Table of Contents

Table of Contents ........................................................ ii
Director’s Note .............................................................. 2
B2B Marketing Research Highlights .................................. 3
1. Signs of Optimism among Marketers for the Rest of 2009 ................................................................. 3
What is Your Business Outlook in Relation to an Economic Recovery This Year? ................................. 3
2. Search Generating Bulk of B2B Leads – But How Good are They? ......................................................... 4
The Quality and Quantity of Leads Generated by Search Sources .......................................................... 4
Percent of Organizations Using Some Form of Social Media Marketing and PR ........................................ 5
4. Use of Information Resources in the Complex Purchase Process .......................................................... 6
Changing Use of Information Resources by Technology Buyers in the Past Six Months .............................. 6
5. Managing the Pipeline from Lead Generation to Sales Conversion ....................................................... 7
How Organizations are Managing Their Marketing-to-Sales Process .................................................... 7
6. How Well Managed is the Hub of Your Marketing Strategy? .................................................................. 8
Agencies and Consultants Rate How Their Clients are Managing Website Capabilities ........................... 8
Chapter 1: The Increasingly Difficult Challenge Facing B2B Marketers ..................................................... 9
1.01 Most Significant Challenges for B2B Marketers to Overcome Today ................................................ 9
1.02 Challenges, by Organization Size ........................................................................................................... 10
1.03 Challenges, by Industry Sector .............................................................................................................. 11
Marketer Insights: Overcoming Challenges in the Business Technology Sector ....................................... 12
Marketer Insights: Overcoming Challenges in the Industrial and Manufacturing Sector ........................... 15
Marketer Insights: Overcoming Challenges in Other Sectors ..................................................................... 17
Chapter 2: Marketing Budgets and Financial Metrics .................................................................................. 19
2.01 Share of 2009 Revenue Projected to be Spent on Marketing, by Organization Size .......................... 19
2.02 Share of Revenue Spent on Marketing, by Industry Sector .................................................................. 20
2.03 Share of Marketing Budget Spent on People vs. Online Programs, by Organization Size ............... 21
2.04 Share of Marketing Budget Spent on People vs. Online Programs, by Industry Sector .................. 22
2.05 Average Profit Margins for 2008 ............................................................................................................ 23
2.06 Average Tactical Allocation of Online Marketing Budget Excluding Staff ......................................... 24
2.07 Tactical Allocation of Online Marketing Budget Excluding Staff, by Organization Size .................. 25
2.08 Tactical Allocation of Online Marketing Budget Excluding Staff, by Industry Sector ...................... 26
2.09 Percent of Leads Generated Versus Budget for Each Source ............................................................ 27
Notes from the Field: A Strategy for Defending Your Marketing Budget .................................................. 28
2.10 Outsourcing Plans for Key Marketing Functions .................................................................................. 31
2.11 Outsourcing Key Marketing Functions, by Organization Size ............................................................ 32
2.12 Outsourcing Key Marketing Functions, by Industry Sector ................................................................ 33
2.13 Marketers Tracking or Planning to Track Customer Metrics ............................................................. 34
2.14 Marketers Tracking Customer Metrics, by Organization Size ............................................................ 35
2.15 Marketers Tracking Customer Metrics, by Industry Sector ................................................................ 36
2.16 B2B Marketers Tracking Customer Metrics, by Size of Target Customer Organization ................... 37
Chapter 3: Marketing Strategies for an Economic Recovery ........................................................................ 38
3.01 Are you optimistic or pessimistic about the economy for the remainder of 2009? ......................... 38
3.02 How Optimists Think the Importance of These Tactics Will Change by the End of 2009 ............... 39
3.03 How Optimists Think Budgets for These Tactics Will Change by the End of 2009 ......................... 40
3.04 What Economic Optimists and Pessimists are Spending on Marketing .......................................... 41
3.05 Online Marketing Budget Allocation, Excluding Staff ....................................................................... 42
3.06 Marketers Not Currently Outsourcing but Planning to, by Economic Outlook ............................. 43
3.07 Lead Quality a More Pertinent Marketing Challenge Than Quantity for Optimists ........................ 44
3.08 How Economic Optimists and Pessimists Manage Leads Differently ............................................ 45
3.09 What Marketers Know About Leads Before Handing Off to Sales, by Economic Outlook ........... 46
4.21 How Often do Business Technology Buyers Use Search Sources ........................................................ 78
4.20 High Quantity Versus High Quality Leads Generated by Search Sources .......................... 77
4.19 The Quality and Quantity of Leads Generated by Search Sources ...................................... 76
4.18 What Buyers Expect Once They Have Registered on a Website ......................................... 75
Search Marketing ......................................................................................................................... 68
4.17 Buyers are Open to Providing a Website With Professional Contact Information .............. 74
4.16 Web Metrics Tracked Regularly, by Industry Sector ......................................................... 73
4.15 Web Metrics Tracked by B2B Marketers ................................................................. 71
4.14 Web Metrics Tracked by B2B Marketers ........................................................................ 70
4.13 Managing Website Capabilities at a High Level, by Industry Sector ............................... 69
4.12 Managing Website Capabilities at a High Level, by Organization Size ......................... 68
4.11 Management of Website Capabilities Rated ....................................................................... 67
4.10 Social Media Tactics and Web 2.0 Technologies Rated Effective, by Industry Sector .... 63
Notes from the Field: Generating Leads with Social Media Strategy ........................................ 64
4.9 Social Media Tactics and Web 2.0 Technologies Rated Effective, by Organization Size .... 62
4.8 Effectiveness of Social Media Tactics and Web 2.0 Technologies Rated .......................... 61
4.07 B2B Marketers Using Social Media Tactics ............................................................... 60
4.06 Performance Metrics for Ads in Third-Party Emails and Enewsletters ....................... 59
Social Media Marketing ................................................................................................................ 58
4.05 Performance Metrics for Email Campaigns to House Lists ............................................. 58
4.04 Which Email Tactics Are Being Put to the Test? ......................................................... 55
Notes from the Field: Testing Results in 1000% Increase in Opt-Ins ........................................... 56
4.03 Email Marketing Tactics Rated Effective, by Industry Sector ......................................... 54
4.02 Email Marketing Tactics Rated Effective, by Organization Size .................................... 53
4.01 Effectiveness of Email Marketing Tactics Rated ................................................................ 52
Chapter 4: Marketing Tactics and Best Practices...... 52
Email Marketing .......................................................................................................................... 52

