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Our Guest

Peter Fuller, VP of Marketing, Scale Computing

Right On Interactive developed this podcast series as an exclusive forum for marketing executives within the industry to share their innovative interactive marketing communications campaigns. The following is the written transcript of this episode.

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From Right On Interactive, this is The Marketing Spotlight – a look at how marketing leaders are producing meaningful business results through innovative marketing communications.

Peter Fuller: We have three different categories of individuals that we market to. One of the categories is called prospects and they receive our company newsletter. The second category is channel partners, and those are people who are reselling our product. And the third category is existing customers.

Narrator: Marketers with multi-tier distribution models have unique marketing communications challenges.

PF: We have a two-tier distribution system, so we have distributors on one layer and resellers on the second layer. We have over 200 resellers that are reselling our product. And we also sell globally.

We have various campaigns and messaging that goes to each one of those segments. It's obviously very diverse in what we say in those texts.

Narrator: This week in The Marketing Spotlight.

PF: My name is Peter Fuller. I'm the vice president of marketing and business development at Scale Computing. I'm also one of the co-founders of the company. I'm responsible for all lead generation, public relations, and business development activities, as well as maintaining and developing the corporate brand.

Narrator: Scale Computing is a data storage company that brings enterprise class storage to the midmarket and small to medium sized businesses. Both have been under-served.

PF: In the past, they had few options for data storage. Those options would just be what are called J.B.O.D., or "just a bunch of old disks" that are strung together to store their data on. They now have options that allow them to scale with their data use, their data consumption, and scale out incrementally from wherever they start.

We focus our efforts on reducing the cost of storage, increasing the control that an IT manager has over scaling their storage and making data storage a lot more convenient to manage over time.

Narrator: In a recent survey of priorities over the next twelve months, marketers indicated that signing new customers is the top priority. Scale Computing agrees.

PF: New customer acquisition right now is the primary priority of the marketing department. We run marketing campaigns and measure campaigns primarily based on their ability to convert investment dollars into sales dollars.











THE MARKETING SPOTLIGHT

Narrator: Their strategy relies on alignment between the marketing and sales organizations so that the pipeline moves smoothly from new leads to sales-ready opportunities.

PF: We generate leads that are what we call 'clean leads,' so when my marketing department generates a lead, it's not just a name with a phone number. On the marketing side, we've actually talked with that individual. We've found out that person is very interested in the product. We've likely scheduled an appointment with that individual and one of our sales team members. So, it's a very hot lead, a very qualified lead is what we call it, and then we hand those leads over to the sales team who then gives those leads to our channel partners to close.

Narrator: Of course, not all incoming leads are ready to purchase. Not all resellers have the Scale-brand top-of-mind. And existing customers need attention for up-sell and cross-sell. Scale Computing systematically cultivates each of these relationships.

PF: We also rely on lead nurturing. We have over 30,000 people that we nurture. And those are in various segments from customers to prospects and our channel partners. We're continuing to nurturing those folks and it works very well because it's an automated system, and it's a system that gives us a lot of detail and a lot of tracking information. We can see when somebody likes one of our campaigns, has clicked on it and gone through those links and then has converted, and then is in our system to become a lead and ultimately a sale.

Narrator: At the tactic level, success of these campaigns is measured by individual response metrics. However, overall performance of new customer acquisition is judged by the revenue the campaigns are returning to the company.

PF: We essentially measure everything that is coming in. When we spend money on these campaigns, we always go back to how many customers, how many sales did it bring in. Then we calculate, obviously, the cost versus how many sales were brought in and try to analyze the return on investment from those campaigns. We like to hit at a minimum five-x return on investment. Blended over time, my goal is to be doing ten-x of the marketing spend.

Narrator: Scale Computing faces a number of challenges in achieving this goal. Among them is a challenge common to all of us: the proliferation of marketing channels.

PF: Today, there are so many different mediums to reach people and folks are constantly connected, but they're not constantly connected to one source. So you've got to figure out how can I get to where they are when they're at it, which is why we're really using social media and experimenting with that.

We want people to see our tweets at the same time they're seeing an email possibly come from us at the same time an ad just ran on some internet site at the same time that the press announcement just came through, and possibly they saw the article in the InfoStore newsletters that they read. And at the













same time that they get a call. All of this has to be coordinated through all channels all at the same time with the same singularity of message.

Narrator: Scale deploys a number of these multi-channel, integrated marketing communications campaigns to win new customers.

