

BENCHMARK REPORT

2012 B2B Marketing

Research and insights on attracting and
converting the modern B2B buyer

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2012 B2B Marketing Benchmark Report

Research and insights on attracting and converting the modern B2B buyer

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2012 B2B Marketing Benchmark Report

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EXECUTIVE SUMMARY

RESEARCH AND INSIGHTS ON ATTRACTING AND CONVERTING THE MODERN B2B BUYER

The pressure for B2B marketers is on. Modern B2B buyers have an increasing tendency and capacity to research purchasing decisions online long before they engage with Sales. They are empowered with information, and are reluctant from a persistently struggling economy. Winning over modern B2B buyers requires organizations to revolutionize their marketing approach, and the barriers to success are vast.

Facing great scrutiny, we must act on the buyer's terms, tie all activities into revenue, and continually optimize performance. Overall success will depend on our ability to influence change throughout organizational levels, and build strategies for buyer-centric lead generation and funnel optimization.

In this 2012 edition of the *B2B Marketing Benchmark Report* we will examine the top challenges B2B marketers are facing, the barriers that exist in preventing success, and best practices in overcoming them to attract and convert the modern B2B buyer.

Benchmark Report

MarketingSherpa Benchmark Reports provide marketing executives and practitioners the comprehensive research data and insights needed to compare an organization's practices and performance against industry benchmarks, and guide strategic decisions and tactical planning.

Information and collective wisdom of 1,745 B2B marketers

More than 1,700 B2B marketers shared their knowledge and results in one of the most extensive studies in the industry – the MarketingSherpa 2011 B2B Marketing Benchmark Survey. Now, you can use this valuable knowledge to benchmark your organization's practices and performance against other organizations like yours, and learn top tactics and strategies to optimize campaign performance.

Benchmark data from multiple lenses, organized for quick reference

The *2012 B2B Marketing Benchmark Report* is a comprehensive reference guide containing more than 150 charts with analytical commentary, hundreds of informative insights from your peers, several abridged case studies of real-life social marketing success stories, and more. To help you quickly locate the information most relevant to your marketing situation, we have segmented data throughout this report by

- Average of all respondents
- Key industry sectors
- Organization size
- Phases of marketing maturity

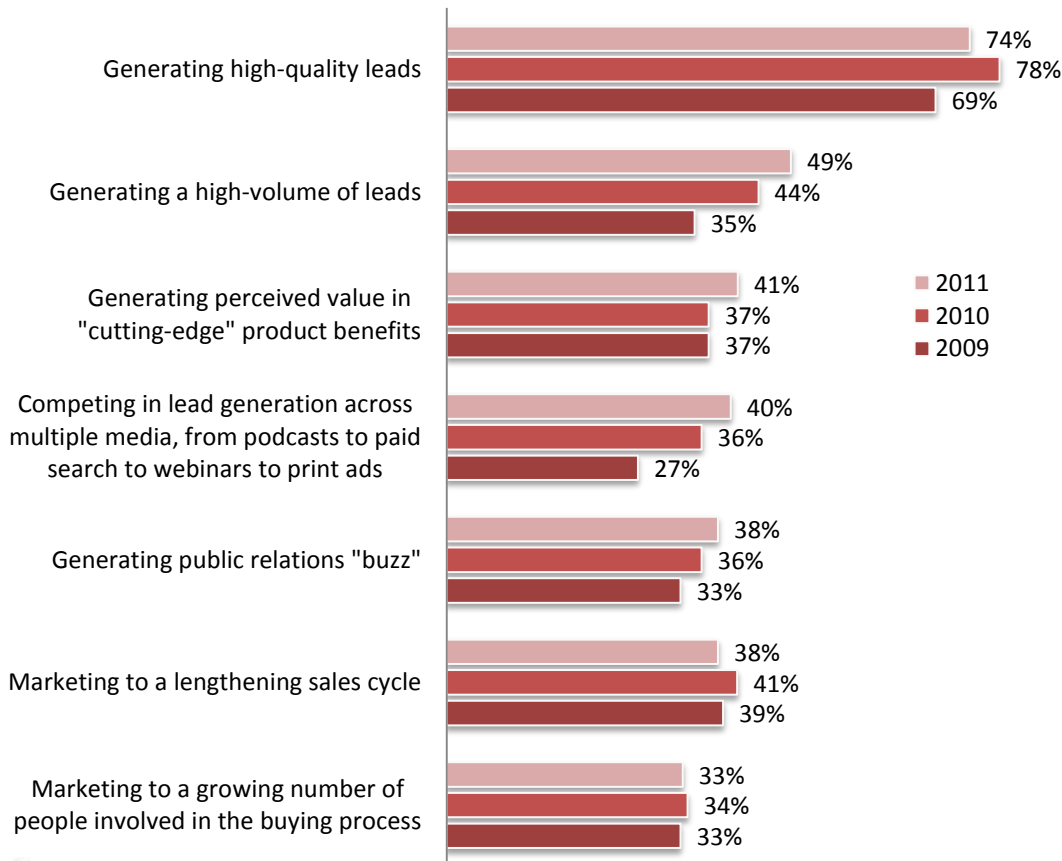
Highlights of this year's study

- The Strategic priorities of CMOs and senior marketing executives for B2B marketing
- How organizations allocate B2B marketing budgets and key performance indicators
- Top tactics B2B marketers use to generate leads including social media, email marketing and more
- The opportunities that exist for B2B marketers in funnel optimization for lead generation ROI

KEY FINDING: THE B2B MARKETING ENVIRONMENT IS INCREASINGLY CHALLENGING

The effects of a continually struggling economy and evolving buyer behavior are apparent in the indications of B2B marketers' greatest challenges. In last year's *B2B Marketing Benchmark Report*, we learned that nearly all challenges had increased in pertinence from 2009. This trend has continued through 2011, as we learn that the majority have increased yet again.

Chart: B2B marketing challenges growing in pertinence



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Top challenges of generating high-quality leads and generating a high volume of leads have held strong as the top two positions from 2010 to 2011, and marketers are struggling to achieve a balance of quality and quantity.

Contrary to the trend of increasing challenges, the number one challenge of generating high-quality leads has actually *decreased* in pertinence from last year's response. As lead qualification tactics have begun to gain traction, and marketers are beginning to embrace the screening of leads prior to sales team delivery, some are now falling back on their second greatest challenge – volume.

Data Highlights

*Majority of challenges are still increasing.

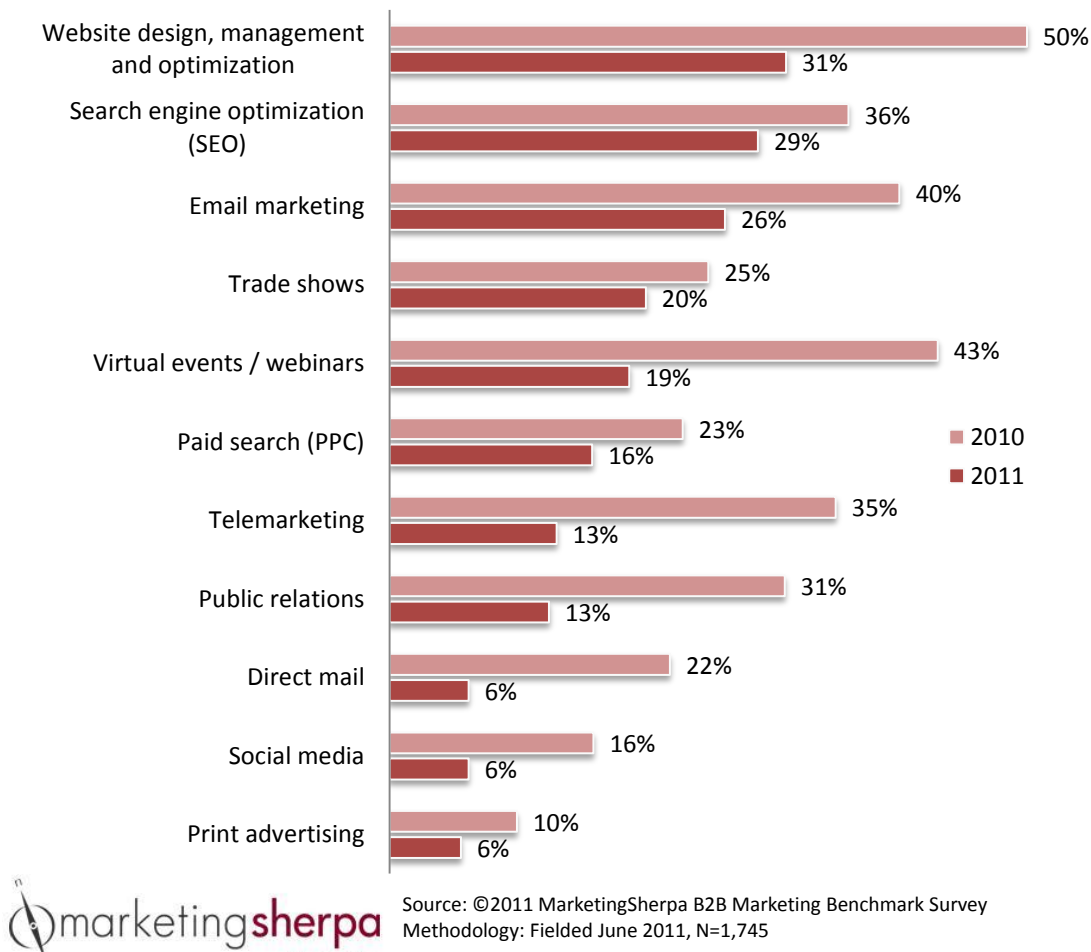
*Exception is top challenge of lead quality, which has decreased in pertinence.

*Last year's focus on quality has led some marketers back to volume this year. The greatest challenge is achieving balance.

KEY FINDING: INCREASING CHALLENGES APPARENT IN TACTICAL EFFECTIVENESS

We further exemplify the challenges of the B2B marketer by analyzing the effectiveness of various marketing tactics or channels, as indicated by survey participants. The dramatic decline of tactical effectiveness from 2010 to 2011 is indicative of marketers' dissatisfaction of overall quality and quantity of leads generated.

Chart: Changes in the effectiveness of B2B marketing tactics



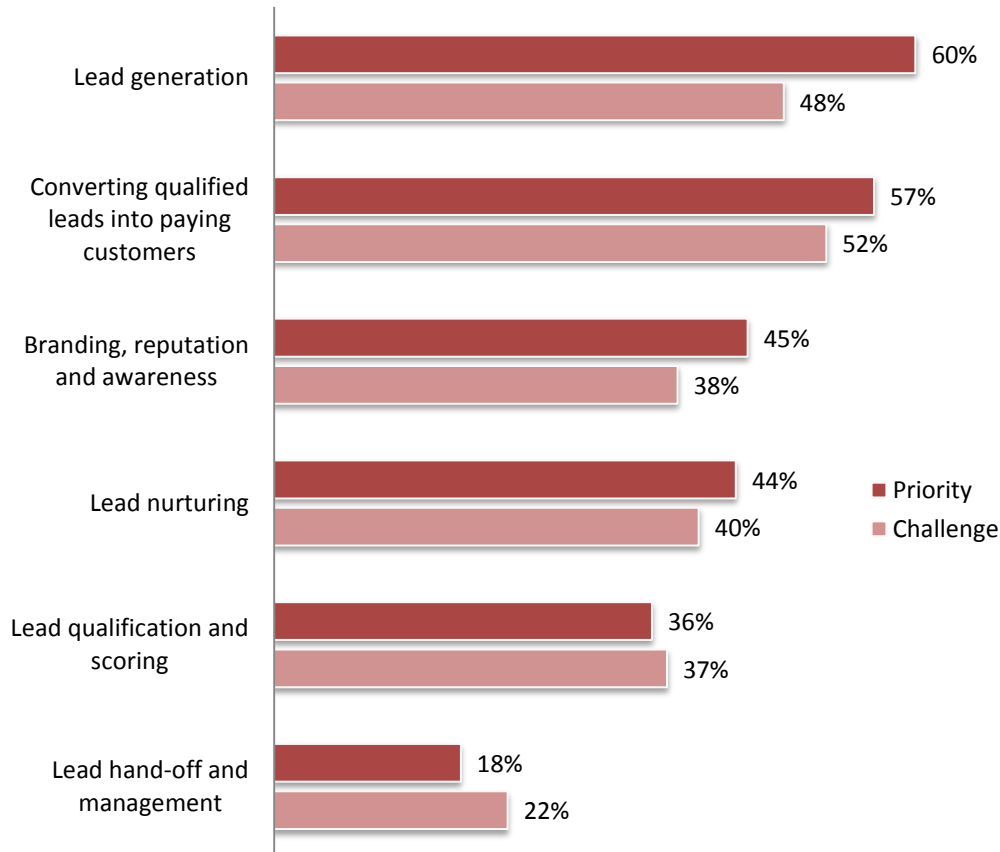
We asked survey participants to indicate the effectiveness of various marketing tactics in 2010 and 2011, allowing participants to indicate “very effective,” “somewhat effective,” or “not effective” for each tactic. This chart shows the level of response indicating “very effective” in 2010 and 2011, for each tactic.

In 2011, B2B marketers experienced severe declines in the tactical effectiveness for many of their marketing channels, when compared to the previous year. Multiple tactics declined by 50 percent or more. Times are tough and it is becoming more critical than ever for marketers to improve results. And it is becoming hauntingly evident that it's time for change.

In this report, we analyze the strategies and tactics of top performing, high maturity B2B organizations, so you can learn from their success and apply proven tactics to increase the effectiveness of your campaigns.

KEY FINDING: LEAD GENERATION IS TOP PRIORITY, CONVERSION IS GREATEST CHALLENGE

Amidst the struggle to increase effectiveness, marketers align priorities accordingly for the upcoming year. It is natural for marketers to prioritize lead generation, as we learned that balancing quality and quantity of leads are top challenges. The following key finding chart examines the importance of sales conversion, and its close relation to lead generation.

Chart: B2B marketing priorities vs. challenges

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

While lead generation presents a greater priority, and converting qualified leads presents a greater challenge, response levels are relatively similar for the priority and challenge of both tactics. This demonstrates their interdependence.

Lead qualification. Too much time is spent following up on leads that have low probability of becoming sales.

-Marketer insight on challenges

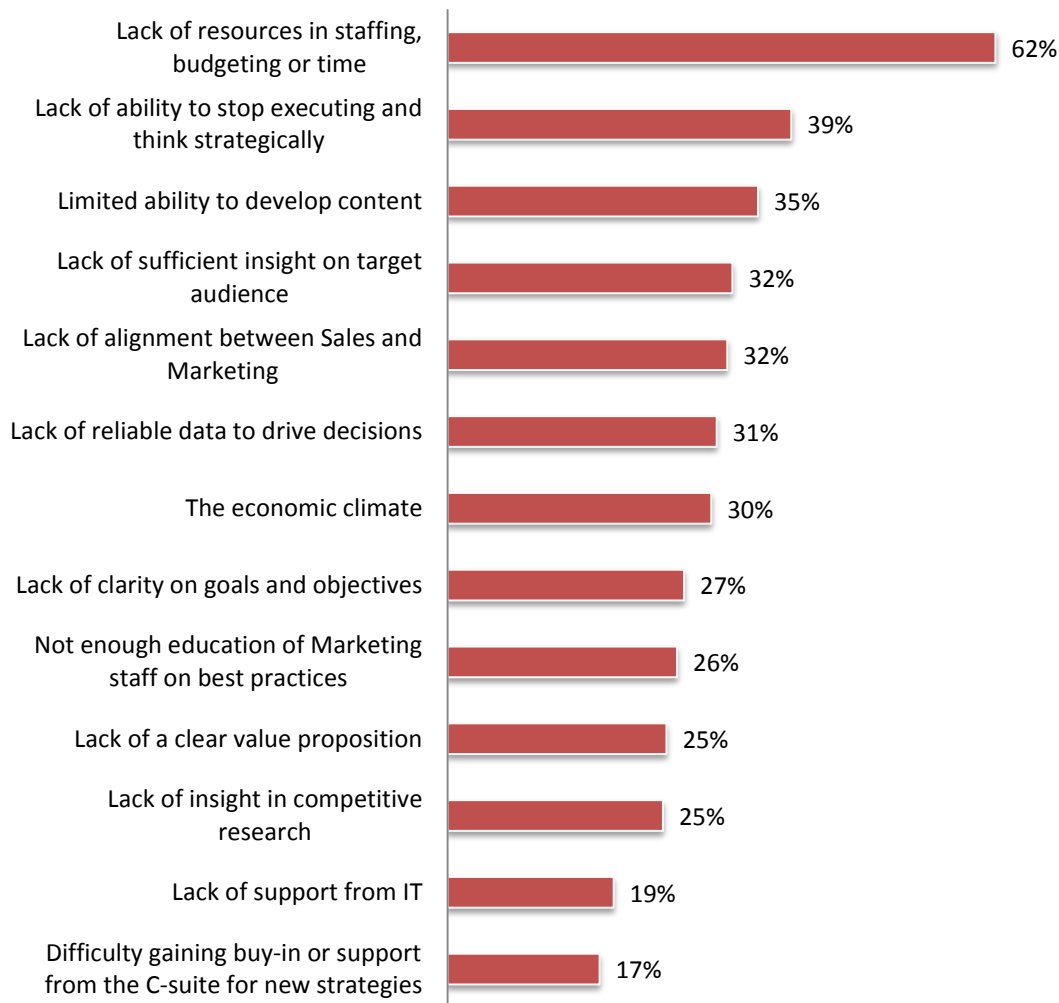
Marketers now prioritize lead conversion over branding, reputation and awareness, despite its traditional connotation as a “Sales responsibility.” Marketers are realizing the importance of supporting conversion as a marketing function by incorporating funnel optimization strategies to accelerate sales pipeline performance.

KEY FINDING: B2B MARKETERS CRAVE SUFFICIENT RESOURCES FOR SUCCESS ENABLEMENT

The challenges of the B2B marketer are on the rise, and barriers to success are inhibitive. External forces are certainly at play, but internal barriers exist as well. What can we do internally to overcome these challenges and rise above the competition?

The following chart analyzes barriers that exist in preventing marketers from overcoming their greatest challenges. To succeed, we must precisely identify and address these barriers within our organizations, and develop solutions.

Chart: Lack of resources presents greatest barrier to B2B marketing success



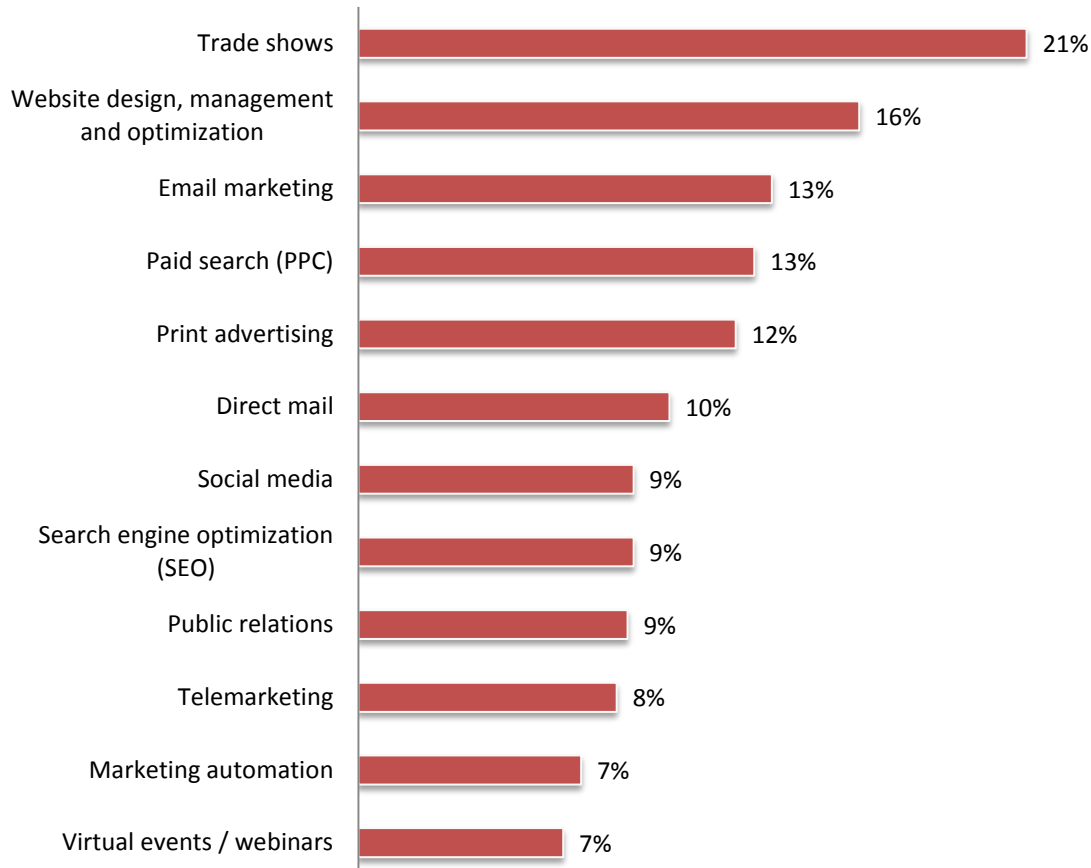
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Traditional perceptions of Marketing are crippling to success. Organizations traditionally view Sales as the revenue engine, and marketing teams must work more diligently to barter for investments in their departments. To receive these much-needed investments, it is critical for marketers to demonstrate their contribution to revenue and overall success. This benchmark report analyzes key strategies for accomplishing this demonstration of value.

KEY FINDING: TRIED-AND-TRUE TACTICS ARE VALUED IN THE ALLOCATION OF BUDGETS

In challenging times, we must test new strategies and tactics to improve marketing effectiveness. We need to maintain agility, and adapt to an evolving marketplace, but cannot completely sacrifice tried-and-true tactics that have driven our lead generation programs for years. When we analyze the allocation of B2B marketing budgets, we learn that marketers are investing in traditional tactics that have been standbys for past success.

Chart: The average allocation of B2B marketing budgets



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We asked survey participants to indicate the percentage of marketing budget they allocate to each of the above tactics, including personnel, media and other direct costs. We learned that marketers are investing in tried-and-true tactics such as trade shows, website marketing, and email, and are allocating the greatest slices of their budgets to these tactics.

Trade shows moved from the seventh most effective tactic last year to the fourth position this year. This perceived increase in effectiveness has led to significant investment. Meanwhile, the top three slices of B2B marketing budgets remains consistent year-over-year.

Data Highlights

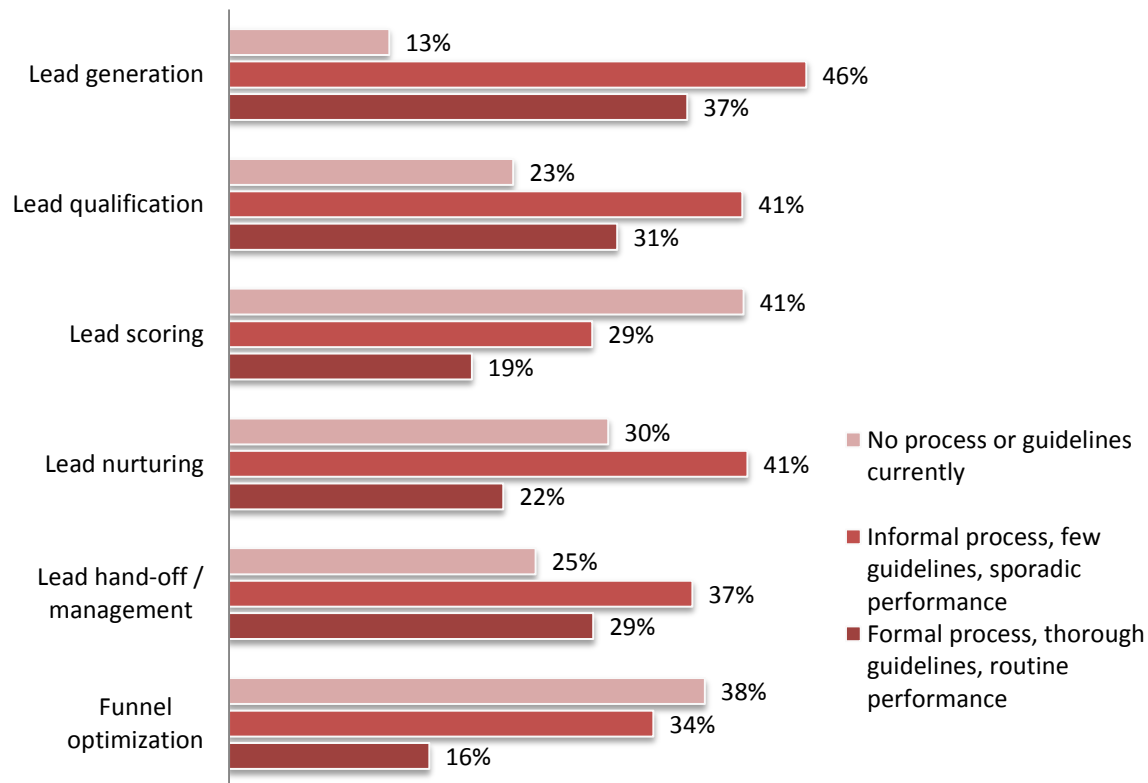
*Marketers value tried-and-true tactics: Tradeshow, website and email

*These top three slices remain consistent year-over-year

KEY FINDING: FUNNEL OPTIMIZATION PRESENTS GREAT OPPORTUNITY FOR MARKETERS

Marketers have prioritized the support of sales conversion over traditionally marketing-owned priorities, such as branding, awareness and reputation. The marketplace has grown to accept sales conversion as a Marketing *and* Sales function, and not Sales alone. However, marketers are struggling to gain maturity in funnel optimization tactics that support conversion.

Chart: B2B marketers show high levels of maturity at top of the funnel, not at the bottom



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

"This isn't a challenge – it's an opportunity. That old tagline "Just do it" pretty much sums up the process – make the calls, send the emails, JUST DO IT. The tools work if you use them, but nothing works if you don't follow through."

- Marketer insight on funnel challenges

We asked survey participants to indicate the type of processes they use to execute the above tactics, whether it is formal, informal or nonexistent. We learn that B2B marketers are showing significantly greater levels of maturity in lead generation and qualification than overall funnel optimization.

There is a short window of time for marketers to capitalize on this trend, get ahead of the curve, and establish their companies and themselves as industry leaders. By gaining maturity in funnel optimization strategies, marketers will be able to accelerate sales pipeline performance. They will become true contributors to their organization's success, leaders in the industry, and champions over the competition.

CHAPTER 1: B2B MARKETING MATURITY, CHALLENGES AND PRIORITIES

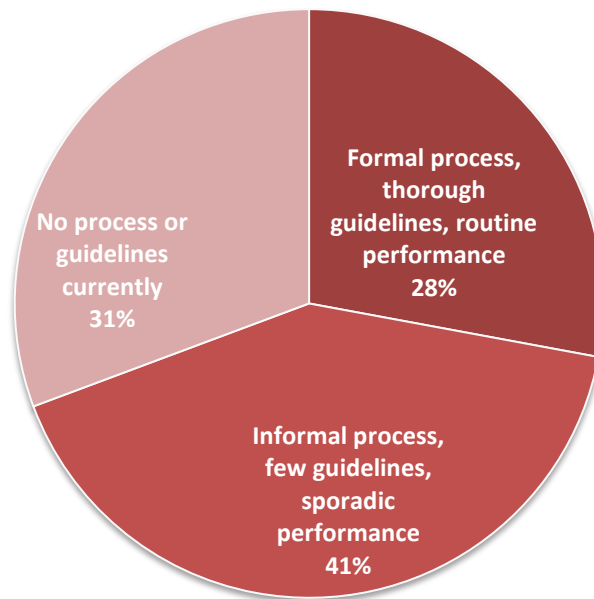
We have analyzed B2B marketing maturity by tactic in the Executive Summary. We used this information to identify three stages of B2B marketing maturity for various tactics: Trial, Transition and Strategic.

Organizations in the Trial phase have no process, those in the Transition phase have informal processes, and Strategic-phase organizations have formal processes in place. The goal of this segmentation is to demonstrate the benefits of moving from one phase to the next, and improving the sophistication of processes over time. In the following chart, we analyze overall maturity or the cumulative average of respondent's processes across all B2B marketing tactics.

B2B MARKETING PROCESS MATURITY

Q. Please select the statement that best describes the process your organization uses to plan, execute and measure the performance of the following activities (activities listed included lead generation, qualification, scoring, nurturing, hand-off / management and funnel optimization).

Chart: Overall B2B marketing maturity assessment indicates opportunity for improvement



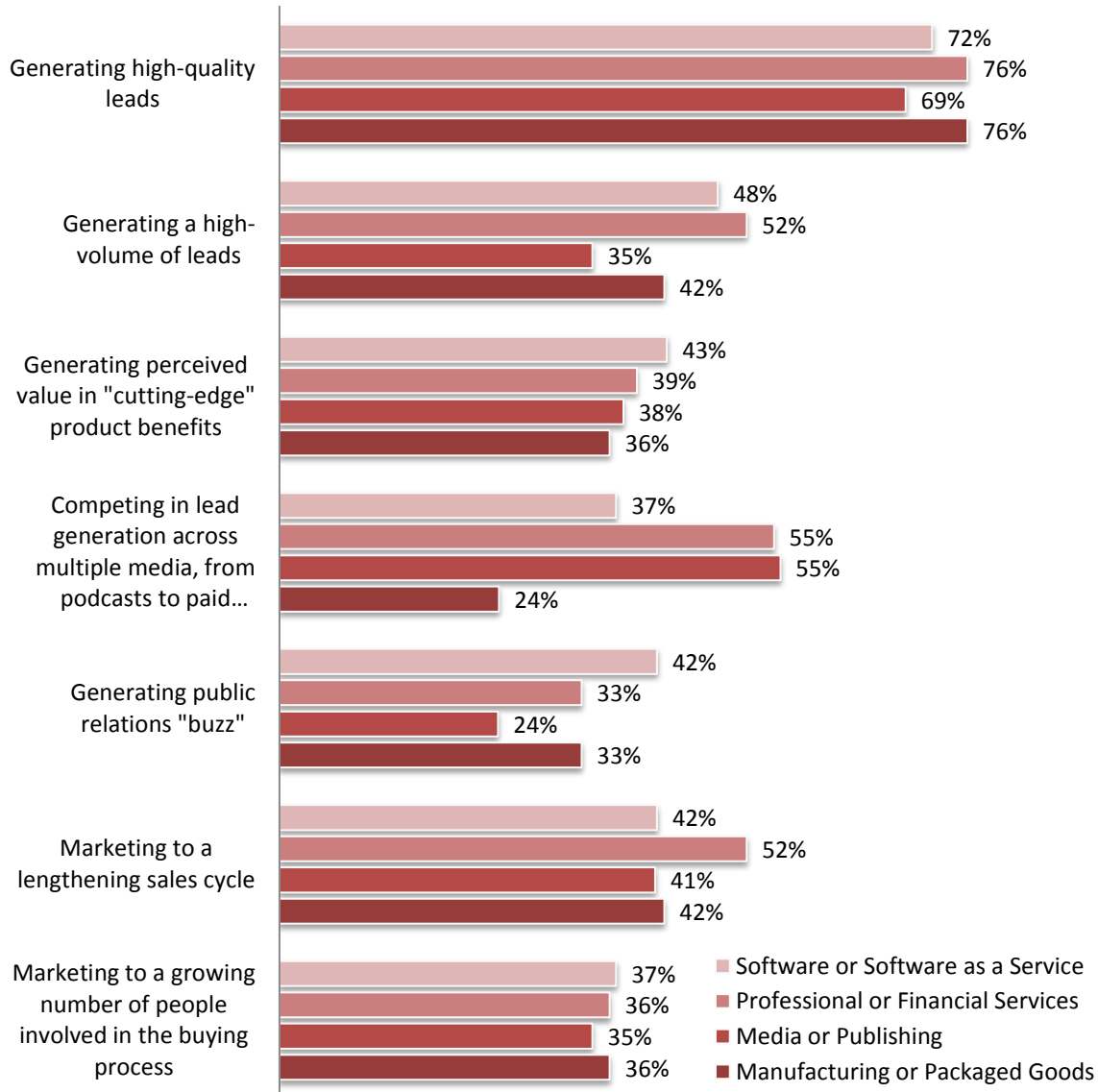
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

In this year's study, we broke out maturity by tactic to uncover the tactics that B2B marketers had mastered, and opportunities to get ahead. When we analyze cumulative maturity score, we learn that there is a more balanced distribution than with individual tactical scores. As we learned in the Executive Summary, B2B marketers show higher levels of maturity at the top of the funnel, and have opportunity to get ahead in funnel optimization tactics.

B2B MARKETING CHALLENGES

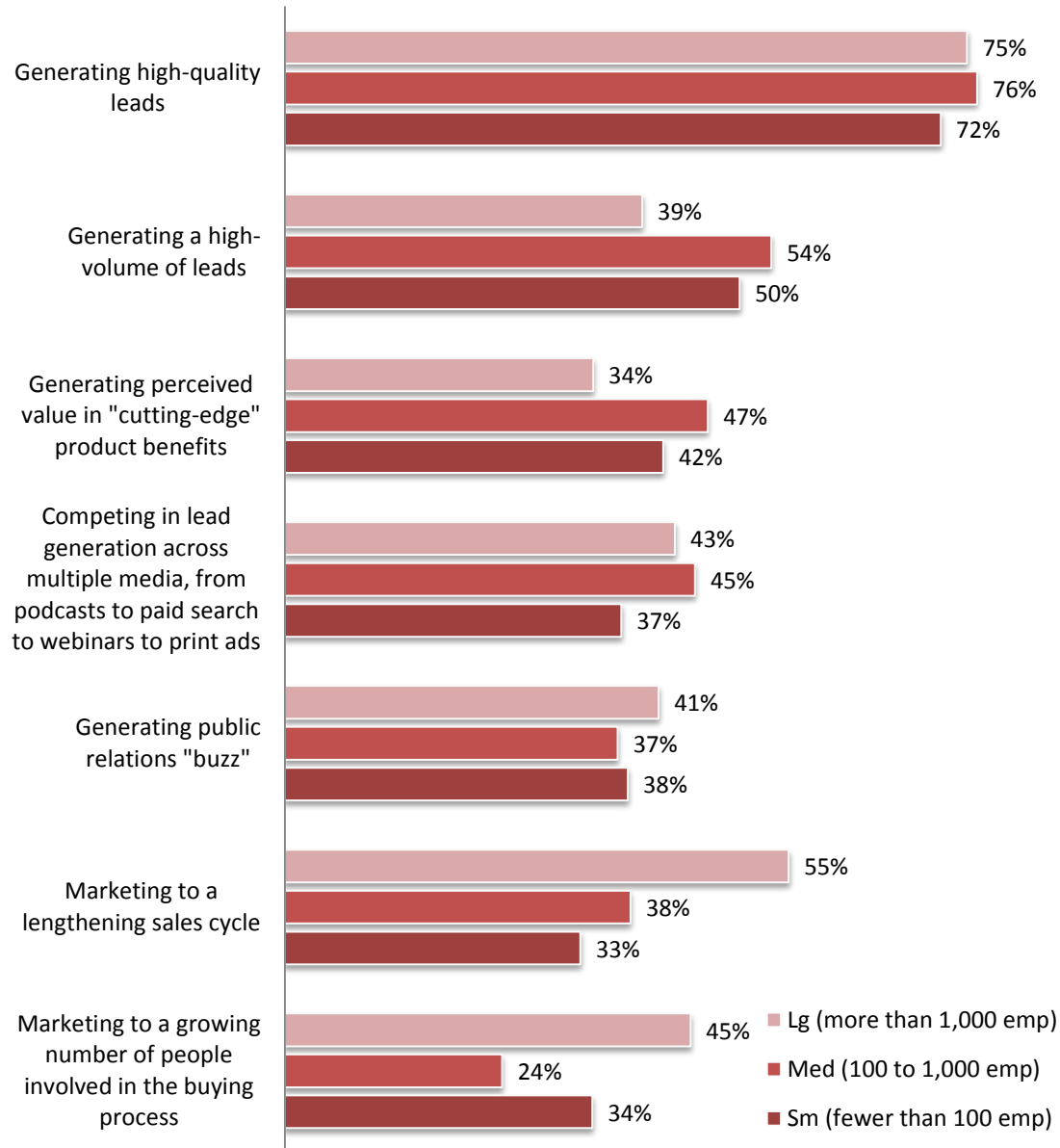
Q. Which of the following marketing challenges are currently most pertinent to your organization? Check all that apply.

Chart: B2B marketing challenges by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

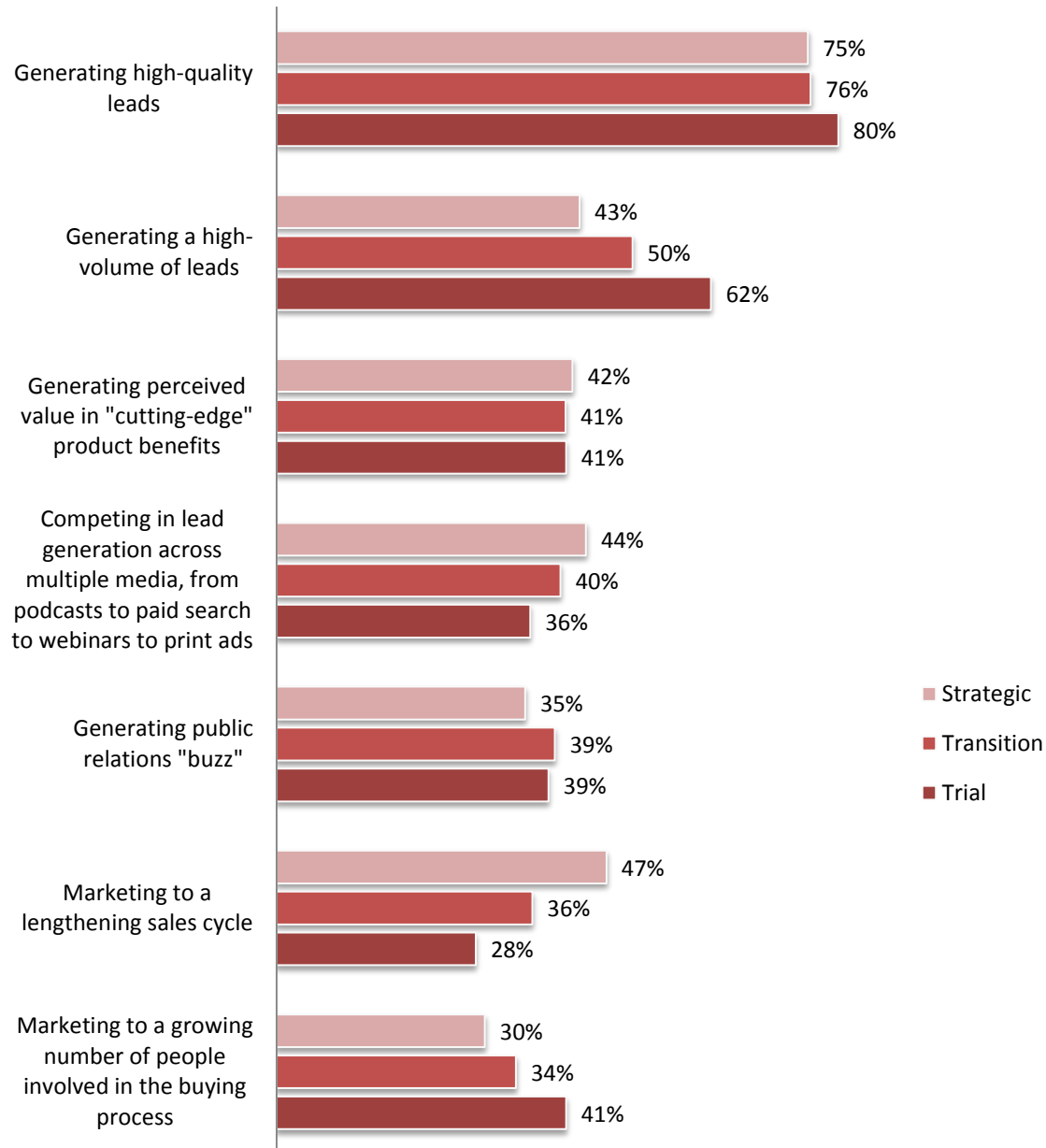
Marketers in the professional or financial services sector are experiencing the challenge of marketing to a lengthening sales cycle more than any other sector. They also experience the challenge of generating a high volume of leads more than other sectors. This indicates that the market for these services is especially cautious and reluctant to part with their budgets and commit to a purchasing decision.

Chart: B2B marketing challenges by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations with over 1,000 employees tend to have more abundant financial resources than smaller organizations do. This is evident in the above chart, as we learn lead volume is of the lowest concern to large organizations comparatively. Typically, marketers can generate a higher volume of leads with greater budgets.

Large organizations may also tend to have larger deal sizes, which would explain why marketing to a lengthening sales cycle and marketing to a growing number of people are more pertinent to organizations of this size. Buyers are more cautious when making purchase decisions at significant price points, leading them to take longer to make a decision and consult with more parties.

Chart: B2B marketing challenges by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

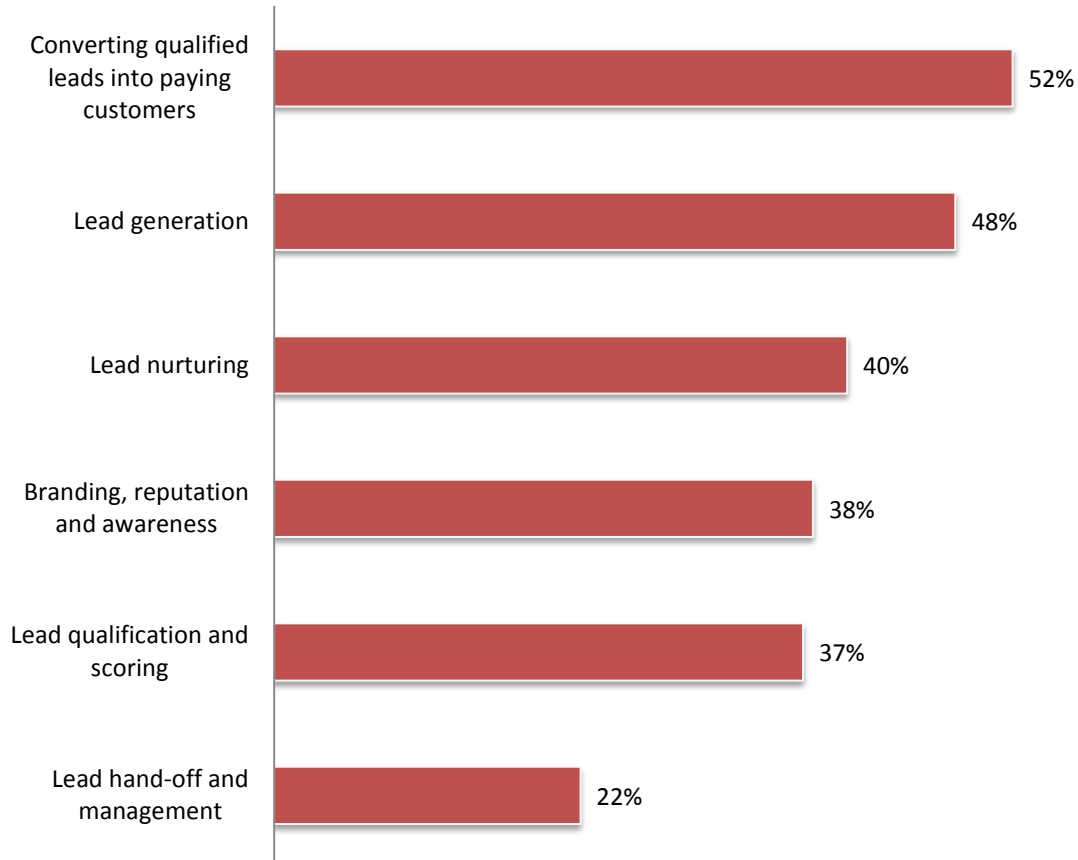
In the above chart, we examine challenges by lead generation maturity, or the processes organizations use to plan, execute and measure lead generation activities. Organizations in the Trial phase lack formal processes for lead generation activities, the effects of which are present in the above chart.

Organizations in the Trial phase of lead generation maturity are the most likely to indicate that generating high-quality leads and generating a high volume of leads were pertinent challenges. Without formal processes for generating a high volume of qualified leads, marketers execute these tasks inconsistently and are, therefore, more challenged by them.

MOST CHALLENGING FUNNEL PROCESSES

Q. Which of the following Marketing-Sales funnel processes do you find to be the most challenging? Select up to five processes.

Chart: Lead conversion rated as most challenging funnel process



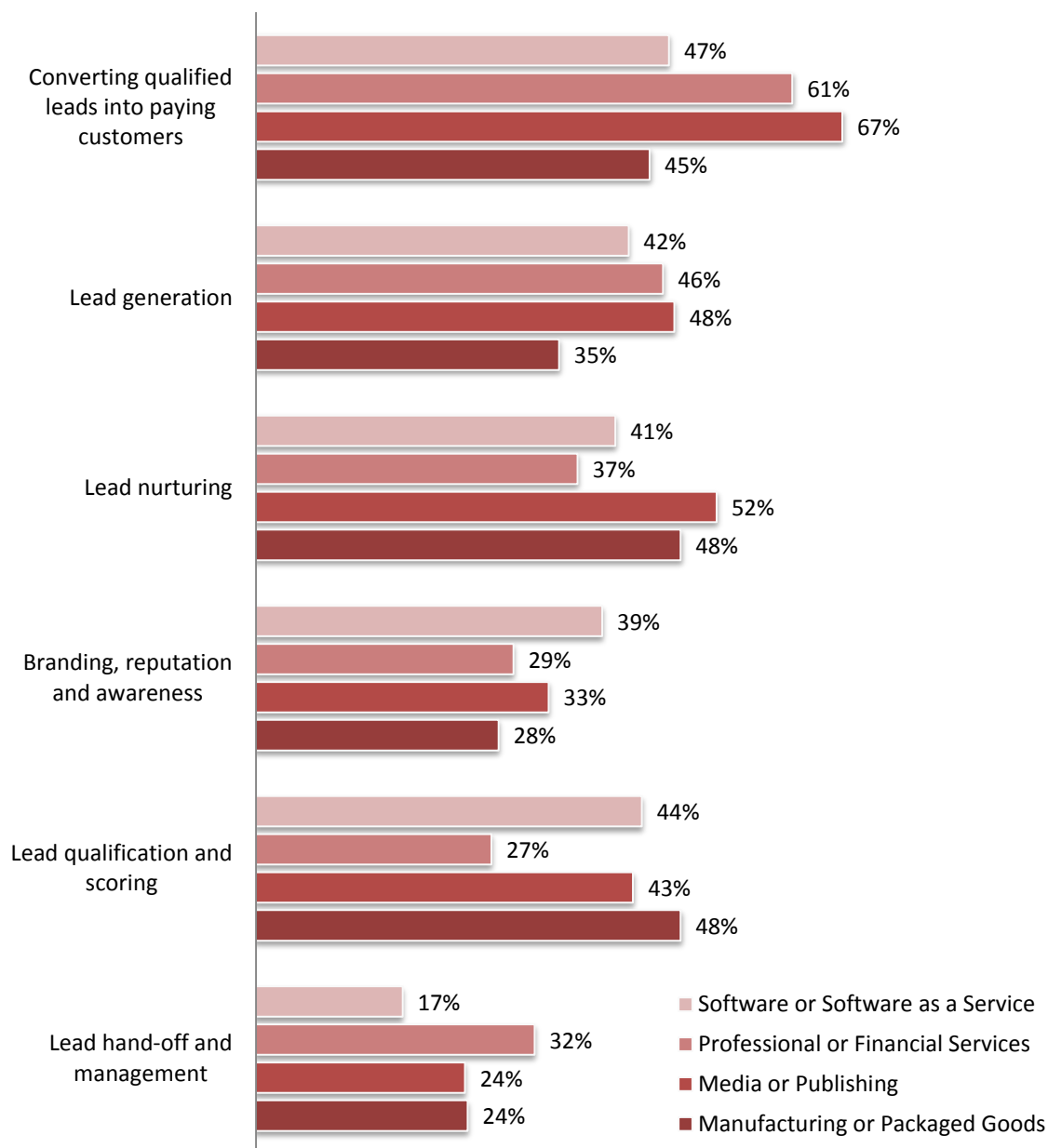
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We learned earlier that the majority of B2B marketers lack maturity in funnel optimization processes, so it is natural for them to indicate lead-to-customer conversion as the most challenging funnel process. Organizations are beginning to recognize this as a Sales *and* Marketing function. However, it is still relatively new to marketers.

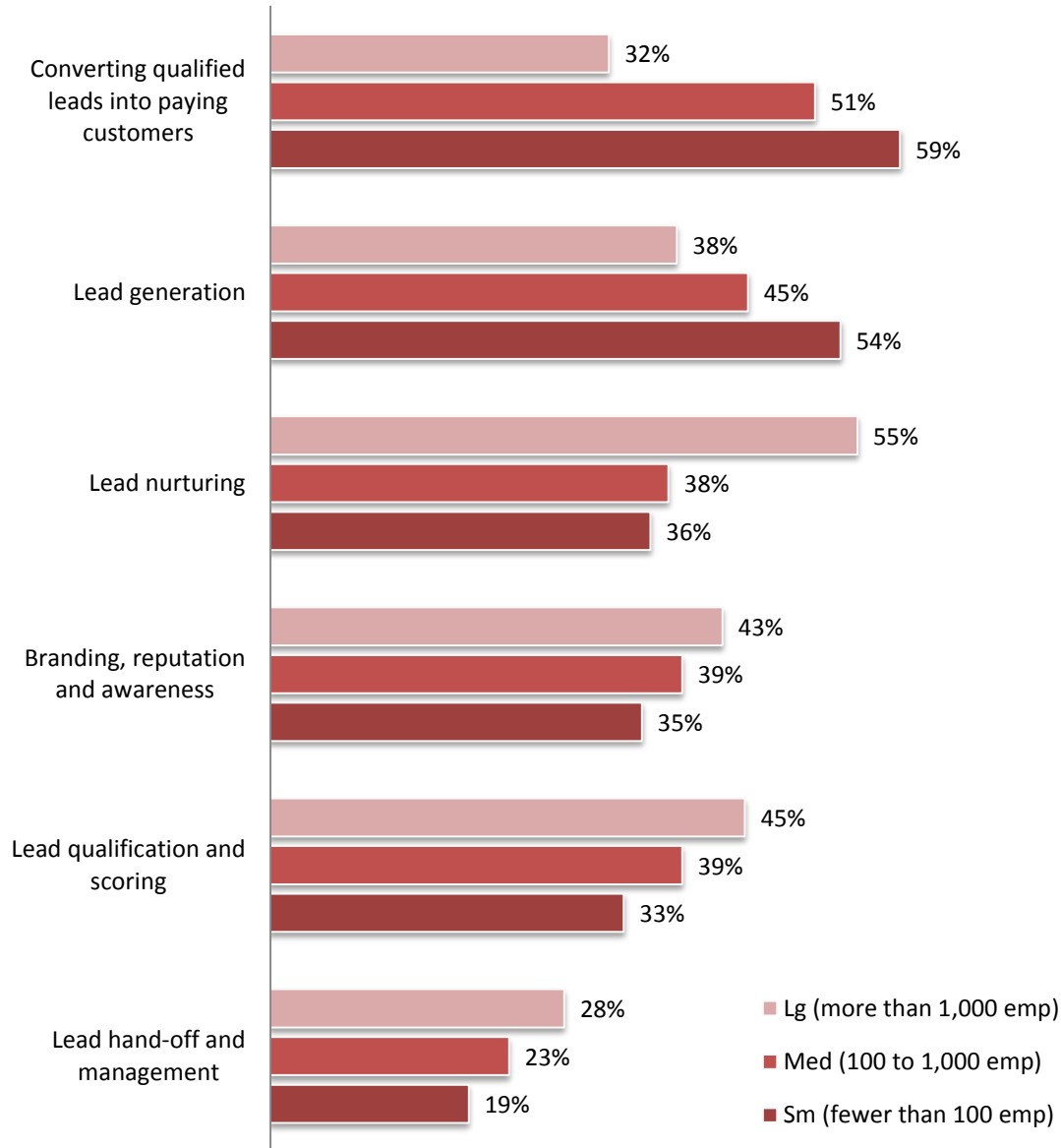
Despite the higher level of maturity displayed by B2B marketers in lead generation practices, this is still a significant challenge to them. Once they begin to gain maturity in funnel optimization strategies, they will likely find that their lead generation efforts produce a greater ROI over time.

Participants rated lead hand-off and management as the least challenging funnel process. The act of sending a lead to Sales is facilitated with CRM and marketing automation tools, but the real challenge is identifying the right qualification criteria to determine when the hand-off should be made.

Chart: Most challenging funnel processes by industry sector



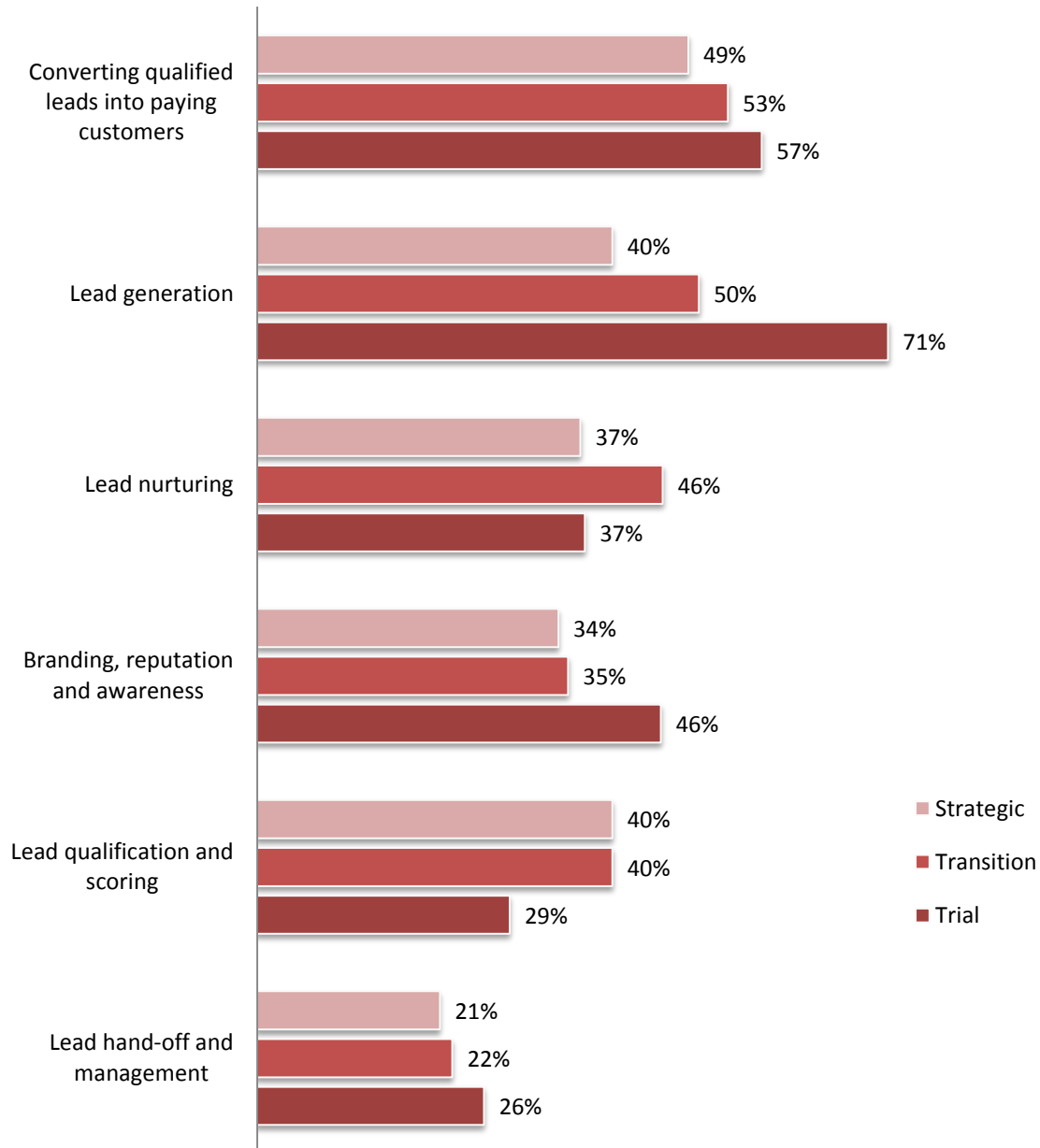
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Most challenging funnel processes by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

For each of the top two challenges, large organizations indicated the lowest levels of response, and small organizations the greatest. The smaller the organization is, the more challenging it is for them to generate and convert leads.

Large organizations indicate lead nurturing as their most challenging funnel process, and had a significantly higher response in this category than did small- or medium-sized organizations. Lead nurturing requires great attention to audience segmentation and content development — two difficult and time-consuming tasks. Since large organizations tend to have more ample resources, they may be attacking lead nurturing and realizing its true challenge. Small- or medium-sized organizations may not be as involved with complex nurturing.

Chart: Most challenging funnel processes by lead generation maturity

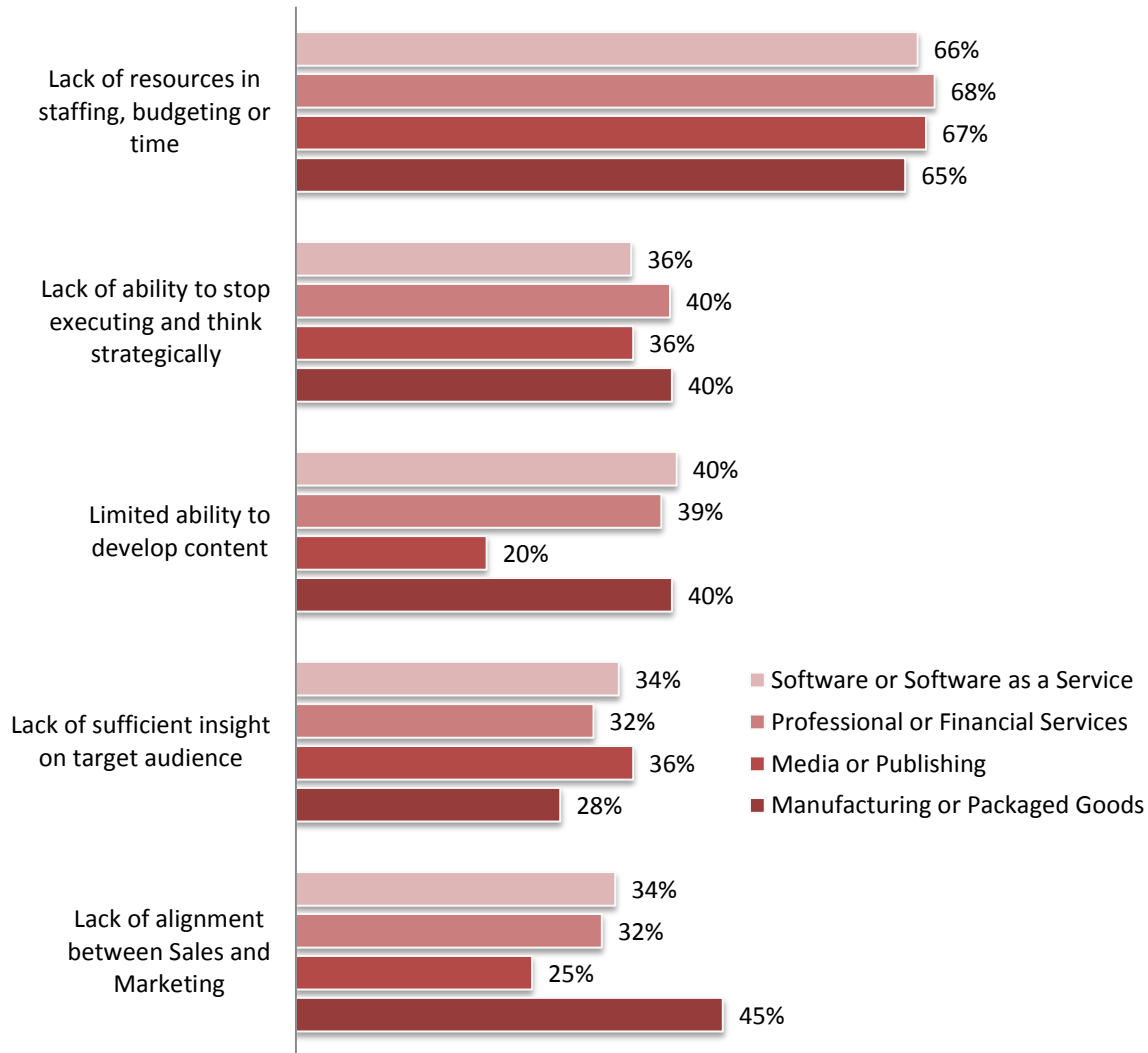
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Since this chart conveys the most challenging funnel processes by lead generation maturity, we expect Trial-phase marketers to find lead generation more challenging than do Transition- or Strategic-phase marketers. What is interesting about this chart is that it ties a close relationship between lead generation and lead conversion. Just like lead generation, Trial-stage marketers are finding conversion to be more challenging than Strategic-phase marketers. Based on this data, we can conclude that maturity in lead generation tactics leads to maturity in lead conversion tactics, as well.

BARRIERS TO B2B MARKETING SUCCESS

Q. What barriers exist to overcoming your top challenges?

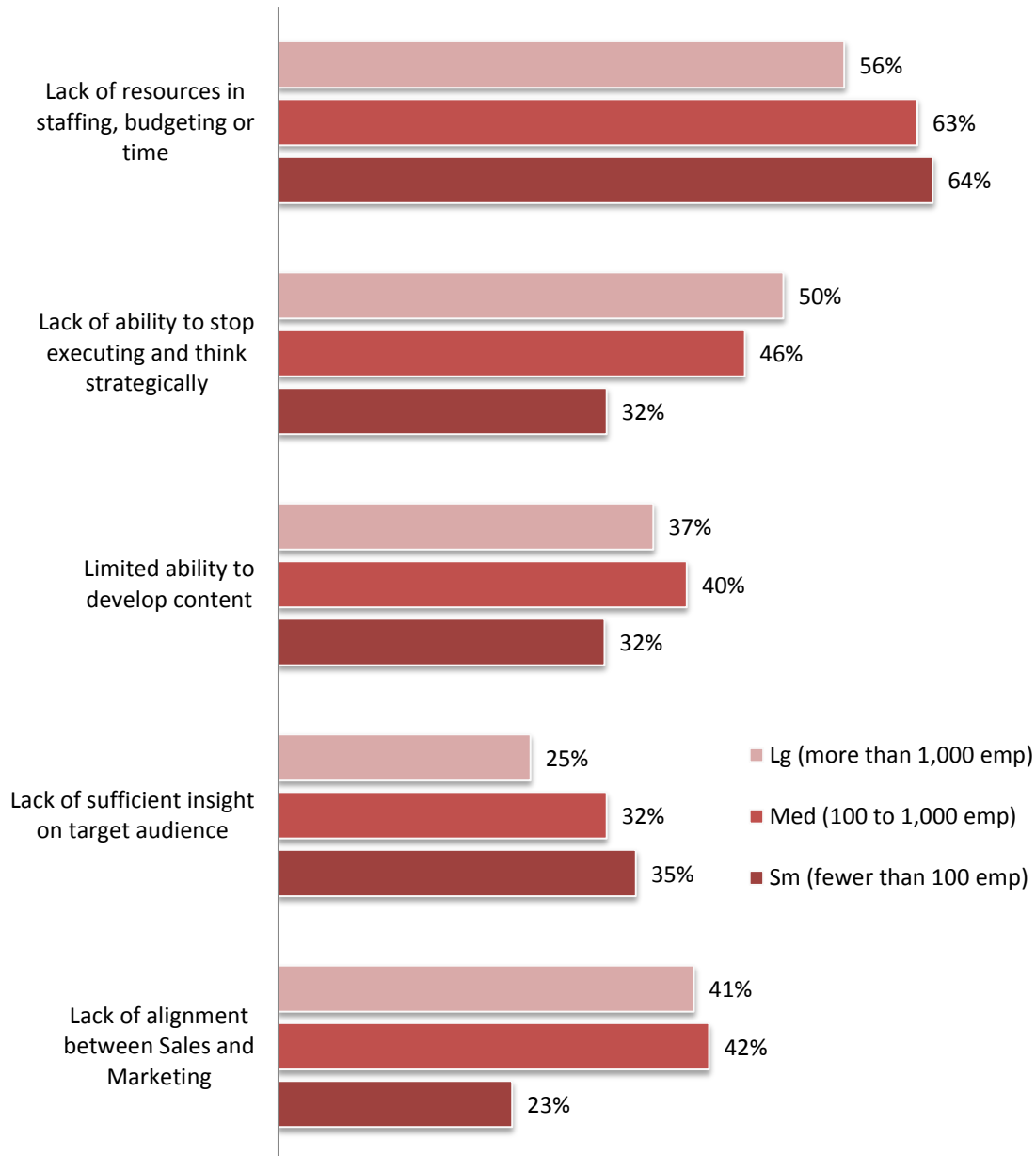
Chart: Top 5 barriers to B2B marketing success by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

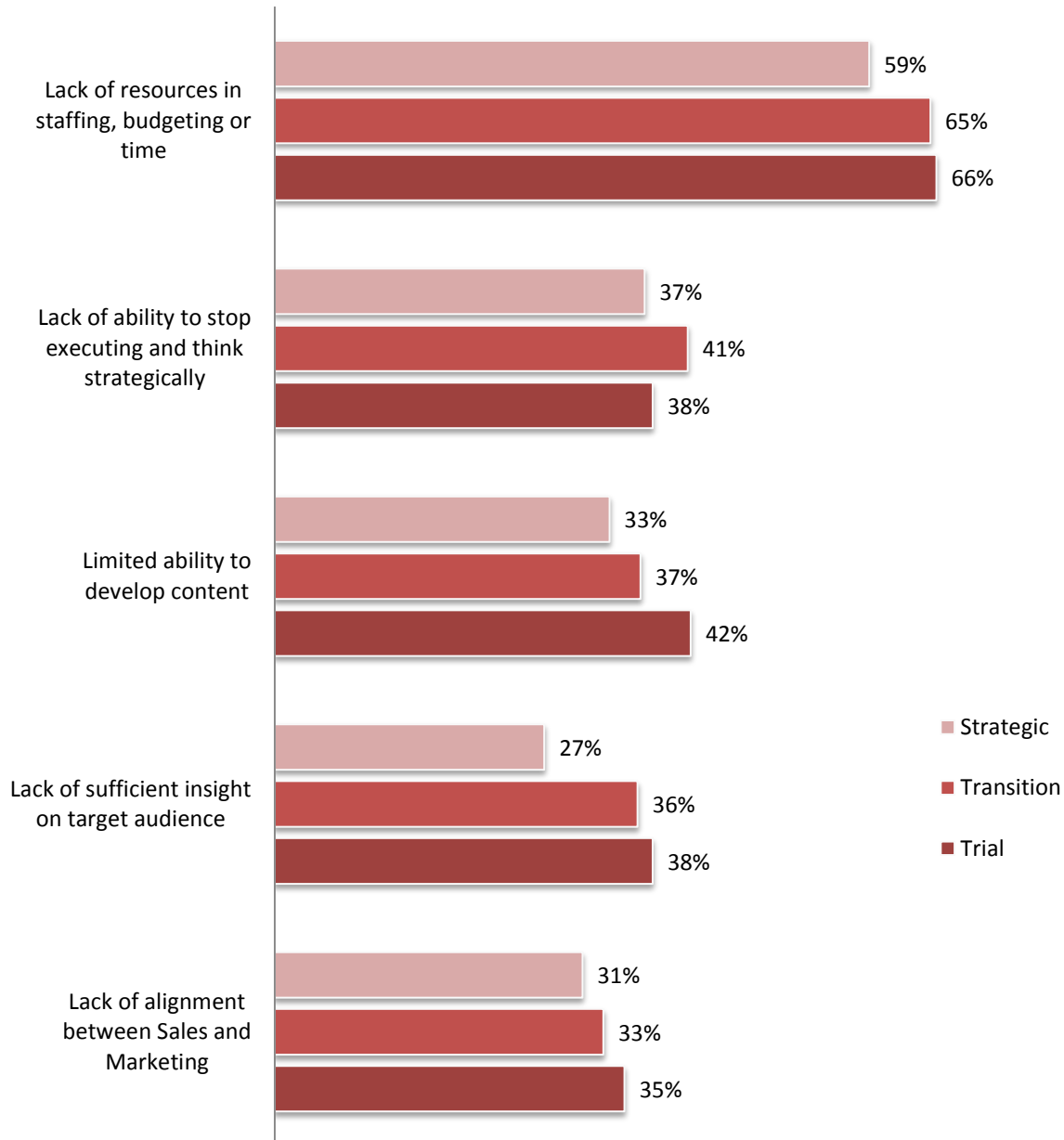
Organizations in the manufacturing or packaged goods sector were the most likely to indicate that Sales and Marketing alignment was a barrier to success. They were also the least likely to indicate that lack of sufficient insight on target audience was a barrier. Typically, a greater insight to target audiences supports alignment, but manufacturing or packaged goods demonstrates an exception to this best practice. It is likely that Sales and Marketing disagree on target audience insights, which would certainly fuel an alignment problem.

Organizations in the media or publishing sector have access to a breadth of content, so they were the least likely to indicate content development as a barrier to success.

Chart: Top 5 barriers to B2B marketing success by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Large organizations are the least likely to indicate lack of resources as a barrier to success, and yet they are still the most likely to indicate the ability to stop executing and think strategically as a barrier. Large organizations may have greater resources, but smaller organizations tend to have greater agility, and can adapt to change faster. They have a more entrepreneurial culture, which cultivates strategic thinking at more levels throughout the organization, whether the employee is a VP or a specialist.

Chart: Top 5 barriers to B2B marketing success by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Strategic-phase marketers value best practices of content development, and collecting insights on target audience. It is likely that they have more experience in these practices than do Trial- or Transition-phase marketers. With more experience comes greater maturity, which allows them to find these tactics less challenging over time.

B2B MARKETER INSIGHTS ON TOP BARRIERS TO SUCCESS

Q. Which barriers to B2B marketing success are the most difficult for you to overcome and why?

- Lack of clear value proposition, our product does too much and is hard to find a way to quickly describe to gain initial interest.
- With an older sales staff, contemporary marketing techniques sometimes seem invasive, so I get less buy-in. Also, when business is good, they don't appreciate the long-term value of marketing. The classic barrier for a one-man marketing shop is resources: time and money.
- Lack of ability to stop executing and think strategically is the biggest barrier. When the company is challenged for cash flow, it is almost impossible to not jump after every possible opportunity, no matter how remote the chance of winning it might be.
- Lack of resources, as economic times force too few people to focus on too much work, and too many people, working on too little work. Likewise, sales management does not effectively drive sales response/prioritization.
- For the first eight or nine years of the last decade we had been slow to recognize and appreciate the negative and insidious forces with which the economy has altered our market. Our challenge has been to reinvent ourselves and to find and implement a better way to innervate our market ... and even to create another market in which we could be "first."
- We have the toughest time getting our systems to record and give us the information we need to make the best decisions. We have a limited budget for systems, so we are constantly working to incrementally upgrade the systems we have, which takes time.
- Staffing has been a barrier to our moving forward. We have purchased software to help alleviate some of our issues, but the lack of bodies to train and implement the software is affecting our ability to implement strategic programs.
- Data quality — this has been one that consistently comes up each year; within a global organization, there is risk of over targeting and in accurate data entering the system. Finding a solution that addresses this and meets the needs of all divisions across the globe is a challenge.
- Executives are pushing responsibility for email creation and distribution out to the marketers, so we spend all day hassling with HTML, and exclude lists instead of thinking strategically about how to most effectively communicate.
- The current economic and legislative climate has made it difficult to project what changes will impact us or our customers. The established trends and markers no longer seem to apply with any reliability. In addition, our organization is small and it is a continuous effort to make market research a priority and to protect the dollars needed for marketing.

- Obtaining accurate data/information about our customers' sales process and replicating that for more sales. Problems in the transition between lead generation, lead nurturing and hand-off to sales.
- Generating good content to drive nurturing communications; willingness for business to fund marketing campaigns and programs; difficulty in tying marketing efforts to sales revenue.
- Technology and tying all the critical data together into a unified view of our marketing activities. Much of our time is spent currently on wrangling data when we should be spending that time analyzing it and making decisions based on it.
- Time again — think strategically and develop new content. We know content works; we just don't have time to write it ourselves, and no money to hire someone who can.
- Support from the C-Suite leads to a lack of resources and then the other challenges. The execs would rather hoard cash than invest it in proven techniques to measure marketing success. They are afraid that the data provided would show that they are not investing in the right channels or tools to grow the business.
- The lingering effects of the global financial crisis. Although our industry is doing well, and is operating at higher levels than before the GFC, there is residual fear that is slowing purchasing decision-making.
- Staffing and budgets. We cut half our overall staff, and we have fewer than 25 employees, yet we are still a multimillion dollar business.
- Lack of support from C-suite. I work in construction where traditional business practices and marketing programs are viewed as foreign and, therefore, scary. It's the fear of the unknown that drives indecision rather than taking a strategic look at options, outcome, and then picking the best route given an informed process. Because they don't understand it, they won't do it, versus becoming comfortable with what they don't know.
- The most difficult barrier to overcome is the lack of time because our company will not be increasing the marketing staff. This impacts the ability to think strategically and the ability to develop content.
- Our company, at the highest levels, seems to lack a shared vision for how marketing can be a valuable, business-critical contributor. There is a perception that ALL marketing is flawed because personnel haven't seen what really good marketing can do.
- Getting other stakeholders to move away from only leveraging "traditional" marketing techniques and embrace continually evolving online marketing strategies and building up marketing operations.

- The lack of time to stop executing and think on a more strategic level is one of the most difficult. Right now we've set up our lead handling process and making changes is difficult because everyone is working within our system and doesn't have time to make the necessary adjustments.
- Because our marketing department is very thin, especially for a publicly traded company, any activities that are not central to lead generation or conversion have to take a backseat. Trying to move from event-driven marketing (webcasts, trade shows, etc.) to a more content-driven approach is challenging under these types of constraints. Spending time to do anything more than extremely rough measurements is virtually impossible.
- We have a large marketing organization and we have a tendency to "trip over ourselves" due to bureaucratic structures and processes, insufficient marketing management skills, and other self-created obstacles that impede our speed to market.
- We have a very tight niche market in which there are very few new prospects. Our focus is on retaining current clients, broadening their consumption of our services and on capturing clients from our competition.
- Some marketing clients who we sell to are not educated to the levels required of truly effective marketers. As a result, they are complacent and would rather stick to the status-quo than take on responsibilities for new software that they do not understand how to use effectively.
- Lack of knowledge on best practices among marketing staff and having a culture of consensus holds us back from creating standout marketing campaigns that capture our target audience's attention.
- Generating new and salient content for Web, lead generation and qualification which are due to time and resources. Hard to get useful and pertinent market content quickly.
- Gaining buy-in from the C-suite for new strategies. C-suite is happy with current performance and growth and does not see value/ROI to be gained from additional strategies to generate quality leads for the sales force.
- The executive team is highly driven by old school, sales-driven strategy. In other words, they believe that the key to growing revenue is hiring more salespeople, not investing in marketing.
- Lack of clarity on goals and objectives — they seem to change randomly — other than to sell as much as possible.
- Need to educate audience in value of new approach — executives will stick to a failing strategy they know rather than try a new strategy they don't understand. A lack of resources limits the ability to develop content. Lack of tools limits our ability to easily proliferate our message across social media channels.

- As a small, young company, our organization has trouble staying focused on a small number of initiatives and seeing those through. Goals, objectives and priorities change from day-to-day and week-to-week.
- It is a combination of too many projects to execute and not enough resources in both staff and budget. It is difficult to stop doing tasks in order to take the time and strategically think things through.
- Biggest is a Sales team that is constantly turning over. It is hard to measure the success of programs when we are constantly working at half capacity. I think this is also causing many leads to fall out of the funnel due to lack of attention, but I am having trouble proving this.
- 1. Identifying our highest priorities; staying focused on those priorities in what feels like a rapidly changing environment. 2. Identifying the highest-value technologies to implement.
- Shifting the existing staff's approach to marketing from collateral to content publishing. Keeping up with all the new marketing approaches, programs, methodologies and knowing which areas to focus to maximize revenue.
- Marketing generates inquiries but Sales owns the process from there. Reporting follow-up results is difficult because of poor distributor follow-up reporting. I can't tie a sale back to a lead and our close rate is extremely low based on the cross-industry standard.
- We lack tools and automated systems to make this less manual. We lack a definition of sales model to create rules for marketing to sales hand-off.
- Don't have sufficient time to make marketing a disciplined process that is ongoing. Sales (immediate opportunities) is always the priority. I know the value of lead nurturing, but if we don't focus on sales, then there are no resources for marketing. It's a vicious cycle!
- Lack of alignment between sales and marketing. We have noticed a gap in communications between marketing and sales, which were attributed to a lack of time and staffing to perform proper lead scoring and nurturing. Currently, we are increasing use of our CRM system and have hired another employee focused in this area.
- Lack of alignment with selling cycle and buying cycle. In a long sales cycle, Sales is tasked with nurturing out quarter deals, a task that very little time is spent on.
- Ability to develop content. Marketers are experts in marketing, not in the content that our customers need. Our subject matter experts have other functions and don't always have the time or see the value in creating educational content. I've been shifting the marketing department to more of a publishing model, run something like a newspaper. My copywriters now act as reporters, hunting down stories, conducting interviews, and then writing up what they learn from SMEs.