Marketer Insights: Strategies and Tactics for a Rebounding Economy ............................... 47

Notes from the Field: Rethink Your Search Marketing to Boost ROI ..................................... 80
Offline Marketing ....................................................................................................................... 83
4.23 The Quality and Quantity of Leads Generated by Offline Marketing Tactics ................. 83
4.22 Performance Metrics for Paid Search on Google AdWords, Yahoo!, etc. ...................... 79
Notes from the Field: Stealth Product Launch at Trade Show Generates 374% More Leads .... 97
Pricing Information ..................................................................................................................... 100
4.33 How the Internet has Changed Access to Pricing Information, by Industry Sector ........ 101
Notes from the Field: Integrated Marketing 2.0 Tactics Boosts Lead Generation and Reduces Cost-per-Lead .......................................................... 102
Chapter 5: Lead Management and the B2B Marketing-to-Sales Process .................................. 105
5.04 How Organizations are Managing Their Marketing-to-Sales Process .......................... 108

4.21 How Often do Business Technology Buyers Use
9.13 Sales and Marketing Collaborate to Exactly Define a ‘Sales-Ready Lead’ ........................................ 200
9.14 Marketing ‘Closes the Loop’ on Every Lead, Tracking it From Source to Conclusion.................... 201
9.15 We use a CRM System (Salesforce.com, Siebel, etc) to Manage Lead Pipeline .............................. 201
9.16 We are Able to Measure the Revenue Contributions of Lead Generation Programs ................. 202
9.17 We Identify the Source of Leads (Email vs. Search vs. Salesperson, etc) ............................... 202
9.18 Information Obtained on a Lead Before Hand-Off From Marketing to Sales .......................... 203

