools, which each were just under a 30% adoption rate.

### SaaS represents A High Percentage of the Marketer’s Toolbox

Respondents were asked of ALL of the digital marketing software tools that they utilize, what percentage are delivered as a SaaS. Just over half of all the respondents stated that at least 50% of the tools that they utilize are delivered



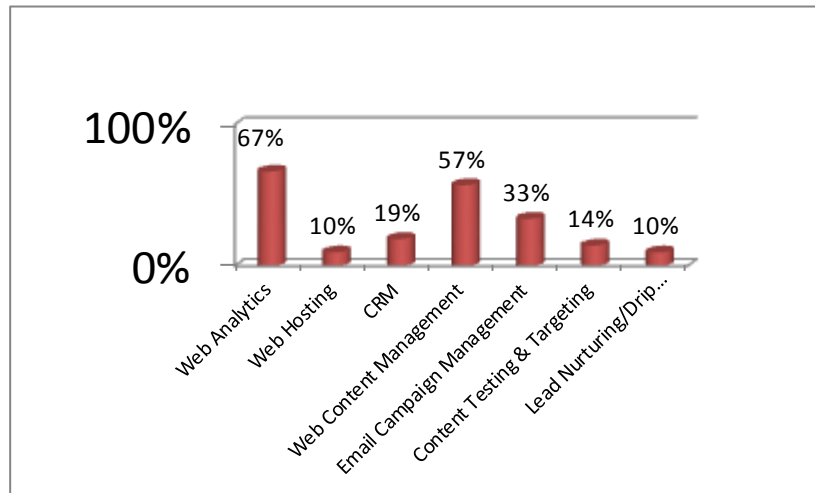
via a SaaS. Interestingly, approximately 20% said that 80% or more of the tools they utilize are delivered via a software service. Clearly SaaS delivery has a high penetration in the marketing organization.

## Web Analytics and Web Content Management Are Tools That Have The Most Impact on Marketing Strategy Management

The respondents were then asked of all the SaaS tools they currently utilize, which did they believe empowered them most to change and manage their marketing strategy.

Web Analytics tools and Web Content Management tools were the clear leaders

here – with more than half of marketers responding that these tools represented their ability to manage and change their marketing strategy.



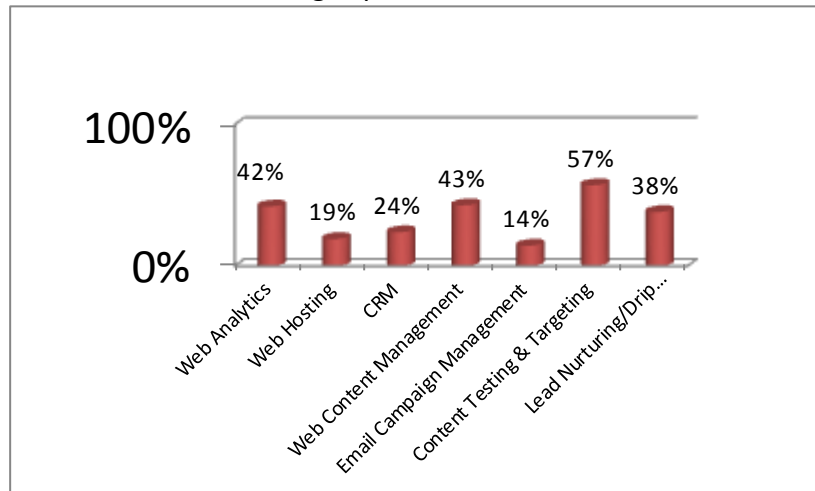
This trend seems to also reflect the growing importance of content marketing – and how marketers are increasing budgets to develop blog, thought leadership and other content marketing strategies. According to the 3<sup>rd</sup> Annual 2010 Junta42 Content Marketing Spending Survey, 6 out of 10 marketers are increasing content marketing spend in 2010 and into 2011. The average content marketing spend is up more than 10% year over year<sup>5</sup>

<sup>5</sup>Junta42 Special Report on Content Marketing Spend [http://blog.junta42.com/content\\_marketing\\_blog/2010/01/special-report-content-marketing-spending-continues-to-rise.html](http://blog.junta42.com/content_marketing_blog/2010/01/special-report-content-marketing-spending-continues-to-rise.html)

## Content Testing & Targeting & Web Content Management Are Highest On Marketers' 2011 Agenda

The survey respondents were then asked - of the tools that they're currently NOT utilizing as a SaaS – which would they consider to be the highest priority in the next year, to further strengthen their online marketing capabilities.

