The State of Marketing Automation in 2020

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FOREWORD

Much as last year, I would like to begin by thanking everyone that took part in our survey. As always your comments and recommendations continue to provide vital feedback and help us to make our annual report as useful and insightful as it can possibly be.

As a marketing automation and lead generation provider, we are constantly striving to understand the ever-changing developments in the marketing automation industry. By reviewing the trends that have developed over the past 12 months, observing what has performed well and changes we believe will take off in the months and years to come, we can not only improve our platform but share with you a report that will hopefully illuminate future practices to follow. As such, collecting insights into how marketers use marketing automation; their challenges, drivers and barriers, is the most useful part of this process.

Every year, we find that the results glean particularly interesting observations, so I'll let you work your way through them in your own time. As always, we find that there are a few surprises along the way. This year, it came in the form of those looking to deploy AI.

We have known for a while that this topic would be singularly beneficial to marketing teams, but its uptake across the industry is what has astounded us. With 33% of respondents planning to deploy AI in the next 12 months, undoubtedly this is an advancement that people have understood will set the benchmark for marketing efforts in the years to come.

One area that has seen little change, perhaps surprisingly, is the number of people not using marketing automation in any capacity. Since our last report, we have noticed a slight tendency towards automation however the number of people not even exploring its benefits to their marketing efforts has remained relatively unchanged. Even amongst those that have implemented this facet to their marketing strategy, few are truly utilising it to its full potential.

With automation software at your disposal and countless studies, as well as our own CommuniGator's own resources, highlighting the benefits and tangible ROI that marketing automation can bring to your respective teams, we hope that most will follow in the footsteps of those who have paved the way of marketing automation and reap the subsequent benefits that we at CommuniGator know it can bring.

FOREWORD

So finally, I hope you find this report just as incisive as I did, and that it provides a valuable vision on how to implement and follow better marketing automation practices at your respective companies.

Lee Chadwick, MD, CommuniGator

EXECUTIVE SUMMARY

Marketing automation offers marketers great potential to improve their marketing communications by delivering more relevant, targeted prospect and customer communications across the customer lifecycle. But what is the reality for business-to-business (B2B) marketers in 2020? In this report, we summarize the state of automation, to uncover best practices for deploying and managing automation to make it a success. We answer questions including: how many businesses are using different features of marketing automation? Which challenges have they faced? What are the success factors and what results have they achieved? Due to the annual iterations of this report, we will show key insights that reveal themselves when comparing our 2015 and 2020 data sets to see how attitudes and uses of marketing automation have changed over time.
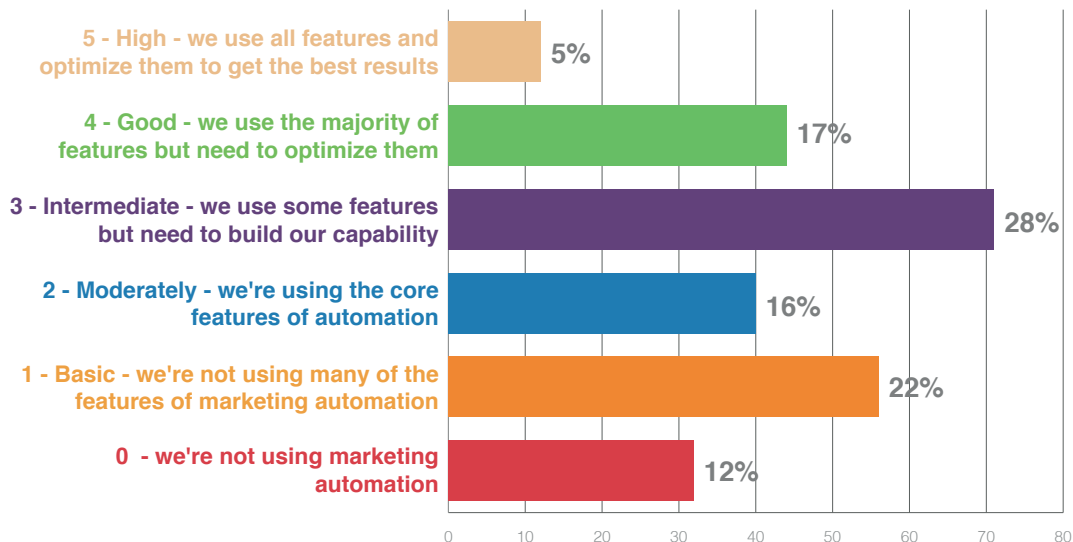
This is the fifth edition of this B2B automation benchmarking research from Smart Insights, in collaboration with our research partner CommuniGator, aimed to show the current drivers and barriers for B2B adoption of marketing automation and how it is used in practice. It'll also help B2B marketers review their current use of marketing automation to show them how they can make better use of the features of marketing automation.

We surveyed Smart Insights members who are based around the world, but with a focus on the UK. The survey is specifically about B2B marketing automation, so we only asked businesses working in this category to take part. The survey sample was 255 people.

Findings

☑ **1. Marketing automation capabilities:** As was the case in 2019, around one in eight companies (12%) are not using marketing automation at all. Overall, companies are using marketing automation more effectively as slightly more companies rate themselves as 'Good' (17%, compared to 14% last year) or 'High' (5%, compared to 2% last year). However, there is still a large scope for improvement, as half of the companies surveyed rated themselves 'Moderate' or lower.

How do you rate the overall effectiveness of marketing automation in your business?

Rating	Percentage
5 - High - we use all features and optimize them to get the best results	5%
4 - Good - we use the majority of features but need to optimize them	17%
3 - Intermediate - we use some features but need to build our capability	28%
2 - Moderately - we're using the core features of automation	16%
1 - Basic - we're not using many of the features of marketing automation	22%
0 - we're not using marketing automation	12%

Number of Respondents: 255

☑ **2. Adoption of email marketing automation techniques:** The use of an initial welcome sequence or auto-response after initial registration is the most common technique (69%) with nurturing emails based on content browsed or downloaded the second most common (46%). This is good to see, but many businesses are not using these or more advanced techniques. Nurturing emails based on change in lead score are used by 18% of businesses, and progressive profiling to capture additional customer insight is used by just 16%.

☑ **3. Adoption of email targeting techniques:** Although granular targeting is one of the main promises of marketing automation systems, these results show that, shockingly, it's quite common for there to be no targeting at all, with around a quarter (26%) of businesses using no targeting. Just over 4 in 10 (43%) use 2-5 segments, while just 10% use targeting based on the customer's position in the lifecycle and 9% use 5 or more segments. Targeting through dynamic content insertion is used by just 8% of businesses.

☑ **4. Effectiveness of web-based marketing automation techniques:** Most businesses do not use social sign-in or personalized rules-based content/offer promotion to site visitors. Though businesses say landing pages are effective (26% of them saying they are 'Highly effective'), we found that personalized landing pages are used by less than half (43%) of businesses.

