

B2B MARKETING BENCHMARKS

4.1 Overview

Conducted by Duke University's Fuqua School of Business (www.fuqua.duke.edu) and sponsored by the American Marketing Association (www.marketingpower.com) and McKinsey & Company (www.mckinsey.com), *The CMO Survey* (www.cmosurvey.com) is a semi-annual poll of chief marketing officers (CMOs) from B2B and B2C companies.

4.2 B2B CMO Survey

The following are responses by CMOs in B2B products and B2B services companies in the February 2019 survey:

| Change in Company Performance, Prior 12 Months | B2B Products | B2B Services |
|--|---------------------|---------------------|
| • Sales: | 3.4% | 5.2% |
| • Profit: | 3.2% | 4.3% |
| • Marketing ROI: | 2.6% | 4.3% |
| • Customer acquisition: | 3.7% | 4.1% |
| • Customer retention: | 1.8% | 2.8% |
| • Brand value: | 4.2% | 3.5% |
| Percentage of Company Sales Through The Internet | | |
| • B2B Products: | 5.7% | |
| • B2B Services: | 7.8% | |
| Change in Marketing Budget, Prior 12 Months | | |
| • B2B Products: | 7.3% | |
| • B2B Services: | 3.2% | |
| Expected Change in Marketing Budget, Next 12 Months | | |
| • B2B Products: | 8.5% | |
| • B2B Services: | 10.3% | |

Expected Change in Marketing Knowledge Investments, Next 12 Months

| | B2B Products | B2B Services |
|---|---------------------|---------------------|
| • Developing knowledge about how to do marketing: | 8.2% | 13.0% |
| • Market research and intelligence: | 9.4% | 7.1% |
| • Marketing consulting services: | 11.9% | 8.3% |
| • Marketing training: | 4.4% | 3.6% |

Change in Social Media Spending

| | B2B Products | B2B Services |
|-------------------------------|---------------------|---------------------|
| • Current: | 8.7% | 12.3% |
| • Next five years - expected: | 16.6% | 20.5% |

Social Media Activities Performed By Outside Agency

| | |
|-----------------|-------|
| • B2B Products: | 24.1% |
| • B2B Services: | 15.9% |

Social Media Contribution To Performance (1 = not at all, 7 = very highly)

| | |
|-----------------|-----|
| • B2B Products: | 3.0 |
| • B2B Services: | 3.3 |

Percentage Of Marketing Budget Spent On Mobile

| | |
|-----------------|-------|
| • B2B Products: | 14.4% |
| • B2B Services: | 17.6% |

Mobile Marketing Contribution To Performance (1 = not at all, 7 = very highly)

| | |
|-----------------|-----|
| • B2B Products: | 2.5 |
| • B2B Services: | 2.7 |

Percentage of Marketing Budget Spent On Analytics

| | B2B Products | B2B Services |
|---------|---------------------|---------------------|
| • 2019: | 6.6% | 7.3% |
| • 2022: | 11.6% | 13.3% |

Percent of Time Marketing Analytics Is Used in Decision Making

| | |
|-----------------|-------|
| • B2B Products: | 39.0% |
| • B2B Services: | 37.6% |

Marketing Analytics Contribution To Performance (1 = not at all, 7 = very highly)

| | |
|-----------------|-----|
| • B2B Products: | 3.7 |
| • B2B Services: | 3.8 |

Expected Change in Marketing Hires, Next 12 Months

| | |
|-----------------|------|
| • B2B Products: | 6.5% |
| • B2B Services: | 6.1% |

Expected Change in Outsourcing of Marketing Activities, Next 12 Months

- B2B Products: 7.2%
- B2B Services: 2.8%

Top Challenges For Marketing Leaders (percent ranking each challenge as #1)

| | B2B Products | B2B Services |
|--|---------------------|---------------------|
| • Driving growth: | 39.0% | 37.5% |
| • Securing marketing budget: | 14.0% | 11.4% |
| • Delivering a powerful brand that breaks through the clutter: | 11.0% | 14.8% |
| • Providing ROI of marketing activities: | 11.0% | 10.2% |
| • Hiring top talent: | 9.0% | 10.2% |
| • Generating customer insight: | 5.0% | 5.7% |
| • Managing our online presence: | 5.0% | 1.1% |
| • Identifying the right technologies to meet our needs: | 3.0% | 2.3% |
| • Find sponsorship/support from the executive level: | 2.0% | 6.8% |
| • Training our team: | 1.0% | 0.0% |

