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2011 B2B Marketing BenchMark Report

Research and Insights on Elevating
Marketing Effectiveness from Lead
Generation to Sales Conversion

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2011 B2B Marketing Benchmark Report

Research and Insights on Elevating Marketing Effectiveness from
Lead Generation to Sales Conversion

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2011 B2B Marketing Benchmark Report

US \$447 / ISBN: 978-1-936390-03-8

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DIRECTOR'S NOTE

Welcome to the 2011 B2B Marketing Benchmark Report

When we began planning this year's report, we identified a number of increasingly important challenges to the B2B marketing community that ranged from generating high-quality leads to effectively managing lengthened sales cycles. We proceeded to conduct a comprehensive study to learn which practices would help B2B marketers combat these growing challenges in order to succeed in the upcoming year. This study has also produced a wealth of benchmark data on B2B marketing budgets, tactics and operations for supporting their decisions going forward.

As it is with all MarketingSherpa reports, the goal of this book is to provide practical information on what works – and what doesn't – in today's extremely competitive B2B environment.

B2B Benchmark Highlights

- Primary research survey providing the collective wisdom of 935 B2B marketers
- Benchmarks on B2B marketing budgets and tactics
- Insights from your peers on automating and managing a long and complex sales cycle
- Benchmarks on key performance indicators, such as cost-per-lead and value-per-lead

This benchmark report is packed with useful information including 162 charts and analytical commentary, hundreds of insights from B2B marketers and more. This information is actionable and highly necessary to elevate marketing effectiveness in an increasingly challenging B2B market.

As always, we welcome your comments and look forward to hearing from you.

Best regards,



Sergio Balegno
Research Director, MarketingSherpa
@SergioBalegno

EXECUTIVE SUMMARY

Elevating Marketing Effectiveness from Lead Generation to Sales Conversion

The B2B Marketing community has been humbled by the recent recession. This economic crisis has forced marketers to operate with limited resources, while facing a need to produce a higher level of quality leads than ever before. Through budget cuts and increased expectations, the organizations that persevered were the ones who effectively applied the most efficient marketing tactics for every stage of the sales funnel, from lead generation to sales conversion, and then closed the loop with sound marketing analytics for continual improvement.

B2B organizations face buying cycles of varying complexities, but at the core of all buying cycles lay three distinct commonalities: Prospects, leads and customers. In the prospective phase of the buying cycle, it is essential to efficiently identify the most effective inbound and / or outbound marketing strategies for your audience and execute these tactics efficiently. In the lead stage of the buying cycle, organizations must learn to define, automate and improve on their marketing processes of communications, nurturing and lead scoring in order to enable optimal sales efficiencies. A marketer's job is not complete in the final stage of the buying cycle, where customer retention and creating brand loyalty are essential practices in maximizing the lifetime value of each customer.

In this year's *B2B Marketing Benchmark Report*, we have dedicated three parts to the key areas of the buying cycle: **Generating Interest and Attracting Prospects, Qualifying and Nurturing Sales Leads**, and **Maximizing the Lifetime Value of Each Customer**. We have also included a fourth section, **Closing the Loop**, where you will learn the best tactics in marketing analytics, including measuring marketing ROI and improving marketing and sales data analysis.

Today, the B2B marketing community is encompassed by optimism. With signs of a potentially improving economy, organizations are taking the lessons they've learned during the recession and are applying them with increased budgets for various marketing tactics. The key to success for these organizations will be improving their marketing efficiencies in every stage of the buying cycle, from prospects to leads to loyal customers, and then closing the loop with sound marketing analytics for continued improvement.

As always, we thank you for your interest in our research and look forward to your feedback and stories of success.