☑ **5. Benefits and barriers of implementing marketing automation:** The most-commonly mentioned benefit of automation is improved user experience, with 64% indicating this as a benefit. 55% mentioned identifying better quality leads, while just over half (53%) mentioned generating more leads.

☑ **6. Lead capture to support customer acquisition:** Lead capture techniques available in marketing automation systems are a valuable feature since all businesses are looking to add more prospects as potential future customers to the top of the funnel. We found that a sign-up prompt on key pages was the most popular technique, used by 60% of respondents. However, it was surprising that using site-wide persuasive techniques such as lightboxes, recommended content, and subscribe options were not used more widely since optimizing sign-up options can increase leads significantly.

☑ **7. Artificial intelligence and machine learning adoption:** To assess the adoption of AI and machine learning by businesses we asked about current usage and plans for these techniques. Just 12% were using AI and machine learning at the time of the survey. Close to one-third of respondents (31%) are planning to deploy within 12 months, which shows that many businesses are looking to exploit the benefits of AI. Optimizing subject line copy and creative were popular applications of AI, but it is surprising that more than half (57%) of businesses still have no plans to implement AI or machine learning to support their email marketing.

INTRODUCTION

Just ten years ago, marketing automation systems didn't exist as a category of marketing technology for business. Sure, in practice, we could automate marketing activities through email marketing broadcast, campaign management, and CRM systems, but the category didn't exist.

Today, marketing automation and marketing cloud services are an established category, particularly for business-to-business (B2B) marketing. It has gained a lot of attention as a method of integrating prospect and customer marketing communications across the customer lifecycle. Plus, more recently, artificial intelligence and machine learning give exciting options for improved automation.

As with any new marketing technology, adoption by businesses of the services and the features available will vary based on the value that marketers place on them. Certainly, the first edition of this report highlighted that many potential features aren't used, suggesting a missed opportunity which we have explored further in this edition of the report.

This research, in collaboration with our research partner CommuniGator, aims to show the current adoption, management and use of marketing automation features for B2B marketing. We hope it will help B2B marketers review their use of marketing automation to show them whether they are making the most of the features that marketing automation has to offer.

Who is this report for?

The report is aimed at two main audiences:

☑ **1. Marketers and technologists managing marketing automation:** For this audience, we want to highlight the importance of the benefits of marketing automation and the success factors for managing it so that they can deploy and improve marketing automation.

☑ **2. Digital marketing specialists:** Marketers with 'hands-on' responsibility for email marketing and web experiences need to know which optimization techniques to focus on to improve results. Agencies and consultants focusing on advising and implementing practices will also find this useful.

Exactly what is marketing automation?

If you're not sure exactly what marketing automation is, you're not alone! Since it means different things to different people, we prompted respondents with a definition to better compare their level of knowledge and techniques used. This is our definition:

> *"Marketing automation enables businesses to automate tasks and workflows for the marketing and sales process including prospect and customer profiling on landing pages, lead scoring, sending automated personalized emails and web recommendations to support lead nurturing and customer engagement."*

About the survey respondents

We surveyed Smart Insights members who are based around the world, but with a focus on the UK. The survey is specifically about B2B marketing automation, so we only asked businesses working in this category to take part. The survey sample was 255 people.

Marketing automation is a niche skill that covers a range of different techniques. It can also be considered as a relatively new digital technology, so we started our research by asking about levels of knowledge and awareness of marketing automation.

About Smart Insights

Smart Insights provides a training platform and actionable marketing templates to help individuals and businesses succeed online. More than 150,000 free members use our blog, sample marketing templates and weekly Digital Marketing Essentials newsletter to follow best practices and keep up-to-date with the developments that matter in digital marketing.

Thousands of premium members from over 100 countries use our planning and management templates, guides and video courses to map, plan and manage their marketing using the Smart Insights RACE Planning framework.

RECOMMENDED RESOURCES
Strategy development and planning templates

We have developed a series of tools for premium members to help them plan, manage and optimize their integrated digital marketing:

☑ Digital strategy toolkit: This template contains a full workbook to create a digital marketing strategy to Reach, Act, Convert and Engage your audience.

☑ 7 Steps Digital Strategy guide and course: Step-by-step guidance.

☑ Example digital marketing plans: An example online marketing plan and blank template using the Smart Insights RACE Planning framework.
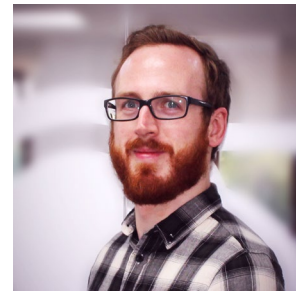
Plus, we offer a complete toolkit to support the unique communications needs of B2B marketers. Our Business-to-Business (B2B) toolkit includes practical planning templates, workbooks and example plans specific to business-to-business including marketing automation and account-based marketing.

ABOUT THE REPORT AUTHORS

Dr Dave Chaffey is Co-founder and Content Director of digital marketing management advice site Smart Insights. He is author of 5 bestselling books on Ecommerce including Digital Marketing: Strategy, Implementation and Practice and was recognized by the Chartered Institute of Marketing in 2004 as one of 50 marketing 'gurus' worldwide who have helped shape the future of marketing.

James Story is Content Manager and Data Analyst at Smart Insights, creating and coordinating member content across 20 digital marketing toolkits. He is a University of Leeds graduate and has spent the last five years creating content for online PR, SEO, and digital marketing activities.

Research findings and recommendations

In common with all resources for members in our Smart Insights Digital Marketing Library, we want this report to be practical and actionable, to make a commercial difference to your business. So, the results presented from this research are structured around practical activities that companies can use to follow a more strategic, planned approach to integrated digital marketing.

As always with Smart Insights, each section is based around questions the marketer can ask to review and so improve his or her approach to managing digital marketing.

We hope you find this research and recommendations useful in reviewing and shaping your use of digital marketing. If you have any comments or questions, do get in touch.