Chapter 10: Best Practices of B2B Agencies and Marketing Consultants ........................................... 204

Agencies and Consultants Offer Their Specialized Perspective ......................................................... 204
10.01 New Business Outlook Improving for the Rest of 2009 ............................................................ 204
10.02 Effectiveness of Email Marketing Tactics for Targeting Clients’ Buyers and Influencers ................................. 205
10.03 Effectiveness of Social Media Tactics for Targeting Clients’ Buyers and Influencers .................. 206
10.04 Agencies and Consultants Rate how Well Clients are Managing Website Capabilities .......... 207
10.05 Quantity and Quality of Leads Generated for Clients by Search Marketing Tactics .................. 208
10.06 Quantity and Quality of Leads Generated for Clients by Offline Marketing Tactics .................... 209
10.07 Quantity and Quality of Leads Generated for Clients by PR-Related Marketing Tactics ............ 210

Primary Research .......................................................................................................................... 211
Methodology ................................................................................................................................. 211
Demographics ............................................................................................................................. 211
Organization Size ........................................................................................................................ 211
Industry Sector ............................................................................................................................. 212
Professional Title ........................................................................................................................ 212
Research Partner ......................................................................................................................... 213
TechWeb Network ....................................................................................................................... 213
B2B Marketing Research Highlights

The publication of this report coincides with what is expected to be a turning point in the economic cycle – from recession to recovery. Following are highlights from the most comprehensive study available of B2B marketing at a cross roads.

1. Signs of Optimism among Marketers for the Rest of 2009

What is Your Business Outlook in Relation to an Economic Recovery This Year?

- I'm optimistic: I think the economy will recover during the rest of 2009 47%
- I'm neutral: I think the economy will remain as is through 2009 32%
- I'm pessimistic: I think the economy will continue to decline through 2009 16%
- Not sure 5%

History has repeatedly shown us that the marketing organization is the first and hardest hit during difficult economic times. On the other hand, marketing also has the most to gain from a rebound so it's not surprising that they watch the economic barometer closely.

While 16% of B2B marketers continue to be pessimistic, nearly half of all respondents to this study are optimistic that we will see the economy begin to rebound during the remaining months of 2009.

The expectation of better days ahead will mean a change in marketing objectives and the strategies required to achieve them for 2010. Those organizations that have learned to be efficient marketers on a lean budget, will apply the lessons learned during these difficult times to become even more effective in the future.
The success of a marketing program is too often judged by the quantity, rather than the quality, of leads produced. But when it comes to converting leads to revenue, the sales force will tell you that more isn’t necessarily better – better is better.

Every organization needs to find the right balance between quantity and quality. Too many leads, even of high quality, and an overwhelmed sales team will be forced to allow opportunities to fall through the cracks. Too few leads or leads of low quality and sales force productivity will plummet.

Search has become an ideal solution to balancing lead flow because, in many cases, the spigot can simply be opened or closed to control volume. The more complex challenge is controlling lead quality. This requires a much more strategic approached to optimizing not only web pages for SEO, but in the case of paid search, carefully aligning the sequence of PPC keywords, ad listings and landing pages.

Percent of Organizations Using Some Form of Social Media Marketing and PR

<table>
<thead>
<tr>
<th>Social Media Strategy</th>
<th>B2C</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profiles on professional or social networks</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>Online news release distribution</td>
<td>67%</td>
<td>78%</td>
</tr>
<tr>
<td>Blogging on a company blog</td>
<td>61%</td>
<td>70%</td>
</tr>
<tr>
<td>Forums or discussion groups</td>
<td>46%</td>
<td>55%</td>
</tr>
<tr>
<td>Blogger or online journalist relations</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Advertising on blogs or social networks</td>
<td>36%</td>
<td>26%</td>
</tr>
<tr>
<td>User reviews or ratings</td>
<td>31%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: MarketingSherpa Social Media Marketing and PR Benchmark Survey 2008
Methodology: Fielded December 4-10, 2008, N=1886

It’s no secret that B2B marketing has often lagged behind B2C in the adoption of emerging new strategies. For example, as the World Wide Web first became an increasingly viable channel, B2B organizations would generally wait to see if a tactic worked in the consumer marketplace before implementing it in the business space. But, as this chart shows, B2B marketers have taken the lead in adopting nearly every category of social media.

