

RETHINK MARKETING [AUTOMATION]

Build Brand Equity, Drive Demand,
& Expand Customer Relationships



Rethink Marketing [Automation]

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& Expand Customer Relationships

Demand generation has been the shiny, golden child of marketing for more than a decade. Delivering impressive numbers of leads, conversions and opportunities garners praise and promotions for marketing leaders, while on the other hand, failing to make your numbers can be a career-killer. High risk, high reward, utterly compelling.

Is it any wonder that demand generation became a media darling? From analysts to bloggers to marketing strategists, demand generation was a hot, hot topic that pulled in readers and rankings. So the media did more of it, reinforcing the idea that it was *the biggest deal*.

In this ebook we will examine two things:

1. Is demand gen still the rockstar of marketing? Does it get the lion's share of attention and resources from the marketing team?
2. Is demand gen most responsible for producing marketing results?

Along the way we'll discuss how marketing leaders are judging success, where they allocate their resources, which functions of marketing are producing the greatest results, and how technology can help maximize the results of your marketing efforts.

Let's get started.

Some of us got obsessed with demand gen, for perfectly valid reasons:

- It's a data-driven function. It gives marketers clear targets, and lets them prove the value of their programs and their contribution to revenue. (It's hard to argue with good numbers.)
- The race for ever-bigger lead numbers is never-ending. No matter what the marketing team delivers to sales this month ... there's constant pressure to top that number next month.
- The brass like to use demand gen as a metric, and value it the same way they do a sales number.
- Demand gen, as a function, is always evolving. Just as you've solved one problem, another one emerges.
- Demand gen can be a bridge (or a divide) between sales and marketing departments. Sales teams often believe that marketing doesn't deliver the number of quality leads they need to meet their revenue number. In turn, marketing departments feel that sales doesn't follow up on the leads they deliver. This too-common issue spans all industries and verticals.

The Pendulum Swing

From all outward appearances, it seems as though there's been a drastic swing between different styles of marketing. In the last century we had the glossy days of Don Draper-style marketing, with a mono-focus on branding and creative. Now, there's an intense focus on techy, data-driven marketing, as expressed in demand gen and its number-bound ilk.

While we enjoyed the media hype over this dramatic shift, we weren't convinced that demand gen was truly the king of the castle. So we commissioned a study to see if marketing today really is ***all demand gen, all the time***.

We surveyed hundreds of senior level marketing executives at a mixture of B2B and B2C companies; we asked where they're spending their time and resources within three main functions of marketing: brand marketing, demand generation, and customer marketing. We also asked what they deemed to be the most important metrics for success for each of these three functions.

The results of our study may surprise you.



Marketing Leaders are Not Focused Solely on Demand Gen

Despite all the media hype around the demand gen darling, our study of marketing leaders showed conclusively that marketing leaders are not actually entirely focused on demand gen activities. **In fact, 87% of marketing teams report dedicating at least half their staff time to functions other than demand generation.**

Let's start by taking a look at how marketing leaders assess their cross-team alignment, some areas they might be neglecting, and which key performance indicators they deem matter most.



Alignment

Marketing Leadership Survey
Across Brand, Demand, Expand

Q1: What performance indicators are shared across brand marketing, demand generation, and customer marketing?

Q1 - TOP SHARED KPI'S

1.

**Revenue
Generated**

2.

**Return on
Investment
(ROI)**

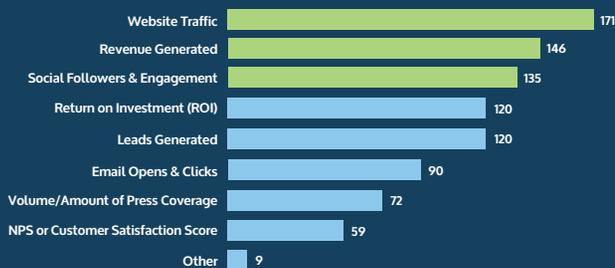
3.

**Website
Traffic**

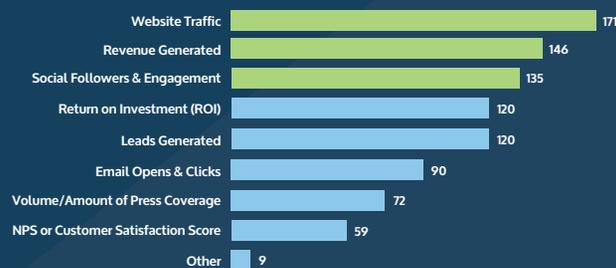
4.

**Leads
Generated**

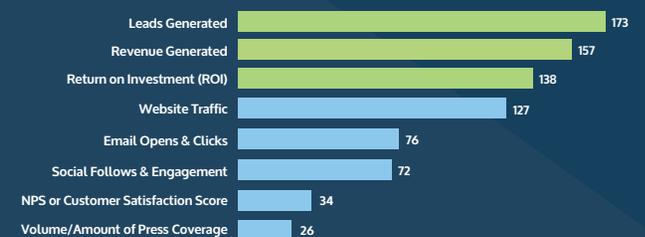
Brand Marketing



Customer Marketing



Demand Generation



Alignment

Marketing Leadership Survey
Across Brand, Demand, Expand

Q2: Are the brand marketing, demand generation, and customer marketing functions within your organizations aligned under a cohesive strategy?

Q2.1 - ALL RESPONDENTS

92% of marketing organizations say that brand marketing, demand generation, and customer marketing functions are at least "somewhat aligned" under a cohesive strategy.

8.14%

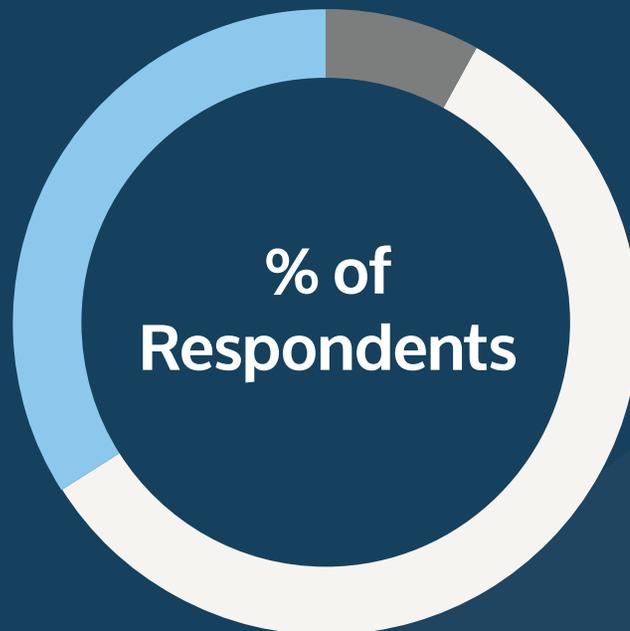
NOT Aligned

58.14%

SOMEWHAT Aligned

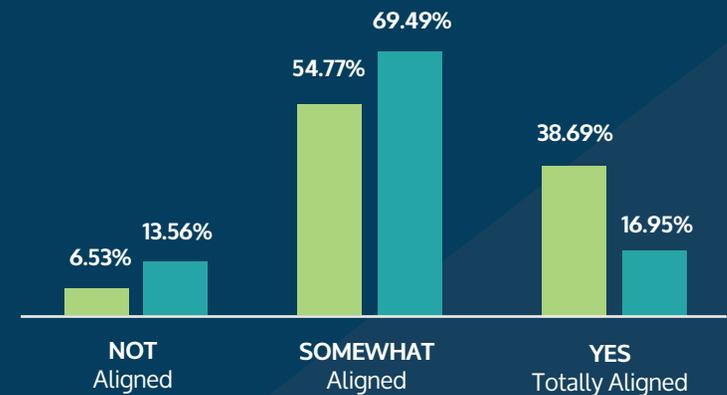
33.72%

YES Totally Aligned



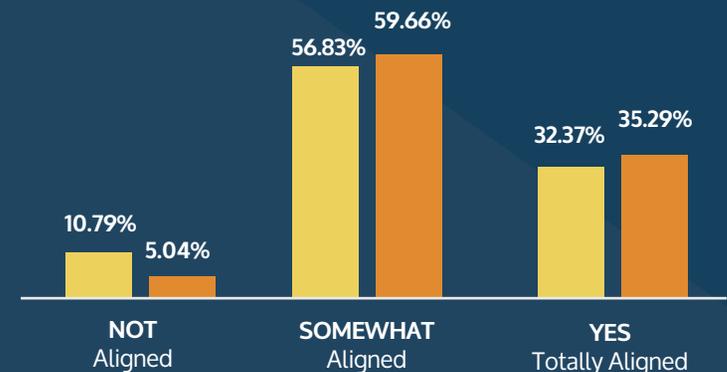
Q2.2 - TOP PERFORMERS VS. LAGGARDS

Top performers are much more likely to be totally aligned under a cohesive strategy.



Q2.3 - B2B VS. B2C

A majority of both B2B and B2C organizations responded as being at least somewhat or totally aligned across all three marketing functions.