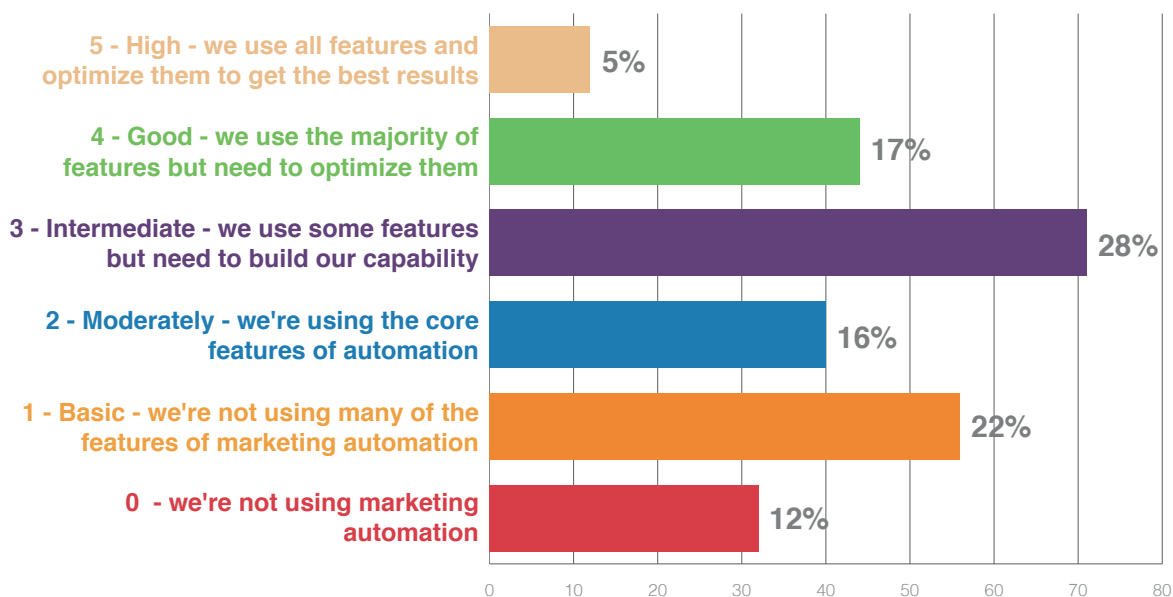*Dave Chaffey, Smart Insights, January 2020*

1 STATE OF ADOPTION OF MARKETING AUTOMATION

Marketing automation vendors have now been urging marketers to use or improve their use of the technology for quite some time. Yet, since marketing automation is a relatively new technique, we wanted to understand how the hype matches the reality.

How advanced are businesses in applying marketing automation?

Our research shows that many businesses are missing out on the benefits of marketing automation. We asked marketers to rate their level of sophistication of using automation based on the range of features used covered from the scoping definition shown in the introduction. Just as we found in last year's report, roughly 1 in 8 businesses (12%) are not using any marketing automation. Furthermore, 22% of businesses are not using many of the features of marketing automation, even though they have access to the capabilities.

How do you rate the overall effectiveness of marketing automation in your business?

5 - High - we use all features and optimize them to get the best results	5%
4 - Good - we use the majority of features but need to optimize them	17%
3 - Intermediate - we use some features but need to build our capability	28%
2 - Moderately - we're using the core features of automation	16%
1 - Basic - we're not using many of the features of marketing automation	22%
0 - we're not using marketing automation	12%

Number of Respondents: 255

Two-thirds of businesses rate themselves between a 'Moderate' and a 'High' capability level, with just 5% saying they use all features and optimize them. 28% of companies said they use some of the features, but need to build their internal capability.

Comparing these results to our first report in 2015, a greater amount of people are gaining competency in their use of marketing automation, though there are, overall, fewer people with a high level of effectiveness. The proportion of businesses not using marketing automation technologies has fallen over time, from almost a quarter (24%) in 2015 to 12% in this year's results. Companies are also becoming more effective in using marketing automation as the amount of people rating themselves at either 'Good' or 'High' has grown from 16% last year to 22% in our 2020 research.

Businesses are using some marketing automation features, but they are not taking advantage of the range of features available to them – optimization of marketing automation features is nowhere near maturity. Throughout this report, we will see what features are being used, the challenges, barriers, and beyond.
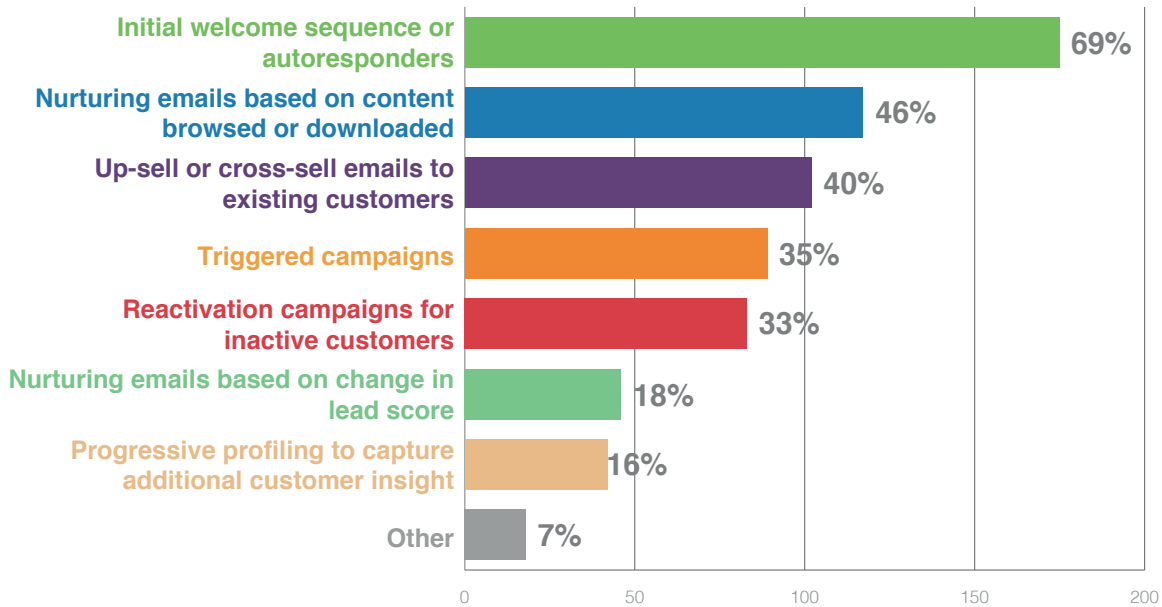
Let's move onto the email marketing automation techniques used. To review your approach to marketing automation, we recommend using our visual capability scoring template to score your business out of 5 for these email marketing activities and others like web-based personalization. This will help show your colleagues where improvements are most needed and you can compare to competitors' capabilities to shock them.

AIMING FOR EMAIL AND MARKETING AUTOMATION EXCELLENCE
#DigitalBenchmarking

Take your Email marketing to the next level with our capability assessment. Use our visual checklist to audit how well your business or clients are exploiting their email marketing and then plan how to take it to the next level.