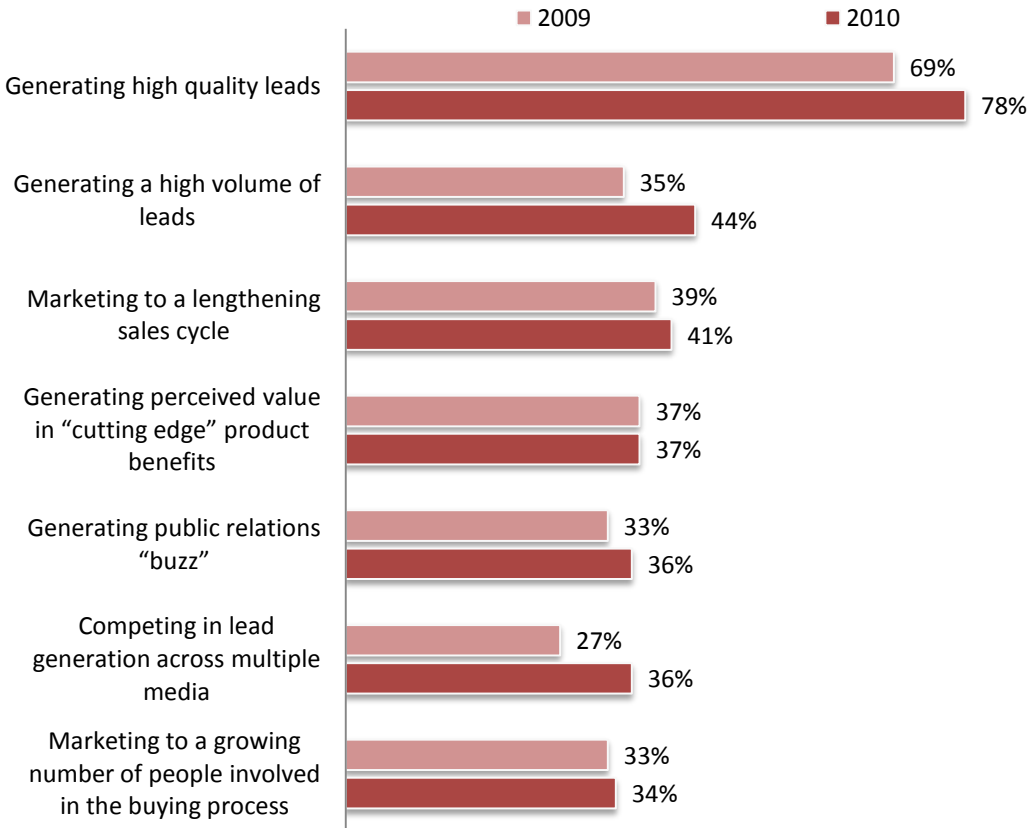
Best regards,



Jen Doyle
Senior Research Analyst, MarketingSherpa
[@JenLDoyle](#)

CHART: B2B MARKETING CHALLENGES

Q. Which of the following marketing challenges are currently most pertinent to your organization? Please check all that apply.



Source: MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded Aug 2010, N=935