4.3 Market Resources

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B2B MARKETING OUTLOOK

5.1 Overview

Chief Marketer (www.chiefmarketer.com) conducts an annual survey of B2B marketers with the objectives of defining the status of implementation of various marketing strategies and ascertaining marketing plans for the coming year. The findings are presented in the annual *B2B Marketing Outlook*.

This chapter presents the results of the 2019 survey.

5.2 Survey Results

The following is a summary of the *2019 B2B Marketing Outlook* survey (percentage of respondents):

Channels Providing Largest Source Of B2B Leads

- Email: 44%
- Search: 43%
- Live events: 41%
- Content marketing: 36%
- Social: 22%
- Pay-per-click/display: 10%
- Retargeting: 10%
- Print: 6%

Channels Producing Leads With Highest ROI

- Email: 49%
- Search: 46%
- Live events: 42%
- Content marketing: 36%
- Social: 19%
- Retargeting: 15%
- Telemarketing: 13%
- Pay-per-click/display: 10%
- Print: 6%

Biggest Challenges In Generating New Leads

- Finding leads that convert: 55%
- Getting targeted prospects to engage: 57%
- Finding qualified names: 39%
- Finite number of qualified prospects: 23%
- Cost of new leads: 19%

Metrics That Matter Most In Attribution

- Cost of conversion: 56%
- Amount of time to convert: 53%
- Channel: 34%
- First click: 29%
- Last click: 22%

Group Creating B2B Content For Brand

- Marketing: 80%
- Sales group: 26%
- Freelance/3rd party providers: 23%
- Dedicated editorial team: 22%

Types Of Content Most Effective For Moving Prospects Through The Funnel

- Articles/blog posts: 45%
- Reviews/customer testimonials: 45%
- Whitepapers: 32%
- Video: 31%
- Partner content: 26%
- Research reports: 26%
- Social media: 22%
- Webinars: 21%
- Images: 16%
- Influencer marketing: 16%

Most Effective Social Channels

- LinkedIn: 74%
- Facebook: 51%
- Twitter: 35%
- Instagram: 29%
- YouTube: 24%
- Pinterest: 3%

Techniques Most Valuable For Lead Nurturing

- Email marketing: 62%
- Content marketing: 60%
- In-person marketing: 57%

- Calls from sales people: 38%
- Account-based marketing (ABM): 21%
- Social media: 20%
- Webinars: 18%
- Influencer marketing: 16%

Group Managing Social Media For Brand

- Marketing: 75%
- Dedicated social media team: 23%
- Outside agency: 16%
- Sales: 10%
- Public relations: 7%
- Freelancers: 6%

Typical Time To Close A Sale

- Less than a month: 16%
- One to three months: 32%
- Three to six months: 28%
- Six months to a year: 19%
- Longer than one year: 5%

Biggest Challenges Related To Social Media Marketing

- Engagement: 65%
- Measuring social ROI: 58%
- Having enough content: 45%
- Bandwidth to respond and post frequently: 24%
- Inadequate social budget: 24%

Biggest Hurdles To Getting C-Suite Approval For Marketing Expenditures

- Budgets focused elsewhere: 46%
- Can't prove ROI: 39%
- Executives don't understand needs: 33%
- Sales considered more vital than marketing: 9%

Types Of Marketing Technology (Martech) For 2019 Investment

- Marketing automation: 45%
- Video: 43%
- Email marketing: 40%
- Customer experience: 38%
- Social media management: 37%
- Personalization: 28%
- Content management: 24%
- Sales automation: 17%
- AI/machine learning: 9%

2019 Martech Budget

- Increasing: 42%
- Staying the same: 40%
- Decreasing: 4%
- Uncertain: 15%

5.3 Market Resources

Chief Marketer, 761 Main Avenue, Norwalk, CT 06851. (203) 854-6730.
(www.chiefmarketer.com)

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B2B MARKETING TACTICS

6.1 Overview

Marketing Resource Effectiveness, a 2019 survey of marketing and sales professionals by Ascend2 (www.ascend2.com), assessed tactics used for B2B marketing. This chapter presents the findings of the survey.

