

Demand Gen Report's 2013 Benchmark SURVEY

New Survey Reveals Demand Generation
Budgets For The Coming Year and
Priorities For Lead Generation Spending

DEMAND  **GEN**
REPORT



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Executive Summary

One half of B2B marketers say their demand generation **budgets will grow by more than 20% in 2013**, and they will spend those dollars on social media as well as developing white papers, webinars and improving their web sites.

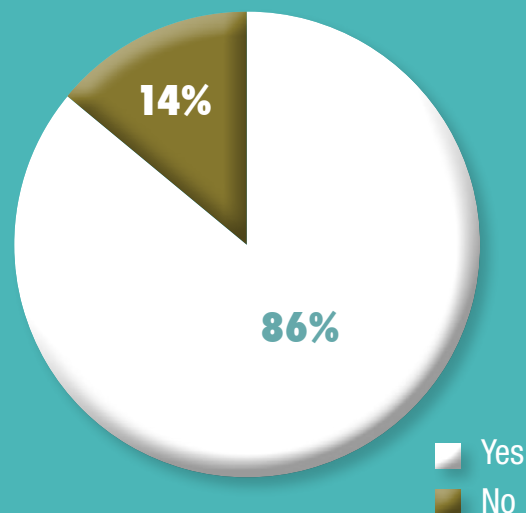
Content that can assist with their demand generation efforts will get top priority, according to the respondents to the 2013 Demand Gen Report Benchmark Survey, as B2B marketers face **increasing pressure to keep the sales pipeline filled with high-quality leads**.

Nearly one quarter of the respondents reported that marketing-generated leads account for 26% to 50% of annual revenue at their companies, so they are looking at increasing their use of all types of lead generation tactics. **Web analytics, content planning tools, custom landing pages and progressive profiling** on web forms are among the strategies expected to see significant growth in the coming year.

The survey was designed to gauge marketers' demand generation spending plans for 2013 and how those budgets compare to their overall marketing budgets. The survey also looked at how marketers will allocate their demand generation dollars in the coming year.

The majority of B2B marketers expect their demand generation budgets to increase in 2013, with one half expecting their budgets to rise by 20% or more.

Did demand generation become a higher priority within your organization during 2012?

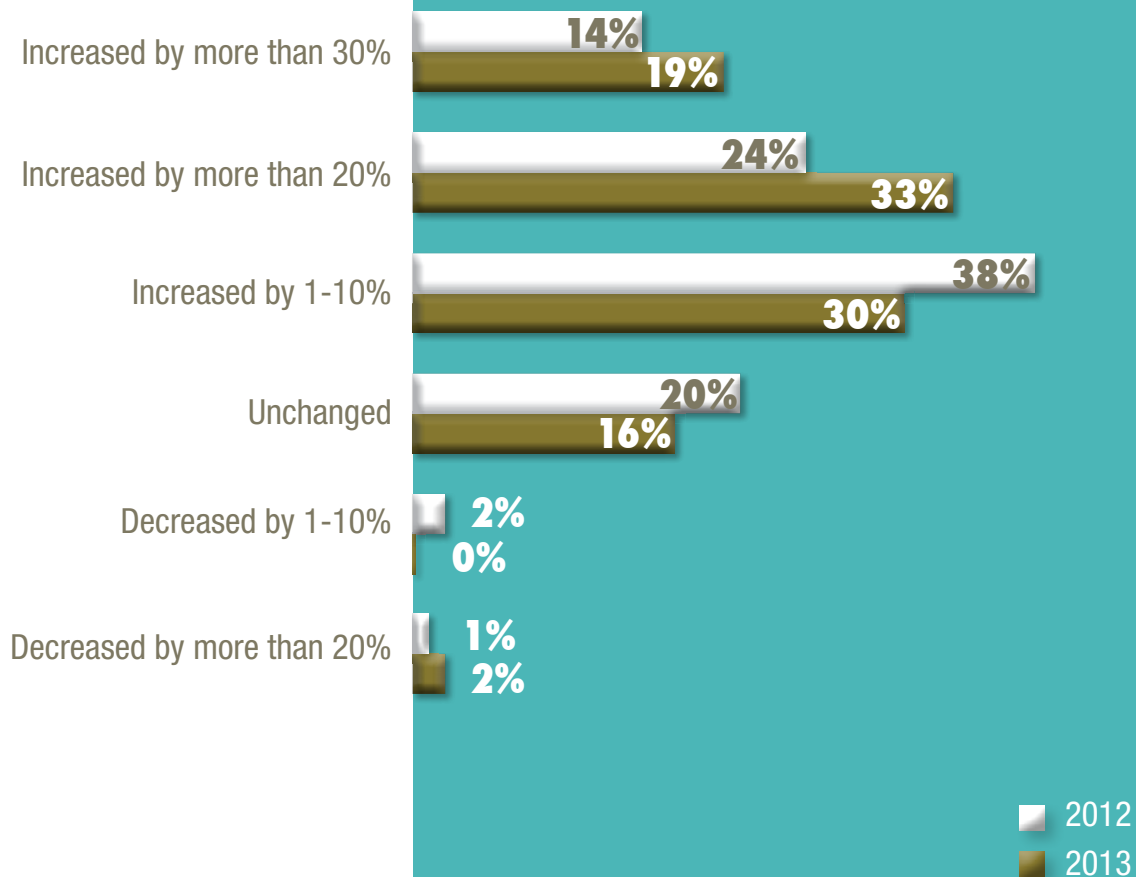


This white paper will delve deeper into the survey responses, including:

- Expectations for marketing's contribution to the sales pipeline;
- A look at lead generation priorities;
- Top technologies and tactics; and
- Breakdown of strategies for improving lead tracking.