- We sent reports to Sales of newly registered website members that aren't in our sales database, but we aren't sure if they are taking the next step and reaching out to these possible new clients.
- The issues are virtually all internal; not due to any lack of external market opportunity: 1. Lack of alignment at executive level between Sales, Marketing and Product organizations 2. Lack of agreement on common goals and metrics between Sales and Marketing 3. Sales Management focused on short-term goals; Marketing viewed as sales support, event logistics and budget admin 4. Chronic, long-term under-investment in marketing technology/systems 5. Technology systems for Sales, Support and Marketing teams developed entirely in isolation from each other 6. Tug-of-war between HQ and the field prevents mutual understanding and common ground 7. Insidious culture of departments working in silos; very difficult to crack 8. Marketing function ran by Engineers not Marketing Professionals.
- Marketing's just brochures - —right? Marketing's just strategy — right? Both wrong, but difficult to swim against an established tide and historically set resourcing and budgets.
- Sales alignment. There is a lack of appreciation for Marketing's role in the sales process, and while that is changing in some regions, others still look at Marketing as an afterthought.
- Due to lack of a clear understanding of customers' requirements and needs, marketing efforts are made based on our own perspectives. This significantly reduces marketing effectiveness and success rate. - Lack of consolidated efforts of sales AND marketing.
- We're currently being run more like sales support and not a valued strategic unit. Our budget reflects the lack of perceived value.
- It is difficult to get past the belief that everyone has newer or more creative ideas than you do. It is also difficult to keep executing on typical content-creation practices when it so easily becomes "noise." As a marketer, it's easier to come up with reasons why your company is better than the competition — differentiators — but it seems impossible to come up with new and gripping ways to express it. Sales people, who are also tired of saying the same thing, looks to marketing for tools and taglines that will visually differentiate them before they need to step into the sale.
- There is a cost to every operation, selling a product is no different. A lot of people, especially in small businesses, resist any cost they can. You cannot build your business without investing in it.
- Comprehensive engagement and customer education plan. This is difficult because of limited media opportunities and lack of engaging content.
- Currently, our biggest obstacle is an antiquated CRM specific to our industry. It offers no tracking, limited reporting, and is not properly used by the sales reps. Garbage in, garbage out.
- Understanding the customers and figuring out how to convert prospects into customers. With the rise in technology, everyone is constantly stressing a go-go-go mentality, but with some older generations still in the workplace, these strategies aren't always relevant. However, these older

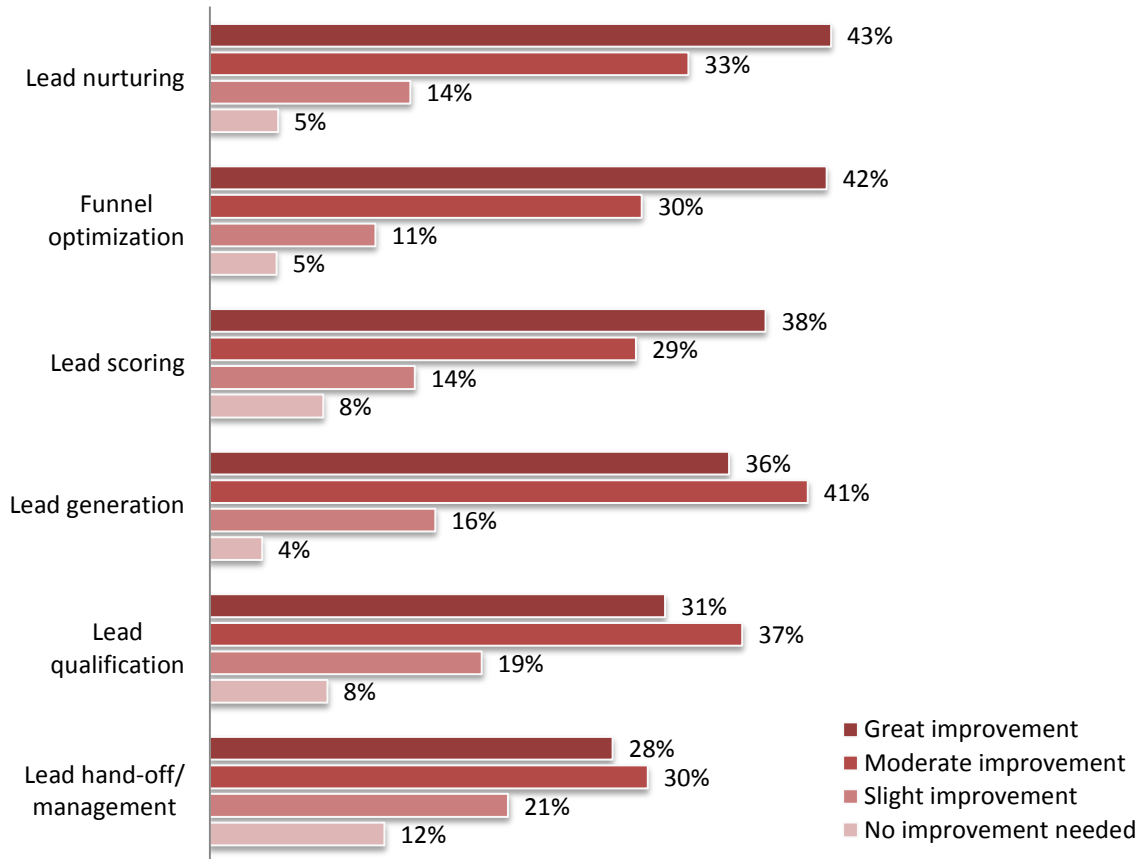
individuals still use technology but are at a difficult level to judge. It's a balancing act between the new and the old with them that is very difficult to judge.

- The lack of support from IT is our biggest difficulty. So much more time could be saved through automation as well as handling more information flow between our email marketing company and our CRM system.
- The most challenging barrier is getting it done as quickly as we want it given current staff, time and the complexity of the effort. I think we have the right vision and top-down buy-in. It's just a matter of getting there as quickly as possible.
- Economic factors. Customers looking to save money. Decision time has extended. Education and adoption of new technologies — QR Codes, social media, personalization, and understanding of value between low-end and integrated email marketing applications.
- Lack of sufficient insight on target audience is our top challenge coupled with a lack of content development to communicate effectively with targets. Our marketing and sales methods and messages are aimed at identifying buying signals rather than engaging prospects with relevant information. And since in our business we have a year to multi-year sales cycle, this is an important challenge for us to tackle.
- The decision pipelines for higher-end products are becoming narrower and longer with more controls at the corporate level. The slower economy and company resistance to spending not only make budgets tighter but funnel management slower.
- Lack of Resources resources is my largest barrier. We have a marketing team of 2 1/2two and half and support 250 + clients, a sales team of 15, and a database of 200,000 + contact records. We have implemented a marketing automation tool, but it has been difficult to define process and procedure to optimize.
- Accurate data is always a challenge. And with the sales team, while we get along great, ensuring the data shared between us is the same and figuring out what's working and what's not continues to be an issue.
- The lack of alignment between sales and marketing is the most significant challenge. While more sophisticated lead generation and scoring strategies can be developed, the end result is suboptimal when Sales is resistant to change. The common remark is that they understand their customers and that these changes are unnecessary.
- Marketing automation presents the biggest challenge as the attribution of various marketing channels, what contributes a lead/conversion, and the varying weightings across different verticals result in significant inconsistencies.

B2B MARKETING NEEDS FOR IMPROVEMENT

Q. Please indicate your need for improvement in the following areas.

Chart: B2B marketers indicate most improvement needed in funnel tactics

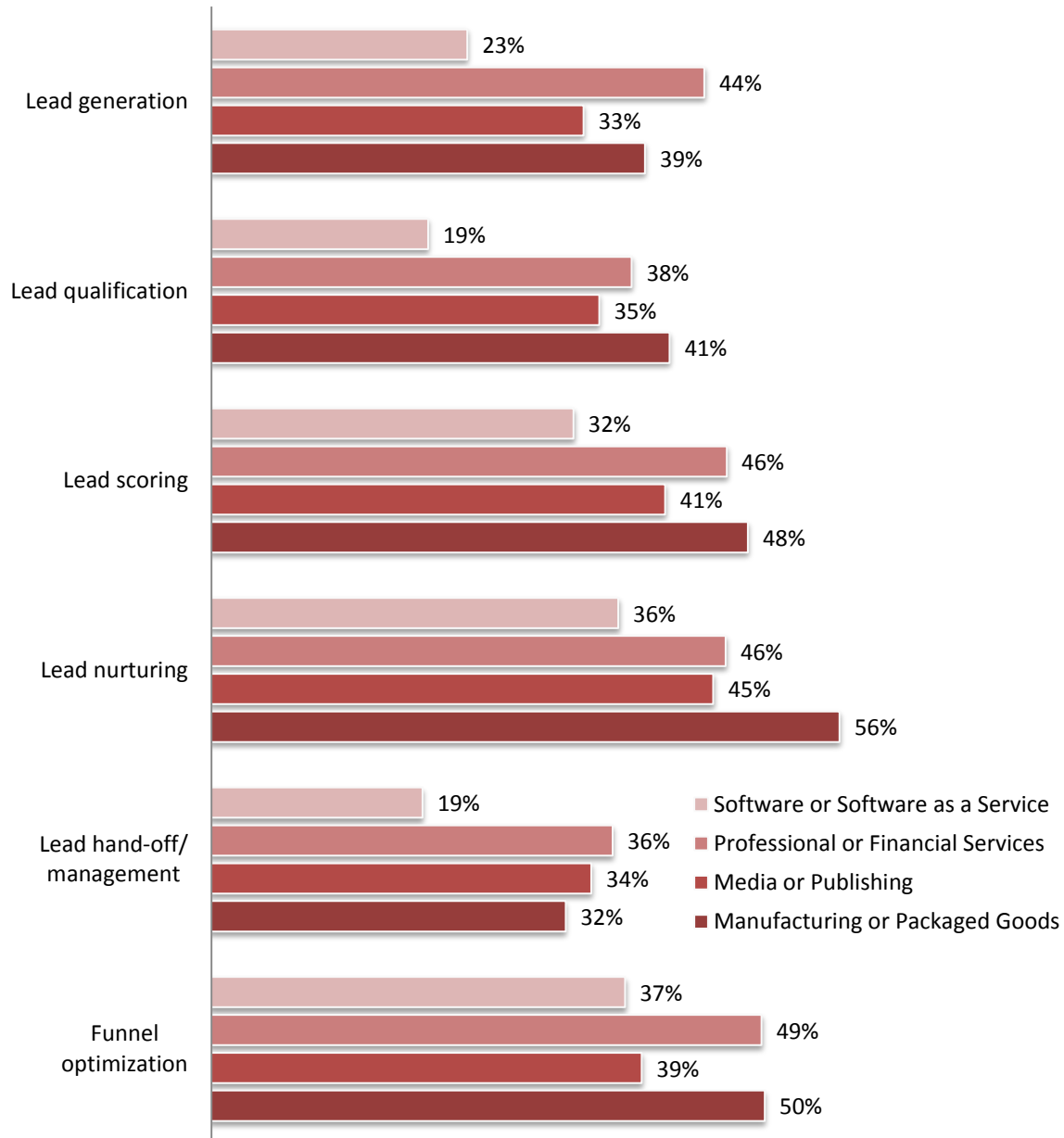


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

The increasing weight of the challenges facing the B2B marketer is present in the above chart. It is becoming more difficult for marketers to generate a volume of highly qualified leads, which is leading them to be unsatisfied with their current results. The majority of respondents indicated that they needed great or moderate improvement in all tactics listed above.

In the interest of achieving excellence despite their ever-growing challenges, marketers are driven to improve all of their practices, from lead generation to funnel optimization.

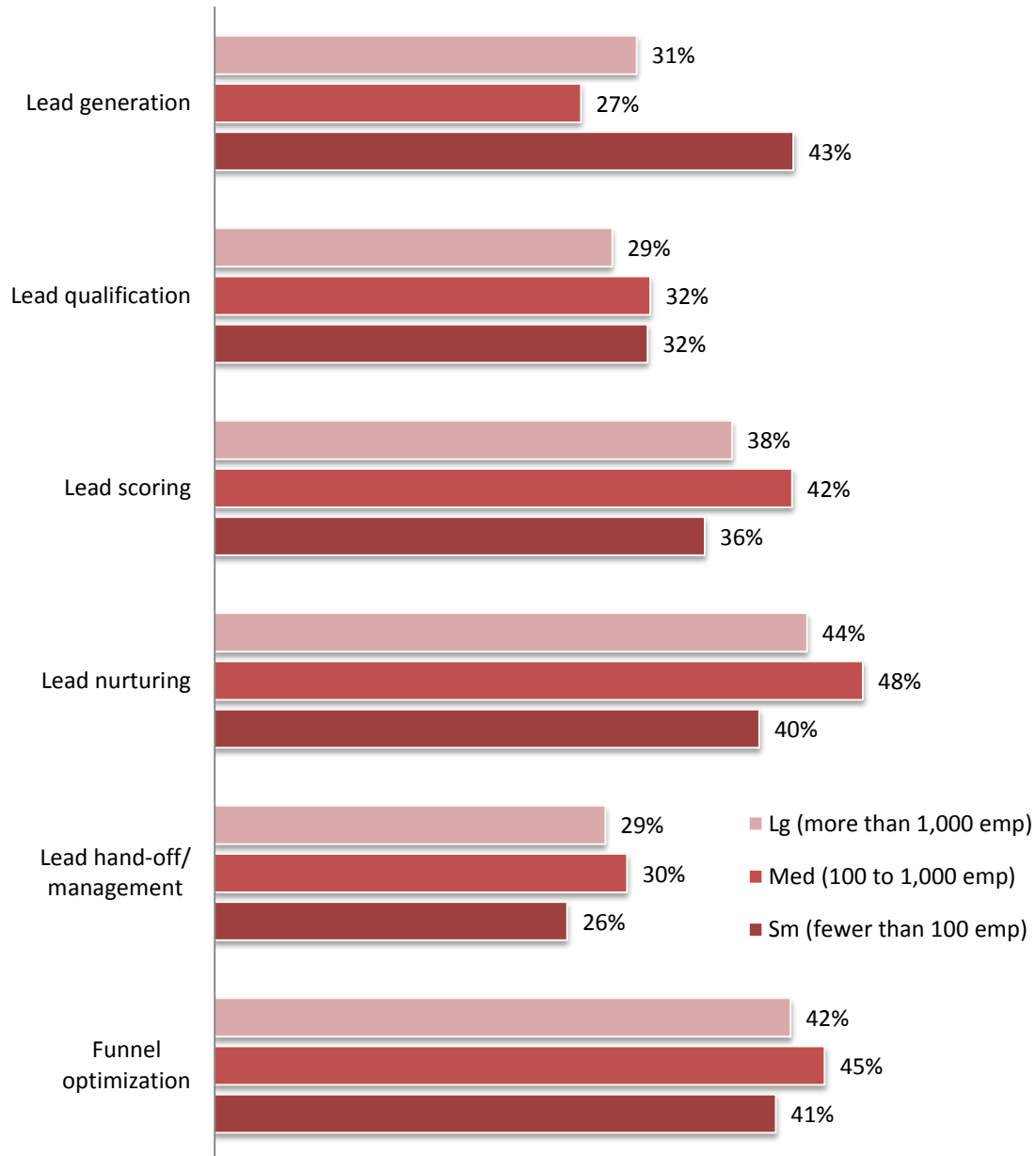
Since marketers demonstrated lower levels of maturity in funnel optimization tactics, it is natural for them to indicate a greater need for improvement in these areas.

Chart: Great need for B2B marketing improvement by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations in the software or software as a service (SaaS) sector were the least likely to indicate that they needed great improvement in lead hand-off / management. It is expected that employees at organizations in this sector are more technically savvy than others, and as such, they have a solid understanding of how to utilize CRM and marketing automation features to accomplish this.

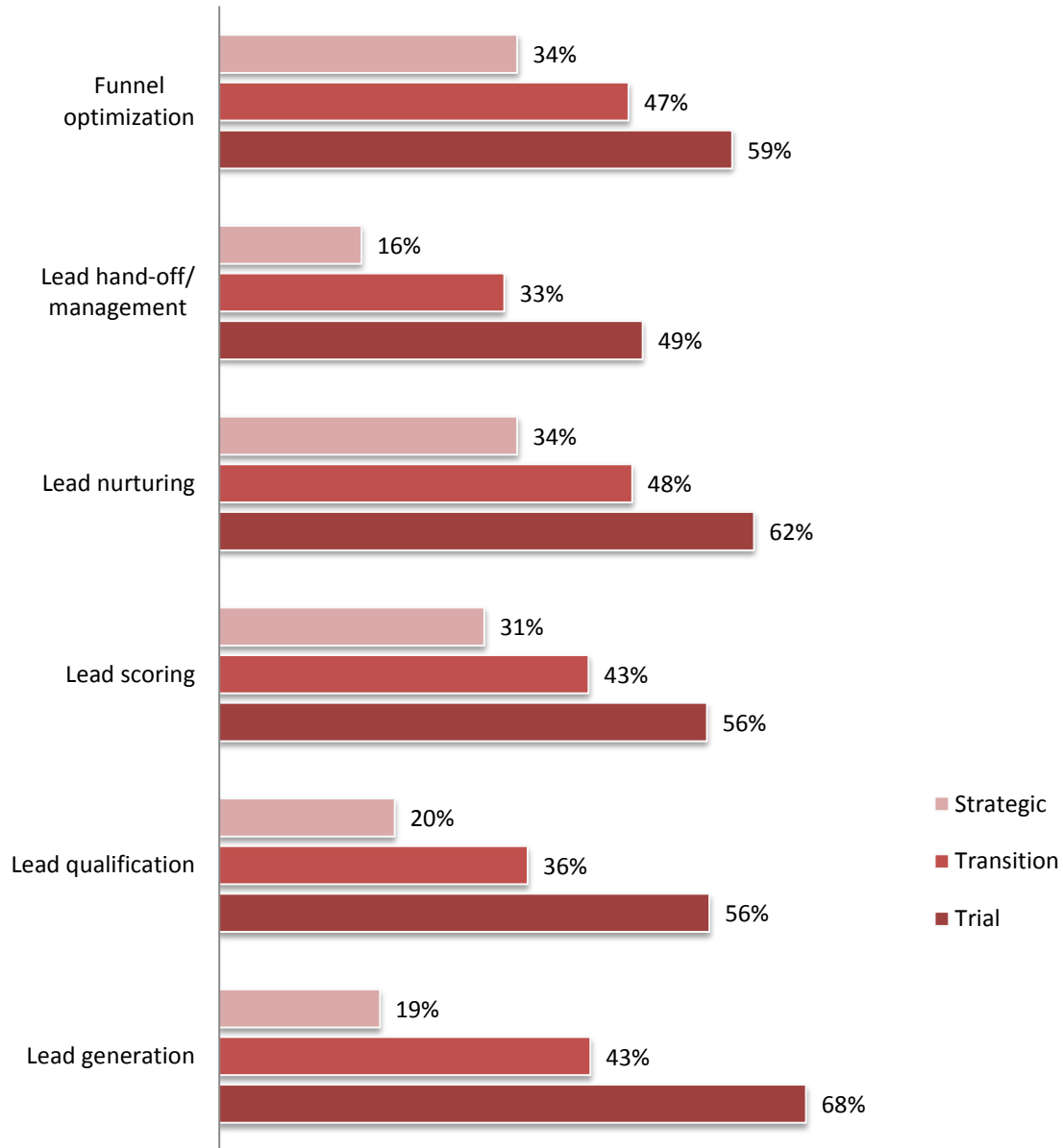
Software or SaaS organizations were also the least likely to indicate a great improvement was needed in all tactics. This could be an indication of greater maturity, overall performance, or satisfaction with hitting current goals.

Chart: Great need for B2B marketing improvement by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

The tendency for small organizations to have fewer resources available to them than medium- or large-sized organizations have is apparent in the above chart. Small organizations are most likely to indicate they needed to make the greatest improvement in lead generation. Often, improvements in lead generation volume or quality requires financial and human investments.

Chart: Great need for B2B marketing improvement by lead generation maturity



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

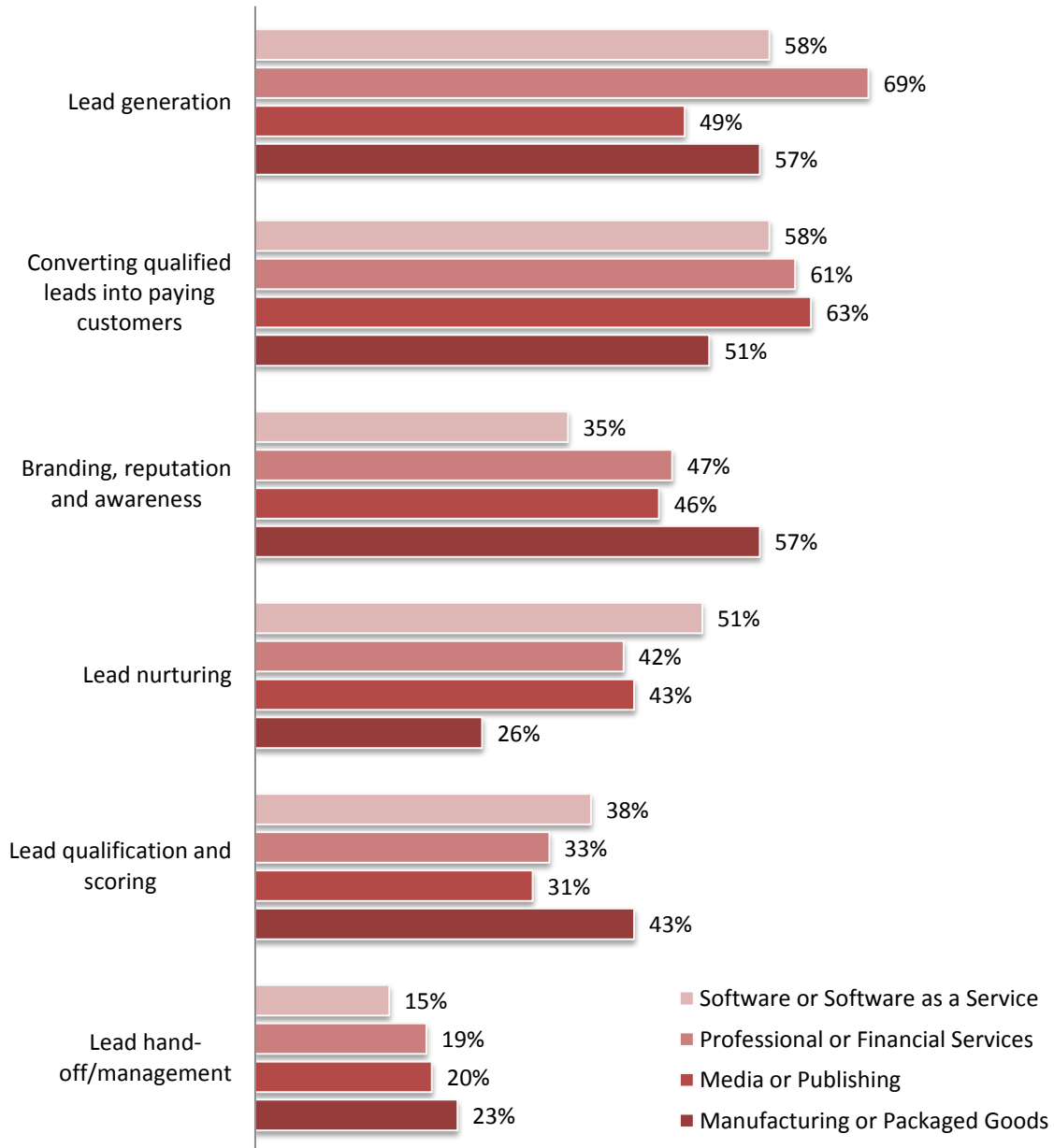
Benefits of moving from one phase of lead generation maturity to the next are abundantly clear in this data. For each tactic, Trial-phase marketers indicated the greatest need for improvement and Strategic-phase marketers indicated the least.

This chart is segmented by lead generation maturity, not overall B2B marketing maturity. It suggests that marketers who establish formal, repeatable processes in lead generation work in a similar fashion for other key functions, such as lead qualification, scoring and nurturing. Overall, Strategic-phase marketers have greater satisfaction in their performance of B2B marketing tactics.

TOP FUNNEL PRIORITIES

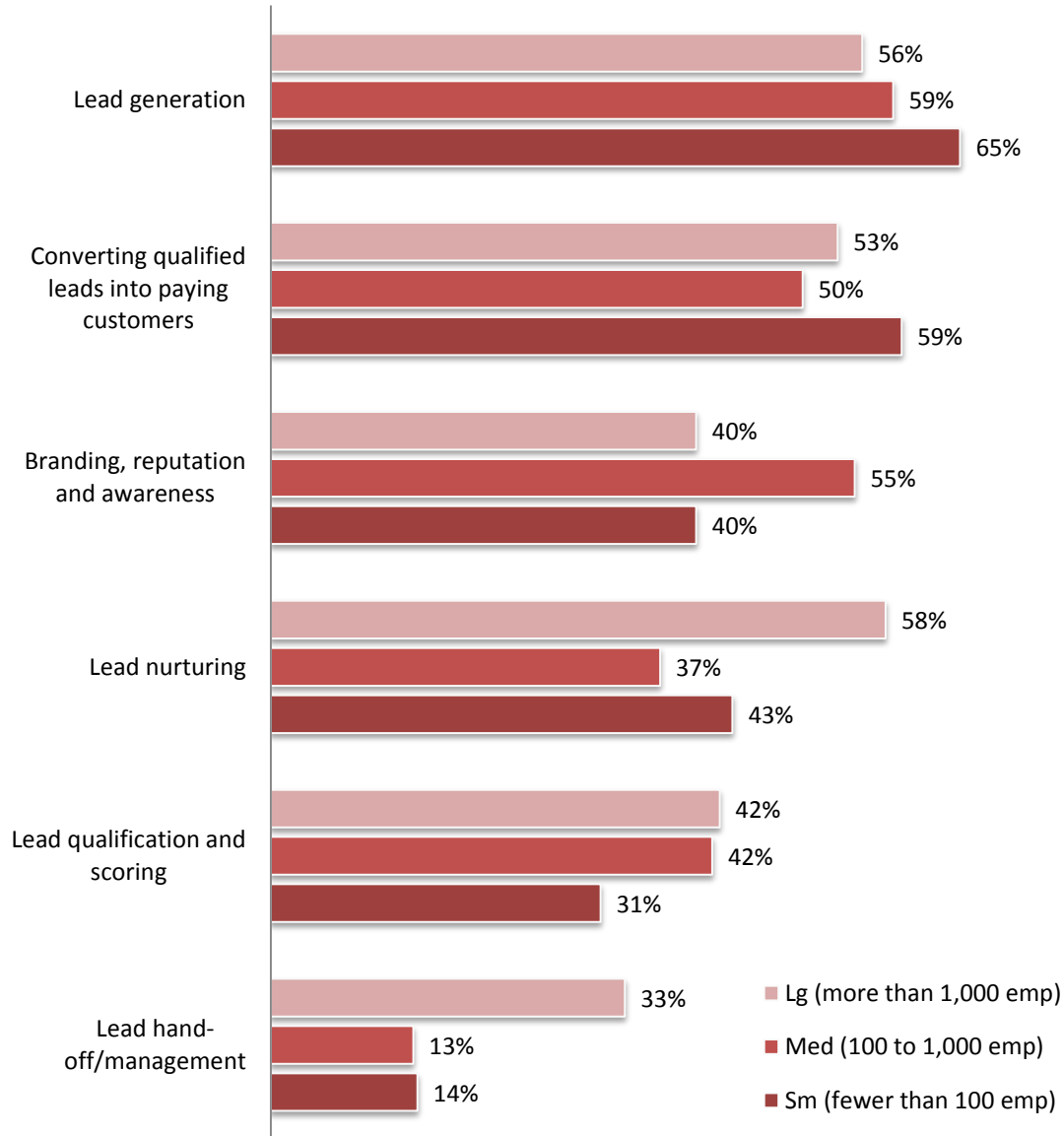
Q. What Marketing-Sales funnel process is a top priority for the next 12 months?

Chart: Funnel priorities by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

When analyzing funnel priorities by industry sector, we learn that organizations in the media or publishing sector were the only respondents to indicate that converting qualified leads into paying customers was a higher priority than lead generation. This demonstrates a higher level of adaptation, as marketing functions supporting lead conversion are relatively new best practices, when compared to lead generation tactics.

Chart: Funnel priorities by organization size

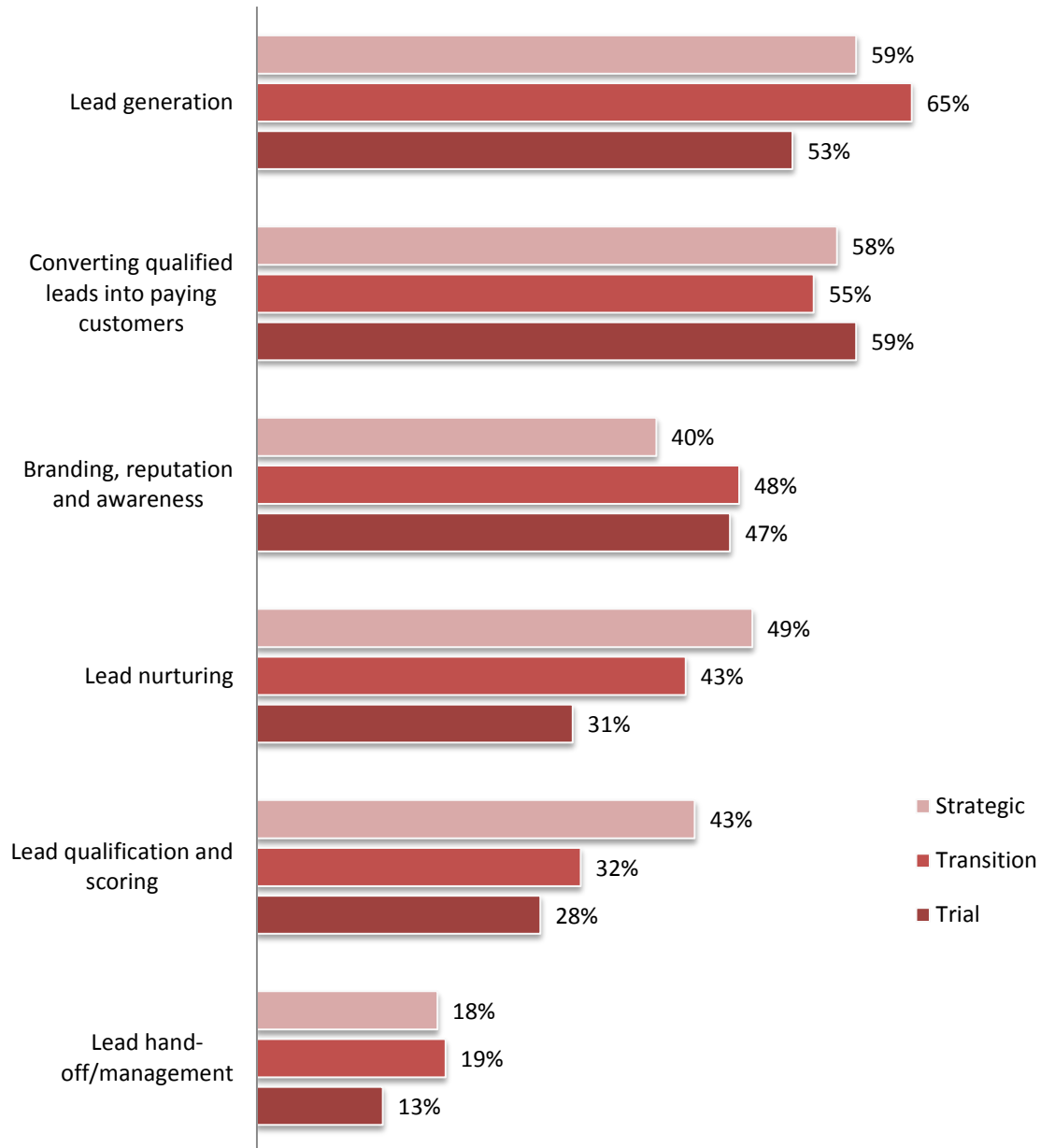
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

A key finding from this chart is that large organizations indicated a significantly greater response in prioritizing lead nurturing and lead hand-off / management than medium- or small-sized organizations.

Developing and implementing sophisticated lead nurturing campaigns requires multiple tracks and message maps, and vast content. Large organizations are investing the resources available to them for this key funnel process.

Large organizations focus on nurturing influences their prioritization of lead hand-off / management. When nurturing is a priority, the microscope naturally moves to identify precisely the right time to hand a lead off from a nurturing cycle to Sales ownership, and to manage all lead communications.

Chart: Funnel priorities by lead generation maturity



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Trial-phase marketers understand the importance of prioritizing the conversion of qualified leads to paying customers, but lack prioritization in the key functions necessary to get there: lead qualification / scoring and lead nurturing.

CHAPTER 2: CMO PERSPECTIVES ON STRATEGIC OBJECTIVES, CHALLENGES AND ROI

We must begin our B2B marketing plan with a vision of our desired result; otherwise, we could work tactically and dubiously only to find that we have achieved the wrong objectives. In the interest of defining a desired result or vision, we first surveyed CMOs on their B2B marketing objectives. We then dug further to identify their challenges and indications of ROI to clarify the perspective of the CMO.

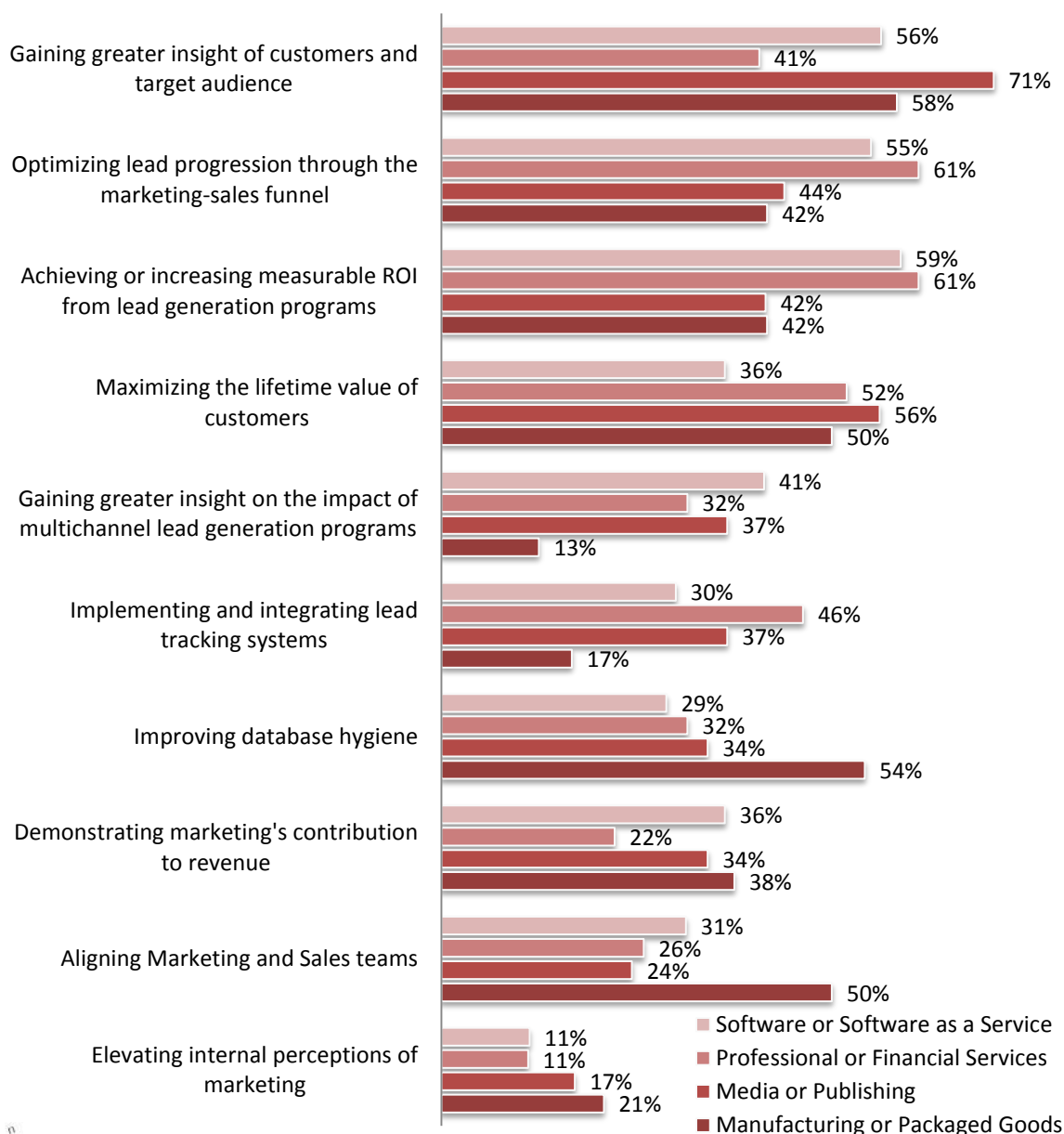
TOP STRATEGIC PRIORITIES FOR CMOs

Q. As CMO or the senior marketing executive in your organization, what are your top strategic priorities for B2B marketing in the next 12 months?

Chart: CMO objectives target insight, optimization, and increased ROI



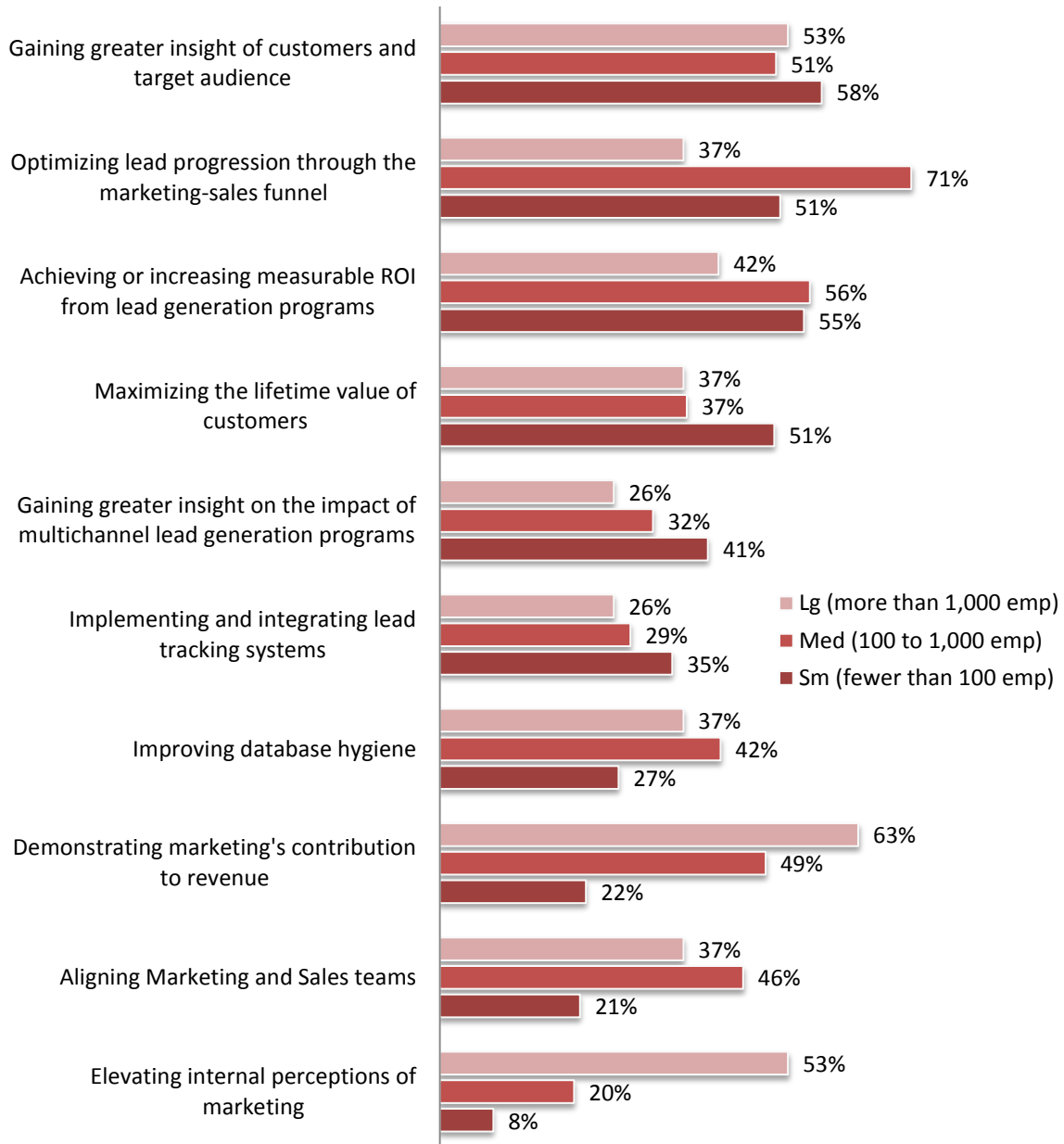
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

Chart: CMO objectives by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011. N=326 CMOs

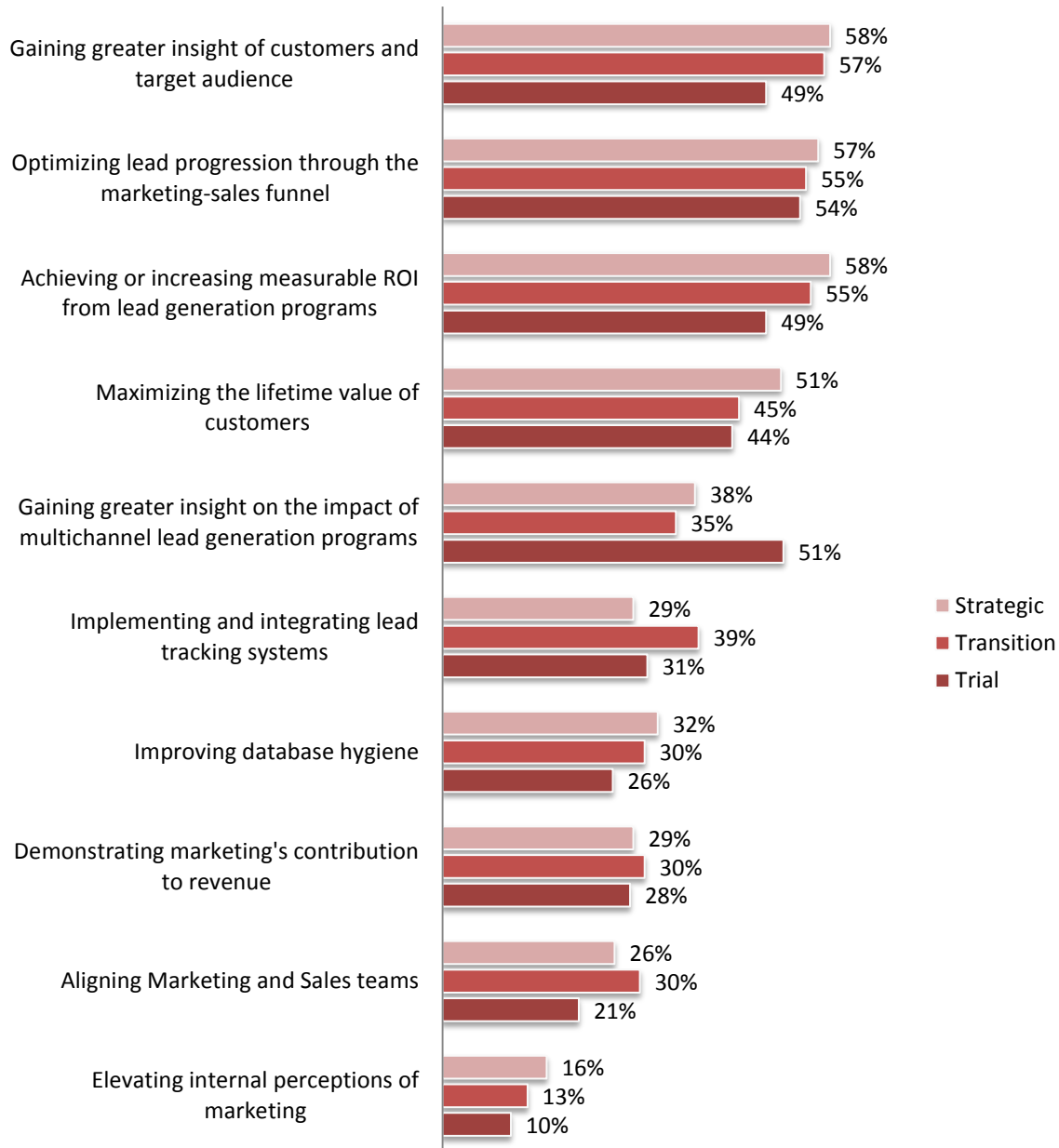
Overall, CMOs have indicated their top three priorities as gaining greater insight of customers and target audience, then optimizing lead progression through the Marketing-Sales funnel. Their third priority is achieving or increasing measurable ROI from lead generation programs. This demonstrates the high level of marketing maturity that CMOs possess. They understand that to achieve or increase ROI from lead generation activities, they must first take a customer-centric approach and consider the entire funnel.

CMOs in the manufacturing or packaged goods sector are the most interested in improving database hygiene and aligning Marketing and Sales teams. They likely understand that data quality and consistency is a key factor of improving alignment issues.

Chart: CMO objectives by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=326 CMOs

In large organizations, there are so many operational levels that marketing's value and achievements can get lost among the performance of all other departments. CMOs at organizations of this size are the most likely to prioritize the demonstration of marketing's contribution to revenue and elevating internal perceptions of marketing.

Chart: CMO objectives by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=326 CMOs

We have learned that CMOs demonstrate a high level of marketing maturity, and we further implicate this insight in the above chart. Overall, response levels do not vary dramatically from Trial- to Strategic-phase CMOs.

The one exception is the objective to gain greater insight on the impact of multichannel lead generation programs, where Trial-phase CMOs had a significantly higher response level. Trial-phase CMOs may struggle most with this objective, because of the sophisticated calculations required to attribute revenue to each facet of a multichannel campaign.

CMO INSIGHTS ON CHALLENGES AND BARRIERS TO SUCCESS

Q. Please explain what you foresee to be the greatest challenges or barriers to success in achieving the priorities you indicated in the previous question.

- The greatest challenge would be limited resources; my role combines multiple functions as well as requires applying knowledge from multiple discipline areas. The next greatest barrier is not having enough market demand data.
- Social media/search programs are extraordinarily time-consuming. New tools come out every day and we have to check them out. We're looking to automate many of these processes and want to make sure that we choose our tools wisely. The pace of change is a hurdle to making that decision.
- Perception by Sales that Marketing is taking over their job, when what we want to do is help sift the real opportunities from the noise as well as nurture the early opportunities to make them ready for sales.
- Putting process around the leads process throughout out organization. Capitalizing on organic growth is an issue. Who is driving the initiatives, our sales team or our delivery teams?
- Having sufficient resources — personal bandwidth and financial resources to complete the necessary tasks. It's also a challenge to be a sole practitioner with no resources for collaboration.
- Demonstrating that ROI is a cultural measure — not simply a cash register going, “DING,” but a brand insight of real value in developing our company's CRM and internal confidence-based learning programs.
- In the last 15 years our company has gone from, "Here's the phone book, start prospecting," to my sales staff telling me that data from our website that includes visitor company names and addresses, Web pages visited, time on site and downloads is too vague for them to follow up on. I need to append the data and automate the process to increase the perceived value of the leads.
- Sales turnover, understanding of systems and cooperation. Other necessary marketing activities that pull time and don't allow for in-depth analysis, strategy and implementation of better lead gen. Resources.
- As we shift to a more inbound marketing model, consistently generating quality content is a challenge. Another challenge is analytics. We have rich data but not enough brainpower focused on mining those data so that we can learn and adapt.
- Tracking/measuring results from multiple channels, measuring social media efforts resource management, aligning marketing and sales organizations, adoption of new technology (lead automation and scoring tools).
- Generating valuable content. Finding right system, right capabilities, at right cost to automate lead generation and nurture programs.

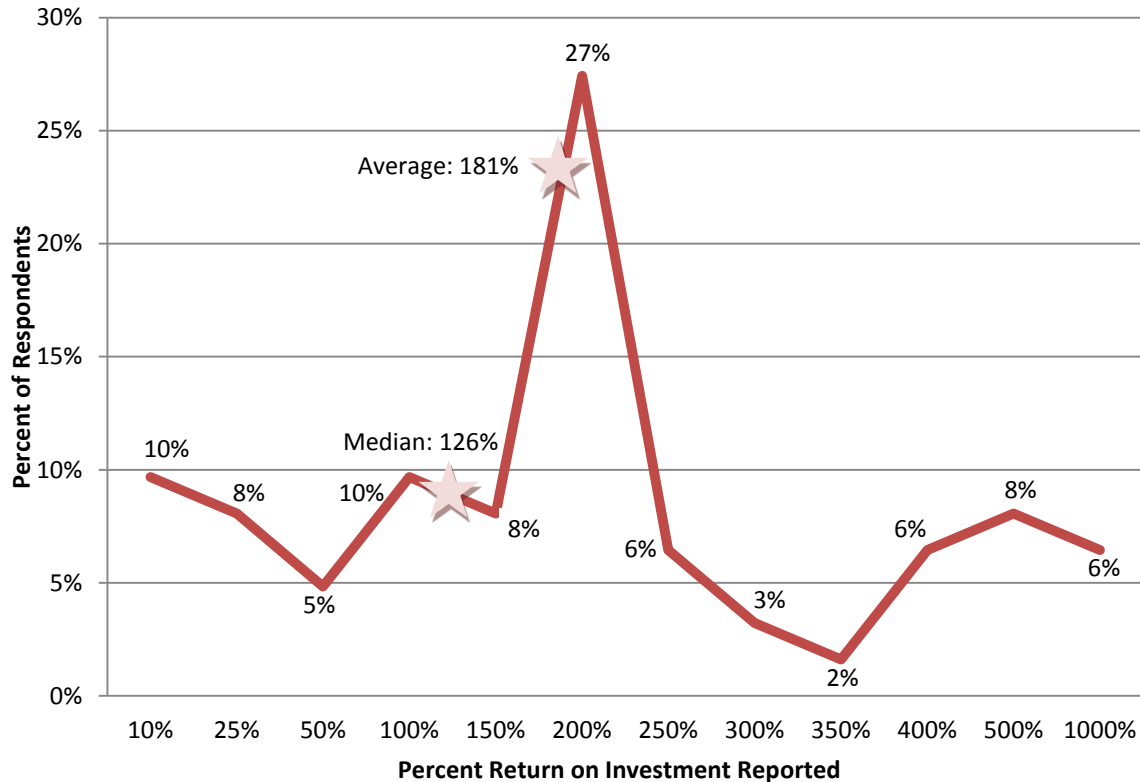
- Measuring marketing efforts and connecting them to revenue — often this is part of a bigger picture: we have long sales cycles (contract service), during which there may be many different activities with a client, including sales and technical visits.
- The greatest challenges are: having the right mix of people in the total process as opposed to just having pockets of excellence; being able to connect our marketing messages with the right people in the organization we are trying to reach.
- My biggest challenge is generating quality leads. It's pretty easy turning on a fire hose of leads for our Sales team, but targeting and generating pre-qualified leads is a nut we haven't been able to crack.
- Staffing — we simply don't have enough people to be able to effectively manage all marketing activities.
- Marketing is seen by some as only useful for organizing events. They do not appreciate that we are (or should be) a revenue generating engine. Internal buy-in will be challenging but achievable. Getting good data is essential to our success and we have begun working with vendors that can help. The idea of maximizing LTROI is still in its infancy but we are working on it. I'd say, we are still at least 10 years behind mainstream B2B marketing companies but I see this changing sooner rather than later.
- Demonstrating marketing's contribution to revenue. Attribution is always the toughest thing to achieve in trying to demonstrate alignment and attribution to revenue unless it's an online portal with a click to purchase funnel metric in place.
- We are targeting a very small niche within a very large market and it is difficult to find the right language and channels to get the message to that niche without getting a lot of collateral traffic from organizations outside of the niche.
- The greatest challenge would be lead scoring and the scoring truly representing closing sales. Often we feel leads are qualified by considering the inquisitiveness of prospects. Internally we call it as "resource drainers."
- Integrating all processes into one cohesive, efficient system that is not only easy to use on a daily basis, but churns out statistics that can be easily decoded, revealing a story or trend that can be acted upon accordingly.
- We are struggling to reinvent ourselves, so we are currently developing service offerings that will need to be packaged for market. Getting everyone aligned and on board is hard — most of them just don't get branding and want to do things their way.
- We are a small group of professionals, each with a high degree of specific expertise. Finding new clients who need our particular background is not easy to do with formal lead generation methods. It seems to require more of a one-to-one relationship discovered through networking.

- This small organization hasn't had a formal marketing function previously, so there is a big learning curve for the company in terms of what marketing is (it's not about branded key rings and stress balls!!) and how strategic marketing can be integrated with the sales function.
- The diversity of our product offerings and prospect personas. We sell to digital marketers and the marketplace is incredibly dynamic. Alignment with Sales. We find that the challenges our prospects face aren't necessarily the ones that generate a lot of revenue for us. If Marketing can get the right people to our door, it's up to Sales to turn them in to big money. The days of BANT and delivering big money sales-ready leads to Sales are over. Enterprises are buying (most) software differently today.
- Nurturing prospects is a challenge because Sales never wants to give up control of leads, even if they're not actively working them.
- Sales following up on opportunities/leads, sales not linking marketing-sourced opportunities/leads to deals, and storing key contact details in CRM system. Poor data quality, essential to have by in from senior executives on key campaigns/programs.
- Looking in the right places more than anything else. There is so much confusing and conflicting information out there that I end up spending all my time sorting wheat from chaff when I should be implementing!
- We have a wide geographic spread and use slightly different sales processes in each of our operating regions. This makes it difficult to implement a company-wide set of marketing best practices or to create a set of policies that each region adheres to.
- A lack of strong internal knowledge on marketing automation. Also, we have a tendency toward doing things the way we always have.
- We lose many of our leads throughout the sales funnel. I am working with our sales director to determine where the problems are — marketing or sales. We have a 3-6 month sales cycle, so this will be a long process. Also, simple database cleanup is necessary but going to be a very tedious process.
- Slow economy has impact on customers' plans, imminent provincial elections have delayed new projects, large provincial deficits are forcing management to reduce spending on projects, and implementing downsizing of workforce.
- Our biggest issue is the sheer volume and growth. Trying to just touch each lead and new trial or inquiry has been overwhelming for three years.

CMOs INDICATE LEAD GENERATION ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs? Please use your best estimate.

Chart: CMO indications of lead generation ROI



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

Achieving or increasing measurable ROI from lead generation activities was the third-greatest priority to CMOs in this year's study. The top two priorities of gaining greater insight on customers / target audience, and optimizing lead progression through the Marketing-Sales funnel support lead generation ROI.

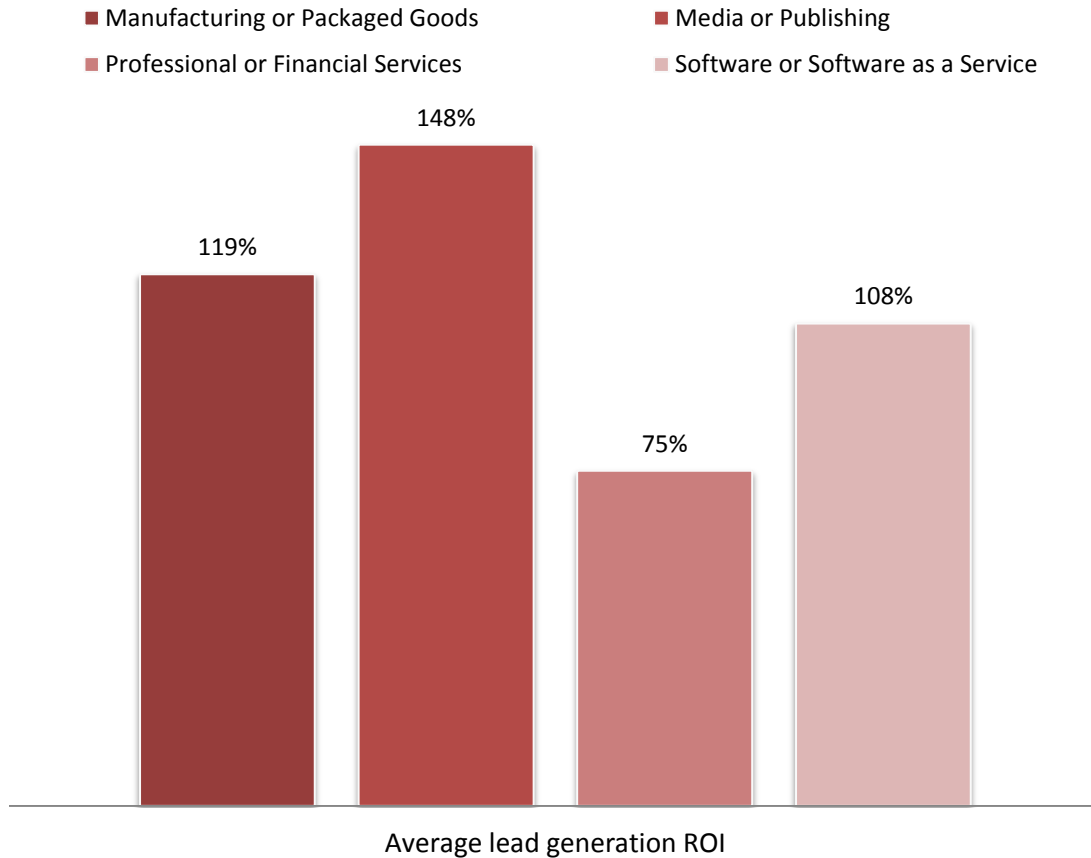
In the above chart, we benchmark overall ROI on lead generation campaigns, as indicated by the 326 CMOs who participated in this year's study. The overall average of all responses is 181 percent, and the median value indicates a 126 percent return.

The following formula is a standard calculation of return on investment:

$$\text{ROI} = (((\text{Gain from Investment} - \text{Cost of Investment}) / (\text{Cost of Investment})) * 100)$$

A significant 27 percent indicated a 200 percent return. Based on standard calculation, this indicates that for each time they invest \$1.00 in a lead generation activity, they generate \$3.00 in revenue. Approximately three quarters of CMOs indicated a minimum return of 100 percent, or the equivalent of doubling their investment. CMOs indicating a 100 percent return generated \$2.00 in revenue for every \$1.00 spent in lead generation activities.

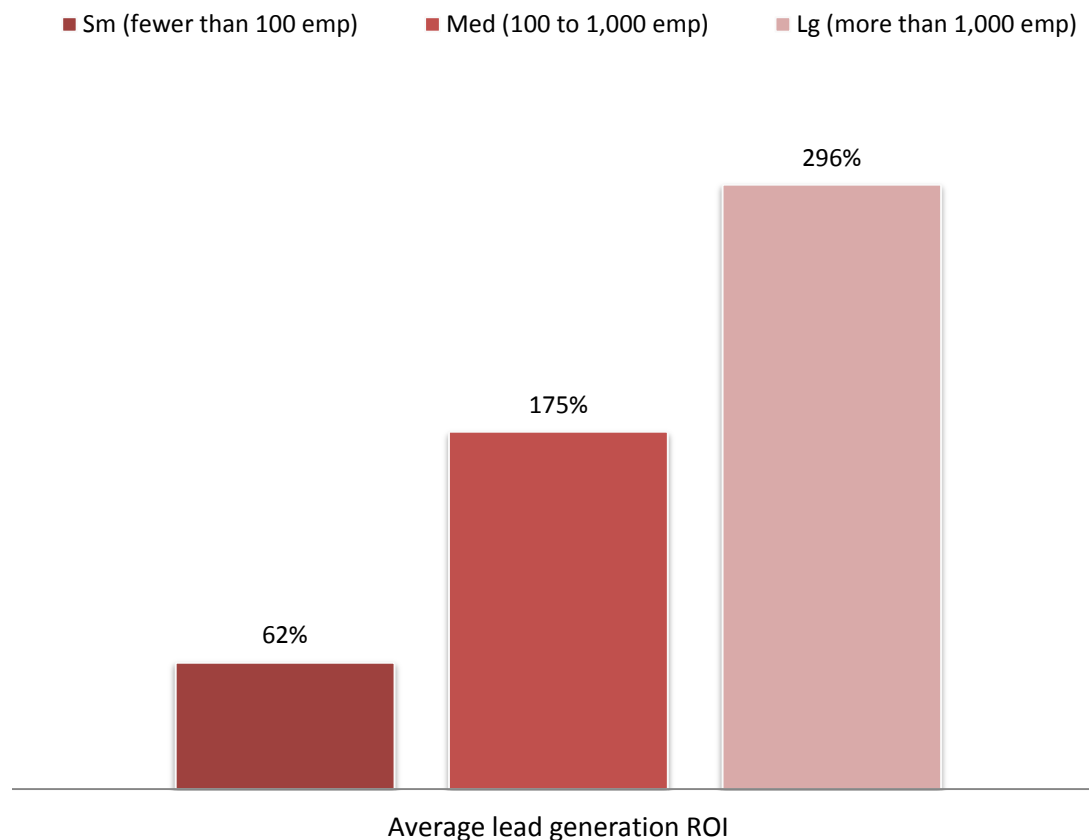
Chart: Average lead generation ROI by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

Organizations in the professional or financial services sector have the lowest average ROI, but with a value of 75 percent, they are still generating \$1.75 in revenue for every \$1 they spend in lead generation activities, based on standard calculation. Organizations in this sector may have a more difficult sell since prospects may have higher criteria and greater committees to influence in order to make a purchasing decision.

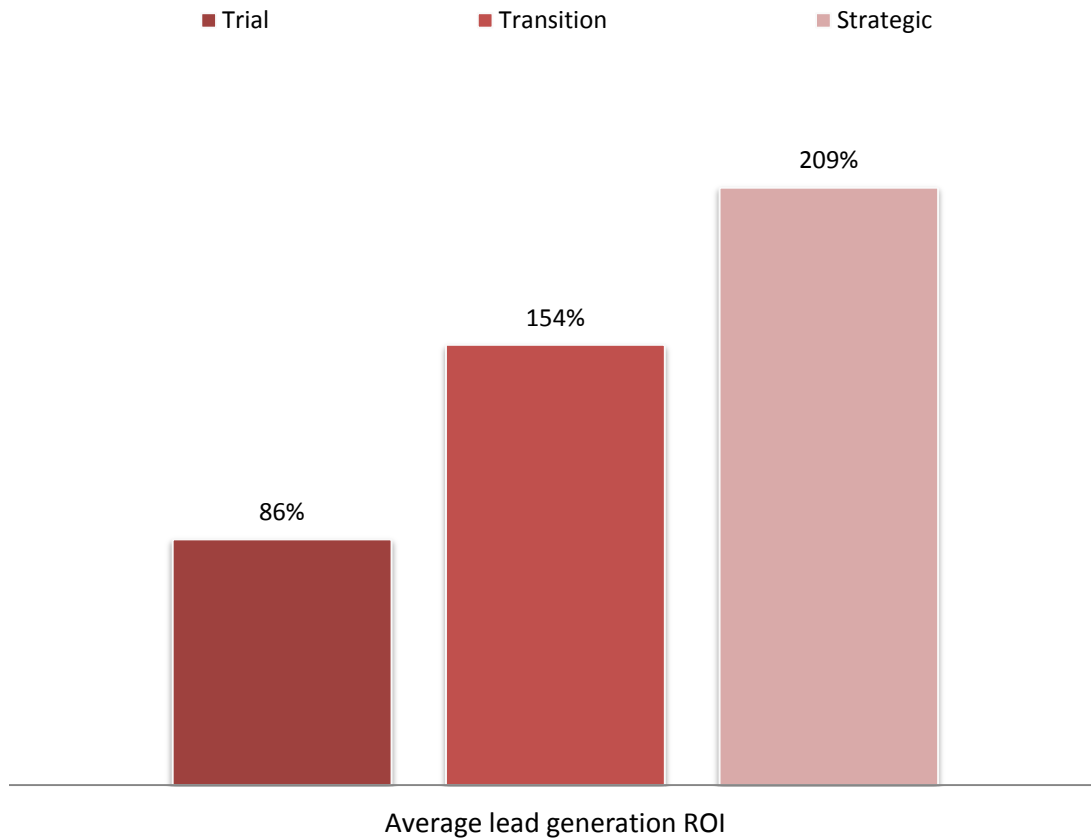
Chart: Average lead generation ROI by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

As organization size increases, average lead generation ROI increases, as well. This is an indication that as organization size increases, lead generation maturity also increases.

Chart: Average lead generation ROI by lead generation maturity



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

The above chart demonstrates the benefits of gaining lead generation maturity by establishing formal, repeatable processes for lead generation activities. As maturity progresses from Trial to Transition phases, organizations gain a 79 percent lift in lead generation ROI. As maturity progresses from Transition to Strategic phases, organizations gain a 36 percent lift. The overall lift in lead generation ROI received from transitioning from Trial to Strategic phases is 143 percent.

CMO INSIGHTS ON STRATEGIES FOR INCREASING LEAD GENERATION ROI

Q. As CMO or the senior marketing executive in your organization, what strategies have been the most effective in increasing ROI from your lead generation activities?

- Nurturing campaigns, account-based marketing, industry-specific messaging and focusing on business themes and how our solutions can address challenges in a specific market. Focused marketing programs targeting key individuals.
- Targeting the right customers through ways they like to seek information. Value propositions that differentiate and resonate.
- I think we're headed toward "self-serve" marketing whereby people will only engage when they've chosen to look as opposed to responding to our outreach efforts. They will do their research via online search as well as social media and networking. We want to be all dressed up and ready to go when they find us. Accordingly, our website is being redesigned and we've initiated a social media strategy. Recently, in part due to a cautious prospect pool, we're finding our best leads and new clients are coming as a result of our networking efforts. I'm looking at joining other groups and I'm encouraging our sales people to make more use of social media and networking venues.
- Consolidating efforts to the most effective channels. We find our own email blasts followed by industry newsletter advertising has been the most effective. Also having clear and simple messages of value (best practice tips vs. sales messages).
- When we started providing a true education or insights to what is being done in the marketplace successfully while speaking at industry and client conventions, webinars and tele-classes – along with traditional blogging, social and e-marketing campaigns has had the largest bang for our buck over all other marketing efforts – sans SEO of course. The greatest bang is to present our knowledge to an audience... our software and hands on customer service stands on its own legs.
- Multichannel B2B marketing with an integrated campaign. When tactics have been done individually the ROI has been significantly lower.
- Formalizing the sales process using a CRM "contact management" tool. Refining our criteria to qualify sales leads. Preparing new customer stories (targeted marketing collateral) for key customer segments. Developing new resellers.
- Measurement of the sales funnel and identifying potential areas to either act quicker on warm leads or offer personalized incentives to close deals.
- Establishing our company as thought leaders in the science arena. Published, peer-reviewed journal articles (science-driven) are leveraged via webinars or invited/purchased lectures to create interest.
- Automating sales communications — developing templates. Analytics. Shifting to a more inbound marketing model. (Although this is more by necessity reacting to lower ROI on traditional

marketing, rather than a net boost in ROI.) Integration with Sales and sales funnel management is also extremely important.

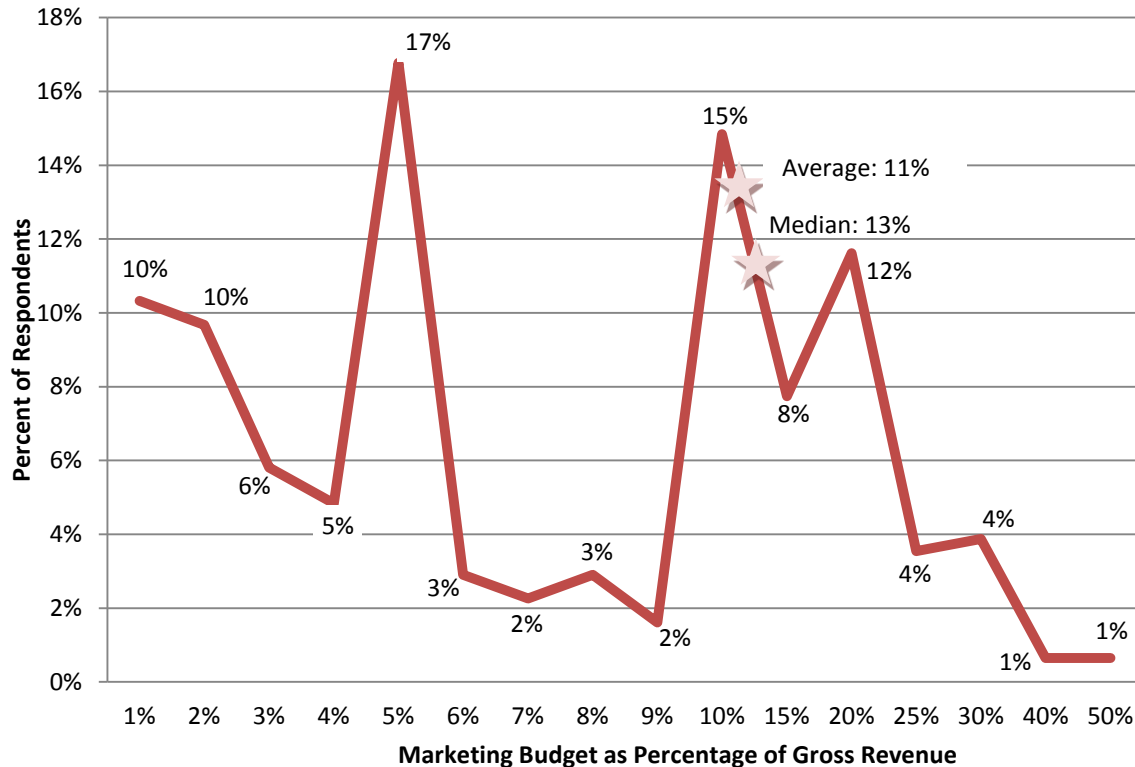
- Since we have such a wide range of order sizes, our average can be swayed by a single big deal. We've changed our focus from wide net to getting the right people to our door, quality over quantity. This has begun to make a difference in our ROI and success more generally.
- Form optimization has been the only testing and improvements that we have done. It has been successful, but we need to do more.
- Critical thinking is my strategy. I find that being an aggressive data driven decision maker is key, which implies that I use every discipline available to ask better questions and to understand a consumer as well as key in on the greater business problem. Tactically, I fish-bone everything until I can decompose, articulate the problem, and finally formulate a plan; my core tools are not very sophisticated. I stick to: NPV/Lifetime-value per customer and basic statistics when running acquisitions plans. However, my goal is to consider the entire business model at all times with: Economics — think at the margins and consider dead-weight loss; Accounting — I think in terms of DuPont almost always, and consumer behavior decision models. With the above frame of mind, my web lead program even its infancy is outperforming our outsourced SEM by 11:1 calls.
- A strong CMS system in place that is aligned to EDM System, and aligned to data mining system. With leads gathered via the various channels that gets placed into the CMS system which helps to sort the leads colleagues and then via the data mining system which further mine and categorize the leads.
- Testing and incremental changes to affect have been effective. Communication of the programs through employees and channel partners has made a difference in buy-in and success.
- Using more market research — quantitative and qualitative — to verify what our target audiences need, believe and are feeling in order to make better choices and to prioritize. Also, focusing on what works (measure what we do, do more of what measures well, look for ways to continue to increase the impact of what we do well).
- Getting to know the customers inner mind when they arrive on a page and aligning the page to that thought process.
- Conferences inviting 'qualified' prospects and asking our most trusted clients to speak on behalf of us. Inviting prospects to our existing clients' workshop.
- Better understand the audience before embarking in leads gen activities – content quality and context
- Our best business is not built on traditional lead generation, but on relationships developed over a period of time, usually gotten through recommendations from others. We sell a very specific expertise and access to a network of other unique experts in our industry.

CHAPTER 3: BENCHMARKING B2B MARKETING BUDGETS AND KPIs

DETERMINING B2B MARKETING BUDGETS

Q. Please use your best estimate for marketing budget as percentage of gross revenue, including personnel.

Chart: Marketing budget as percentage of gross revenue



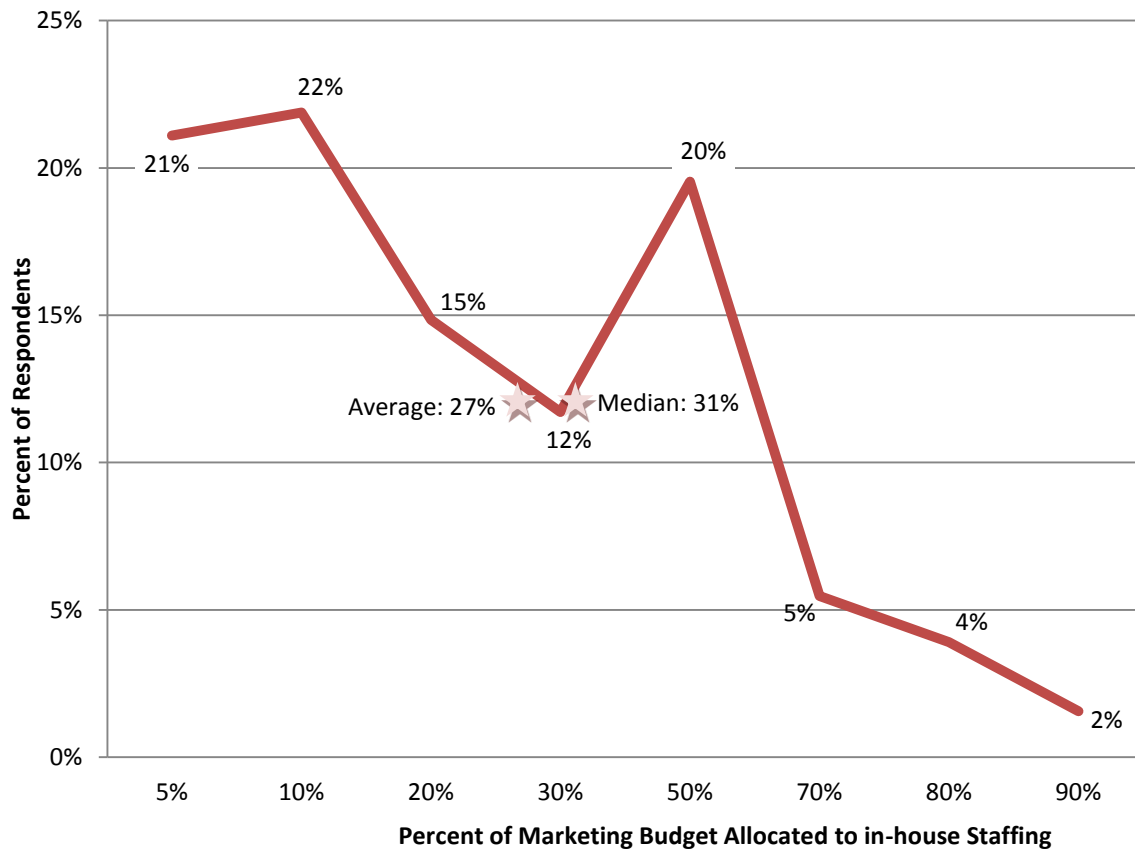
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Marketing budget, as percentage of gross revenue, can vary by many factors, including organization lifecycle stage. If an organization is in the growth stage and needs to establish a brand, it typically will need to invest a greater percentage of gross revenue as the marketing budget. The same applies for an established organization adding a brand new product to its suite of offerings. Well-established brands and/or products typically do not require as great a percentage because they have already invested in branding and established awareness during the growth stage.

Overall, the average percentage of gross revenue attributed to marketing budget for all study participants is 11 percent, with a median value of 13 percent.

Q. Please use your best estimate for marketing budget allocated to in-house staffing.

Chart: Percent of marketing budget allocated to in-house staffing



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

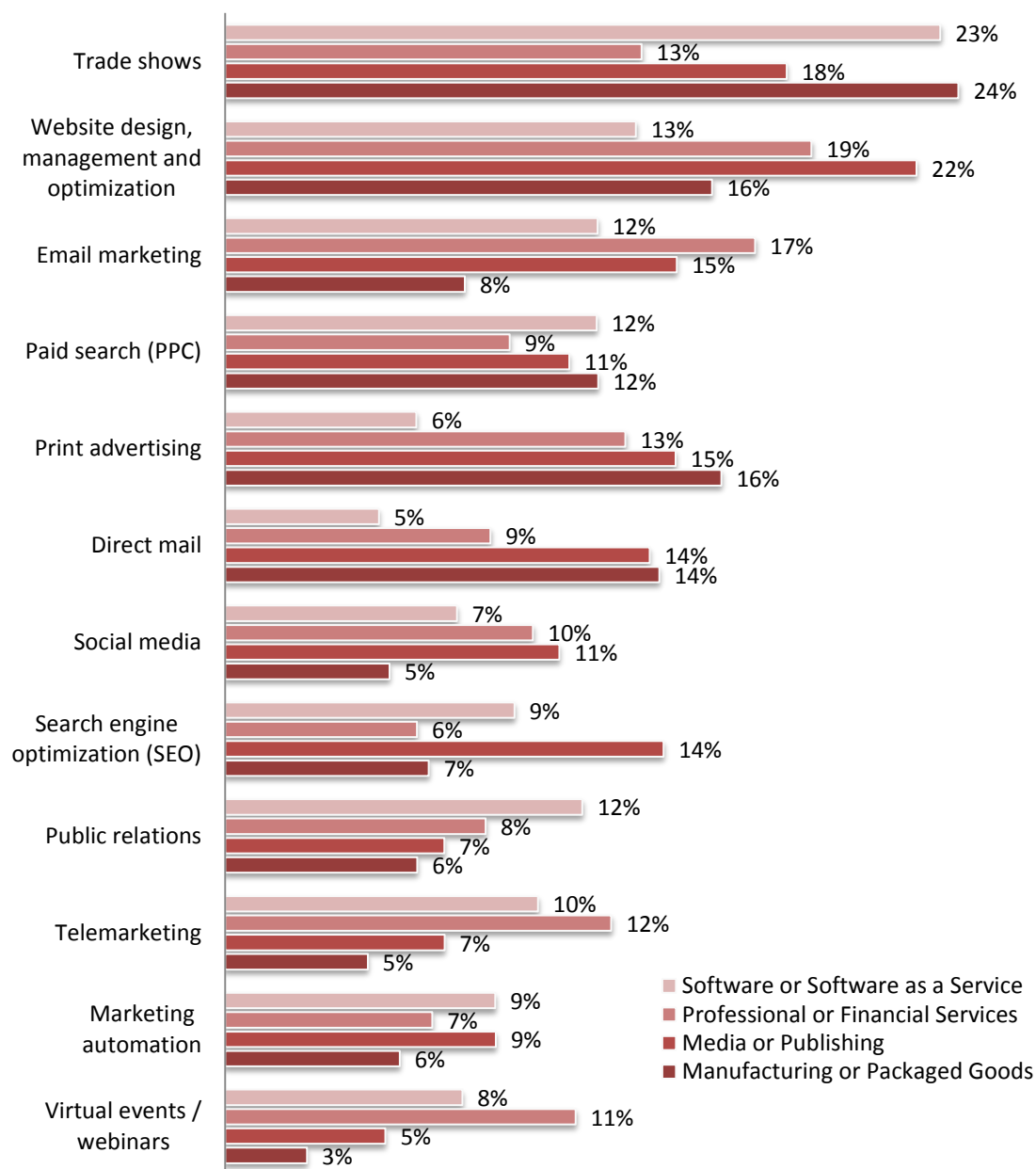
We learned about marketing budget as percentage of gross revenue in the previous chart, and in the above chart, we analyze the percentages of marketing budgets that organizations allocate to in-house staffing.