6.2 Objectives

The following are the most important and most challenging objectives of B2B marketing strategy (percentage of respondents):

| | Most Important | Most Challenging |
|--------------------------------------|-----------------------|-------------------------|
| • Increasing leads/sales prospects: | 64% | 48% |
| • Improving brand awareness: | 61% | 44% |
| • Increasing customer acquisition: | 61% | 53% |
| • Improving engagement/nurturing: | 34% | 32% |
| • Improving user experience: | 20% | 30% |
| • Increasing marketing technology: | 15% | 25% |
| • Improving multi-channel analytics: | 15% | 28% |

6.3 Marketing Tactics

B2B marketing professionals consider the following to be the most effective and most challenging marketing tactics (percentage of respondents):

| | Most Effective | Most Challenging |
|-----------------------------------|-----------------------|-------------------------|
| • Social media campaigns: | 53% | 28% |
| • Content marketing campaigns: | 48% | 38% |
| • Search engine optimization: | 47% | 33% |
| • Email marketing campaigns: | 39% | 21% |
| • Marketing automation campaigns: | 28% | 32% |
| • Data and AI-driven marketing: | 25% | 49% |
| • Programmatic advertising: | 18% | 34% |

6.4 Market Resources

Ascend2, 36 Links Lane, Marstons Mills, MA 02648. (800) 762-1595.
(www.ascend2.com)

CMO MARKETING STRATEGY

7.1 Overview

The annual *Global CMO Study*, by SiriusDecisions (www.siriusdecisions.com), explores how marketing leaders are adapting their marketing strategy to support their organization's growth objectives. The survey-based study also examines the trends that are expected to have the greatest influence on changes to B2B marketing strategies within a two-year timeframe.

The survey is international in scope; 50% of survey participants are based in the United States.

7.2 Survey Results

The following is a summary of *2018 CMO Global Study* (percentage of respondents):

Growth Strategies

- New buyers: 23%
- New markets: 22%
- New offerings: 22%
- Productivity: 21%
- Acquisition: 11%

Planned Organizational Change To Support Growth Strategies

- Introduction of new go-to marketing strategy: 68%
- Implementation of new technologies/systems: 59%
- Introduction of a new business model or shift in the way organization generates revenue: 51%
- Introduction of new processes (i.e., strategic planning, campaign implementation, measurement): 46%
- A major focus on skills/capabilities development: 30%
- A significant rebranding of the business: 30%
- A significant reorganization across the organization or within functional area: 27%

Internal Processes Planned To Add Or Enhance

- #1 Marketing planning
- #2 Marketing strategy
- #3 Lead management
- #4 New product/service introduction
- #5 Market segmentation and prioritization

Top Influences On Marketing Strategy

- #1 Increased focus on customer experience
- #2 Improve brand awareness, perception, or preference

Challenges With Enhancing The Customer Experience

- Organizational readiness: 14%
- Technology constraints: 13%
- Resource limitations: 12%
- Lack of internal alignment on strategy: 10%
- Insufficient data: 10%
- Lack of insights: 10%

Sub-functions Where CMOs Will Add Staff

- Customer engagement: 42%
- Marketing operations: 42%
- Demand creation: 41%
- Marketing communications: 40%
- Field/regional marketing: 31%
- Marketing insights/market intelligence: 31%

Planned Organizational Changes

- Balance existing internal resources: 23%
- Establish cross-functional teams: 17%
- Create/add new sub-functions: 14%
- Establish center of excellence: 13%
- Centralize to balance resources: 10%

Barriers To Performance Measurement

- #1 Insufficient processes to measure marketing's contribution
- #2 Insufficient market/customer data
- #3 Lack of alignment on performance measurement