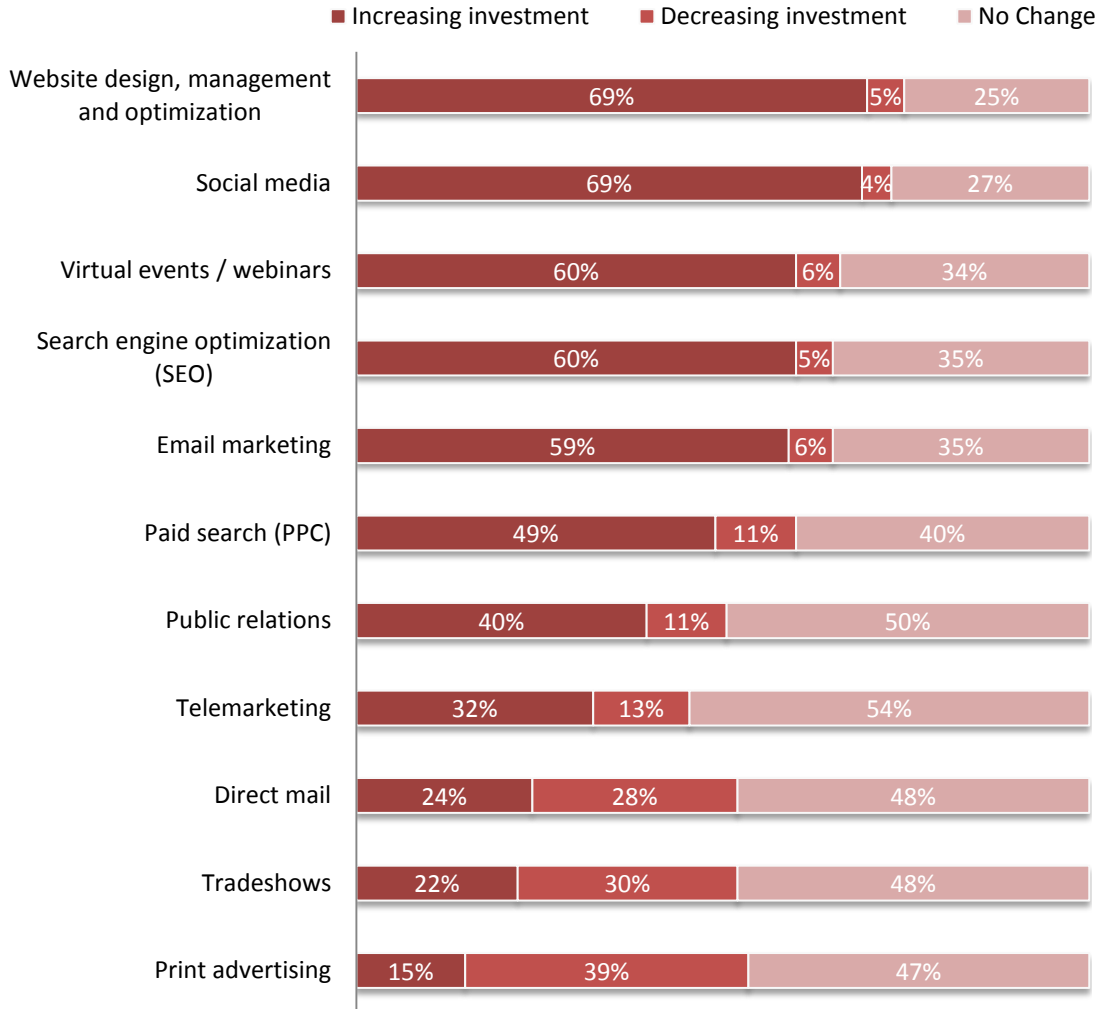
This chart represents the growing marketing challenges B2B organizations have faced from 2009 to 2010, and nearly every challenge has been elevated in pertinence to organizations in 2010.

Year after year, the greatest marketing challenge that B2B organizations face is generating high-quality leads. Organizations are combating this challenge by defining sales funnel processes that include a lead nurturing stage for non-sales-ready leads and lead scoring methodologies to determine when a lead is ready to be contacted by a salesperson so that only high-quality, sales-ready leads are delivered to the sales team.

Generating a high volume of leads became a greater challenge for B2B organizations in 2010, and this is likely a result of the need to produce more leads with limited resources of budgeting and/or staffing. As B2B organizations begin to increase marketing budgets for various tactics in 2011, the process of generating a high volume of leads will be facilitated.

CHART: MARKETING BUDGET CHANGES

Q. Please select the statement that best describes how you expect your organization's budgets will change for the following categories in 2011.