On average, 27 percent of the B2B marketing budget is allocated to in-house staffing, and the median value is 31 percent. As the percentage of marketing budget allocated to in-house staffing increases, the trend line for level of response declines.

On top of staffing, organizations must consider expenses associated with inbound and outbound marketing activities, with the latter having the higher price tag. We expect that organizations investing significant percentages of their marketing budget to in-house staffing — such as 80 and 90 percent — focus primarily on aggressive inbound marketing strategies executed by in-house experts.

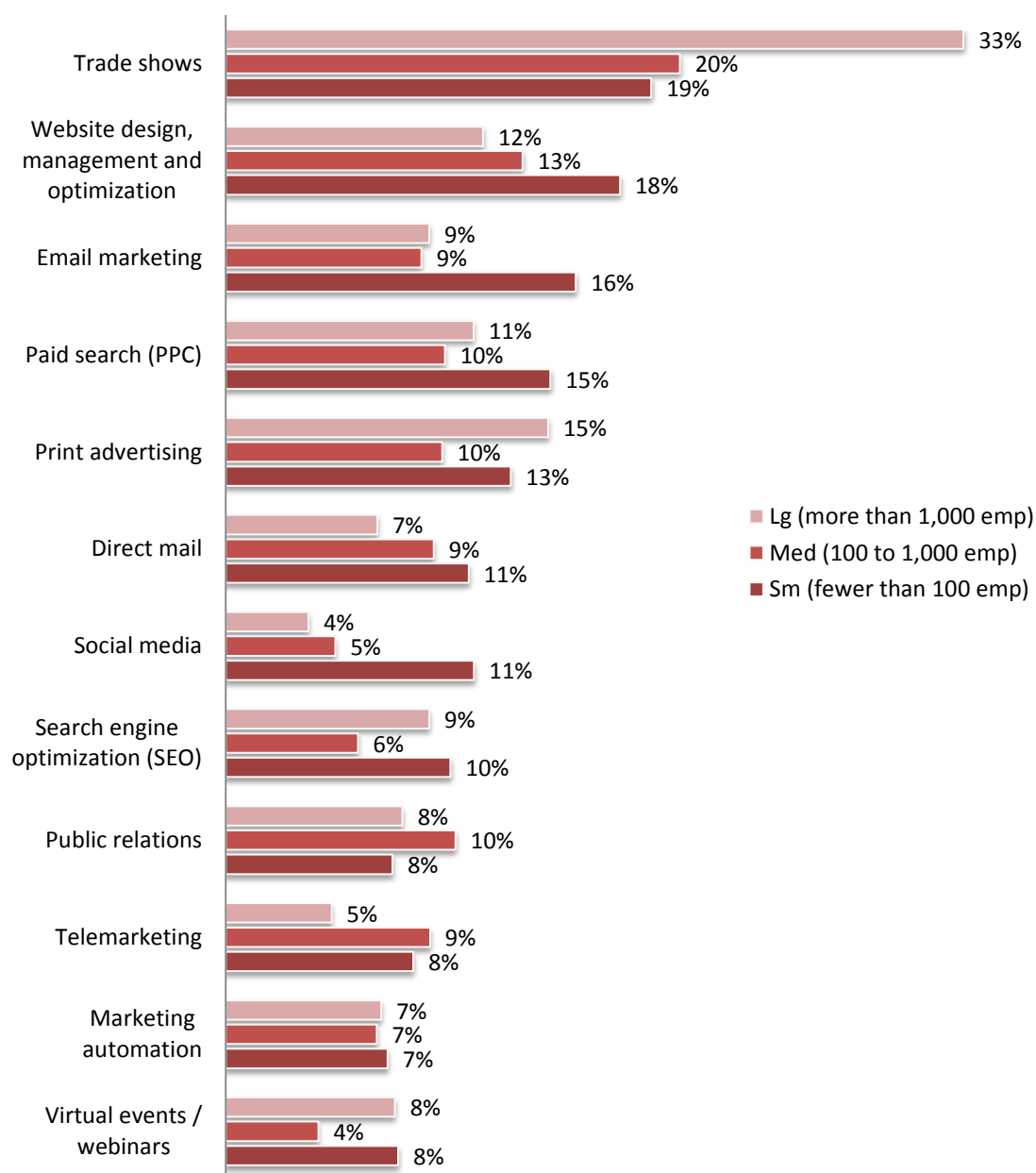
Q. Approximately what percentage of your marketing budget is allocated to each of the following tactics, including personnel, media and other direct costs?

Chart: The allocation of B2B marketing budgets by industry sector



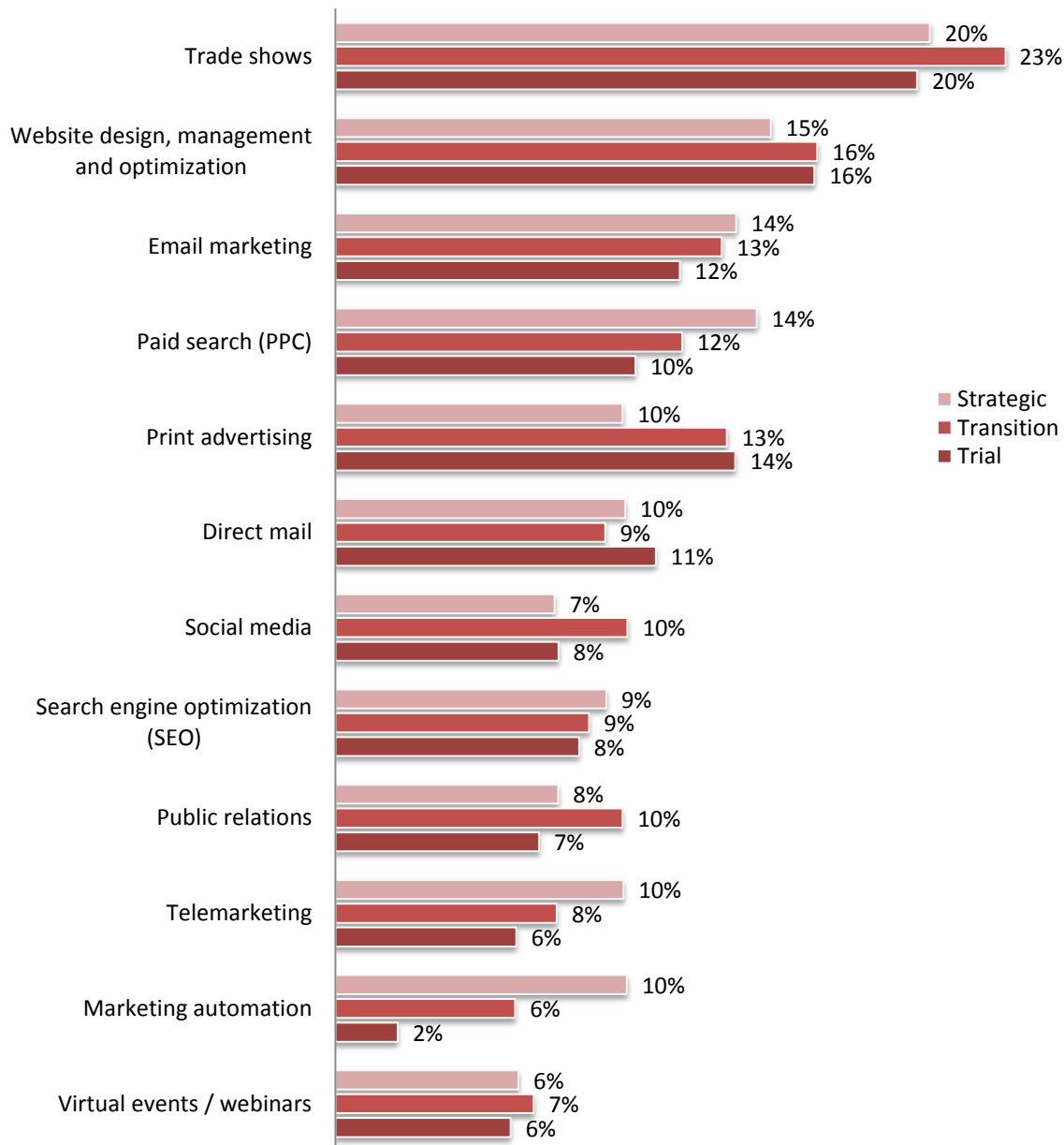
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

As the use of tablets, e-readers and smartphones increase, and more print publications add online services to readership, organizations in the media or publishing sector are prioritizing websites with the greatest average budget allocation of 22percent.

Chart: The allocation of B2B marketing budgets by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Trade shows have claimed the greatest percentage of marketing budget allocation this year; and the channel's greatest supporters are large organizations. On average, organizations of this size invest a third of the marketing budget to trade shows.

Chart: The allocation of B2B marketing budgets by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

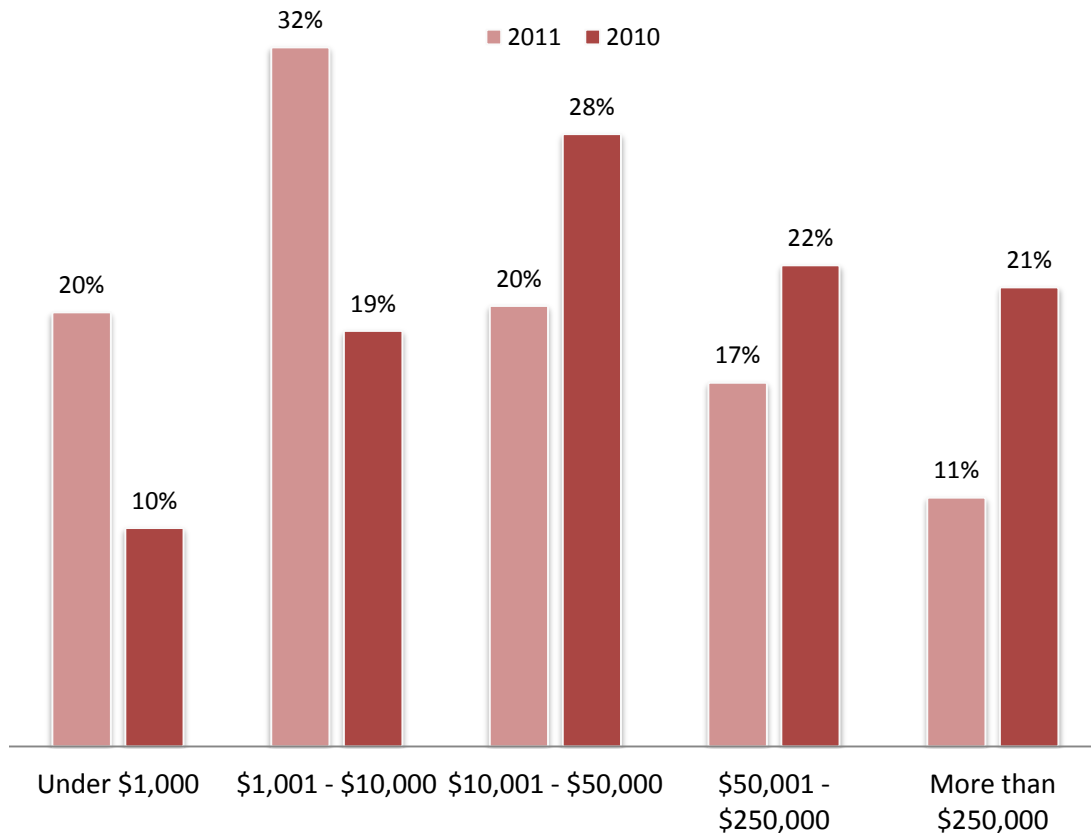
Organizations in the Strategic phase of lead generation maturity are most likely to invest in PPC, telemarketing and marketing automation. These are examples of tactics that require a high level of process-oriented sophistication. In PPC, intricate and consistent management of ad groups, keywords and bids is required. Telemarketing is a term that may describe tele-prospecting, as the two terms depict different but related practices. Strategic-phase organizations likely use tele-prospecting to qualify and nurture leads through relationship-building tactics. The use of marketing automation in itself is an indication of maturity, as this requires attention to establishing formal lead qualification, scoring, nurturing and management processes.

KEY PERFORMANCE INDICATORS

AVERAGE DEAL SIZE

Q. Please select the range that best represents your organization's AVERAGE SALE AMOUNT, or average deal size per customer.

Chart: Declines in average B2B deal sizes



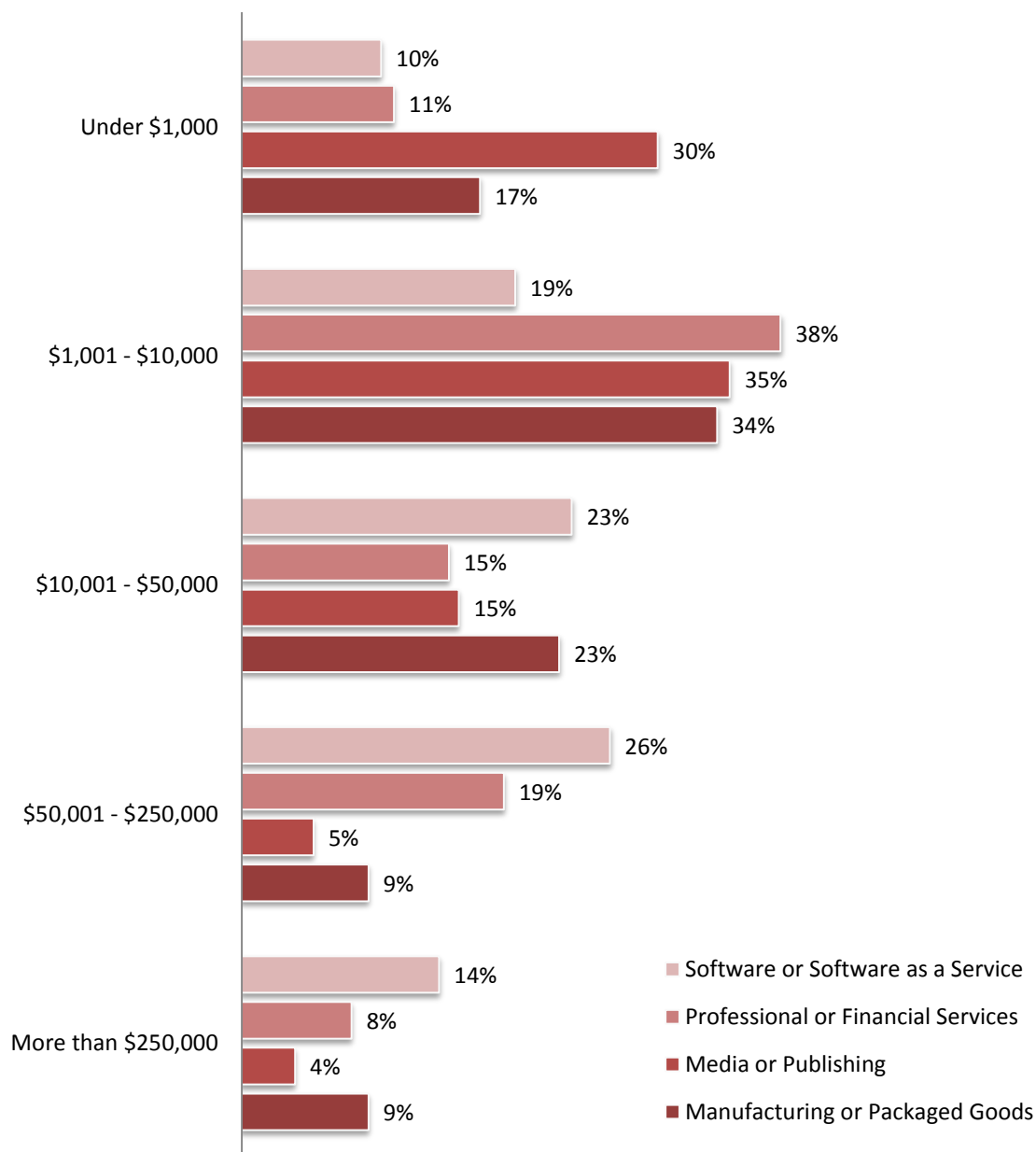
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The above chart represents respondents' indications of average deal size in 2010 and 2011. The key finding from this chart is that average deal sizes have declined.

In 2010, 19 percent of organizations indicated average deal sizes of \$1,000 - \$10,000, and in 2011, this increased to nearly a third of all respondents. The percentage of organizations indicating an average deal size of less than \$1,000 doubled from 2010 to 2011. The decline of response levels indicating any deal size category over \$10,000 further supports the key finding.

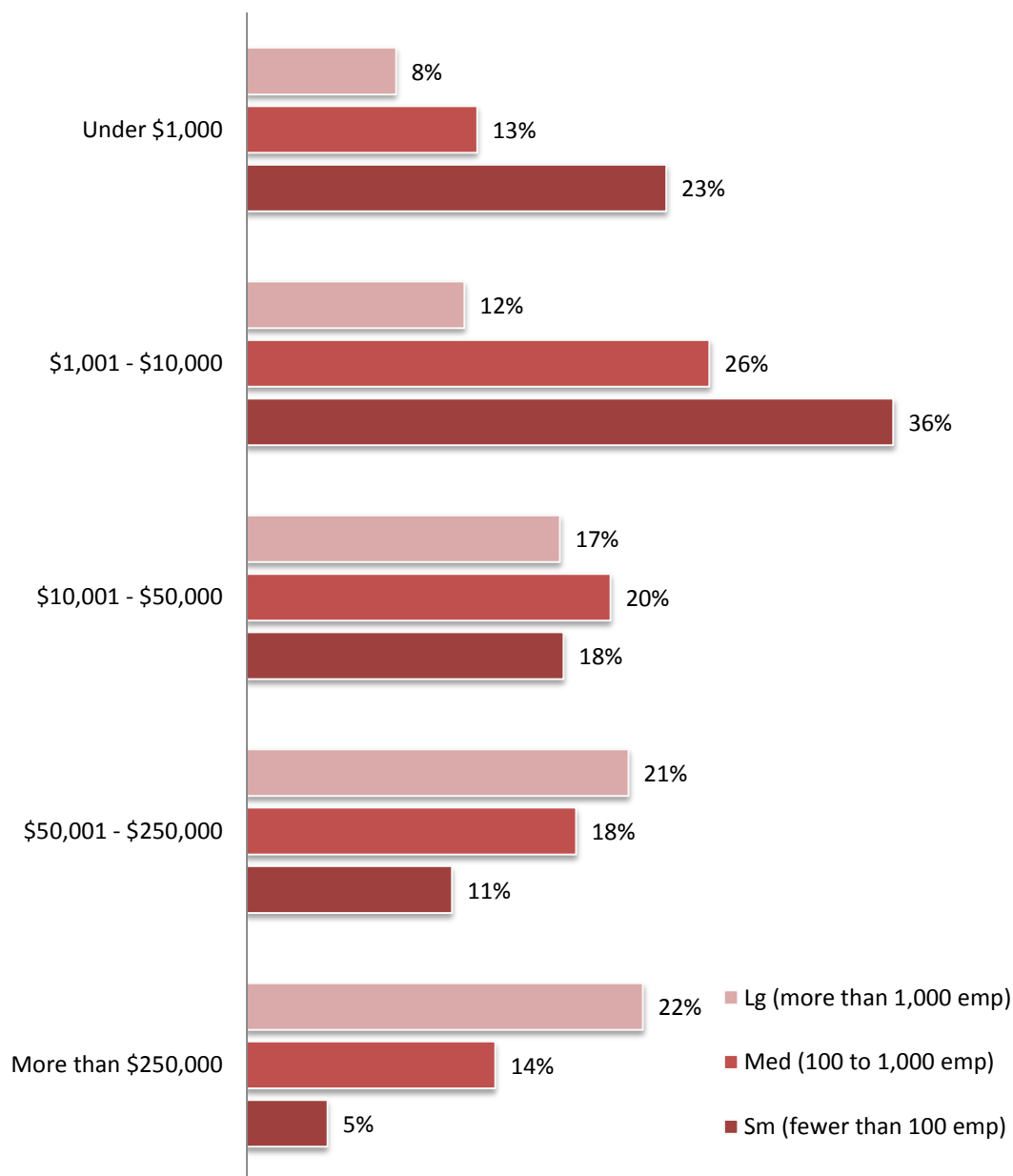
In a struggling economy, organizations feel the pressure to accelerate sales pipelines and close the deals that are in the system *now*. Organizations commonly use promotions to support these initiatives, and the effects of this tactic are present in the above chart. If organizations compete on price instead of value, they will continue to experience declining average deal sizes.

Chart: Average B2B deal sizes by industry sector



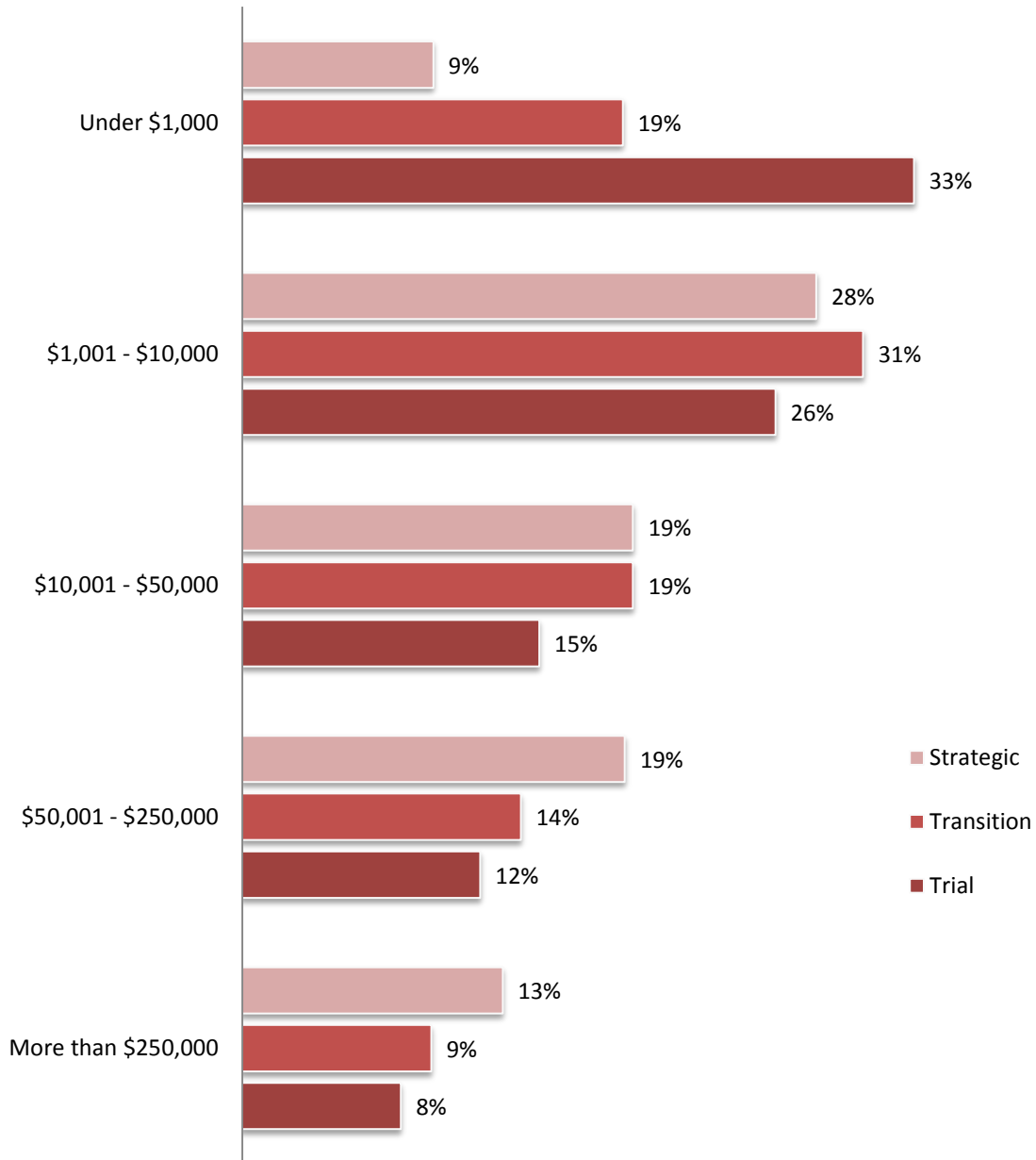
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Average B2B deal sizes by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Average B2B deal sizes by lead generation maturity



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

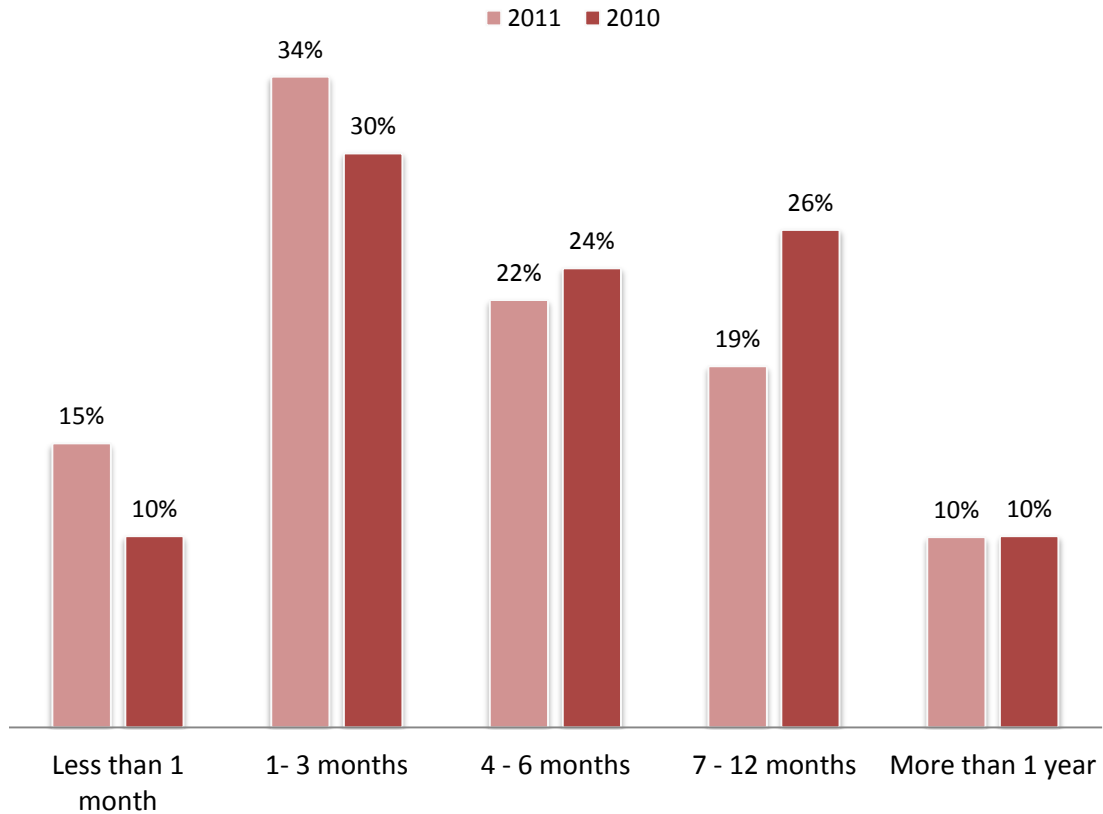
Organizations in the Strategic phase of lead generation maturity are the most likely to have average deal sizes greater than \$50,000, and those in the Trial phase are most likely to have deal sizes under \$1,000.

The larger the deal size, the more complex the buying process will be. Organizations with larger deal sizes, longer sales cycles, and more parties to convince, may have a greater need to establish processes for lead generation, qualification, scoring and nurturing.

LENGTH OF B2B SALES CYCLES

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

Chart: Changes in average length of B2B sales cycles



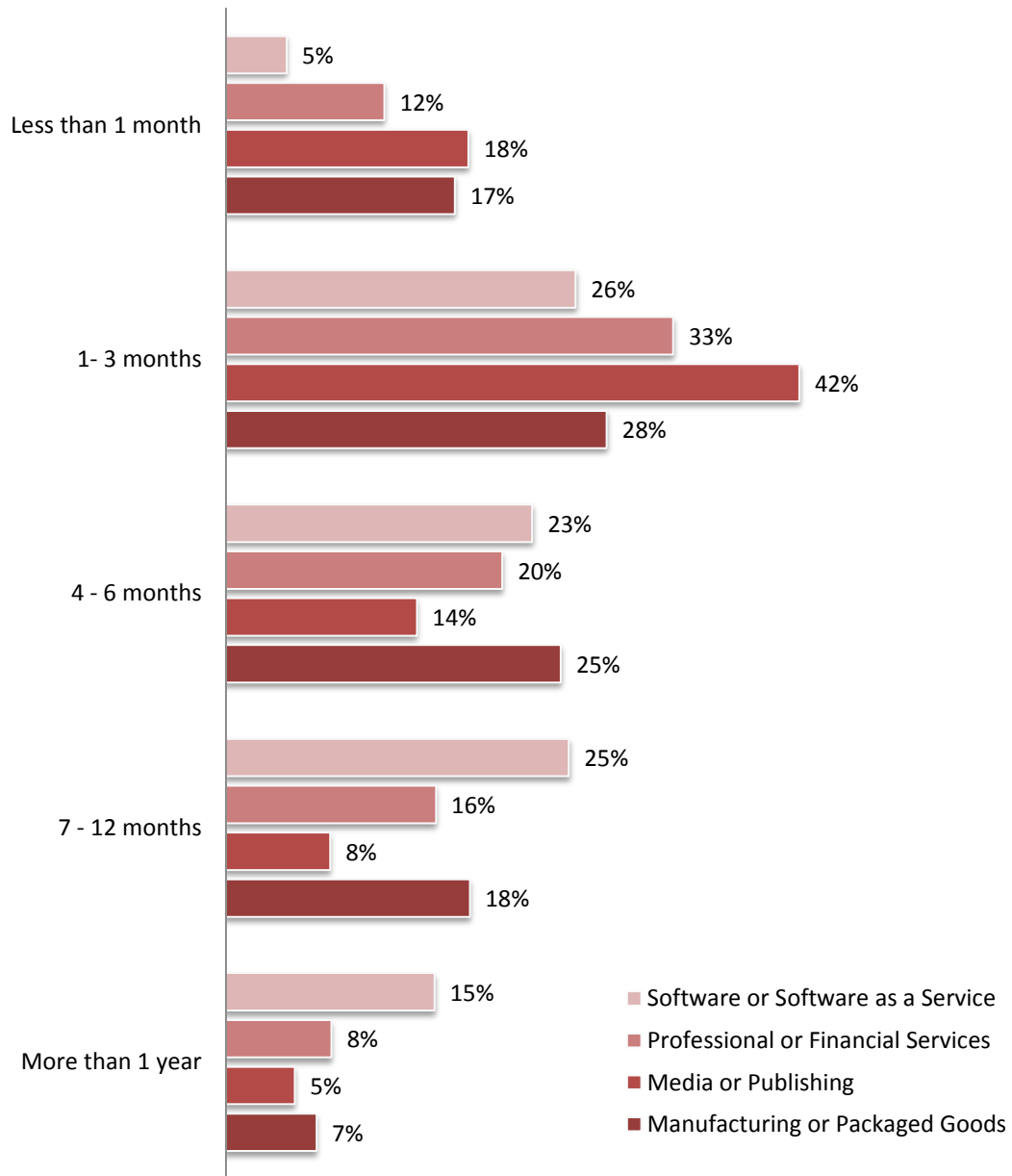
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Larger deal sizes and longer sales cycles go hand-in-hand. We learned in the previous section that average deal sizes declined from 2010 to 2011, and the average length of B2B sales cycles has slightly reduced as a result.

B2B organizations use promotions to accelerate deals that are already in the pipeline, and win the business faster. Reductions in average deal sizes are apparent, and some organizations have achieved goals with this tactic, and reduced the length of their average sales cycle. Many have not been successful. The year-over-year variance between average deal sizes is greater than the variance in average length of sales cycles.

Organizations can address the challenge of a long, complex sales cycle without slashing prices, but they must gain maturity in funnel optimization strategies. By qualifying, scoring and nurturing leads, organizations can increase sales team efficiencies, which leads to higher closing percentages and greater overall revenue. The length of the sales cycle will likely decrease as well, but when revenues are soaring, the challenge of sales cycle length becomes less relevant.

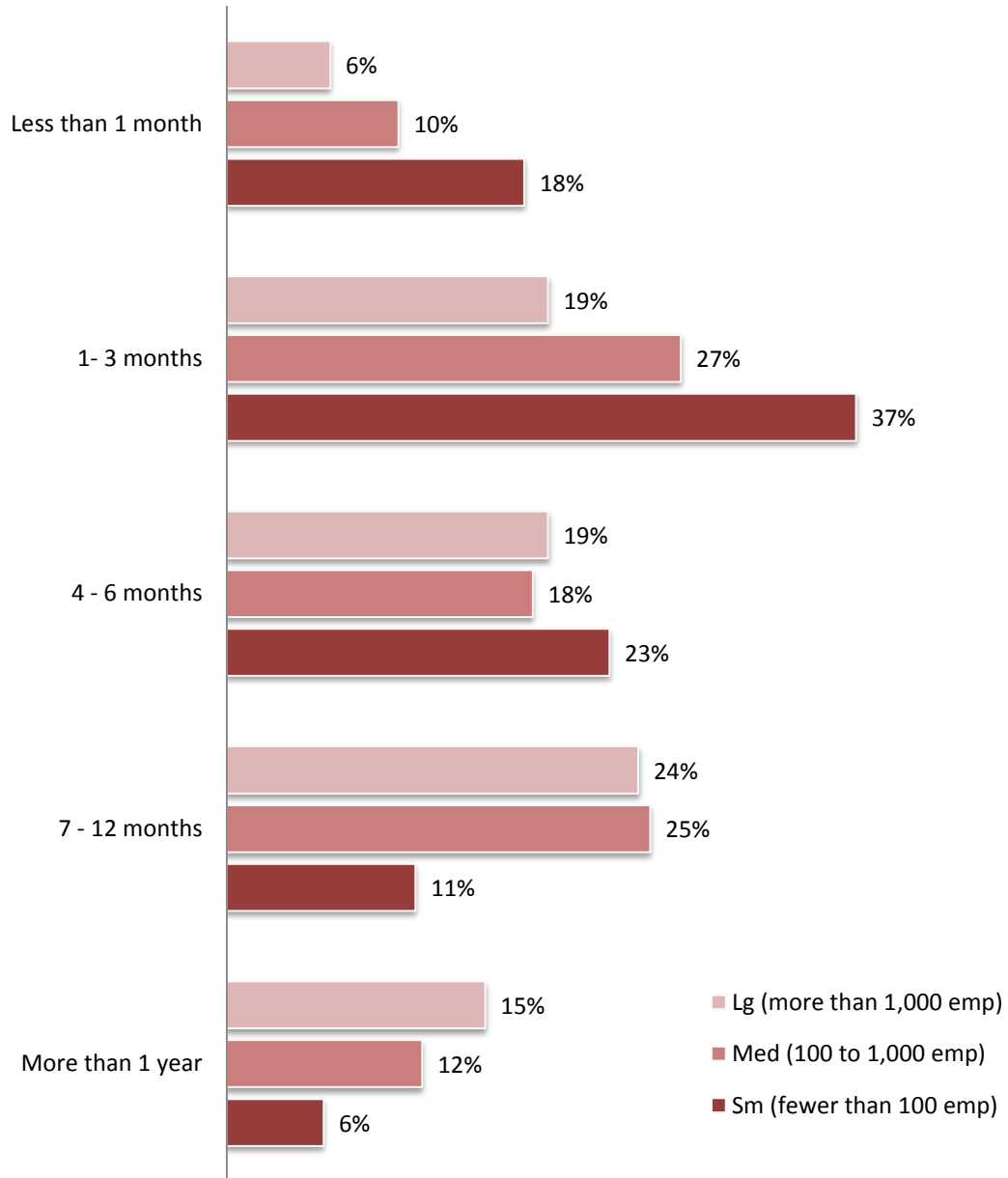
Chart: Average length of B2B sales cycle by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Organizations in the software or SaaS sector had the highest response levels in the categories for the largest deal sizes. Since deal size and length of sales cycle are so closely related, organizations in this sector are also most likely to have longer sales cycles.

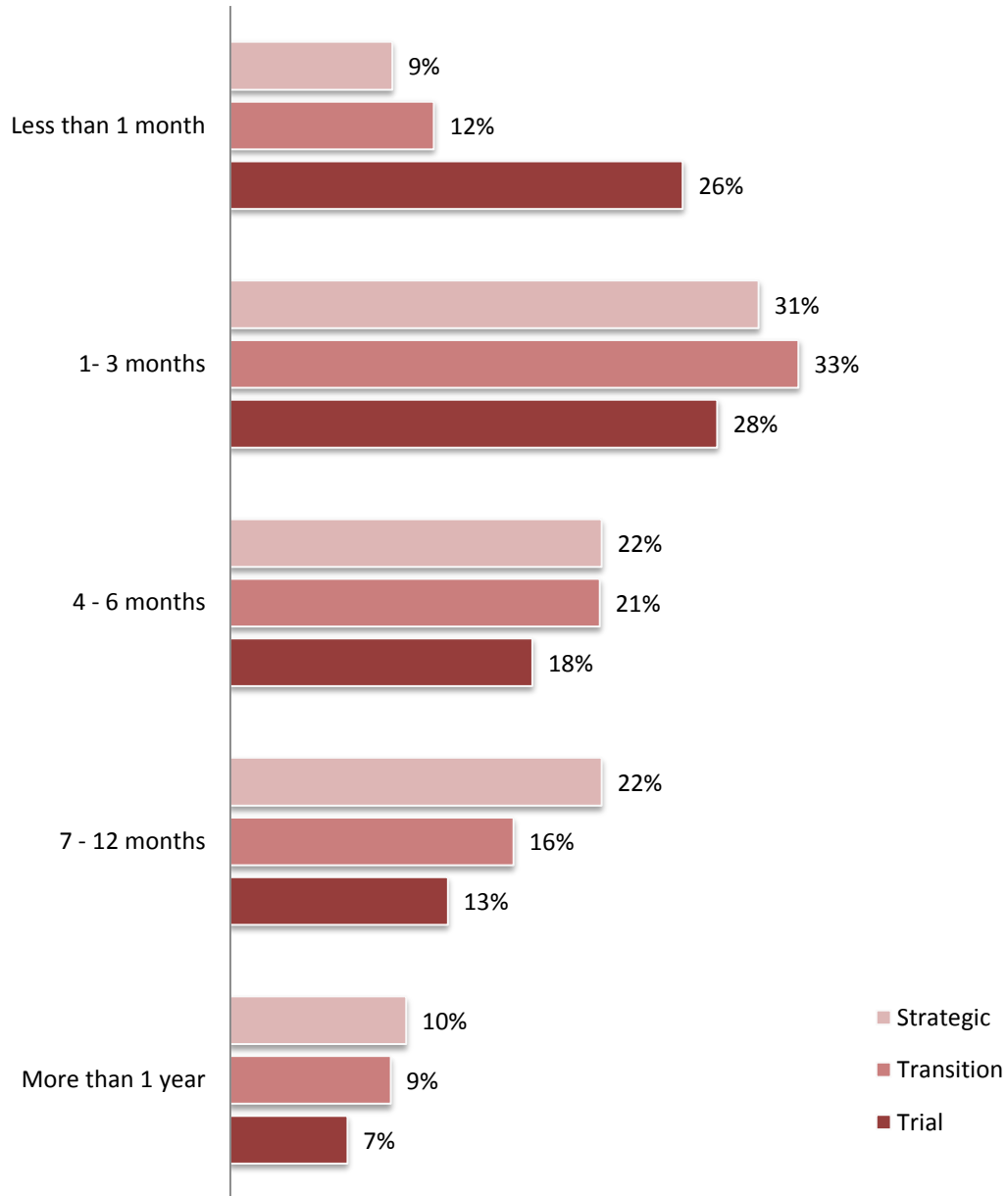
Chart: Average length of B2B sales cycle by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We learned in the previous section that large organizations were most likely to have average deal sizes between \$50,001 and \$250,000. Certainly, these organizations would have strong response levels in the categories for longer sales cycles.

Chart: Average length of B2B sales cycle by lead generation maturity

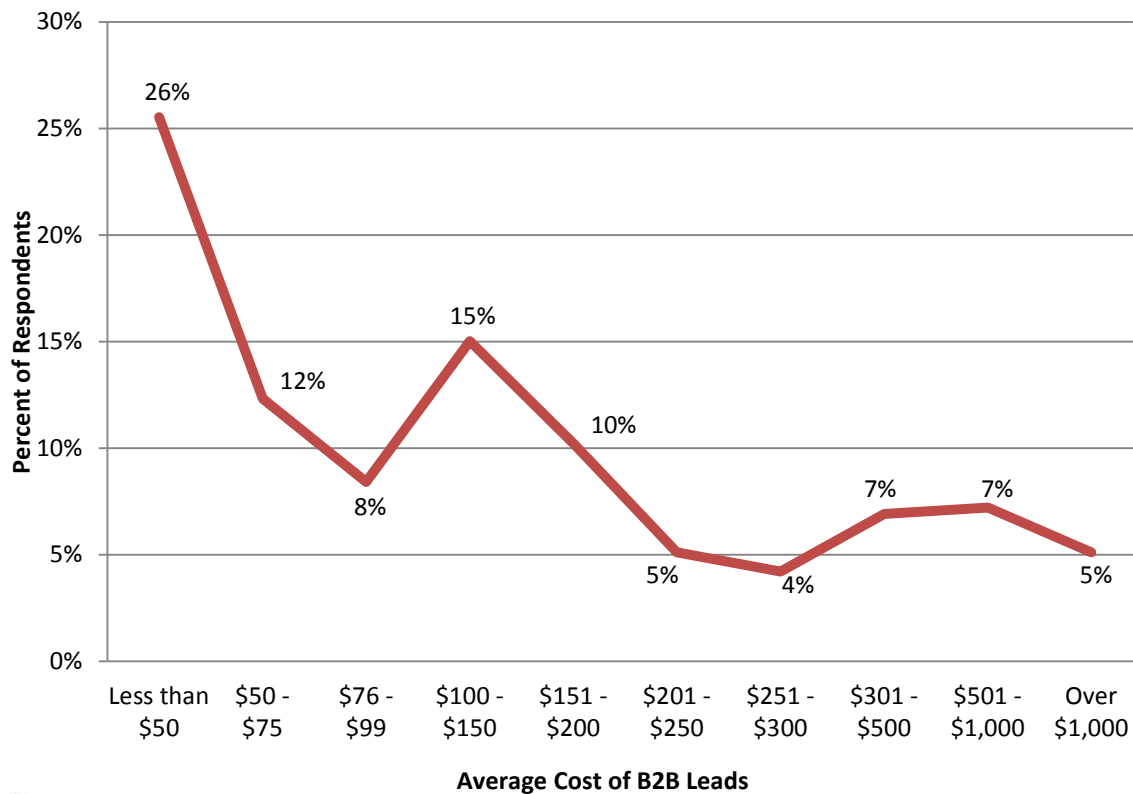


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The relationship between average deal size and length of sales cycle is apparent throughout this section, and the above chart is no exception. We learned earlier that organizations in the Trial phase tended to have smaller deal sizes than Strategic-phase organizations, so the sales cycle length of Trial phase organizations is likely to be shorter.

COST-PER-LEAD

Q. Please select the range that represents the estimated COST of one qualified lead to your organization.

Chart: Average cost for B2B leads

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The above chart depicts the average cost of B2B leads for all respondents. We asked respondents to select their cost-per-lead from a predetermined list. The list included ranges of costs, and this chart shows response levels for each range. The value “don’t know” received the highest level of response with 35 percent of respondents. The percentages above were calculated by excluding the “don’t know” values.

Cost-per-lead is an important metric to benchmark and track within your organization, as it can be a great indication of marketing effectiveness and ROI. However, when used as the sole basis of performance evaluation, it can be misleading.

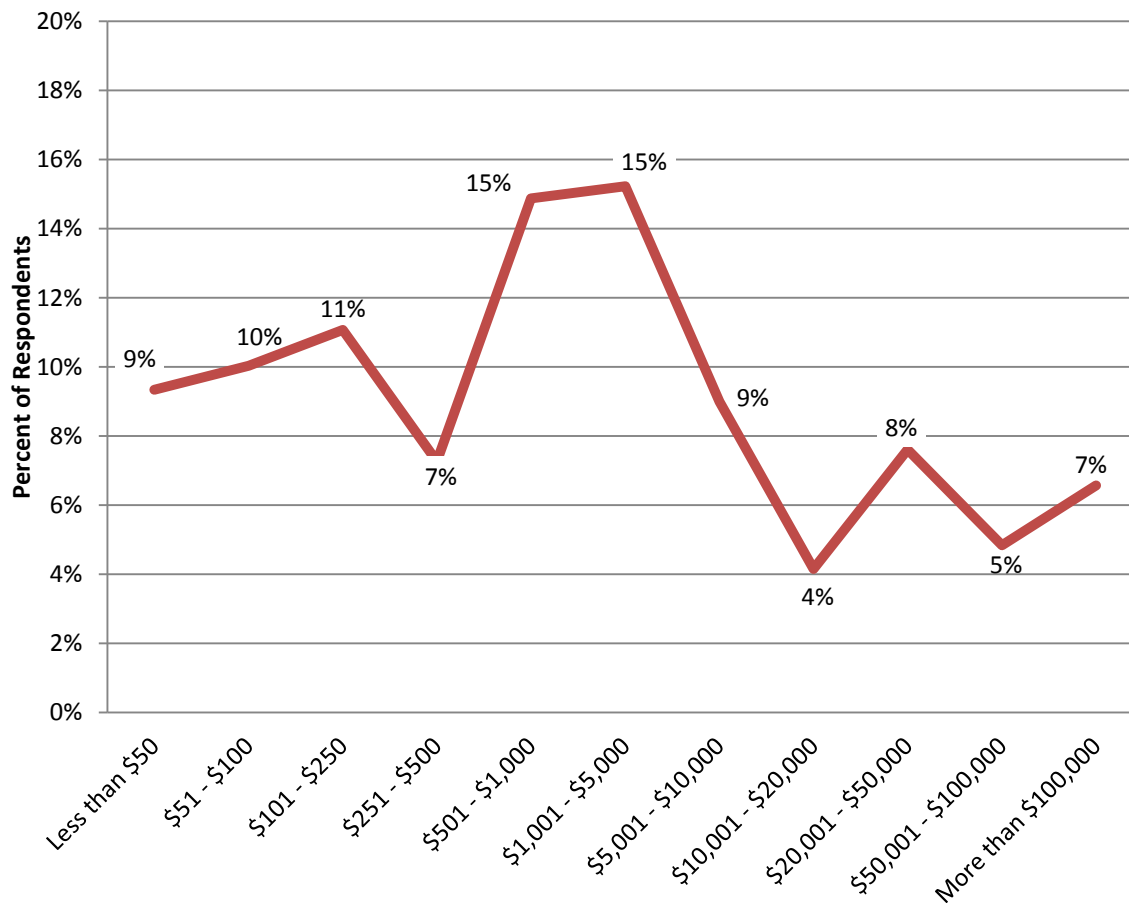
In every purchase we make, whether professional or personal, don’t we typically get what we pay for? With the exception of the few who invest a great amount of time and resources toward bargain hunting and extreme couponing, this generally holds true. Therefore, the lowest possible cost-per-lead is not necessarily the path to success, as we may be getting leads of quality equal to what we invested – leads that will close at a low rate because they may not even have a desire or need for our products or services.

Ultimately, while cost-per-lead is a key-performance-indicator, it should be analyzed in context with others, like overall revenue, ROI, cost-per-acquisition, closing percentage, etc.

VALUE-PER-LEAD

Q. Please select the range that represents the estimated DOLLAR VALUE of one qualified lead to your organization (i.e., what is the revenue contribution of each qualified lead?)

Chart: Average value for B2B leads



Average Value of B2B Leads



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

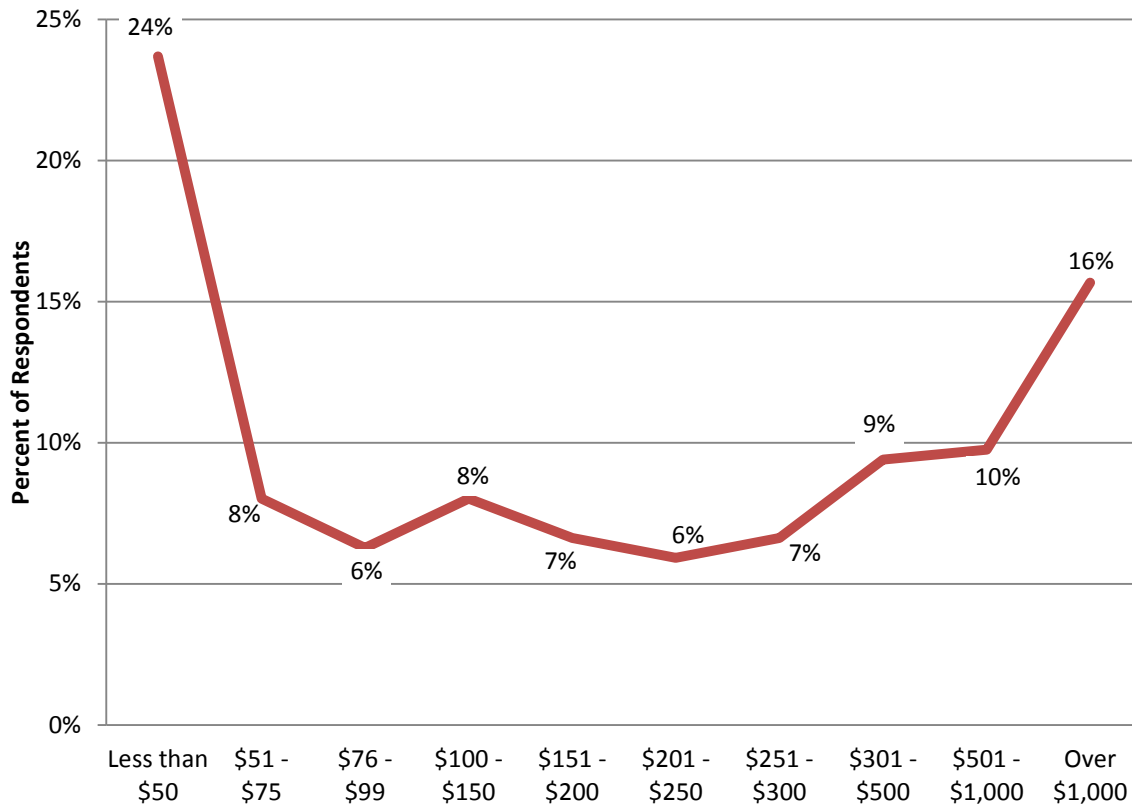
The above chart depicts the average value per B2B lead for all respondents. We asked respondents to select their value-per-lead from a pre-determined list, which included ranges of financial values. This chart shows response levels for each range. Much like the results of cost-per-lead, the value “don’t know” received the greatest response with 40 percent of respondents. As such, we excluded the “don’t know” responses from the data above.

If you don’t know what a lead is worth to you, how do you determine a reasonable price for that lead? By determining this important KPI, organizations can reasonably set target cost-per-lead.

COST-PER-ACQUISITION

Q. Please select the range that represents the estimated *COST PER ACQUISITION* to your organization (i.e., what is the average cost for each new customer?)

Chart: Average cost per acquisition



Average-Cost-per-B2B-Acquisition



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

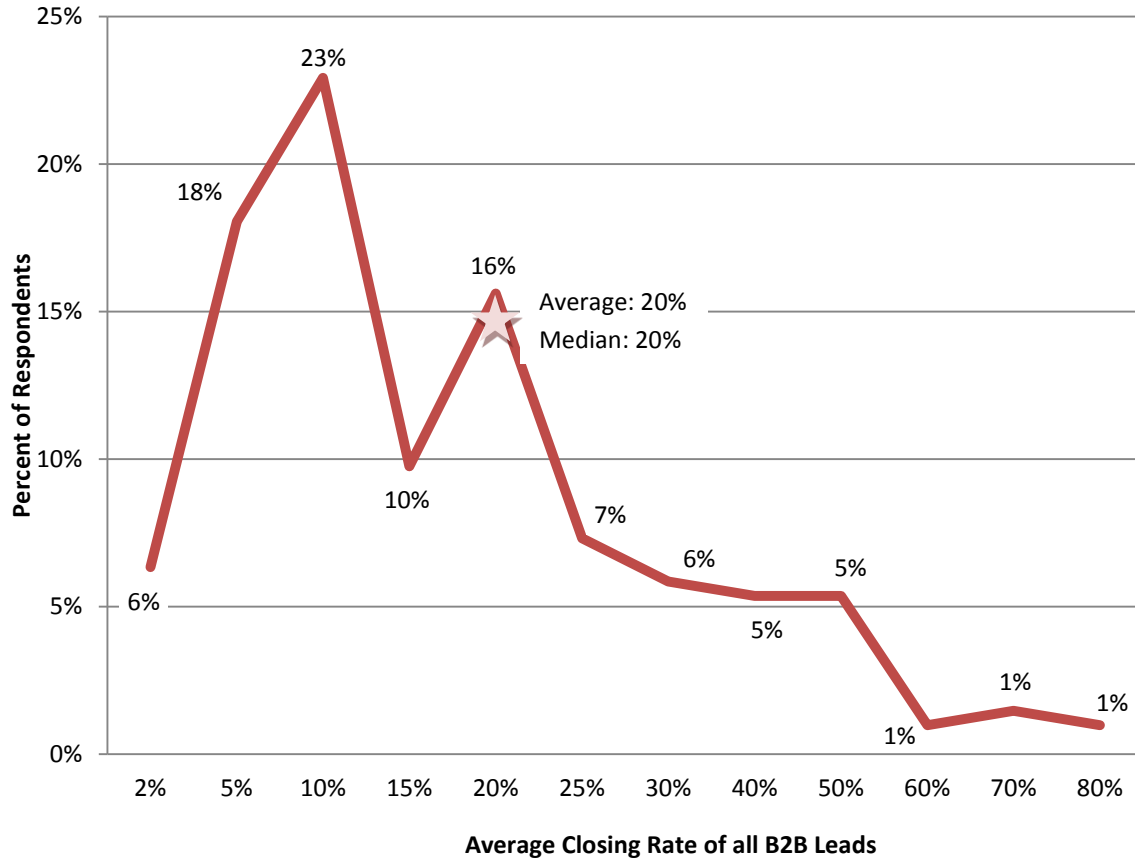
The above chart depicts the average cost-per-acquisition for all respondents. We asked respondents to select their cost-per-acquisition from a pre-determined list, which included ranges of financial values. This chart shows response levels for each range. As we have seen in the results of cost- and value-per-lead, the value that received the greatest response was “don’t know,” as 40 percent of respondents indicated. As with the previous charts in this section, we excluded the “don’t know” responses from the data above.

When we analyzed the cost of B2B leads, we learned that the trend line declined as cost increased, but this is not the same case for cost-per-acquisition. We are now presented with a “U” shaped trend line. Only five percent of organizations indicated that they spent over \$1,000 per lead, but more than three times that pay more than \$1,000 per acquisition.

CLOSING RATE OF ALL LEADS

Q. What is the closing rate of all leads, i.e., what percentage of your total lead volume makes a purchase?

Chart: Average closing rate of all leads

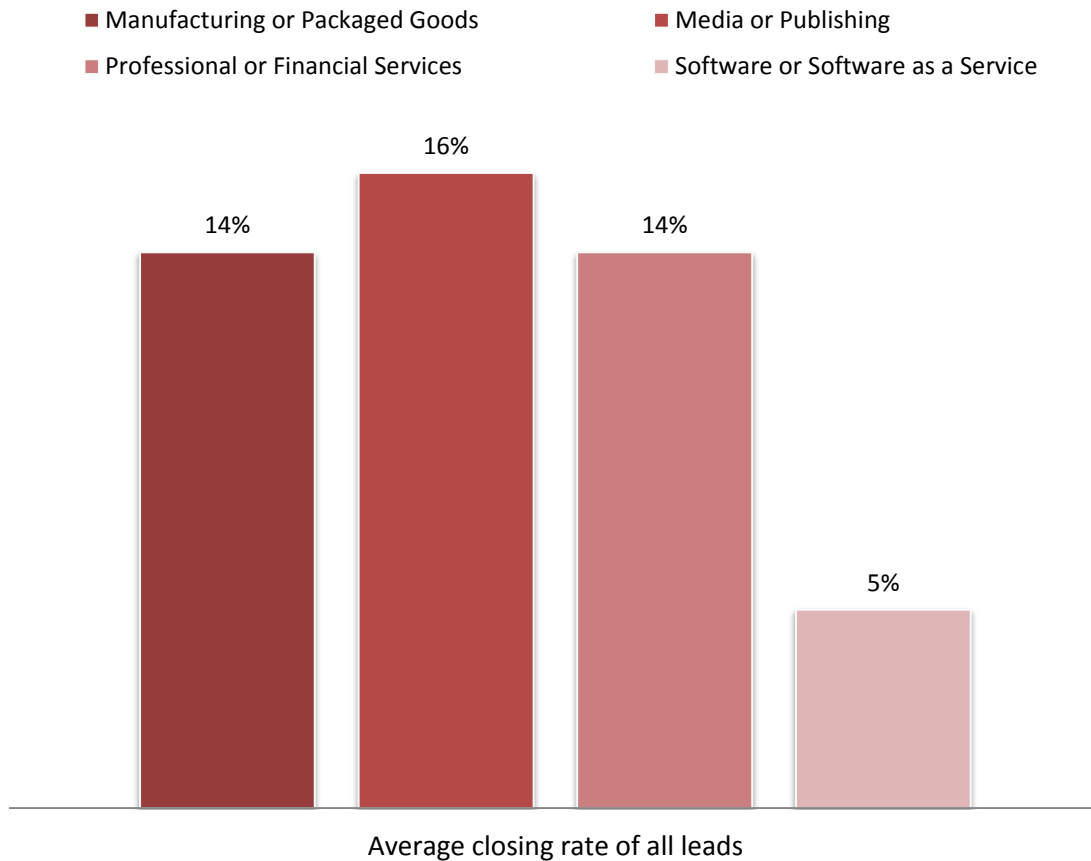


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The above chart represents the data collected on the average closing rate of all leads for all respondents. Unlike previous charts in this section, the above chart was collected through an open-ended entry form, meaning respondents indicated their values instead of selecting a predetermined range. On average, B2B leads close at a rate of 20 percent.

Closing rate of all leads is an important metric for Marketing to track, as it can be an excellent indication of sales and marketing effectiveness. Another important metric to consider with the closing rate of all leads is the closing rate of only qualified leads. When organizations evaluate these metrics together, they can determine any changes in sales team efficiencies by instituting lead qualification and scoring processes.

Chart: Average closing rate of all leads by industry sector



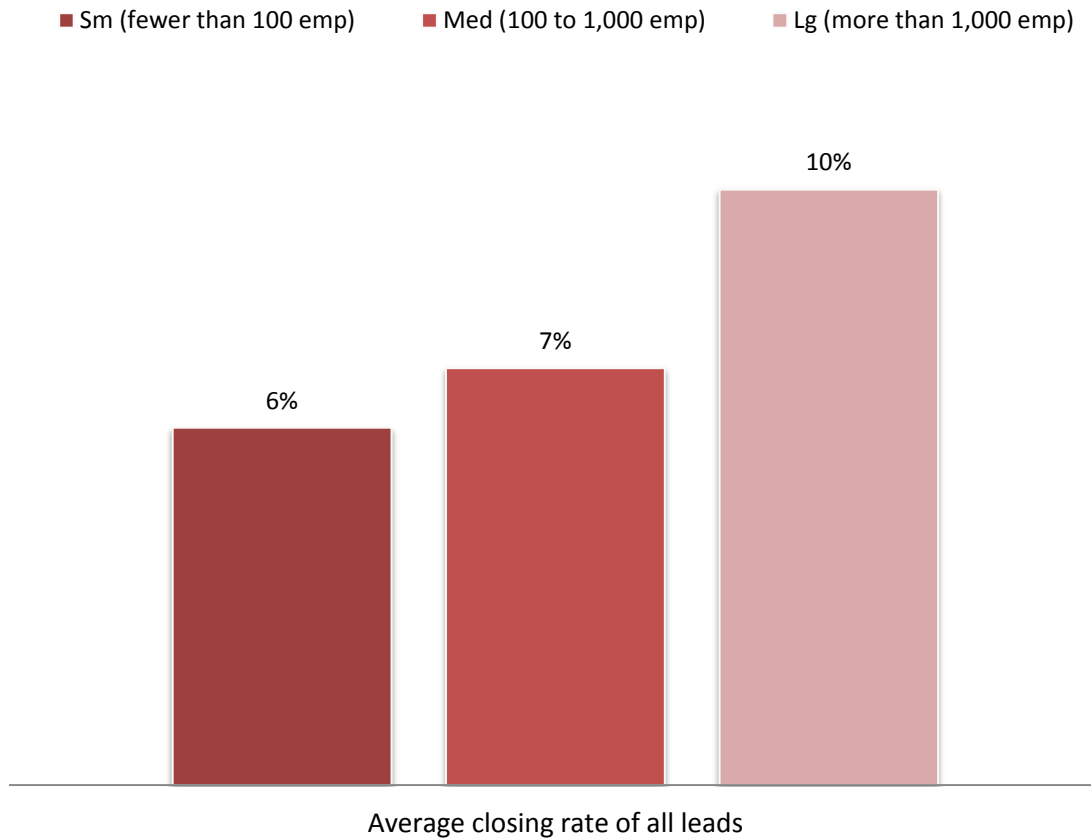
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Organizations in the software or SaaS sector tend to have lower closing rates than other B2B sectors, and were also likely to have larger deal sizes. They had the highest response levels for average deal sizes of more than \$50,000 and \$250,000.

Lead qualification barriers for deals of this size are much higher than the barriers for purchases of lower amounts. For example, it is much more difficult to find leads with budgets for a purchase of more than \$250,000 than it would be for a purchase of \$10,000.

With sales of this magnitude, organizations do not need to close a large number of deals to generate significant revenue, and they can still thrive with a lower-than-average closing percentage.

Chart: Average closing rate of all leads by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

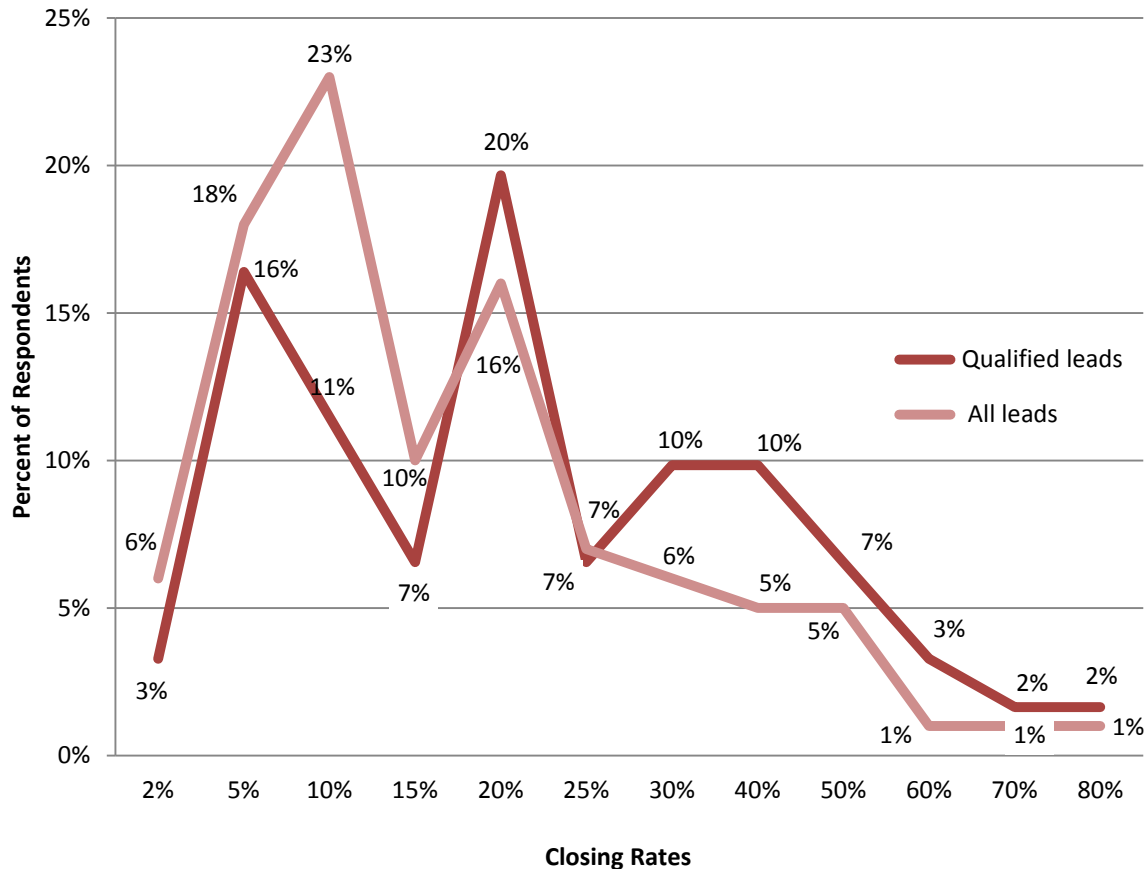
Large organizations tend to have higher closing rates than small- or medium-sized organizations. Large organizations also tend to have larger deal sizes. As we learned in the previous chart, larger deal sizes can lead to lower closing rates, but the case of organization size is an exception.

Large organizations tend to have well-established brands and high levels of awareness – two critical factors in building trust among prospects. This enhanced level of trust supports higher closing rates.

CLOSING RATE OF QUALIFIED LEADS

Q. Please indicate your organization's approximate closing percentage for qualified leads that meet the criteria as sales-ready.

Chart: Closing rate of qualified leads VS. total lead volume

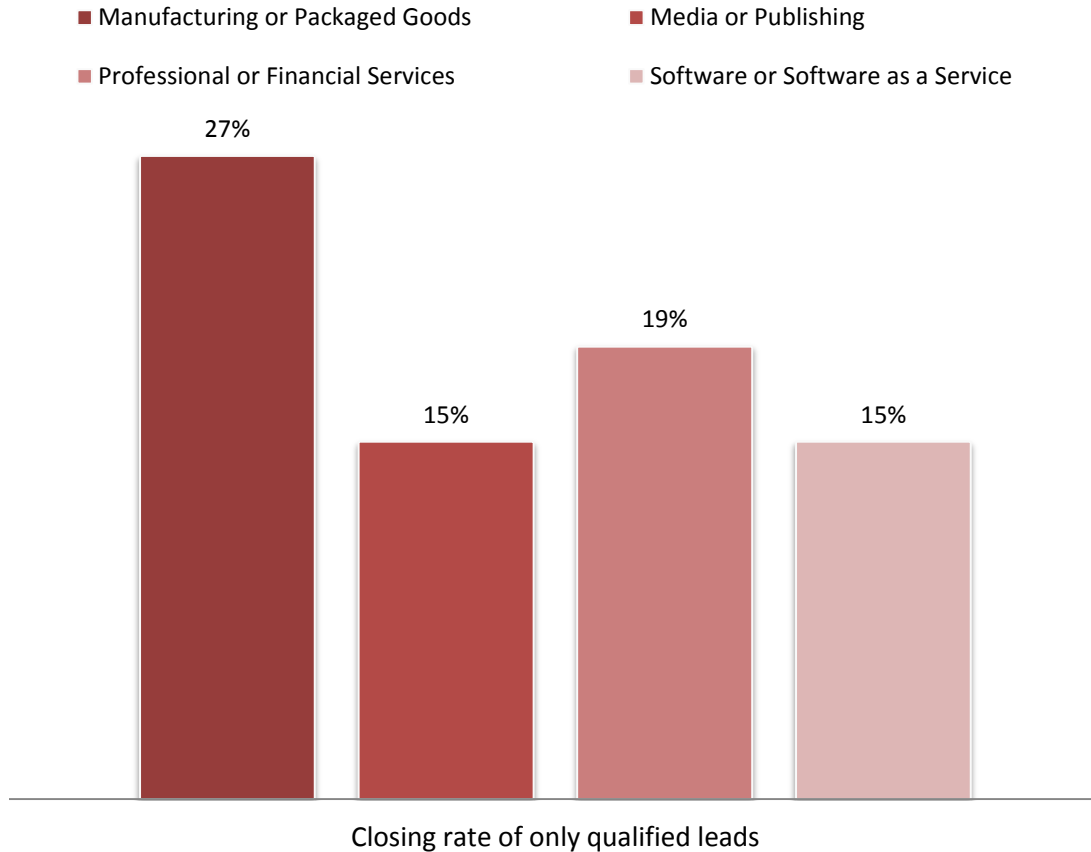


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The above chart compares respondent indications for closing rate of all leads to the closing rates of only qualified, sales-ready leads. Overall, closing rates tend to be higher for only qualified leads. For closing rates under 15 percent, all leads (the lighter-colored line) had higher levels of response; for all closing rates over 30 percent, only qualified leads (the darker-colored line) had greater response levels.

Marketers attempting to gain initial buy-in for lead qualification and scoring campaigns generally run into a common hurdle – a reduction of total lead volume delivered to Sales. This can be a scary concept to Sales and the C-suite, and marketers must make a compelling case to win initial buy-in. Marketers can utilize the above data to demonstrate the average improvement in adopting lead qualification and scoring practices. If the end result is more business and a more effective Sales team, the problem of reduced lead volume being delivered to Sales becomes less relevant.

Chart: Average closing rate of only qualified leads by industry sector



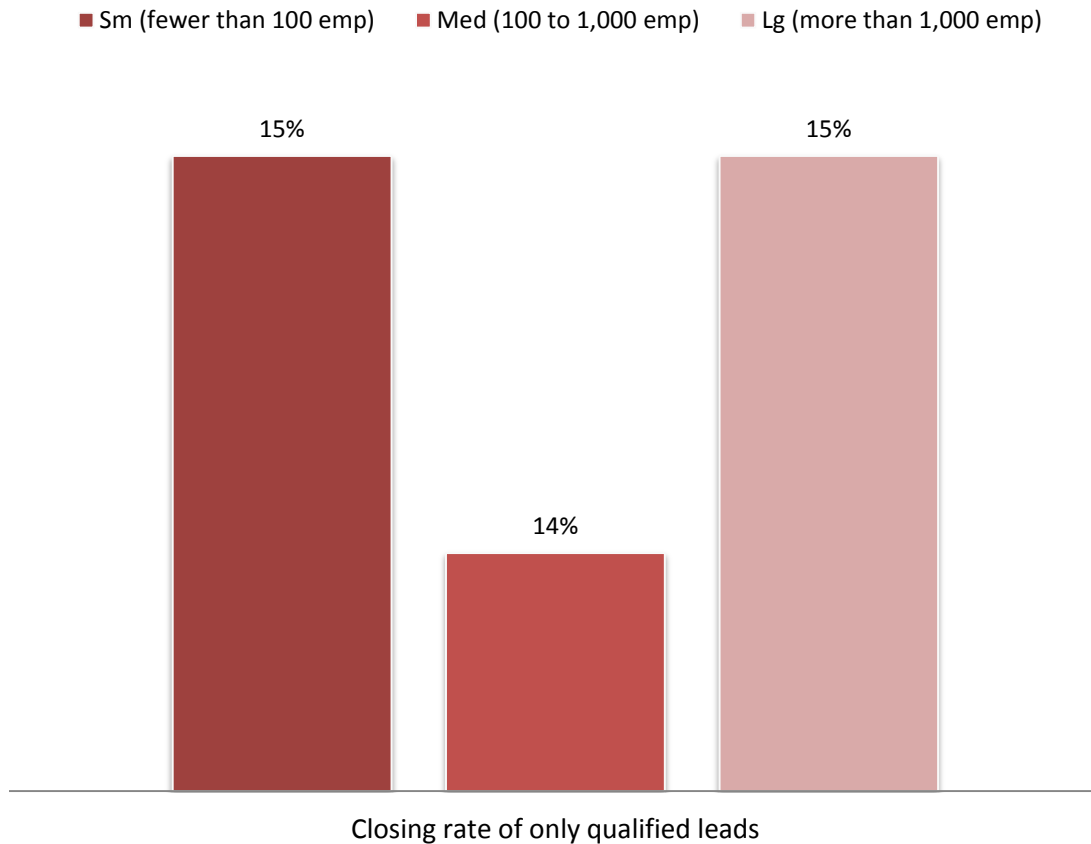
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

For nearly all industries, the closing rate of only qualified leads is greater than the closing rate of all leads. The exception is the media / publishing sector, which experienced minimal variance between the two key metrics.

The sector with the greatest improvement in closing rate from all leads to only qualified leads is the software or SaaS sector. The closing rate of only qualified leads is three times greater than the closing rate of all leads.

Organizations in the media / publishing sector indicated the lowest average deal sizes, and organizations in the software / SaaS sector indicated the highest. This indicates that organizations with higher deal sizes have the greatest to gain in regards to elevated closing rates, by establishing lead qualification processes.

Chart: Average closing rate of only qualified leads by organization size



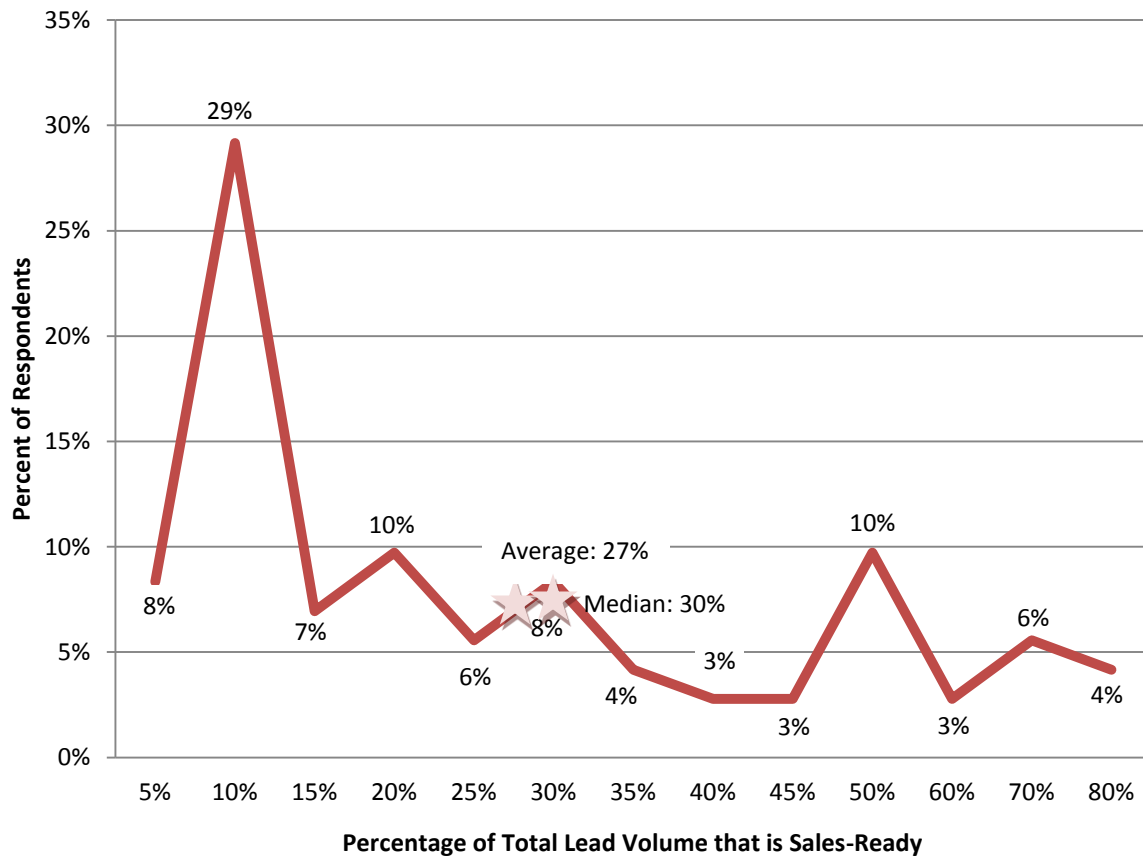
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The benefits of lead qualification are apparent when analyzing average closing rate of all and only qualified leads by organization size. All organization sizes experienced substantial gains in closing rate when considering only qualified leads.

PERCENTAGE OF TOTAL LEAD VOLUME THAT IS SALES-READY

Q. Please indicate your organization's approximate closing percentage of qualified, sales-ready leads out of total lead volume.