Planned Implementation Of Marketing Tactics

- #1 Mobile applications with geotargeting
- #2 Purpose-driven branding
- #3 User-generated content

7.3 Market Resources

SiriusDecisions, 187 Danbury Road, Wilton, CT 06897. (203) 665-4000.
(www.siriusdecisions.com)

DATA MANAGEMENT

8.1 Overview

Freeman (www.freeman.com) and Chief Marketer (www.chiefmarketer.com) conducted the *Data Benchmark Survey* to gauge the role of data across the corporate marketing mix, surveying executives in marketing disciplines including brand marketing, retail marketing, digital/social marketing, direct marketing, shopper marketing, experiential marketing, and more. The goals of the survey were to understand how brands are leveraging data across the marketing mix, and to learn which different marketing channels are being used as data funnels.

8.2 Survey Results

The following is a summary of the Freeman/Chief Marketer survey (percentage of respondents):

How Marketers Leverage Data

- Make important strategic decisions: 89%
- Data for corporate database/CRM efforts: 76%
- Business intelligence: 75%
- Customer experience enhancement: 71%
- Leads for sales group: 71%
- Product development: 70%
- Competitive analysis: 65%
- Market research: 64%

Most Important Data To Senior Marketers

- Total sales over product/service life cycle: 44%
- Total number of qualified leads: 36%
- Sales directly from partners/platforms/sources: 31%
- Brand awareness: 29%
- Digital impact: website traffic, social media activity: 20%

Primary Marketing Objectives From Data Use And Measurement Metrics

- Increase sales: 76%
- Increase brand awareness: 67%
- Drive customer relationships: 46%
- Generate leads: 44%
- Drive web and online traffic: 27%

Data Typically Collected And Measured Related To Events And Campaigns

| | Event Marketers | Brand Marketers |
|--|-----------------|-----------------|
| • Social media activity: | 55% | 22% |
| • Total number of leads: | 53% | 17% |
| • Total number of qualified leads: | 49% | 31% |
| • Brand awareness: | 41% | 28% |
| • Website traffic: | 41% | 32% |
| • Total sales over product life cycle: | 39% | 29% |
| • Press coverage: | 33% | 5% |
| • Brand perception: | 28% | 12% |

Use Of Data Collected Related To Events And Campaigns

| | Event Marketers | Brand Marketers |
|------------------------------|-----------------|-----------------|
| • Inform marketing strategy: | 74% | 54% |
| • Track brand awareness: | 71% | 52% |
| • Drive leads: | 60% | 35% |
| • Justify budgets: | 47% | 28% |

Use Of Event Data Across The Marketing Mix

| | |
|--|-----|
| • Decision making: | 88% |
| • Experience enhancement: | 70% |
| • Data for corporate database/CRM efforts: | 70% |
| • Business intelligence: | 67% |
| • Product development: | 63% |
| • Competitive analysis: | 57% |
| • Market research: | 54% |

Use Of Event Data To Improve Event Portfolios And Experiences

| | |
|--|-----|
| • Inform event strategy and planning: | 74% |
| • Measure overall event effectiveness: | 62% |
| • Calculate sales impact/ROI: | 48% |
| • Budget justification: | 47% |
| • Inform event design: | 43% |
| • Inform event elements/tactics: | 43% |
| • Customer attendee feedback: | 35% |
| • Inform event selection/investment: | 32% |

8.3 Market Resources

Chief Marketer, 761 Main Avenue, Norwalk, CT 06851. (203) 854-6730.
(www.chiefmarketer.com)

Freeman, 2000 Easton Boulevard, Des Moines, IA Des Moines, IA 50317.
(515) 829-4400. (www.freeman.com)

DIGITAL MARKETING STRATEGY

9.1 Overview

Marketing technology (MarTech) is the term used for the software and technology-based tools marketers utilize to plan, execute, and measure marketing campaigns.

Surveys of marketing and sales professionals by Ascend2 (www.ascend2.com) explored marketing technology strategies and utilization for B2B marketing. This chapter presents the findings of the surveys.