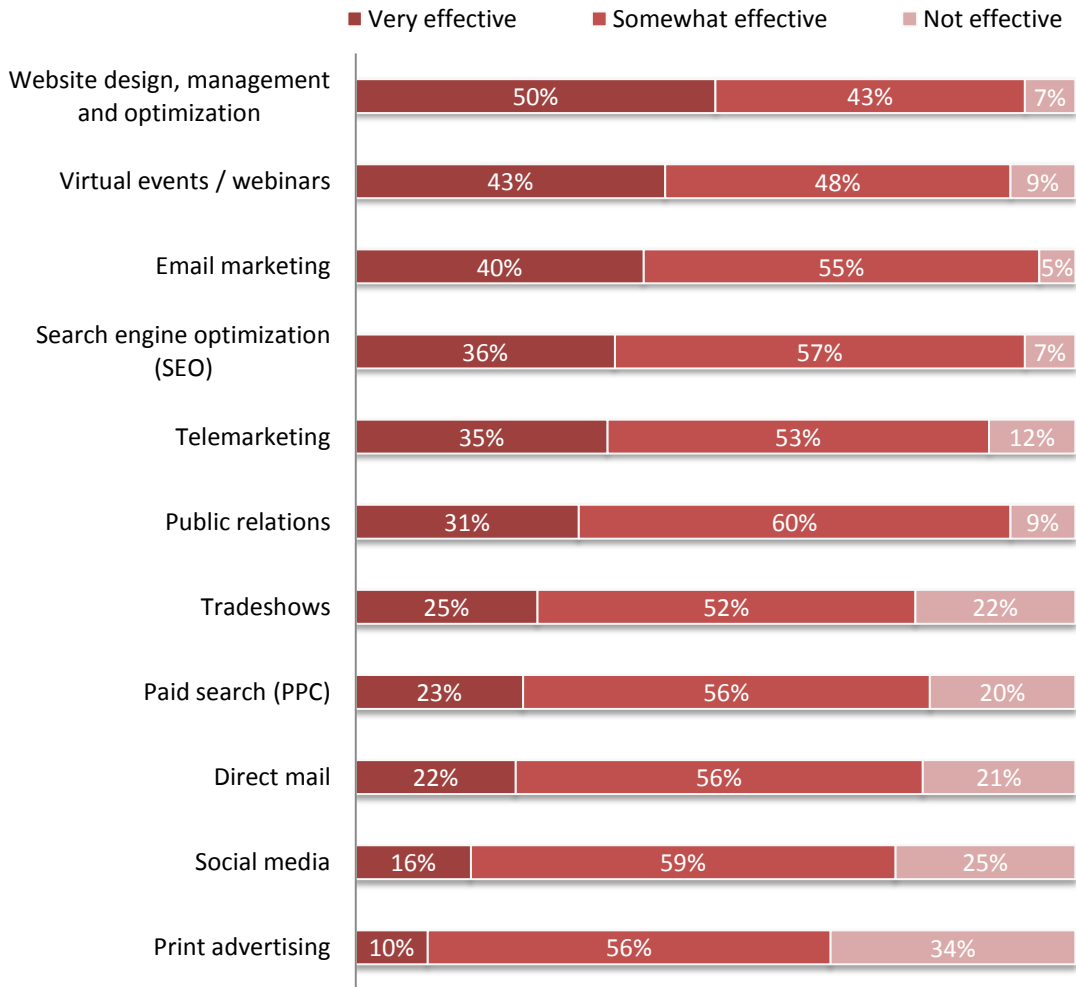
Source: MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded Aug 2010, N=935

The majority of B2B organizations are increasing their marketing budgets for inbound marketing tactics including social media, virtual events and webinars, SEO and PPC. When considering outbound marketing tactics such as telemarketing, direct mail and print advertising, the majority of organizations are either decreasing their budgets or simply not changing.

The growing trend of utilizing inbound marketing tactics is a result of the cost effectiveness of these marketing channels and when applied with established sales funnel processes that include a lead nurturing stage for non-sales-ready leads and lead scoring methodologies to determine when a lead is ready to be contacted by a salesperson, organizations are able to effectively generate a high volume of qualified leads for their sales teams.