Chart: Average percentage of total lead volume that is sales-ready

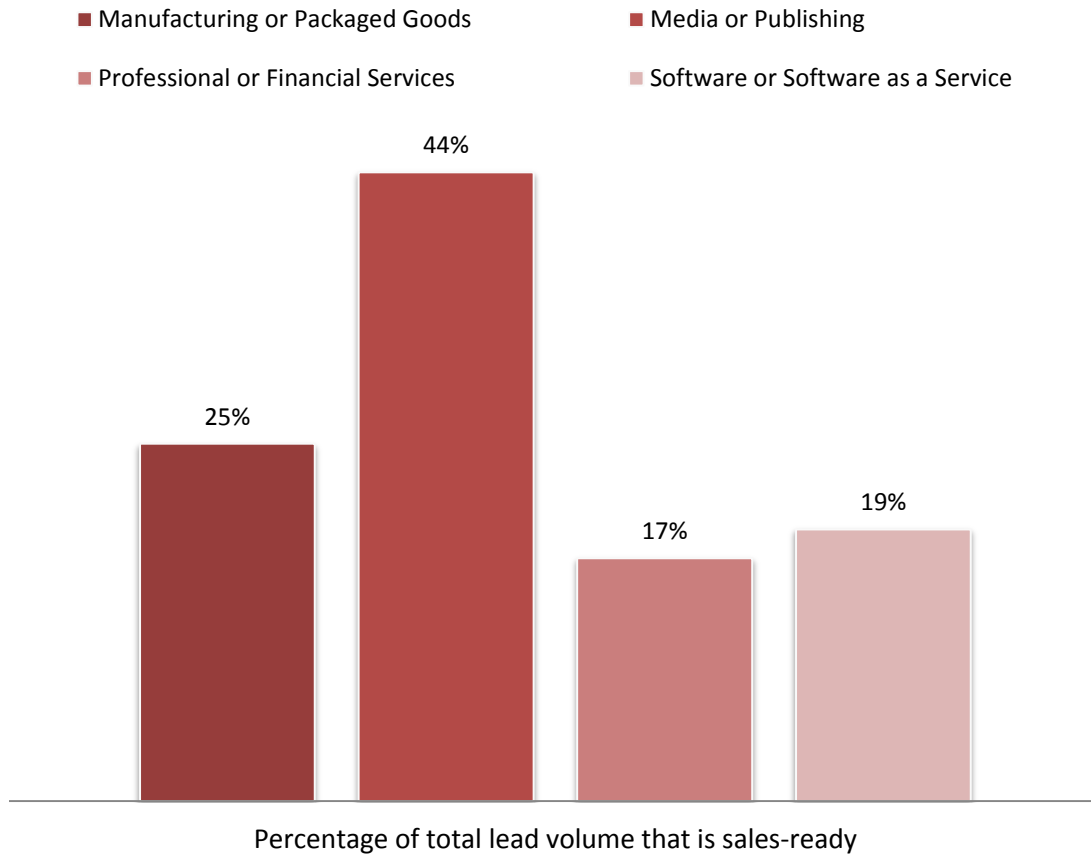


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We have learned that the closing rate of only qualified leads is greater than the closing rate of total lead volume in the previous sections. In the above chart, we analyze what percentage of total lead volume is qualified and ready for Sales.

On average, B2B organizations can expect that approximately 27 percent of total lead volume will be qualified and ready to pass on to Sales. For organizations that don't have a qualification screen in place before leads are passed to Sales, approximately 70 percent of those leads will not be qualified. Gaining understanding of this key benchmark is a critical component to any marketer's campaign for initial buy-in of launching lead qualification and scoring processes.

Chart: Average percentage of total lead volume that is sales-ready by industry sector

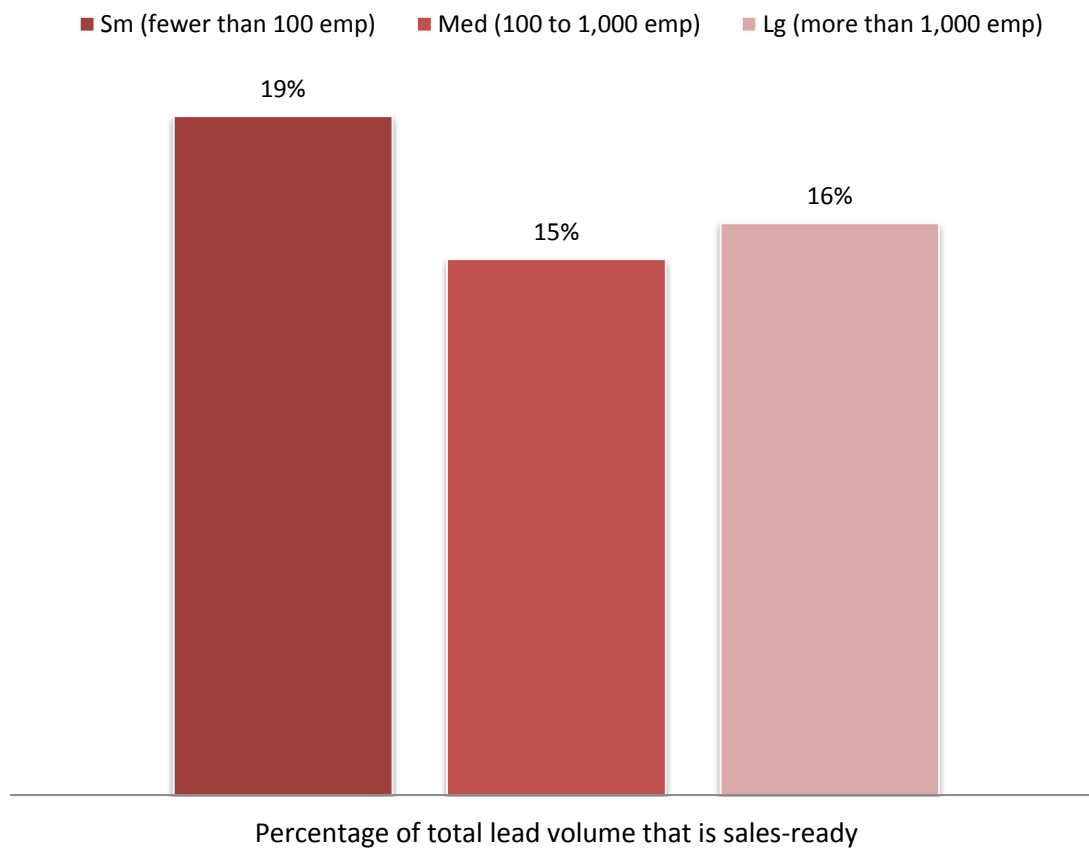


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Throughout this section on KPIs, the relationship between average deal size and other key metrics has been apparent. We demonstrated the influence that average deal size has on average length of sales cycle, closing rate, and now the percentage of total lead volume that is sales-ready.

Organizations in the media or publishing sector reported the lowest overall average deal sizes. A lower deal size lends to lower qualification criteria, i.e., lower budgets, and thus a higher percentage of total lead volume that is qualified and sales-ready.

Chart: Average percentage of total lead volume that is sales-ready by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

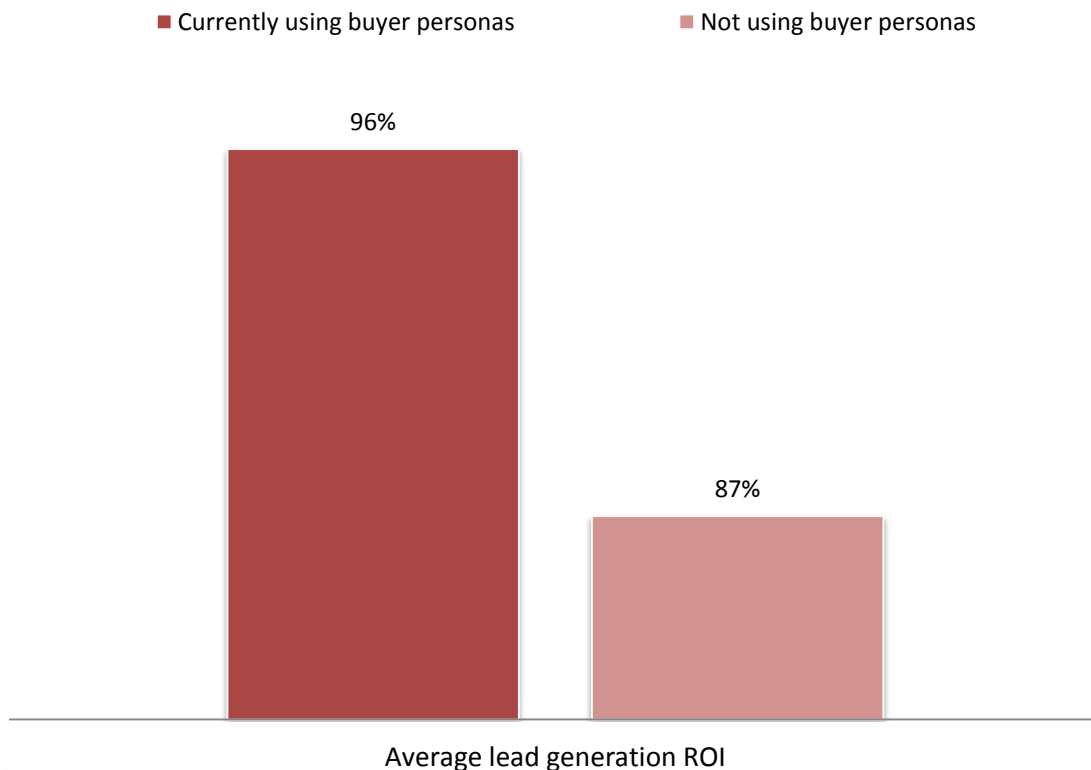
CHAPTER 4: PERSONAS, PROPOSITIONS AND CONTENT: BUILDING BLOCKS FOR SUCCESS

GETTING TO KNOW YOUR CUSTOMERS - ESTABLISHING BUYER PERSONAS

USE OF BUYER PERSONAS DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Lead generation ROI by use of buyer personas



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

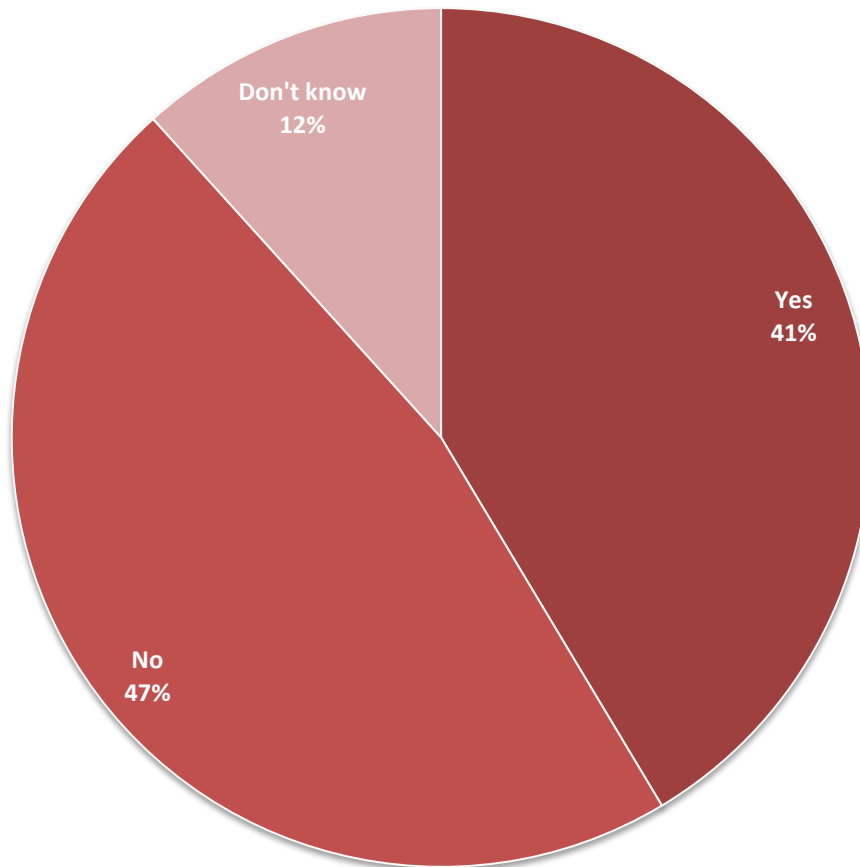
A buyer persona is a detailed profile that represents an actual, real-life group from a target audience. It includes common interests, motivations and expectations, as well as demographic and other behavioral characteristics. By establishing buyer personas, organizations are enabled to deliver unique content that will attract and nurture new and existing leads, instead of sending a single message to a varied audience.

The above chart demonstrates that organizations can achieve a positive impact on the performance of lead generation campaigns with the use of buyer personas. Organizations that currently use buyer personas experienced a 10 percent lift in lead generation ROI over those organizations not currently using buyer personas.

USE OF BUYER PERSONAS

Q. Have you researched and defined multiple buyer personas that exist in your target audience?

Chart: The definition of buyer personas



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The split between organizations that have defined buyer personas and those that have not is fairly even, with only a marginally higher response for no definition.

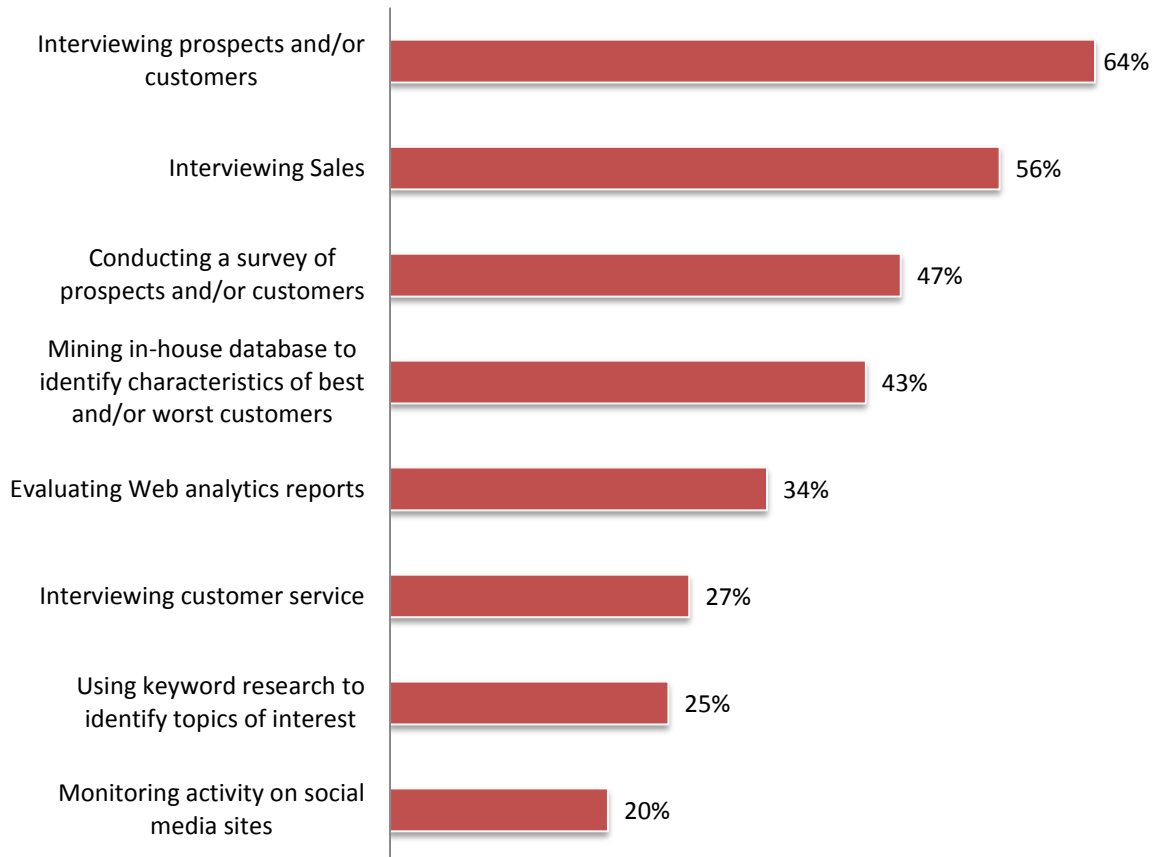
In today's market, it is essential for all marketing to focus all communications on the buyer – their challenges, preferences, behaviors, etc. A traditional, one-size-fits-all approach is becoming less effective as buyers continue to expect more from brands.

By focusing on the buyer, organizations are able to create a high-quality communication cycle that builds trust, converts members of the target audience as leads for their organization, and supports lead-to-customer conversion. Getting to know the audience and researching buyer personas is the first critical step to achieving this kind of communication cycle. Once organizations develop buyer personas, they must also consider the stage of the buying cycle as part of an overall nurturing strategy.

TOP TACTICS IN DEVELOPING BUYER PERSONAS

Q. What tactics did you find to be most effective in developing your buyer personas?

Chart: Conducting interviews rated top tactic in developing buyer personas



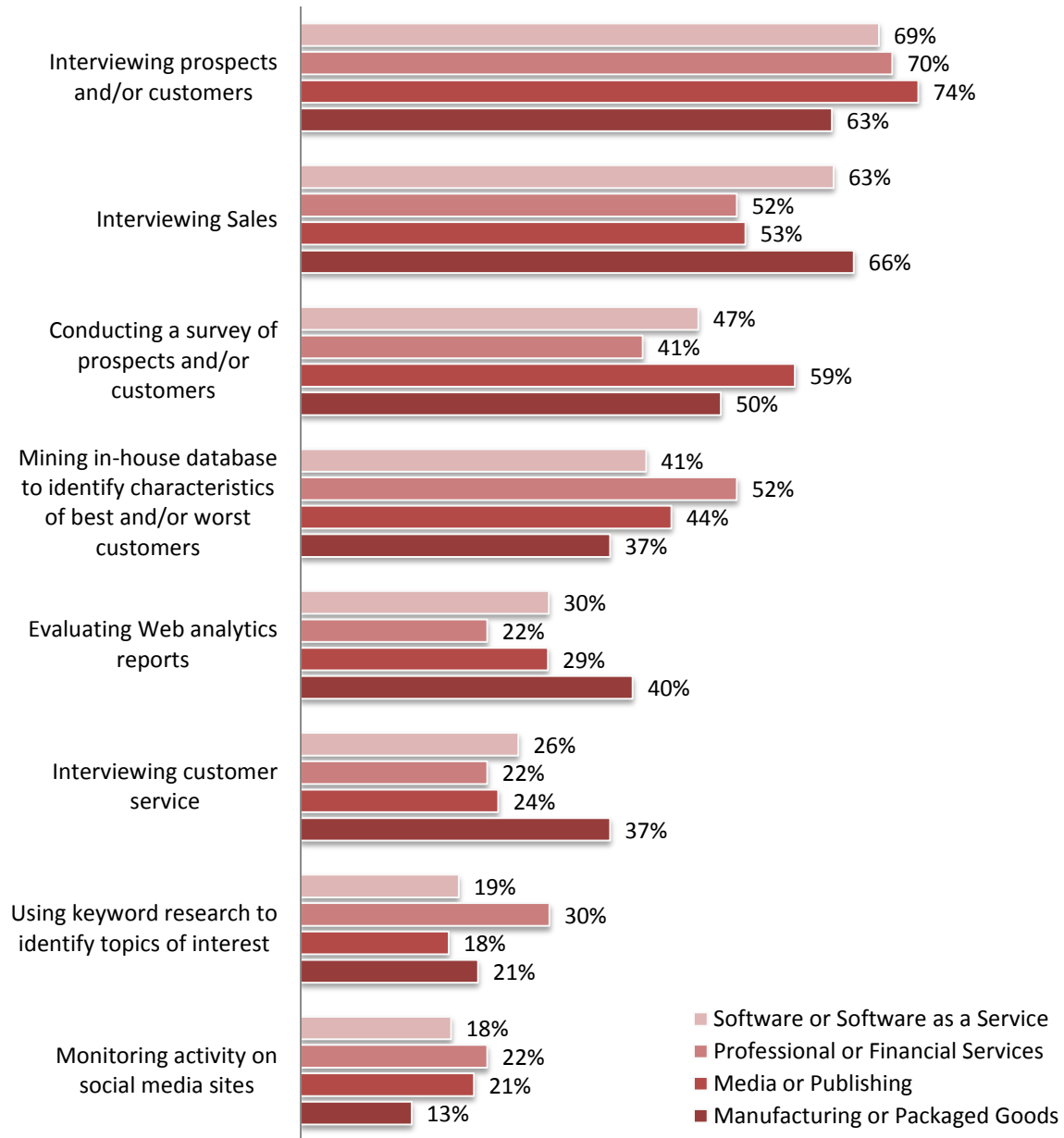
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The 47 percent of organizations that have not yet defined buyer personas will need to learn best practices to become established. The 41 percent of organizations that already have established buyer personas will need tactics to adjust them as the market evolves, so they can gain greater relevance of their communications strategies. We asked organizations which tactics they found to be the most effective in developing buyer personas, to give both groups ideas to improve current practices.

The most effective tactic involves going straight to the source, and interviewing prospects and / or customers themselves. Organizations can ask these parties directly, “What problem are you trying to solve with our solution?” or “Why did you choose us over the competition?” Gaining actual, qualitative information directly from prospects and / or customers can be highly insightful in defining buyer personas.

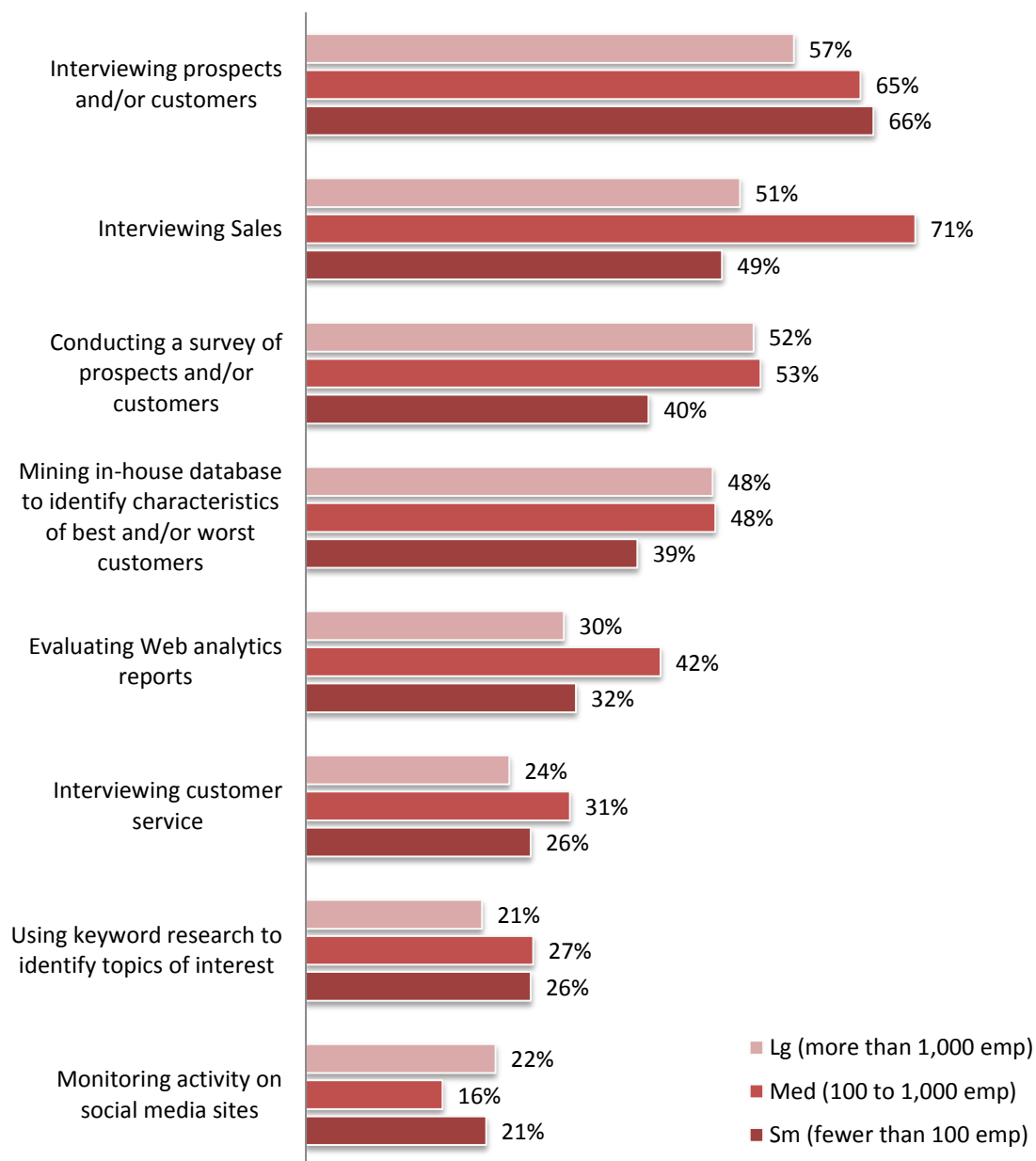
Organizations clearly have an appreciation for qualitative data when researching buyer personas, as the top two tactics are both qualitative. This data also indicates that the best practice is to balance qualitative data collected from interviews with quantitative data, as the third- and fourth-most effective tactics are quantitative. Organizations must be conducting qualitative research first and foremost, and then collecting quantitative data on the insights they uncover.

Chart: Best tactics in developing buyer personas by industry sector

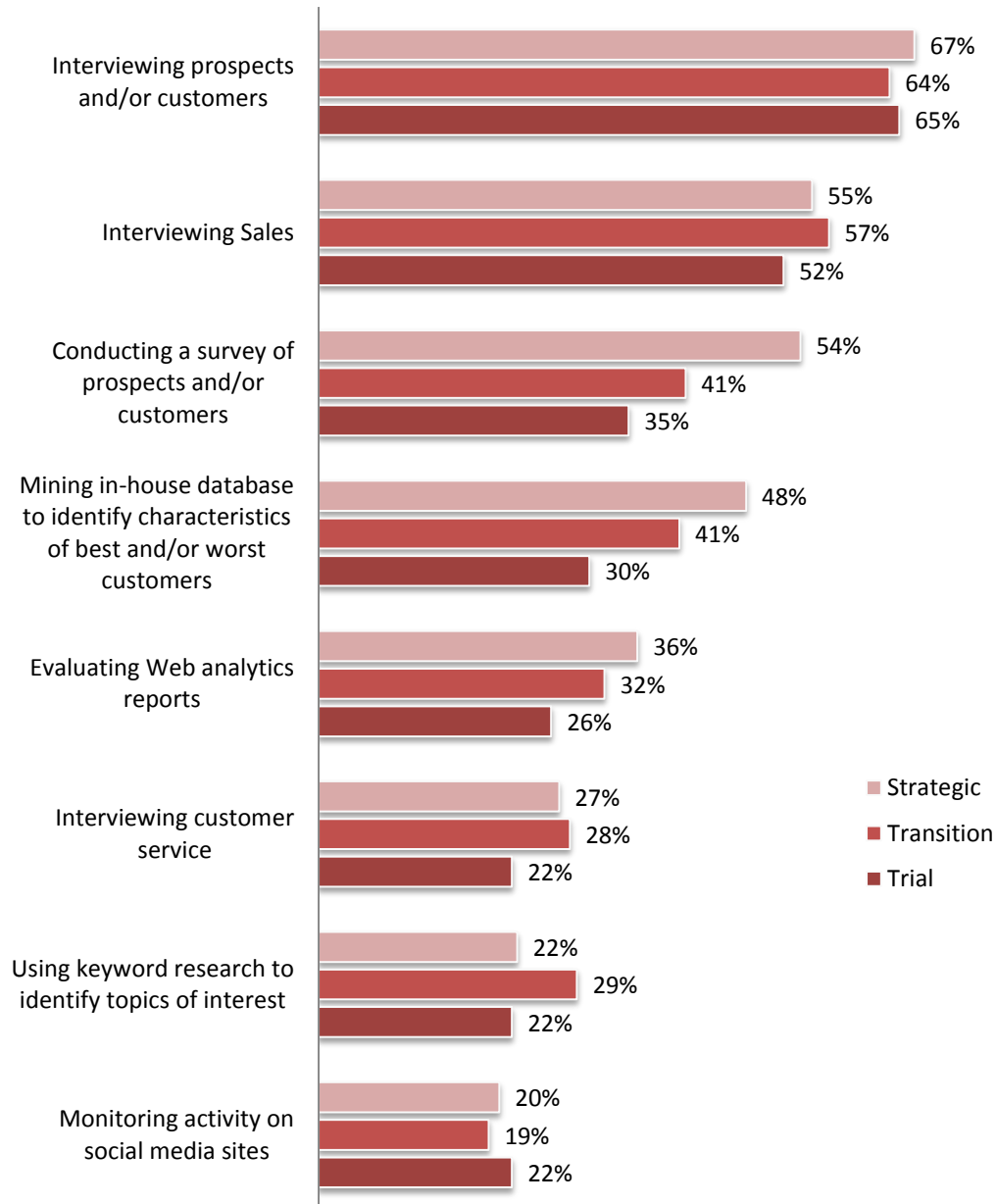


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Best tactics in developing buyer personas by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Best tactics in developing buyer personas by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

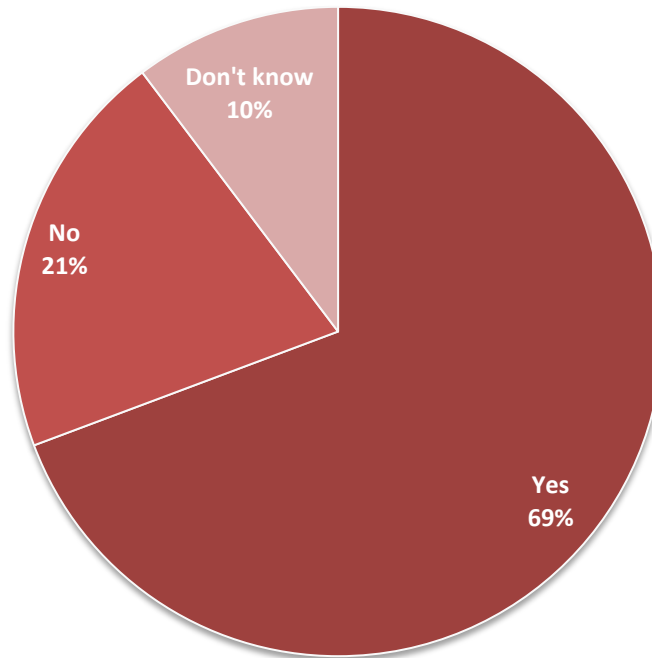
Organizations in the Strategic phase of lead generation maturity are most likely to indicate that mining an in-house database to identify characteristics is an effective practice for identifying buyer personas. It is likely that organizations in this phase are more sophisticated with data hygiene practices, making this tactic more effective and dependable.

CREATING COMPELLING VALUE PROPOSITIONS THAT RESONATE AND CONVERT

USE OF VALUE PROPOSITIONS

Q. Do you have a defined value proposition for one or more of your products or services?

Chart: Majority of B2Bs define value propositions - but are they tested?



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011. N=1,745

Most B2B organizations understand the importance of value propositions, and have defined them for one or more of their products or services — but are they following best practices?

MarketingSherpa is part of the MECLABS Group. MECLABS is a science lab that uses real-world research to help business leaders get better use out of sales and marketing technology and resources, including Internet marketing, website optimization, and lead generation and nurturing. As part of its expertise, MECLABS focuses on best practices for developing and optimizing value propositions, and has set the following criteria for success.

A value proposition should define the key reason why your company is the best choice for your ideal customer. It should clearly communicate what your company does, and the unique benefits you have over the competition. Essentially, a value proposition should answer the following questions in a clear, concise manner:

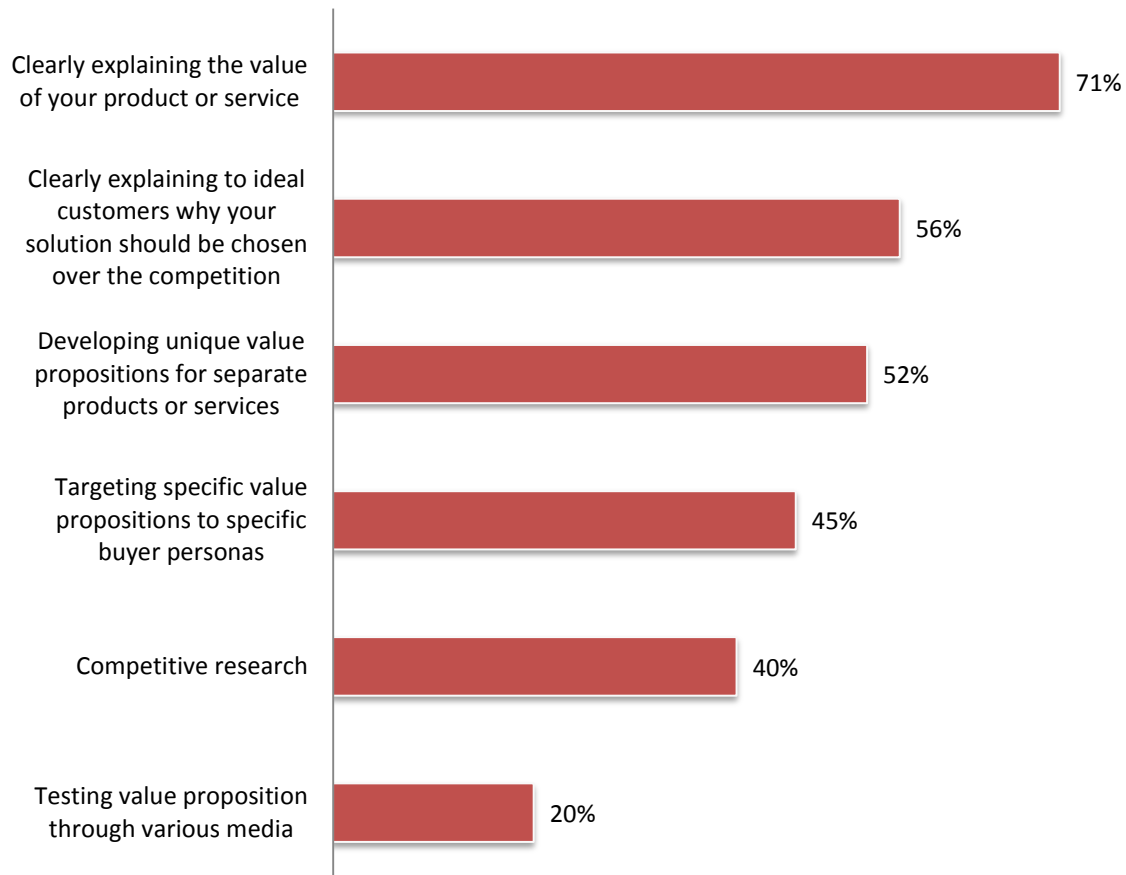
1. What does your company do?
2. Why should buyers who meet your ideal customer profile buy from you, and not one of your competitors?

If you have already defined one or more value propositions for your organization, are you following these best practices?

TOP TACTICS FOR DEVELOPING EFFECTIVE VALUE PROPOSITIONS

Q. Please select the top tactics for developing the most effective value proposition for your organization.

Chart: Clarity rated top tactic in developing effective value propositions



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

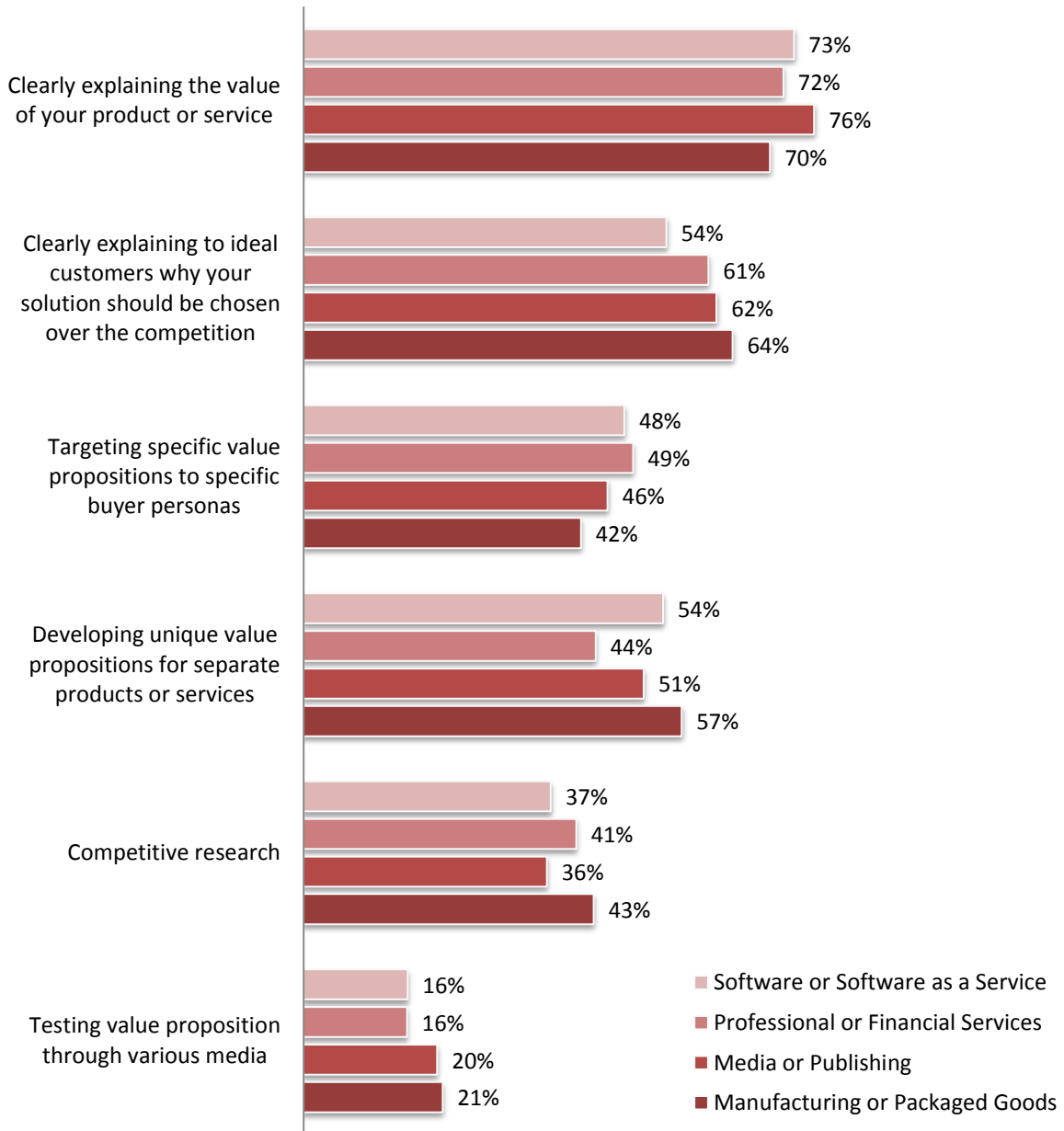
We wanted to learn more about what organizations found to be the most successful tactics for developing effective value propositions. We have displayed the results in the above chart.

Coming in at the bottom of the list, with only 20 percent of respondents, is the best practice of testing value propositions through various media. Many organizations have defined value propositions, but this data indicates that organizations may not test them as often as they should. After all, how will you know if a value proposition is the most effective for your organization, if you don't test it?

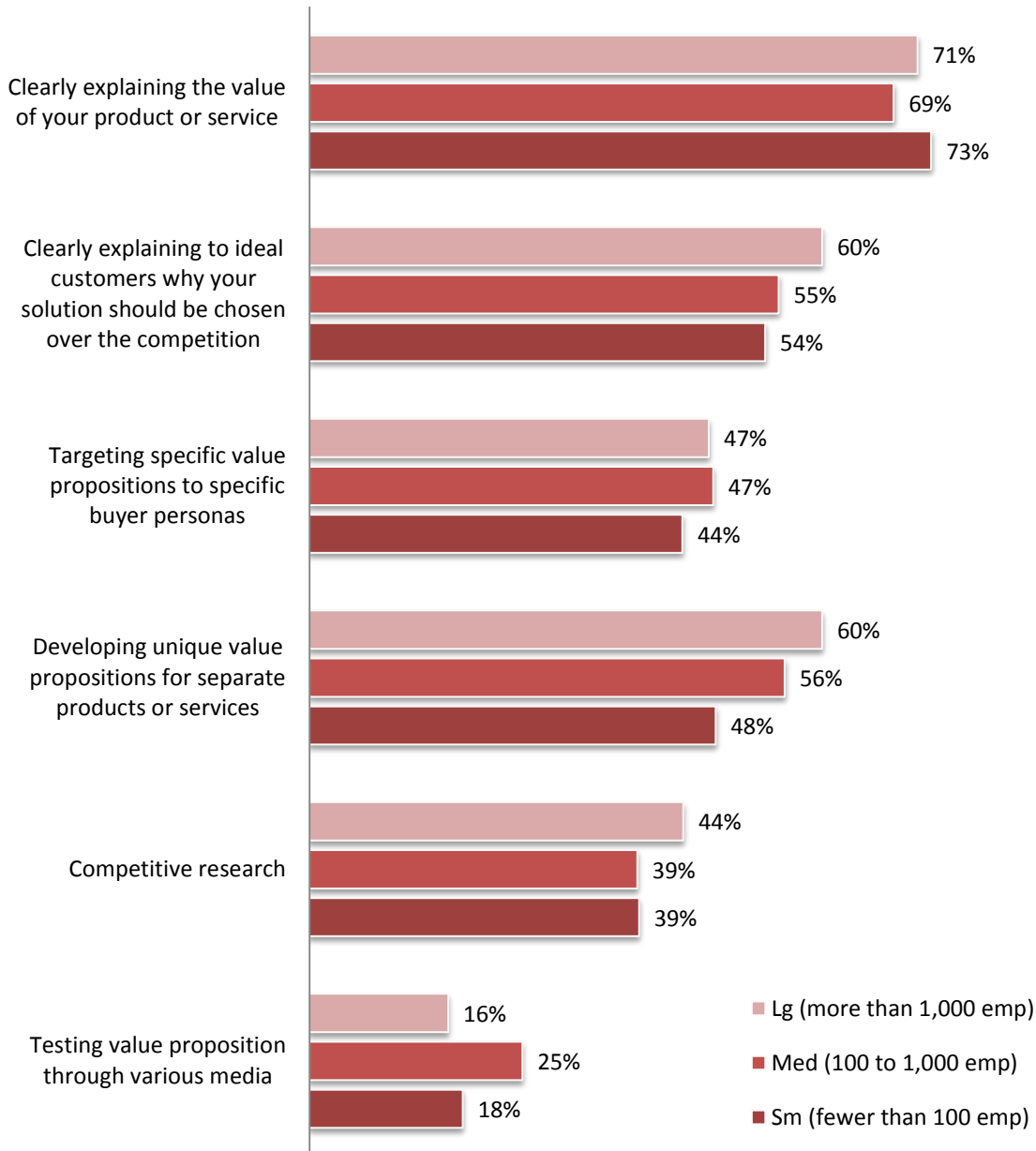
The list of most effective tactics includes MECLABS best practices – clearly explaining the value of your product or service, and clearly explaining to ideal customers why your solution should be chosen over the competition. By executing these top two tactics, organizations will answer the two key questions in developing value propositions.

Competitive research appears lower on the list, but is required to execute the second-most effective tactic. Organizations cannot really explain to ideal customers why their solution should be chosen over the competition without first conducting competitive research.

Chart: Best tactics in developing value proposition by industry sector

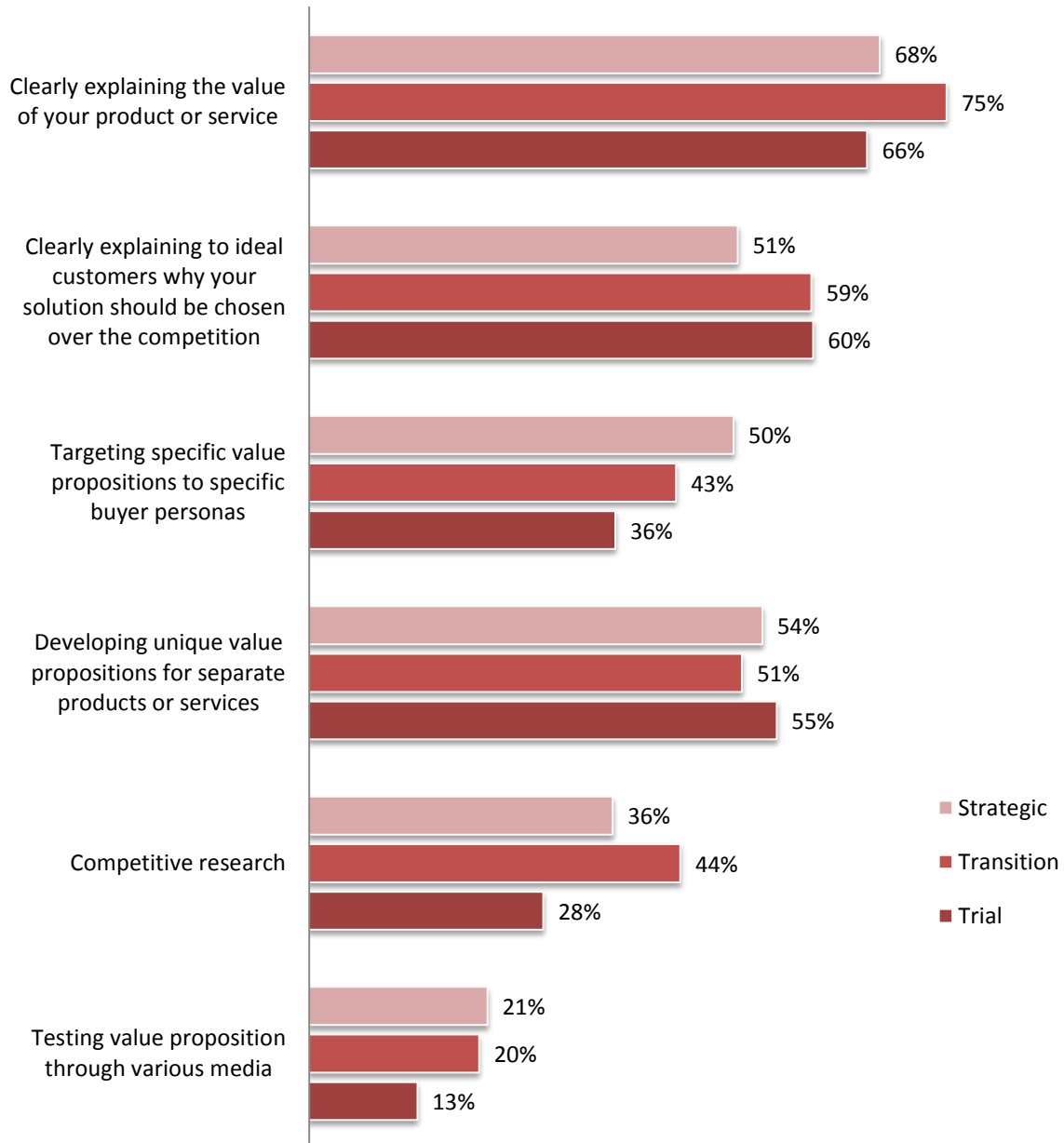


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Best tactics in developing value proposition by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Large organizations are likely to have a greater product or service offering than medium- or small-sized organizations. This may explain why large organizations were most likely to find the practice of developing unique value propositions for separate products or services to be highly effective. These organizations also show the highest levels of response for competitive research, and clearly explaining to ideal customers why a solution should be chosen over the competition, indicating their maturity in these practices.

Chart: Best tactics in developing value proposition by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

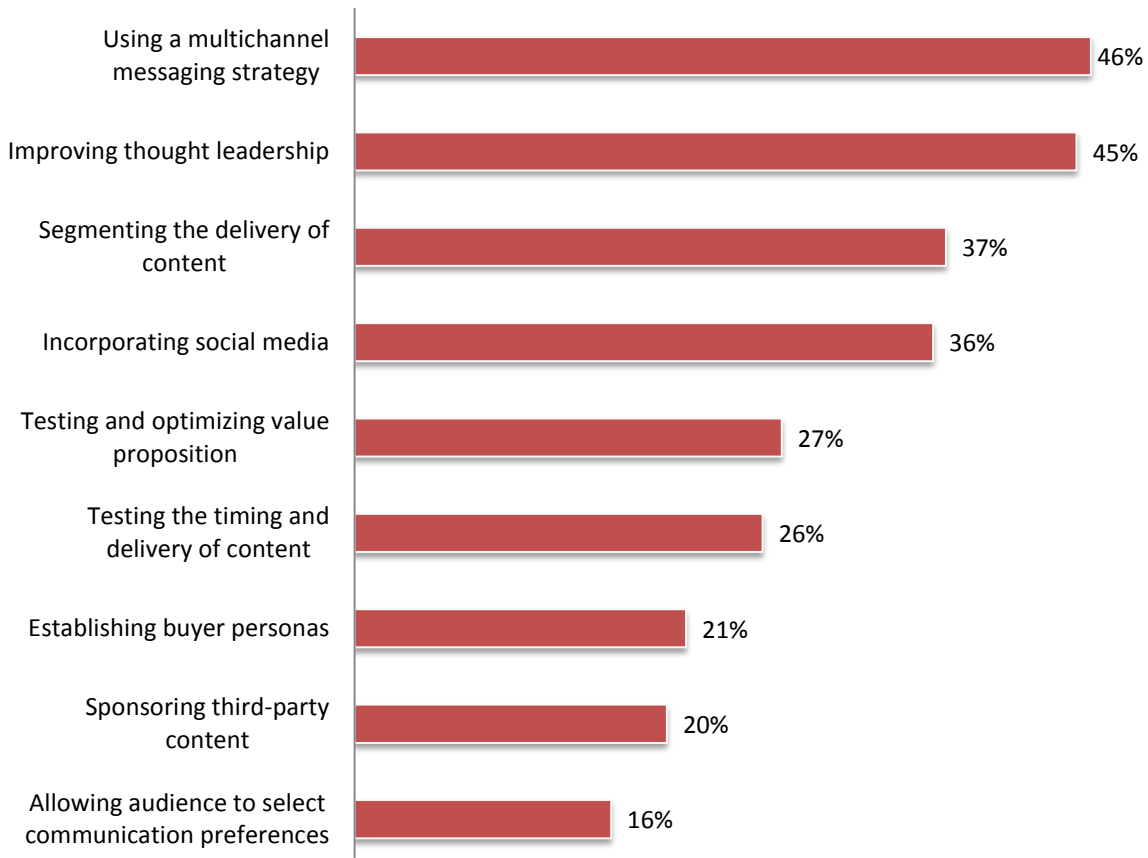
We learn in the above chart that lead generation maturity does not necessarily translate into value proposition maturity. When analyzing responses for the best practice of testing value proposition through various media, one would expect that Strategic-phase organizations would find this tactic significantly more effective. This is not the case with only a marginally higher level of response for Strategic-phase organizations over those in the Transition phase.

BUILDING TRUST WITH AUTHENTIC AND ENGAGING CONTENT

ANALYZING CONTENT DEVELOPMENT TACTICS

Q. What content marketing tactics have been the most effective to get your audience to engage?

Chart: Top tactics in creating engaging content

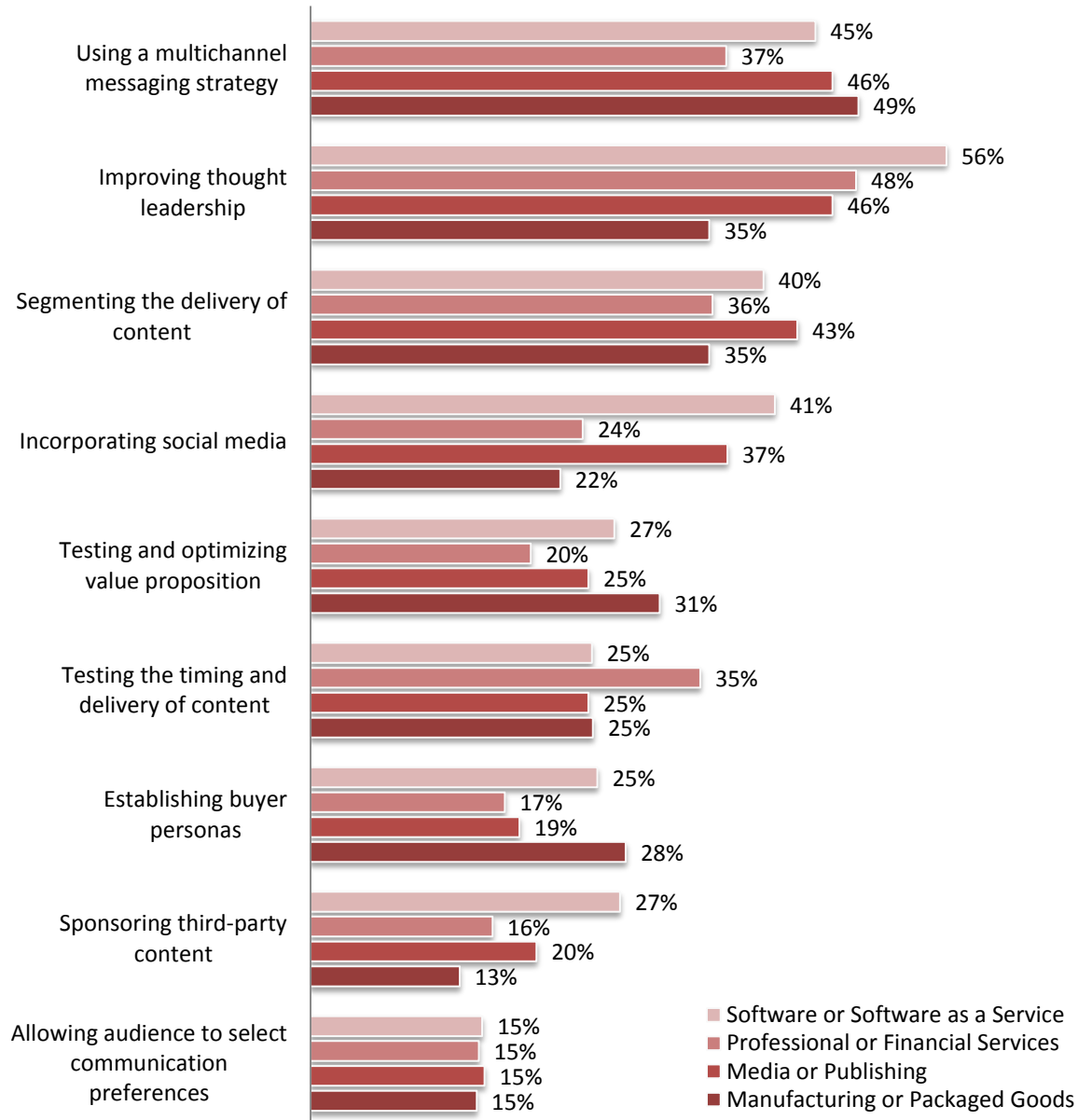


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

At MECLABS, we believe that marketing is a conversation, and buying is an act of trust. Creating and distributing authentic, engaging content is a great way for organizations to build trust with an audience. Therefore, we asked survey participants to indicate what they believed to be the top content marketing tactics for getting their audience to engage, with the results appearing in the above chart.

Our top two tactics received almost identical response levels. Use of a multichannel messaging strategy barely claims the top position. The second position goes to improving thought leadership. When an organization gains thought leadership, its audience will naturally follow them, and view them as a trusted resource. Using a multichannel messaging strategy can support thought leadership by communicating the same message across multiple mediums. This tactic also enables organizations to deliver messages to audiences via their preferred channels.

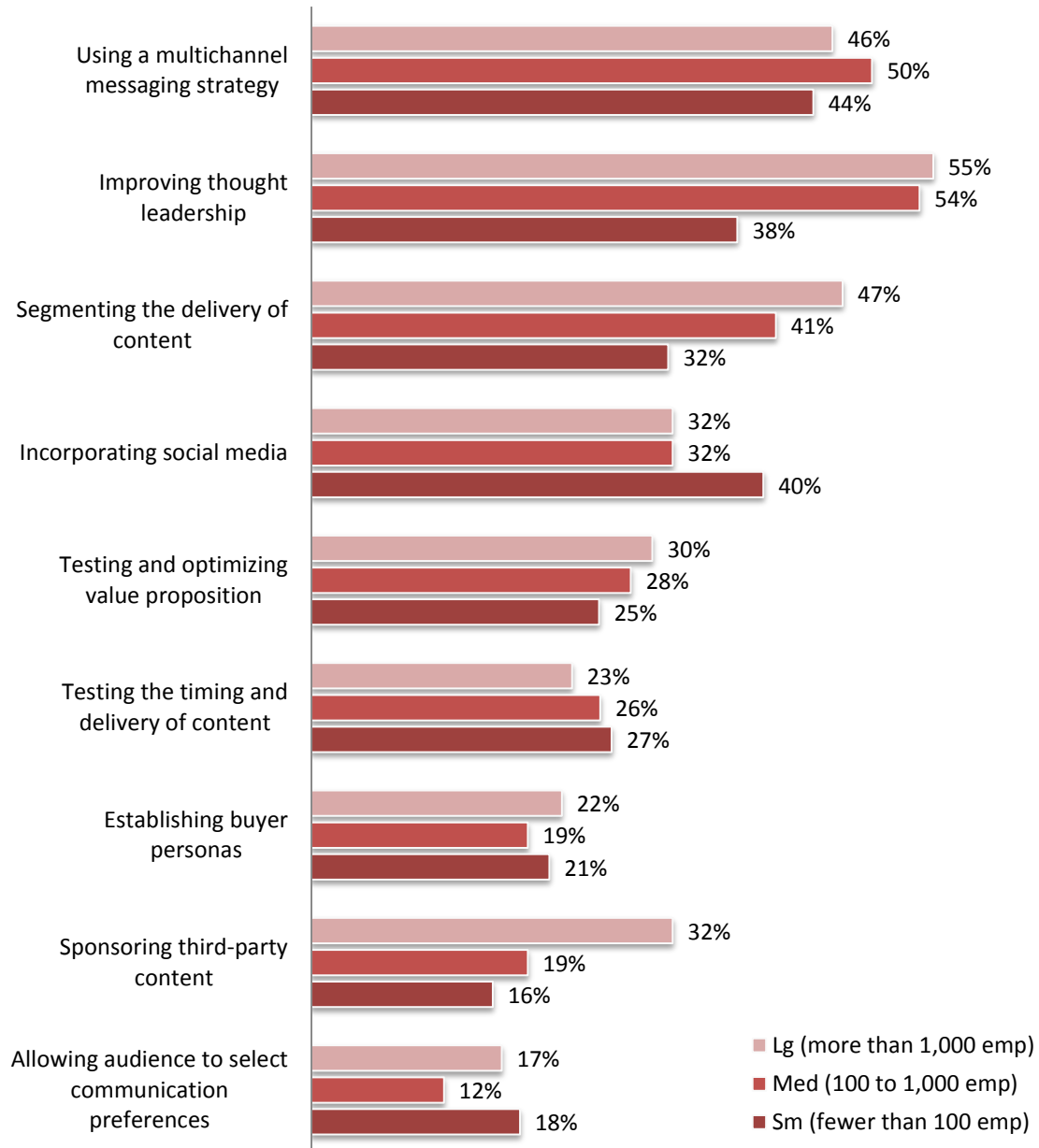
Segmenting the delivery of content is a best practice to improve relevance and quality of communications sent out to audience members – another great way to build trust.

Chart: Top tactics in creating engaging content by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

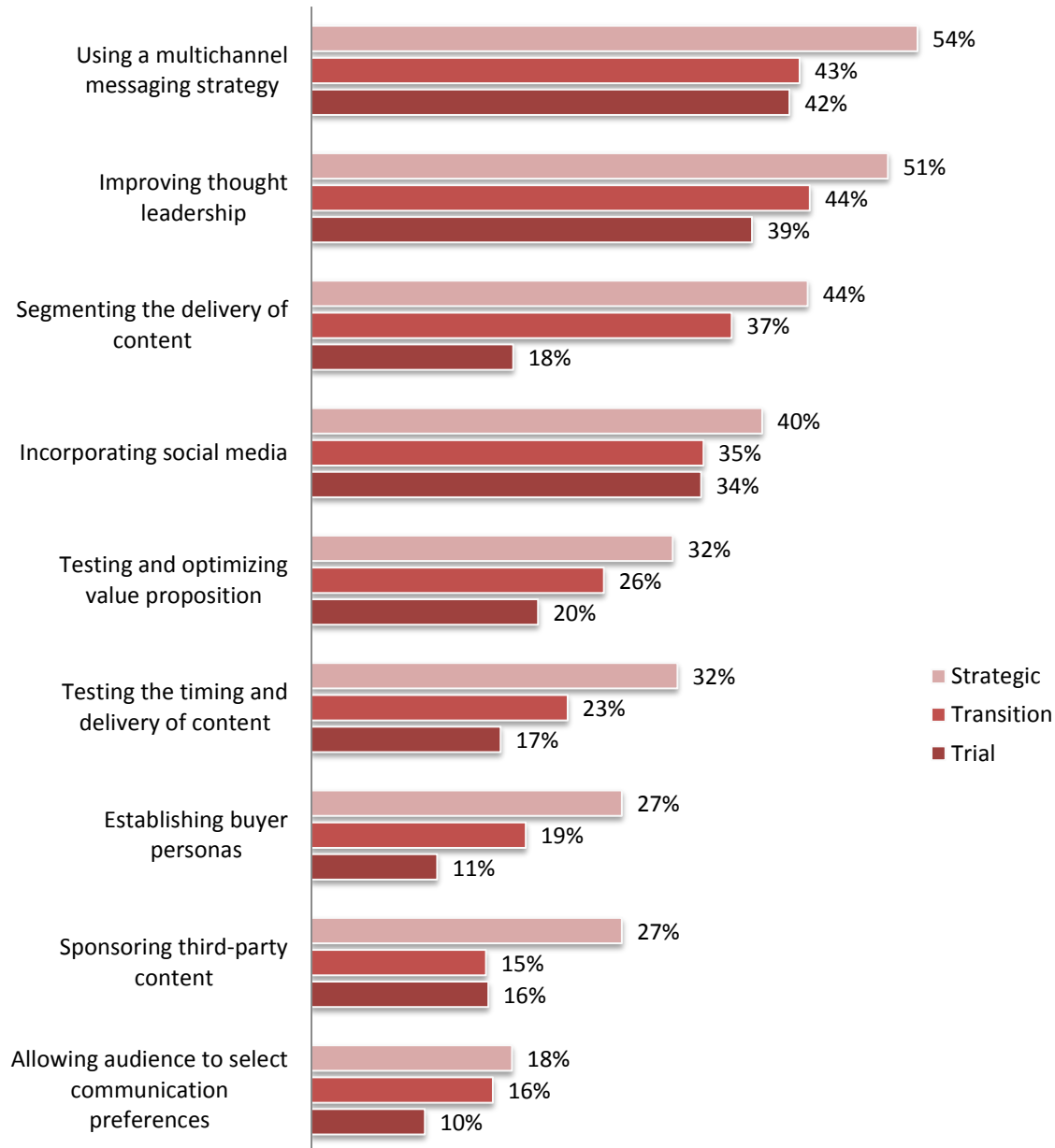
Organizations in the software / SaaS sector were most likely to indicate that improving thought leadership, incorporating social media, and sponsoring third-party content were highly effective tactics for creating engaging content. Organizations in this sector may have a greater need to educate audience members on key benefits of their solutions to win business. Because of this, building trust may be more challenging.

Thought leadership naturally builds trust, because organizations become a valued source of information. Incorporating social media builds trust in a number of ways, including the humanization of brands, and the empowerment of brand advocates. By sponsoring third-party content, organizations gain high-profile endorsements from third parties.

Chart: Top tactics in creating engaging content by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Large organizations were, by far, the most likely to indicate that sponsoring third-party content was a highly effective tactic for creating engaging content. This tactic can be highly effective for any sized organization; however, large organizations are the most likely to have the resources necessary to execute this tactic.

Chart: Top tactics in creating engaging content by lead generation maturity

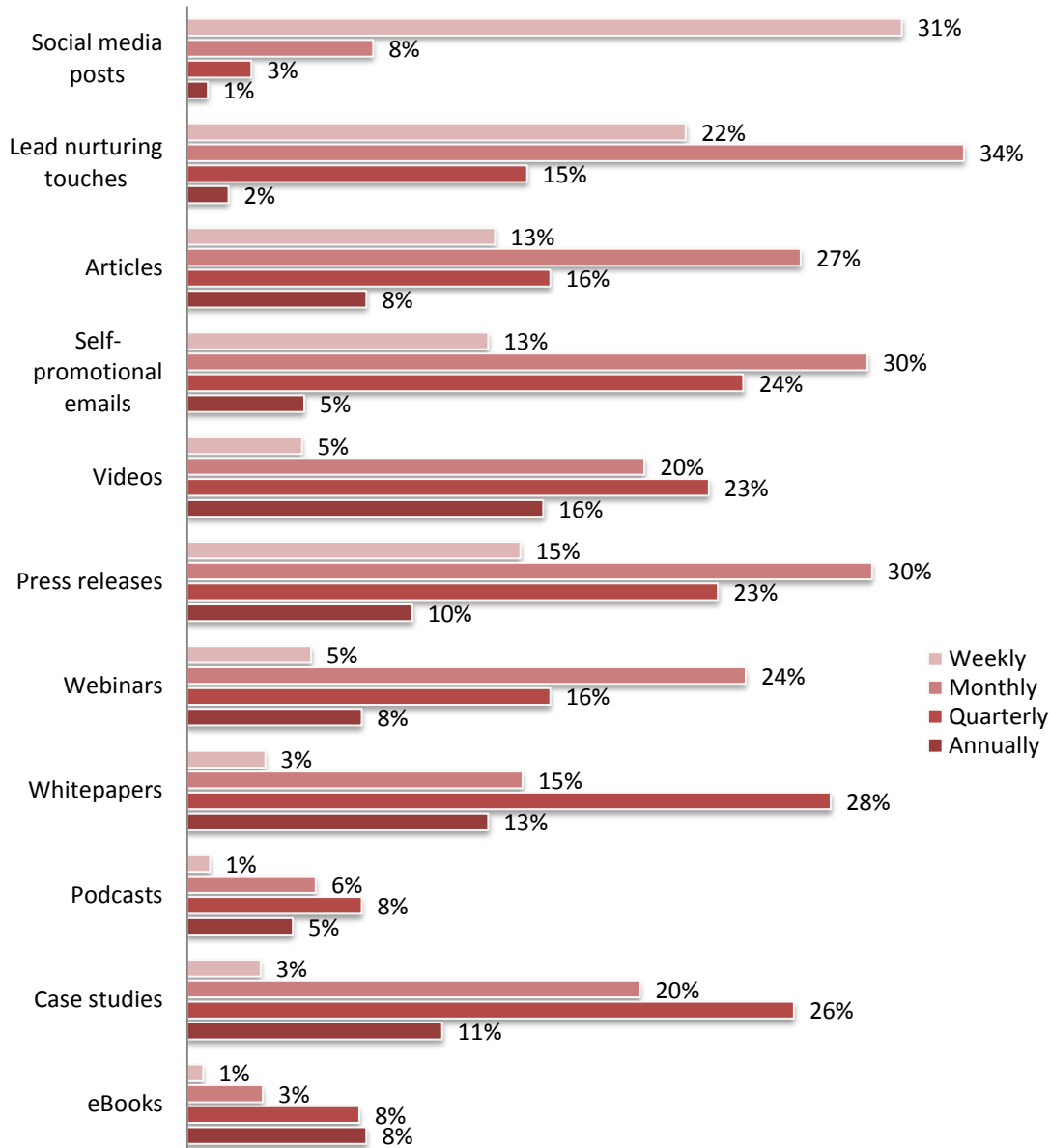
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

We learn in the above chart that lead generation maturity translates into content development maturity quite nicely. Organizations in the Strategic phase of lead generation maturity were most likely to find all content development tactics more effective than Transition- and Trial-phase organizations.

FREQUENCY OF CONTENT PUBLISHING AND DELIVERY

Q. Please select the approximate frequency of which you publish or deliver the following types of content.

Chart: Frequency of content formats



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Many organizations understand the importance of relevance in marketing messaging; and organizations can further improve relevance by perfecting the timing and delivery of multichannel messaging. The key is to deliver the content that audiences crave, when they want – or need – to receive it.

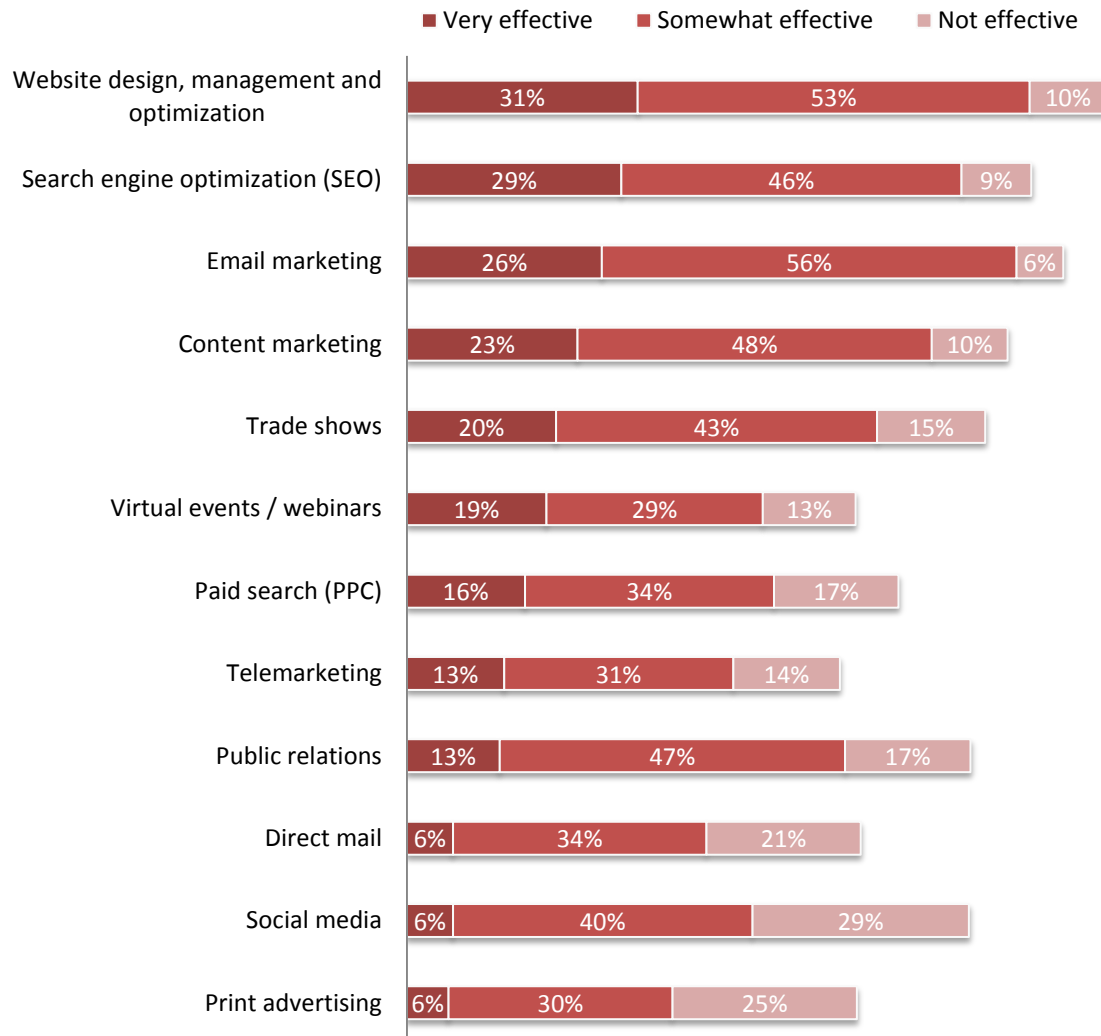
We have provided the above benchmarks on timing and frequency of various content formats to help get you started toward achieving optimal timing and frequency of your messages. Best practice dictates that you test timing and frequency over time for optimal performance.

CHAPTER 5: LEAD GENERATION CAMPAIGNS FOR THE MODERN B2B BUYER

A BIRD'S EYE VIEW OF LEAD GENERATION TACTICS

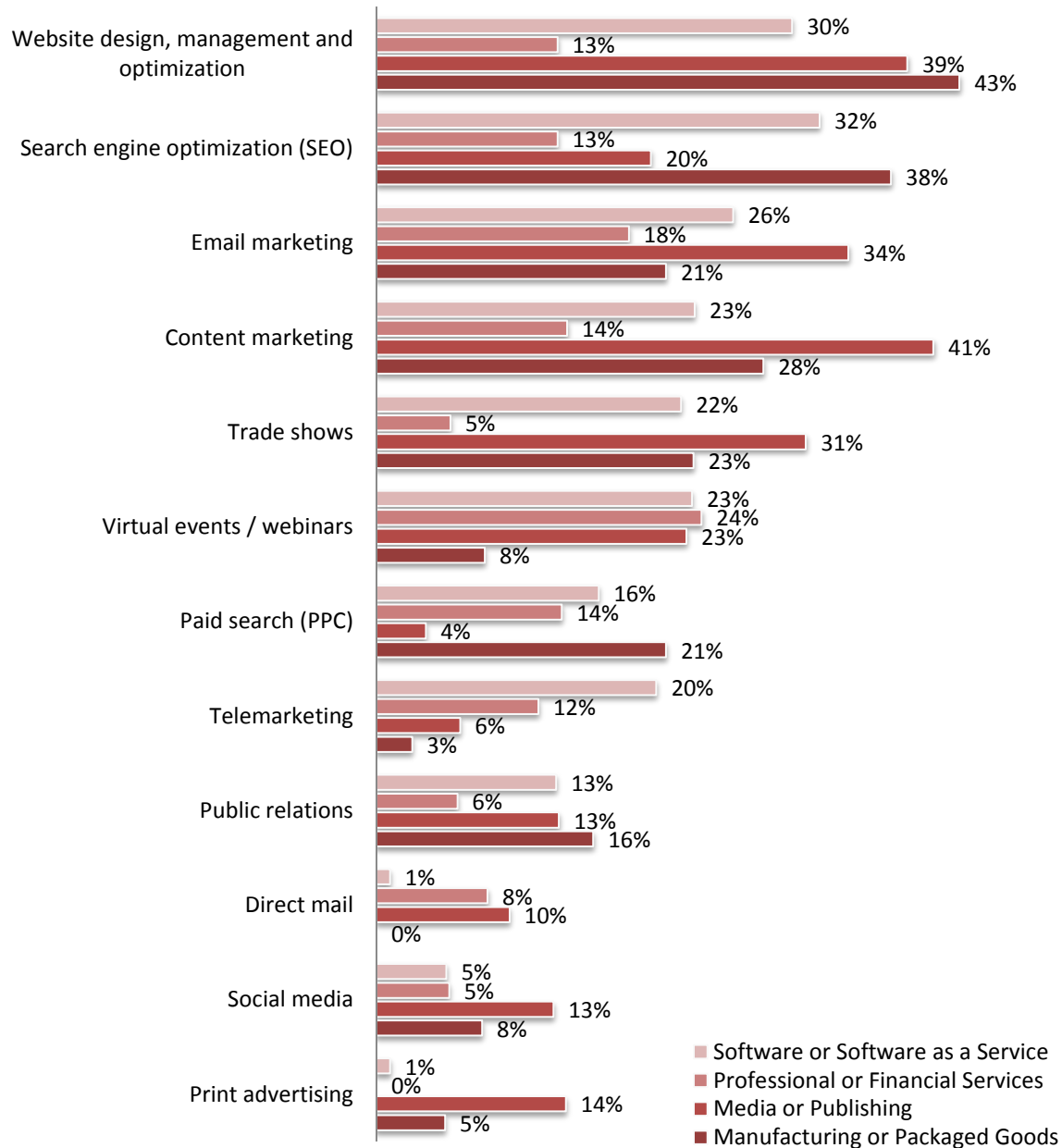
Q. Please indicate the effectiveness of the following lead generation tactics for your organization.

Chart: Effectiveness of B2B marketing tactics



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

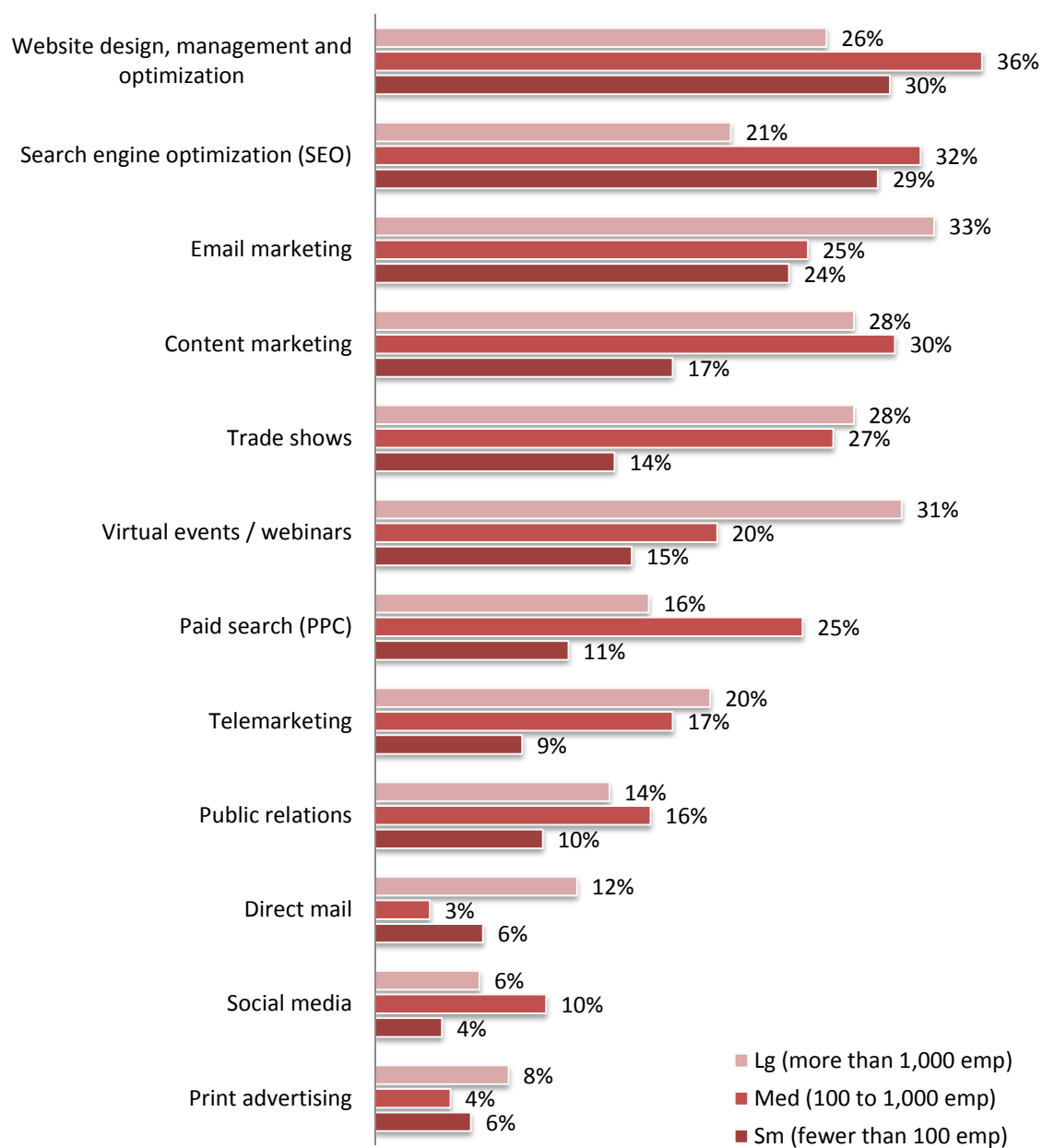
Picking the right mix of lead generation tactics is challenging, so we asked survey participants which tactics they found to be the most effective in providing a benchmark for the top B2B marketing tactics.