Again, reflecting the growth of content marketing and the pressure to achieve measurable results – content testing and targeting, and web content management ranked in the top two spots at 57% and 43% respectively.



This result matches well with the results found in a B2B Marketing research report conducted at the beginning of the year. Looking at budget and strategic priorities for 2010, 73% of marketers were increasing their online spend. Additionally 70% planned Web site development and content creation as the priorities in their budget.

Web content management and web content testing continue to be priorities for marketers. And, as these results show – they are top among those looking to add additional SaaS tools to their arsenal.

### Key Takeaways

As continuing doubts about the US economy give marketer's pause, the pressures for them to continue to do "more with less" will only be increased. The need for measurability, productivity increases and speed will be combined with the lack of up-front capital spending and continued reduction of IT resources.

At the same time, enterprises are continuing to look at SaaS based applications more strategically. Up until this year, most SaaS applications were "under the radar" of most organizations – and certainly this is true in the marketing suite as well.

Additionally, new marketing organizations are exploring hybrid solutions – where some of their marketing tools are installed or retained – but can be integrated with SaaS solutions to provide for a new level of speed or flexibility. This is especially true with Web content management and content testing and targeting tools – where existing systems can be kept but SaaS software providing for point solutions such as Testing, Landing Page Management, or Blogging can be added in.

Our research shows that these tools are high on the marketer's list – and that SaaS is becoming of ever-increasing importance in the marketer's toolbox. According to the survey, more than half of marketers say that half or more of their current suite of tools are being delivered by a Software Service. We expect this trend to continue.

Aberdeen Research just published their *2011 Marketer's Agenda: Accessing and Understanding Customer Experience Data Is Life or Death* report. In it they say: *"marketer's agendas for the next 12 months are focused on delivering a clear ROI from their investments. And...one area, reigns supreme – access and understanding of customer experience data."*<sup>6</sup>

In 2011, the ability to understand the metrics (Web Analytics), test new experiences (Content Testing), manage content (Web Content Management) and target it to different personas (Content Targeting) will assuredly be high on the marketer's priority list. It's clear from this research, that digital marketers will depend more and more on SaaS Software to deliver those solutions.

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<sup>6</sup> Aberdeen Research: The 2011 Marketer's Agenda: Accessing and Understanding Customer Experience Data Is Life or Death

## About The Research Sponsorship

Our research is helped and partially underwritten by sponsors.

### About CrownPeak:

This research was partially underwritten by CrownPeak.

CrownPeak, the market leader in Software-as-a-Service (SaaS) web content management and optimization solutions, offers online marketers the easiest way to manage, target, publish and analyze web content on their web sites, micro-sites, mobile media, or landing pages. CrownPeak's enterprise-grade SaaS operates on any web server or platform, and seamlessly integrates with other ECM systems.

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Hundreds of diverse organizations such as Skype, Nissan, Alico, Defenders of Wildlife, EMI Music and the State of Virginia have realized the value in CrownPeak's renowned ease-of-use, its 24x7 customer support and guaranteed response times. CrownPeak has been named to EContent's 100 most influential companies list, has won eWeek's prestigious Analysts Choice Award and InfoWorld's Product of the Year Award and has been named a finalist for Best Customer Service from the American Business "Stevie" Awards for the last three years running.

### About Big Blue Moose:

Big Blue Moose is a digital media and consulting firm focused on content marketing innovation.

We provide content marketing strategy, consulting and research with a focus on helping brands leverage the Web for increased revenue, visibility and success.

Big Blue Moose was formed in December, 2009 by Robert Rose, a veteran marketing and digital media consultant with more than 15 years of experience, and a track record of helping brands and businesses develop successful Web content and web site marketing strategies.

Big Blue Moose Research provides analysis and advice to professionals focused on the profession of digital marketing. Through both primary and secondary research, BBM focuses on helping organizations become more successful, and make smart strategic decisions about how technology can improve their results.