CHART: THE EFFECTIVENESS OF MARKETING TACTICS

Q. Please indicate the effectiveness of the following marketing tactics for your organization.



Source: MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded Aug 2010, N=935

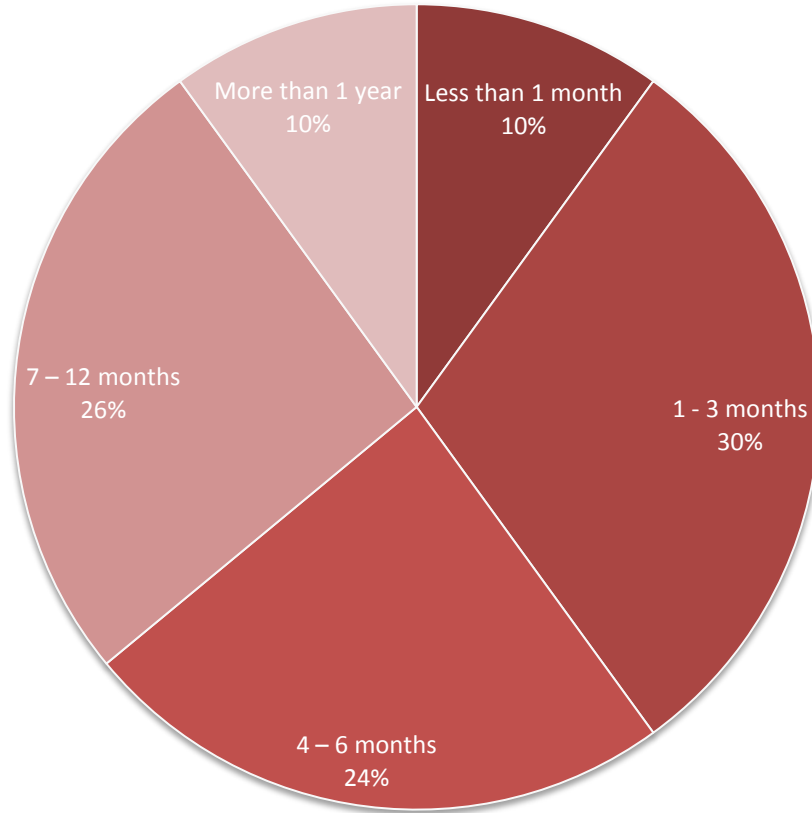
The growing trend of utilizing inbound marketing tactics is demonstrated in the above chart on the effectiveness of marketing tactics, where the top four tactics are generally inbound in nature and two of the three least effective tactics are outbound.

Social media is undervalued in terms of effectiveness and this is a result of the infancy of this marketing tactic and the low level of experience organizations have in execution when compared to more seasoned marketing tactics. As B2B marketers become more mature with their social marketing practices, their perceptions on the effectiveness of this tactic will improve.

In this report, we'll analyze each marketing tactic individually to understand the execution and effectiveness of each tactic for organizations of varying sizes and industry sectors.

CHART: AVERAGE LENGTH OF SALES CYCLE

Q. How long is your sales cycle? Please select the time period closest to the length of your organization's entire sales cycle, from first inquiry to purchase.