9.2 Marketing Data & Technology Strategy

The following are the most important and most challenging priorities of marketing data and technology strategy (percentage of respondents):

| | Most Important | Most Challenging |
|---|----------------|------------------|
| • Using data analytics for decision making: | 51% | 35% |
| • Improving data quality and accuracy: | 45% | 39% |
| • Integrating data across more technologies: | 41% | 44% |
| • Generating reliable and relevant data: | 40% | 41% |
| • Developing a more effective strategy: | 38% | 34% |
| • Streamlining marketing with technology: | 36% | 27% |
| • Using predictive marketing and artificial intelligence: | 25% | 33% |

The most effective and most difficult sources of marketing data used are as follows (percentage of respondents):

| | Most Effective | Most Difficult |
|--|----------------|----------------|
| • Internal sales and customer service: | 50% | 38% |
| • Internal marketing programs: | 45% | 30% |
| • Social networks and public data: | 43% | 43% |
| • Third-party information vendors: | 41% | 41% |
| • Trusted marketing partners: | 41% | 32% |
| • Channel partners, VARs, etc.: | 23% | 38% |

9.3 Marketing Technology Trends And Utilization

The following are the primary objectives and critical challenges to the success of a MarTech strategy (percentage of respondents):

| | Most Important | Most Challenging |
|-------------------------------------|-----------------------|-------------------------|
| • Improving marketing efficiency: | 61% | 40% |
| • Increasing marketing ROI: | 57% | 47% |
| • Improving decision making: | 38% | 29% |
| • Gaining competitive advantage: | 36% | 35% |
| • Attributing revenue to marketing: | 32% | 39% |
| • Improving data security: | 24% | 31% |
| • Integrating disparate systems: | 20% | 33% |

The most effective and most challenging types of MarTech utilized are as follows:

| | Most Effective | Most Challenging |
|---|-----------------------|-------------------------|
| • Marketing automation/email/CRM: | 53% | 27% |
| • Marketing data/dashboard/analytics: | 43% | 39% |
| • Search and social media marketing: | 36% | 24% |
| • Content management system: | 35% | 29% |
| • Optimization, personalization, testing: | 35% | 50% |
| • Experience/relationship marketing: | 33% | 40% |
| • Advertising and promotion: | 25% | 25% |

B2B marketing professionals consider the following to be the most effective and most challenging marketing technologies (percentage of respondents):

| | Most Effective | Most Challenging |
|---------------------------|-----------------------|-------------------------|
| • Content marketing: | 51% | 35% |
| • Marketing analytics: | 47% | 55% |
| • Email marketing: | 45% | 15% |
| • Social media marketing: | 35% | 26% |
| • Data management: | 35% | 56% |
| • Organic search: | 28% | 26% |
| • Paid search: | 25% | 20% |

9.4 Marketing Technology ROI

The technology-driven marketing functions most likely to increase ROI are as follows:

| | |
|-------------------------------------|-----|
| • Analytics or predictive modeling: | 50% |
| • Data management: | 45% |
| • Marketing management: | 38% |
| • Content or user experience: | 37% |
| • Social or relationships: | 35% |
| • Advertising or promotion: | 35% |
| • Ecommerce or direct sales: | 28% |

B2B marketing professionals consider the following to be a reasonable time frame from implementation to return-on-investment for marketing technology (percentage of respondents):

- Three months or less: 25%
- Four to six months: 39%
- Six months to one year: 29%
- More than one year: 7%

9.5 Market Resources

Ascend2, 36 Links Lane, Marstons Mills, MA 02648. (800) 762-1595.
(www.ascend2.com)

TRENDS IN B2B MARKETING

10.1 Overview

Trends in B2B Marketing 2018, by Hanover Research (www.hanoverresearch.com) assesses the opportunities and issues confronting B2B companies brought about by a changing marketplace.

The Hanover Research study is based on a meta-analysis of more than 700 research studies for B2B companies in 2017 and 2018.

10.2 Top Trends

Trends in B2B Marketing 2018 identified five overarching trends that are impacting B2B marketing, as follows:

Market Expansion: B2B eCommerce Grows

- The B2B eCommerce market is projected to reach \$1.18 trillion domestically by 2021, more than double the size of the B2C eCommerce market.