Chart: Very effective B2B marketing tactics by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

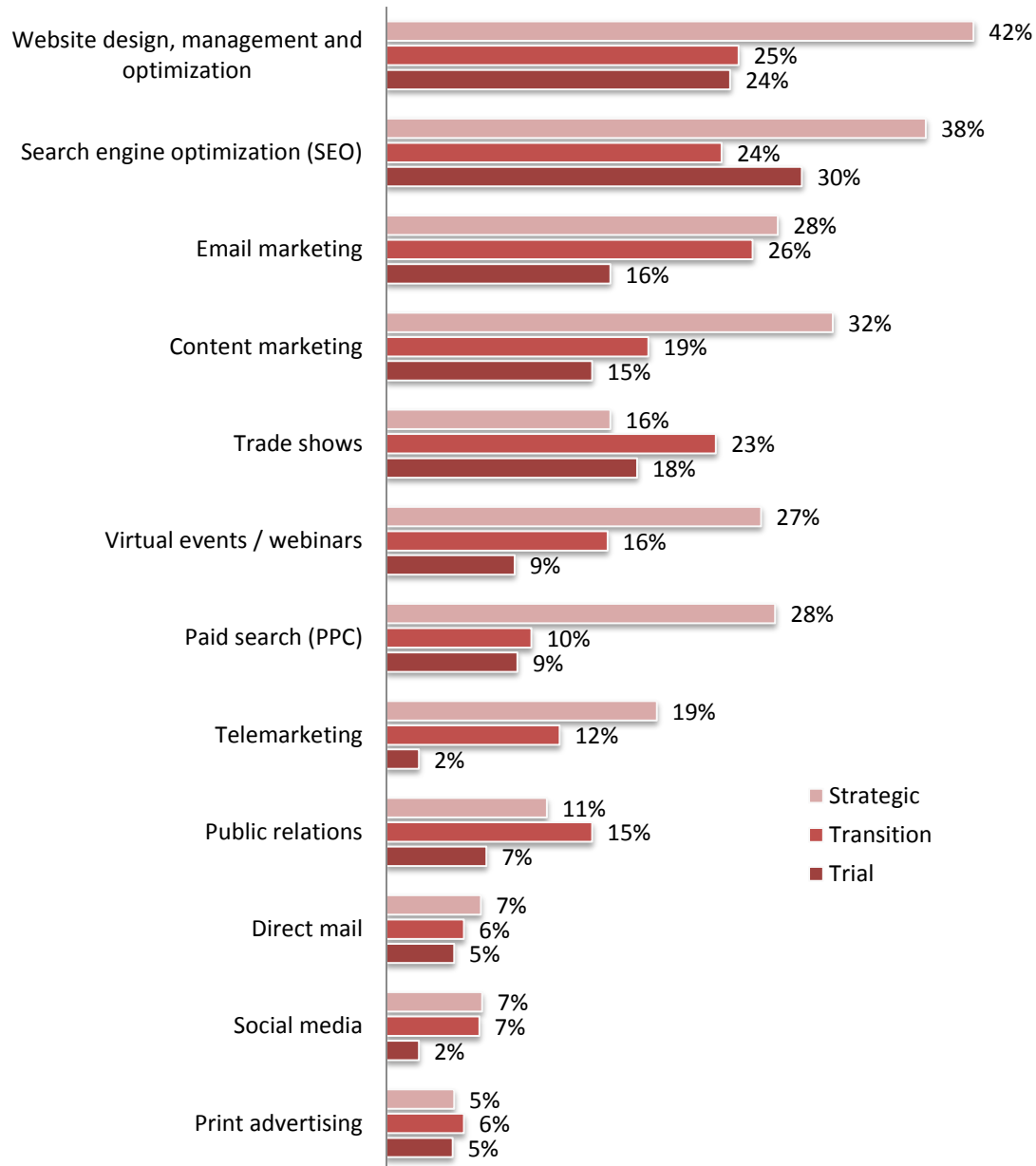
The three most effective B2B marketing tactics have remained unchanged from 2010 to 2011. Clearly, websites, SEO and email marketing are fundamental aspects of an effective B2B marketing mix.

It's no surprise that organizations in the media or publishing sector are most likely to find content marketing as highly effective. Since these organizations are essentially in the business of content, it is expected that they would be able to employ the most effective content marketing strategies.

Chart: Very effective B2B marketing tactics by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Large organizations were most likely to find email marketing highly effective. Earlier, when we analyzed top tactics for creating engaging content, we learned that large organizations were also most likely to indicate that segmenting content delivery was a highly effective tactic. It is likely that because large organizations tend to apply segmentation to their email marketing campaigns, they find email marketing to be highly effective.

Chart: Very effective B2B marketing tactics by lead generation maturity

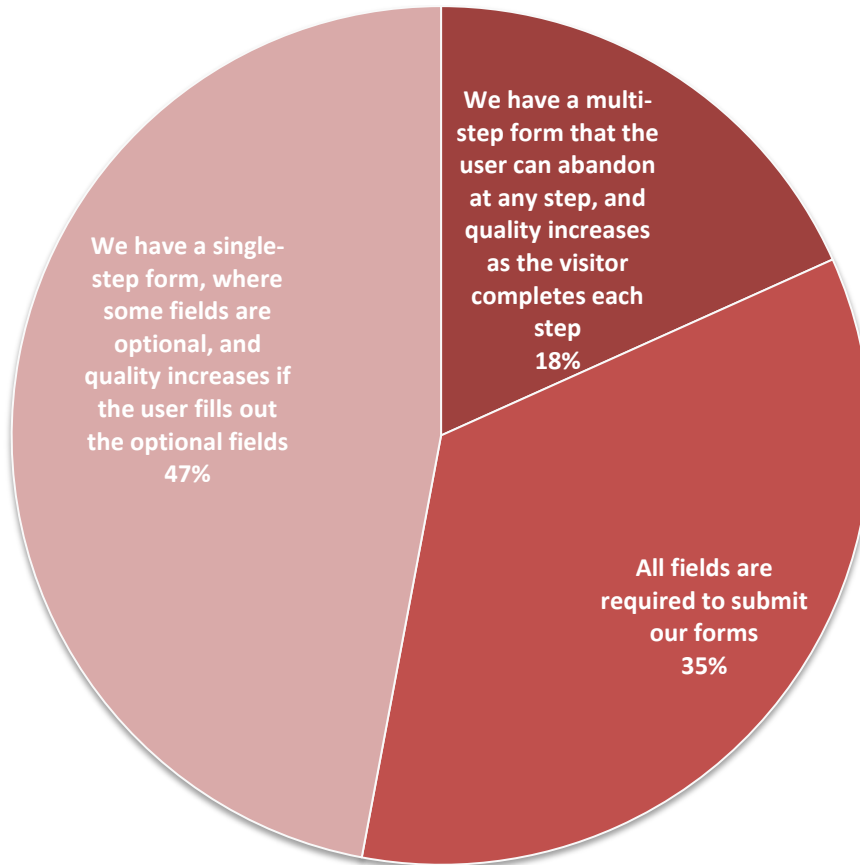
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

For nearly all tactics, Strategic-phase organizations indicated the greatest levels of response for effectiveness. Since these organizations have established formal, repeatable processes for lead generation, it is expected they will gain the greatest results from their efforts.

WEBSITE DESIGN, MANAGEMENT AND OPTIMIZATION

Q. Which of the following tactics do you use to balance quality and quantity of leads?

Chart: Balancing quality and quantity of B2B leads with landing page optimization



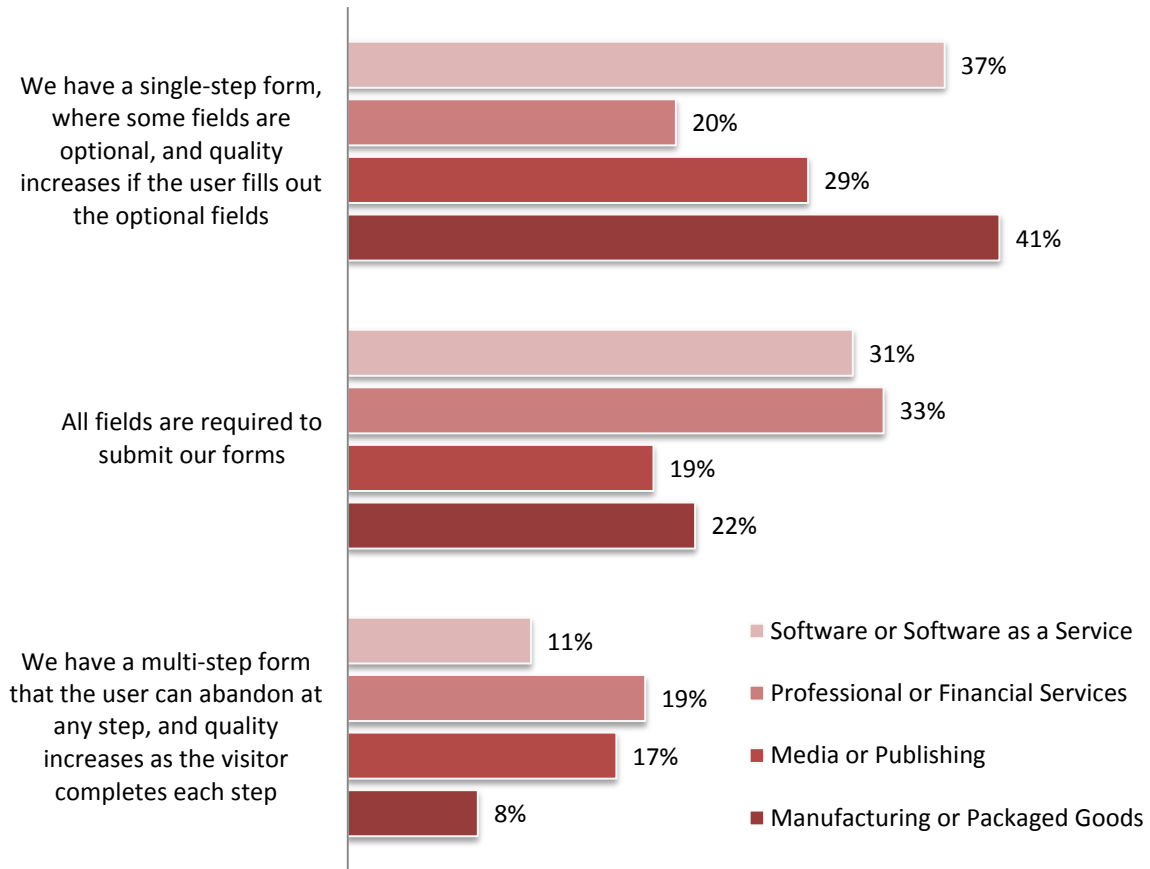
Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011, N=2,673

The website has become a main point of conversion for multichannel lead generation campaigns, and survey respondents rated its design, management and optimization as the top B2B marketing tactic for 2012. In the above chart, we analyze how organizations are balancing the quality and quantity of B2B leads, by optimizing the landing pages on their websites.

The number of required fields on a landing page has a great impact on both the quantity and quality of leads. Limiting the number of required fields on a landing page can increase quantity of leads, but overall quality may be low. Including a complex form with many required fields on the landing page may produce a lower volume of leads, but since those leads were motivated enough to fill out a long form, they are likely of higher quality.

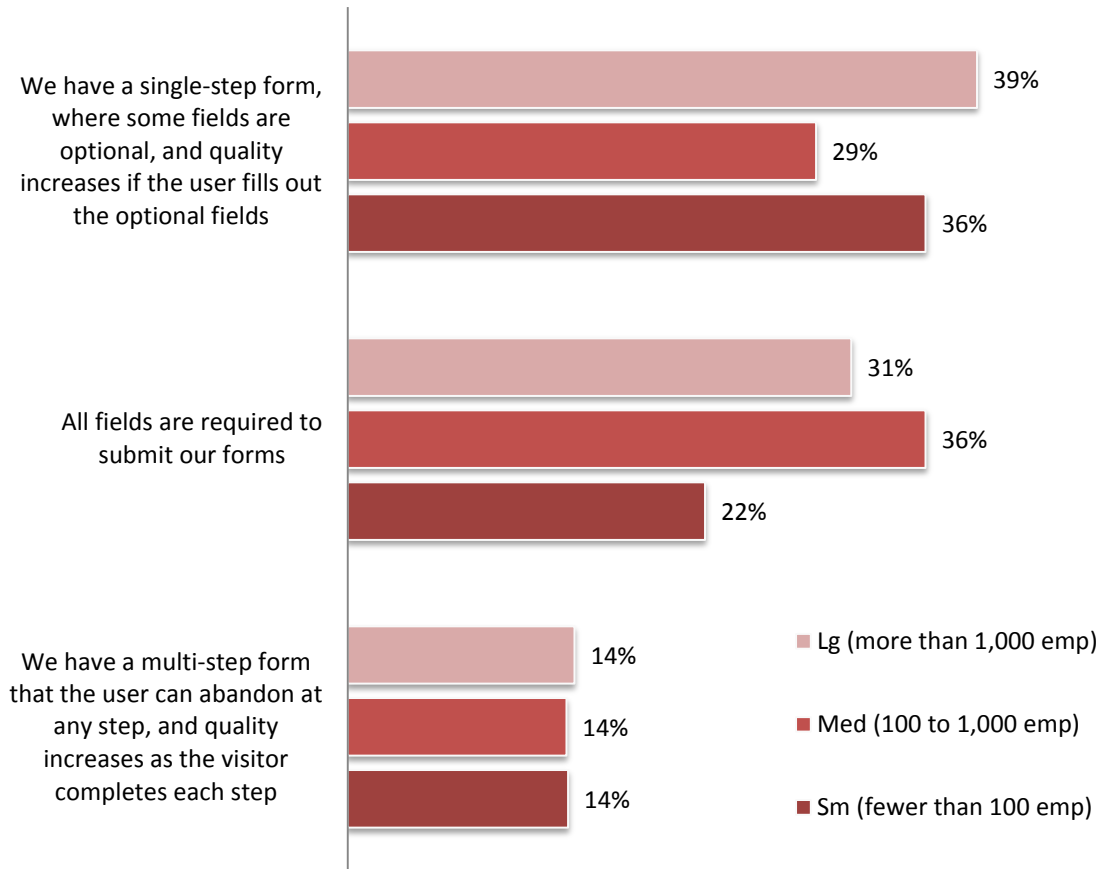
The majority of B2B marketers are balancing quality and quantity of leads by incorporating optional fields on their landing pages, with a higher number of optional fields completed indicating higher quality.

Chart: Balancing quality and quantity of B2B leads by industry sector



Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011 N=2,673

Chart: Balancing quality and quantity of B2B leads by organization size

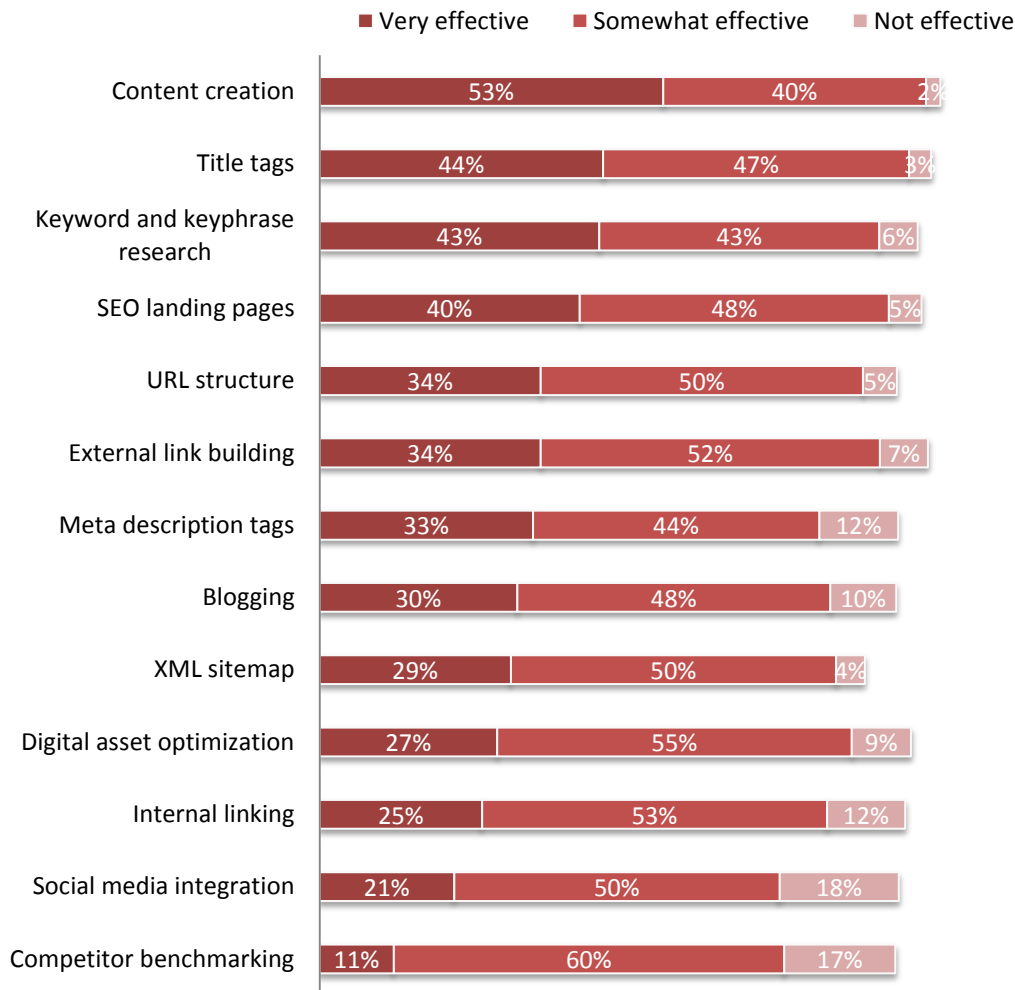


Source: ©2011 MarketingSherpa Landing Page Optimization Benchmark Survey
Methodology: Fielded February 2011 N=2,673

SEARCH ENGINE OPTIMIZATION (SEO)

Q. Please indicate the level of effectiveness (in terms of achieving objectives) for each of the SEO tactics your organization is using.

Chart: Effectiveness of SEO tactics for B2B



Source: ©2011 MarketingSherpa Search Marketing Benchmark Survey
Methodology: Fielded April 2011, N=1,530

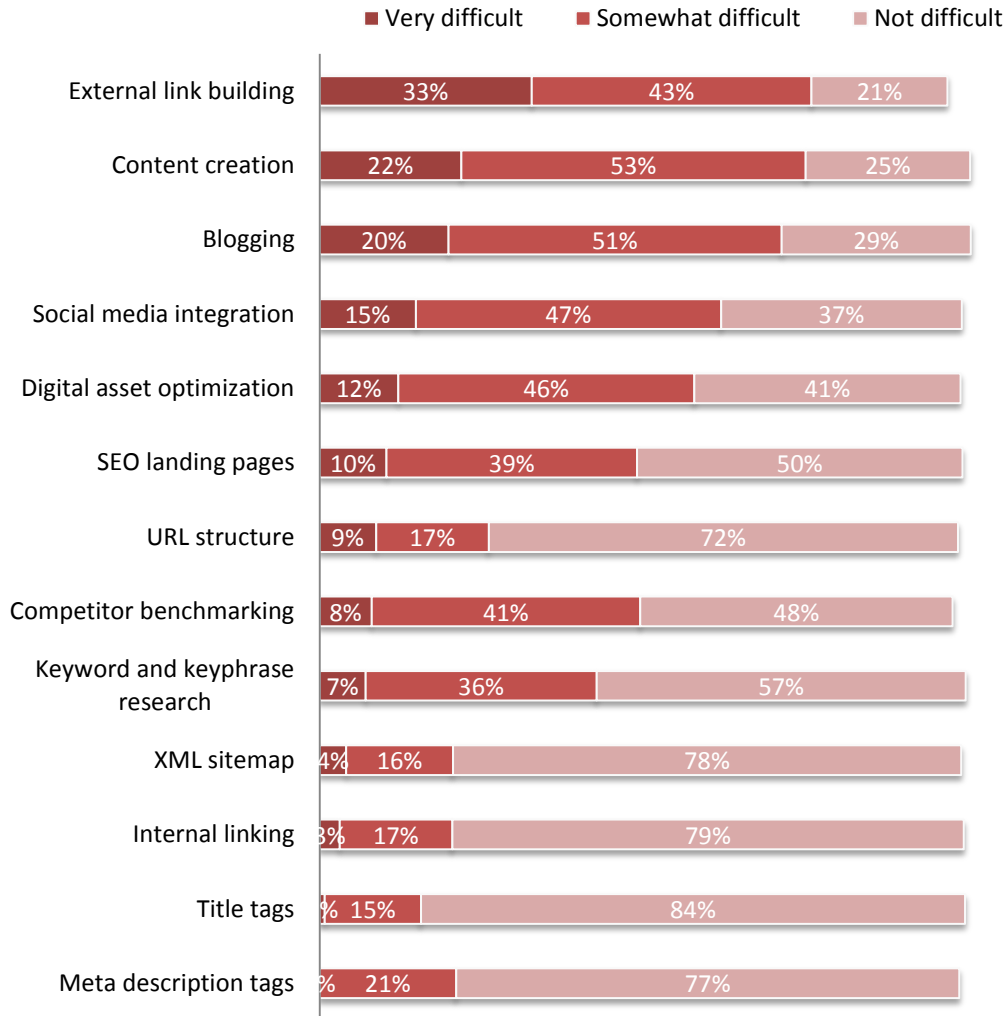
Survey respondents rated search engine optimization (SEO) as the second-most effective lead generation tactic for 2012, and in the above chart, we analyze the effectiveness of various SEO tactics for B2B organizations.

Content creation tops the list as the most effective tactic for SEO. As organizations increase website content, they can achieve higher rankings, and a greater number of listings in the search engine results pages. This will ultimately lead to increased inbound traffic from search engines.

Content creation also supports organizations' social marketing efforts, and when integrated with an existing SEO strategy, this can be highly effective in improving results achieved from SEO campaigns.

Q. Please indicate the degree of difficulty (time, effort and expense required) for each of the SEO tactics your organization is using.

Chart: Difficulty of SEO tactics for B2B



Source: ©2011 MarketingSherpa Search Marketing Benchmark Survey
Methodology: Fielded April 2011, N=1,530

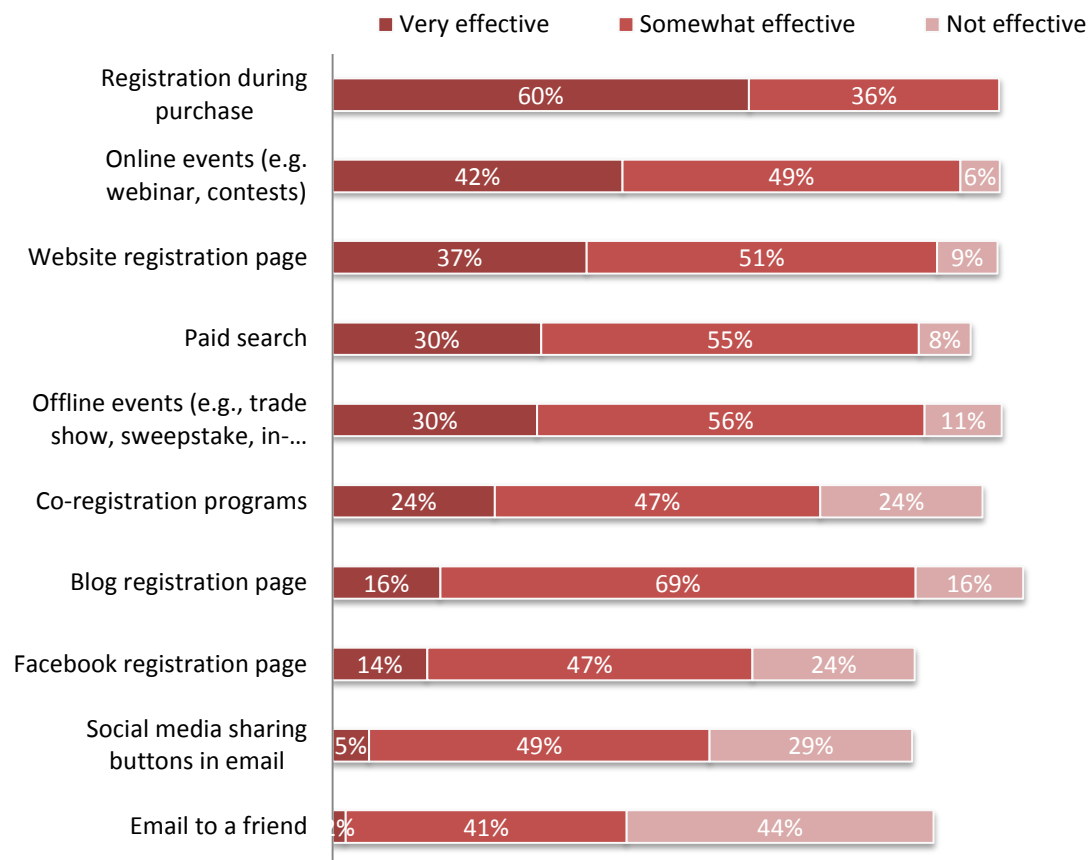
Survey respondents rated external link building as the most difficult SEO tactic. Inbound links build credibility with the search engines, and even a few good links can have an impact on SEO performance. Because inbound links are generated from third-party sites, it can be difficult for organizations to produce them.

In the previous chart, when we analyzed the effectiveness of SEO tactics for B2B, we learned that content creation was the most effective tactic. Now, when we analyze the difficulty of SEO tactics for B2B, we learn that it is also the second-most difficult tactic. Although content creation may be one of the most time, effort and expense consuming SEO activities, its ratings of effectiveness indicate that it is well worth the additional resources.

EMAIL MARKETING

Q. Please indicate the level of effectiveness for each of the email list growth tactics your organization employs.

Chart: Effectiveness of list building tactics



Source: ©2011 MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded July 2011, N=2,735

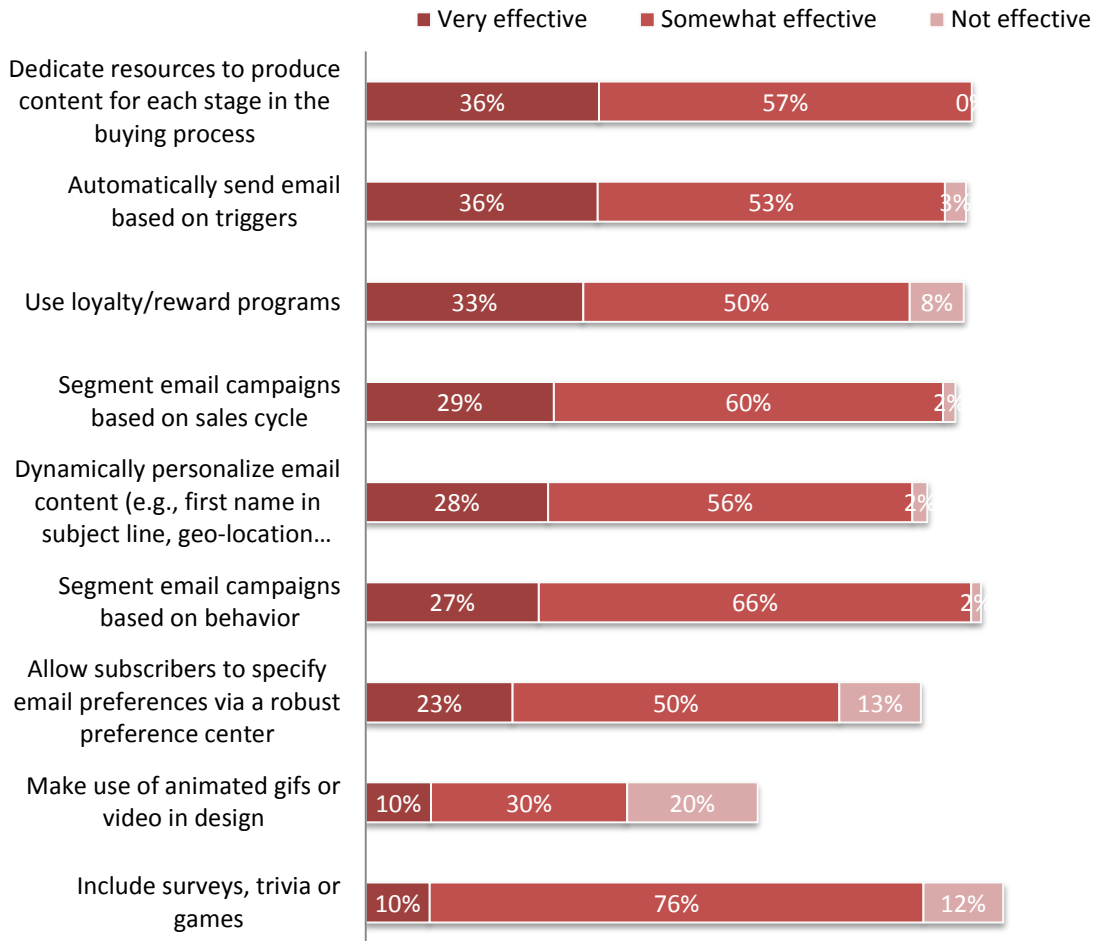
Survey respondents rated email marketing as the third-most effective lead generation tactic for 2012, and in the above chart, we analyze the most effective tactics for improving the foundation of any successful email marketing campaign – the list.

Many marketers are interested in growing the volume of their house lists. This is a perfectly reasonable goal for email marketing campaigns, but much like lead generation overall, marketers must not sacrifice quality to achieve volume. Having an enormous list of email subscribers can be beneficial, but it will only be an asset if these subscribers have an interest in what you are sending them.

A popular solution to the challenge of achieving both quality and quantity of email subscribers is asking for registration during purchase. In this scenario, organizations support quality because they know the subscriber is interested in their product or service, and would likely be interested in email content. Organizations also support quantity with this tactic, as it is an ideal time to quickly gain an opt-in.

Q. Please indicate the level of effectiveness for each of the email engagement and relevancy tactics your organization employs.

Chart: Effectiveness of email engagement tactics



Source: ©2011 MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded July 2011, N=2,735

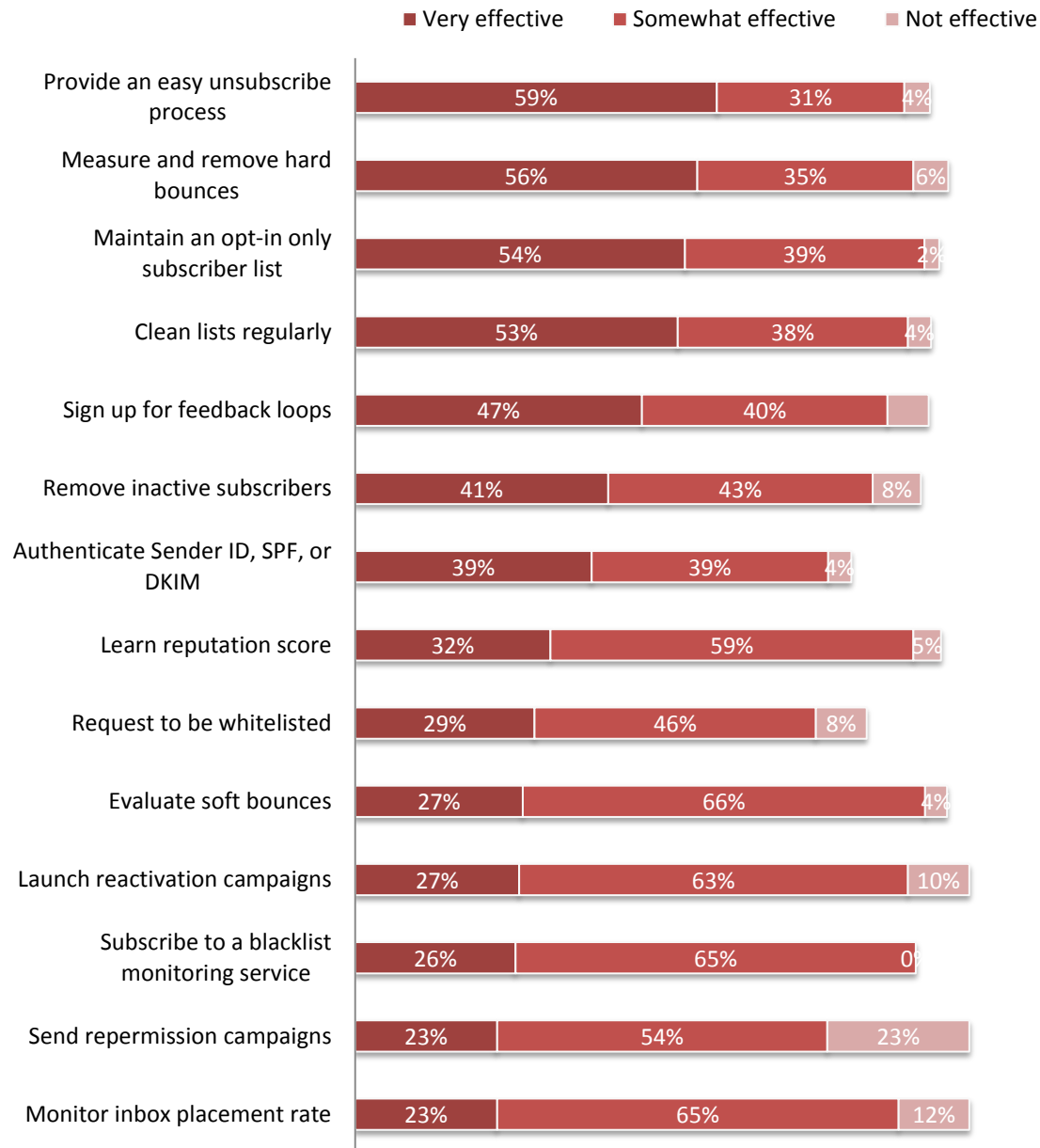
Relevancy is a key factor to making any marketing message more engaging and effective. In email marketing, relevancy not only influences the results of the campaign, but also the deliverability of future campaigns.

By dedicating resources to produce content for each stage in the buying process, organizations can significantly improve the relevancy, engagement and results of their email marketing campaigns. Prospects in the research phase require different subject matter than those in the consideration phase, and sending the same content to both groups of prospects will be far less effective than catering the message.

Organizations have also rated the automatic deployment of trigger-based emails as a highly effective engagement tactic. Timing is another factor of relevancy. You want to send your subscribers content they want or need, *when* they want or need it. By incorporating triggered campaigns, organizations can send timely content in response to various actions taken by the subscriber.

Q. Please indicate the level of effectiveness for each of the email deliverability improvement tactics your organization is using.

Chart: Effectiveness of email deliverability tactics



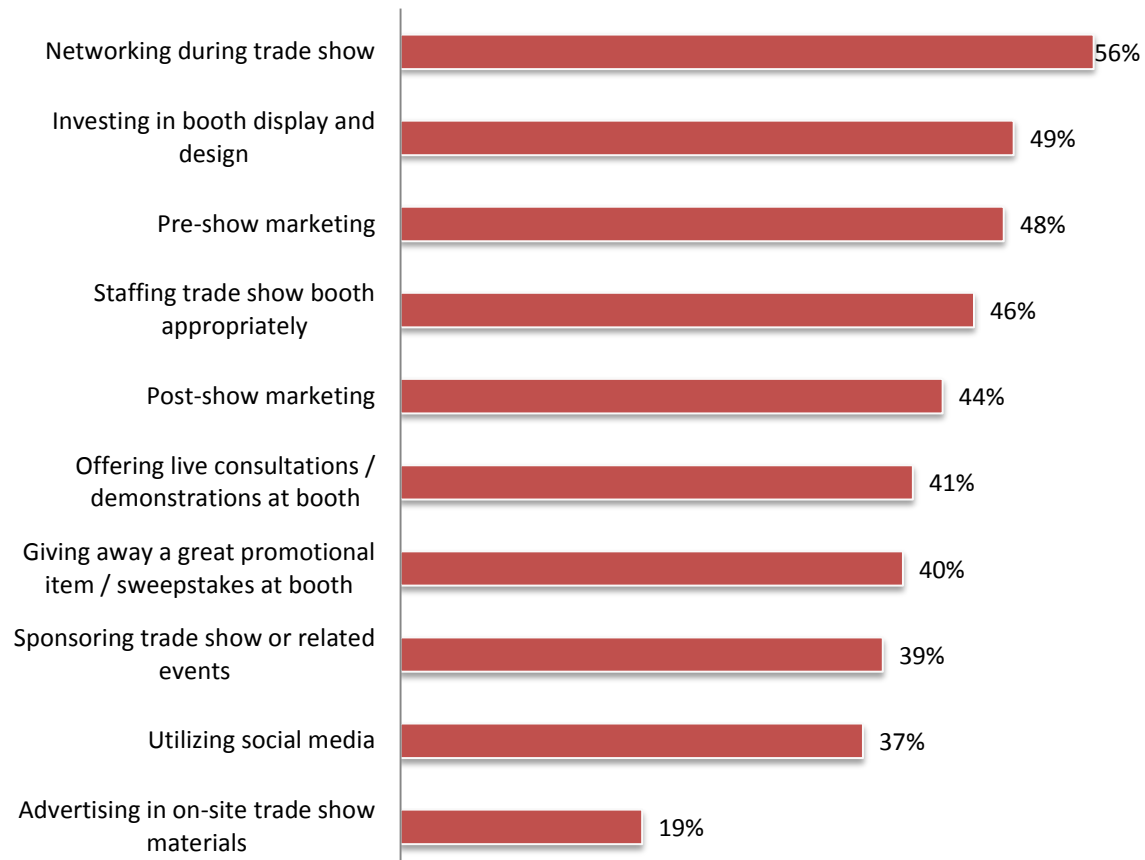
Source: ©2011 MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded July 2011, N=2,735

Survey respondents rated providing an easy unsubscribe process as the most effective tactic in improving email deliverability for B2B. Organizations use this tactic to improve the quality of their lists, and minimize the number of complaints submitted against them to email service providers.

TRADE SHOWS

Q. What tactics have you found to be the most effective in driving qualified trade show booth traffic and improving trade show ROI?

Chart: Integrated trade show approach critical for effectiveness

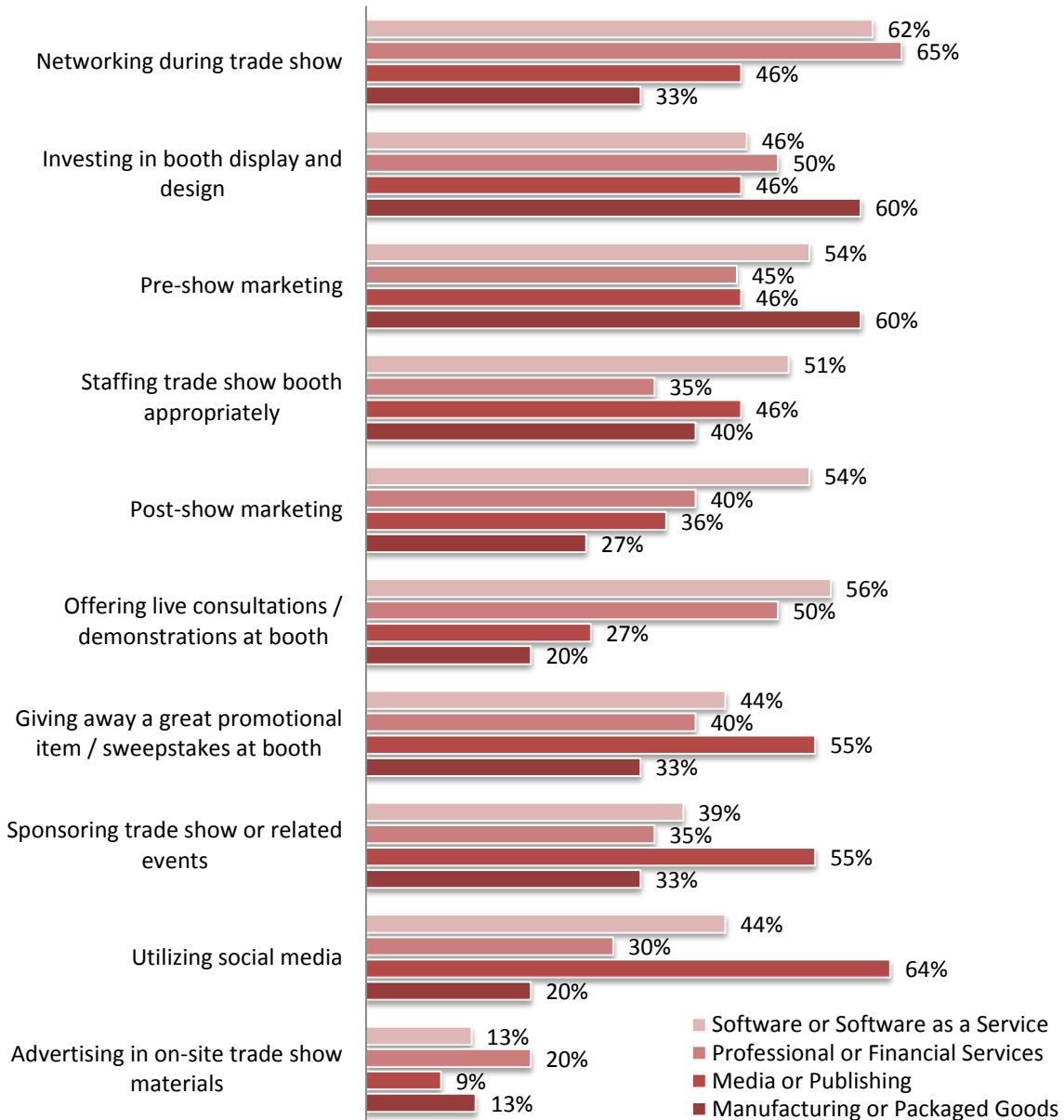


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

On average, trade shows take up 21 percent of the B2B marketing budget, according to the results of our 2011 B2B Marketing Benchmark Survey. The majority of respondents also indicated trade shows were, at least, somewhat effective as a B2B marketing tactic.

Survey respondents rated networking as the most effective trade show marketing tactic. One of the greatest benefits of trade show marketing is the opportunity to individually connect with prospects during face-to-face conversations. In today's market, it is critical to engage audiences with a relevant, personalized experience, and it doesn't get much more personal and relevant than these conversations.

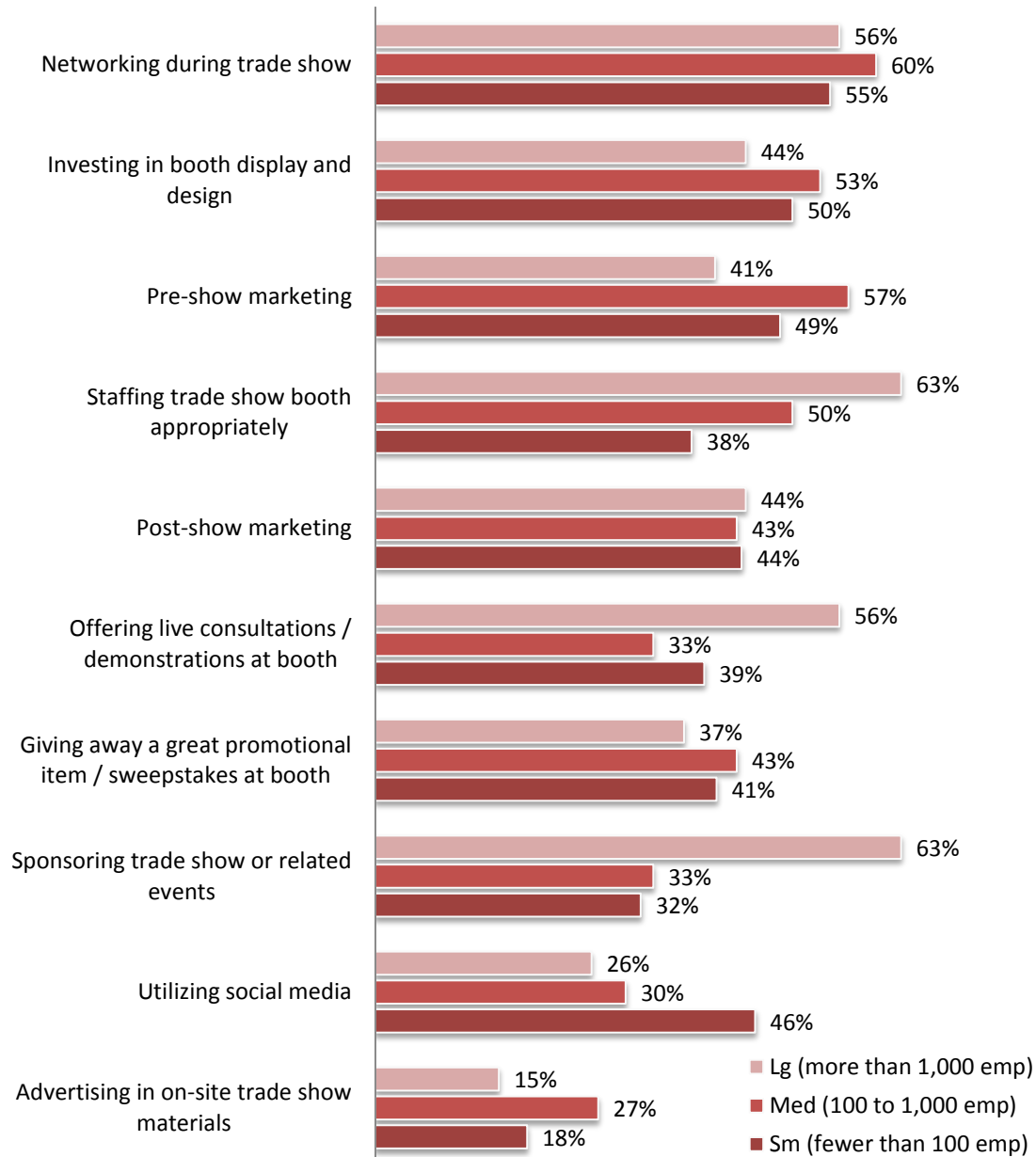
After networking, response levels for all other tactics are similar. The low variance of response levels indicates that an integrated approach is critical for trade show marketing effectiveness.

Chart: Most effective trade show marketing tactics by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations in the professional / financial services sector are the most likely to find networking during a trade show as the most effective trade show marketing tactic. Personal relationships are highly important to these types of organizations, because their consultants need to have a positive, ongoing working relationship with their clients.

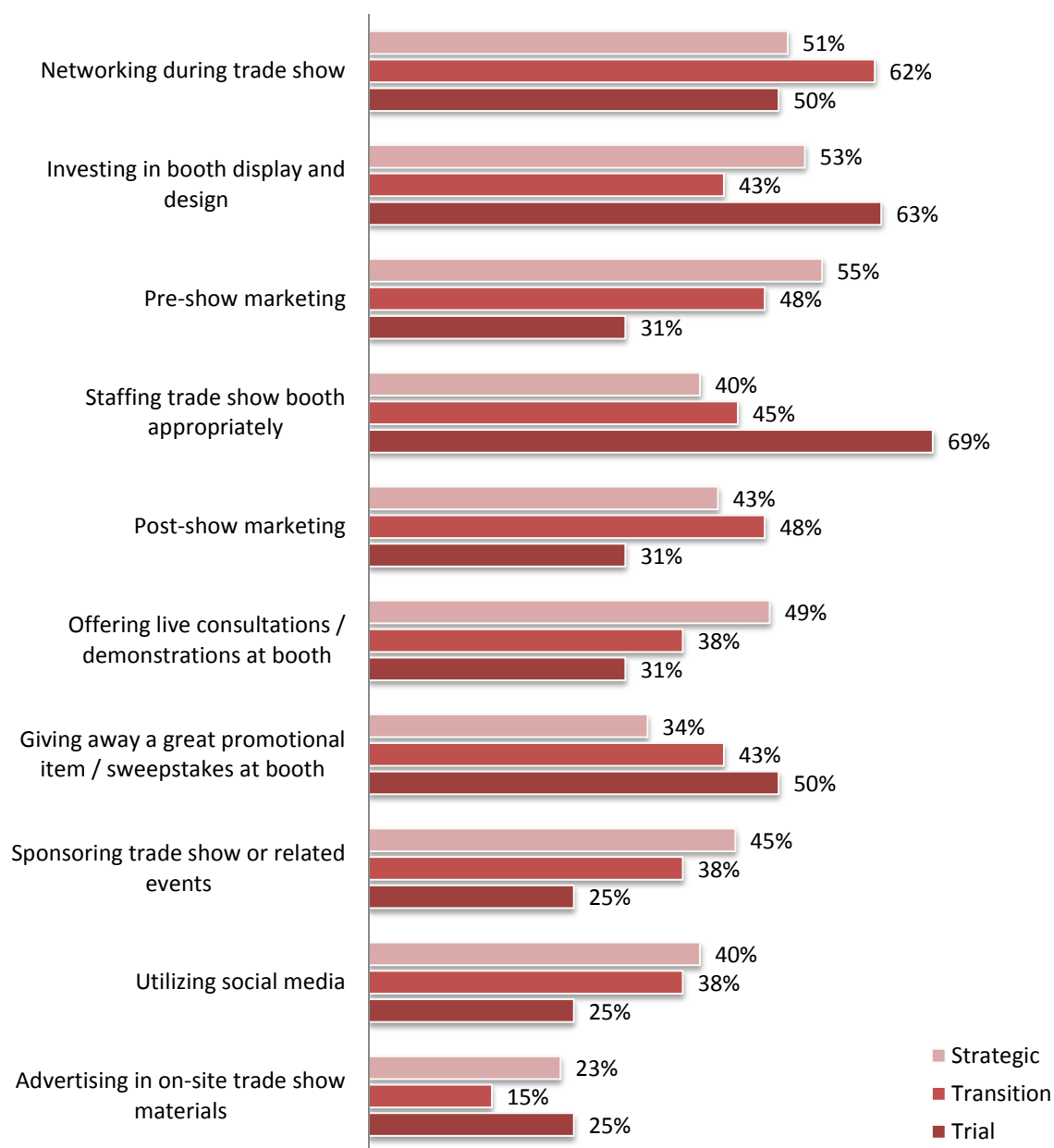
Organizations in the software or SaaS industry were most likely to indicate that offering live consultations / demonstrations at a booth was a highly effective trade show marketing tactic. These organizations need to educate the audience on the unique features and benefits of their solution, and live demonstrations are a good way to accomplish this.

Chart: Most effective trade show marketing tactics by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Large organizations were, by far, the most likely to indicate that sponsoring trade shows or related events was highly effective, with 63 percent of respondents indicating as such. If an organization has the resources, sponsoring trade shows and related events can be a highly effective tactic for branding, driving booth traffic, and maximizing trade show ROI.

Chart: Most effective trade show marketing tactics by lead generation maturity

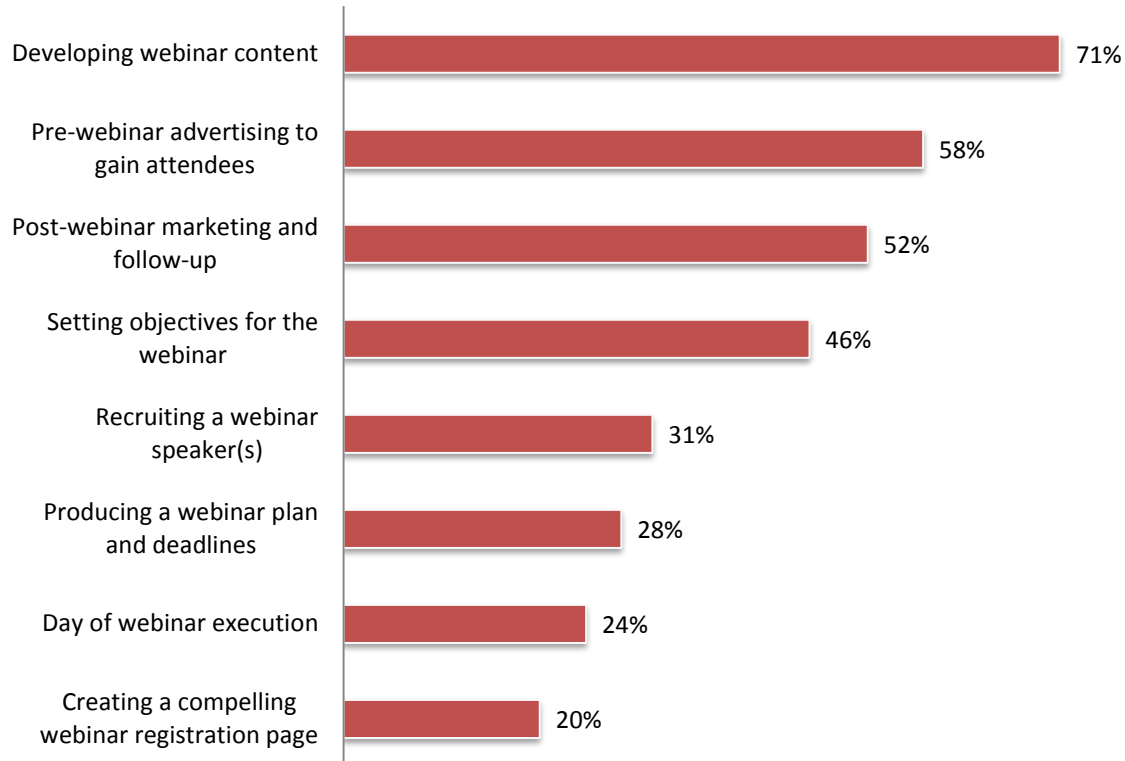


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

WEBINARS

Q. What have you found to be the most important aspects an effective webinar?

Chart: Content is critical for webinar effectiveness



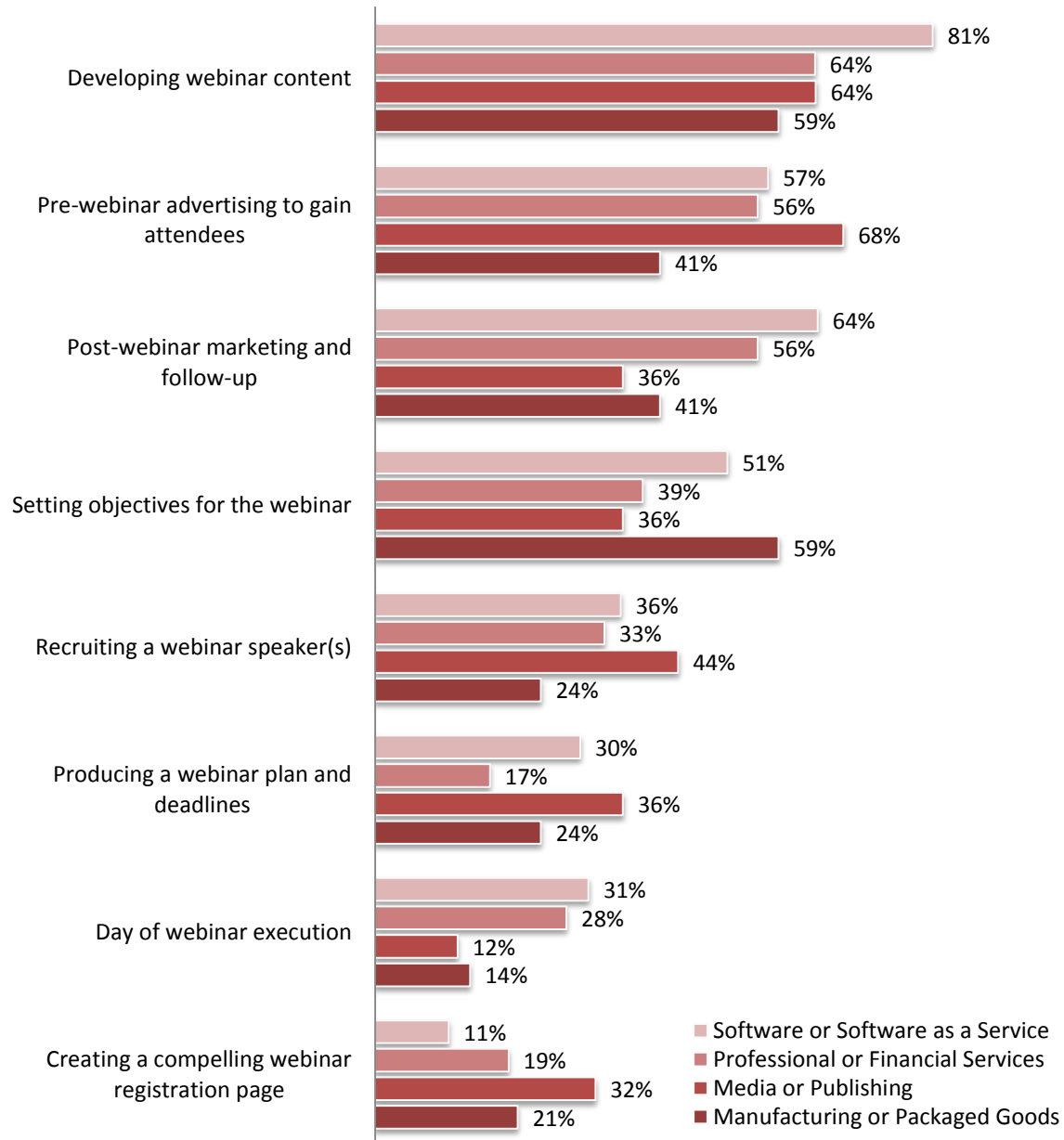
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Webinars can be highly effective throughout the Marketing-Sales funnel. As a lead generation tool, organizations can use webinars to improve thought leadership, build trust, educate and convert leads. Aside from their lead generation effectiveness, organizations also favor how webinars tend to be highly budget-friendly. Earlier, when we analyzed the allocation of B2B marketing budgets, we learned that webinars took up the smallest slice of the budget, or seven percent.

The most important aspect of a successful webinar is developing high-quality presentation content, as 71 percent of survey participants indicated. If your webinar has great content, your audience is going to be more likely to spread the word on social media sites, as well as attend again. This boost in thought leadership and reputation supports solid attendance for future webinars.

Survey respondents rated pre- and post-webinar communications as highly important aspects of an effective webinar. By optimizing these communications, organizations can boost attendance, and nurture attendees with relevant content after the event.

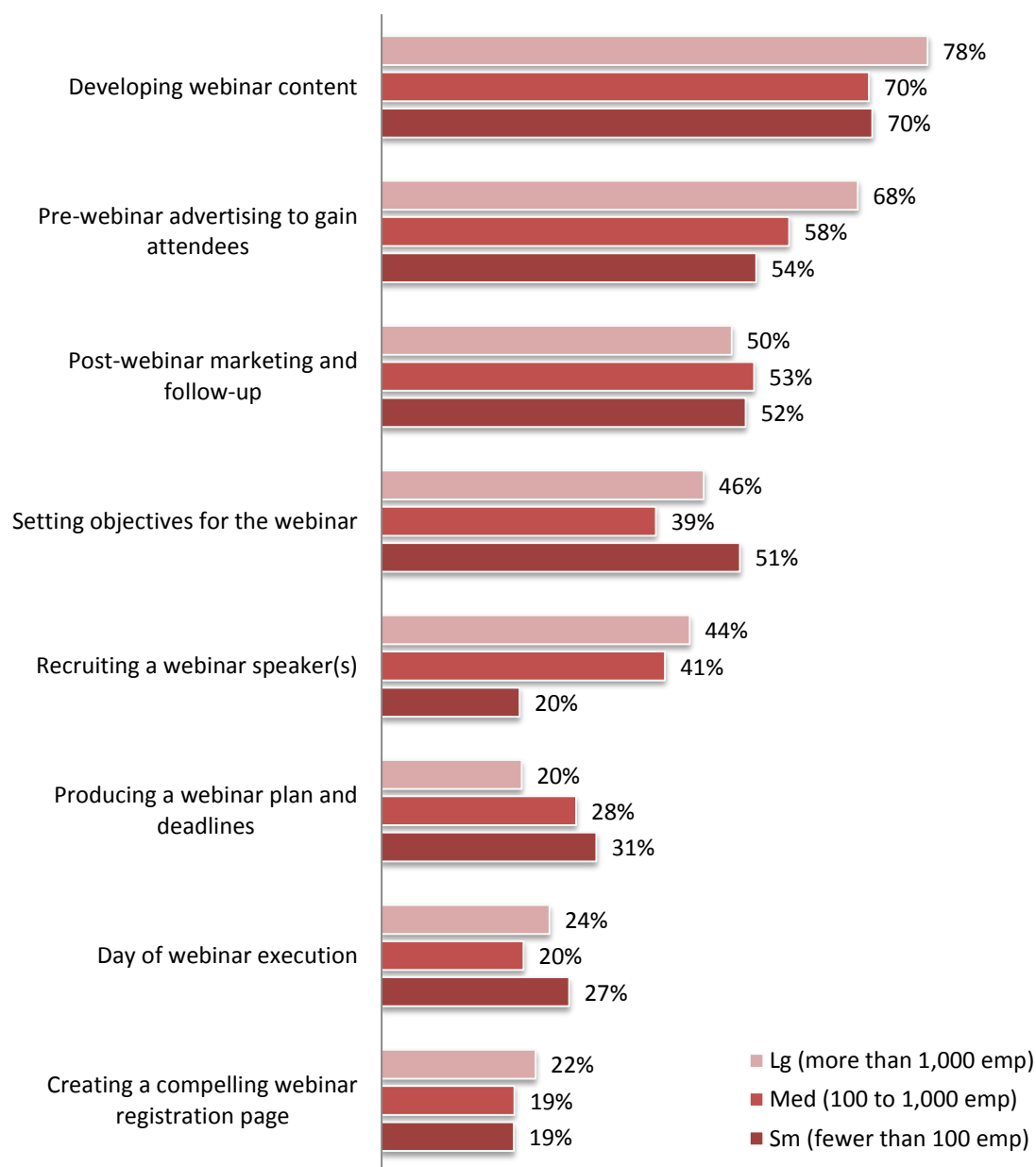
The missed opportunity for many B2B marketers is setting an objective for the webinar. How do marketers know an event was successful if they have not defined objectives beforehand?

Chart: Most important webinar aspects by industry sector

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

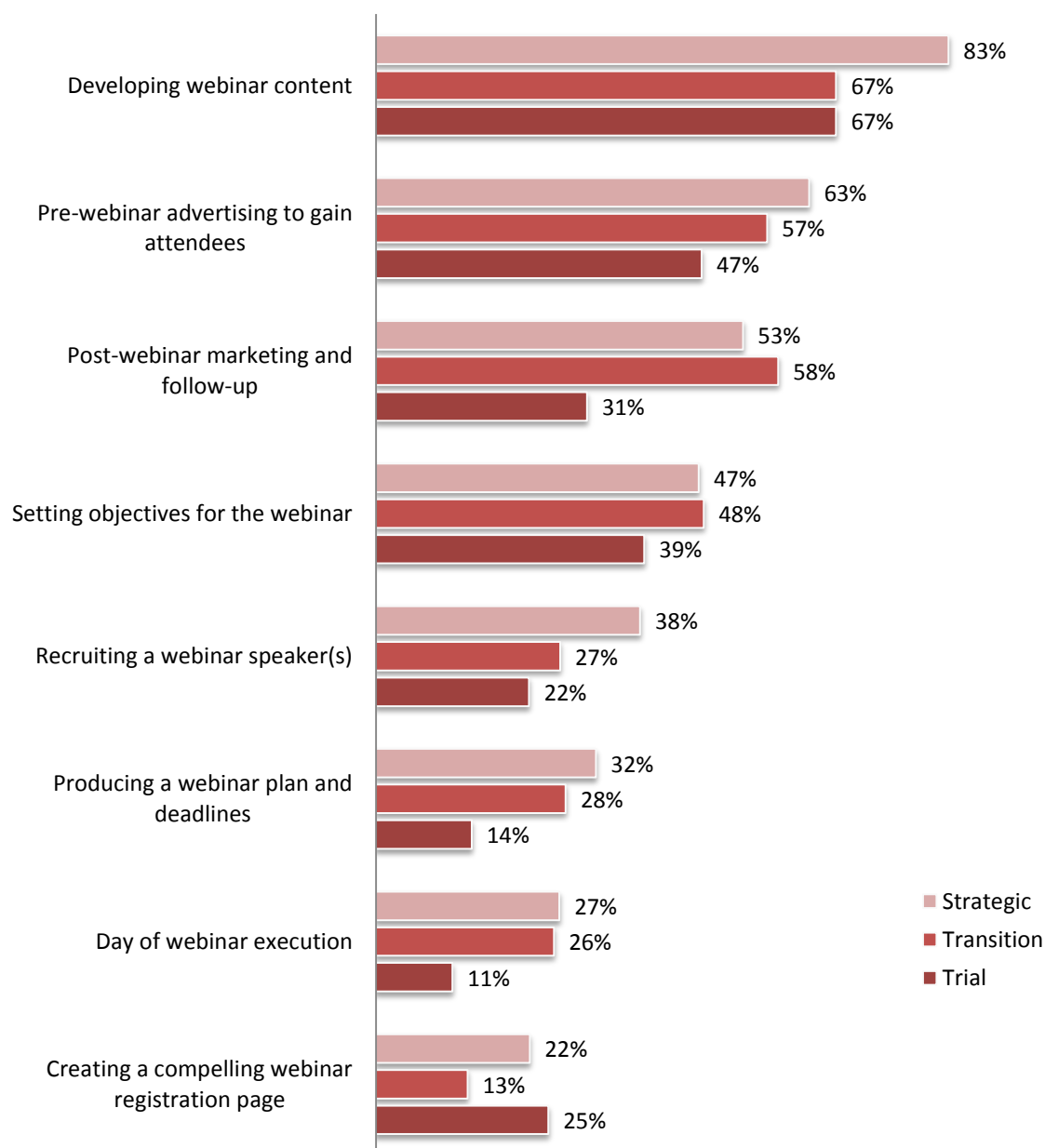
Organizations in the software or SaaS industry were most likely to find that developing webinar content was the most important aspect of an effective webinar. Organizations in this sector likely have a great need to educate prospects on the benefits and unique features of their products. Therefore, educational content would be critical for them.

These organizations also were most likely to indicate that post-webinar marketing and follow-up was a highly important aspect of an effective webinar. This indicates that organizations in the software sector are more aggressively targeting conversion.

Chart: Most important webinar aspects by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Small organizations are the most likely to indicate that setting objectives for the webinar was a highly important aspect of an effective webinar. Small organizations tend to have greater agility than large organizations, and have a greater ability to gain buy-in for new objectives, as well as adapt to shifting objectives.

Chart: Most important webinar aspects by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

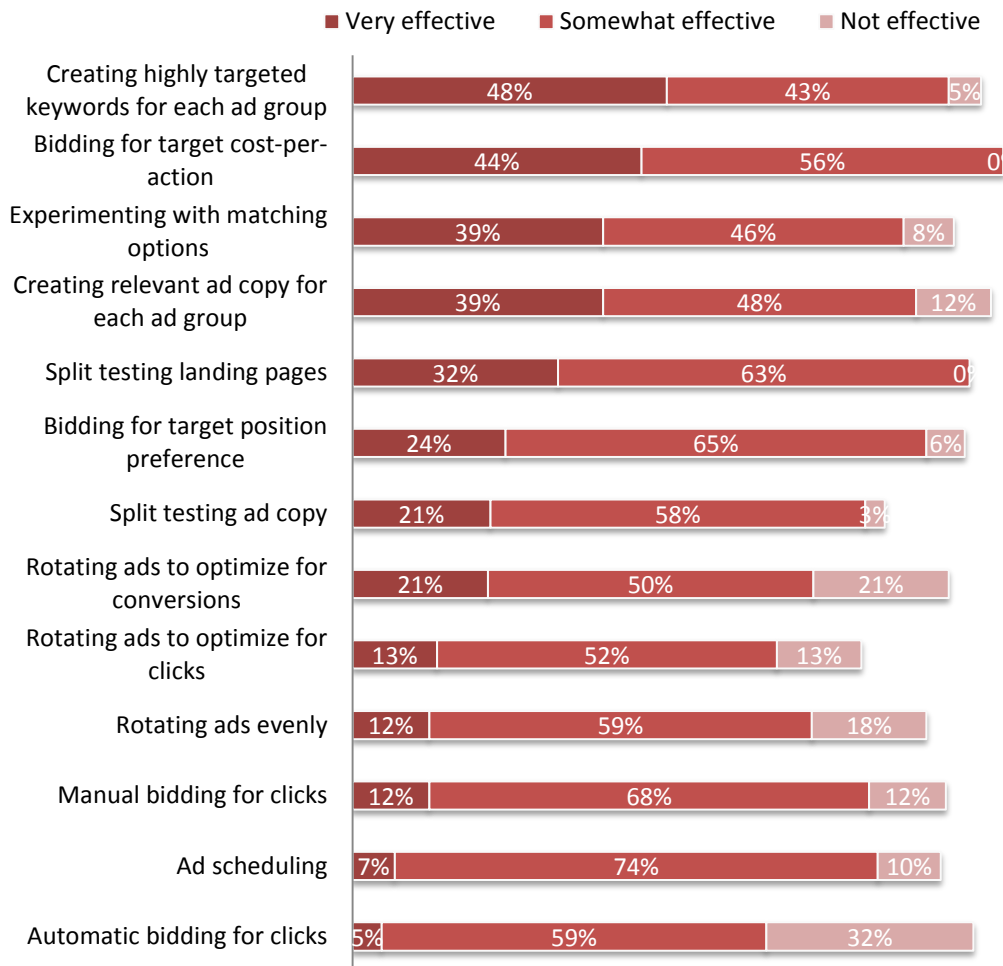
Organizations in the Strategic phase of B2B marketing maturity have the greatest appreciation for the importance of webinar content. It is clear that these organizations understand the important role webinar content plays in improving thought leadership and overall results.

Organizations in the Trial phase were the least likely to indicate that setting objectives and producing a webinar plan and deadlines were important aspects of an effective webinar. Overall, these organizations do not have formal processes in place for their lead generation activities, so a lack of methodical webinar planning is expected from this group.

PAID SEARCH (PPC)

Q. Please indicate the level of effectiveness (in terms of achieving objectives) for each of the PPC tactics your organization is using.

Chart: Effectiveness of PPC tactics for B2B



Source: ©2011 MarketingSherpa Search Marketing Benchmark Survey
Methodology: Fielded April 2011, N=1,530

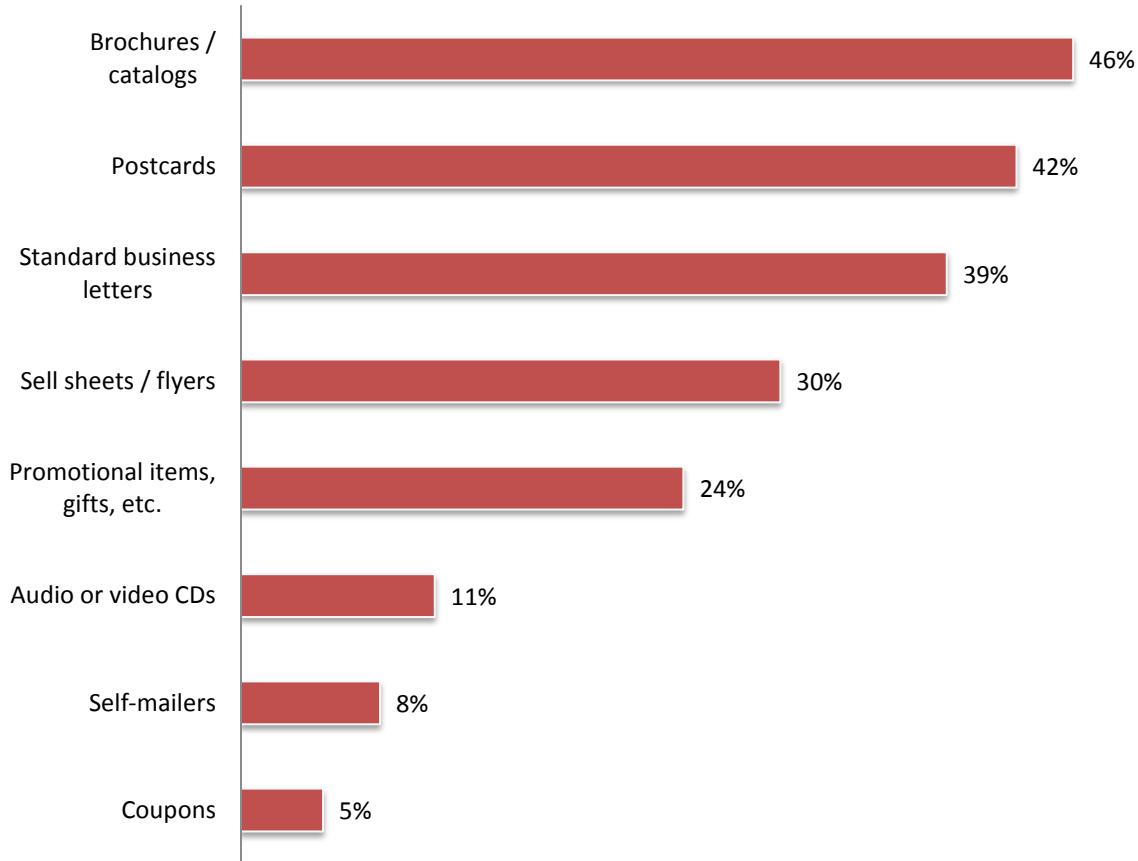
Paid search offers a great opportunity for B2B organizations to generate leads as part of an overall inbound marketing strategy. Paid search also offers many opportunities for organizations to split test new messaging and value propositions. Earlier, when we analyzed the effectiveness of various B2B marketing tactics, we learned that 50 percent of survey participants indicated paid search was at least somewhat effective. As a result of its perceived effectiveness, paid search has gained a significant slice of the B2B marketing budget, or 13 percent, on average.

The top-rated tactic for paid search effectiveness is the creation of highly targeted keywords for each ad group. This practice has a positive impact on paid search campaigns in a number of ways, including improved quality scores, lower costs-per-click, and higher clickthrough and conversion rates.

DIRECT MAIL

Q. What formats of direct mail have you found to be the most effective in improving ROI?

Chart: Effectiveness of direct mail formats



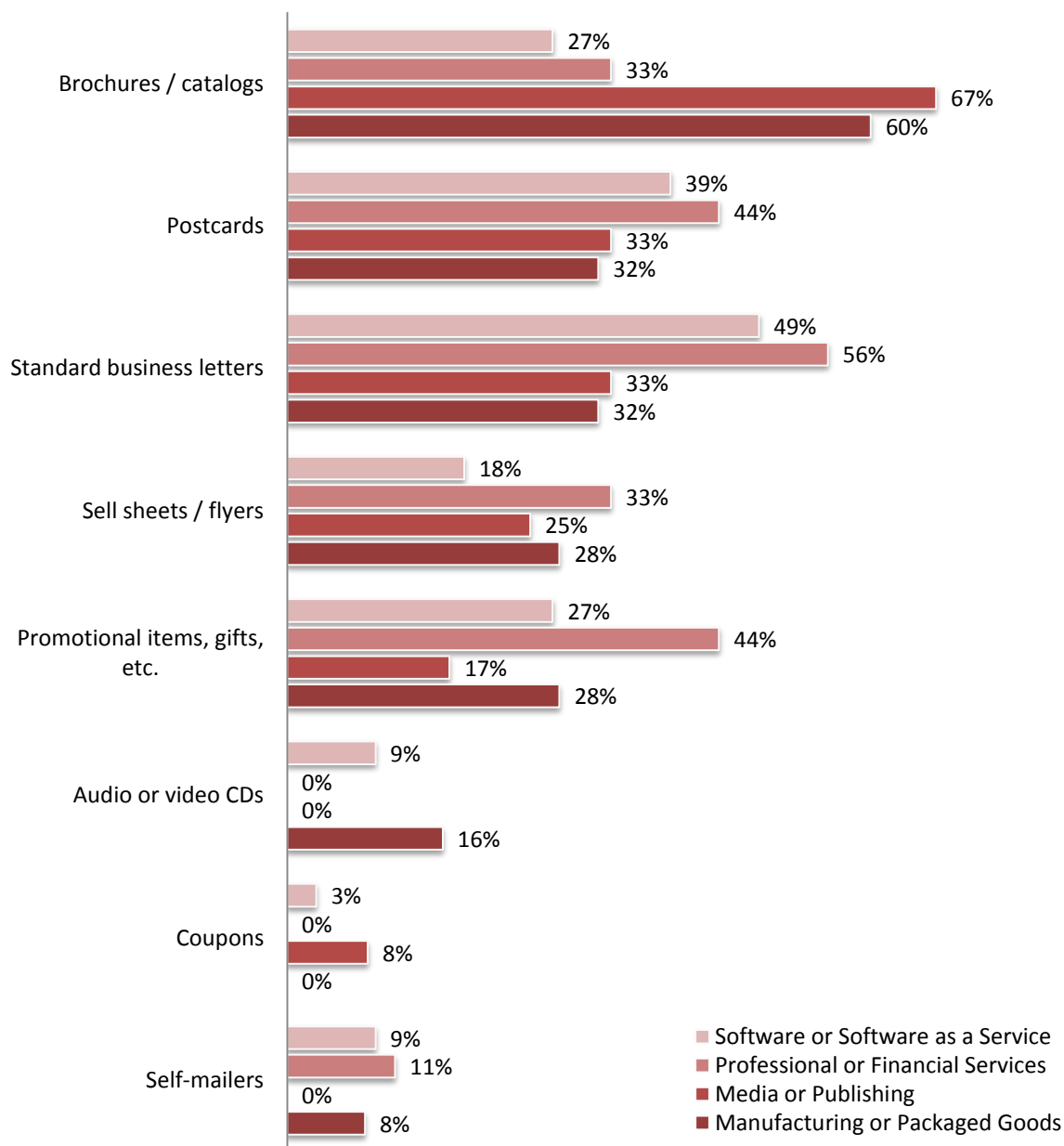
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

When inbound marketing tactics began to rapidly gain traction, the market was buzzing with the effectiveness of these tactics, and that traditional, direct marketing tactics would soon be dead. Now that inbound marketing has been around for a number of years, we see that many organizations still value tried-and-true direct marketing tactics, including direct mail. On average, direct mail takes up 10 percent of the B2B marketing budget and 40 percent of respondents found this tactic to be at least somewhat effective.