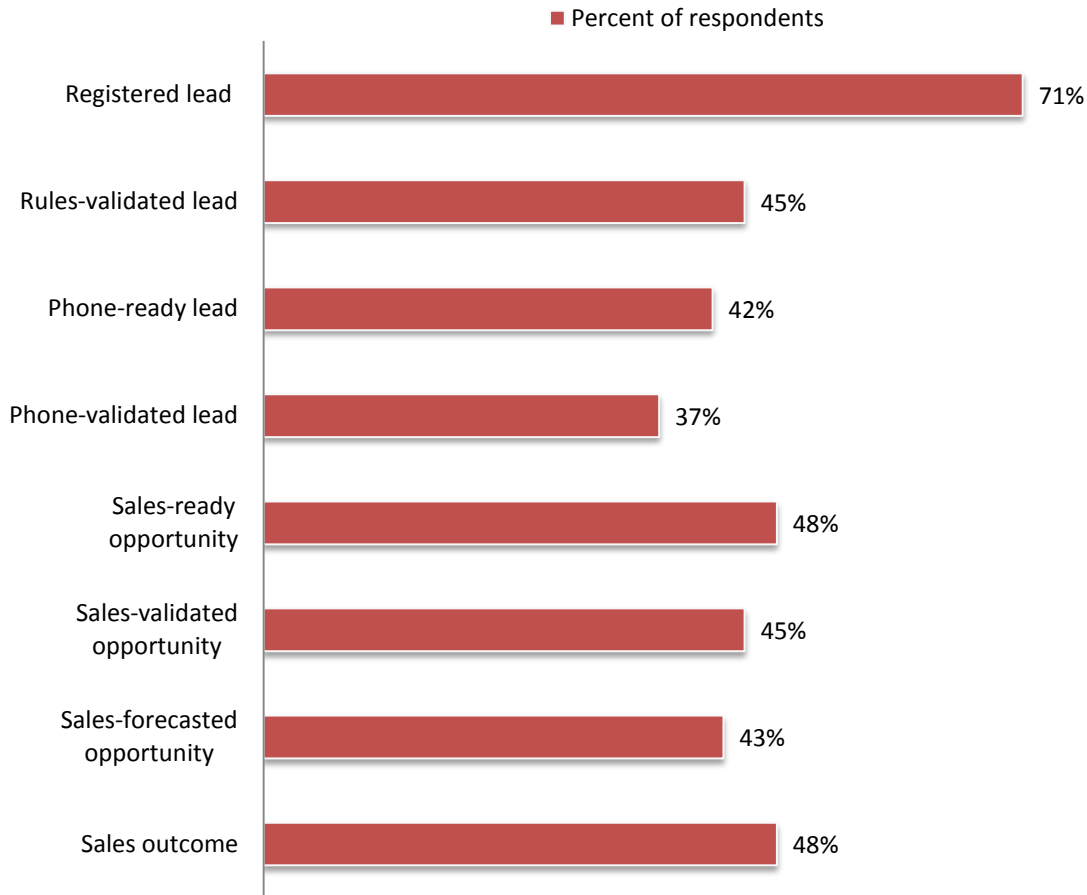
Source: MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded Aug 2010, N=935

When asked about the pertinence of various marketing challenges to organizations, survey respondents indicated that marketing to a lengthening sales cycle was the second most pertinent challenge to their organization in 2009, and the third most pertinent challenge to their organization in 2010. In the above chart, we gain an understanding as to just how long that lengthening sales cycle is. On average, 60% of B2B organizations experience a sales cycle of longer than 3 months.

The length of sales cycles vary greatly among organizations of different sizes, industries, targets and average deal sizes, and the above chart represents the responses of all participating organizations in this year's study. Included in this report are breakouts of average length of sales cycle by organization size, industry sector, organization size of target audience and average deal size.

CHART: RECOGNIZED SALES FUNNEL STAGES

Q. Please indicate which stages in the marketing-sales funnel below are tracked in your organization. Please check all that apply.



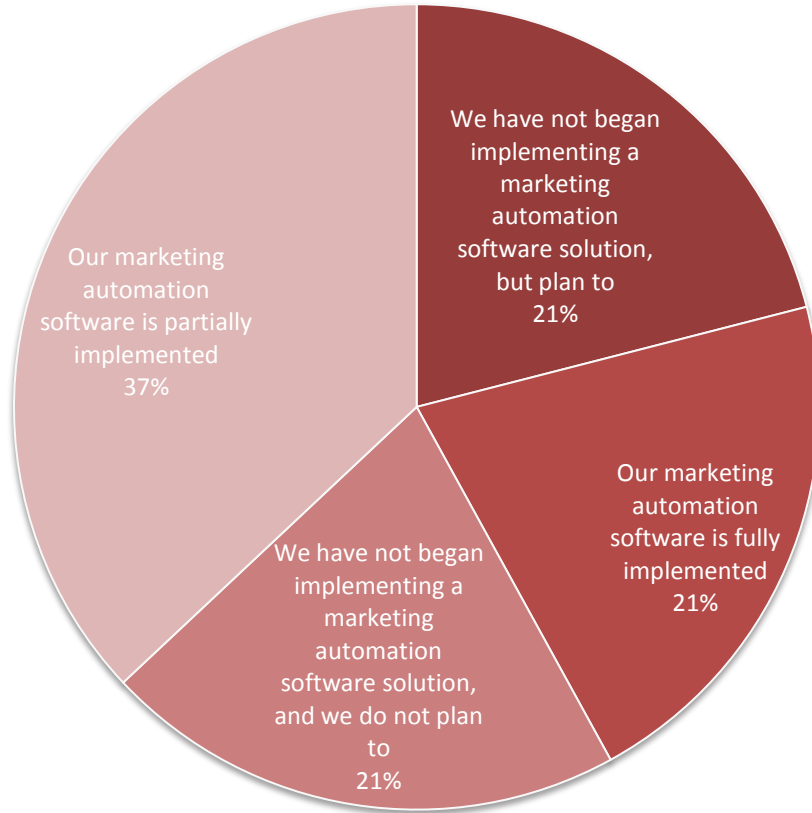
Source: MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded Aug 2010, N=935

