Technology Evaluation Best Practices

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Introduction

Technology has changed marketing in ways that were unimaginable even ten years ago. In the realm of advertising alone, spending on digital media eclipsed spending on newspapers and magazines in 2012 and is expected to exceed television spending by 2018.[1] Spending on data, analytics, and marketing automation is growing even faster than spending on digital media.[2] According to one estimate, marketers will spend nearly $26 billion a year on technology by 2017.[3]

But few marketers have been trained to acquire technology. Corporate IT departments often can't help because they lack deep expertise in marketing systems. Ad agencies, service bureaus, and system integrators are often expensive and slow-moving. Software-as-a-service vendors promise simple deployment but their products integrated with other systems to build a complete solution. To survive, marketers must learn to make good technology decisions on their own.

This paper identifies best practices that marketers can apply to improve their selection decisions.

Challenges in Technology Evaluation

Technology evaluation is hard enough for IT professionals, who must struggle to determine whether systems will function as promised, be acceptably easy to use, work reliably, scale as needed, integrate with other systems, and remain current over time. Marketers face these same challenges plus several others.

Unfamiliar technical issues. SaaS vs. on-premise? Hadoop vs. SQL? REST vs. SOAP? The technical terms themselves are unfamiliar, let alone their meanings and the implications of choosing one or the other. The potential for confusion exists on all levels from choice of operating system to database to network topology to workstation to Web browser. Marketers, like any non-technical buyer, have a natural tendency to focus on the things the system user sees, such as the user interface and reports. But technical choices determine how hard it is to import or export data, to interact with other systems, to make changes to system functions and data models, to process data in large enough volumes and at adequate speeds, and even to use existing corporate networks, servers, and personal devices. These are issues where help from the corporate IT department is most needed. But the IT group itself may not understand the technical nuances of marketing requirements, which may favor different technologies than used in other departments. IT also brings its own priorities, such as using systems already in place elsewhere in the organization. Marketers often find themselves hiring their own technical consultants to provide independent advice and coordinate with, or push back against, the corporate IT group.

Unclear business needs. In theory, marketers know their own goals better than anyone else, so better needs definition should be an advantage of picking their own technologies. But marketing today is changing so rapidly that it's often not clear to

marketers exactly what they want to do with a new system. Instead, they rely on technology vendors to tell them what's possible and convince them that it's worthwhile. The challenge is inherent in the nature of marketing, where the value of a new system often can't be known before it is deployed and tested. This contrasts sharply with more traditional applications such as accounting or manufacturing systems, whose required functions are clearly defined in advance and whose value can be estimated precisely based on changes in process efficiency or cost. There is no complete solution to this problem. The best marketers can do is research proposed applications carefully, make the most realistic value estimates they can, and sometimes run pilot projects or other tests using external resources before they make a major investment. Software-as-a-service vendors often lower the apparent risk of investment by allowing monthly payments without a large initial purchase. But marketers should be sure to understand whether they are on a month-to-month contract or simply making monthly payments under a longer-term agreement.

Relating business needs to system requirements. This is probably the greatest challenge faced in selecting marketing systems, especially for applications that are new to the organization. It's one thing to know that you want to send emails and quite another to know exactly what features you need in your email system. Experienced users can base their system requirements on what they liked and didn't like about previous systems, although even they may miss requirements that were outside the range of past experience. Inexperienced users must carefully define the process needed to execute a new function, recognizing that it's easy to miss a step if you don't work through the tasks in rigorous detail. Beyond understanding the steps in the workflow, marketers need to assess how easily those steps can be executed, which often depends on secondary functions such as template creation, component searches, and support for user preferences. Speed, flexibility, and scalability are also important requirements that don't show up in standard feature lists. Because real-world experience is so important in defining system requirements correctly, this is an area where using outside experts to bridge in-house knowledge gaps is well worth the investment.

Managing the selection process. Most marketing departments will have experience with non-technical procurement, such as choosing ad agencies, buying media, picking printers, and hiring staff. Selecting technology is broadly similar, but does have its own quirks. Chief among these is the difficulty of accurately evaluating vendor claims: testing against feature lists and performance critieria may require considerable preparation to create a realistic environment. Finding and screening potential vendors, writing a formal Request for Proposal (which is not always needed), setting up vendor meetings, checking references, and performing other administrative tasks may require greater attention to detail than other marketing procurement projects. Negotiating a software or technology services contract is definitely a task for experts. This is another area where the corporate IT department should be able to help.

Common Mistakes

Given the challenges they face, it's not surprising that marketers often do a poor job when selecting technology.