This role reversal is not surprising when you look at the B2B marketing-to-sales process and its reliance on trusted relationships. After all, the primary purpose of social media is to provide the means for interactions between people to build on these relationships.

Information about your products and services is being shared via social media. Your prospects, customers, the press and other influencers in the marketing process are listening and commenting on what’s being said. And your organization is either part of that conversation, or potentially a victim of it.
4. Use of Information Resources in the Complex Purchase Process

Changing Use of Information Resources by Technology Buyers in the Past Six Months

The sources of information relied upon for making large and complex purchases like business technology are changing at a rapid pace. The most dramatic change shown in this chart is the shift from face-to-face events and tradeshows to virtual events and tradeshows.
Use of search engines and websites to obtain the information needed for making large purchase decisions has continued to increase significantly during the past six months.
5. Managing the Pipeline from Lead Generation to Sales Conversion

How Organizations are Managing Their Marketing-to-Sales Process

<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes, doing now</th>
<th>No, but high priority</th>
<th>Back burner / not planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use CRM system to manage lead process</td>
<td>51%</td>
<td>13%</td>
<td>36%</td>
</tr>
<tr>
<td>Collaborate with sales to define sales-ready leads</td>
<td>45%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Measure lead generation contribution to revenue</td>
<td>44%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>Have system for rating ‘qualified’ and ‘warm’ leads</td>
<td>44%</td>
<td>18%</td>
<td>38%</td>
</tr>
<tr>
<td>Have a process for nurturing leads not sales-ready</td>
<td>39%</td>
<td>23%</td>
<td>38%</td>
</tr>
<tr>
<td>Closed-loop tracking from source to conclusion</td>
<td>30%</td>
<td>27%</td>
<td>43%</td>
</tr>
<tr>
<td>Have a process for handing leads back to marketing</td>
<td>28%</td>
<td>19%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Methodology: Fielded April 15 - 20, 2009, N=1147

Closely aligning marketing and sales is essential to creating a productive new business pipeline. As this chart demonstrates, many marketing and sales organizations are collaborating at the shallow end of the pool – by mutually engaging in best practices like defining what a sales-ready lead is – but few are diving deeper to make the pipeline flow in both directions.

This two-way flow requires feedback from the sales organization about leads that are not ready for conversion. This feedback results in highly effective practices like the closed-loop tracking of leads from source to conversion. A pipeline flowing in both directions can also enable a process for sales to hand leads back to marketing for re-engagement and continued nurturing – creating opportunities for the sales force to pursue again in the future when the timing is optimal.
6. How Well Managed is the Hub of Your Marketing Strategy?

Agencies and Consultants Rate How Their Clients are Managing Website Capabilities

The foremost change in B2B marketing during the past decade or so has been the emergence of a company’s website as the primary point of contact with prospects and customers. The website has also become an extremely efficient platform for integrating and automating the lead generation process. As a result, the role of a company’s website has been elevated from simply a spoke in the marketing mix wheel to the hub of the marketing strategy.

So how well are B2B websites being managed? Rather than ask client-side marketers to self-evaluate their own performance, we asked their agencies and marketing consultants to provide a more objective assessment.

While many website capabilities are being managed at a high level, or clients were at least doing a good job of managing them, we found that system integration which enables the flow of leads generated on a website to the CRM system was a weak point. As we learn later in this study, the lead management process has become critical to the success of
marketing and sales programs, and it all begins with the timely transfer of leads from their source to the lead management automation.
Improve the Effectiveness of Your B2B Marketing!

MarketingSherpa 2009 - 10 B2B Marketing Benchmark Report will help you:

- Focus your efforts on the most profitable and actionable tactics
- Allocate budget for existing programs and exploring new opportunities
- Inspire you with ideas from B2B marketers who have achieved success
- Measure success and evaluate opportunity with nearly 1,150 of your peers

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(we respect your privacy)

Then mail my printed copy to:

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Print Cardholder Name ____________________________

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