“Dramatic changes are coming to B2B supply chains, driven by the burgeoning eCommerce market. The multi-year and larger dollar value contracts that once were a mainstay of an offline experience are getting a digital upgrade that is poised to revolutionize how B2B sells and markets its offerings.”

Trends In B2B Marketing 2018
Hanover Research

- Tapping eCommerce is an attractive option for B2B companies, which can leverage many of the benefits already being enjoyed by B2C companies, including automation of the ordering process, greater ease of customized orders, and

availability of customer data in real time. However, to create the datasets needed to analyze customer characteristics and gain insights into purchasing patterns, B2B companies will need to invest in technology and systems upgrades that can take years to complete. Throughout this lengthy investment process, B2B companies will need to prioritize efforts: B2C companies have taken notice of the burgeoning B2B eCommerce market size and may use their online engagement prowess to disrupt supply chains traditionally dominated by long-term contracts and personal relationships.

Customer Insights: Millennials Disrupt Traditional B2B Marketing and Sales

- Making up a quarter of the U.S. population, Millennials are now the largest generation in the U.S. workforce and are increasingly occupying senior roles with B2B purchasing power. However, Millennials' purchase and engagement preferences are unlike those of any previous generation, forcing B2B companies to rethink their customer experience and engagement strategy. Millennials dislike generic outreach and one-dimensional content that focuses primarily on what a B2B product does – not what a B2B buyer needs. Moreover, the subsequent generation, Gen Z, will expand upon Millennial preferences with an even higher expectation of a personalized and authentic sales experience. To succeed in engaging this new breed of B2B buyer, B2B companies must shed their assumptions and invest in detailed customer intelligence to understand the Millennial buying profile and anchor their marketing and sales efforts around profiles.

Brand Strategy: B2C Marketing Tactics Infiltrate B2B

- B2B buyers are B2C consumers in their off-hours, and their B2C expectations are translating into their professional expectations as well. They have become accustomed to personalized treatment from brands they favor and thoughtful recommendations from peers on social media. They want to be approached with relevant offers, not generic sales pitches. They want to engage with a brand at the right moment, not when it is convenient for a sales rep. The line between an offhours B2C consumer and an on-hours B2B buyer is fading fast. The result is that B2C marketing tactics are infiltrating the B2B marketing terrain. B2B marketing will need to attract potential buyers to the brand with compelling content creation, website optimization, and active social media presence. This approach enables B2B companies to educate, inform, and persuade a potential buyer before they even approach a potential sale, resulting in increased ROI for marketing and sales efforts. To succeed, B2B marketers must convert from an outbound strategy reliant on traditional advertising and push messaging to invest in the approaches and platforms that B2C businesses have utilized to drive their success.

Product Innovation: Maker Movement Re-envision Manufacturing

- Combining technical pursuits, like robotics and 3D printing, with trade oriented DIY, like metalworking and woodworking, the Maker Movement encourages the use of open-source design and contemporary approaches to solve age-old problems.

Estimated to reach \$93 billion by 2025, the Maker Movement is beginning to transform industries like manufacturing and distribution. As the physical manifestation of the digital movement, the Maker Movement will challenge manufacturing assumptions on what can be created, traditional design limitations, and the speed with which concepts make it to market.

Sales Effectiveness: IoT Optimizes the B2B Supply Chain

- The Internet of Things (IoT), one of the leading disruptive technology trends, creates a unique opportunity for enhanced intelligence and tracking analytics for supply chains. IoT harnesses sensor-based data across devices and processes, creating an unparalleled level of interconnection across suppliers, contract manufacturers, logistics providers, distributors, and ultimately customers. From an operational perspective, IoT in the supply chain creates a tighter grip on quality control, product forecasting and inventory, vendor efficiencies, and fleet management. From a revenue perspective, IoT in the supply chain helps with asset tracking as it follows inventory from floor to store using RFID and GPS sensors. The supply chain will not just serve as a way to keep track of products – it will become a competitive advantage that can improve performance and define a brand.

10.3 Market Resources

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