Smart Insights

	Initial "Pray and spray"	Managed "Targeted emailing"	Defined "Starting to automate"	Quantified "Starting to integrate"	Optimised "Integrated lifecycle targeting"
Email capabilities and evaluation	Simple response tracking	Regular report of opens/ clicks	'Beyond the click' tracking of marketing outcomes Segment tracking	Value reporting Hurdle rates and activity engagement levels	Response data > CRM system/warehouse
List quality	Not managed	List-building options increased Privacy law compliance	List quality improved	Reactivation and removal	Preference centres
Targeting (relevance)	None: 'Pray and Spray'	Demographics	Basic triggers	Full lifecycle sequences Lead scoring and grading	Additional sequences added
Proposition and communications strategy	Newsletter and Eblasts	Increased frequency Marketing Automation, e.g. Welcome email	More automations, e.g. nurture	Full lifecycle automation, e.g. Reactivation emails	Optimised automations and frequency
Creative and templates	Simple headers	Multiple templates	Dynamic content insertion	Video review Mobile optimised	Advanced real-time content, e.g. weather, location
Delivery	Not reviewed	Reported	Reported by ESP	Feedback loops and delivery service	Continuous monitoring
Optimisation	None	Experiments with different offers/subjects	Structured offer/subject testing	Layout reviews AB testing	Multivariate testing Use of AI and Machine Learning
	★☆☆☆☆	★★☆☆☆	★★★☆☆	★★★★☆	★★★★★

Email marketing automation techniques used

Email marketing offers a range of types of emails to engage audiences and develop preference from lead to sale. Traditionally, marketers have prepared copy and creative for newsletters and campaign solus emails. Marketing automation gives opportunities for new event-triggered email types that can be prepared in advance and then automatically scored and followed-up on. The research assessed how often these automated emails are used.

Which of these automated email marketing techniques do you use?

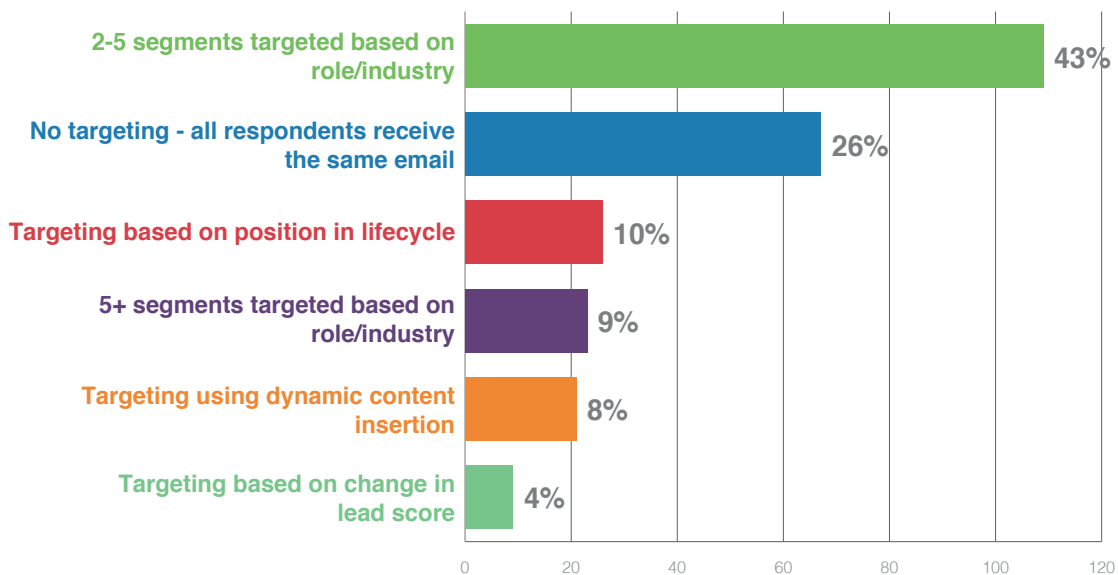| Technique	%
Initial welcome sequence or autoresponders	69%
Nurturing emails based on content browsed or downloaded	46%
Up-sell or cross-sell emails to existing customers	40%
Triggered campaigns	35%
Reactivation campaigns for inactive customers	33%
Nurturing emails based on change in lead score	18%
Progressive profiling to capture additional customer insight	16%
Other	7%

Number of Respondents: 255

Apart from welcome sequences, fewer than half of respondents used the techniques we asked about. The chart shows that an initial welcome sequence or autoresponse to initial registration is most common by far, followed by nurturing email campaigns based on content downloaded or browsed. However, lead score is still not being widely taken advantage of. Only 18% use this feature: perhaps it's too complicated or businesses are not convinced it's worth the effort. Progressive profiling to capture insight is used by just 16% of businesses. Reactivation campaigns are used by one-third of businesses who understand the value of re-engaging audiences.

Email targeting techniques

The use of targeting to tailor messages to segments or personalize messages to individuals is a core email marketing technique. So, we were interested to see how many companies use the targeting functionality of email marketing or marketing automation systems to target.

These results show that it's still common for businesses to use no targeting. Although the majority are using 2-5 segments, over a quarter (26%) of businesses use no targeting at all. This is a slight decrease compared to our last report last year (which showed 29% of businesses used no targeting), showing that more businesses are segmenting their email lists.

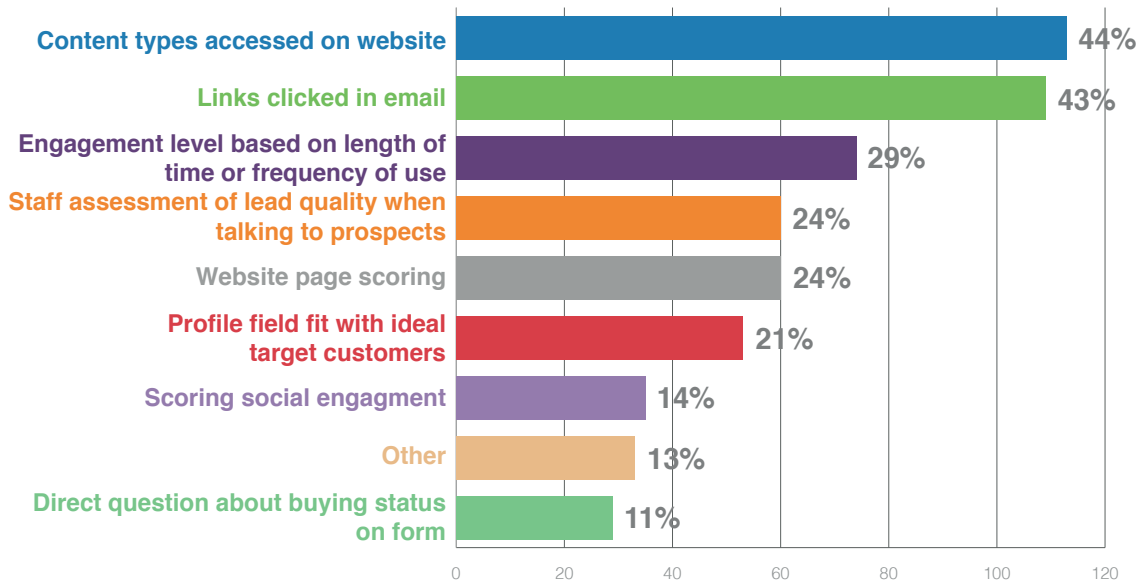### Rate the level of email targeting you use

Number of Respondents: 255

Targeting using 5+ segments is not used much, with just 9% doing this, likewise for dynamic content (8%) and just 4% use lead score targeting. Again, this shows that lead score use has not matured and may be too complicated, considering most are not using many segments or much targeting at all. The email targeting of businesses has rarely changed during our research, each year we see around 40% of companies using 2-5 segments, while between a quarter and one third of companies use no targeting at all.