A Balanced & Cohesive Strategy is a Winning Strategy

Despite what the media says marketers do, marketers at the source tell us they're spending roughly the same amounts of time and resources across three broad areas: branding, customer marketing, and demand generation. And the top performers (those who are achieving or over-achieving their revenue goals) are 52% more likely to have a significant portion of staff resources to each major marketing function. Top performers are also 23% more likely to have a significant portion of budget allocated to each of the three major marketing functions than the laggards.

Despite recent media hype, the role of the CMO is not to be demand gen-centric leader, but instead to be the marketing "general manager" and to facilitate success across all three functions of the marketing department - branding, demand generation, customer marketing. **Successful B2B marketers understand the need to allocate their time and resources across the entire spectrum of marketing**, acknowledging that an effective marketing strategy requires more than just driving demand for sales, it must also deliver a great customer experience from end-to-end.

For the modern buyer, experience is everything. And with unlimited access to information and choices, their expectations are higher than ever. The buyer's journey is not linear, and it includes a series of touchpoints from the beginning stages of research to the eventual purchase. Over the course of a lead's lifetime they might come into contact with your sales, marketing, and customer success departments. However, from their point of view, they are interacting with one company, not multiple departments. This means that all touchpoints need to be consistent, and not just for first-time buyers.



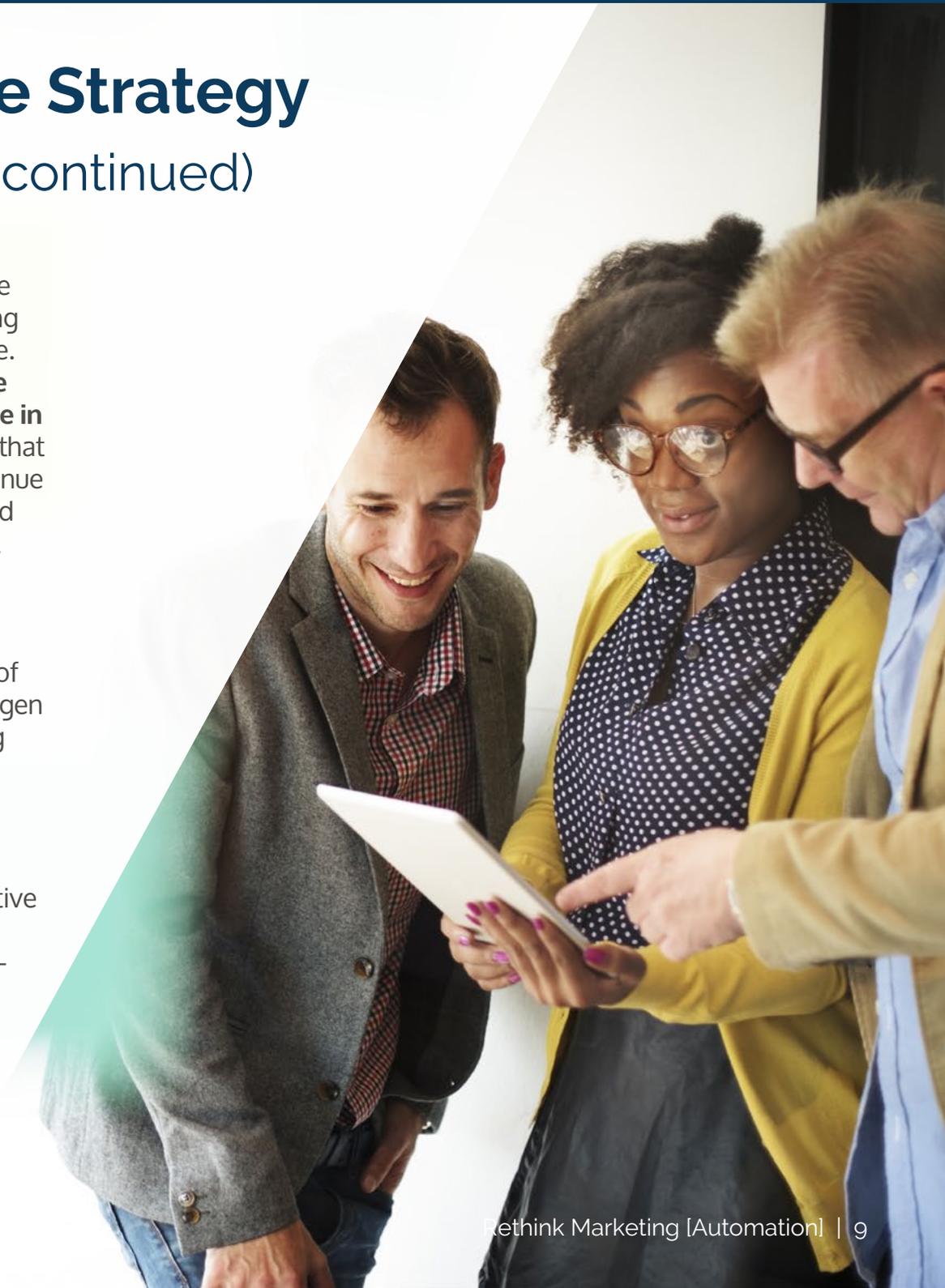
92%

of marketing organizations say that brand marketing, demand generation, and customer marketing functions are at least "somewhat aligned" under a cohesive strategy.

A Balanced & Cohesive Strategy is a Winning Strategy (continued)

Marketers have no choice but to adapt to accommodate the modern, always-on buyer, and must now focus on delivering a positive experience from end-to-end of customer lifecycle. **Who you are and what you stand for is the brand promise you make to customers, and it needs to infuse every stage in your customer's lifecycle.** And what our research shows is that marketing leaders who are meeting or exceeding their revenue goals understand that the three functions of marketing need to work symbiotically, and are investing their departmental time and resources evenly across the three disciplines.

We, as an industry, have tackled a portion of this problem by managing the acquisition process with the introduction of Marketing Automation. We've been able to make demand gen a super data-driven and consistent portion of the marketing department. But the problem is that we stopped there. We didn't weave these things into the other two equally important marketing functions, branding and customer marketing, that also influence the customer experience. Marketing technology thus far had not considered the creative and branding side of marketing by applying data-driven tactics to encompass the entirety of the customer lifecycle - including further stages such as retention and expansion.



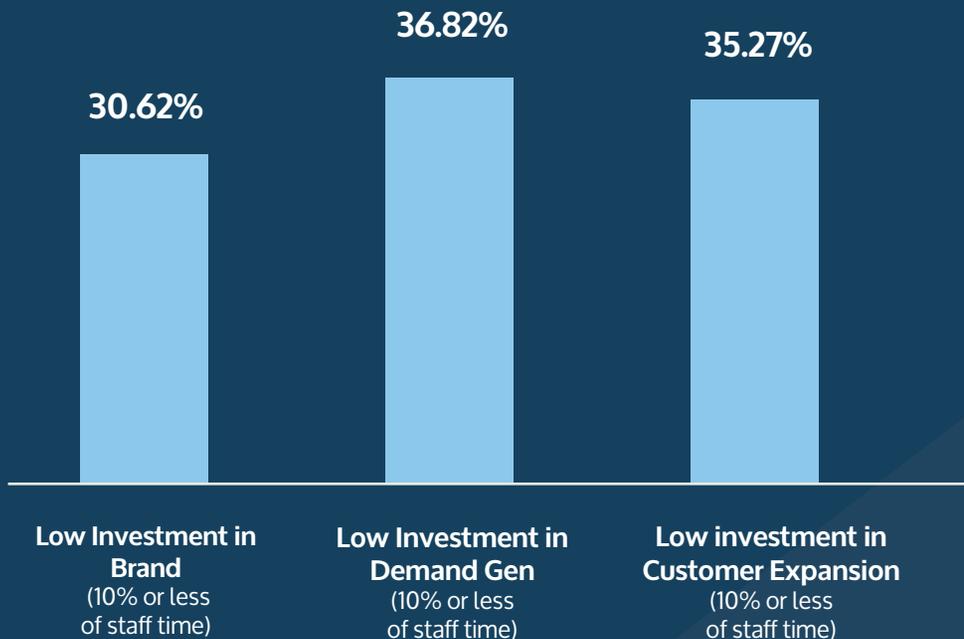
Alignment

Marketing Leadership Survey Which Areas are Marketers Neglecting?

Q3: Which functions are more likely to get neglected by marketing teams?
What percentage of teams spend 'less than 10%' of staff time across the three major functions?