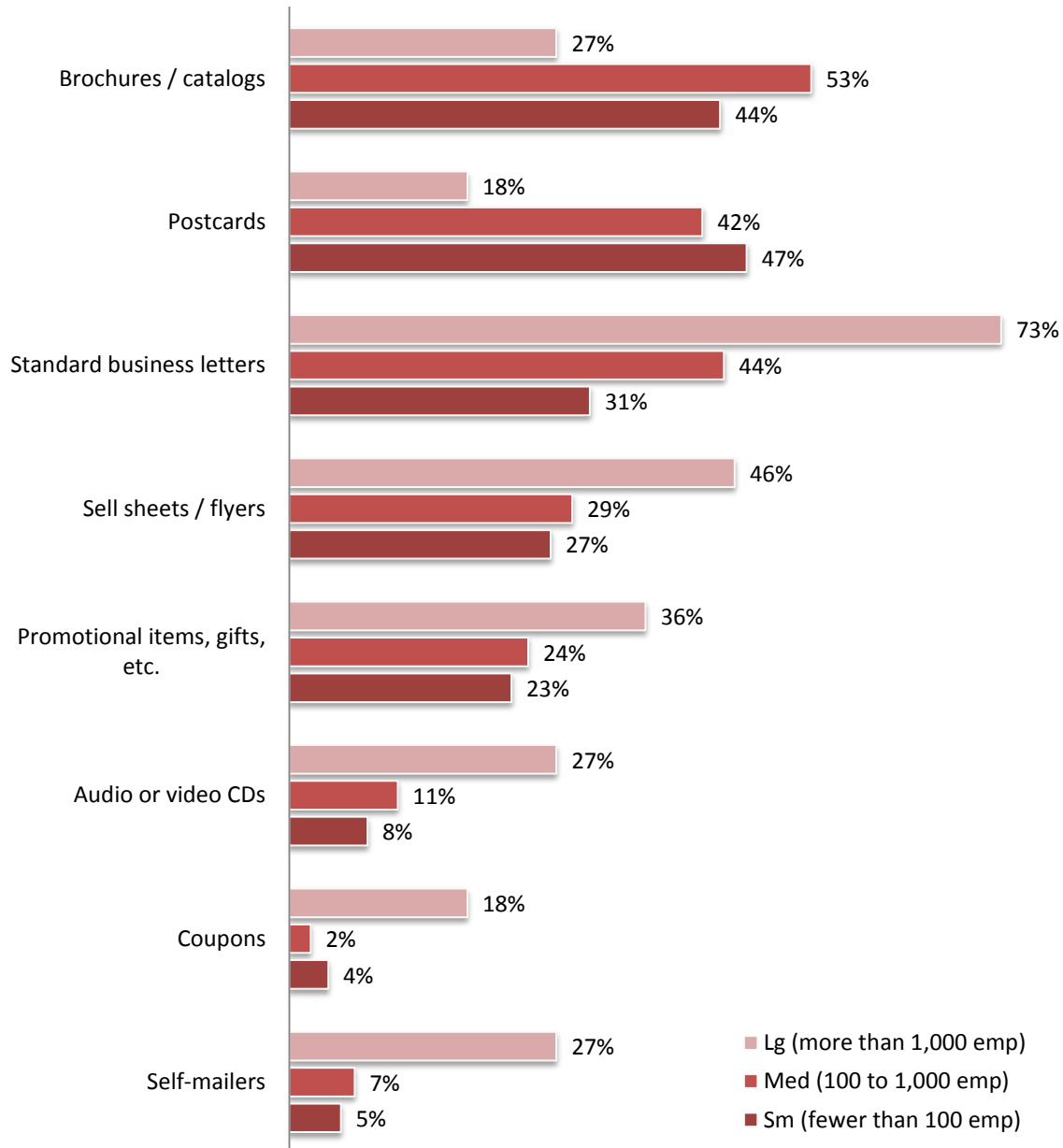
We wanted to learn more about how B2B organizations were using direct mail, specifically which formats were the most effective. The results in the above chart indicate that brochures, postcards and standard business letters are the most effective direct mail formats for B2B.

When considering direct mail format, it is imperative that you cater to audience preferences. This will require researching the performance of past direct mail campaigns, asking your audience directly, and interviewing internal departments such as Sales. Direct mail format, timing, personalization, subject matter, call-to-action and tone are just a few items you should test to meet your audience's preferences and improve effectiveness.

Chart: Effectiveness of direct mail formats by industry sector

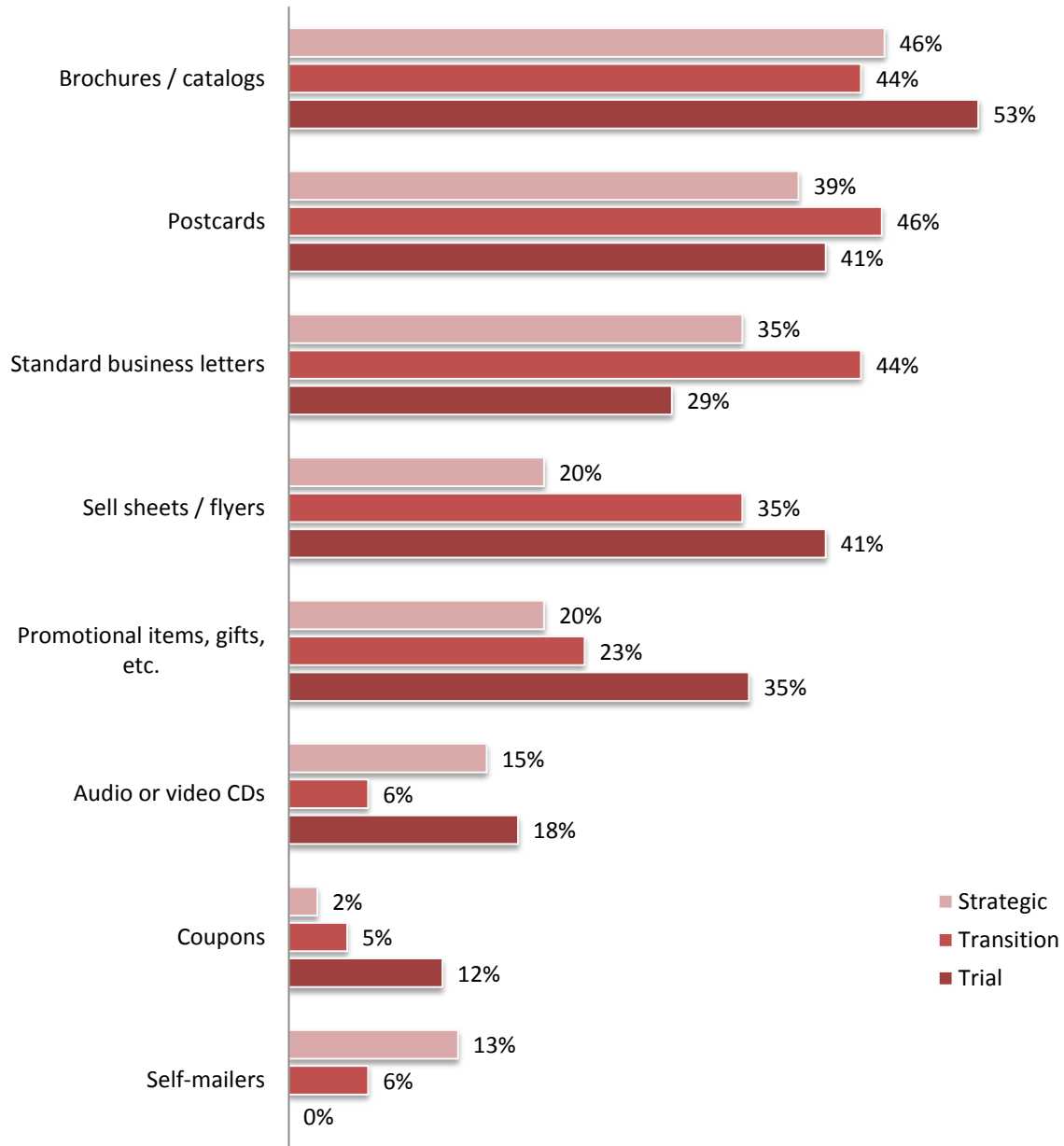


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Effectiveness of direct mail formats by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Inbound marketing tactics have a reputation for being cost effective, and direct marketing activities have a reputation for being expensive. This is likely the reason why large organizations tend to have a greater perceived effectiveness for many of the direct mail formats included in the above chart, since they have the financial resources to test many different formats on a large scale. Typically, large organizations have been operating longer than smaller organizations, and have also had the opportunity to test a number of various formats over time.

Chart: Effectiveness of direct mail formats by lead generation maturity

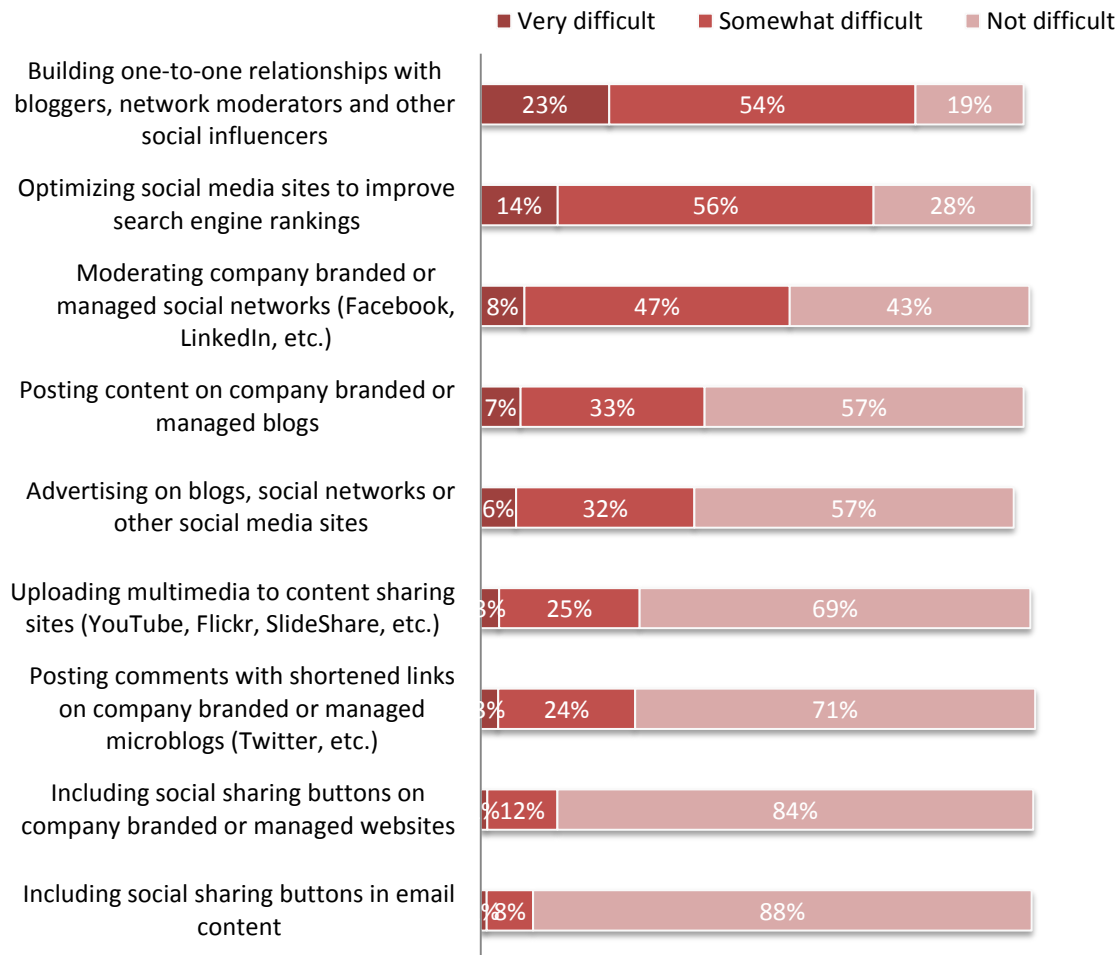
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Overall, only a third of total respondents found sell sheets / flyers to be an effective direct mail format, but 41 percent of our Trial-phase organizations indicated its effectiveness. This was a greater level of response than Transition- or Strategic-phase organizations. Sell sheets / flyers are one of the less sophisticated direct mail formats available, compared to brochures or standard business letters. Therefore, it is expected that Trial-phase organizations would have a tendency to utilize them.

SOCIAL MEDIA

Q. Please indicate the degree of difficulty (time, effort and expense required) for each of the social media tactics your organization is using.

Chart: Degree of difficulty of social marketing tactics for B2B



Source: ©2011 MarketingSherpa Social Marketing Benchmark Survey
Methodology: Fielded February 2011, N=3,342

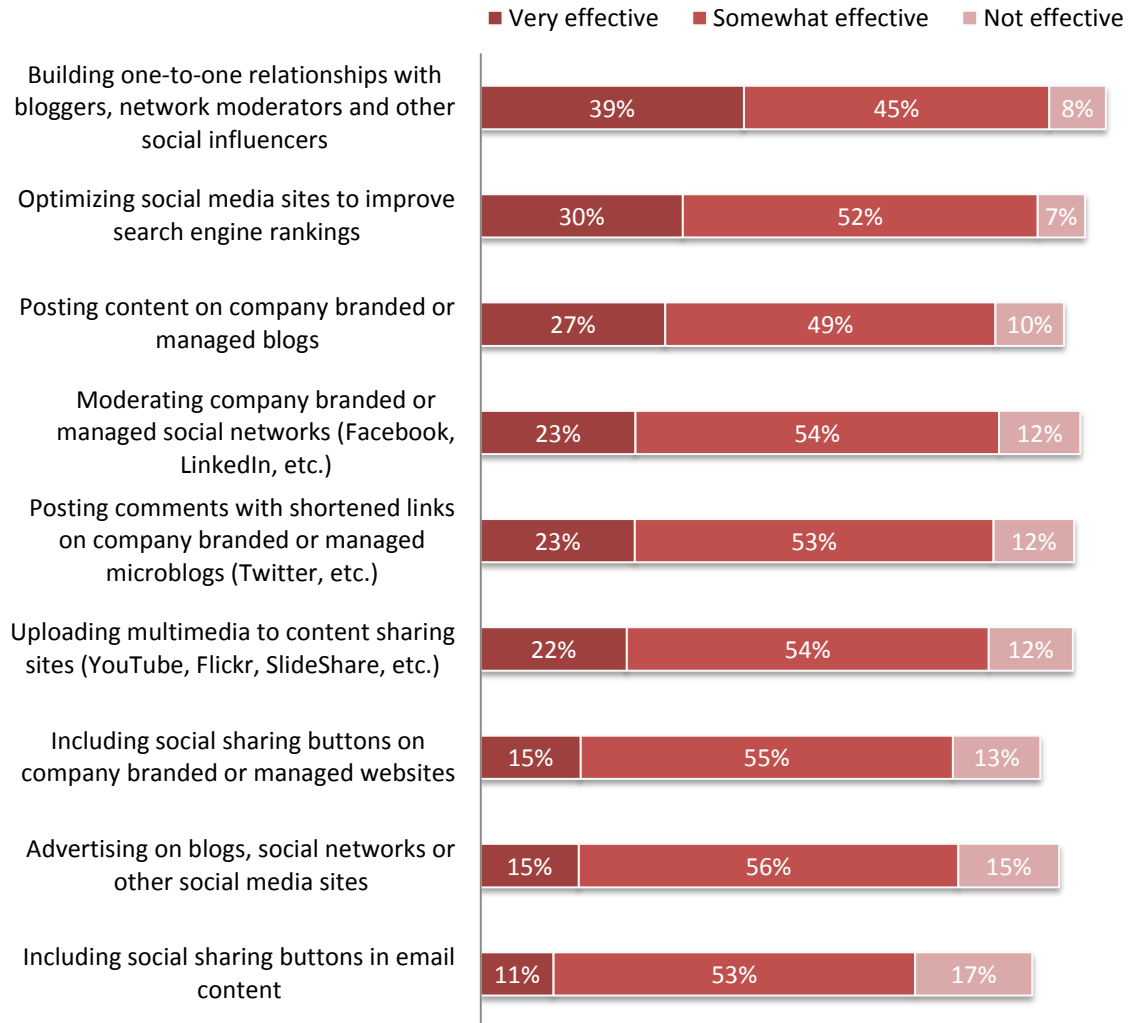
The difficulty, or the time, effort and expense required of B2B marketing tactics, is an important consideration in developing tactical plans. The above chart displays the difficulty of various social marketing tactics for B2B.

Survey respondents rated the building of one-to-one relationships with bloggers, network moderators and other social influencers as the most difficult social marketing tactic. This tactic requires a great deal of time and effort to find and engage with key influencers online.

Optimizing social media sites to improve search engine rankings has also been rated as a very difficult tactic, but is likely worthwhile to many organizations because of the potential impact on social and search marketing campaigns.

Q. Please indicate the level of effectiveness (in terms of achieving objectives) for each of the social media tactics your organization is using.

Chart: Effectiveness of social marketing tactics for B2B



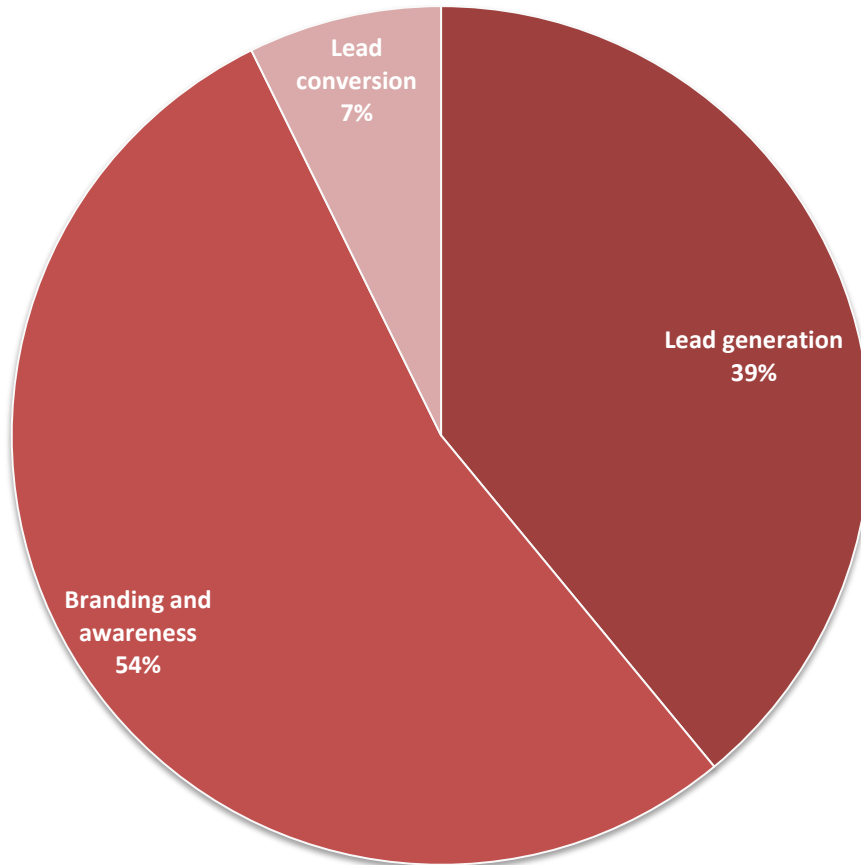
Source: ©2011 MarketingSherpa Social Marketing Benchmark Survey
Methodology: Fielded February 2011, N=3,342

The above chart shows the results for the most effective B2B social marketing tactics, and the top two tactics requiring the most effort are also the most effective. While building one-to-one relationships with online influencers, and optimizing social media for search engines, may require significant investments in time, energy, and even budget, these tactics are well worth the required resources, because they deliver the greatest return in effectiveness.

PRINT ADVERTISING

Q. Please select the primary objective for your print advertising efforts.

Chart: Majority utilizing print advertising for branding purposes



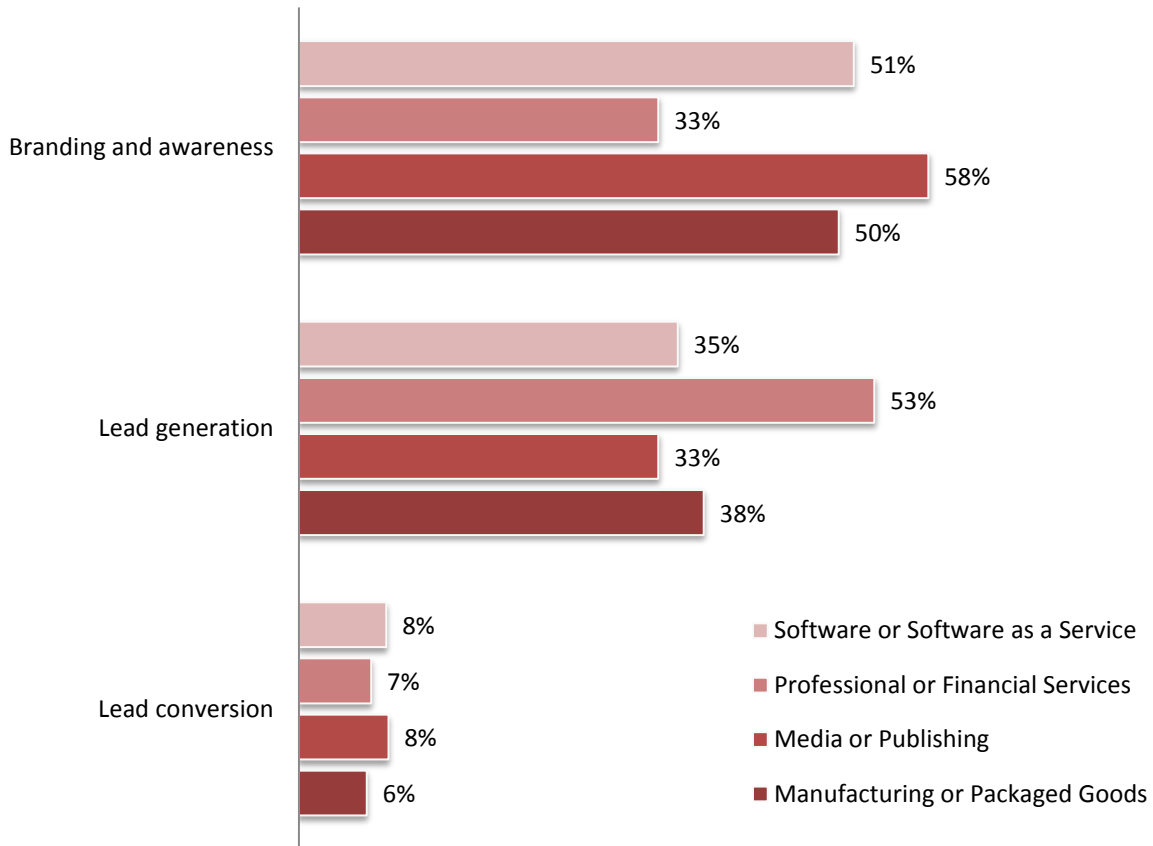
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Earlier, when we analyzed the effectiveness of B2B marketing tactics, we learned that print advertising came in at the bottom of the list. This may not be an effective lead generation tactic, but as the above chart indicates, print advertising may be more effective as a branding mechanism.

It is very difficult to inspire a response from a print advertisement. If a reader wants to respond online, they must take a number of actions to reach an advertiser's website by correctly typing in the URL, and then convert. It can be even more challenging for print advertisements to inspire a phone call.

Branding, however, can be achieved through print advertising. This channel offers an opportunity to reach new audiences repeatedly with brand image and messaging. Organizations can further support branding through print advertising, by selecting publications itself.

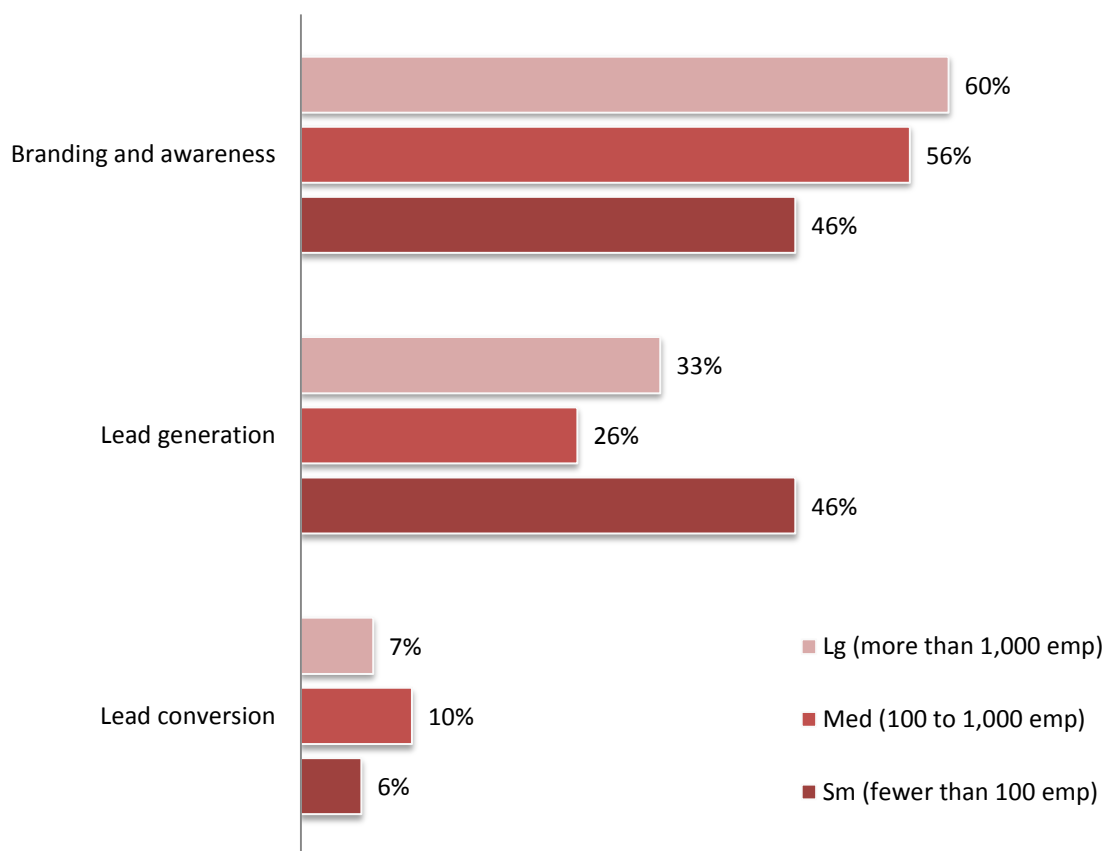
Chart: Print advertising objectives by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

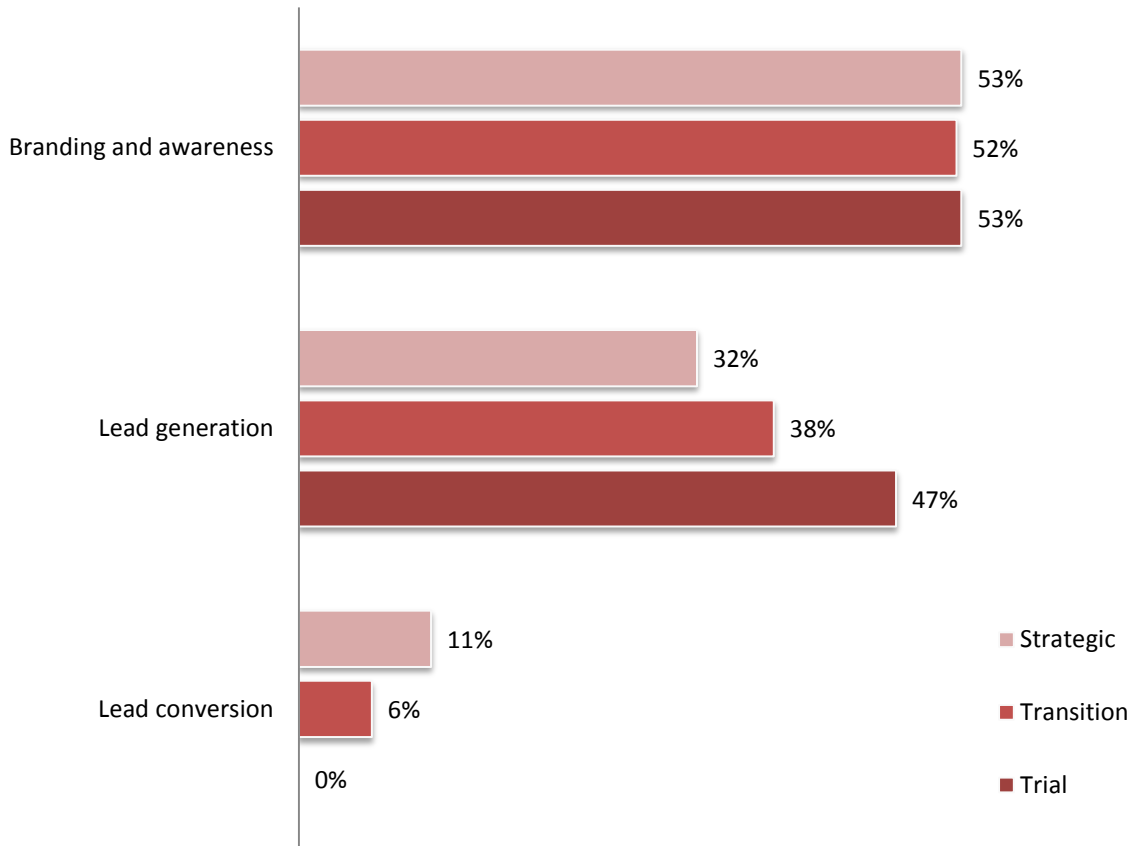
It is safe to say that organizations in the media or publishing sector have a greater level of expertise in this particular tactic, over the rest of the sectors we surveyed. These experts were most likely to target branding and awareness as a print advertising objective.

Chart: Print advertising objectives by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Small organizations were most likely to select lead generation as a primary print advertising objective. These organizations may have a greater interest in attributing ROI to print advertising campaigns, since their financial resources may be less abundant than medium- or large-sized organizations.

Chart: Print advertising objectives by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Earlier in this section, when we analyzed print advertising objectives by industry sector, we learned that the experts in this particular channel – organizations in the media / publishing sector – were most likely to target branding and awareness with their print advertising efforts.

In the above chart, we learn that Strategic-phase organizations are least likely to target lead generation as a primary objective, and Trial-phase organizations were most likely to target lead generation. These corresponding findings indicate that branding and awareness are the most effective objectives for print advertising campaigns.

MARKETERS WEIGH IN ON TOP LEAD GENERATION TACTICS

Q. Please briefly describe the lead generation tactics that have performed the best for your organization.

- Thought leadership activities have had the best yield for us.
- Trade shows and site visits are the most effective because our products are experiential — when they are held, touched, etc., that's when customers and prospects really get excited about purchasing.
- Webinars, virtual expos, free Trials. Most of our marketing focuses on the Web and online tactics.
- I have found direct mail marketing and email marketing to be the most effective forms of marketing for my business.
- Sales team prospecting and lead nurturing emails. We also organize our own trade shows that results in closing lots of leads.
- So far, face-to-face interaction and content collaterals are the best performing tactics for the organization.
- Developing our email database organically through sign up as well as using SEO for those we have not captured on our website.
- Mostly contracts that have led to other contracts. Closing high-profile accounts that have led to us being able to close other accounts.
- Networking, cold calls, returning to non-returning business research, leads from other corporate divisions, monitoring other media of multiple formats.
- The best lead generation tactic is to use direct response emails directed to a targeted list of prospects that links to a customized landing page with a good offer document for download.
- Utilizing interactive and search media has been the biggest driver of leads during our campaigns.
- SEO by far is the greatest path to our door. Second would be word-of-mouth. There is nothing sweeter than having five and even 10 people sign up off of one client who raves about what they receive with us. It's not just about providing a service any more when selling an online resource. It's about providing exceptional value through increasing your client's knowledge and inner workings of marketing their own business online that counts. It's not enough to just have software that works. You have to work with them to understand and become proficient with its use. THAT is what makes them call people and say "Hey ... you need this"
- Email marketing (drip campaigns), with telemarketing follow-up, combined with an aggressive and high-quality content program (Webinars, whitepapers, surveys, social media) that drives in-bound traffic.

- Trade show involvement, mining old customer database, cold calls, and magazine articles/advertisements.
- We have a built-in lead generation into our business model. As a company that handles email communications, the footer of each email has our company's name and website.
- Offering whitepapers after registration; offering targeted webinars stepping up our lunch-time online training session (for customers); instituting a process for our initial meeting (purpose is discovery), where we outline our expectations and send in advance of that meeting a package with relevant information and a gift.
- Email blasts followed by mirroring direct mail piece. Then a sales call from our vender services team.
- 1. Face-to-face events (seminars and high-level industry conferences) 2. Executive relationship building events.
- We identified criteria for sorting markets into tiers. Then, developing a process for entering markets, learning about the markets and how to best position ourselves, cultivating key relationships with decision makers and building the brand awareness necessary to make key influencers comfortable with recommending our solution. The process includes — at various points — special events, direct mail with calls-to-action, emails, personal visits, executive visits and presentations, sponsorship, market research on issues of industry interest and publishing the results, e-marketing and some mass media.
- So far, email marketing with a CTA. We are engaging in content development and SEO, but it is too early to gauge results.
- Additional offers of pertinent value-added content delivered to attendees after they attend a virtual event or brick-and-mortar trade show.
- Our product selection begins with a good relationship between our sales team/executives and our prospects. Sales relies on marketing to uncover new leads through PR, content marketing, etc.
- Trade shows and Natural SEM remain our best sources. We're just beginning to try most of the other online marketing tactics.
- Direct marketing — phone and occasionally email, though the content and IP of our website generally helps clinch the deal once there is interest shown.
- One practice that has been surprisingly successful is simply including an incentivized referral at the bottom of the monthly newsletter.

- Landing page with weekly draw for coupon value, gather information, go into lead nurturing. This enables ranking system on leads.
- So far email marketing aligned with a webcast has been marketing's biggest successes in generating leads.
- Content marketing (whitepapers in content networks driving traffic to website, followed by email and telemarketing nurturing).
- Search Engine Optimization. Website redesign for better content that is updated and easier to understand. Content generation across multiple channels, including creating active social media networks and starting an active corporate blog (2-3 posts per week).
- A variety work well in terms of generating an initial response. What is vital for building on it is speed of response on our part.
- Webcasts featuring industry thought leaders marketed via a multichannel strategy including email, social, phone, rep follow-up, and banner advertising.
- Website calls-to-action. Auto-completed contact form based on the pages website visitors click from and the in-text links visitors click. SEO.
- It depends on the target audience. What works in one industry isn't necessarily the best for another industry. Trade shows and events work well for one of our primary target industries, but they can be expensive and time consuming. Webinars are showing promise because there is more of a commitment from the prospect to listen to our message. An online product demo appears to be working well for qualification. Case studies are always helpful, but in many cases, they are more of a sales tool.
- B2B Referrals are always great leads. Trades shows, especially when preceded with email campaigns, also bring in a good deal of quality leads for my organization.
- Ours are mostly through Google AdWords and website forms. Other main lead generators are from referrals: client-based and vendor- / partner-based.
- Thought leadership through webinars, newsletters, whitepapers, e-books (new approach), etc. Just starting to use press releases as well.
- Webinars, but the market is experiencing webinar fatigue. Social media. Free content with a lead form.
- Trade shows (still, we're surprised, but people who go buy more and faster from us), webinars, website — form protected content.

- Researching buyer personas and tactically making overtures through very specific direct contact activities (phone, DM, social media, in-person contact).
- We've found the most success with reference selling — getting to know a prospect through and existing customer.
- SEO. We have seven websites, each for a different vertical market and we show up in the second through fifth positions on the SERPs.
- We host an annual two-day conference and invite top speakers in to report on the current trends in the industry. We cultivate the best clients from this event.
- Webinars have provided the most cost-effective leads. The highest lead generating tactic we have is organic search.
- Cross media programs definitely perform best. Depending on target audience, combination of DM, email, purls, mobile, incentives, etc. seem to give the best results.
- Webinars — both in-house and via third-party videos — ranging across products, buyer types, and, so forth, whitepapers / e-books — mostly on the thought leadership front, although the whitepapers range a bit.
- Properly identifying the right personas is key, as that forms the backbone of all value props and the type of content we create.
- Email marketing — not only do we promote specific offerings, but this builds out brand and helps up sell / cross sell. Content marketing — establishing thought leadership and becoming a publisher of high-quality information. Differentiates us, helps SEO, helps social, nurtures prospects. Telemarketing and direct sales — for complex sales with a long lead cycle there is still no substitute for a good salesperson.
- The most successful proved to be the content of our website. The visitors liked it and they have contacted us.
- Developing whitepapers or similar thought-leadership reports and corresponding webinars with the leading professional organization in our industry. They do the heavy lifting for promoting and getting registrations.
- Telemarketing — talking to contacts, qualifying their decision making influence/ability and then targeting them with relevant messaging and offers.

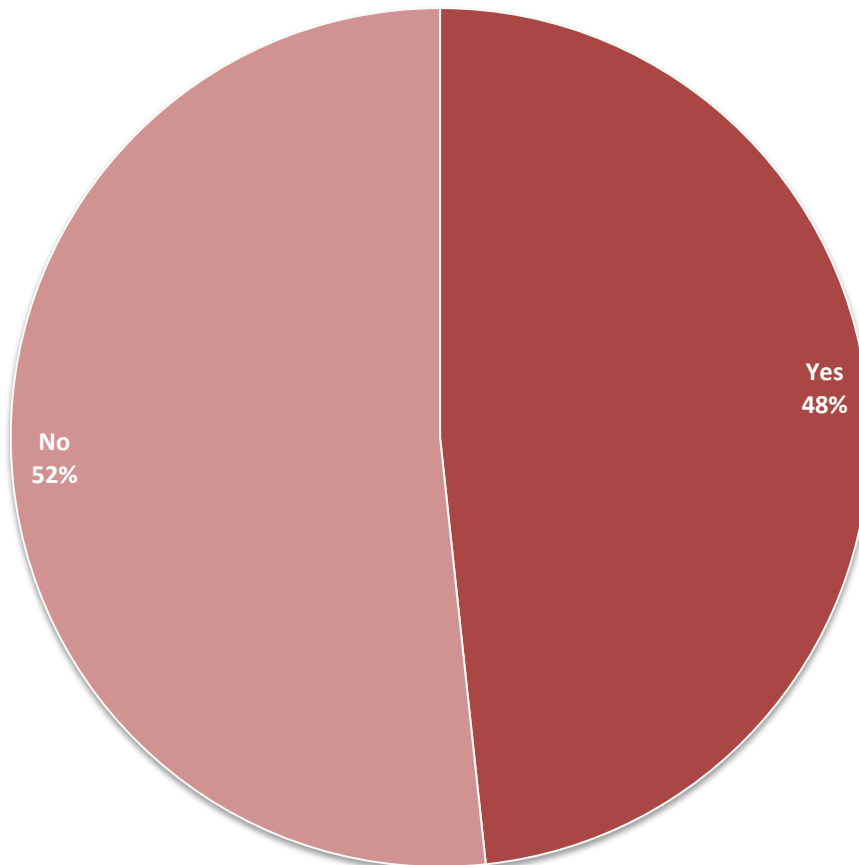
CHAPTER 6: TACKLING SALES AND MARKETING ALIGNMENT ISSUES

ENSURING ALIGNMENT FOR SUCCESS AND SANITY

PRESENCE OF AN ALIGNMENT PROBLEM AMONG B2Bs

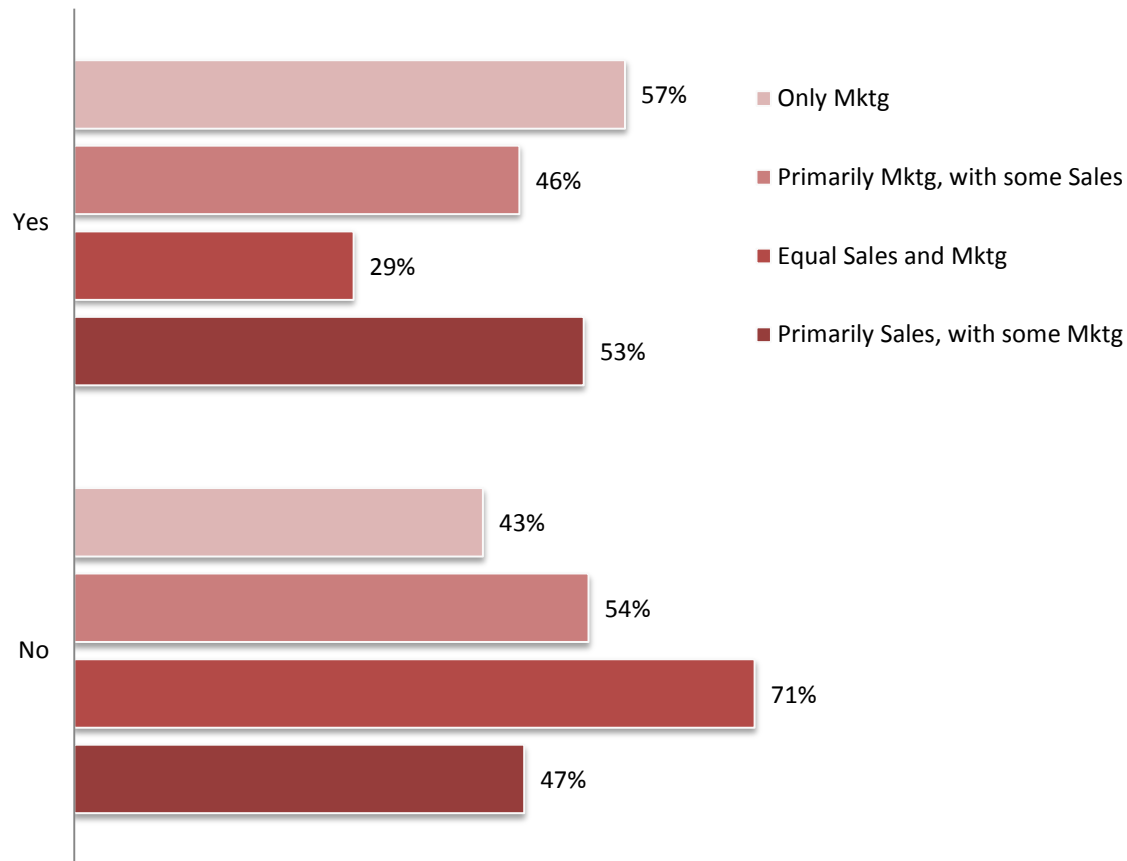
Q. Do you feel that there is a lack of alignment between Sales and Marketing within your organization?

Chart: Sales and marketing alignment is a common challenge



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

A lack of alignment between Marketing and Sales can impair an organization's ability to succeed, and about half of organizations experience this challenge. When an alignment issue exists, Sales will commonly complain about Marketing and leads, and Marketing believes Sales should simply "sell better." A lack of alignment typically stems from varying goals and roles within the organization, as these two teams need to collaborate towards a common goal of revenue generation to succeed.

Chart: Sales and marketing alignment by marketing and sales responsibilities

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

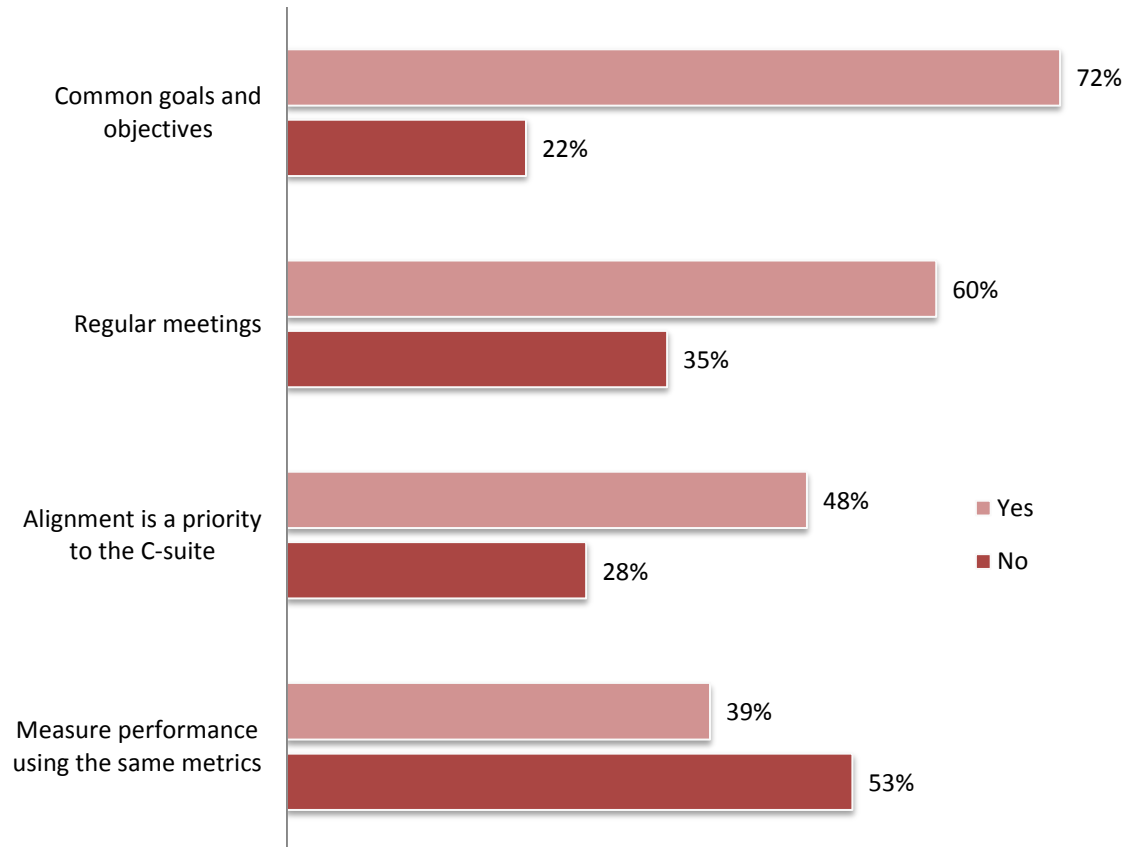
In the above chart, we break out responses by role within the organization, to learn if there is a greater presence of alignment issues on the Marketing or Sales side. We notice little variance between responses between the groups, primarily in marketing, with some sales – and primarily in sales, with some marketing. The responses from the only marketing group are weighted toward having an alignment issue, and respondents with equal sales and marketing responsibilities are heavily weighted towards not having an alignment problem.

Organizations employing professionals who share sales and marketing responsibilities are likely have the two teams under the same management, and attached to the same goals. This would support positive Sales and Marketing alignment, where a separate, individualized department structure with different management and varying goals would not.

ALIGNMENT PROCESSES AND INDICATORS

Q. Please select yes or no for the following statements.

Chart: Use of critical alignment processes and indicators



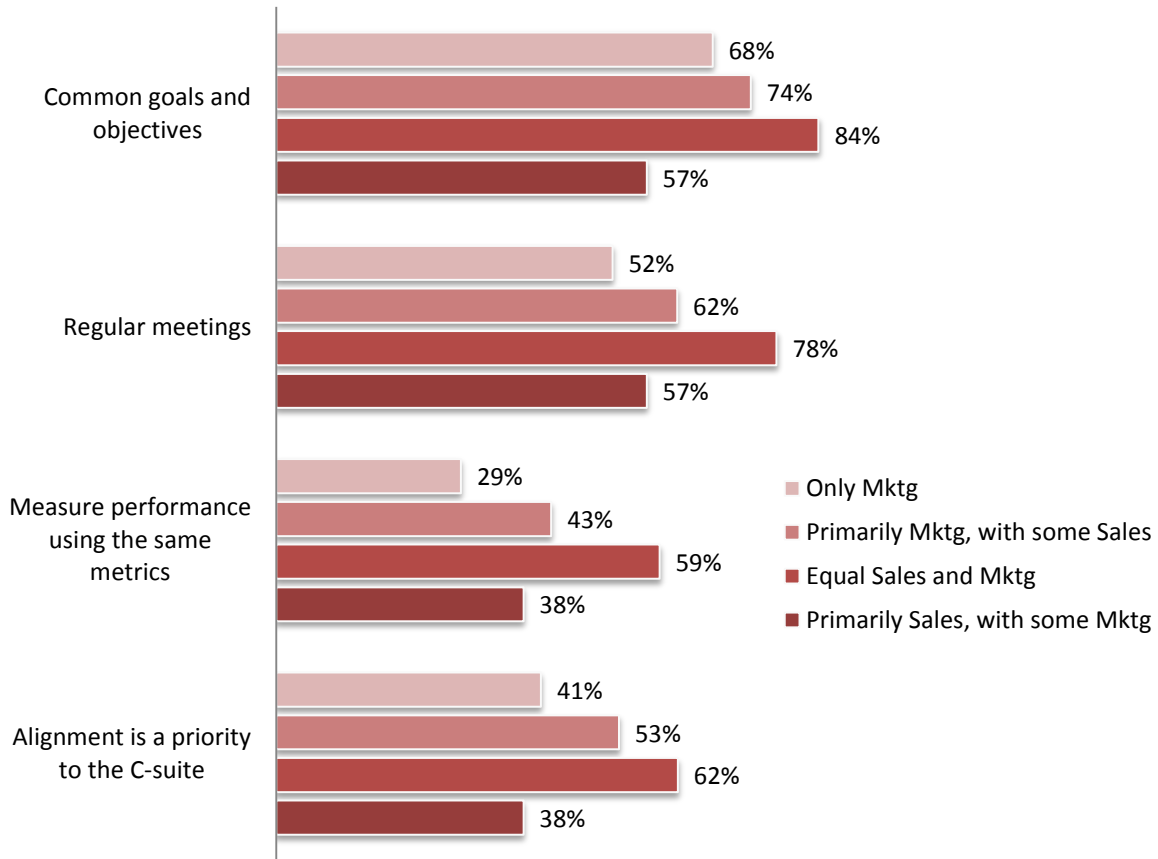
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We asked survey respondents to indicate whether they were using the above practices within their organizations. Each practice is a critical component for solid alignment between Marketing and Sales.

We had an overwhelmingly positive response in the practice of aligning Sales and Marketing to common goals and objectives. But, respondents are missing the boat when it comes to evaluating performance against those goals, as the majority does not measure performance using the same metrics.

Regular meetings can facilitate alignment, but simply meeting once a week is not enough. If there is an alignment issue, these meetings can help or hurt an organization's progress in solving it. Team leaders must make conscious efforts to make these meetings productive by identifying problems that exist in the Marketing-Sales funnel, and taking action in-between meetings to solve them.

Chart: Organizations using of critical alignment processes by responsibility



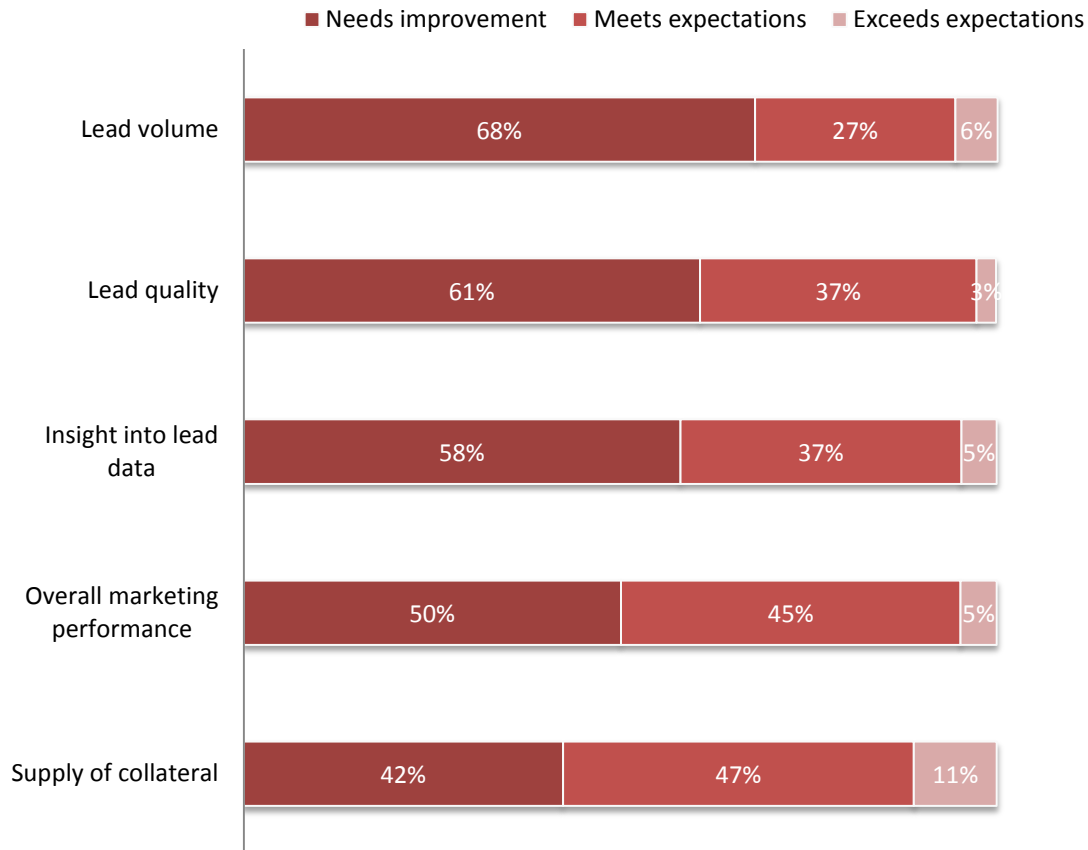
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Respondents with equal sales and marketing responsibilities had the greatest levels of response for each critical alignment process. This is a testament to the efficiency organizations create when they align Sales and Marketing under the same management.

SALES' PERCEPTIONS OF MARKETING PERFORMANCE

Q. If Sales were to rate the performance of marketing in the following categories, what rating would they select?

Chart: B2B marketers on Sales' performance perceptions

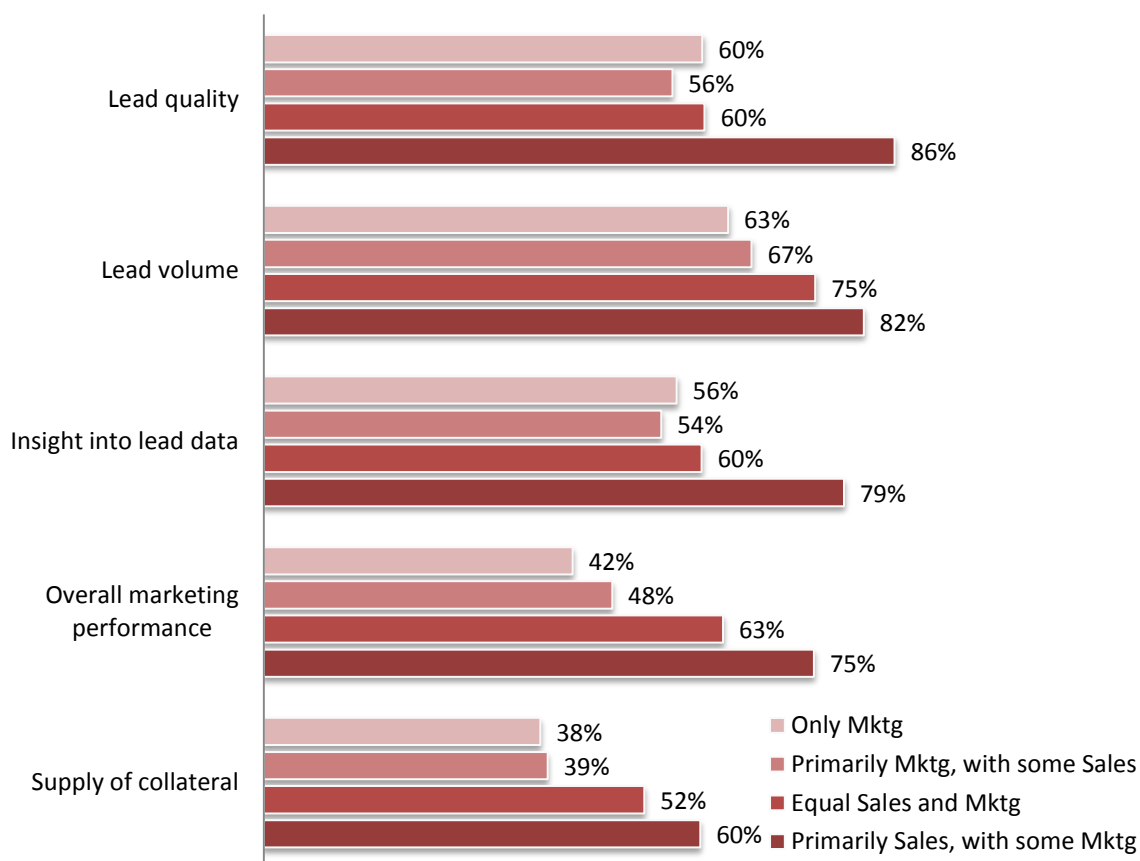


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

For the above chart, we asked marketers in our survey to indicate how Sales would rate their performance in the above categories. Clearly, marketers are feeling pressure from Sales, as about half of respondents indicated that Sales would like to see improvement in all categories.

It's interesting to see that lead volume came in as the top area for marketing improvement, with lead quality right behind it. Earlier, when we analyzed top B2B marketing challenges, we learned that marketers indicated lead quality as their greatest challenge, as 74 percent selected this challenge. Marketers rated lead volume as their second greatest challenge, with a 49 percent response.

Although lead volume has claimed the top spot in terms of marketing improvement, response levels for volume and quality are very close. This indicates that the call from sales is for a greater volume of high quality leads.

Chart: B2B marketers on the "needs improvement" perceptions of Sales, by role

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

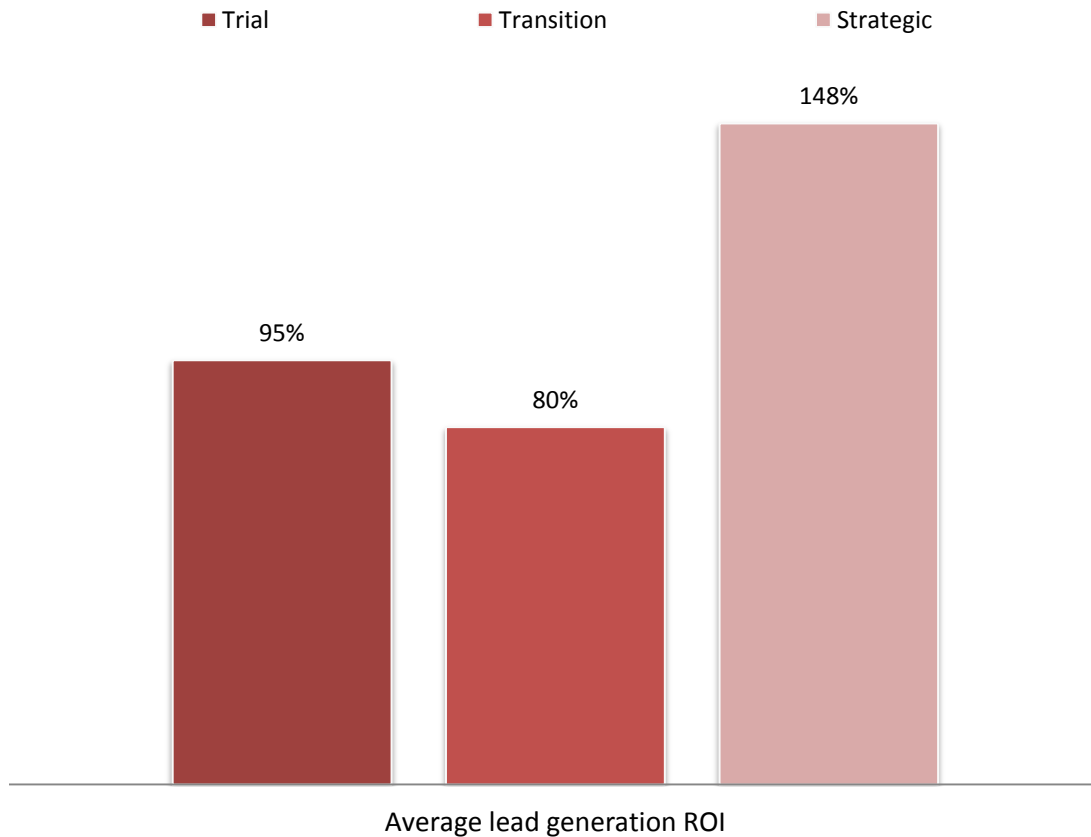
The first chart in this series showed response levels for all respondents, and about half of marketers indicated that Sales would like to see improvement in all categories. In the above chart, when we analyze Sales' "needs improvement" perceptions by role, we learn that professionals who are primarily in sales, with some marketing are far more critical of marketing performance. The response levels for respondents in this role are greater than any other role for all categories with significant variance in the categories of lead quality and insight into lead data.

CHAPTER 7: THE JOURNEY TO SALES CONVERSION – FUNNEL OPTIMIZATION STRATEGIES

FUNNEL OPTIMIZATION DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by funnel optimization maturity



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

The above chart shows average lead generation ROI by funnel optimization maturity, or the use of formal processes for funnel optimization in the Strategic phase, or no use of formal processes in the Trial phase. Transition-phase organizations have informal processes, which are sporadically performed for funnel optimization.

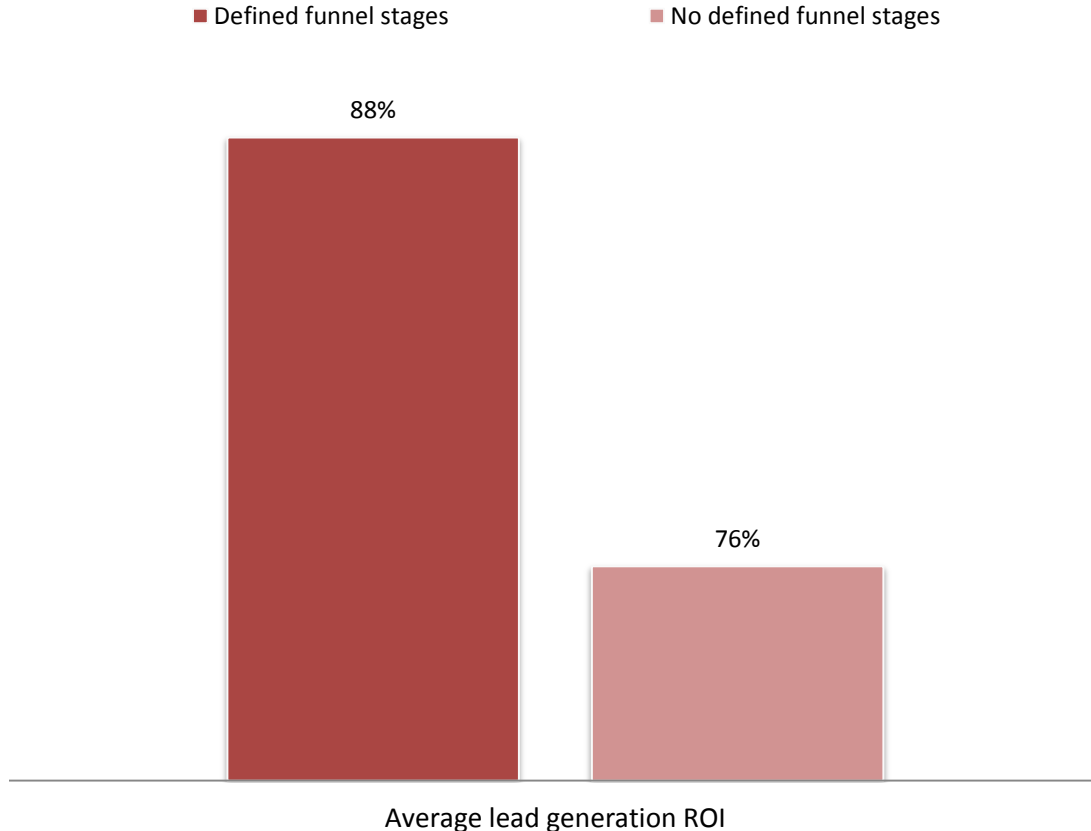
On average, organizations in the Strategic phase of funnel optimization maturity received a 56 percent lift in lead generation ROI over Trial-phase organizations, and an 85 percent lift over Transition-phase organizations.

MAPPING THE BUYER'S PATH

DEFINING FUNNEL STAGES DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by definition of funnel stages



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

The first step of a funnel optimization strategy is mapping the buyer's path by defining funnel stages. The process of identifying stages of the Marketing-Sales funnel enables teams to cater content to various funnel stages, and quantifies key performance metrics that will both evaluate performance and hold both teams accountable.

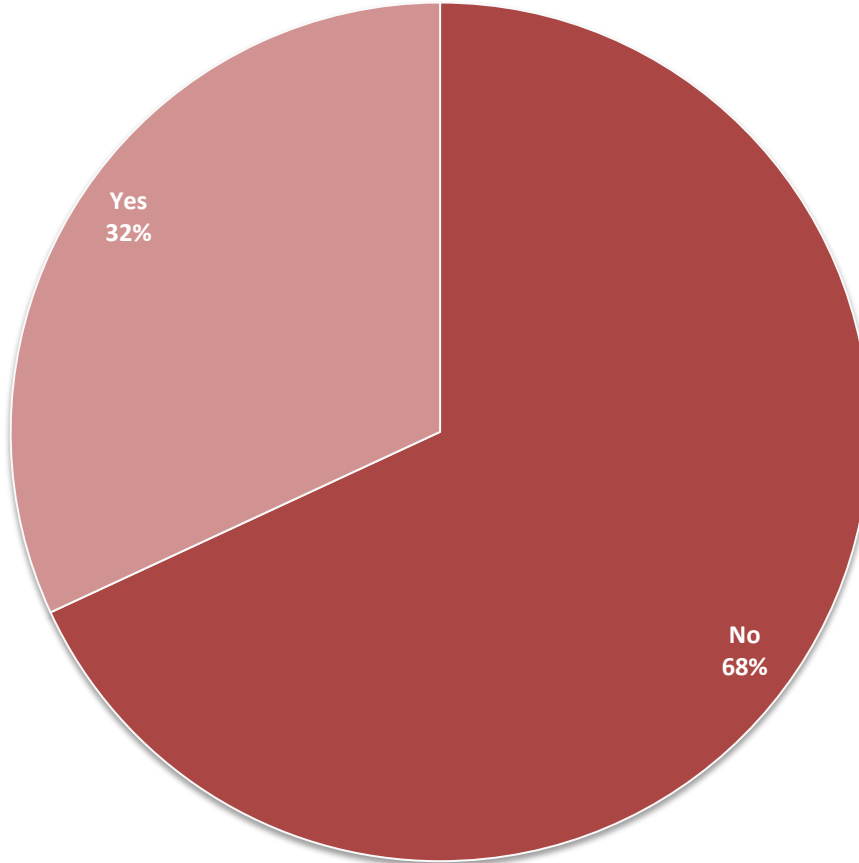
The above chart demonstrates one of the benefits of taking this first, critical step toward funnel optimization. Organizations that have defined funnel stages have demonstrated improved lead generation ROI by 16 percent on average.

The importance of this chart lies in the variance of lead generation ROI between organizations that have defined funnel stages, and those that have not, rather than the actual figures of lead generation ROI. If you are looking to benchmark your performance for lead generation ROI, refer to Chapter 2, which includes lead generation ROI for all respondents, as well as various breakouts.

DEFINING THE MARKETING-SALES FUNNEL

Q. Have you identified a Marketing-Sales funnel process (such as registered lead, rules-validated lead, phone ready lead, etc)?

Chart: Majority of B2B marketers haven't defined a funnel process



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

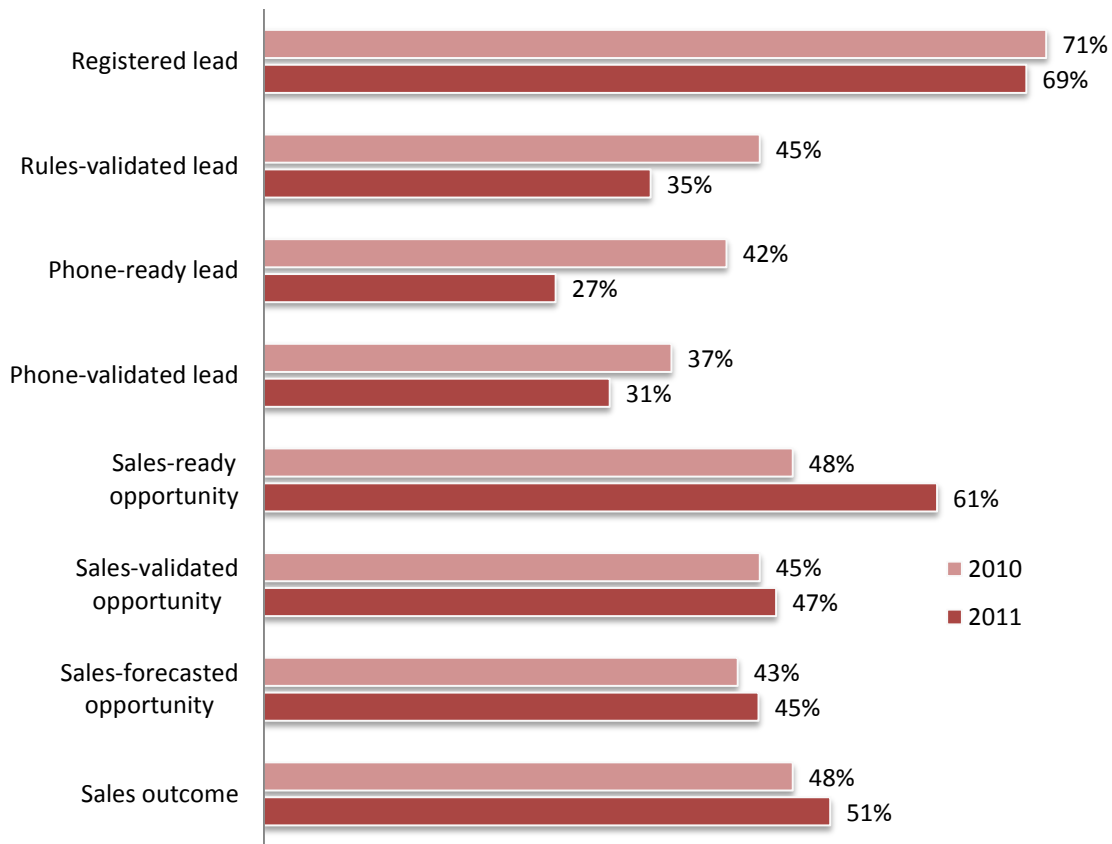
Now that we know that the act of defining funnel stages alone leads to improved lead generation ROI, let's analyze how many organizations are taking this first, critical step to any funnel optimization strategy.

The vast majority of organizations indicated that they have not yet defined a Marketing-Sales funnel process. Without a map of the buying process, it is nearly impossible for organizations to effectively nurture prospects through the cycle. Various buying cycle stages require specific content to help the lead progress through the funnel to a purchase. Prospects in the independent research phase typically require more engagement and educational content. And prospects further down the funnel require conversion content, such as comparison or implementation guides to support purchasing decisions. By neglecting the first step of defining the funnel process, organizations inhibit themselves from effectively optimizing lead progression from prospect to customer.

RECOGNITION OF FUNNEL STAGES

Q. Please indicate which stages in the Marketing-Sales funnel below are defined and tracked in your organization once a lead has responded to a marketing campaign.

Chart: Changes in recognized funnel stages



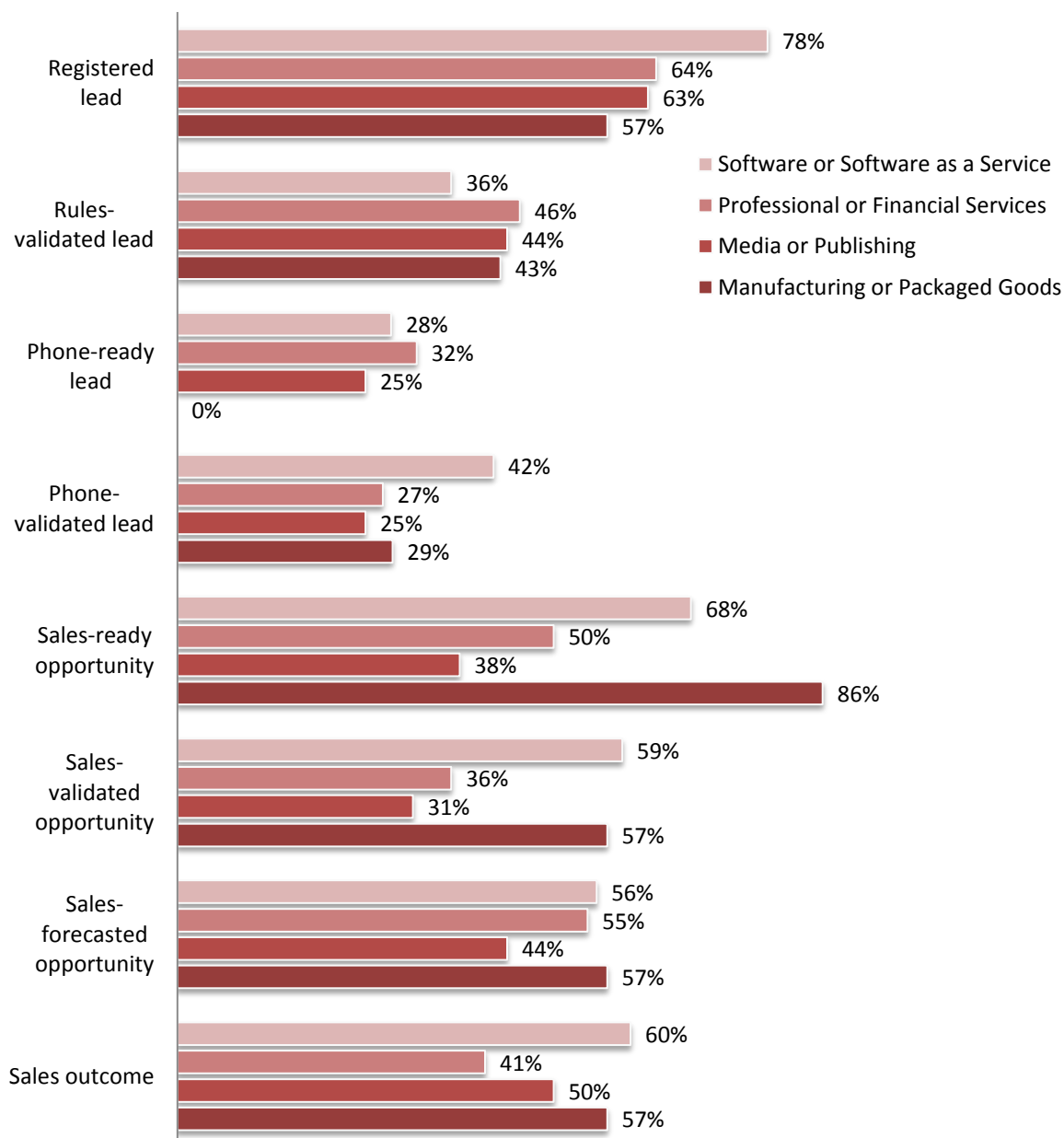
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The above chart shows the 2010 and 2011 response levels for indications of recognized funnel stages, based on a sample funnel they were provided, which included a guideline for popular funnel stages. We have noticed some growth in the definition of funnel stages year-over-year.