Lead scoring techniques

The research also reviewed lead scoring techniques. The most common approaches were scoring based on content accessed on the website and link types clicked on emails. This is similar to our previous research and is good to see since these are powerful techniques to assess the engagement of prospects and send follow-up communications.

Which of these lead-scoring techniques do you use?

*Number of Respondents: **255***

Engagement level based on frequency of use and profile field fit are both used by less than a third of businesses (29% and 21%, respectively). We highly recommend using these techniques as they are a great way of defining interest in your services and can be used to define more accurate lead scoring, and support accuracy. However, it's good to see that around a quarter of businesses are using these methods. 'Links clicked in email' and 'Content types accessed on website' have topped this question's replies in every year of our research, and the gap between them and other lead scoring techniques is widening.
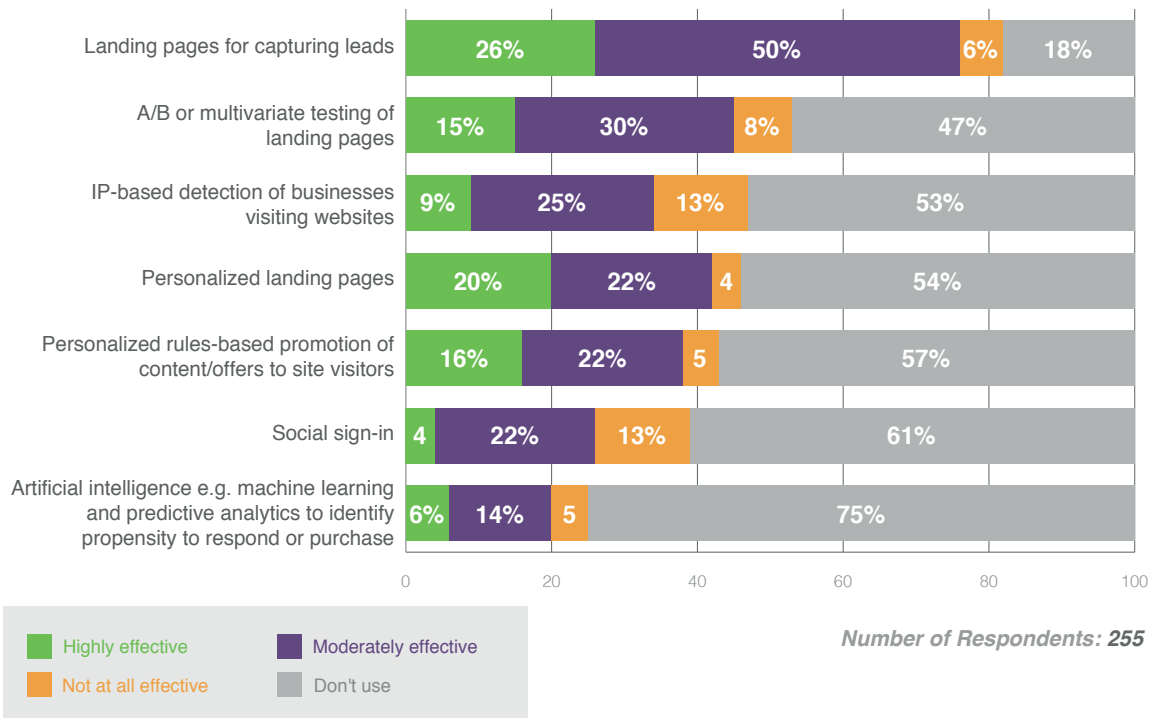
Rating of web-based marketing techniques

Next, we looked at web-based techniques, that is using marketing automation to improve digital experience and lead generation and nurturing based on interactions of prospects and customers with the company website. We asked companies to rate their use and the effectiveness of their web-based marketing automation techniques.

As we've seen in previous iterations of our research, landing pages were the most highly-rated technique used, followed by A/B testing of landing pages and IP-based detection. Personalized landing pages is also quite highly rated, but 54% of businesses are still not using any landing page personalization. This is a big missed opportunity to improve lead volume and quality.
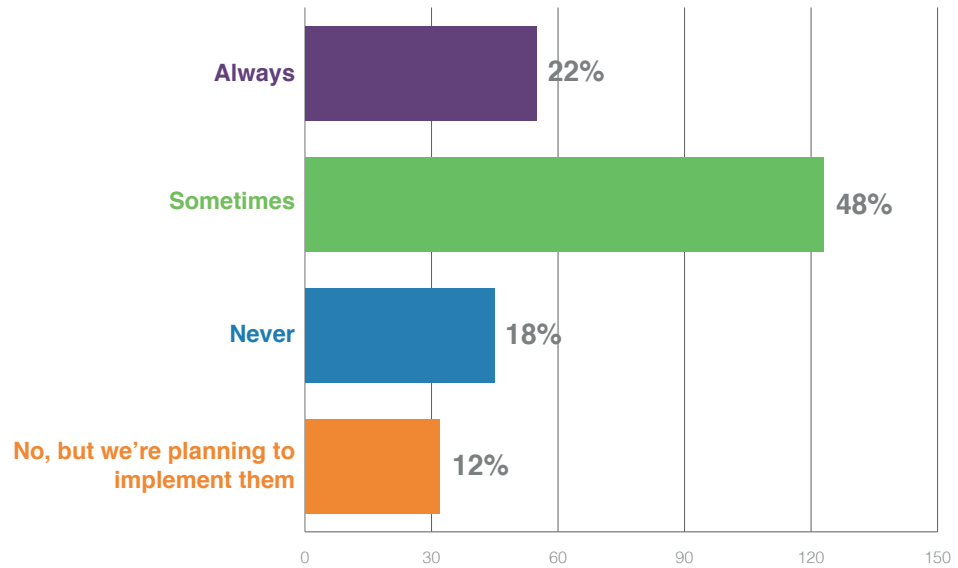
Please rate the effectiveness of these web-based marketing automation techniques

Technique	Highly effective	Moderately effective	Not at all effective	Don't use
Landing pages for capturing leads	26%	50%	6%	18%
A/B or multivariate testing of landing pages	15%	30%	8%	47%
IP-based detection of businesses visiting websites	9%	25%	13%	53%
Personalized landing pages	20%	22%	4	54%
Personalized rules-based promotion of content/offers to site visitors	16%	22%	5	57%
Social sign-in	4	22%	13%	61%
Artificial intelligence e.g. machine learning and predictive analytics to identify propensity to respond or purchase	6%	14%	5	75%

Legend:
- Highly effective
- Moderately effective
- Not at all effective
- Don't use

Number of Respondents: 255

Artificial intelligence (AI) methods like machine learning and predictive analytics isn't being used much, though this isn't surprising since this is a relatively new and advanced technique that is not very cost-effective currently. Social sign-in and rules-based personalization are not commonly used either, although they did see small increases in use compared to last year's data. We explore the use of AI more in the final section along with the use of techniques for lead capture.