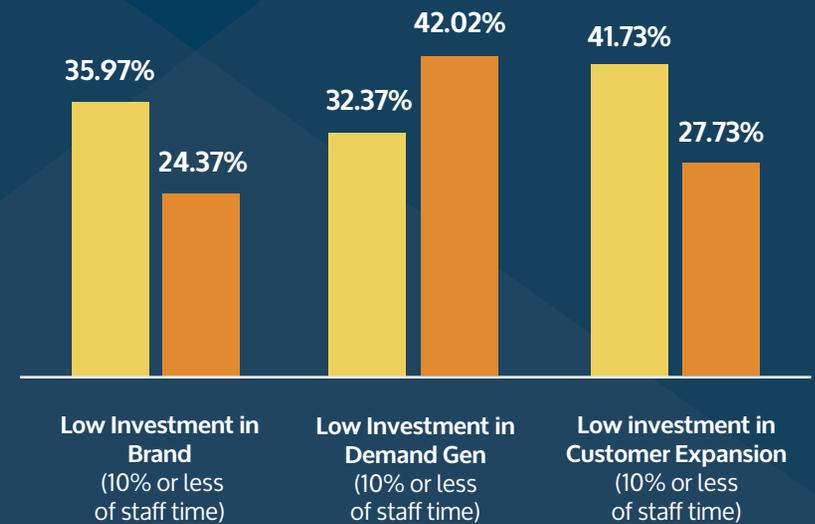
Q3.1 - ALL RESPONDENTS

Despite the hype and number of technologies available to support the demand generation function, it is most likely to be neglected by marketing teams.



Q3.2 - B2B VS. B2C

B2C organizations are most likely to neglect demand generation, while B2B organizations tend to neglect both brand and customer marketing functions.



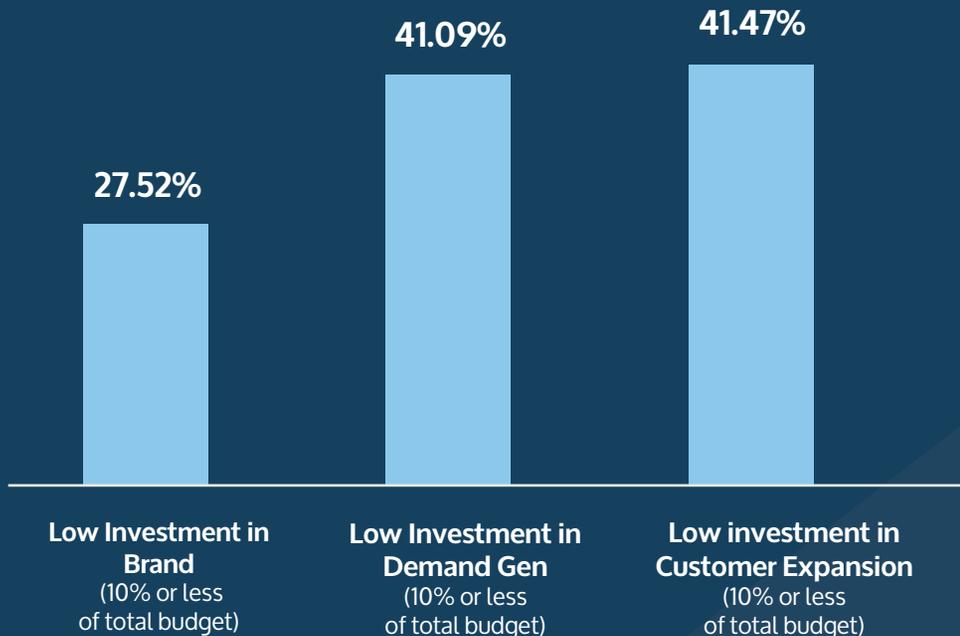
Alignment

Marketing Leadership Survey Which Areas are Marketers Neglecting?

Q4: Which functions get the least amount of funding? What percentage of teams spend 'less than 10%' of budget across the three major functions?

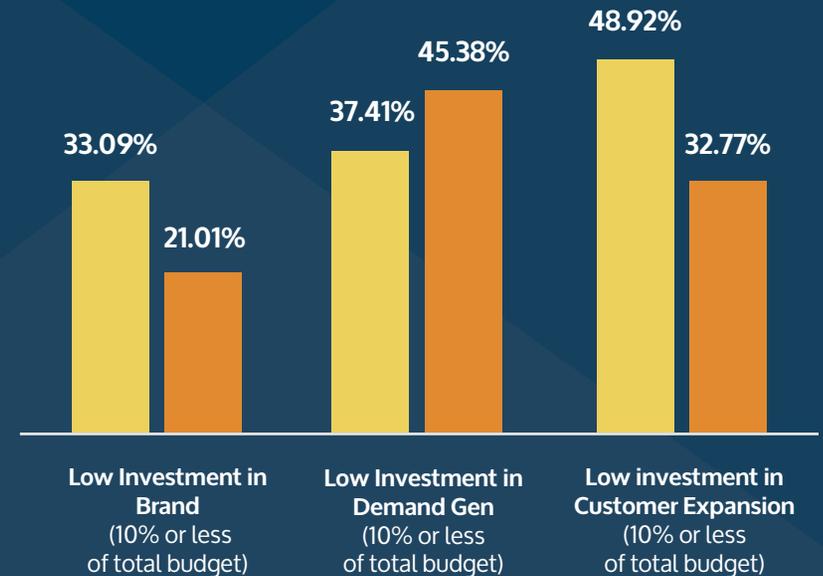
Q4.1 - ALL RESPONDENTS

Demand gen and customer marketing functions are most likely to get the short end of the budget stick. 41% of organizations spend minimal budget (10% or less) on both demand gen and customer marketing functions.



Q4.2 - B2B VS. B2C

B2C organizations are most likely to neglect demand generation, while B2B organizations tend to neglect both brand and customer marketing functions.



Alignment

Marketing Leadership Survey Which Areas are Marketers Neglecting?

Q5: What percentage of respondents have solid staff coverage across all three major functions? (Respondents that have "11 to 25%," "25 to 50%," or "51% or more" staff time dedicated to all three functions)

Q5.1 - ALL RESPONDENTS

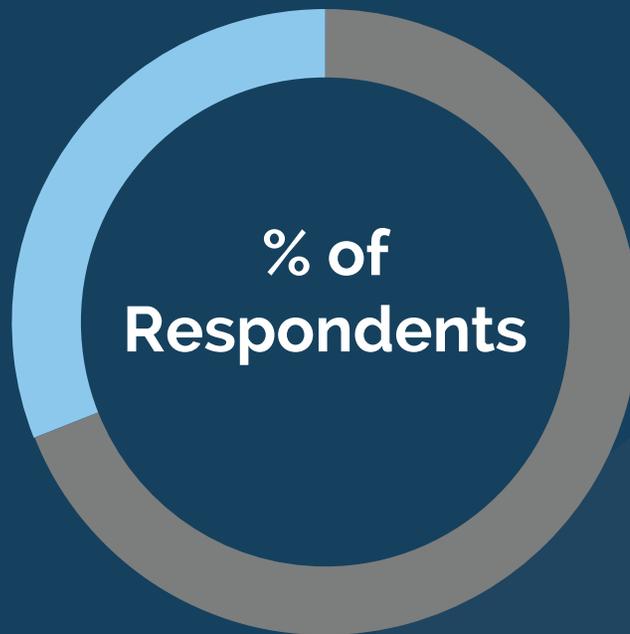
Most organizations are neglecting at least one of the three major marketing functions. **68.6% of respondents have at least one area with staff coverage level in the "10% or less" category.**

31.4%

YES - Significant staff time is dedicated to all three functions

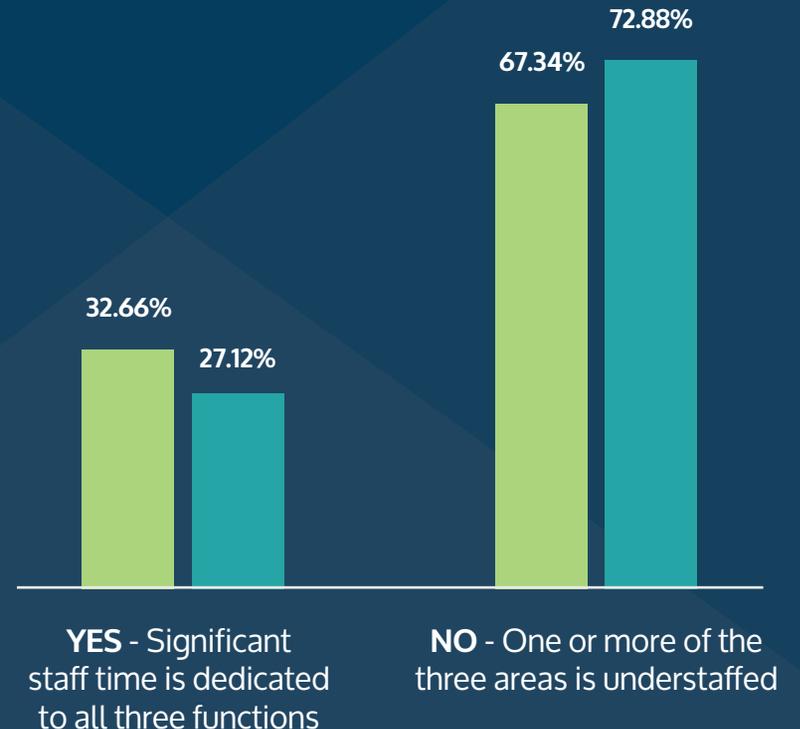
68.6%

NO - One or more of the three areas is understaffed (10% or less of total time allocated)



Q5.2 - TOP PERFORMERS VS. LAGGARDS

Top performers are more likely to have solid staff coverage across all three major areas.