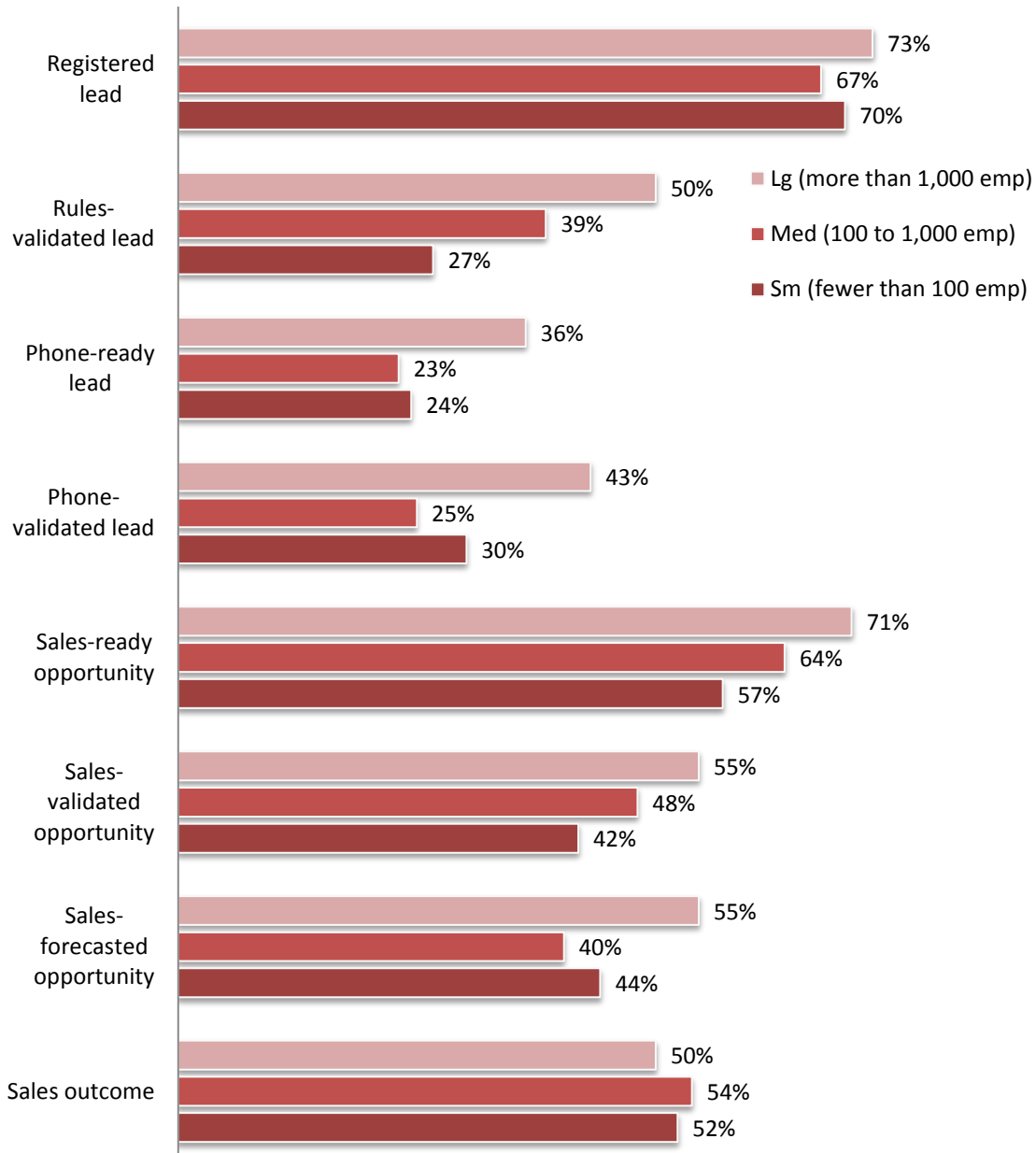
In both years, there is an overwhelming response for the first stage: registered lead. Marketers need to track this, regardless as to whether they have a defined funnel process. In 2010, no more than 48 percent of respondents indicated that they tracked any funnel stage beyond this. But, in 2011, we see an increase in response in the categories of sales-ready opportunity, sales-validated opportunity, sales-forecasted opportunity, and sales outcome.

Note: 68 percent of respondents have not yet defined their Marketing-Sales funnels, and the above data represents only those respondents that indicated they had defined funnel stages.

Chart: Recognized sales funnel stages by industry sector



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Recognized sales funnel stages by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

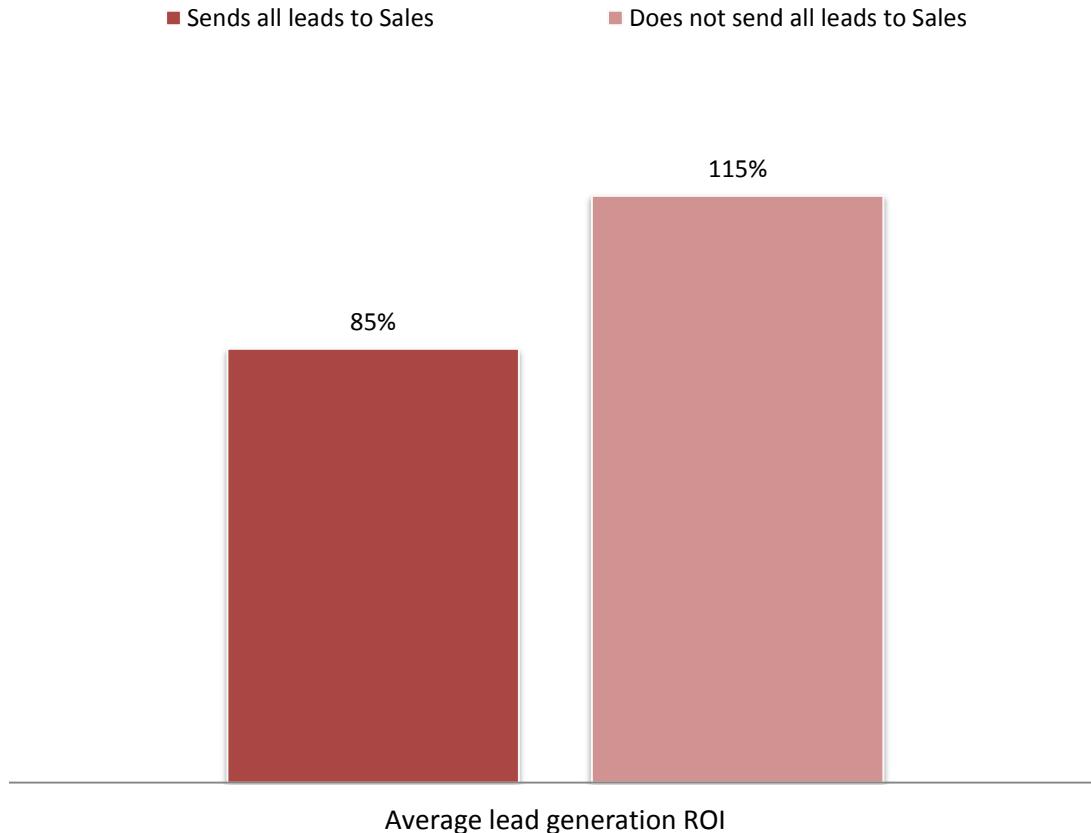
Large organizations had the greatest response levels for a number of stages, indicating a more sophisticated process for defining funnels. Throughout this report, large organizations have demonstrated sophistication in a number of practices, and the benefits of more ample resources.

LEAD QUALIFICATION

LEAD QUALIFICATION MATURITY DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by lead qualification barrier



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

We wanted to learn if there was an explicit benefit to lead generation ROI for the practice of screening leads before marketers send them to Sales. The above chart shows lead generation ROI by lead qualification barrier. Organizations that do not send all leads directly to Sales experienced a 35 percent lift in lead generation ROI, based on this activity alone.

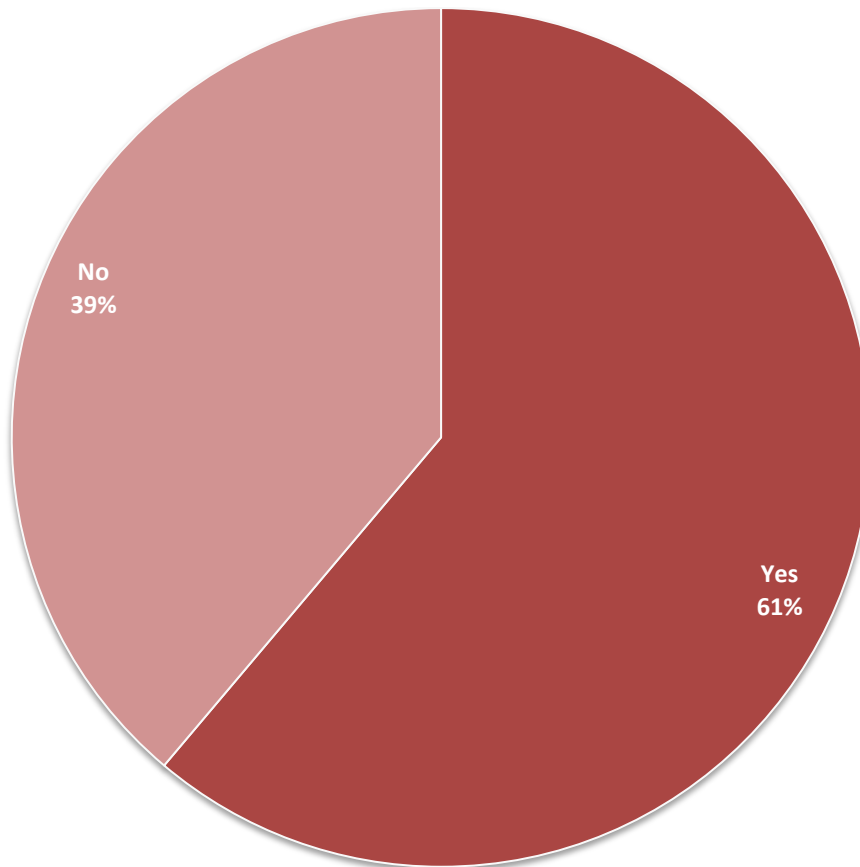
Funnel optimization is a process that includes multiple components, including defining funnel stages, lead qualification barriers, lead scoring, etc. It is a practice where the whole is truly greater than the sum of its parts. If organizations experience an average lift of 35 percent in lead generation ROI alone, imagine the lift they would experience for rolling out an entire funnel optimization strategy.

The importance of this chart lies in the variance of lead generation ROI between organizations that screen leads before sending them to Sales, and those that do not, rather than the actual figures of lead generation ROI. If you are looking to benchmark your performance in lead generation ROI, refer to Chapter 2, which includes lead generation ROI for all respondents as well as various breakouts.

USE OF LEAD QUALIFICATION

Q. Do you send all leads that respond to marketing campaigns directly to Sales?

Chart: Majority sending leads directly to Sales



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

In the above chart, we learn that the majority of organizations send all leads directly to Sales. This can be detrimental to success because of a number of factors.

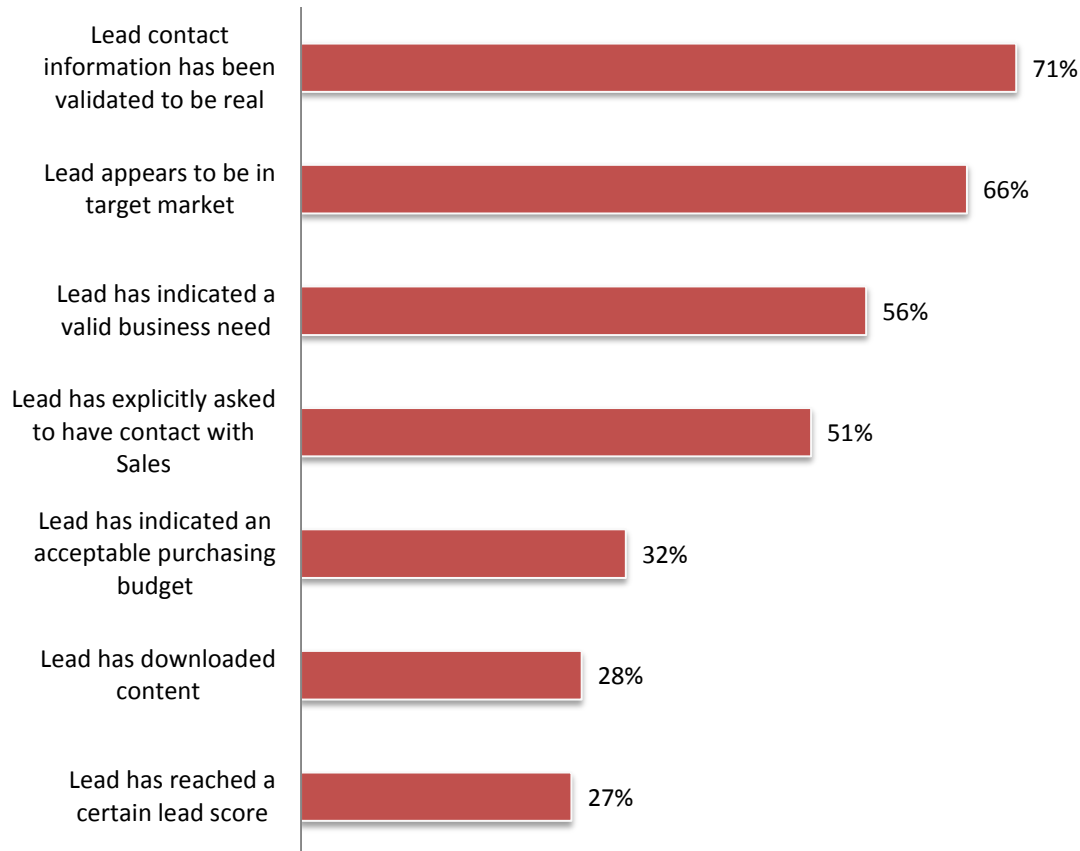
Modern B2B buyers are empowered with the information available to them online, via search engines and social media sites. They have an increasing capacity to independently research purchasing decisions long before engaging with Sales. When they respond to one of your marketing campaigns or download content from your site, how do you know they are not still in the independent research phase, and are ready to engage with a salesperson? Unless you have lead qualification and scoring processes in place, it is virtually impossible to know. Engage Sales with leads too soon, before they want to speak with a salesperson, and you could potentially ruin these opportunities by making those leads feel pressured or aggressively sold.

It is important for us, as marketers, to adapt a customer-centric approach to messaging at all stages of the funnel, to achieve optimal revenues and lead generation RPO. Screening leads before they are delivered to Sales is an essential component to achieving this.

TOP LEAD QUALIFICATION CRITERIA

Q. What information or action is required before a lead is passed to Sales?

Chart: Requirements of sales-ready leads



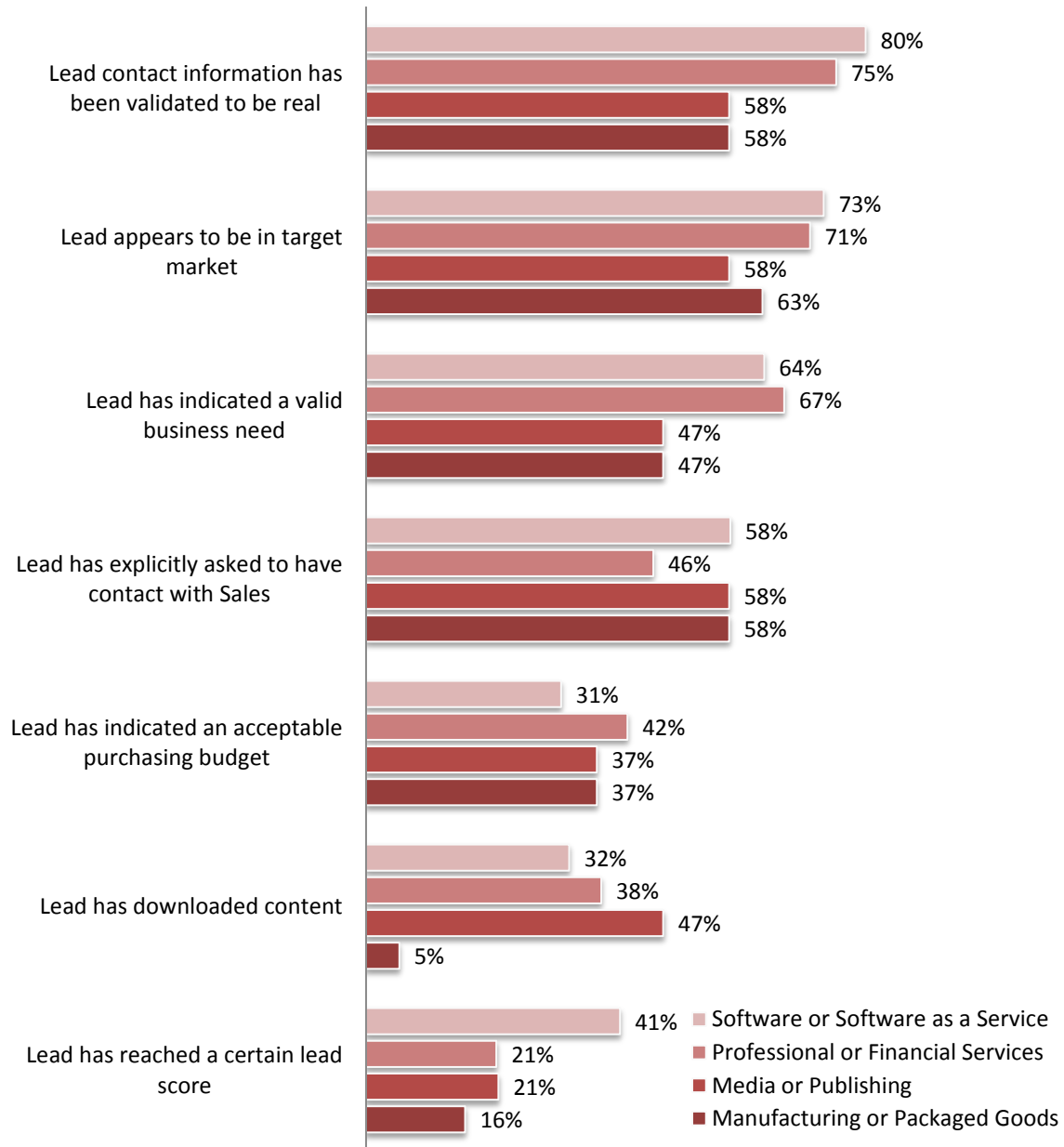
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We asked the 39 percent of organizations that indicated they screened leads before delivering them to Sales about the requirements they had in place before the leads were determined to be sales-ready. The results are shared in the above chart.

Overall, 71 percent of organizations that qualify leads indicated that they must validate lead contact information to be real before they send the lead to Sales. This is a very basic form of qualification, since a lead is not really a lead if Sales does not have a way of contacting them.

Little more than half of organizations that qualify leads indicated that the lead must show a valid business need for their product or service before they can pass that lead to Sales. This seems like a low response, since having a valid business need is a critical qualification standard.

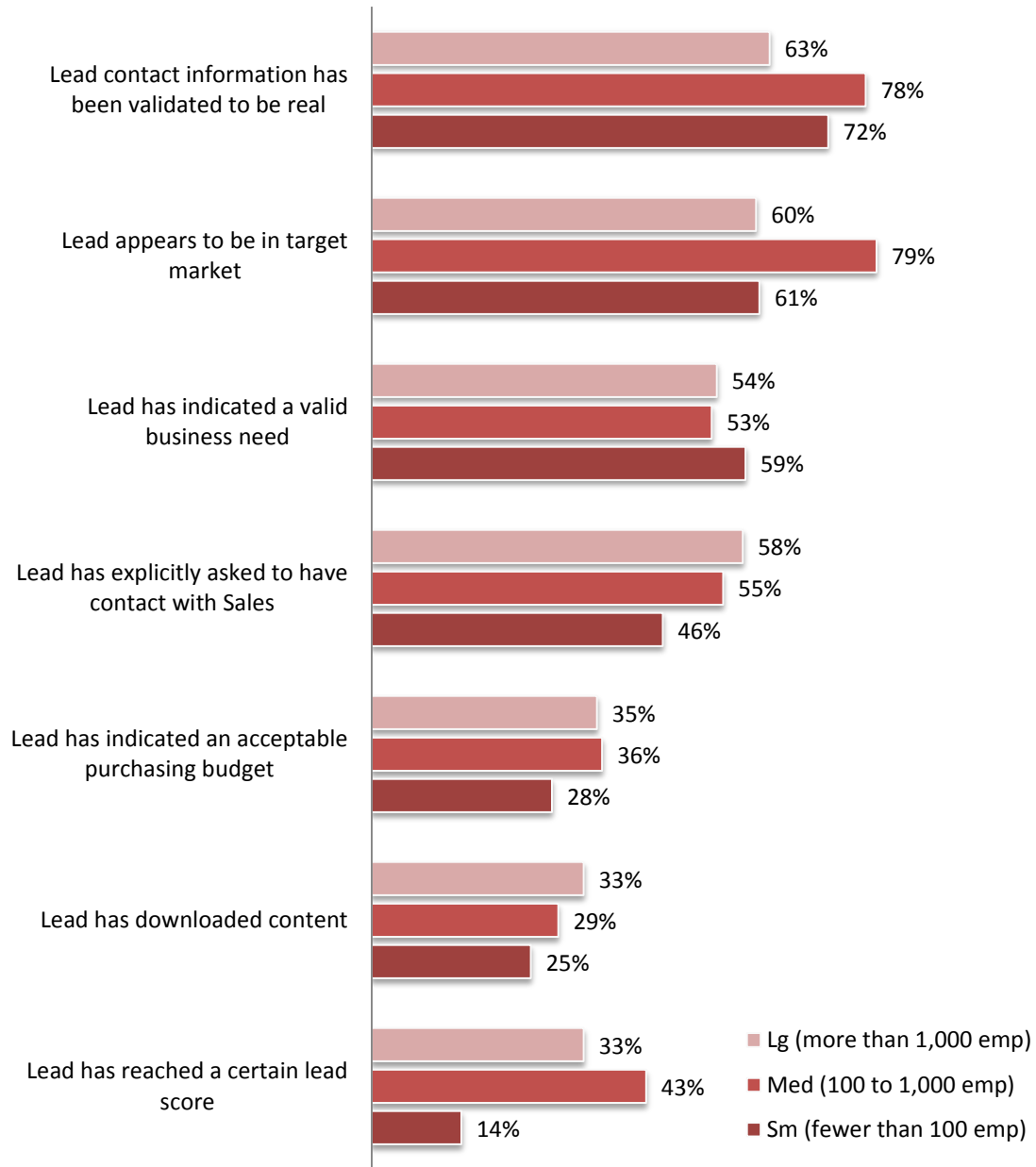
We are pleased to learn that 51 percent of organizations that qualify leads indicated that the lead must explicitly ask to have contact with Sales. If a lead has taken this action, and Marketing has not yet been able to attain a valid business need from that lead, this qualification criterion may very well supersede the preceding criteria.

Chart: Requirements of sales-ready leads by industry sector

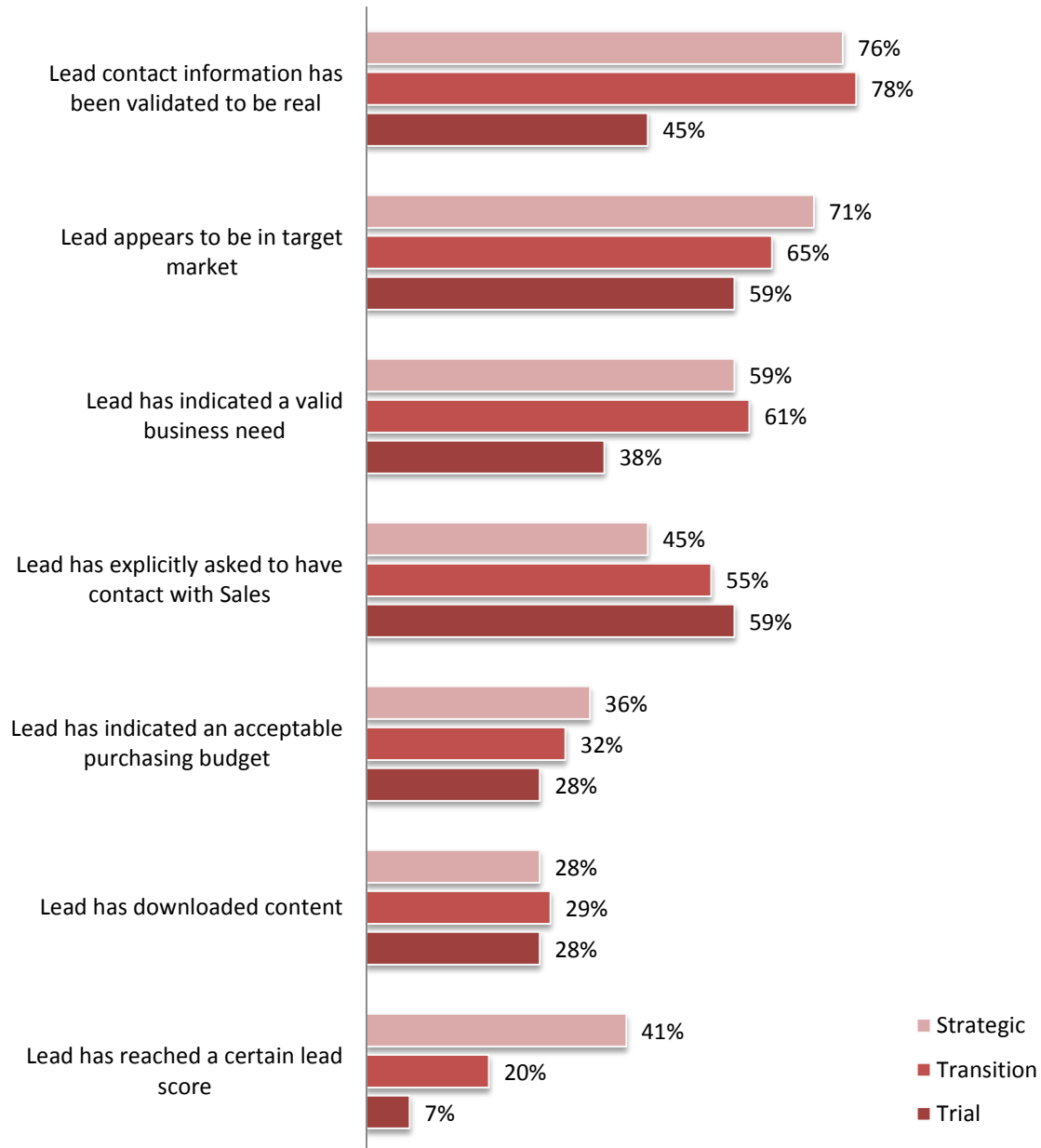
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations in the software or SaaS industry sector tend to have higher participation levels for a number of lead qualification criteria. These organizations typically adhere to a number of criteria that leads must meet to be qualified, such as budget, integration capabilities, interest in feature sets, etc. The need for more specificity in the criteria of qualified leads would lead organizations in the software sector to have more sophisticated qualification processes in place.

Chart: Requirements of sales-ready leads by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Requirements of sales-ready leads by lead qualification maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

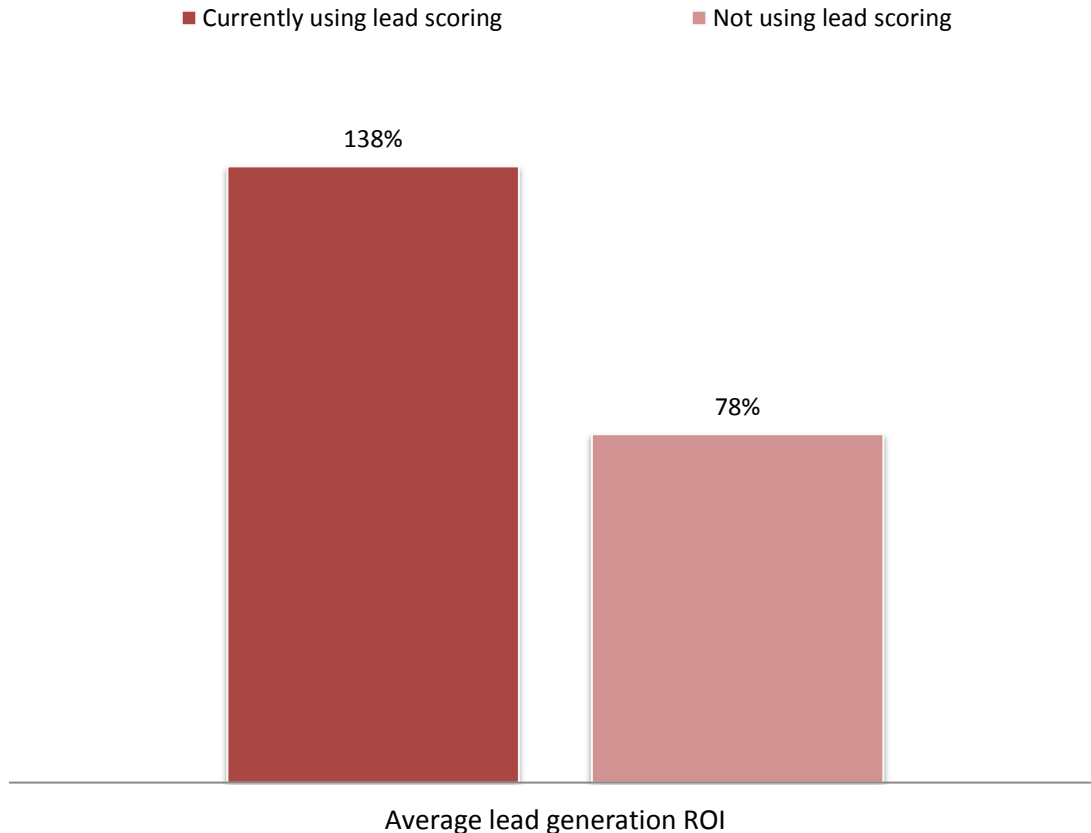
The best practice in lead qualification is also the least commonly used: the requirement that a lead reaches a certain score based on demographics and behaviors. This practice provides the most accurate identification of a sales-ready lead. It's not surprising that organizations in the Strategic phase of lead qualification maturity are most likely to execute this best practice, and organizations in the Trial phase are the least likely.

LEAD SCORING

LEAD SCORING MATURITY DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by use of lead scoring



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

Once organizations establish lead qualification practices and define the criteria for a qualified, sales-ready lead, they need lead scoring methodologies to accurately and precisely identify qualified leads. Lead scoring is the process of adding and subtracting points to a lead's value over time based on various lead attributes or demographics, and behaviors.

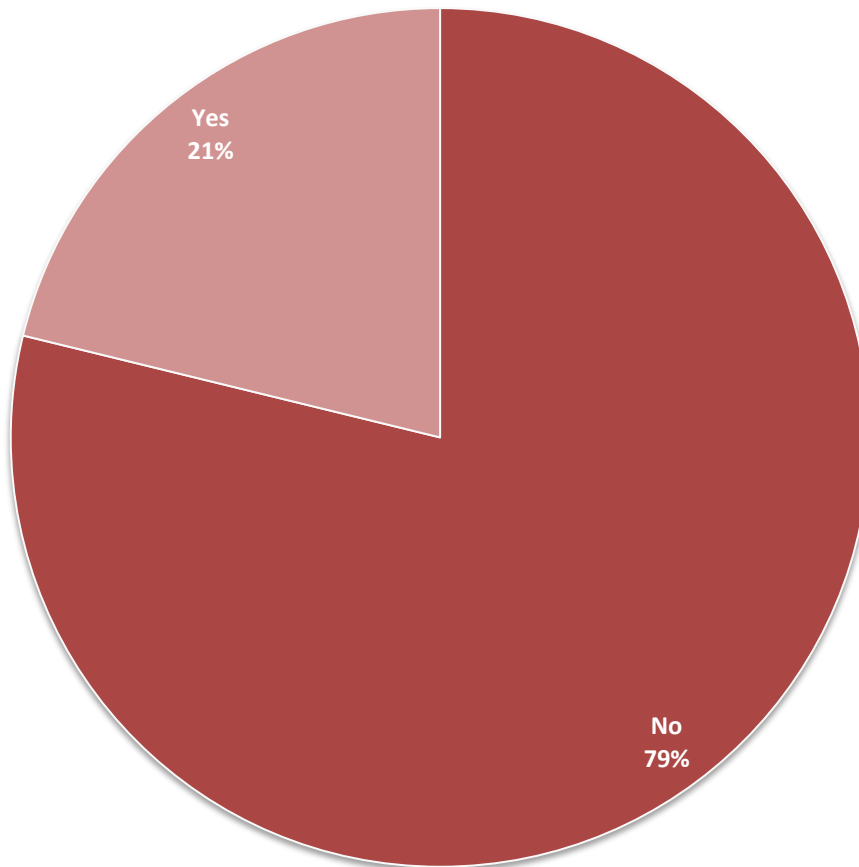
Lead scoring is one essential component of an overall funnel optimization strategy; however, the above chart analyzes one of the key benefits of only implementing this one feature. On average, organizations that currently use lead scoring experience a 77 percent lift in lead generation ROI, over organizations that do not currently use lead scoring.

The importance of this chart lies in the variance of lead generation ROI between organizations that currently use lead scoring and those that do not, rather than the actual figures of lead generation ROI themselves. If you are looking to benchmark your performance in lead generation ROI, refer to Chapter 2, which includes lead generation ROI for all respondents as well as various breakouts.

USE OF LEAD SCORING

Q. Do you have a lead scoring campaign in place?

Chart: Majority of B2B marketers have not established lead scoring campaigns



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Much like lead qualification, in the above chart, we learn that the majority of organizations are not currently using lead scoring.

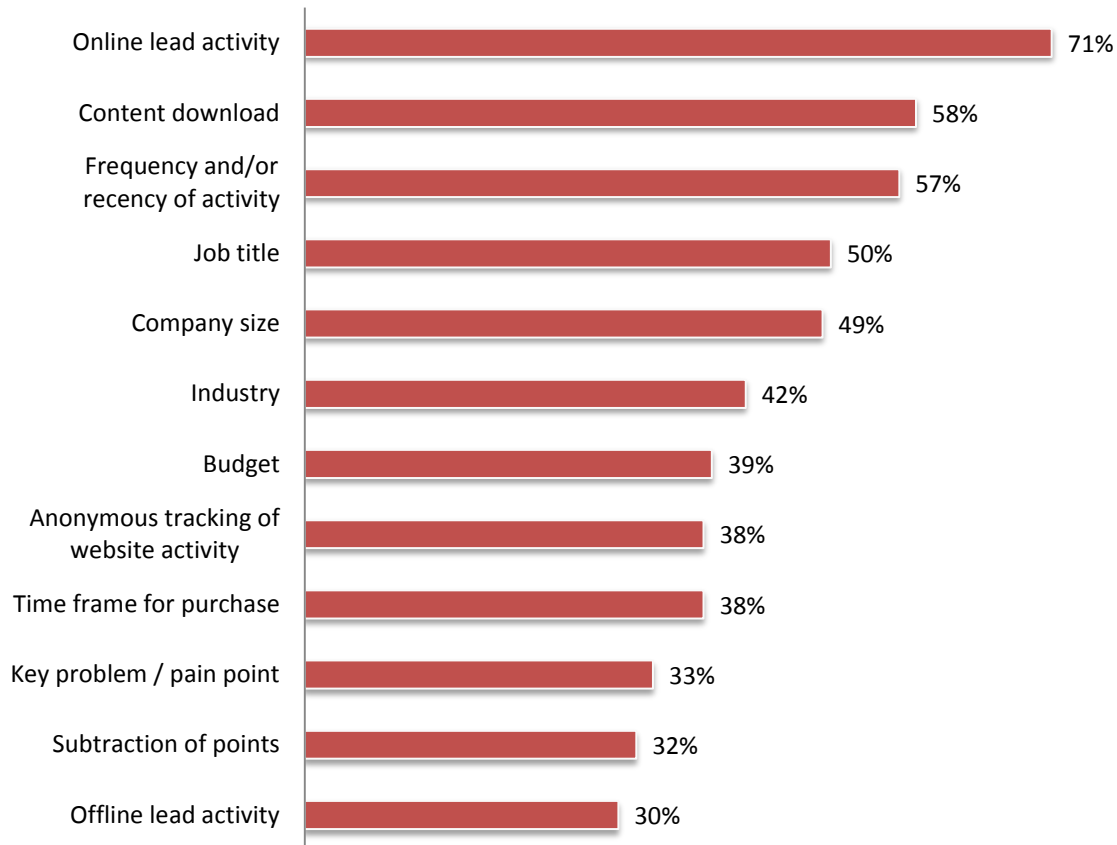
Organizations that have not yet established lead scoring campaigns face a number of challenges in getting started. Marketers must act as leaders within the organization, gain support and influence change throughout the organization. Once marketers gain buy-in, they face a significant time period needed to test and optimize lead scoring campaigns until they can use them to consistently and precisely identify qualified, sales-ready leads.

Throughout this report, we have recognized a trend that exists in the market, where B2B organizations are not gaining maturity, or practicing funnel optimization strategies such as lead qualification and scoring. This presents a great opportunity to B2B marketers to get ahead, become true contributors to the success of their organizations, leaders in their industry, and champions over the competition.

TOP LEAD SCORING CRITERIA

Q. What criteria are considered in your lead scoring campaign?

Chart: Top criteria for lead scoring campaigns based on lead actions

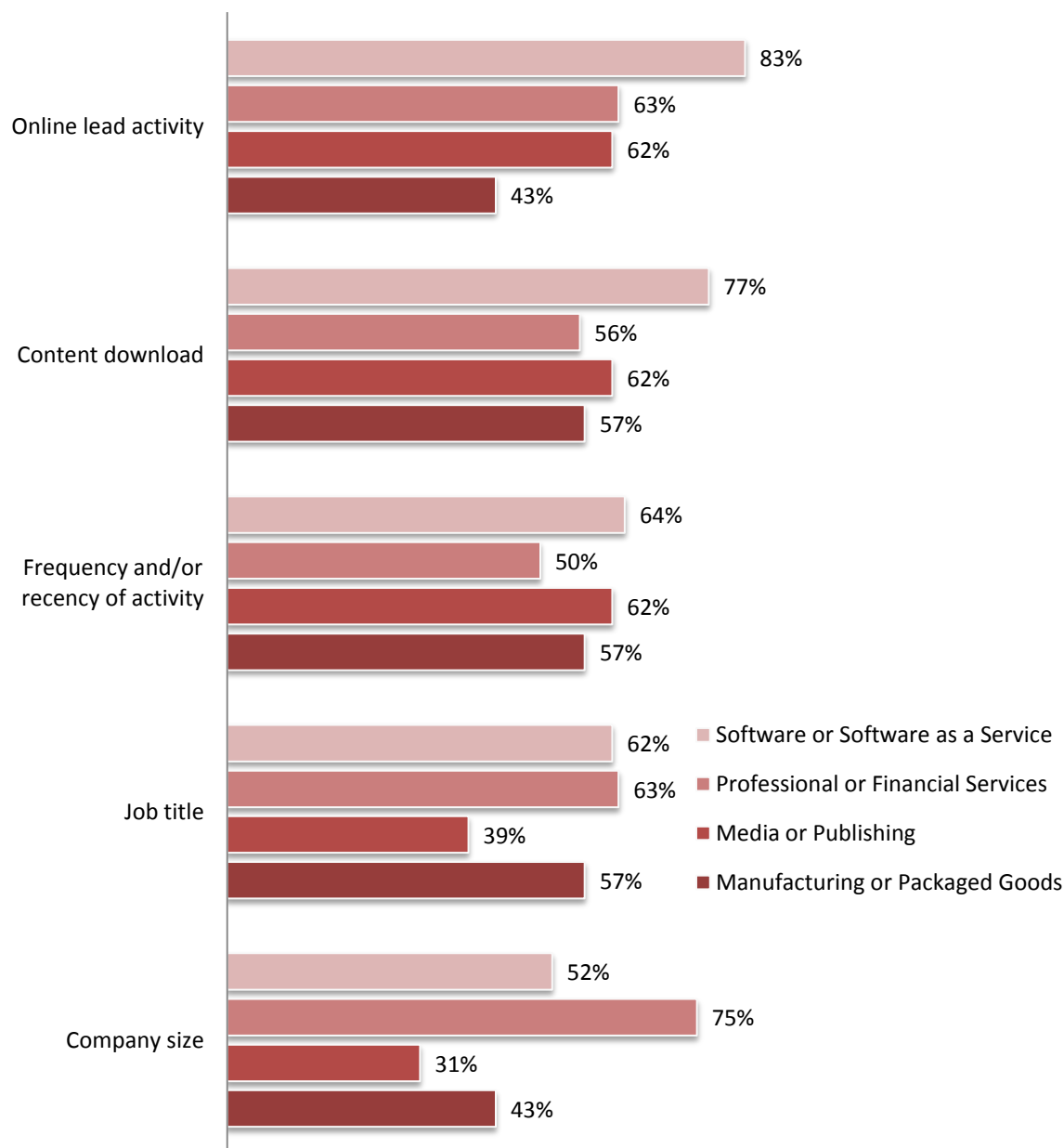


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We asked the 21 percent of organizations that indicated they currently had lead scoring in place about the criteria they include in their calculations. The three most-commonly used criteria are lead behaviors, which are excellent indications of interest and engagement.

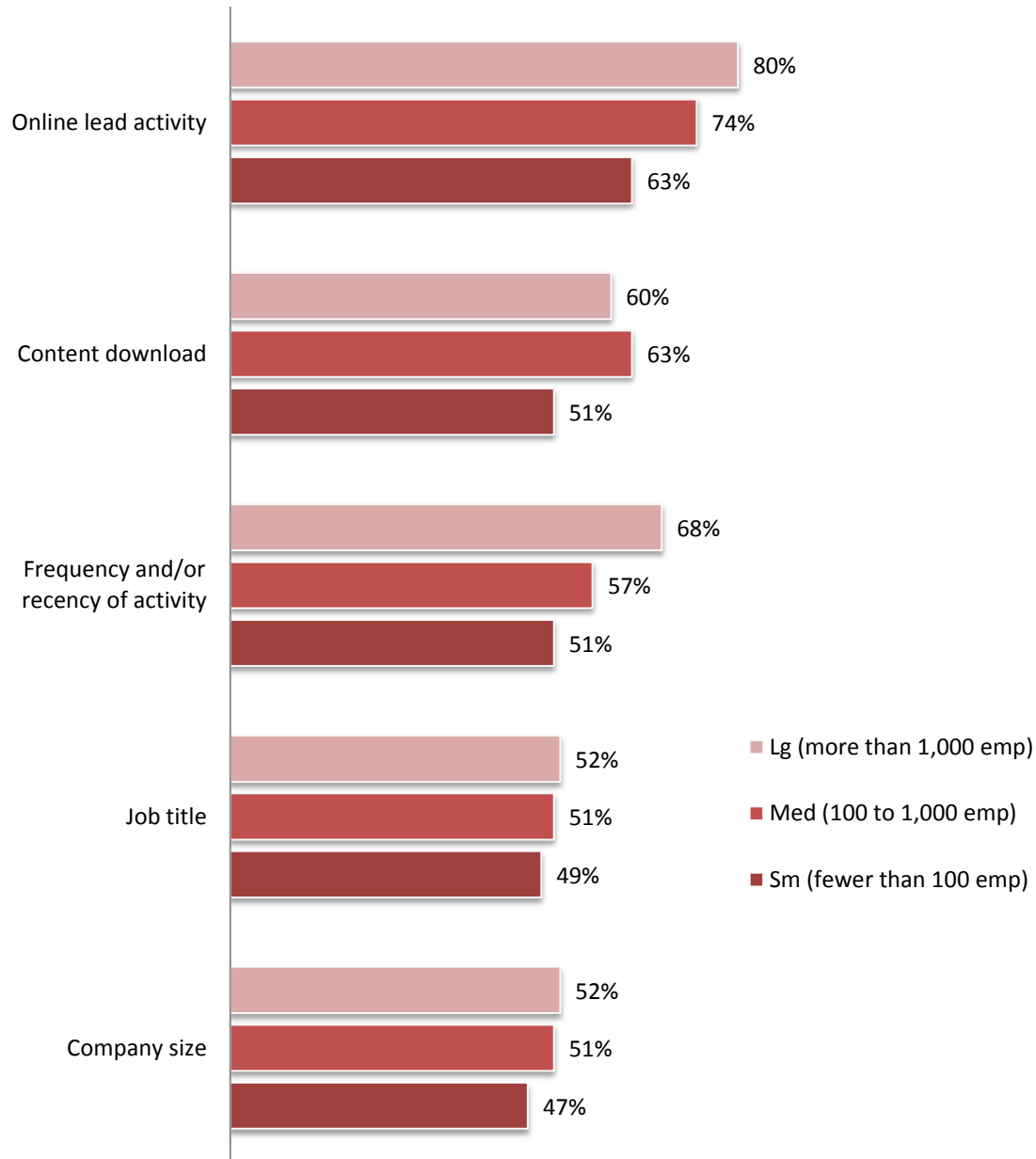
It is important for organizations to use both lead demographics and behaviors in lead scoring campaigns to accurately identify qualified, sales-ready leads. Organizations are limited as to how much demographic information they can collect from leads on their landing pages, but the volume of activity organizations can track is limitless.

Only about a third of organizations using lead scoring indicated that they consider a subtraction of points in their lead scoring campaigns. This is a critical component for any successful lead scoring campaign. For example, if a lead unsubscribed from your email list, or has not had any activity on your site for the last 60 days, these are indications that that lead lacks engagement, interest and overall quality.

Chart: Top 5 lead scoring criteria by industry sector

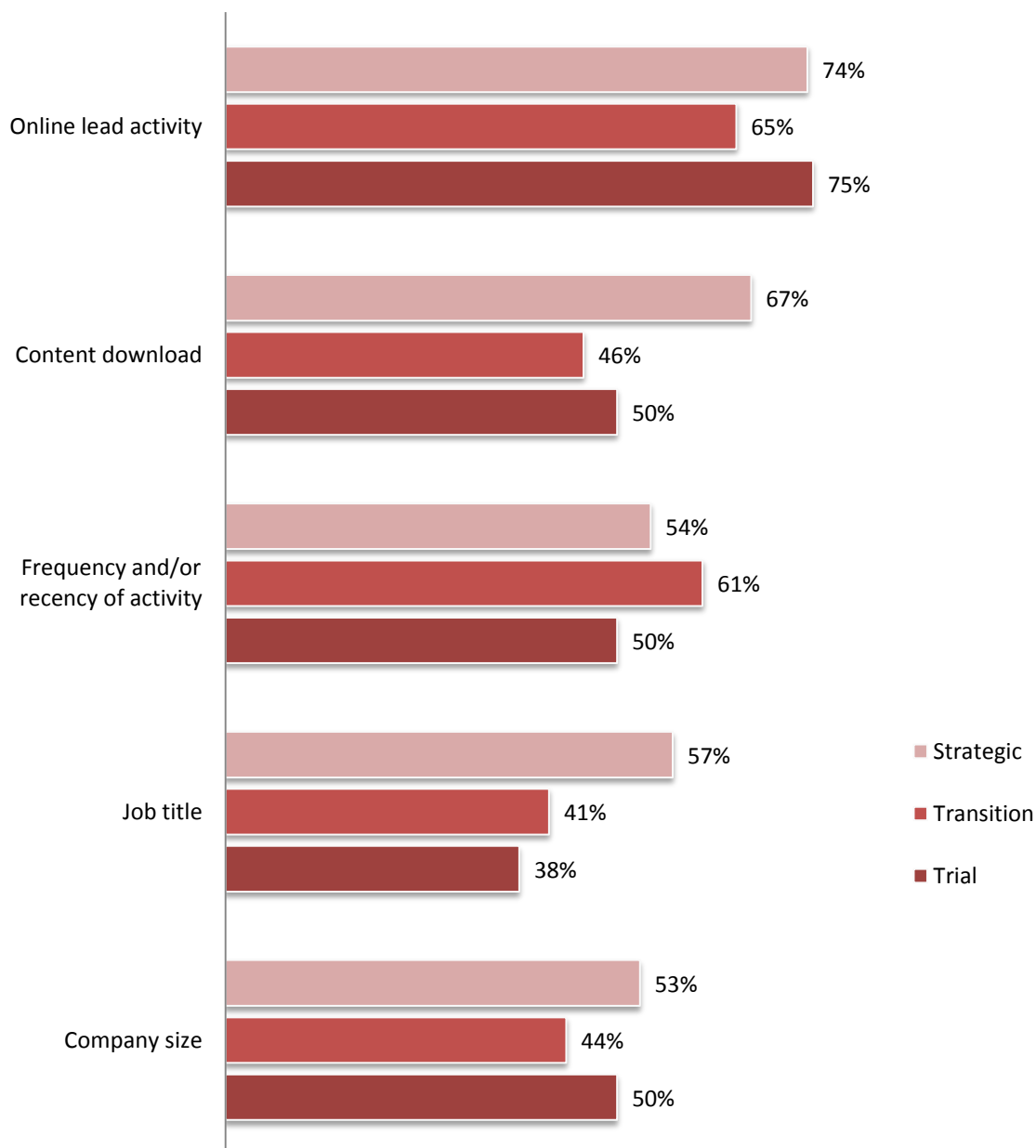
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations in the software or SaaS industry sector tend to have higher participation levels for a number of lead scoring criteria. Earlier, when we analyzed requirements of sales-ready leads by industry sector, we learned that these organizations also tended to have greater participation levels for a number of lead qualification criteria. Since these organizations typically have specific criteria that leads need to meet before they are qualified, such as an interest in particular feature sets, integration capabilities, etc., organizations in the software sector have a greater need for lead qualification and scoring.

Chart: Top 5 lead scoring criteria by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Large organizations are most likely to include online lead activity, and frequency and / or recency of activity, as part of lead score calculations. To accurately track these behaviors, organizations often turn to marketing automation solutions. Marketing automation varies in price, and can require substantial financial investments. As such, large organizations are better equipped to make such commitments.

Chart: Top 5 lead scoring criteria by lead scoring maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

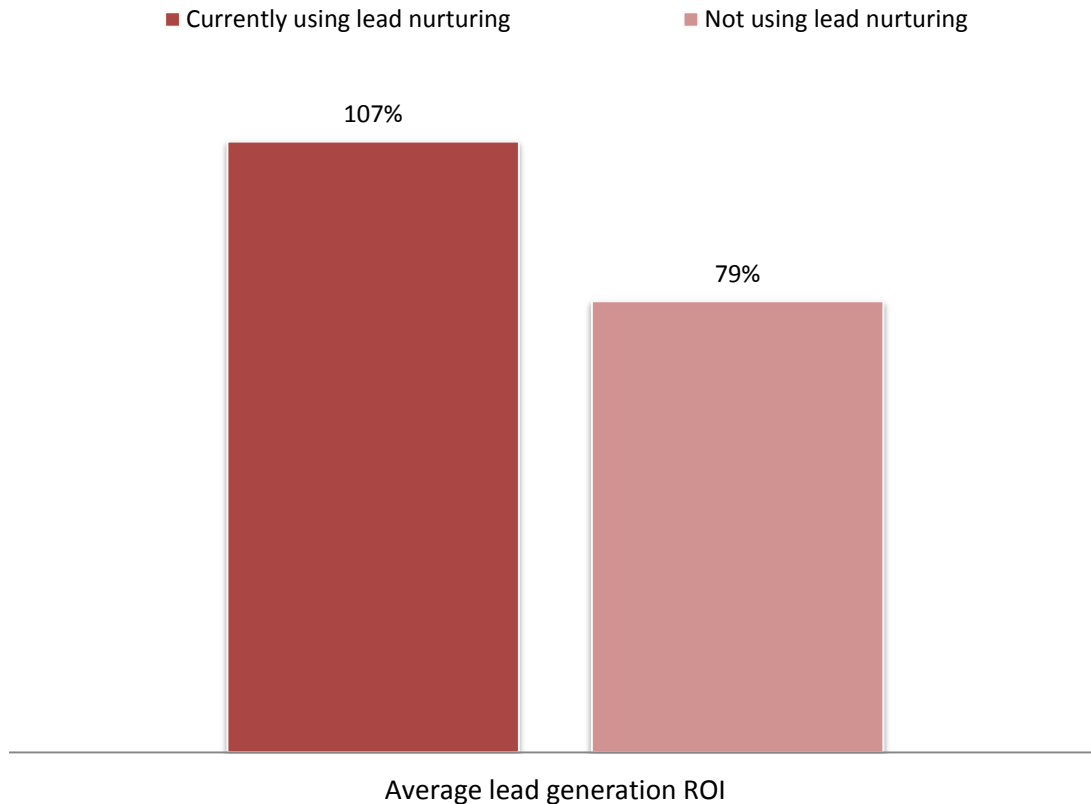
We have broken out the above chart by lead scoring maturity, or the sophistication of processes organizations have in place for lead scoring. Typically, when analyzing the performance of marketing maturities, organizations in the Trial phase have low levels of participation for various tactics. When it comes to lead scoring, organizations in the Trial phase of lead scoring maturity exhibit substantial participation levels. To execute lead scoring campaigns, organizations often adopt marketing automation solutions, and the above data is indicative of the robust training many of these solutions provide.

LEAD NURTURING

USE OF LEAD NURTURING DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by use of lead nurturing



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

Once organizations establish lead qualification and scoring practices, they are able to screen unqualified leads from Sales, and only deliver those leads that meet the criteria as sales-ready. Leads that meet sales-ready criteria upon conversion are sent directly to Sales, but what happens to the rest of the leads?

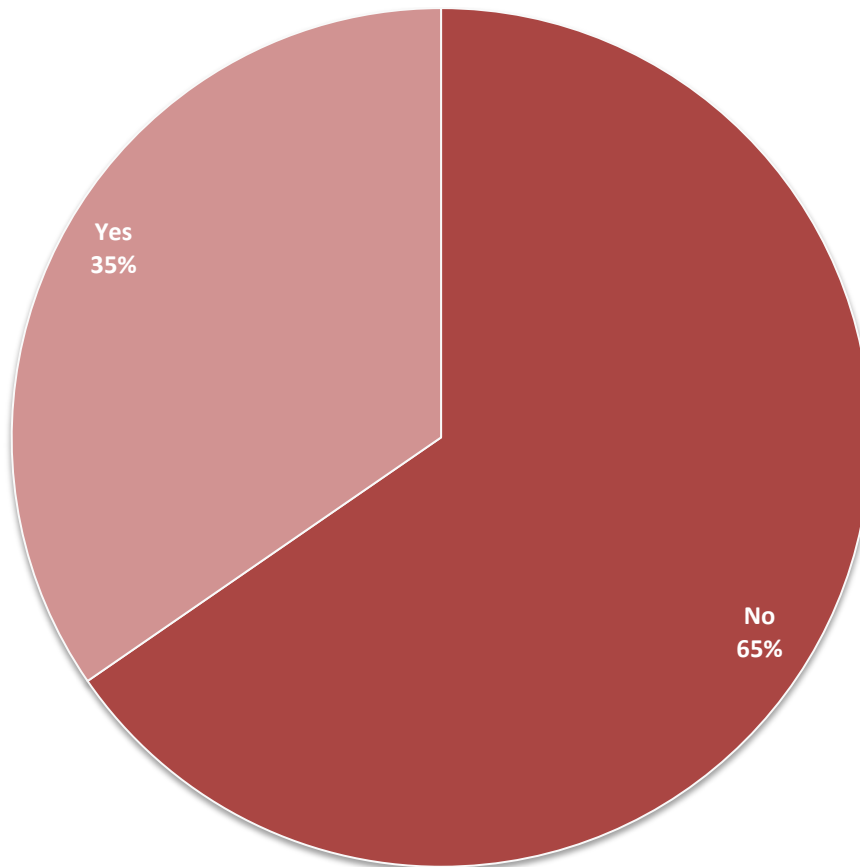
Lead nurturing is a process of establishing and nurturing relationships with prospects by delivering continuous, relevant, authentic and valuable communications. By executing lead nurturing, organizations are able to create qualified leads from their pool of non-sales-ready leads over time. Lead scoring campaigns flag nurtured leads once they meet the qualified criteria and are ready to be passed to Sales. On average, organizations that currently use lead nurturing experience a 79 percent lift in lead generation ROI, over organizations that do not use any nurturing.

The importance of this chart lies in the variance of lead generation ROI between organizations that currently use lead nurturing and those that do not, rather than the actual figures of lead generation ROI themselves. If you are looking to benchmark your lead generation ROI performance, refer to Chapter 2, which includes lead generation ROI for all respondents, as well as various breakouts.

USE OF LEAD NURTURING

Q. Do you have lead nurturing campaigns in place?

Chart: Majority of B2B marketers have not established lead nurturing



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

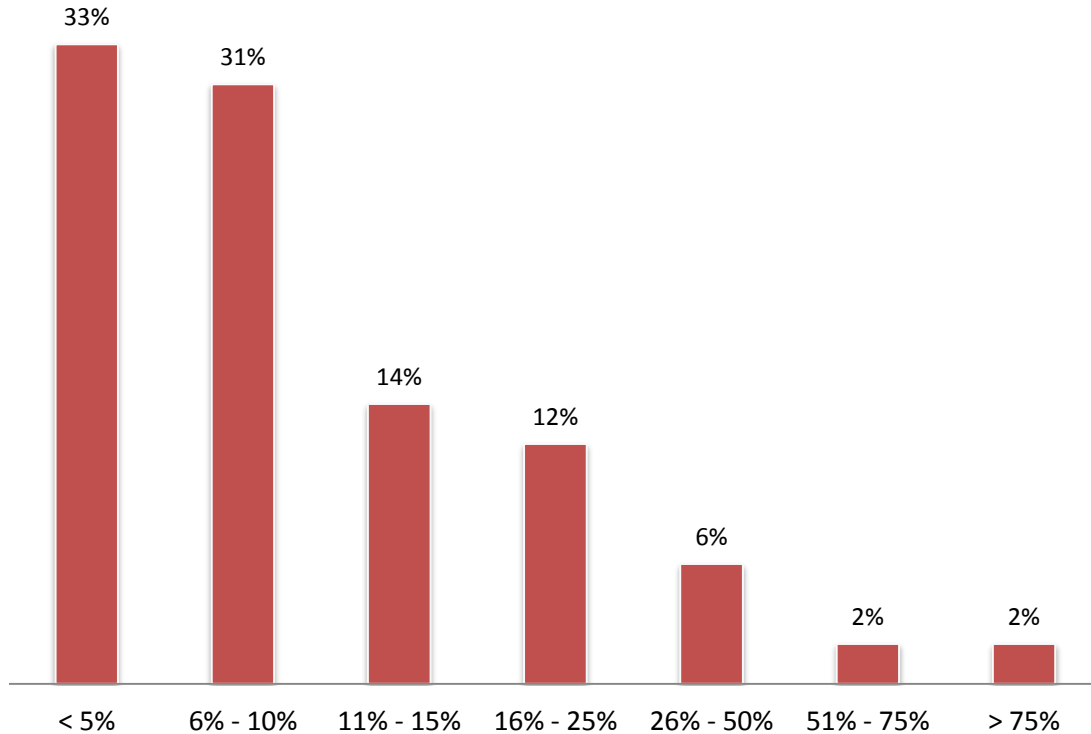
The trend of the majority not practicing funnel optimization strategies continues as we analyze the use of lead nurturing in the above chart. Approximately 65 percent of organizations have not yet established lead nurturing campaigns.

The most effective lead nurturing campaigns include segmentation to increase the relevance and value of content, and launching new lead nurturing campaigns requires significant resources to develop the necessary content assets. When organizations embark on new nurturing campaigns, they see an overwhelming number of possibilities for lead nurturing tracks and touches, and are inundated by the amount of work set ahead of them. All organizations that have established successful nurturing campaigns have found themselves in this stage, at one point or another. But, it is important to launch what you have for nurturing sooner rather than later, and then expand segmentation and content over time.

CONVERSION OF NURTURED TO QUALIFIED LEADS

Q. Approximately what percentage of your lead nurturing database converts to qualified, sales-ready leads per month?

Chart: Percent of sales-ready leads generated from nurturing per month



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

When we asked survey participants who indicated that they already had lead nurturing campaigns in place what percent of sales-ready leads they generated from lead nurturing per month, a significant percentage (42 percent) indicated that they did not know. For those that did know, approximately two-thirds indicated a rate of less than 15 percent. The most significant response levels were in the categories of less than five percent, and six to 10 percent.

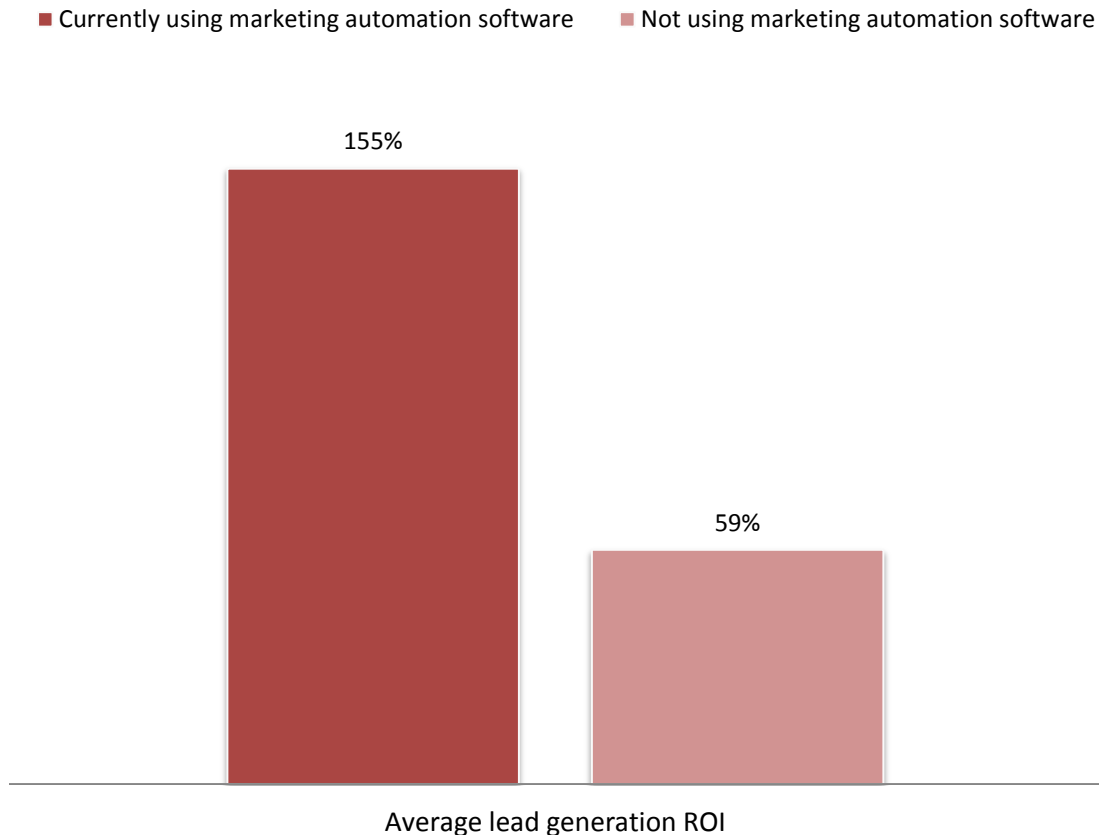
The conversion of nurtured to qualified leads is an important metric to track to evaluate the effectiveness of lead nurturing campaigns and tests. Organizations should benchmark this key performance indicator for newly launched nurturing campaigns and track it over time.

MARKETING AUTOMATION

USE OF MARKETING AUTOMATION SOFTWARE DEMONSTRATES IMPROVED ROI

Q. What is the average return on investment (percent ROI) from your lead generation programs?

Chart: Average lead generation ROI by use of marketing automation



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=326 CMOs

The above chart analyzes one of the key benefits of using marketing automation: improved lead generation ROI. On average, organizations that currently use marketing automation software experience a 163 percent lift in lead generation ROI over organizations that do not.

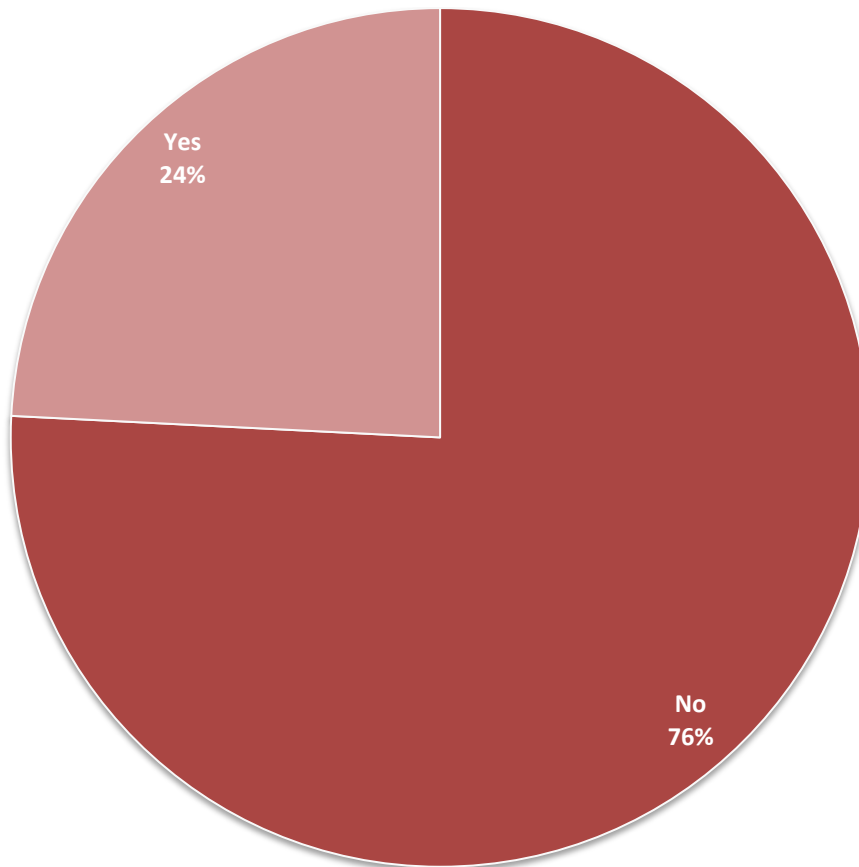
The term marketing automation refers to software solutions that support marketing processes in execution and measurement. They enable organizations to automatically score, nurture and manage leads, as well as evaluate performance of these activities. It is likely that organizations using marketing automation solutions have implemented multiple funnel optimization techniques, and the benefits of a comprehensive approach with automation are apparent in this chart.

The importance of this chart lies in the variance of lead generation ROI between organizations that currently use marketing automation and those that do not, rather than the actual figures of lead generation ROI. If you are looking to benchmark your performance in lead generation ROI, refer to Chapter 2, which includes lead generation ROI for all respondents as well as various breakouts.

USE OF MARKETING AUTOMATION SOFTWARE

Q. Do you use a marketing automation software solution such as Marketo, Genius, Eloqua or Pardot?

Chart: Majority of B2B marketers are not using automation yet



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

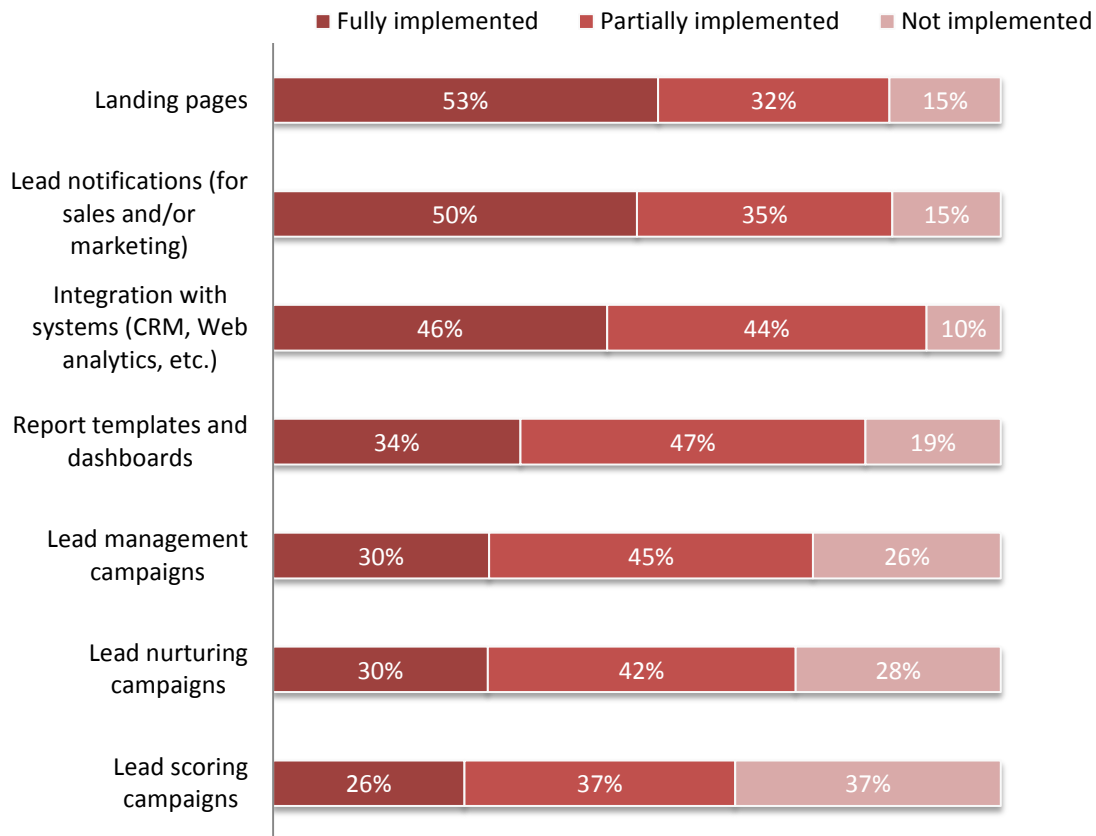
Despite the potential benefits of using marketing automation, two-thirds of survey respondents indicated they are not currently using a specified marketing automation tool. Since the majority of respondents also indicated that they had not established lead qualification, scoring and nurturing campaigns, it is not surprising for the trend to continue in our analysis of marketing automation use.

To select, purchase and begin implementation of a marketing automation solution, marketers must accomplish a number of steps. They must receive budget approval before purchasing a marketing automation solution. Marketers must justify their investment, and consider integration with current systems. Marketers also need to determine timeframe for implementation to set expectations, identify in-house resources, evaluate feature sets, and support options.

IMPLEMENTATION MARKETING AUTOMATION SOFTWARE FEATURES

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

Chart: The implementation of marketing automation software



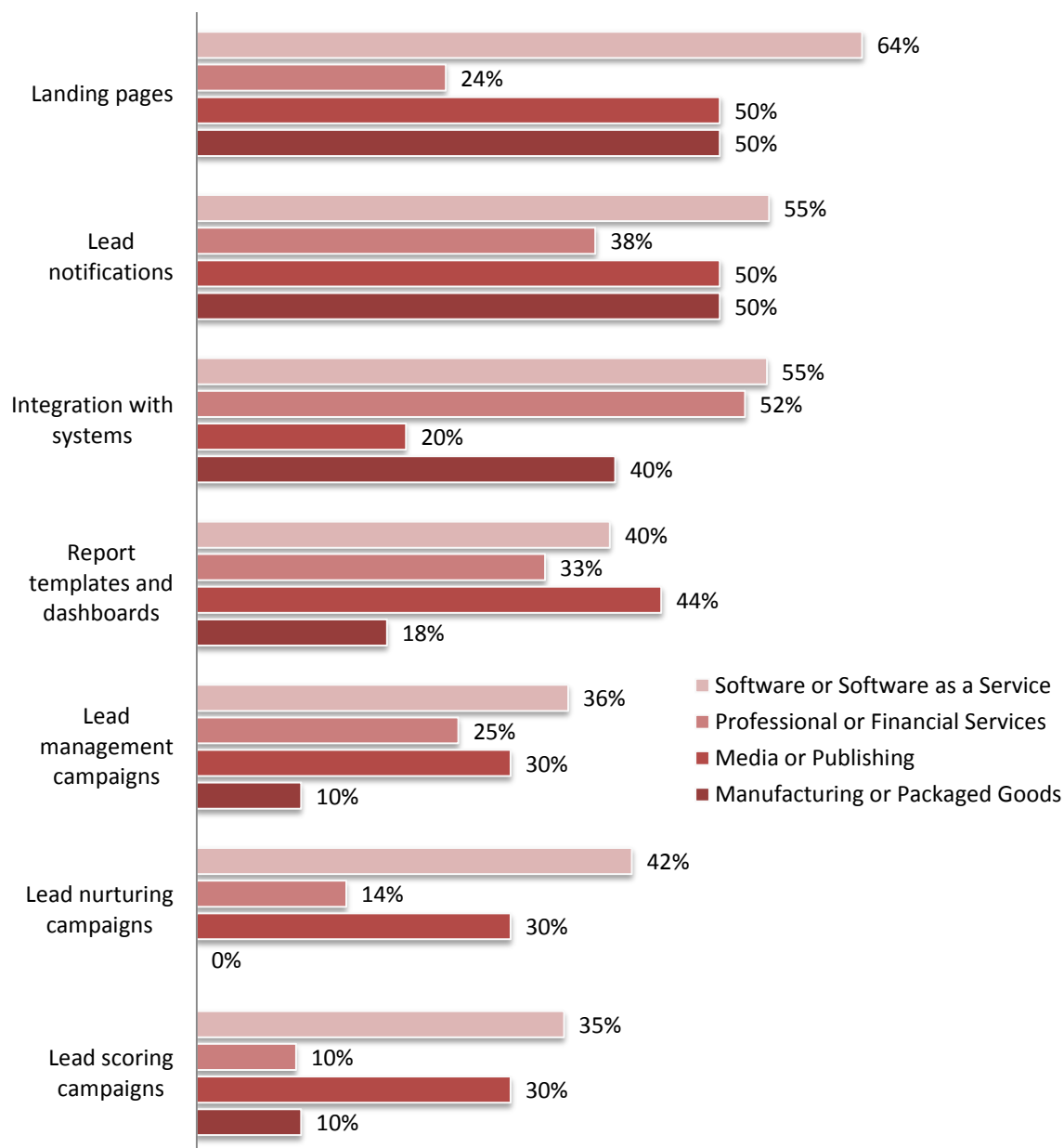
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

We asked the 24 percent of respondents who indicated they currently use a dedicated marketing automation solution how far along they were in their implementation process. The results indicate that many respondents have a long way to go to complete their implementation process.

No more than 53 percent of respondents indicated that they had implemented core functions, such as the setup of landing pages and integration with systems. These functions play important roles in the effective use of marketing automation software solutions.

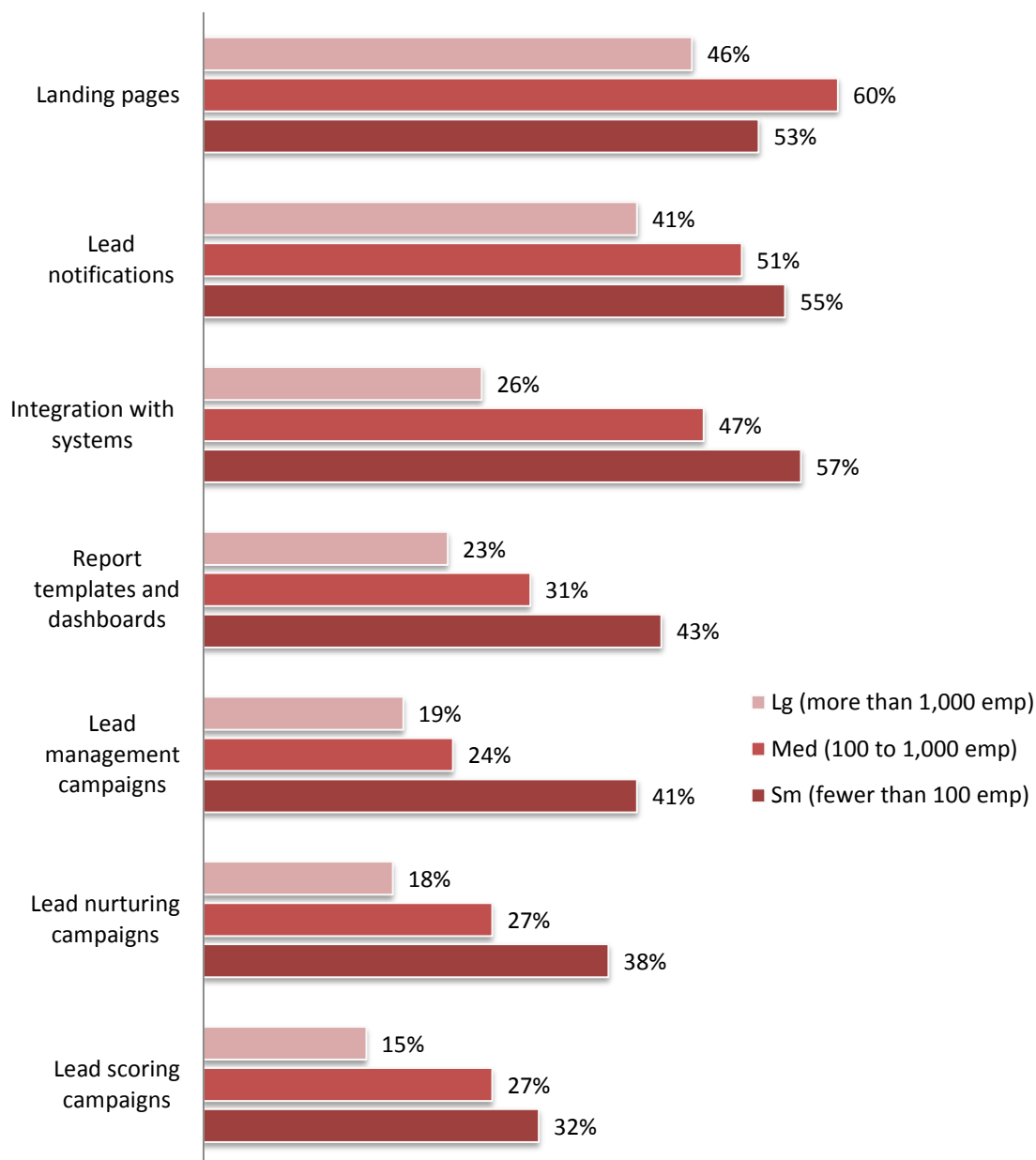
It is reasonable for organizations to be behind in their implementation of lead scoring and nurturing campaigns, as this likely results from the nature of these automated marketing processes. A marketer's work is never truly complete in these areas. Marketers need to continually test the accuracy of lead scoring campaigns, and adjust them over time. Lead nurturing requires a significant amount of content, which is typically added over time, as well.