Because landing pages have always been a highly-rated technique in our research, we wanted to ask businesses how often they create bespoke, optimized landing pages for their inbound marketing campaigns.
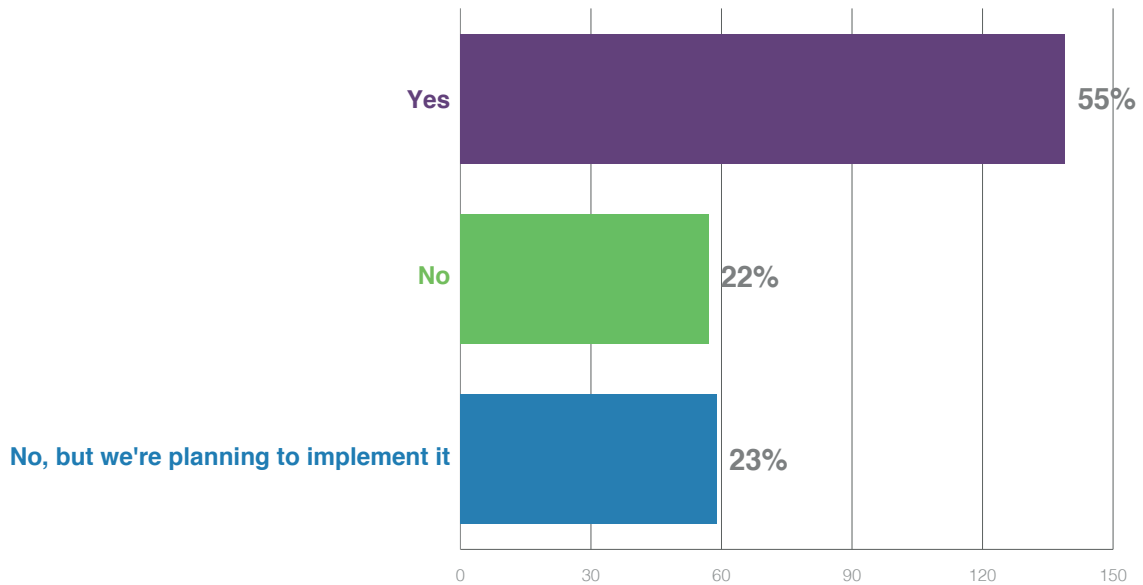
When running paid media, email or any other specific inbound marketing tactics/campaigns, how often do you create bespoke, optimized landing pages for those campaigns?

*Number of Respondents: **255***

Close to a quarter of businesses (22%) always created optimized landing pages for their campaigns, and around half (48%) doing so some of the time. As with all digital marketing activities, resources are finite and must be balanced between tactics you know will deliver results and others that are new experiments for your brand. Therefore, businesses may only create bespoke landing pages for their most valuable campaigns.

Is gated content part of your lead generation strategy?

Number of Respondents: 255

We also asked businesses whether gated content is a part of their lead generation strategy, with the majority (55%) saying that it was and close to a quarter (23%) of businesses planning to implement it in the future. Gated content can be an effective way to gather information from potential customers because it provides an instant reward in return for obtaining prospects' details that can be used to nurture their interest in the business. It was encouraging to see 78% of businesses expecting to use it in their strategies in some way.
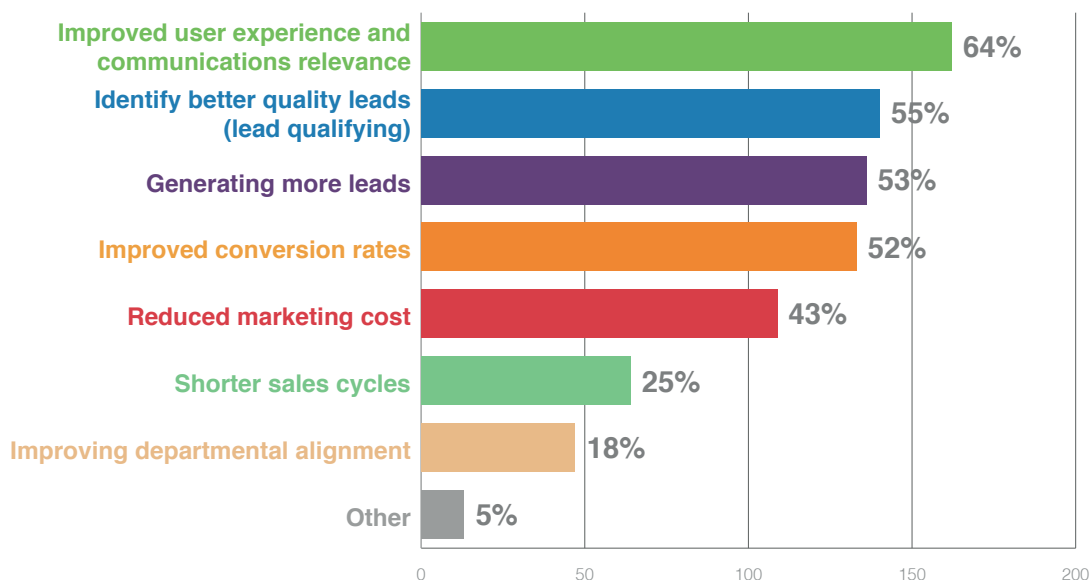
DRIVERS AND DRAWBACKS OF AUTOMATION

We have seen in the previous section that many businesses are either not using marketing automation or they are relatively unsophisticated in using it. Given this, we were interested to explore the relative strengths of the drivers and barriers to marketing.

Benefits of marketing automation

We also asked respondents what they thought were the benefits of marketing automation. As the focus was with B2B marketing businesses, we expected the benefit to be improving leads and quality of leads. We found that almost a third (64%) say improved user experience and relevance of communications is the biggest advantage. Other highly-rated benefits were generating more leads, and identifying better quality leads. Businesses are also seeing improved conversion rates, with 52% saying a benefit of marketing automation is reduced marketing cost.