Alignment

Marketing Leadership Survey Which Areas are Marketers Neglecting?

Q6: What percentage of respondents are investing budget in all three major functions? (Respondents that have "11 to 25%," "25 to 50%," or "51% or more" budget dedicated to all three functions)

Q6.1 - ALL RESPONDENTS

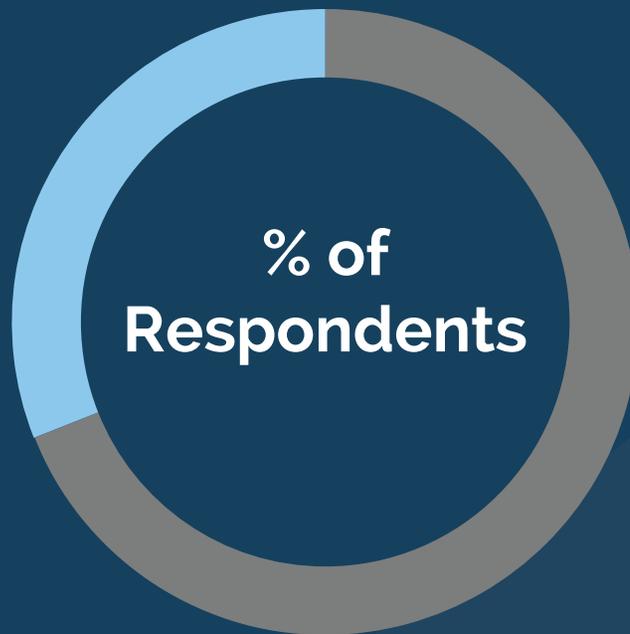
Most organizations are neglecting at least one of the three major marketing functions. **69% of respondents have at least one area with budget investment in the "10% or less" category.**

31%

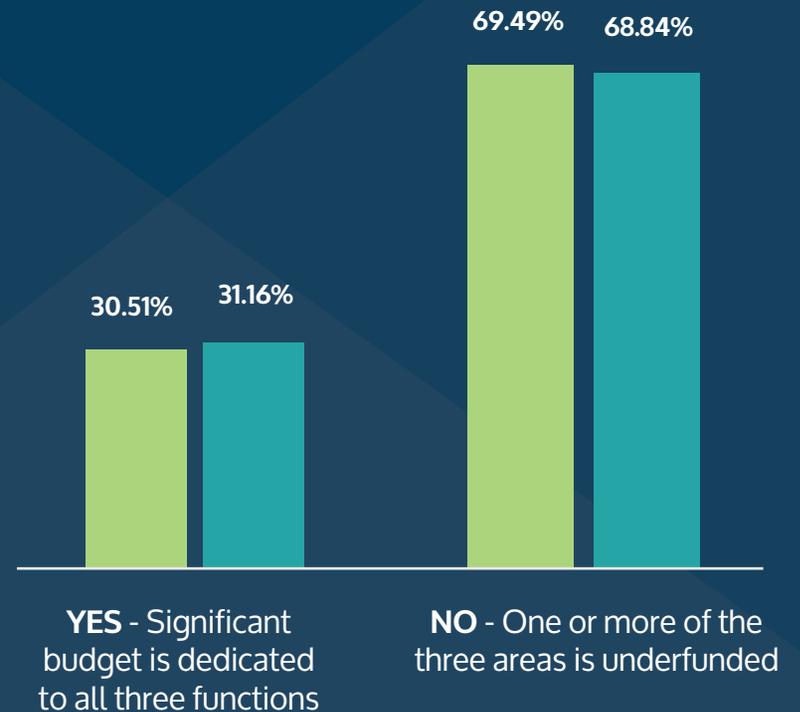
YES - Significant budget is invested in all three functions

69%

NO - One or more of the three areas is underfunded (10% or less of total budget allocated)



Q6.2 - TOP PERFORMERS VS. LAGGARDS



Marketing Leaders Want to See Direct ROI From All Three Functions

Despite difficulty measuring some disciplines, marketing leaders are interested in shifting their strategies to be more scientific and data-driven across all three functions of marketing. They want to see the number of leads and the revenue generated, and ultimately want to see ROI no matter where they're spending their money and staff resources. This includes areas that might surprise us, like brand marketing or customer marketing.

This reflects the theme of "the modern marketer" who is now more focused on data and analytics than ever – including tying marketing efforts directly to revenue. In fact, in the *2014 State of Marketing Measurement Survey Report* by IFbyPhone we saw that CEOs rank the following to be the most important marketing metrics:

1. **Increase in Sales/Revenue**
2. **Number of New Customers**
3. **Number of New Leads**

The lists sound pretty similar to what we found in our survey, right?

Now let's take a deeper dive into each of these three major functions and examine how marketing leaders are allocating resources, achieving ROI and revenue goals across brand marketing, customer marketing, and demand generation.

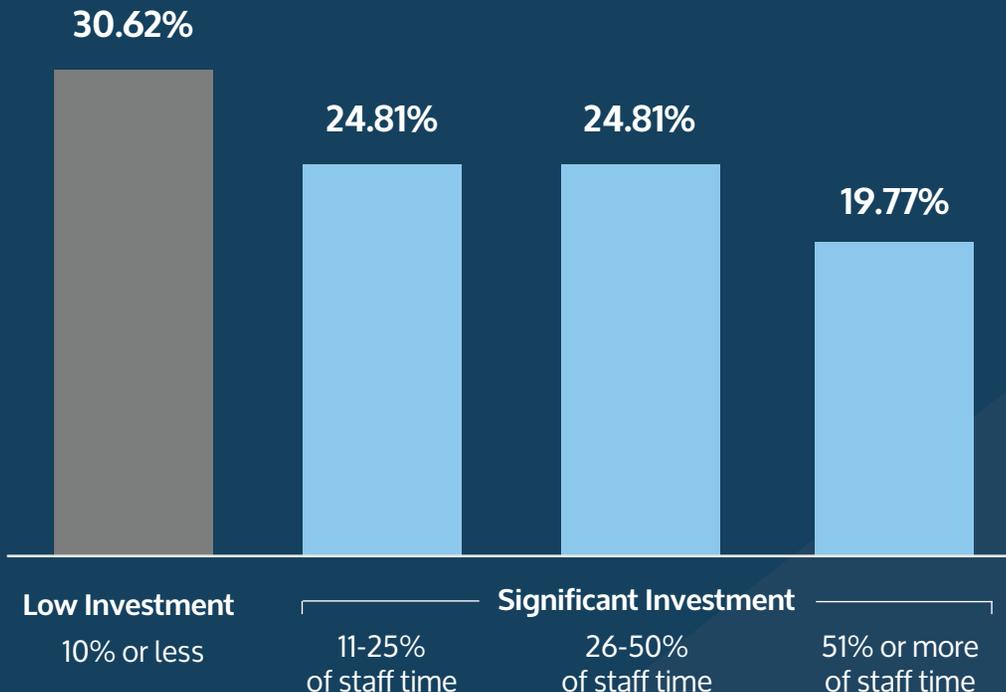
- **57%** of marketing leaders use "revenue generated" and **47%** use "ROI" as a KPI for **brand marketing**
- **61%** of marketing leaders use "revenue generated" and **53%** use "ROI" as a KPI for **demand generation**
- **57%** of marketing leaders use "revenue generated" and **53%** use "ROI" as a KPI for **customer marketing**

Brand Marketing

Q7: What percentage of total marketing staff time is dedicated to brand marketing?

Q7.1 - ALL RESPONDENTS

69% of marketing teams dedicate significant staff time to brand marketing. The remaining 31% spend less than 10% of their total staff resources on this important function.



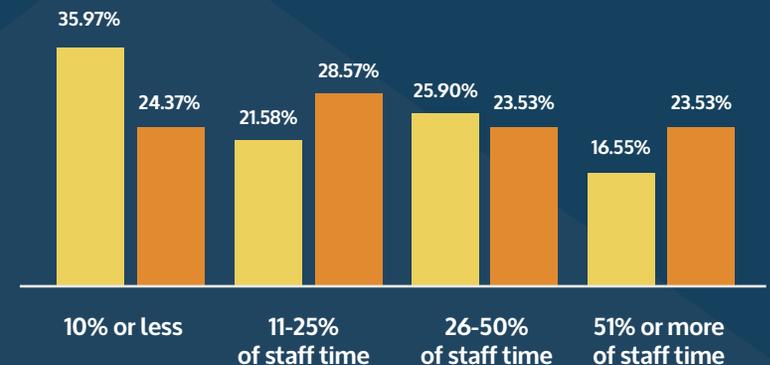
Q7.2 - TOP PERFORMERS VS. LAGGARDS

Top performers are more likely to dedicate significant resources to brand marketing. The laggards are much more likely to have neglected the brand marketing function, with a whopping 37% of laggards in the "less than 10%" category.