The most fundamental error marketers make is not defining system requirements in enough detail to provide basis for evaluation. This is generally the result of not understanding those requirements adequately in the first place. It may also rely on an implicit assumption that all systems within a particular category are capable of meeting the marketers' needs, so there's no reason to evaluate their capabilities in depth. Whatever the reason, marketers who are not basing their selection on actual requirements must find some other way to choose among alternative systems. This leads to many of the following errors.

Selecting on cost and ease of use. These are genuinely important, but only in choosing among systems that all meet the buyer's functional requirements. Otherwise the system will not serve its intended purpose, and the low price or easy use will be little consolation.

Buying the system with the most features. Few buyers would explicitly describe their selection strategy in those words, but many create vendor scorecards that give points for different features – meaning that a vendor with more features will always outscore a vendor with fewer features. This is especially likely if features are not weighted by priority, an error that is hard to avoid if the buyer doesn't understand her requirements to begin with. Of course, weighting features with the wrong priority, another result of failing to understand actual requirements, is equally bad if not worse.

Buying the system with the coolest features. Again, this is not an approach that many buyers would willingly admit to using. But teams that let vendors choose which features to demonstrate will inevitably be shown the unique advantages of each product. Since these features are the only information they buyers have available, they will become the basis for making a choice. Of course, the features that are unique to each vendor are by definition not common requirements, so they are almost guaranteed to be the least relevant to any buyer's actual needs.

Buying the most popular system or the leading system. This is one strategy that many buyers do acknowledge using. The implicit assumption is that the leading systems support a wide range of common requirements, and the buyer's own requirements will fall within this group. Sadly, there are many flaws in this logic: the leading systems may have achieved their position for reasons unrelated to product quality, such as company resources or marketing skills; the broad range of features needed to satisfy many different users may mean that each buyer is paying for features and complexity she doesn't need; the buyer's own needs may not in fact be typical. Buying a leader may be politically safe, but the safe choice can the wrong choice.

Buying the first system they see. This is the opposite of the previous mistakes. It usually happens when buyers don't realize that a particular category of software exists, and instead believe they have stumbled upon a unique system that happens to meet a current need. With so much information available through a simple Web search, it's hard to imagine anyone making this mistake today, but it's surprisingly common: in one recent survey, nine percent of marketing automation buyers considered just one system.[4] In some cases, the buyers may realize that competitive systems exist but make the familiar-but-flawed assumption that any system can meet their requirements.

Ignoring technology. A complete set of requirements extends beyond end-user functions to technical requirements such as scalability and integration. Buyers often ignore these, again on the assumption that they're reliably available in all products. This is not at all correct and can lead to some very ugly surprises after the contract is signed.

Other errors are less directly related to poor requirements definition but can still have a major impact on results.

Running a poor process. Buyers must be systematic in defining business goals, identifying requirements, finding and screening potential vendors, assessing vendors against requirements, verifying vendor claims about performance, negotiating contracts and service levels, estimating costs, building internal consensus, and gaining final approval. Sloppy work at any stage can severely reduce the chances of finding an adequate solution, let alone making the best possible choice.

Not planning for deployment. Marketers often fail to adequately prepare to use their systems, which goes beyond the purchase process to including training, program development, process redesign, measure definition, and other tasks. This needs to begin well before a system is purchased, in part to ensure that the company does not buy a system it cannot use.

No technology strategy. Individual purchases must fit into a long-term technology strategy. For marketing systems, this goes beyond general issues such as shared infrastructure and platform technologies, to a specific vision for how customer data and decisions will be managed. Most firms will want to centralize these in some fashion, although there are many alternatives ranging from independent silos to fully integrated suites. Ideally, the company will define a vision for how its system will work in the future and then make sure that each purchase moves the company closer to realizing that vision.

Best Practices

Marketers who succeed at selecting technology follow several common practices. These include:

Define business goals. The selection process begins with business needs, which for marketing projects often relates to specific types of marketing programs such as advertising or email nurtures. It's these programs that drive revenue, so clear definitions are needed to assess the value of the proposed project. Infrastructure projects such as an improved customer database or predictive modeling system support multiple marketing programs, which may make their value somewhat harder to isolate. The goals should be expressed in specific, quantifiable terms such as "10% increase in qualified leads" so results can be tracked. But, equally important, the processes associated with reaching the goals should be spelled out so buyers can understand exactly what the new system needs to do to make the goals achievable.