When asked to identify which funnel stages survey respondents tracked within their organization, only 22% of organizations indicated that they had not yet defined a formal sales funnel. The above chart represents the recognition of the various sales funnel stages for all organizations.

Long, complex sales cycles require a formalized sales funnel in order to maximize sales efficiencies, in addition to lead scoring and nurturing methodologies. Marketing automation software can be an extremely effective tool in facilitating and streamlining lead nurturing, scoring and management processes. Part 2 of this report, **Qualifying and Nurturing Sales Leads**, includes data and insights on marketing automation, lead scoring, lead nurturing and managing the complex sale.

CHART: THE IMPLEMENTATION OF MARKETING AUTOMATION SOFTWARE

Q. Please select the statement that best describes the status of your organization's implementation of marketing automation software.



Source: MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded Aug 2010, N=935

The adoption of marketing automation software by B2B organizations has become a popular solution in facilitating the management of lengthening sales cycles and the complex sale by automating lead scoring, nurturing and management processes, as 56% of respondents indicated that their marketing automation software is either fully or partially implemented. Another 21% of respondents indicated that they had plans to implement a marketing automation software solution.

Marketing automation software can be an extremely effective tool in facilitating lead nurturing and management processes by automating lead scoring and the deployment of lead nurturing messages based on lead characteristics and behaviors and also the distribution of sales-ready leads to the sales team. In order to receive the greatest benefits from these marketing automation tools, organizations need to define their sales funnel, lead scoring and lead nurturing processes.

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- Lead scoring and nurturing, use of marketing automation, and much more

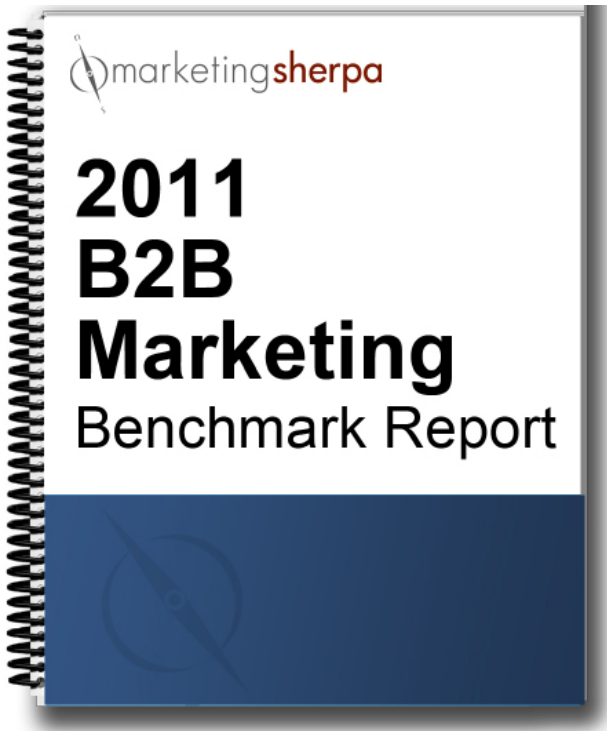
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Pages: 232

Published: October 2010

ISBN: 978-1-936390-03



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