Q7.3 - B2B VS. B2C

Not surprisingly, B2C marketers dedicate more staff time to brand marketing than their B2B counterparts.

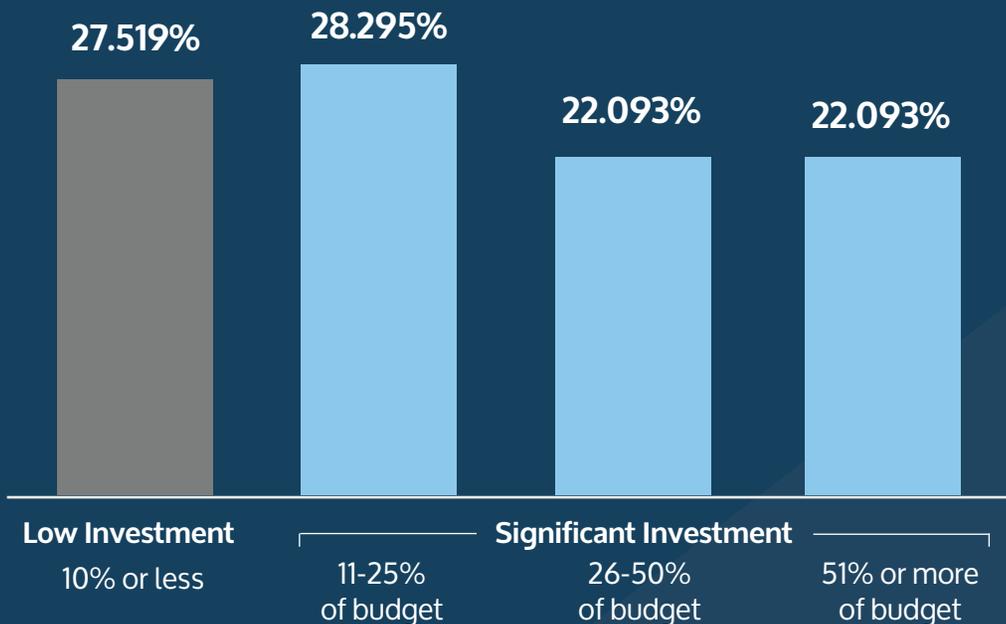


Brand Marketing

Q8: What percentage of total marketing budget is dedicated to brand marketing?

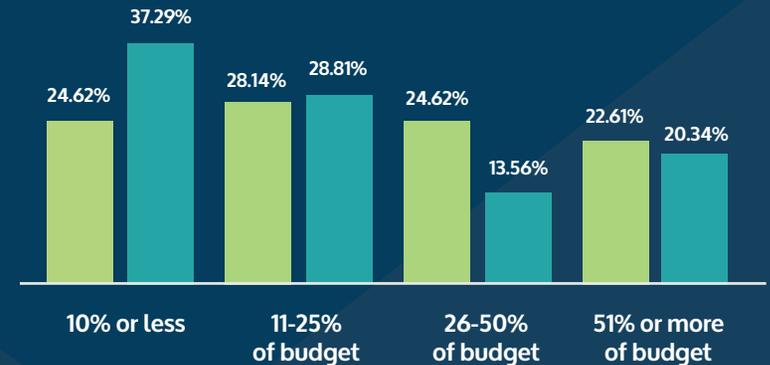
Q8.1 - ALL RESPONDENTS

72% of marketing teams dedicate significant budget to brand marketing. The remaining 28% spend less than 10% of their total budget on this important function.



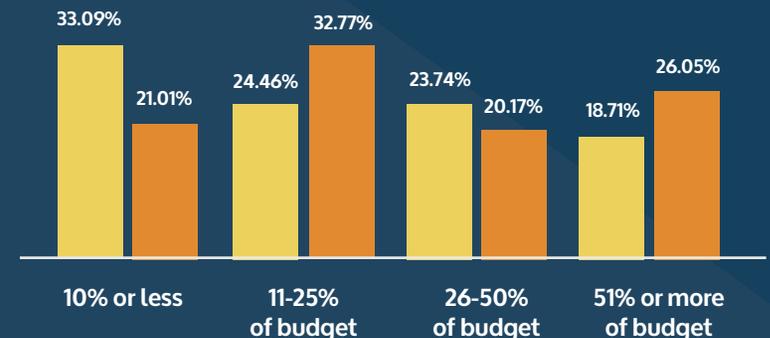
Q8.2 - TOP PERFORMERS VS. LAGGARDS

Again we see that top performers are much more likely to dedicate significant resources towards brand marketing. Among the laggards, 37% dedicate "less than 10%" of their budget to brand marketing, compared to just 25% in the top performing group.



Q8.3 - B2B VS. B2C

Similar to what is seen in Q1.3 with staff time allocation, B2C marketers dedicate more budget to brand marketing than their B2B counterparts.



Brand Marketing

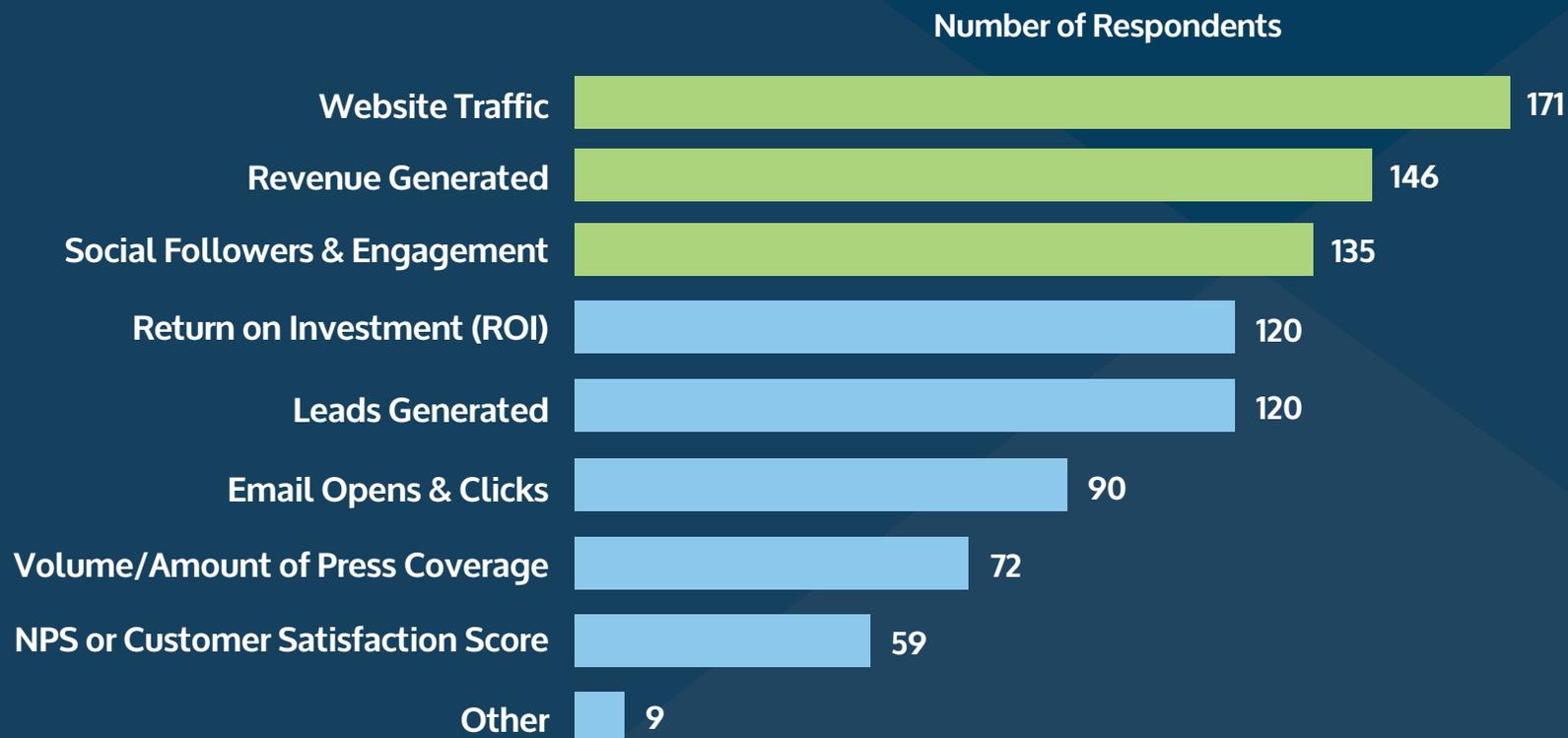
Marketing Leadership
Survey Results

Q9: What **performance indicators** do marketing leaders use to measure the success of their brand marketing efforts?