Specify system requirements. It should be clear by now that detailed system requirements are essential to an effective selection process. To build these requirements, design the actual processes needed to execute the marketing programs or other tasks defined as business goals for the system. For example, steps in a an email nurture might include entry list selection, flow design, email and landing page creation, lead scoring, transfer of qualified leads to CRM, and reporting. Steps within each of these must be defined in even more detail, such as selecting the entry list based on lead title, company size, entry source, and current customer status. Only once you've reached this level of specificity can you build the list of required capabilities that candidate systems need to meet. Other requirements will provide context for the processes, such as data volumes, data structures, response time, and reliability. These are harder to derive from the business goals but are still needed to ensure a system will function successfully.

Consider a wide range of vendors. In most situations, marketers can choose among many systems that might meet their needs. Once you've built your requirements list, you'll fairly quickly learn which features are found in every product, which are not found anywhere, and which fall into the critical middle of being available in some systems only. You'll want to screen vendors against this middle set. Internet searches should easily produce a list of candidates; you'll be able to eliminate some based on their Web sites or independently published materials, and will need a brief screening conversation with the rest. The point here is to consider a large number of options and narrow it down quickly. This isn't much more work than starting with a small list of industry leaders and is much more likely to yield a less well known solution that is actually the best fit for your needs.

Select against requirements. It's not enough to present a detailed requirements list to a vendor. You need to see for yourself how well the vendor can perform. This means transforming your process definitions into use cases or scenarios that vendors can demonstrate against. An effective demonstration requires you to provide the scenarios to the vendors in advance and then have them walk through the steps while

you watch. This gets beyond yes/no checklists to seeing what it's like to use a system, which will address important but difficult-to-quantify questions about ease of use, speed, and flexibility. You may choose to create a formal scoring matrix to compare vendors; this is an excellent tool for building consensus within a team. Just be sure that you set meaningful weights for each factor, so the most important items are weighed the most heavily. One effective approach is to require that weights sum to 100%, since this forces trade-offs that reflect relative priorities. Weights can also include negative values for features that will add complexity or otherwise get in the way of using the system. For factors like data volume and response time, you may need to set up a test system of some sort to ensure the system will scale as required. At the minimum, talk to reference clients who have already used the system in a similar configuration and find out whether they had any problems.

Look beyond features. A system that can't meet your functional requirements isn't worth further consideration. But, assuming several products meet your functional needs, you'll want to assess them against other factors such as customer support, training programs, industry experience, underlying technology, future direction, and financial viability. These can be difficult to judge, although a close look at training materials, service level agreements, staff profiles, and similar factors offers considerably insight. You'll also want to talk to references, an often-undervalued source of information. The key question for references isn't whether they're happy, but how they're using the system and what types of experiences they've had. The real red flag is references that are not similar to your own organization in size or sophistication: this makes you wonder whether the vendor has appropriate experience for your needs.

Plan for deployment. If you've done a good job defining how you expect to use the system, you have a strong head start on planning for the training, program development, and process changes you 'll need for deployment. Be sure to carry through these plans so the system implementation goes smoothly. Data quality and integration with other corporate systems are especially common problems for marketing system deployment, so pay extra attention to working on these in advance. If the system is large or complex, consider a pilot project or phased deployment.

Define a long range plan. Marketing programs increasingly depend on connections across channels to deliver optimal, coordinated customer experiences. This means that marketing systems must be connected with each other, either directly or through shared platforms for data, content, and decisions. Marketers and IT departments should cooperate in defining their own strategy and then making sure that each technology acquisition supports it.

Consider organizational context. Technology does not exist in a vacuum. The kinds of systems your company can deploy depends on business strategy, financial resources, staff skills, and corporate culture. Openness to change is a critical consideration: companies that find it difficult to execute complex changes must move slowly when deploying technologies that depend on new processes, skills, and measurements. Similarly, companies with little experience using advanced technologies or implementing customer-centric initiatives are likely to struggle with

new marketing systems designed around them. Organizational limits are not a reason to avoid better marketing technologies, but they are definitely a factor to consider when trying to make plans that will succeed.

Conclusion

Buying technology is difficult for everyone, not just marketers. But while marketers do face extra challenges, they can still follow best practices to identify their requirements in advance, select against those requirements, and plan for an effective deployment. Following those practices will ensure that you select a system that meets your real needs and that you deploy your system effectively.

[1] eMarketer, June 2014
[2] ExactTarget, 2014 State of Marketing
[3] IDC, United States Technology Buyer Forecast, April 2014
[4] Raab Associates, Marketing Automation User Satisfaction Survey, May 2014

About Raab Associates Inc.

Raab Associates Inc. is a consultancy specializing in marketing technology and analytics. Typical engagements include business needs assessment, technology audits, vendor selection, results analysis, and dashboard development. The company also consults with industry vendors on products and marketing strategy. It publishes the B2B Marketing Automation Vendor Selection Tool (VEST), the industry's most comprehensive independent guide to B2B marketing automation systems.

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