PF: Our recent campaign was for our new NO-5 product. The NO-5 is a storage cluster that's \$7,500. That's very inexpensive and it compares with other storage systems that are about \$20,000. The campaign that we ran around it actually began six weeks ago. We started messaging that something was coming. Scale is going to have a big announcement. We also added telemarketing. In addition to that we did really beef up our social media presence. We also have done a lot of email campaigns. So, what we did was we tied all of this together and we did two press tours and met with a lot of analysts. And everything came out in a very big way. That campaign was very successful and we had to teach our channel partners about it before we launched it, and so it's going very, very well.

Narrator: Central to the marketing systems infrastructure at Scale Computing is the customer lifecycle marketing automation software from Right On Interactive.

PF: What's interesting about this application is that it allows us to see the various stages that a prospect has gone through as they move into becoming a sale, which is fantastic information. So, we love looking at that data because you can see that a customer came in and started out as a very cold prospect, clicked on our emails, got some extra information from us and he's now moved into the second stage. And then we now see that individual move into the third stage, and then they get a call from us, and then they set up an appointment, and then that appointment turns into a closed deal.

We measure all those things all along the way. As a matter of fact, we've been able to – because of the system – give very granular detail to the sales team as to how this lead came to Scale and how it became an actual client and customer of Scale. And what's really fascinating about that is when you can get that level of detail, and it's all in Salesforce as well because the two systems integrate together very well, you can start to figure out what works and what doesn't work.

Narrator: And how is success measured?

PF: Well, ultimately it's all in sales.

Narrator: But in business-to-business sales, it's often difficult to show a direct relationship – a correlation – between sales and any single marketing tactic within a multi-channel campaign.

PF: Now, there's one correlation I can give you that we are aware of because we just started measuring it in the last two months, and that is the number of channel partners that we have that are actively selling our products. When you have hundreds and hundreds of channel partners like we do, not all of them are going to be selling your product every month; some because they sell multiple products. Since













we began a campaign that included telemarketing, that included email marketing, that included conference calls with our channel partners, the number of resellers that are actively selling our product and have registered deals with us has increased by ten percent in the last two months.

Correlating that on a macro level, you can say, ok, it all works. It's all working because we're buying mindshare, which when they have an opportunity come across their desk, they're starting to think of Scale because we're there. On a micro level, I can definitely point to the fact that email was one of the primary reasons for this ten percent spike in registered deals.

Narrator: And with this successful product launch campaign, would Scale have done anything different?

PF: We don't use direct mail that often, but I think in terms of campaigns when you are doing something as big as what we're trying to do here, a direct mail piece would have been great to layer on top of that. Other than that, this campaign was very successful and it's led to sales already.

Narrator: Looking three to five years out, the strategic marketing initiatives being implemented today bode well for their future.

PF: Scale is what we like to call playing in a blue ocean. There's a book out called, "The Blue Ocean Strategy," and it talks about the difference between a red ocean, which is an ocean that is very bloody, it's a lot of competition, and a blue ocean, which is an ocean that obviously is not a lot of competition.

When most people think of blue oceans and not a lot of competition, they tend to divert back to the fear that you're in a new industry or you're creating a new industry, or a new product that doesn't yet have customer demand.

That's not the case. In the Blue Ocean Strategy that Scale is doing, we are creating, we are reaching customer demand that is untapped. So, in three to five years, if we continue the way we're progressing, we will be the dominant enterprise class player for small to medium sized businesses.

Right now, everybody is buying storage, so we're not creating a new industry, but there's a whole new demand set here with small to medium sized businesses where their requirements are now becoming those of large enterprises just because everything has gone digital. We are going to be that major player. We want to be the brand that everybody thinks of when they've got a small business and they want storage.

Narrator: The Marketing Spotlight is a production of Right On Interactive. Information about our customer lifecycle marketing automation software, as well as our latest whitepapers, podcasts, and other resources are available at www.rightoninteractive.com.













About Right On Interactive

Right On Interactive (ROI) is a customer lifecycle marketing automation software provider that transforms the way marketers nurture business relationships – from initial contact to brand advocacy. The ROI "software-as-a-service" (SaaS) solution helps companies win and retain more customers, optimize marketing effectiveness, and maximize the lifetime value of customers. ROI serves more than 300 customers, including Carrier, Marsh Supermarkets, Wild Birds Unlimited, Compendium, TeaLeaf Technology, and LightBound. For more information, visit www.rightoninteractive.com.

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