Top 3 KPIs used by marketing leaders to measure brand marketing success:

- 1. Website Traffic**
- 2. Revenue Generated**
- 3. Social Follows & Engagement**

Q9 - ALL RESPONDENTS

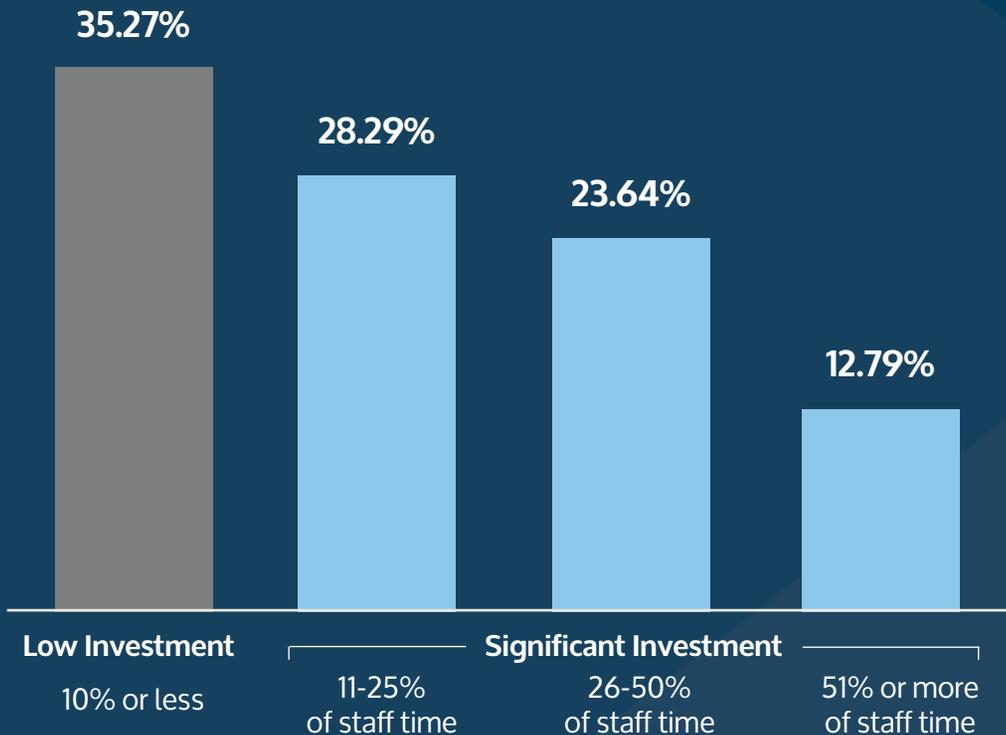


Customer Marketing

Q10: What percentage of total marketing staff time is dedicated to customer marketing?

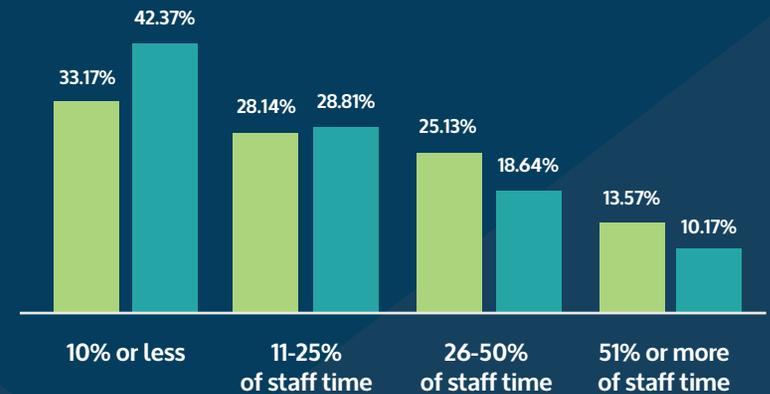
Q10.1 - ALL RESPONDENTS

A majority of marketing teams are spending "less than 10%" of their time on customer expansion marketing.



Q10.2 - TOP PERFORMERS VS. LAGGARDS

Revenue achievers are much more likely to invest significant staff time in customer marketing.



Q10.3 - B2B VS. B2C

B2C marketers are much more likely to invest significant staff time in customer marketing.

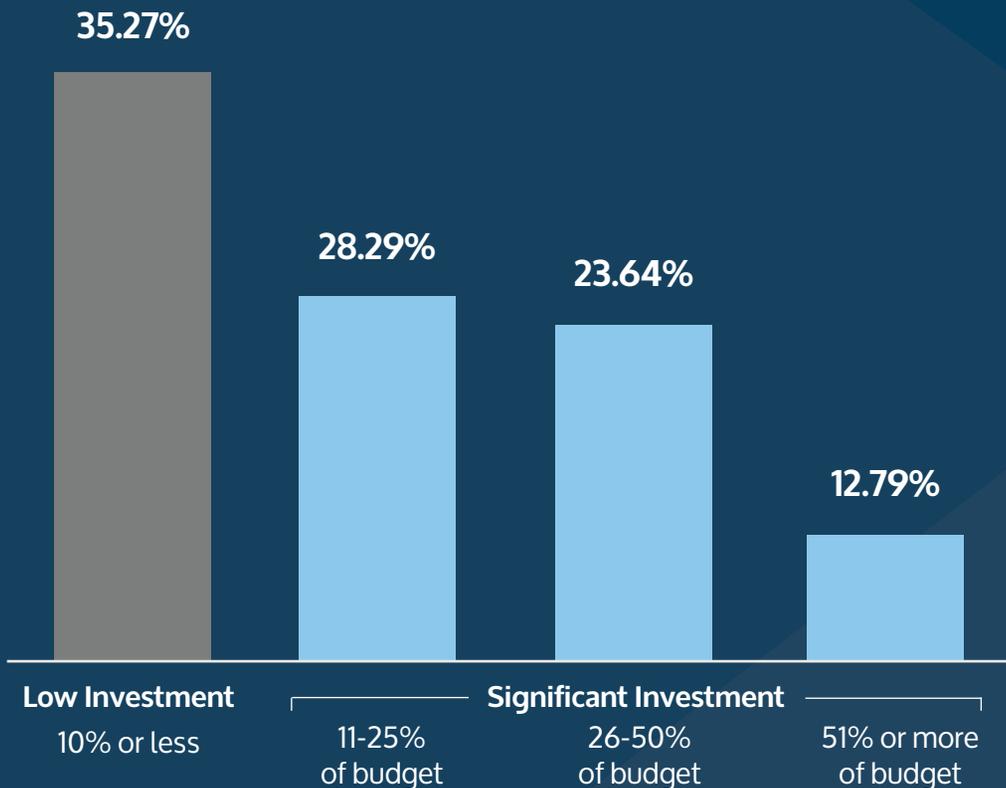


Customer Marketing

Q11: What percentage of total marketing budget is dedicated to customer marketing?

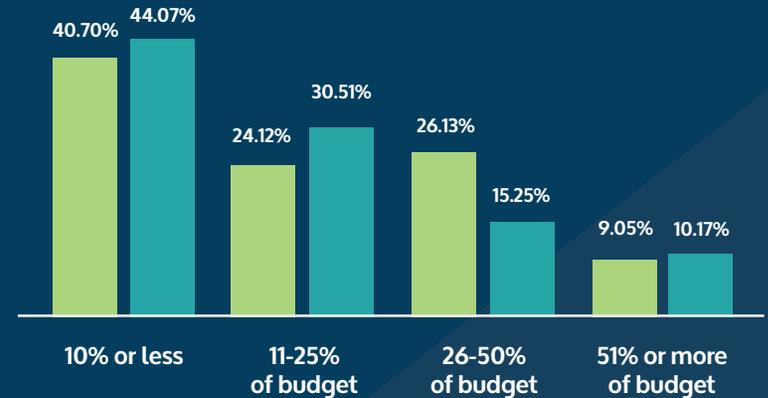
Q11.1 - ALL RESPONDENTS

A whopping 41% of marketing teams invest "less than 10%" of budget in customer marketing.



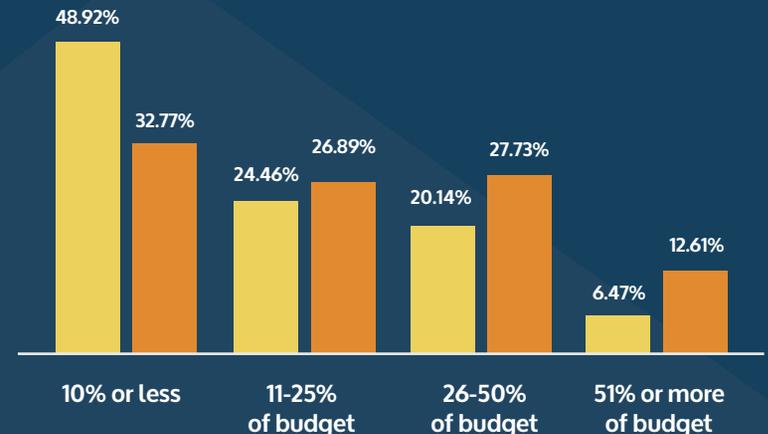
Q11.2 - TOP PERFORMERS VS. LAGGARDS

Top performers are investing more in customer marketing.



