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Marketing Technologies

August 2015

StarVest Thesis

Marketing Technologies

Critical business services within the marketing stack directly impact the Chief Marketing Officer's ("CMO") ability to plan, distribute, and track the company's marketing initiatives

StarVest Thesis

"We seek investments in technology companies that provide critical business services generating high returns on investment ('ROI') for their enterprise customers"
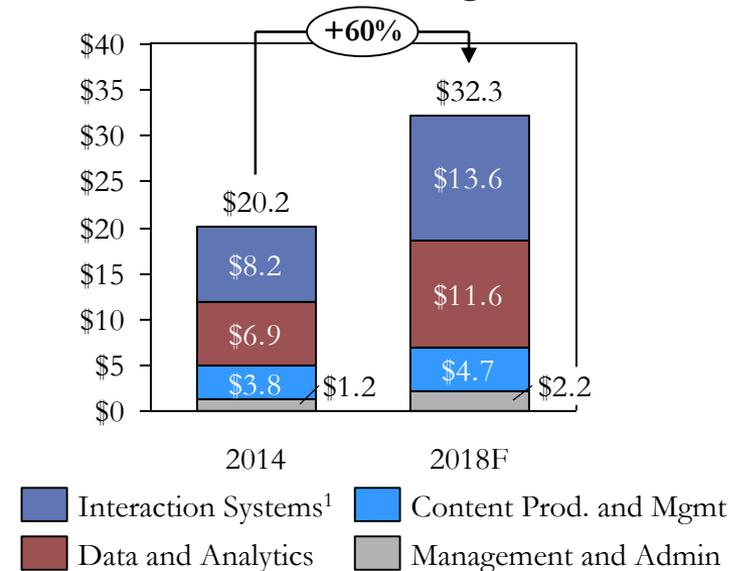
Marketing Software Spend on the Rise

According to Gartner, by 2017 CMOs will outspend their CIO counterparts on technology

- Marketing is becoming increasingly technology-based due to the need to understand and master big data in order to achieve a competitive advantage

- Marketing Technology is still in the growth phase of its lifestyle, characterized by increased adoption and innovation

MODERN MARKETING TECHNOLOGY LIFECYCLE

2015, YOU ARE HERE...
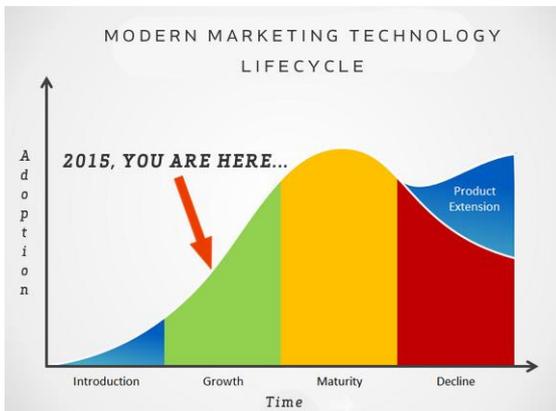
- The number of companies in Marketing Technology (MarTech) has grown from 947 in 2014 to roughly 1,875 today, indicative of increased opportunities for investment

Investment in Marketing Software

+60%

$32.3

$20.2

$13.6

$8.2

$6.9

$11.6

$3.8 $1.2

$4.7 $2.2

2014   2018F

- Interaction Systems[1]
- Data and Analytics
- Content Prod. and Mgmt
- Management and Admin

- Investment in Marketing Software is expected to grow to $32.3bn in 2018 (a 60% increase from 2014)

- According to IDC, roughly $130B will be spent on marketing software worldwide from 2014 to 2018

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The CMO Function

Marketing Technologies provide high ROI and help CMOs do their job in the most effective way

Planning
Marketing Strategy (Product, Price, Place, Promotion)
Allocating Advertising Spend
Marketing Technology Spend

Distributing
Distribution Channels
Campaign and Messaging Design

Tracking
Effectiveness or ROI
Resource Usage

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The Planning Problem

Planning
Marketing Strategy (Product, Price, Place, Promotion)
Allocating Advertising Spend
Marketing Technology Spend
Distributing
Tracking

The CMO's goal is to develop a marketing strategy that maximizes ROI, which includes selecting the right software that will help them develop, execute and optimize that strategy

Example Questions to be Answered

Who are my customers?

How do I position my brand?