Select the most important benefits of marketing automation in your view

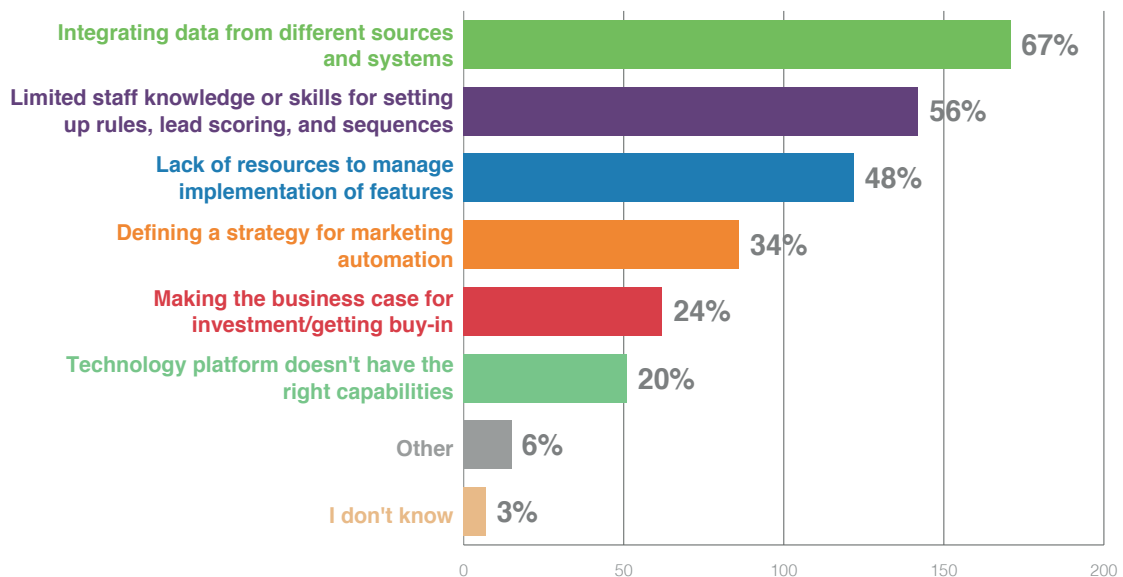| Benefit	Percentage
Improved user experience and communications relevance	64%
Identify better quality leads (lead qualifying)	55%
Generating more leads	53%
Improved conversion rates	52%
Reduced marketing cost	43%
Shorter sales cycles	25%
Improving departmental alignment	18%
Other	5%

Number of Respondents: 255

Based on our 2019 data, it's possible that businesses who adopted marketing automation over the last few years and struggled with their adoption have persevered and are starting to feel some important benefits to their business. The percentage of businesses enjoying improved user experience and communications relevance grew from 60% in 2019 to 64% this year, and those experiencing shorter sales cycles grew from 22% to 25%. Most notable was the amount of businesses who reported reduced marketing cost, which sat at 35% last year but grew to 43% in 2020.

Barriers to adoption

Next, we asked about what was limiting adoption of the features of marketing automation. We asked respondents to select all challenges that applied varying from strategic to practical issues.

For the most part, marketing automation platforms seem to have the capabilities needed, with just 20% saying their platform doesn't have the right capabilities. The biggest challenge was integrating data from various systems, which was experienced by two-thirds (67%) of businesses. A lack of skills to set-up and manage marketing automation (56%) and a lack of resources (48%) were also common problems. A little over one-third of businesses (34%) say one of the barriers is creating a marketing automation strategy. Making a business case was a problem for 24% – although buy-in from senior management seems to have increased, it's a persistent problem for businesses.

Barriers to adoption of marketing automation functionality

Barrier	Percentage
Integrating data from different sources and systems	67%
Limited staff knowledge or skills for setting up rules, lead scoring, and sequences	56%
Lack of resources to manage implementation of features	48%
Defining a strategy for marketing automation	34%
Making the business case for investment/getting buy-in	24%
Technology platform doesn't have the right capabilities	20%
Other	6%
I don't know	3%

Number of Respondents: 255

Integrating data from different systems, lack of resources, and limited staff knowledge have always been the three highest-ranking barriers of adoption through our many years of research, although defining the strategy for marketing automation has become easier over time. The amount of businesses reporting strategy as a barrier has fallen each year of our research, from 47% in 2015 down to 41% in 2017 and now close to just a third (34%) for 2020.
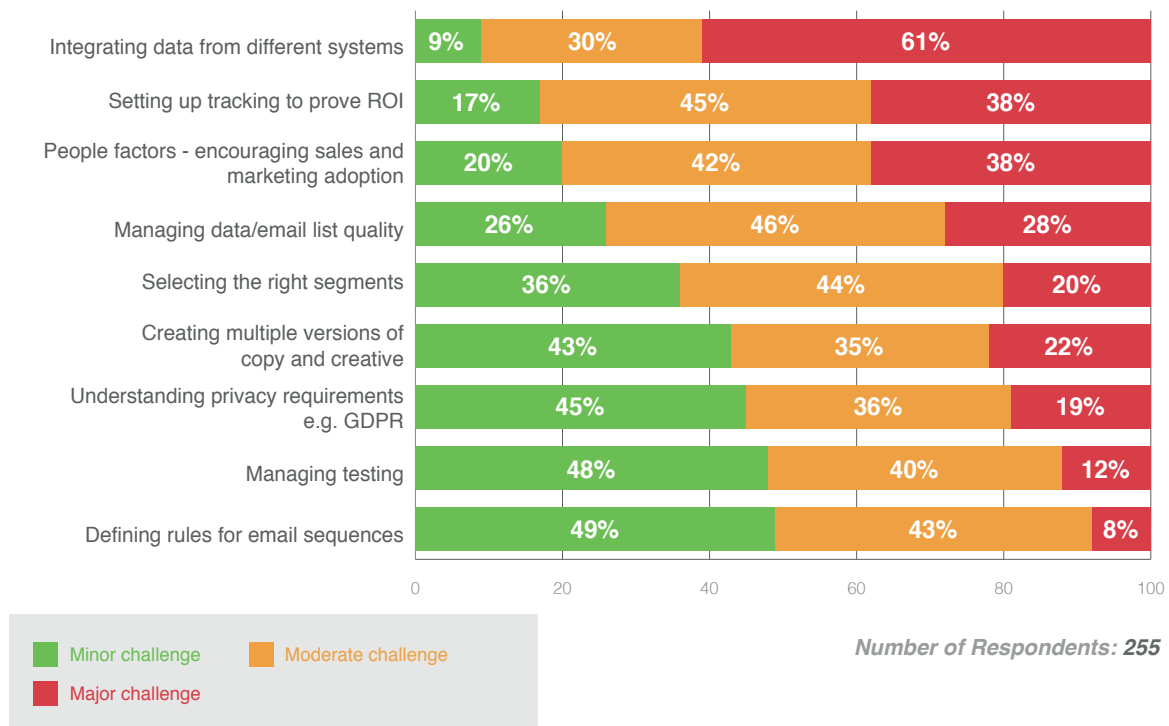
In the final section of the report, we look in more detail at the challenges of managing marketing automation and responsibilities for managing implementation. We also consider how marketing automation is starting to be affected by developments in artificial intelligence and machine learning.