Q11.3 - B2B VS. B2C

B2B marketing teams are the biggest offenders for underinvesting in customer marketing. 49% of B2B marketers invest "less than 10%" of their budget in customer expansion efforts.



Customer Marketing

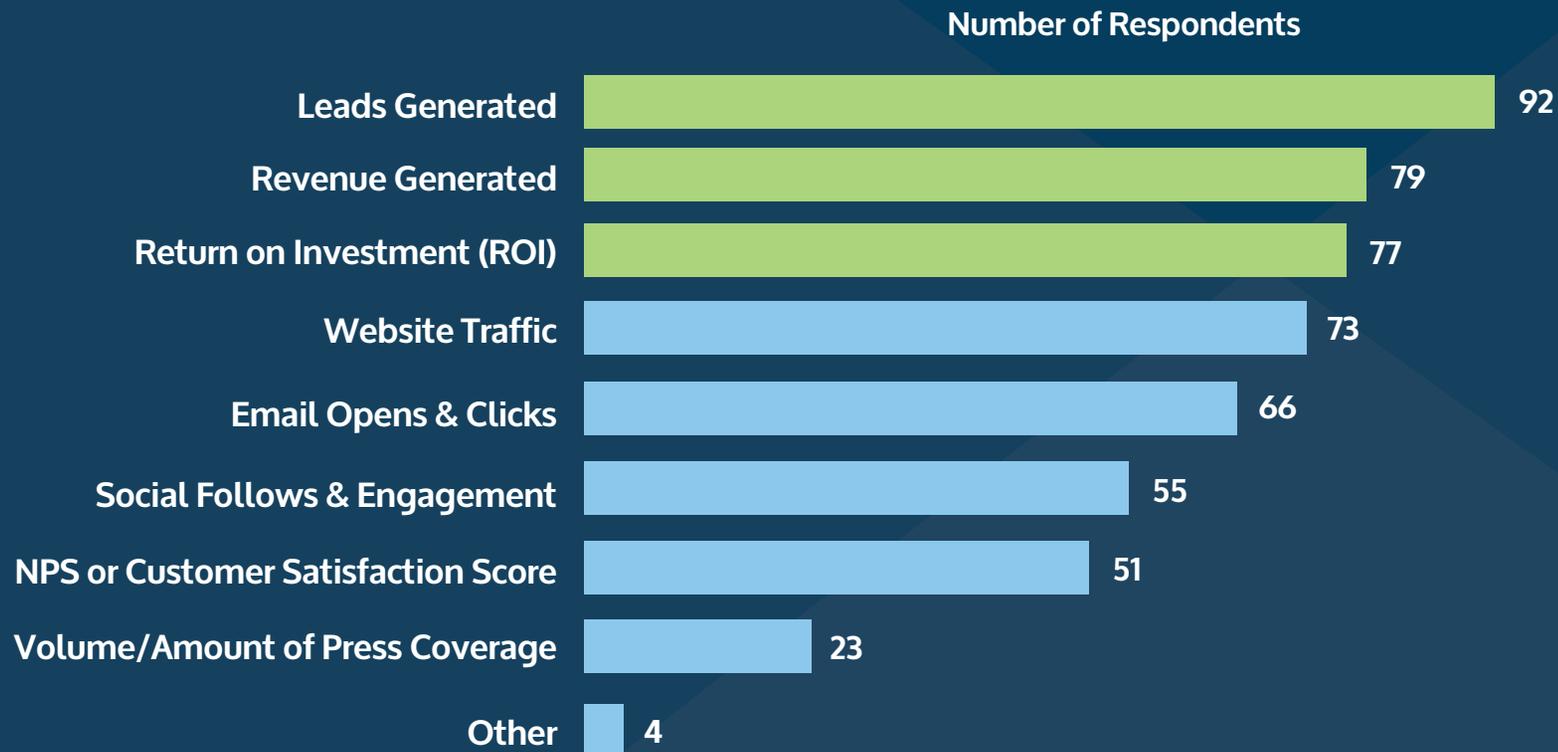
Marketing Leadership
Survey Results

Q12: What **performance indicators** do you use to measure the success of customer marketing?

Top 3 KPIs used by marketing leaders to measure **customer marketing** success:

- 1. Revenue Generated**
- 2. Website Traffic**
- 3. Return on Investment (ROI)**

Q12 - ALL RESPONDENTS

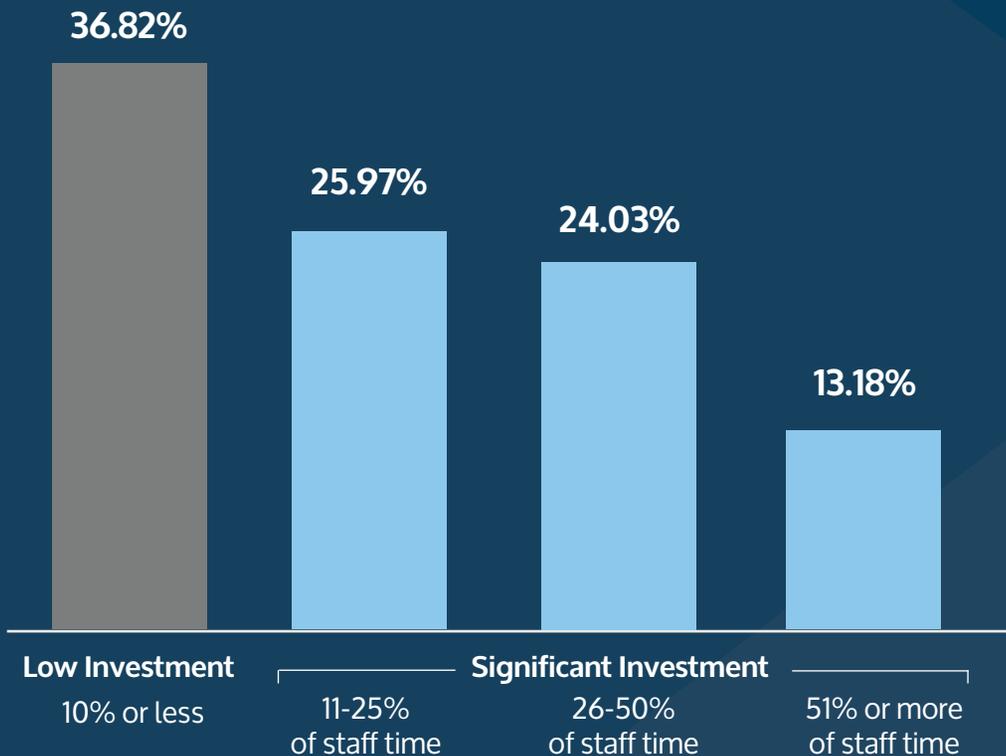


Demand Generation

Q13: What percentage of total marketing staff time is dedicated to demand generation?

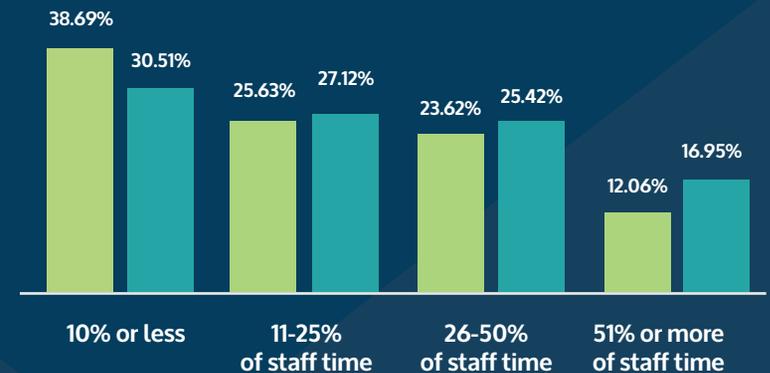
Q13.1 - ALL RESPONDENTS

Despite the hype, 37% of marketers are still spending less "less than 10%" of their time on demand generation.



Q13.2 - TOP PERFORMERS VS. LAGGARDS

Surprisingly, top performers are more likely to spend "less than 10%" of their their time on demand generation than their revenue-lagging counterparts.



Q13.3 - B2B VS. B2C

B2B marketers are investing more staff time on demand generation.