How should I promote my products?
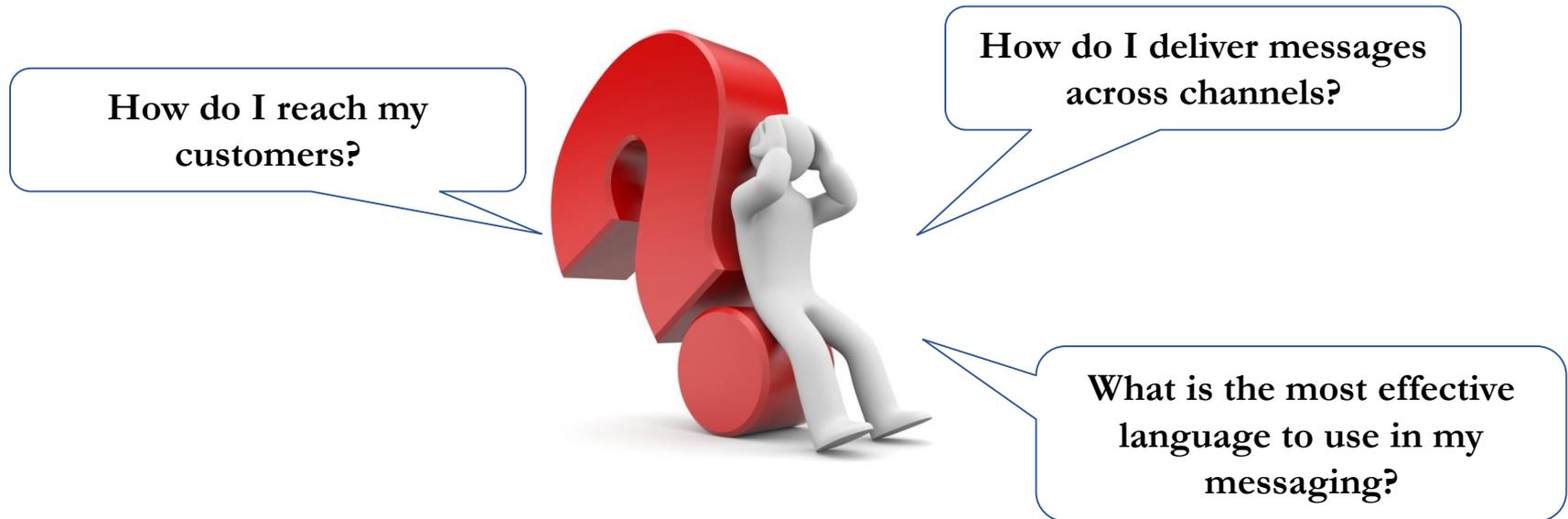
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The Distributing Problem

Developing campaigns and distributing messages to potential customers can be complex; to help solve this problem the CMO uses MarTech software

Example Questions to be Answered

> How do I reach my customers?

> How do I deliver messages across channels?

> What is the most effective language to use in my messaging?

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The Tracking Problem

CMOs will need to use data to determine ROI; tracking, analyzing and interpreting this data can be difficult, but MarTech software can help

Example Questions to be Answered

What metrics are most important to my business?

Is my marketing strategy working?

How do I measure success?

How do results affect future spending?

How can I improve?

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Marketing Funnel

CMOs think about customer acquisition as a funnel, with the total addressable market at the top and customer wins at the bottom

Enterprise Marketer | Marketing Strategies | Consumer Marketer

Customer Path

Demand Generation
Establishing brand and domain expertise

Lead Conversion
Convincing that product or service is necessary for their business

Nurturing
High-touch period providing details of offering and proving your expertise

Qualifying
Confirm lead is ready to buy and is decision maker

Marketing

Sales

Hand-Off

Sale

Marketing Strategies

Inbound	Intangible	Outbound
• SEO	• Brand Building	• Email Targeting
• Social	• Referral	• AdWords
• PR		• Partners
• Direct		• Traditional

- Landing Page Optimization
- Retargeting
- Content Marketing
- Drip Marketing
- Newsletter
- Influencers and Advocates

- Customer Reviews
- Case Studies
- Awards and Rankings

MarTech solutions:
- *Increase the productivity of the sales force by allowing companies to better qualify and more effectively close sales opportunities*
- *Increase the speed at which potential customers flow through the funnel*