Chart: Fully implemented automation campaigns by industry sector



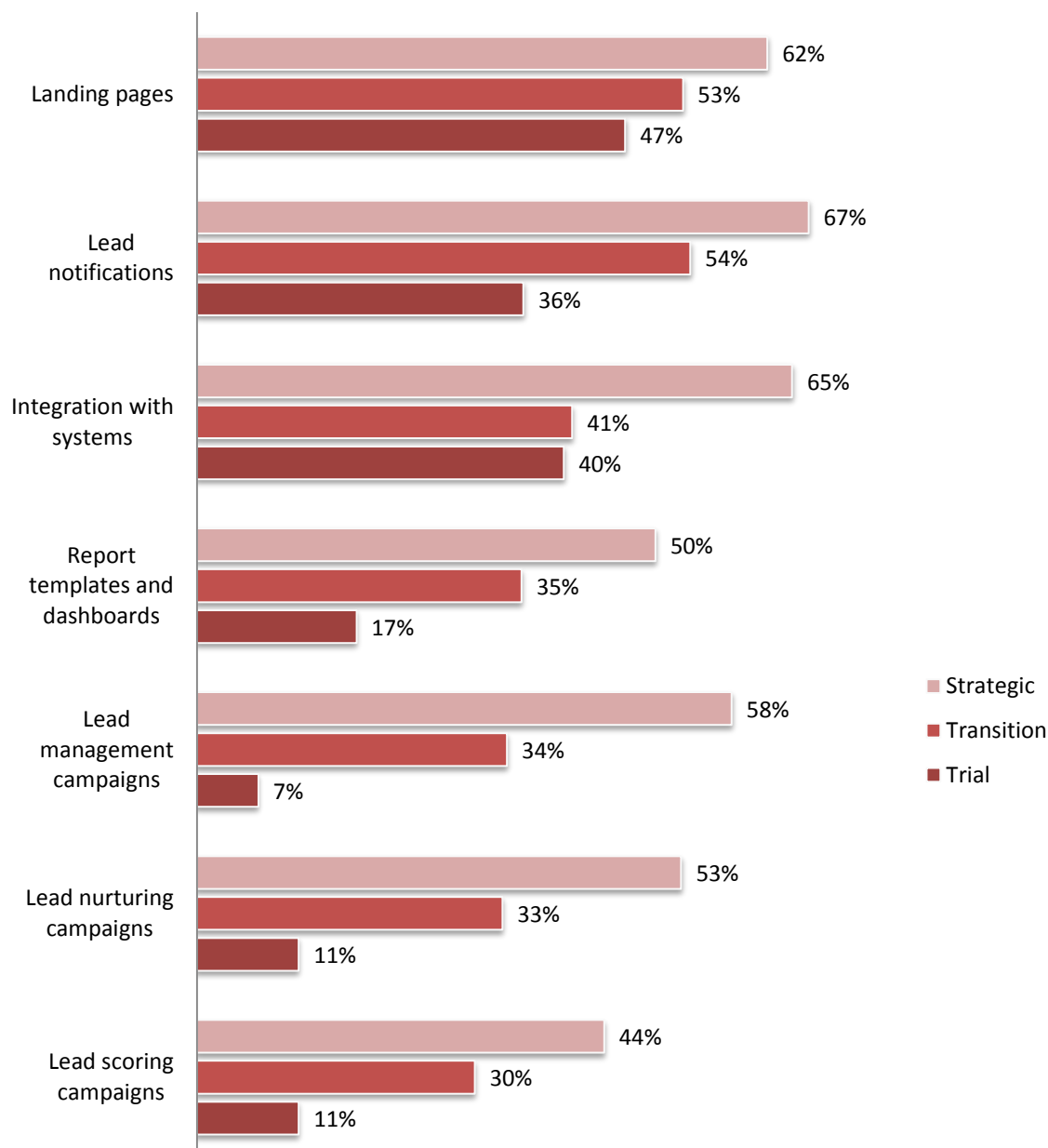
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Fully implemented automation campaigns by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

The tendency of high response levels for small organizations indicating that they have implemented various marketing automation features and campaigns is a testament to these organizations' ability to act quickly and adapt to new best practices.

Chart: Fully implemented automation campaigns by funnel optimization maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

It is expected that organizations in the Strategic phase of funnel optimization maturity would be the most likely to have various marketing automation features and campaigns set up, and that organizations in the Trial phase would be the least likely.

MARKETER INSIGHTS ON GREATEST FUNNEL OPTIMIZATION CHALLENGES

Q. Please briefly describe your greatest challenges you face after the point of lead conversion (lead qualification, scoring, nurturing, management, automation, etc.).

- We don't have adequate staffing to do much more than generate leads, qualify, and forward to reps. Many of our processes are manual, and our systems are relatively limited for most activities that do not directly generate or convert leads.
- Determining when to hand off the lead is probably the biggest question mark. Biggest challenge might simply be the lack of consistent systems — each unit in the company uses their own CRM system but we're expected to share leads, data, etc.
- Our challenges with leads surround qualification more than anything, in ways scoring can't always remedy. We frequently have leads who crave what we offer — so are everywhere in our brand/website/content — but are not qualified financially for what we offer. It makes us re-evaluate how we are marketing, that we get so many unqualified leads.
- Our greatest challenge has been lack of resources. As a small company, finding the time to implement a more automated lead scoring and nurturing program is a slow process. We have added multiple resources to better manage the process, but still need to "fill holes" in the sales funnel.
- Our biggest struggle is between the marketing automation tool and the CRM tool, getting those two to align properly so that data is shared throughout the entire year buying cycle, not just at the beginning.
- Our greatest challenges are tracking and following up on leads. We do not have an automation solution in place, and we cannot get buy-in to do that. The sales team does not try to track leads and often does not even contact the leads.
- We are a relatively new company and growing fairly quickly. I am the first person to do marketing for the company and Sales is struggling to set goals and organization as well. I am trying to learn all the best practices and relay them to real life.
- Lack of consistent touches via Web, social media, email, phone to existing prospects, leads or no sales which has created an expanding sales process length.
- Lead qualification (our products sell for up to \$700,000, so real qualification is difficult). Nurturing leads is difficult given the diversity of our customer base.
- It takes four to five people to approve a simple B2B sale in our business, so it takes lead+++ to actually make it. When buyers are universities/government, we have to deal with two different budgets and even more players. Example: A university might get a grant for equipment, but then they have to find money for operational expenses, so even more players get involved. Automation does not really help in this case, since organizations differ vastly in power structure, etc.

- Probably lead nurturing — leads are generated through Trial requests and the tendency is just to try and convert (to sell) rather than to gradually lead them through a journey/process.
- Having Sales management care about leads after they are delivered to the field and having our guys make them a priority versus calling on accounts that buy all the time. Lack of channel priority alignment.
- Lead qualification. Too much time is spent following up on leads that have low probability of becoming sales.
- Automation. I have talked with a few consultants, and I'm challenged to find an affordable resource for a small business that will help me integrate data on website traffic with Microsoft Dynamics.
- We are transitioning from an event-driven lead flow to a prospect-centric qualification and nurture program. We are simultaneously integrating a new MA tool, since our old tools could not support this transition.
- How to segment/characterize each lead and score. We are just starting an initiative to score by behavior (Web visits, email clicks, etc.), and adjust the hand-off time to sales. Database clean-up is also a challenge.
- Nurturing. We have made strides here but we can improve even more. Lead nurturing (non-automated) has been more difficult as we have seen lead quality go down. It is difficult to keep the Sales team motivated when lead quality is poor.
- We segment customers by priority into track a, b and c. Sales does a good job of nurturing track A and B prospects using templates we have developed. We need to develop similar automated systems for track C. Otherwise, we are actually quite good at converting leads to opportunities to sales.
- Creating a process for leads, getting our organization to understand we are "lead generators" and not just information pushers, and finding cost effective tools and resources we can use to create a lead gen and communication flow/process.
- Nurturing to maintain the lead — we have very long sales cycles. In our market the opportunity regularly disappears for reasons outside of our prospects control.
- We are a very small company, so we don't have extensive "rules" in place — mainly three people do all sales and marketing, and we utilize outside agencies for enhancing our advertising clients. Greatest challenge is getting everyone on the same page in terms of setting goals, rules, etc. I work with freewheeling entrepreneurs who pay less attention to the numbers than I would have hoped.

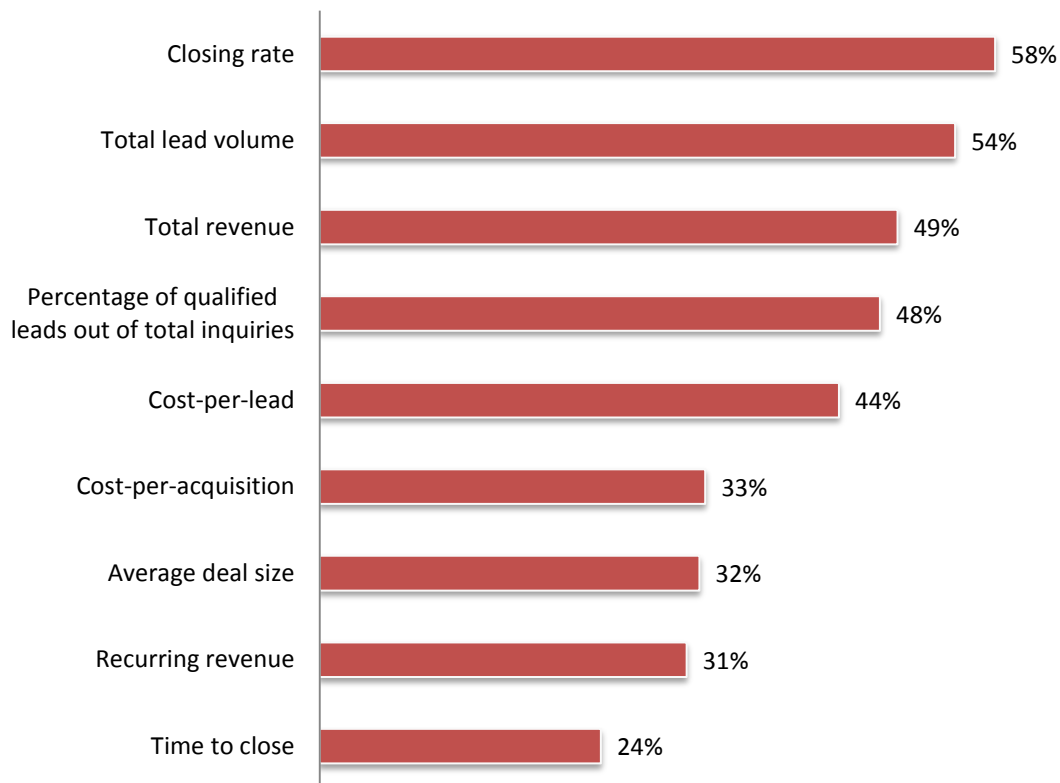
- Getting adequate / accurate feedback from Sales on lead quality and status. Difficult to take back and nurture leads that aren't moving forward in demand waterfall.
- Agreement with Sales about how to manage the various stages of the funnel, where handoffs should be, and how marketing automation can offload some of the work from them to move sales along faster once they get involved.
- This isn't a challenge — it's an opportunity. That old Nike tagline "Just do it" pretty much sums up the process — make the calls, send the emails, JUST DO IT. The tools work if you use them, but nothing works if you don't follow through.
- Understanding the digital body language so we can adjust and optimize the process. Gathering the information in a useful report so we can analyze the data from lead registration to lead closed. Information and reports are siloed by functional area email marketing metrics, lead database, campaign results instead of by revenue funnel or buyers conversion rate.
- It's always People, Process and then Technology. Despite having the technology in place, changing the process and getting the people on board is our biggest challenge.
- Qualifying partners and platforms for lead generation — we pay on CPA but need to know where to focus our energies. Need to automate — learn best practices and tools, some of our ideas tend to be antiquated.

CHAPTER 8: ENABLING CONTINUOUS IMPROVEMENT WITH MARKETING ANALYTICS

CRITICAL B2B MARKETING METRICS

Q. What metrics are the most critical to your marketing analysis to determine ROI and marketing's contribution to overall revenue?

Chart: Most critical marketing metrics in determining ROI and contribution

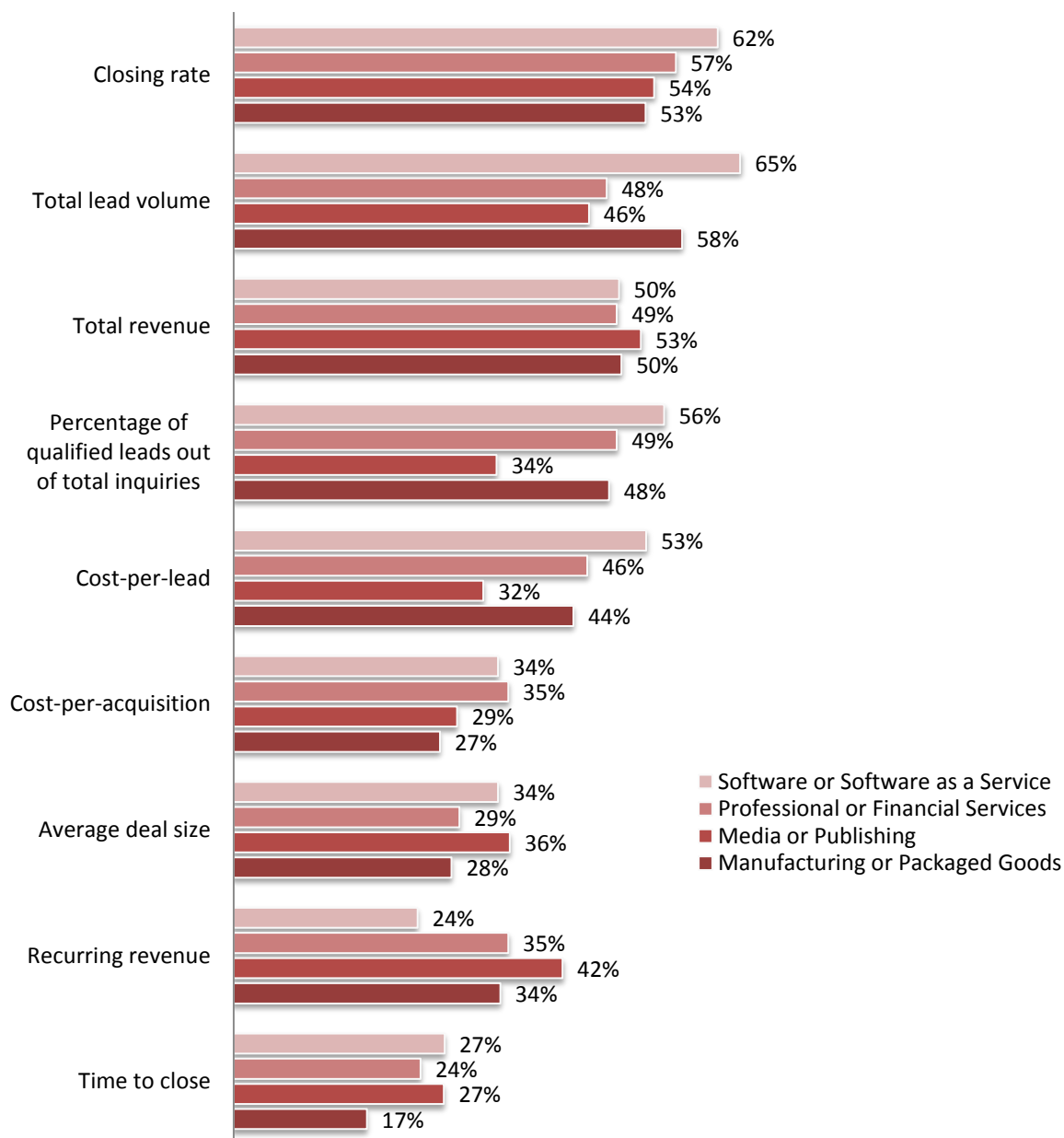


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

As marketers have a growing need to attribute ROI to campaigns and demonstrate their contribution to revenue, they must understand what metrics are most critical to measure and communicate internally. We asked survey respondents to indicate which metrics were the most critical to their analysis in determining marketing ROI and contribution to overall revenue, and we share the results in the above chart.

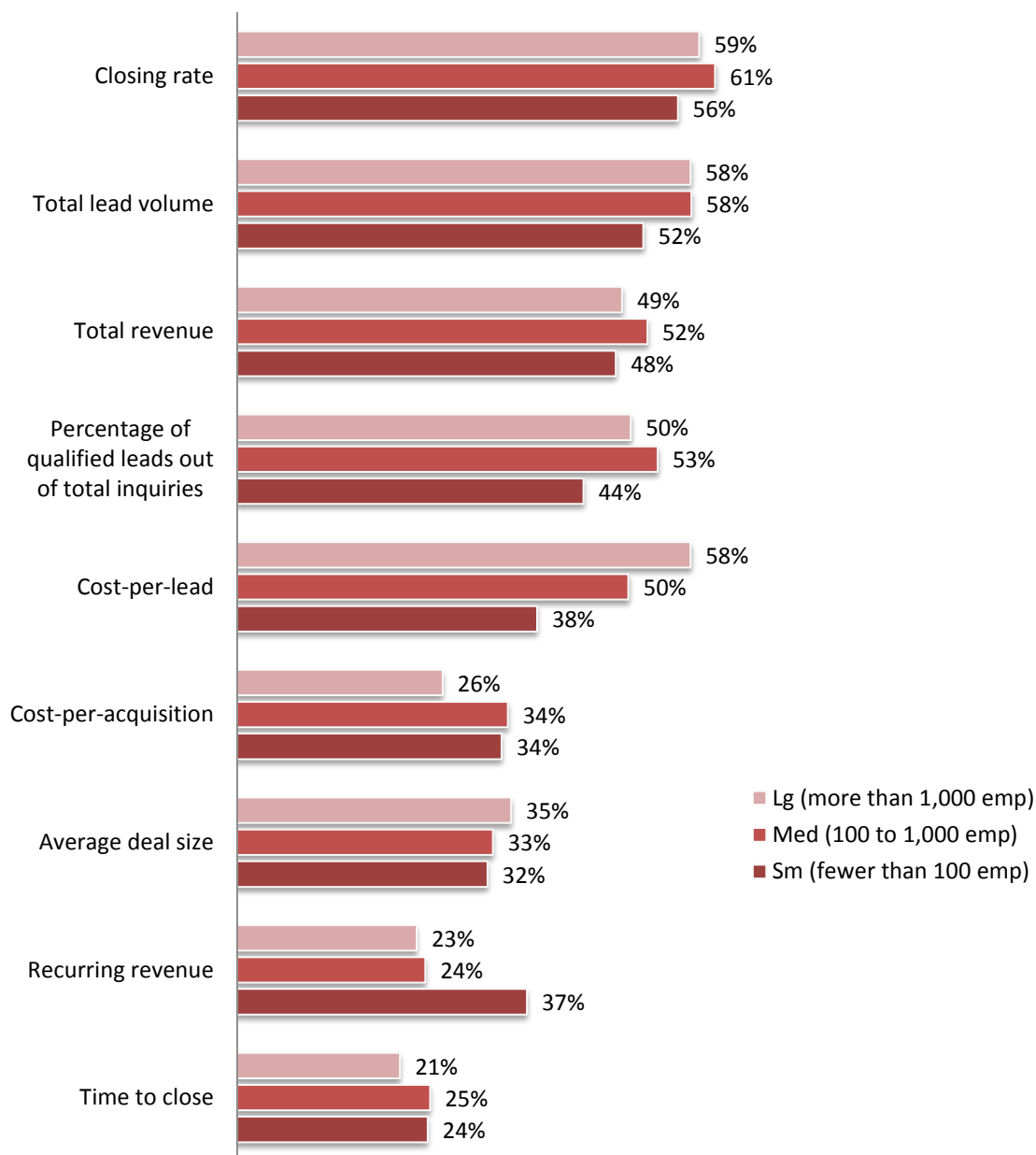
The top three critical metrics are closing rate, total lead volume and total revenue. However, not one of these metrics should be a measure of performance by itself. Marketers must consider multiple key metrics to gain an accurate vision of performance.

Chart: Most critical metrics by industry sector

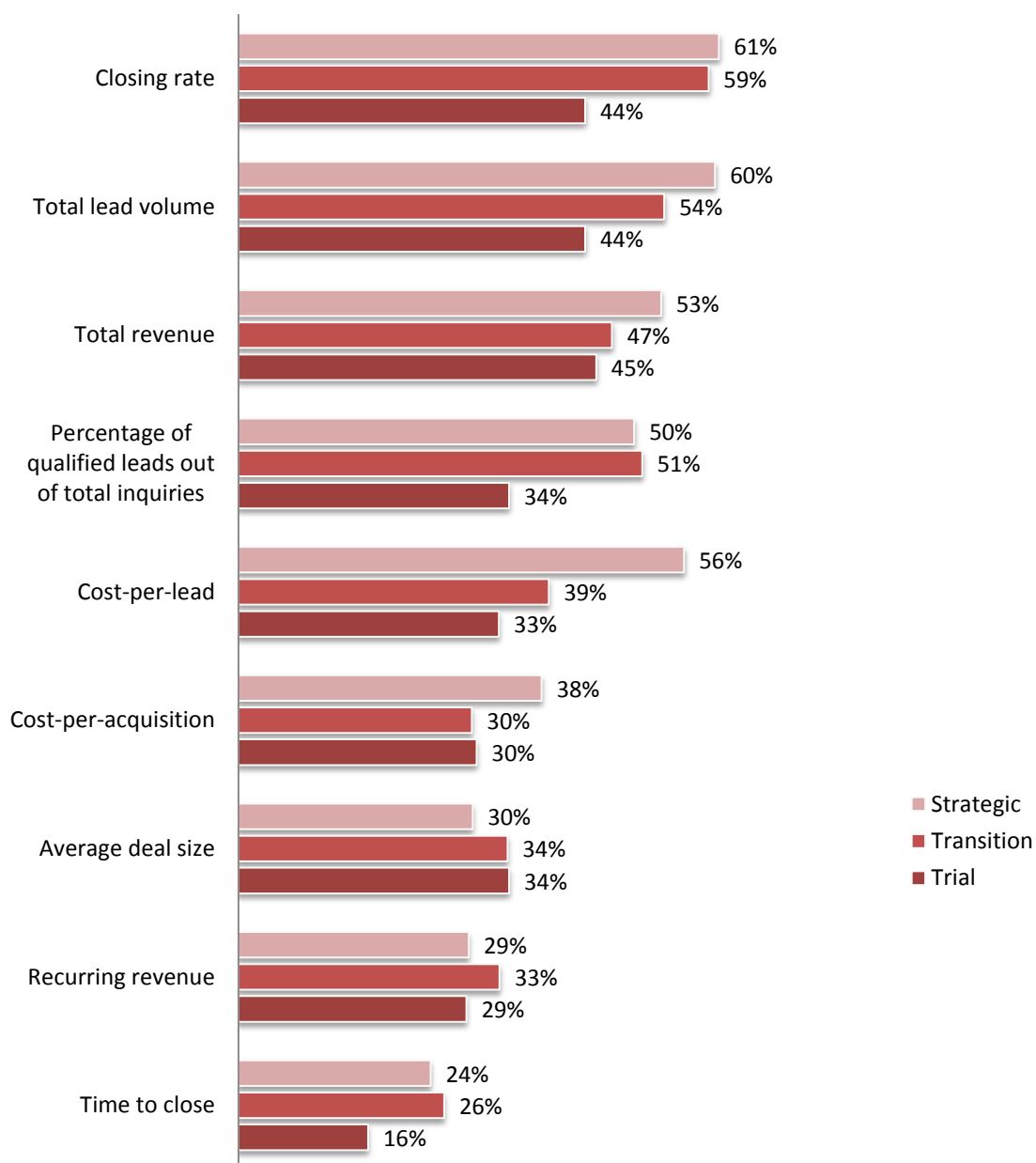


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Most critical metrics by organization size



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Most critical metrics by lead generation maturity

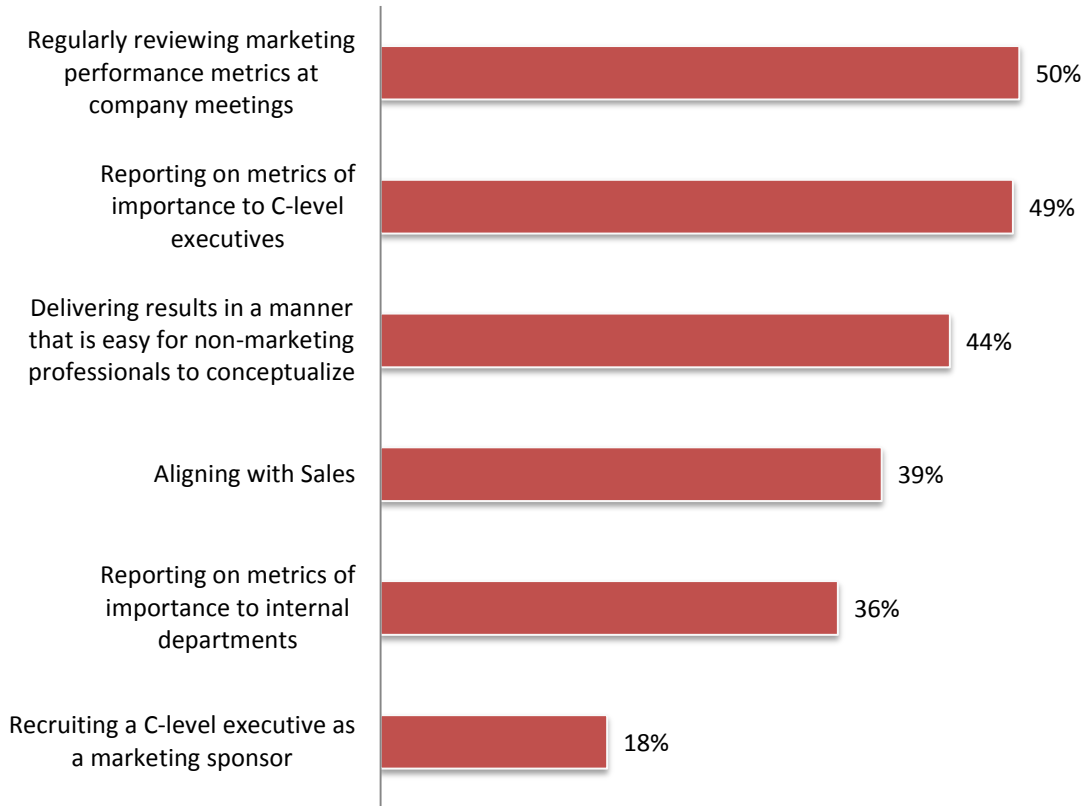
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Organizations in the Strategic phase of lead generation maturity had strong response levels for nearly all critical metrics, indicating a greater use of these metrics to determine ROI and marketing's contribution to overall revenue.

DELIVERING VALUE TO THE C-SUITE

Q. What have you found to be the best tactics for delivering value from marketing to Senior-Level Executives or the C-suite of your organization?

Chart: Best tactics in delivering marketing value to the C-suite

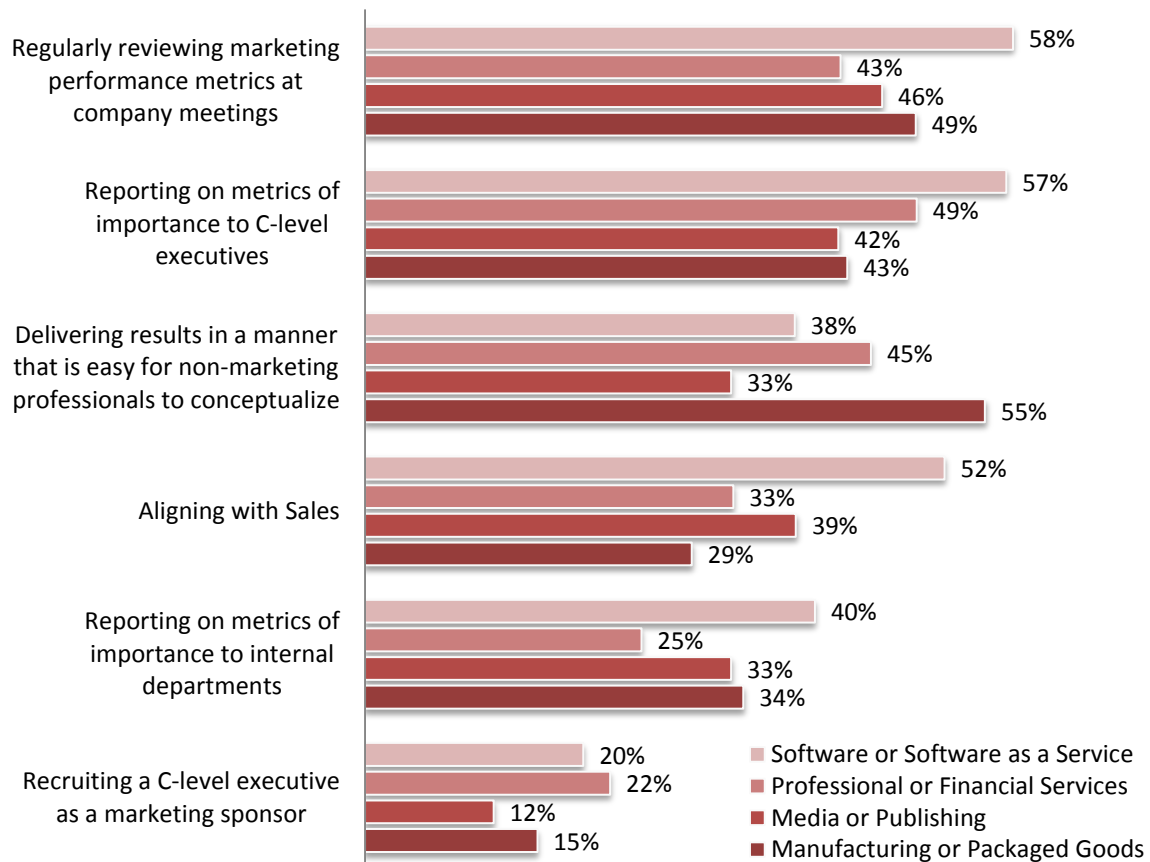


Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Once marketers determine marketing ROI and contribution to overall revenue, they need to deliver their results and marketing's value to the organization's C-suite, to gain approval for the resources they need to succeed.

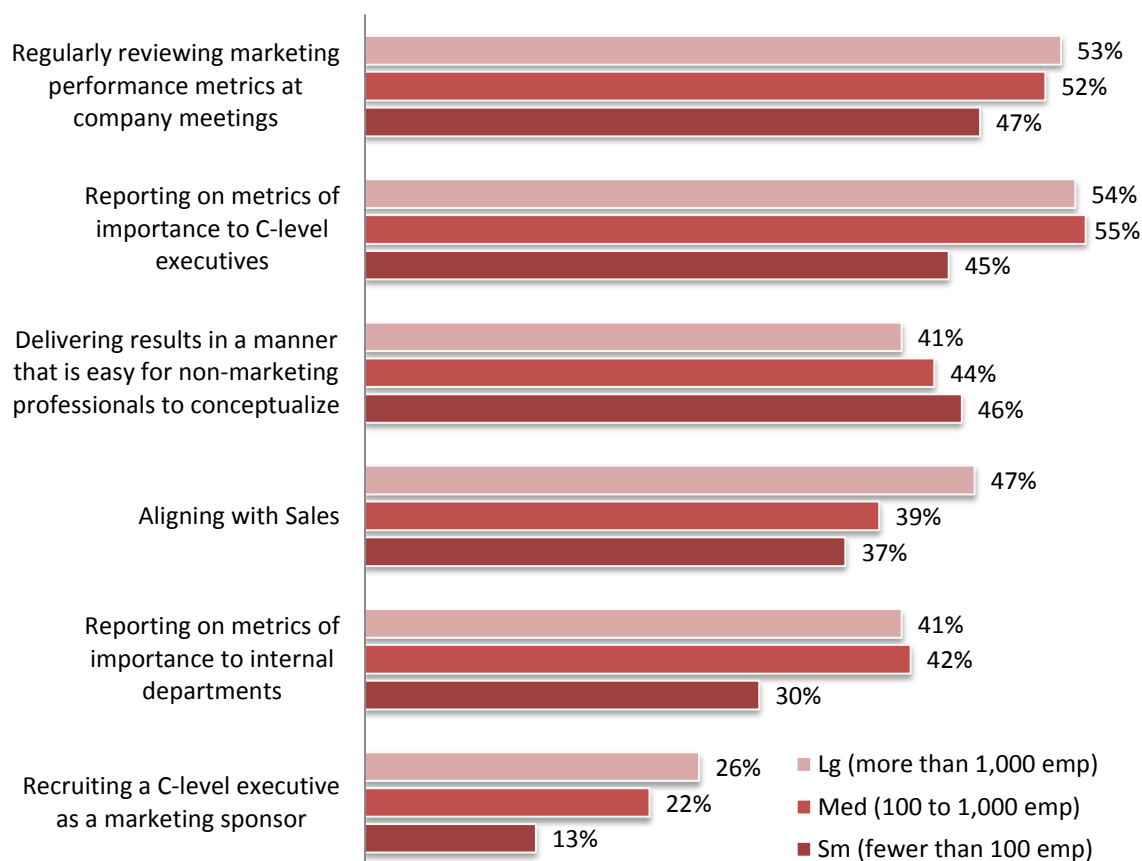
To help marketers achieve this, we asked survey respondents to indicate what they found to be the best tactics for delivering marketing's value to the C-suite. Key communications strategies include regular reviews of marketing performance metrics publically at company meetings, reporting on metrics of importance to C-Level executives and delivering results in a manner that is easy for non-marketing professionals to conceptualize.

Clearly, consistent communication is key to conveying Marketing's value to the C-suite. Marketers must also avoid occupational jargon specific to the marketing field when communicating results to non-marketing professionals. Discussing incremental improvements in email open and clickthrough rates may have great value and meaning to the marketing team, but will likely hold little weight when shared with groups outside of marketing.

Chart: Best tactics in delivering marketing value to the C-suite by industry sector

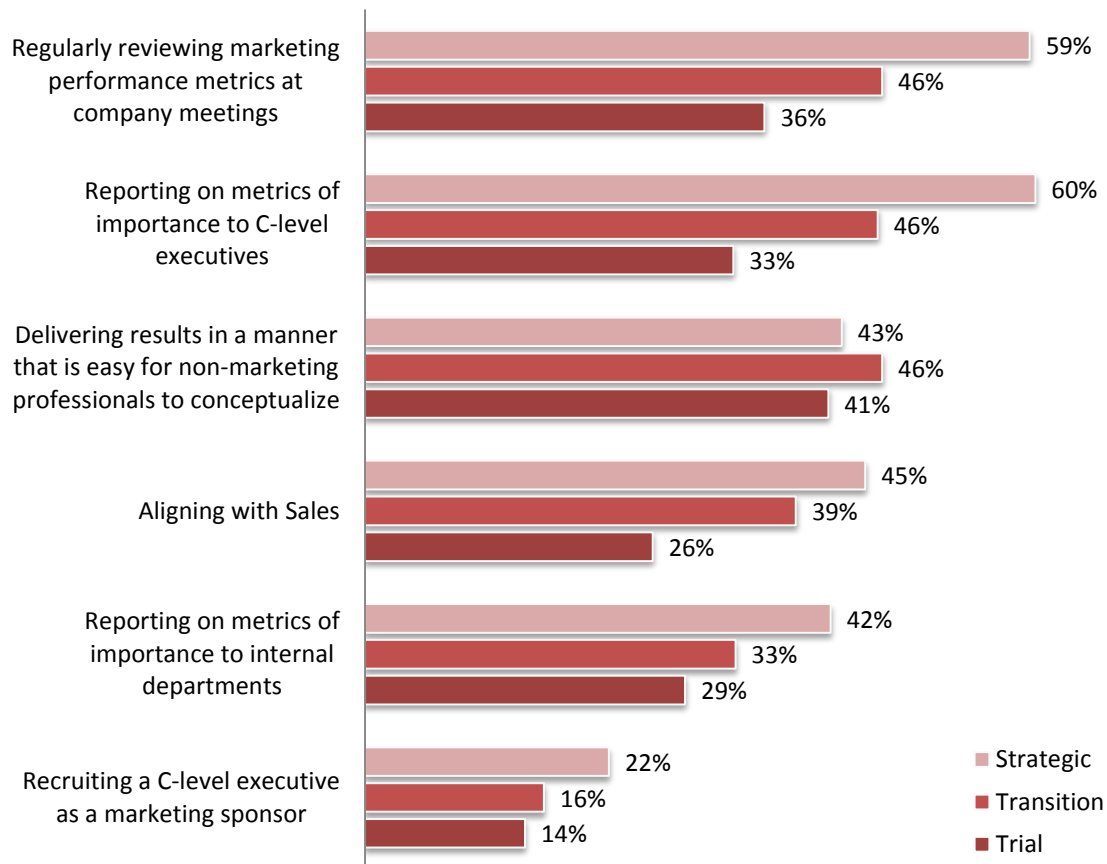
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Aligning with Sales is a highly valued tactic by organizations in the software or SaaS sector. This is an indication that these organizations have a clearer understanding of the benefits of Sales and Marketing alignment, and how sales can grow to become vocal supporters and communicators of marketing's success once teams attain alignment.

Chart: Best tactics in delivering marketing value to the C-suite by organization size

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Large organizations have strong response for all tactics in delivering marketing value to the C-suite when compared to medium- or small-sized organizations. Large organizations typically have more levels of management and greater separation between departments than do medium- or small-sized organizations. This would require marketers in large organizations to work harder to communicate marketing ROI and contribution to revenue to the C-suite and other internal departments, leading to a greater use and sense of tactics for accomplishing this.

Chart: Best tactics in delivering marketing value to the C-suite by lead generation maturity

Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
 Methodology: Fielded June 2011, N=1,745

Organizations in the Strategic phase of lead generation maturity had the greatest levels of response for all tactics in delivering marketing value to the C-suite. These organizations indicated their sophistication in the processes they use to perform and measure lead generation activities, and the above chart demonstrates that they also take an advanced approach to internal communications.

CHAPTER 9: TALES FROM THE TRENCHES - B2B MARKETING SUCCESS STORIES

CASE BRIEFING: ANALYTICS-BASED CONTENT CAMPAIGN DRIVES 26,000 NEW MONTHLY VISITS

Case Study ID: 31868

Location: MarketingSherpa Member Library

Summary: A B2B social and mobile marketing agency uses analytics to support a multichannel content marketing campaign to drive a dramatic increase in blog traffic.

CHALLENGE

Danny Brown, CEO, Bonsai Interactive Marketing, knew that to improve his content marketing strategy that he had to increase relevance. He found that using data dramatically increased his visits.

CAMPAIGN

Brown developed relevant content with the following steps:

1. *Integrate the entire network*

Brown's content network included the company website, his personal blog, Twitter, Facebook, YouTube, and partner websites.

2. *Let your audience tell you what they want by their actions*

Once Brown began using analytics, he was able to understand what his audience was doing at the blog and website – what they were searching for, and how long they were on the site.

3. *Turn data into visits*

Brown states "If you understand what is being searched for, where it's being searched from and the keywords and trends you can pick up on, that you can tailor future content, or even adapt existing content to bring new traffic.

4. *Understand your reader*

The most important aspect of bringing analytics into the content strategy is it allows you to better understand your reader. Brown uses this data to craft blog posts he knows his readers want. He then balanced personal and business content to connect to his audience.

RESULTS

- Generated 26,000 new blog visits – a 650 percent increase



CASE BRIEFING: MULTICHANNEL PRODUCT CAMPAIGN BOOSTS SALES PIPELINE BY 30%

Case Study ID: 31952

Location: MarketingSherpa Member Library

Summary: B2B software company launches new product to marketers with a multichannel effort directed specifically toward a highly qualified and targeted audience of senior level marketers.

CHALLENGE

Central Desktop is a B2B software company with a cloud-based social collaboration platform for managing people, projects and files. Its core product is used across a wide range of industries and business sectors, including manufacturing, consumer packaged goods, management consulting and professional services.

Recently, it launched a new product with capabilities specifically geared toward the needs of marketing agencies and internal marketers, which provided a challenge for Central Desktop's own marketing team.

"We knew that we had to come out with something that was a little more creative than your standard campaign, because [the new product's target] are marketers," explained Linda Souza, Associate Vice President of Marketing, Central Desktop. "We are marketing to marketers."

CAMPAIGN

The marketing team employed five steps to ensure a successful launch campaign:

1. Match the campaign theme to the right target audience

Central Desktop created a compelling and intriguing campaign that involved messaging based on "The Breakup" their audience needed with their existing vendor or current way of doing things.

2. Create a campaign microsite

The team created a flash-based interactive microsite and invited the audience through a targeted campaign using a personal URL (PURL). When prospects responded to an email or direct mail campaign, Central Desktop could identify them.

3. Reach out to the target audience

The team deployed a multichannel messaging strategy that included direct mail, email, social media and advertising through partnerships.

4. Process the new leads

New leads generated were qualified as "hot" or "warm." Sales prioritized the hot leads first, but also followed up on the warm leads.

5. Market the campaign internally to get Sales on board

The marketing team generated interest from the Sales team by engaging in training sessions before each major campaign deployed.

RESULTS

- Generated 30 percent increase in new opportunities



CASE BRIEFING: ALIGNMENT AND AUTOMATION LEADS TO IMPROVED LEAD QUALITY

Case Study ID: 31806

Location: MarketingSherpa Member Library

Summary: Sales and Marketing teams at social media content software provider Compendium align and implement marketing automation to lead to an overall improvement in collaboration and lead quality.

CHALLENGE

Historically, there has been a disconnect between Sales and Marketing that, depending on the company, could be described anywhere from a slight misunderstanding to a complete meltdown in communication.

Alignment was a problem for Compendium. Sales didn't trust that Marketing was providing sales-ready leads, and Marketing was wondering why all the leads they were generating weren't being converted. Compendium needed to find a way to create alignment to foster collaboration, and improve lead quality.

CAMPAIGN

The team took the following steps to achieve their goals:

1. *Recognize the disconnect*

The first step to solving any problem is identifying it first. The team at Compendium recognized that Sales and Marketing had a different idea of what defined a qualified contact, and each department wasn't using the same data sources or doing analysis in the same way.

2. *Develop an integration process*

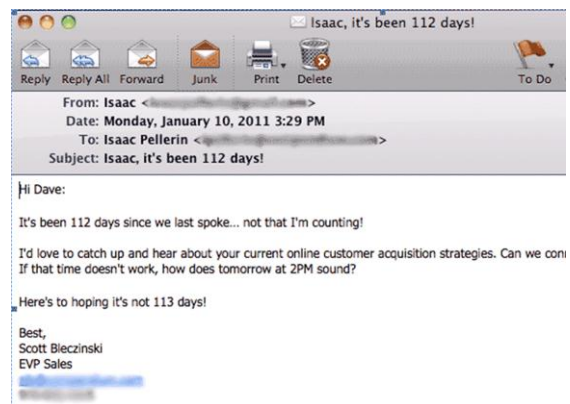
The selection of a marketing automation solution was an integral component in integrating the two teams. Once selected, the teams began collaborating and defining each of their processes and where those processes intersected. Working together, they were able to identify what constituted a marketing-ready lead and a sales-ready lead.

3. *Increase alignment with communication*

The marketing automation system allowed teams to create feedback loops to give Marketing insight into Sales analytics, and Sales receive insight into Marketing analytics. It also enabled Marketing to send emails to individual prospect to support the Sales team (see image). This ensured that Sales and Marketing were analyzing performance using the same data and metrics. This common analysis and support developed into regular conversations and collaboration that built trust between the departments.

4. *Change the business culture*

The process of integrating Marketing and Sales occurred simultaneously with the adoption of a marketing automation system. The new system has created openness between the two departments because each had more respect for the other, and Sales understood that Marketing valued their feedback.



RESULTS

- Alignment of Sales and Marketing teams
- Percent of disqualified leads decreased by 65 percent

CASE BRIEFING: INTEGRATED NURTURING APPROACH CREATES 70% INCREASE IN INBOUND CALLS

Case Study ID: 31948

Location: MarketingSherpa Member Library

Summary: A direct mail company combines a successful lead generation effort with a three-part lead nurturing funnel to turn Web form registrations into inbound calls.

CHALLENGE

PostcardMania, a B2B direct marketing company needed to generate offline response from online leads. Sarah Kicinski, SVP Marketing and Business Development, PostcardMania, said "We were trying very hard to get [a potential customer's] first touch to be a call-in, which is harder and harder each year." She explained PostcardMania's potential customers now prefer to request information online.

To meet this change in customer behavior, the company first implemented an online lead generation campaign, and as that effort became successful added a lead nurturing funnel to create that important telephone connection with a sales rep.

CAMPAIGN

Without a lead to nurture, the lead nurturing funnel is going to be a pretty barren place, so successful lead generation begins this entire strategy. Leads were driven to targeted landing pages via direct mail campaigns, PPC ads, organic search and social media.

Once a lead converted on one of the landing pages, they were entered into an automated nurturing campaign.

For the first month of the nurturing funnel, prospects received mail about every three days. After four weeks, the volume went down to once a week. After several more months pass, the email sends ended and the prospects continued to only receive PostcardMania's weekly marketing newsletter.

The entire email nurturing funnel included 28 emails sent over 3.5 months.

The email content varied and included facts about PostcardMania, marketing tips and information about mailing lists. Each email contained the call-to-action of telephoning the sales rep, and also included a photo and signature of the prospect's representative.

The team incorporated tele-prospecting and direct mail into their nurturing campaign, and would remove prospects from the funnel once they were identified as qualified and ready for Sales, or if they opted out of any of their nurturing channels.

RESULTS

- Before the nurturing campaign, 29 percent of Web form leads called in to speak with a sales rep. After the funnel campaign went into effect, this number rose to 49 percent, a 70 percent increase in sales rep calls.

Are You a Business Looking to Increase Leads? Test Drive our Products for FREE. We're Ready to Send You a FREE Sample Product Pack Right Now.



You're one step from receiving sample direct mail postcards that businesses in your industry mailed to their target market. Simply fill out the form and we will send you samples of the highest quality postcards available. PLUS you'll receive immediate access to three FREE chapters of the *Ultimate Postcard Marketing Manual* by Jay Gendusa.

The sample packet you'll receive in the mail contains all the information you need to execute an effective direct mail postcard campaign with PostcardMania.

Request Free Samples

*Required Field

Company:

*First Name:

*Last Name:

*Address:

*City:

*State:

*Zip Code:

*Phone Number:

E-mail Address:

Your Industry:

We respect your privacy. Don't forget to give us your complete mailing address! Your samples will be sent to the address you specify.

How did you hear about PostcardMania?
 Code on Postcard

Send My FREE Samples Now

CASE BRIEFING: REVENUE-ORIENTED FUNNEL MARKETING CAMPAIGN SUPPORTS 700% TWO-YEAR GROWTH

Case Study ID: 31928

Location: MarketingSherpa Member Library

Summary: How a marketing automation solution provider implemented a funnel marketing campaign including scoring, nurturing and content to achieve impressive growth.

CHALLENGE

A marketing automation software-as-a-service provider Marketo faced the daunting challenge of marketing to marketers, and conveying their service as revenue performance management.

Jon Miller, Vice President and Co-founder, indicated “There is a new way of selling and there are new ways of buying, and our customers are realizing that they have to buy and sell differently. We practice the same things internally.”

CAMPAIGN

Their rapid growth was built on an extensive marketing strategy and very aggressive goals for its Sales team. Here are some samples of KPIs that illustrate this commitment:

- Spent 90 cents in marketing for every \$1 earned in sales
- 80 percent of revenue is directly sourced by Marketing
- Each sales rep is responsible for a \$1.2 million recurring revenue quota

Campaign manager indicated “13 years ago a prospective customer would have to speak with a sales rep to learn about the product, but now around 75 percent of the buying process is complete before the potential customer even engages with the company.

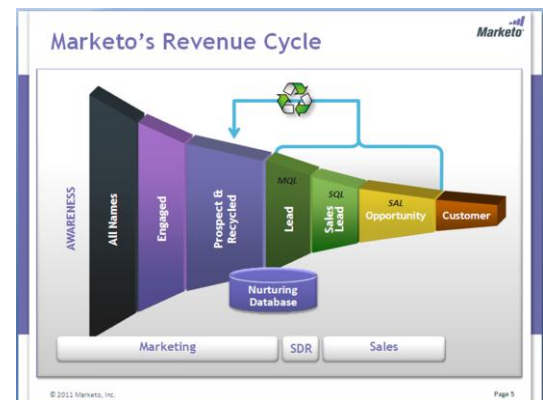
“That’s why we spend more on marketing, and that is why Marketing has a bigger responsibility for the overall revenue cycle.”

The campaign consisted of six steps:

1. Define the Marketing and Sales process
2. Score leads based on demographics
3. Score leads based on behaviors
4. Make content marketing the cornerstone of lead nurturing
5. Create a business unit to smooth the hand-off from Marketing to Sales
6. Analyze and utilize your metrics

RESULTS

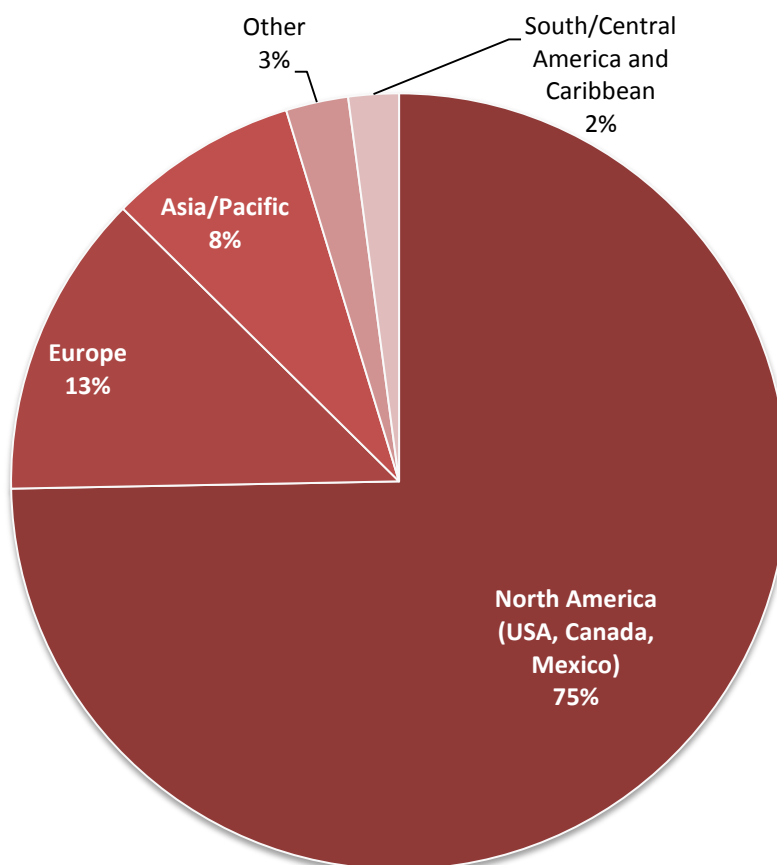
- Revenue growth of over 700 percent over the course of two years
- 1,000 new customers
- Average cost-per-customer is \$5,800



APPENDIX

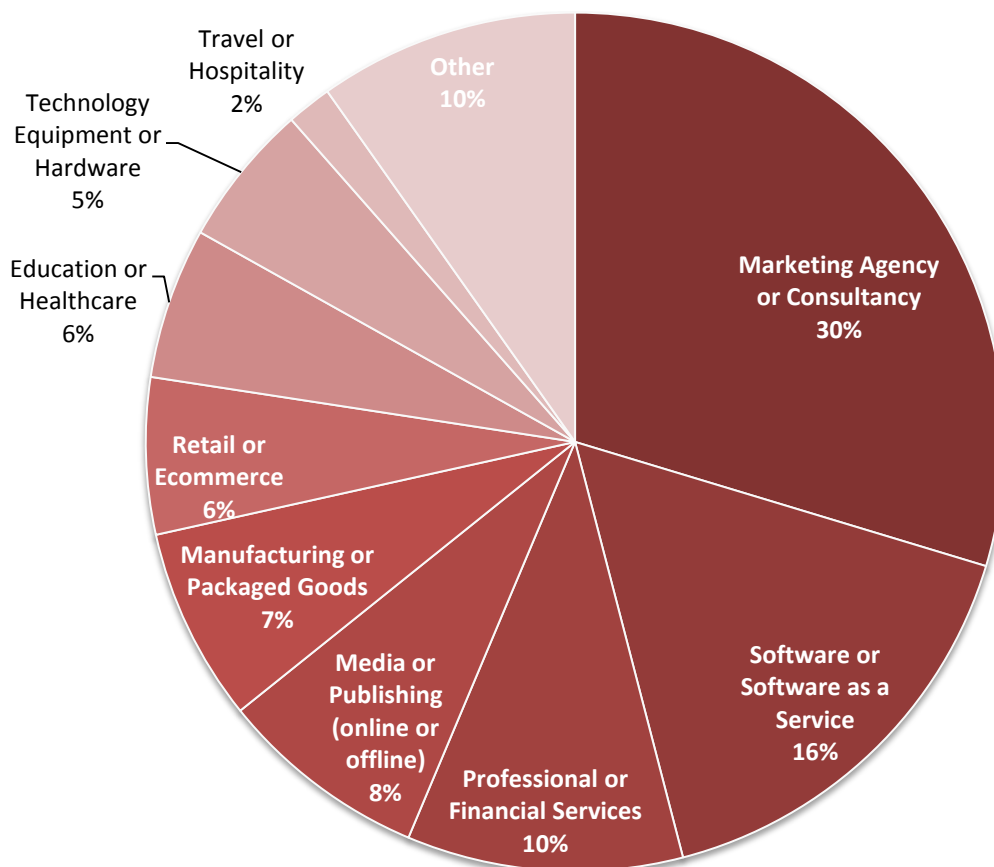
BENCHMARK SURVEY DEMOGRAPHICS

Chart: In which geographic region is your organization based?



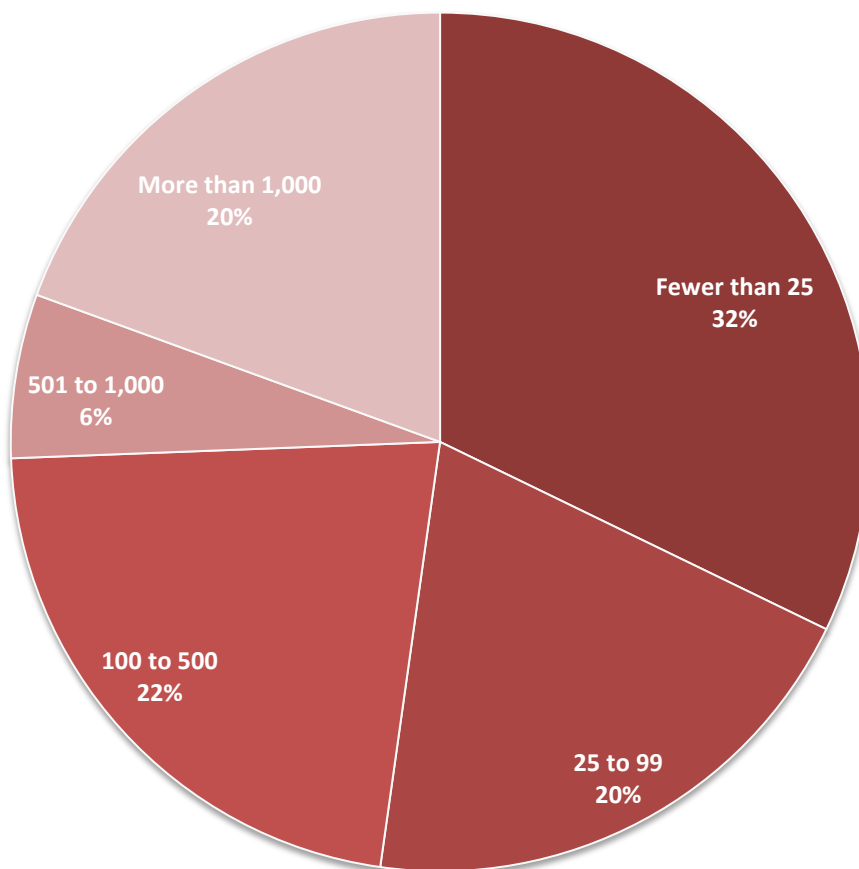
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Which best describes the type of organization you work for?



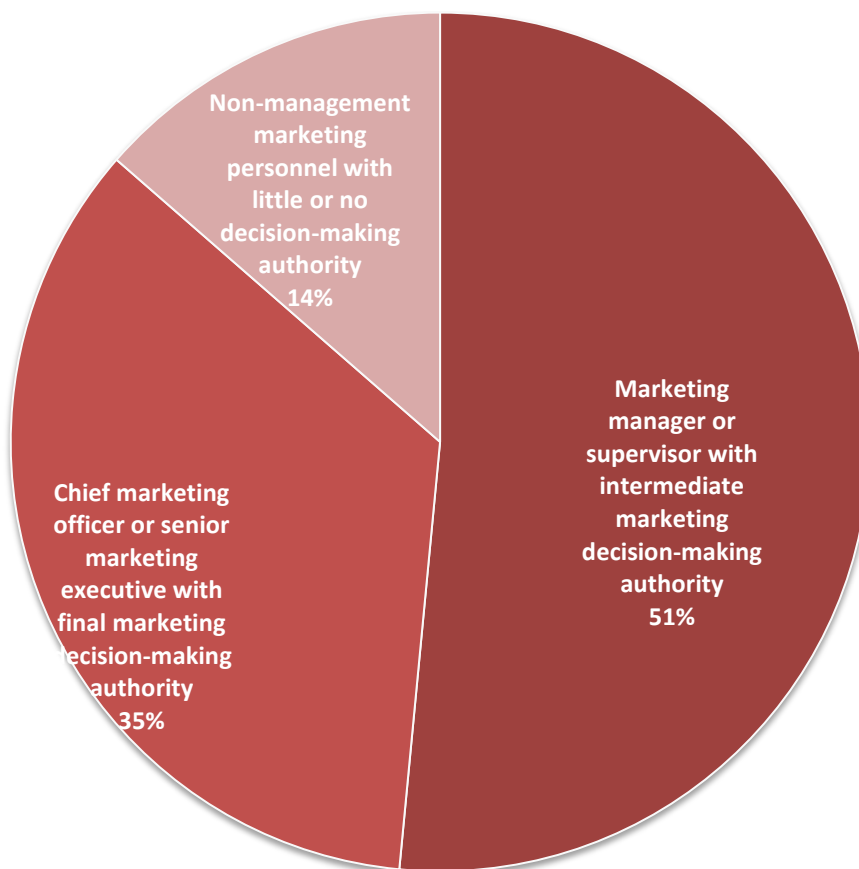
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Please select the approximate number of employees in your organization.



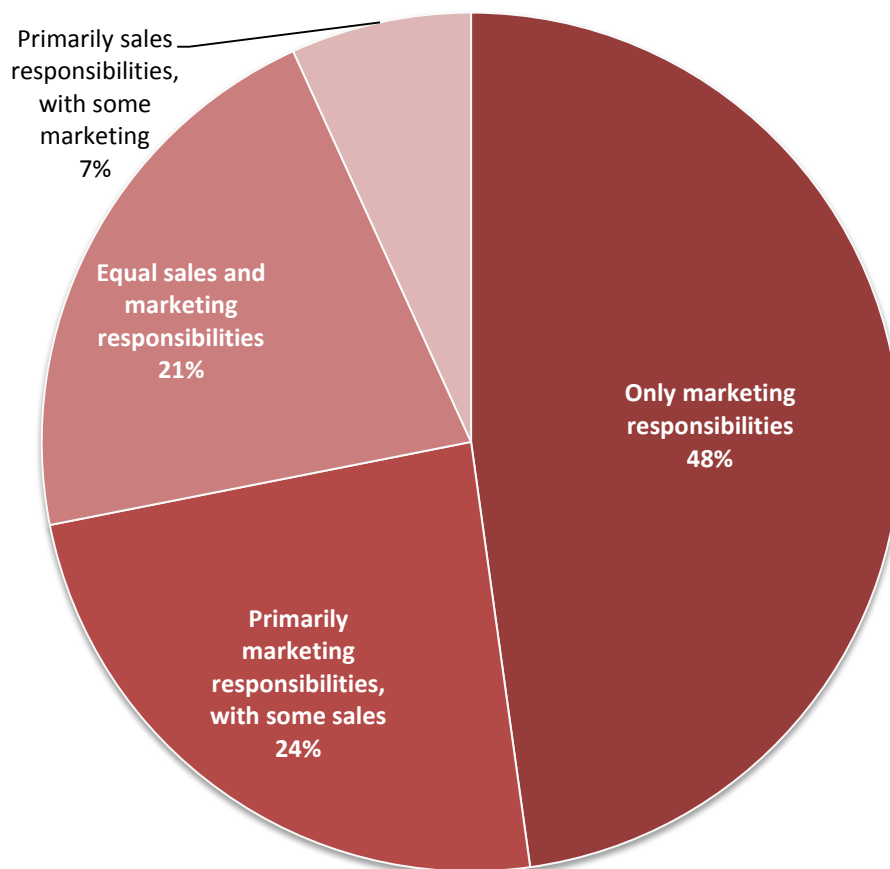
Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Which best describes your role and marketing decision-making authority?



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

Chart: Which best describes your marketing and / or sales responsibilities?



Source: ©2011 MarketingSherpa B2B Marketing Benchmark Survey
Methodology: Fielded June 2011, N=1,745

B2B MARKETING GLOSSARY

An A-to-Z guide of commonly used B2B marketing terms.

A/B split: Refers to a test situation in which two randomized groups of users are sent different content to test performance of specific campaign elements. The A/B split method can only be used to test one variable at a time.

Abandonment: As in call or site abandonment, when people leave a site, telephone call, etc. The abandonment rate measures the efficiency of the marketing tool. The **abandonment rate** is the number of users who abandon divided by the total number of unique visitors for a given period.

Above the fold: The part of an email message or Web page that is visible without scrolling. Material in this area is considered more valuable because the reader sees it first. It refers to a printing term for the top half of a newspaper above the fold. Unlike a newspaper, however, email and Web page fold locations aren't predictable. Your fold may be affected by the user's preview pane, monitor size, monitor resolution and any headers placed by email programs, such as Hotmail, etc.

Affiliate: A marketing partner that promotes your products or services under a payment-for-results agreement. The affiliate relationship ranges from simply carrying a button on a Web page to full-blown email campaigns by the affiliate.

Algorithm: A set of mathematical rules that describe or determine a circumstance or action. In the case of search engines, unique algorithms determine the ranking of websites returned within search queries. Although some of the qualities used to determine ranking (number of referring sites, metatags, etc.) are known, the precise functioning of search engine algorithms is a closely kept secret to prevent the manipulation of the system

Auto responder: Automated email message-sending capability, such as a welcome message sent to all new subscribers the minute they join a list. They can be triggered by users joining, unsubscribing or by email arriving at a particular mailbox. Auto responders may be used for more than a single message and can be a series of date or event-triggered emails.

Average deal size: The average amount of all purchases made during a specified time period.

Awareness: The first phase of the product marketing cycle, during which prospects gain awareness of the product/service.

B2B: Business-to-Business (also B-to-B and BtoB).

B2C: Business-to-Consumer (also B-to-C and BtoC).

Blog (weblog): A style of Internet publishing using content management software that allows for quick posting of journals, news and articles.

Blogosphere: The term used to describe the totality of blogs on the Internet, and the conversations taking place within that sphere.

Bookmarking: Saving the address of a website or item of content, either in your browser or on a social bookmarking site.

Bounce: Includes the act of website visitors leaving after a single page visit, or leaving after a short period of time. Also refers to an email message that isn't delivered promptly is said to have bounced. Emails can bounce for dozens of reasons; among them: the email address is incorrect or has been closed; the recipient's mailbox is full, the mail server is down, or the system detects spam or offensive content. See **Hard bounce** and **Soft bounce**.

Bounce rate: Includes the percentage of website visitors that bounce. This term is also used in email marketing and refers to the number of hard/soft bounces divided by the number of emails sent. This is an inexact number because some systems do not report back to the sender clearly or accurately.

Buyer persona: A detailed profile that represents an actual, real-life group of a target audience. It includes common interests, motivations and expectations, as well as demographic and other behavioral characteristics. By establishing buyer personas, organizations are enabled to deliver unique content that will attract and nurture new and existing leads. Although buyer personas are profiles developed for marketing purposes, they should be based on sound qualitative and quantitative research.

Buzz: The cumulative coverage of an issue, event, company, etc. in all media outlets and the population at large. Companies that measure buzz examine the volume and tone of coverage in both individual-generated media — blogs, message board postings, discussion lists — and mass media outlets.

Call to action: In a marketing message, Web ad, email, etc., the link or body copy that tells the recipient what action to take.

Churn: The percentage of customers who decide not to continue doing business with an organization over a certain length of time. In email marketing, churn is the percentage of subscribers leave a mailing list (or how many email addresses go bad) over a certain length of time, usually expressed as a percentage of the whole list.

Circulation: Total distribution of individual copies of a publication. Distinct from the total readership, which refers to the total copies printed, multiplied by the average number of pass-along readers, which is different for each publication.

Clickthrough rate: Total number of clicks on search ads, email links, etc. divided by the number of impressions, emails sent, etc. Also known as CTR.

Closing rate: The percentage of leads that closed out of the total lead volume. $((\text{Number of closed deals} / \text{total lead volume}) * 100)$

Cold calling: See *Telemarketing*

Complex sale: Refers to B2B sales cycles with a number of lead stages, generally with sales cycles of several months or more.

Consideration: The second phase of the buying cycle, when buyers are already familiar with a product, its features, benefits, prices, etc. Consideration is the phase during which relationship marketing using email, telemarketing, etc., is commonly used to warm the lead, or move the lead from consideration to the sales funnel.

CLV (customer lifetime value): A measure of the total amount the customer is going to spend with a merchant during their tenure. Usually calculated by their spending per year multiplied by the average number of years they are likely to be a customer.

Conversion: The point at which a recipient of a marketing message performs a desired action. A conversion could be a monetary transaction, such as a purchase made after clicking a link. It could also include a voluntary act such as registering at a website, downloading a whitepaper, signing up for a Web seminar or opting into an email newsletter.

Conversion nurturing: Lead nurturing campaigns that are targeted at prospects that are further along in the sales cycle. The goal of these campaigns is to drive prospects to make a purchase. Examples of conversion nurturing content include buyer's guides, case studies, etc.

Conversion rate: The percentage of visitors/users who "convert" on the action of a Web page or campaign. For example, actions may be purchasing, submitting a form, downloading content, calling a telephone number or making an extended site visit.

Co-registration: Arrangement in which companies collecting registration information from users (email sign-up forms, shopping checkout process, etc.) include a separate box for users to check if they would also like to be added to a specific third-party list.

Cost-per-thousand: An ad-buying model more common in Web publishing than search where the advertiser pays for a set number of page impressions, paying by the thousand. Also CPM.

CPA (cost-per-acquisition): The price of each new customer. (Total investment / number of closed deals)

CPC (cost-per-click): A method of paying for advertising. Different from CPA because all you pay for is the click, regardless of what that click does when it gets to your site or landing page.

CPL (cost-per-lead): The price of each lead generated from a marketing channel or campaign. (Total investment / total lead volume).

CRM: Customer relationship management. The software and processes of tracking the information that defines a prospect or customer relationship. CRM systems typically store contact and interaction data, such as number and dates of touches, products considered.

C-Suite: The group of officers within an organization with the word "Chief" in their title and represents the highest level of management.

Deferred conversion (latent conversion): Sales that take place after visiting a website. With many online marketing tactics, it's not always possible to discern whether a sale took place as the result of some past interaction.

Deliverability: The degree to which emails are successfully delivered, or not. Also refers to the general issues surrounding this question.

Deploy: To send a marketing campaign into the field.

Engagement nurturing: Lead nurturing campaigns that are targeted at prospects that are early in the sales cycle. The goal is to build stronger relationships with new prospects to increase interest. Engagement

nurturing can also be used to re-engage dormant sales opportunities. Examples of engagement nurturing include content specific to prospect needs, such as webinars, articles, whitepapers, etc.

Forums: Discussion areas on websites, where people can post messages or comment on existing messages asynchronously.

Frequency: The number of times someone is exposed to an advertisement or marketing message.

Hard bounce: Message sent to an invalid, closed or nonexistent email account.

Heatmap: An image of a Web page that displays where test subjects directed their attention.

Hero shot: A shot of a product or brand from its best position to make it look as good as possible.

House list: List of email addresses an organization develops on its own.

Hub: Refers to an organization's corporate website.

Humanizing the brand: Portraying human traits of a corporate entity. By humanizing brands, organizations are able to build trust, manage their reputations and generate leads that meet ideal customer profiles for their organization. Social marketing can be an effective tactic in humanizing brands.

Ideal customer profile: A buyer persona that identifies common interests, motivations and expectations, as well as demographic and other behavioral characteristics of an organization's ideal customer. The ideal customer may be the most profitable customers, or the customers that are the most ideal fit for a solution, for example.

Inbound marketing: Marketing strategies and tactics that increase the visibility of a company's website to prospects that are researching and shopping for a solution. Inbound marketing tactics include search engine optimization, pay-per-click and social media.

Impression: A single view of one page by a single user, used in calculating advertising rates.

Landing page: The destination Web page for people responding to an advertisement, designed specifically for that campaign and audience. The campaign might be in any medium, but is typically search or online-ad driven and email. The key difference between a homepage and landing page is that the former must be all things to all visitors, while the latter should be very narrowly designed for the campaign and, perhaps, for a segment of the audience responding to it.

Lead nurturing: A process of building and nurturing relationships with ongoing, valuable communications, whether or not the prospect buys from you.

Lead scoring: The process of adding or subtracting points as a result of various lead attributes and behaviors that identify sales-ready leads.

Limbo leads: Leads that marketing and Sales are mutually responsible for. This usually includes sales-ready leads that have been passed to Sales, and enrolled in a conversion nurturing campaign.

Live chat: A website alternative to customer service using real-time chat. Typically much less expensive than toll-free numbers, but not as widely used or accepted.

Loyalty program: A program initiated by a company to create or maintain customer loyalty by offering benefits for continued use of the brand.

Marketing automation: Software solutions that support marketing processes like lead scoring, nurturing and management in execution and measurement

Mentions: Number of times your brand is mentioned in any publicly communicated capacity. Mentions consist of press release pickups, news article coverage and financial message board postings. This is used as a barometer of PR share of voice.

Microblogging: A form of blogging allowing users to compose brief text updates and publish them.

Multichannel: A differentiator of merchants that employ multiple sales channels, as opposed to being strictly one (brick and mortar) or the other (Web-only or “pureplay”).

Multichannel marketing: Marketing efforts that use multiple media to target unique prospects. For example, sending direct postal mail and email with complimentary messaging and offers to the same people with coordinated timing.

Multivariate testing: Using a statistical model to allow the simultaneous testing of multiple variables. Contrast with A/B testing, which examines only one variable at a time.

New customer nurturing: Nurturing programs that provide educational “how to” information to new customers to propel customer satisfaction.

Nofollow: A value used in HTML to instruct search engine spiders that a URL should not be considered in ranking algorithms. Nofollow tags exist in order to maintain credibility of a “vote” that is represented when one site naturally links to another.

Offline conversion: Sales or other conversion events that take place in the real world, typically in a brick-and-mortar store.

Ongoing nurturing: Consistent communications intended to keep brands on prospects minds. Examples of ongoing nurturing include regular company newsletters.

Open rate: The number of HTML message recipients who opened your email, usually as a percentage of the total number of emails sent. The open rate is considered a key metric for judging an email campaign’s success, but it has several problems. The rate indicates only the number of emails opened from the total number sent, not just those that were actually delivered. Opens can’t be calculated on text emails. Also, some email clients allow users to scan message content without actually opening the message, which is falsely calculated as an open.

Outbound marketing: Demand and lead generation marketing activities that involve the delivery of a message from the company to a targeted audience. Outbound marketing tactics have been around a lot longer than inbound marketing tactics, and are viewed as more traditional marketing practices. Outbound marketing tactics include direct mail, email marketing, outbound calls, print advertising, etc.

Outreach nurturing: Lead nurturing campaigns that aim to capture new leads, or permission from new leads to have a salesperson reach out to them. Outreach campaigns can also be used to collect additional

data from a lead. When marketers ask for more from their prospects in an outreach nurturing campaign, they should expect to provide something of value.

Pay-per-click (PPC): In regards to search engine marketing, refers to search engine advertisements based cost-per-click payment model. Advertisers place a bid on various keywords, and pay when their ads receive a click. The ranking position and number of impressions an advertiser receives is calculated by their bid, any other bids on that keyword, their daily budget and their quality score. Also known as **sponsored search**.

Percentage of qualified leads: The number of sales-ready leads in relationship to total leads generated. $((\text{Qualified lead volume} / \text{total lead volume}) * 100)$.

Personalization: A targeting method in which a Web page or email message appears to have been created only for a single recipient. Personalization techniques include adding the recipient's name in the subject line or message body, or an offer reflecting purchasing, link clicking or transaction history.

Phone-ready leads: Rules-validated leads that meet certain criteria agreed upon by Sales and Marketing teams as a lead that is ready for Sales follow up.

Phone-validated leads: Phone-ready leads that have been validated by Sales and confirmed to meet agreed-upon criteria.

Preview pane: The window in an email client that allows the user to scan message content without actually clicking on the message. See **Open Rate**.

Prospect: A lead that has progressed from the stage of qualified lead into the sales funnel. However, the term is often heard used as a synonym for qualified lead.

Qualified closing rate: The percentage of qualified leads that closed out of the total qualified lead volume. $((\text{Number of qualified leads that closed} / \text{qualified lead volume}) * 100)$

Qualified lead volume: The total number of sales-ready leads collected from lead generation campaigns that meet the universal lead definition.

Quality score: A measurement of the relevance of a pay-per-click advertiser or ad to a search query that considers a number of factors including an advertiser's historic performance in clickthrough rate. In general, high-quality scores lead to higher ranking positions in sponsored search at a lower cost-per-click.

Registered leads: Includes all inquiries that respond to a marketing campaign by calling in, sending a direct response card, submitting a form on an organization's website, or responding in some other form.

Research phase: Initial stage of the buying process, when consumers are beginning to understand a product and its role in the market.

ROI (Return on investment): Either a percentage or dollar amount that represents the return achieved for total investment. Can be calculated in a number of ways, and is commonly calculated using the following formula: $((\text{Return} - \text{total investment}) / \text{total investment}) * 100$.

Rules-validated leads: Registered leads that pass the criteria as valid leads and appear to be in the organization's target market.

Sales cycle (sales funnel): All lead stages between first direct contact (may simply be a registration on a website) and ultimate sale. Sales cycle is a measure of efficiency of the sales organization.

Sales-forecasted opportunities: Meet the criteria defined by sales management for forecasting future deals.

Sales outcome: Determined when the sale is won, lost, or indefinitely postponed.

Sales-ready opportunities: Phone-validated leads who are willing to begin the sales process with a salesperson and often meet another set of criteria agreed upon by Marketing and Sales.

Sales-validated opportunities: Sales-ready opportunities that have been validated by sales to meet agreed upon criteria.

Scheduled nurturing message: A nurturing message that is developed and deployed at a pre-determined time.

Search Engine marketing (SEM): All of the tactics and versions of search engine advertising, including search engine optimization (SEO) and pay-per-click marketing (PPC).

Search engine optimization (SEO): includes a set of processes that increases the visibility of an organization's website, Web page, or multimedia content to be indexed by search engines in the natural, organic results. While there is no cost-per-click for organic listings, the cost of these programs typically includes the use of in-house resources or agency time

Social media: Applications and websites that allow for the publishing and sharing of user generated content and discussions. Examples of social media include social networks, blogs, microblogs, multimedia sharing sites and games.

Social media integration: The use of social media to support search marketing plans. For organic search, content development and link building tasks are facilitated. For pay-per-click, clickthrough and conversion rates are improved.

Social sharing: Tools and tactics that enable email recipients to share email content on popular social networks and other social media sites.

Spider: A small program that surfs the Web to index information for a search engine. Also **Bot** or **Crawler**.

Spidering: The process of surfing the Web, storing URLs and indexing keywords, links and text. Because there is far too much information available to index it all, every search engine has unique (and highly proprietary) ways in which it saves time and space.

Sponsored search: A method of search engine marketing based on a cost-per-click model. See **pay-per-click**.

Target market: A profile that an organization selects to target with marketing materials. Target markets are typically based on demographics, such as location, company size, annual revenue, etc. They differ from buyer personas, which are more in-depth profiles that include behavioral characteristics.

Telemarketing: involves contacting prospects with a phone call to generate leads and is also referred to as cold calling.

Time to close: The average number of days it took for deals to close during a specified time period.

Total investment: Includes the total financial investment made for a marketing channel or campaign. Can also include employee salaries or sales commission.

Total lead volume: The total number of leads collected from lead generation campaigns. Includes sales-ready leads and non-sales-ready leads.

Total revenue: The total revenue gained for a marketing channel or campaign.

Triggered nurturing message: A lead nurturing message that is sent in response to an action that a lead has taken.

Universal lead definition: A lead that has been determined to fit the profile of the ideal customer, has been qualified as sales-ready, and spells out the responsibilities and accountabilities of the participants in the program, Sales and Marketing (Brian Carroll, Executive Director of Applied Research of MECLABS, CEO of InTouch).

Unsubscribe: To remove oneself from an email list, either via an emailed command to the list server or by filling in a Web form.

User-generated content: Includes various types of content that is created by users of social media sites. Examples of user-generated content include comments, discussions, articles, blog posts and multimedia content such as videos or images.

Value proposition: A clear and concise statement that defines the key reason why an organization becomes the best chose their ideal customer. It should clearly communicate what the company does and its unique benefits over the competition.

Virtual event: Much like a webinar but intended to include a large number of participants, and is often marketed as an online conference or summit. See **webinar**.

Webinar: A meeting, presentation or training that is conducted online through a Web conferencing tool.

Word-of-mouth (WOM): An area of marketing that attempts to measure and/or harness the power of personal recommendations. With the explosion of blog readership, WOM has become a hot topic in virtually every industry.

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