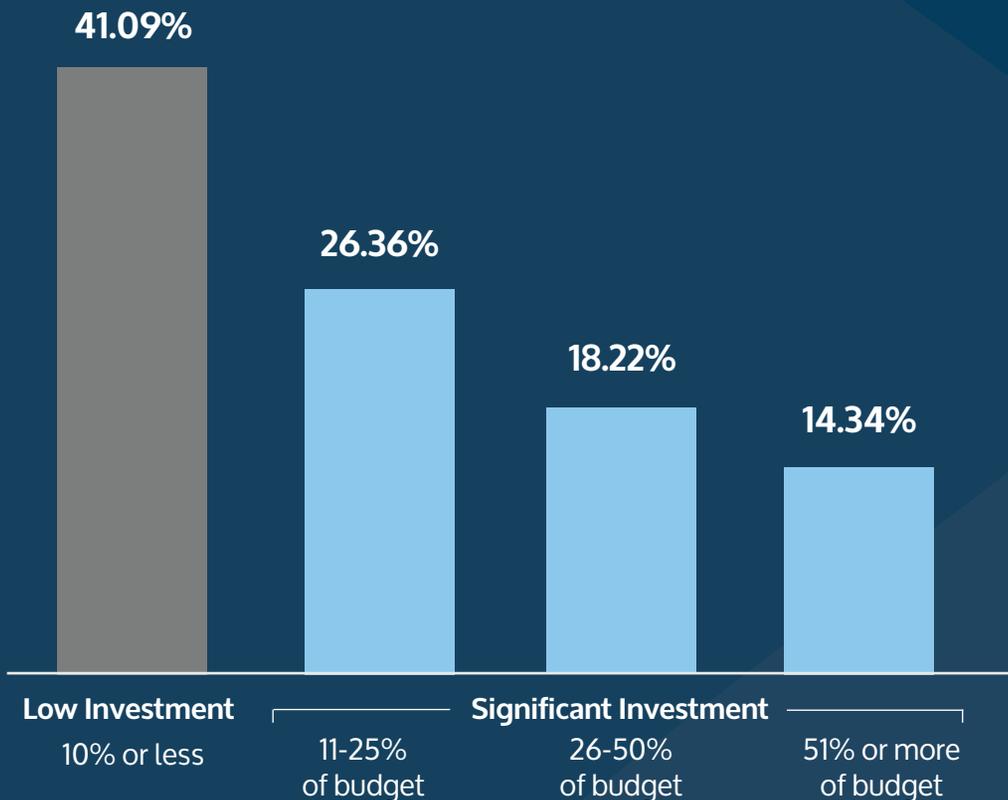


Demand Generation

Q14: What percentage of total marketing budget is dedicated to demand generation?

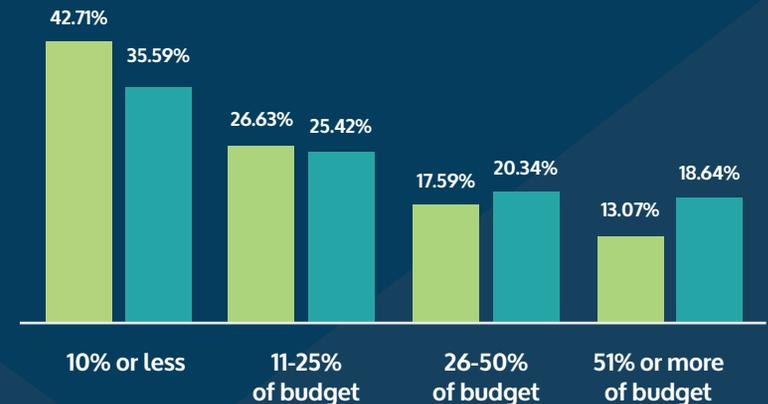
Q14.1 - ALL RESPONDENTS

41% of marketing teams are spending "less than 10%" of budget on demand generation.



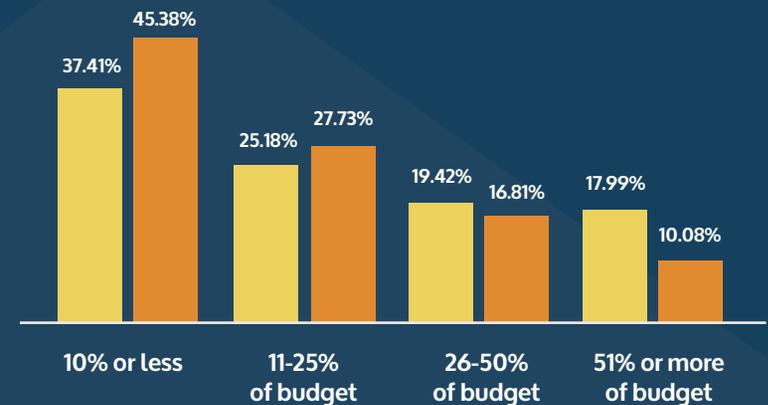
Q14.2 - TOP PERFORMERS VS. LAGGARDS

42% of marketing teams that achieve their revenue goals are spending "less than 10%" of budget on demand generation. Surprisingly, laggards are more likely to fall into the "less than 10%" category, indicating that many teams are achieving revenue goals without heavy investment in demand generation.



Q14.3 - B2B VS. B2C

B2B marketers are more likely to invest significant amounts of their budget into demand generation.



Demand Generation

Marketing Leadership
Survey Results

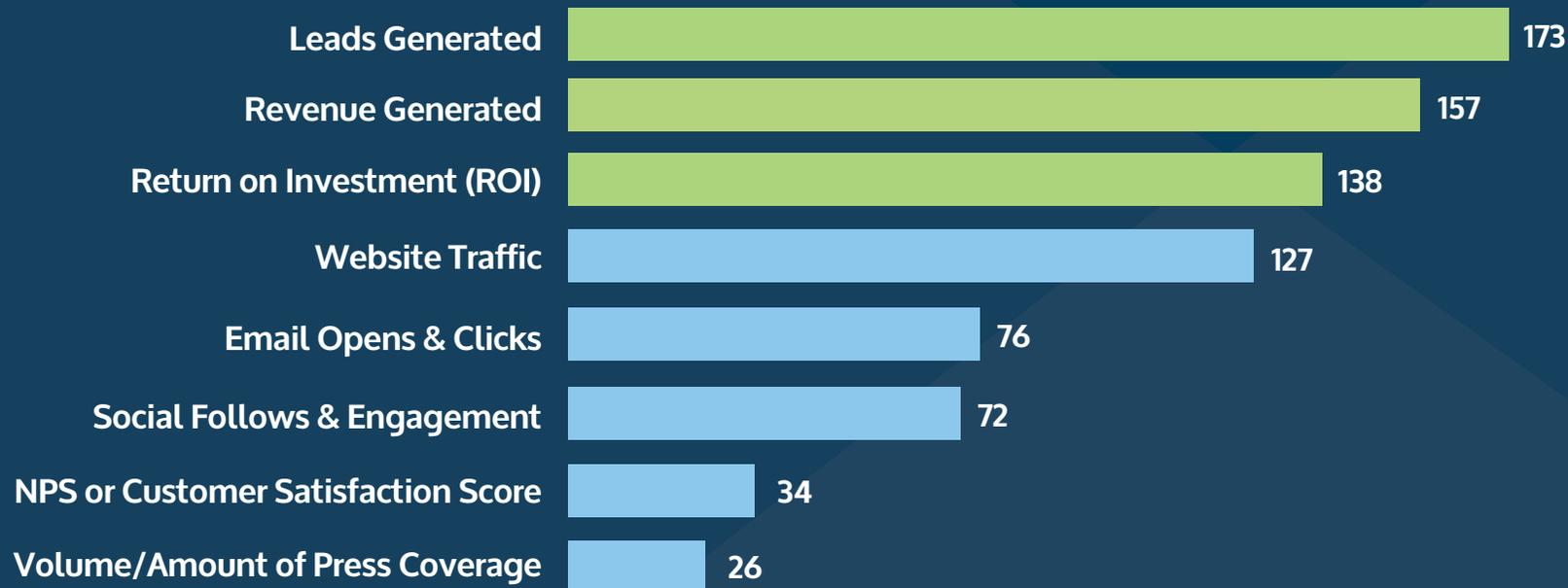
Q15: What performance indicators do you use to measure the success of demand generation?

Top 3 KPIs used by marketing leaders to measure **demand generation** success:

- 1. Lead Generated**
- 2. Revenue Generated**
- 3. Return on Investment (ROI)**

Q15 - ALL RESPONDENTS

Number of Respondents



Appendix

About the Survey Audience

Audience Qualifiers:

Geography: United States

Working Status: Full Time

Department: Marketing/Advertising

Job Level: C-level, Director Level, Senior Management



53.876% Primarily B2B
46.124% Primarily B2C



29.46% 101 or More
26.36% 1 to 5
17.05% 6 to 15
12.02% 16 to 30
7.75% 31 to 50
7.36% 51 to 100



21.71% Overachieved Revenue Goals
55.43% Achieved Revenue Goals
22.87% Did Not Achieve Revenue Goals

Acclaim for Act-On



About Act-On Software

Act-On Software is a marketing automation company delivering innovation that empowers marketers to do the best work of their careers. Act-On is the only integrated workspace to address the needs of the customer experience, from brand awareness and demand generation, to retention and loyalty. With Act-On, marketers can drive better business outcomes and see higher customer lifetime value. The Act-On platform provides marketers with power they can actually use, without the need for a dedicated IT resource.

Connect with us to learn more