Awareness
Potential customers become aware of your brand and service

Interest
Recognize need for product or service

Consideration
Explore options for purchasing product or service

Intent
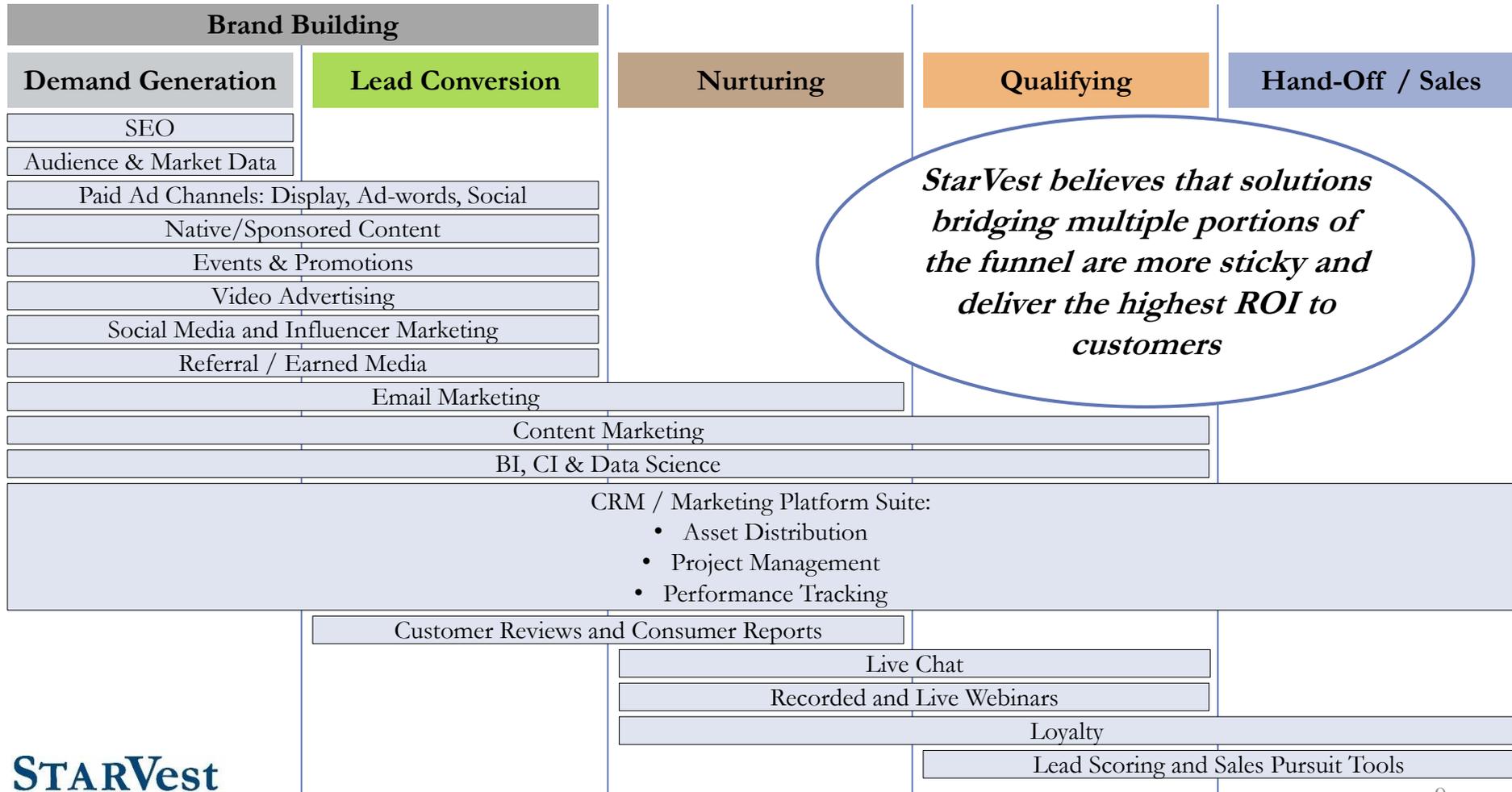*Intend to purchase product*

Evalu-ation
Confirm your product/service is best option

Sale

Marketing Strategies

MarTech allows CMOs to plan, distribute, and track the execution of strategies that increase the size, speed, and performance of the marketing funnel and resulting customer acquisitions

Brand Building				
Demand Generation	**Lead Conversion**	**Nurturing**	**Qualifying**	**Hand-Off / Sales**

- SEO
- Audience & Market Data
- Paid Ad Channels: Display, Ad-words, Social
- Native/Sponsored Content
- Events & Promotions
- Video Advertising
- Social Media and Influencer Marketing
- Referral / Earned Media
- Email Marketing
- Content Marketing
- BI, CI & Data Science

CRM / Marketing Platform Suite:
- Asset Distribution
- Project Management
- Performance Tracking

- Customer Reviews and Consumer Reports
- Live Chat
- Recorded and Live Webinars
- Loyalty
- Lead Scoring and Sales Pursuit Tools

StarVest believes that solutions bridging multiple portions of the funnel are more sticky and deliver the highest ROI to customers

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Trends Affecting the Landscape

StarVest believes that innovations in marketing technology that address these trends will provide the highest ROI for tomorrow's business leaders

1

Internet of Things

2

Channel Proliferation

3

Data Driven Personalization

Internet of Things (IoT)

The Technology

- An increasing number of electronics are being fitted with internet ready hardware

- IoT opens new data channels, allowing for the tracking of data not previously tracked

- Allows devices to

Timing Rationale

- According to McKinsey, IoT technologies will have an annual economic impact between $3.9tr and $11.1tr in 2025

- The average household with two teenagers is expected to have 50 connected devices by

MarTech Impact

- Collection and integration of this data will enable marketers to better understand and target customers

- Marketers will have more data at their disposal, and companies that are best equipped to manage and

For full access to the white paper, please contact info@starvestpartners.com