Challenges of managing marketing automation

Sales and marketing integration is a big challenge but integrating data from various platforms and systems seems to be the biggest challenge for businesses. As previously discussed in this report, it could be the lack of resource and the lack of skills which contributes to this. Businesses also highlighted that proving ROI (and setting up the tracking to do so) was a big challenge and the General Data Protection Regulation (GDPR) from the European Union continues to be a concern, with more businesses reporting it as a major challenge this year (19%) than in our 2019 research (15%).

Challenges of managing marketing automation

Challenge	Minor challenge	Moderate challenge	Major challenge
Integrating data from different systems	9%	30%	61%
Setting up tracking to prove ROI	17%	45%	38%
People factors - encouraging sales and marketing adoption	20%	42%	38%
Managing data/email list quality	26%	46%	28%
Selecting the right segments	36%	44%	20%
Creating multiple versions of copy and creative	43%	35%	22%
Understanding privacy requirements e.g. GDPR	45%	36%	19%
Managing testing	48%	40%	12%
Defining rules for email sequences	49%	43%	8%

Minor challenge Moderate challenge Major challenge

Number of Respondents: 255

Managing list quality is a moderate concern, whilst defining rules for email sequences is of least concern for most businesses.

Compared to our historical data, companies are improving their management of marketing automation. While it is impossible to completely remove several aspects of the challenges listed, many respondents showed they are dealing with them better by reporting them as a 'minor challenge', rather than 'moderate' or 'major'. Managing testing, tracking ROI, and selecting the right segments all became more minor problems.

RECOMMENDED RESOURCES

We recommend reviewing our GDPR briefing guide, for practical help on understanding and implementing changes for GDPR.

Lead capture to support customer acquisition

Lead capture techniques available in marketing automation systems are a valuable feature because all businesses are looking to add more prospects as potential future customers to the top of the funnel. In this edition, we asked about practical techniques used to grow the email list.

Which persuasive techniques do you use to encourage email sign-up?

Number of Respondents: 255

The persuasive techniques to encourage opt-in are shown in order of popularity in the next chart. It's no surprise that a sign-up prompt on key pages was the most popular technique, used by 60% of respondents, but it was surprising that this technique was not used by more.

This is likely because other respondents are using 'run-of-site' persuasive messages, which we recommend because these give more opportunities for sign-up as 'footfall' occurs across all pages of the site across the customer journey. 42% of businesses used a site-wide option to subscribe and a quarter (25%) used lightboxes which are the familiar pop-ups we see on many sites. Our tests at Smart Insights showed that introducing pop-ups gave significant double-digit increases to number of leads even when other persuasive sign-up options were visible.

The impact of artificial intelligence

In the wider world of business, the impact of artificial intelligence (AI) on productivity and employment has risen to prominence in the last two plus years as more affordable systems have become available from vendors. In this fourth edition of our report, we were interested to know current and planned adoption of AI specifically to support marketing automation. The questions we asked referred to machine learning because we believe that machine learning AI applications offer the best potential for marketers in small and medium businesses to make their communications more relevant and responsive. It's impossible for all but the largest businesses to develop their own AI technology, but using publicly available algorithms or packaged machine learning software is practical.

In the context of marketing, machine learning usually refers to the process of applying machine learning algorithms to data sets so as to generate insights via historical data to apply it in the future using predictive analytics. These insights have value to the organization and are acted upon by humans or by defining rules by machine learning.

? **WHAT IS IT? ARTIFICIAL INTELLIGENCE**

Software and services which perform tasks previously requiring human analysis and interaction. Marketing applications of AI typically aim to improve business to customer communications including targeting media, personalized messaging and customer service interactions.

? **WHAT IS IT? MACHINE LEARNING FOR PREDICTIVE ANALYTICS**

Creating and applying predictive models and algorithms with the ability to learn without being explicitly programmed. The computer models then make predictions of success based on patterns extracted from historical data. These are used to define rules, which are implemented to automate tasks such as targeting media or emails to the most valuable segments with the most relevant creative, offer, and timing.
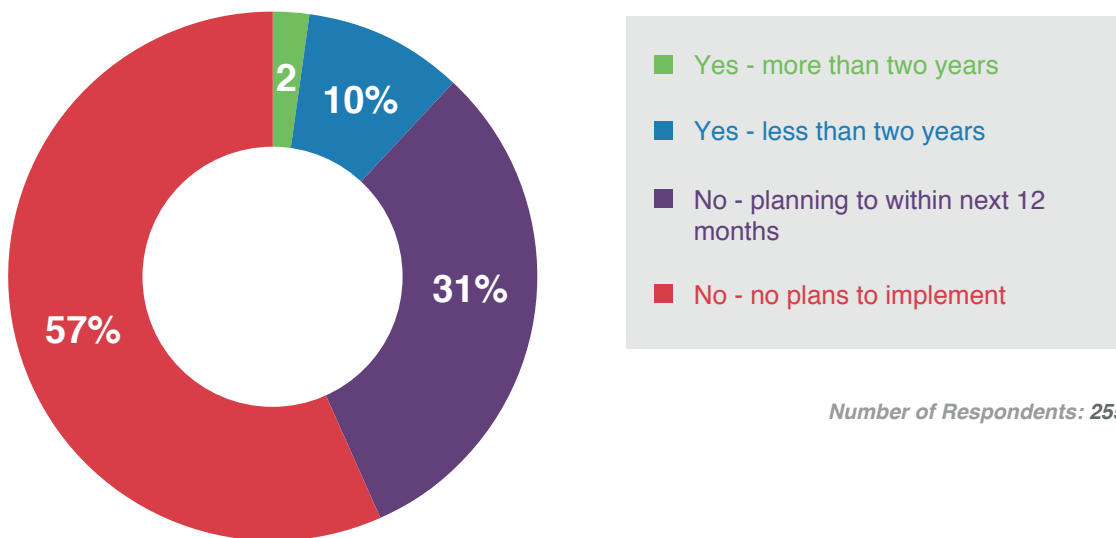
RECOMMENDED RESOURCES
AI and machine learning for marketing

The Smart Insights artificial intelligence for marketing guide focuses on machine learning and predictive analytics explaining the fundamental principles of machine learning and giving examples of AI marketing projects and mistakes to avoid.

To assess the adoption of AI and machine learning by businesses we asked about current usage and plans for these techniques. The pie chart shows limited use at these times with just 12% using AI and machine learning currently. Close to one-third of respondents (31%) are planning to deploy within 12 months, showing that many businesses are looking to exploit the benefits of AI. However, many seem to be taking a 'wait-and-see' view with over half (57%) having no plans to implement AI.

Do you use artificial intelligence or machine learning to support email marketing?

- Yes - more than two years
- Yes - less than two years
- No - planning to within next 12 months
- No - no plans to implement

Number of Respondents: 255

To understand how AI is currently being used, we also asked about specific AI applications for email marketing which were in place or planned, although the low current adoption levels mean that the sample is not representative. Optimization of creative and subject line copy using AI were most popular applications. Predictive analytics was less widely applied.

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