More than three quarters of respondents reported that demand generation had become a higher priority in 2012.

How did your demand generation budget change during 2012 and 2013?

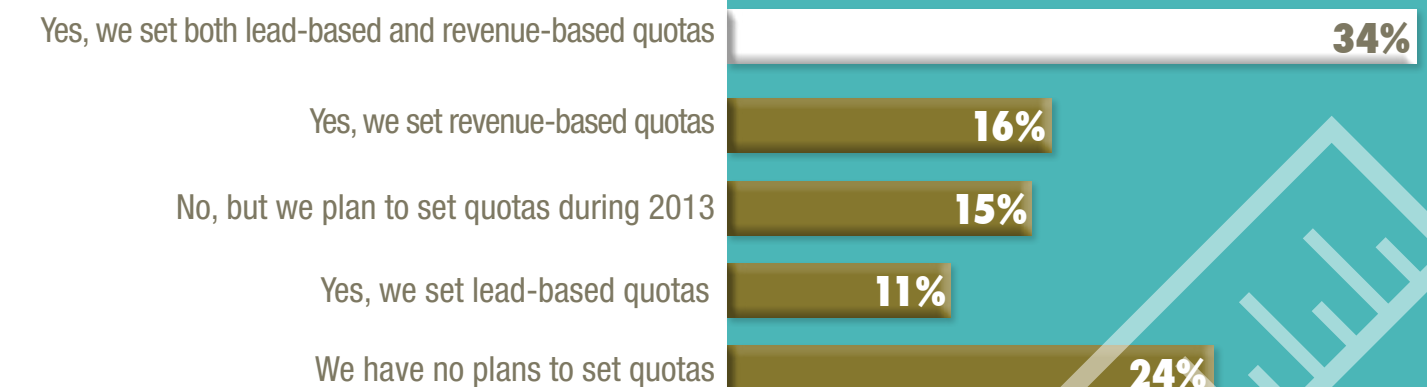


Demand Gen Keeps Pace With Overall Budgets

The **increased spend on demand generation** parallels the rise in overall marketing budgets. While 52% expect their demand generation budgets to increase by more than 20%, 31% anticipated a 20% rise in their overall marketing budgets for 2013.

About one third (30%) expect their demand generation budgets to rise by up to 10% in 2013 and 16% said they would remain unchanged, also closely mirroring expectations for overall marketing budgets.

Does your marketing organization set performance quotas?



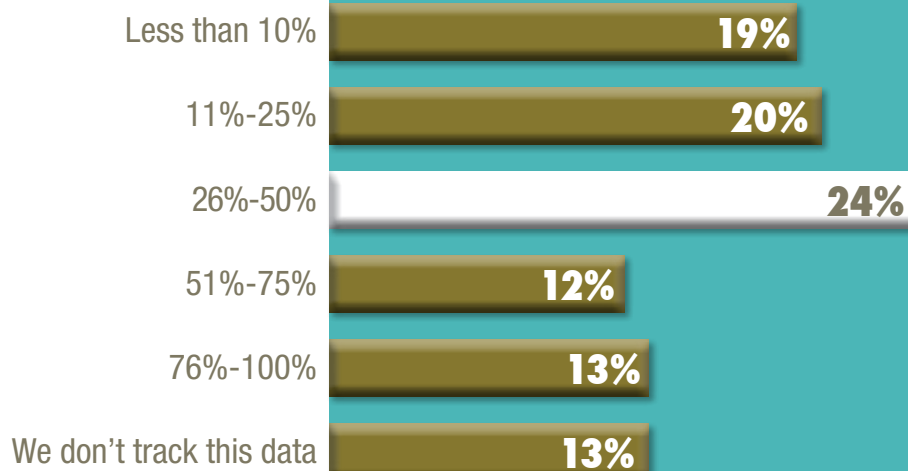
Multi-level performance measurement was becoming more common, as more than two thirds of those surveyed reported that they had to meet both sales- and revenue-based quotas.

There was a steady rise in demand generation and overall marketing spend compared to 2012, when 38% reported that their demand budgets were 1% to 10% higher and 40% reported that their overall marketing spend was up by 1% to 10%.

This is not surprising, as 86% noted that **demand generation became a higher priority in 2012**. An overwhelming majority reported that their demand generation budgets will either rise or remain the same, with only 2% reporting a decrease.

Almost one quarter of respondents reported that 25% to 50% of their company's annual revenue is attributable to leads that are tied to marketing programs.

What percentage of your company's annual revenue is attributable to marketing-sourced leads?



Marketing Expected To Make Big Contributions To Sales Pipeline

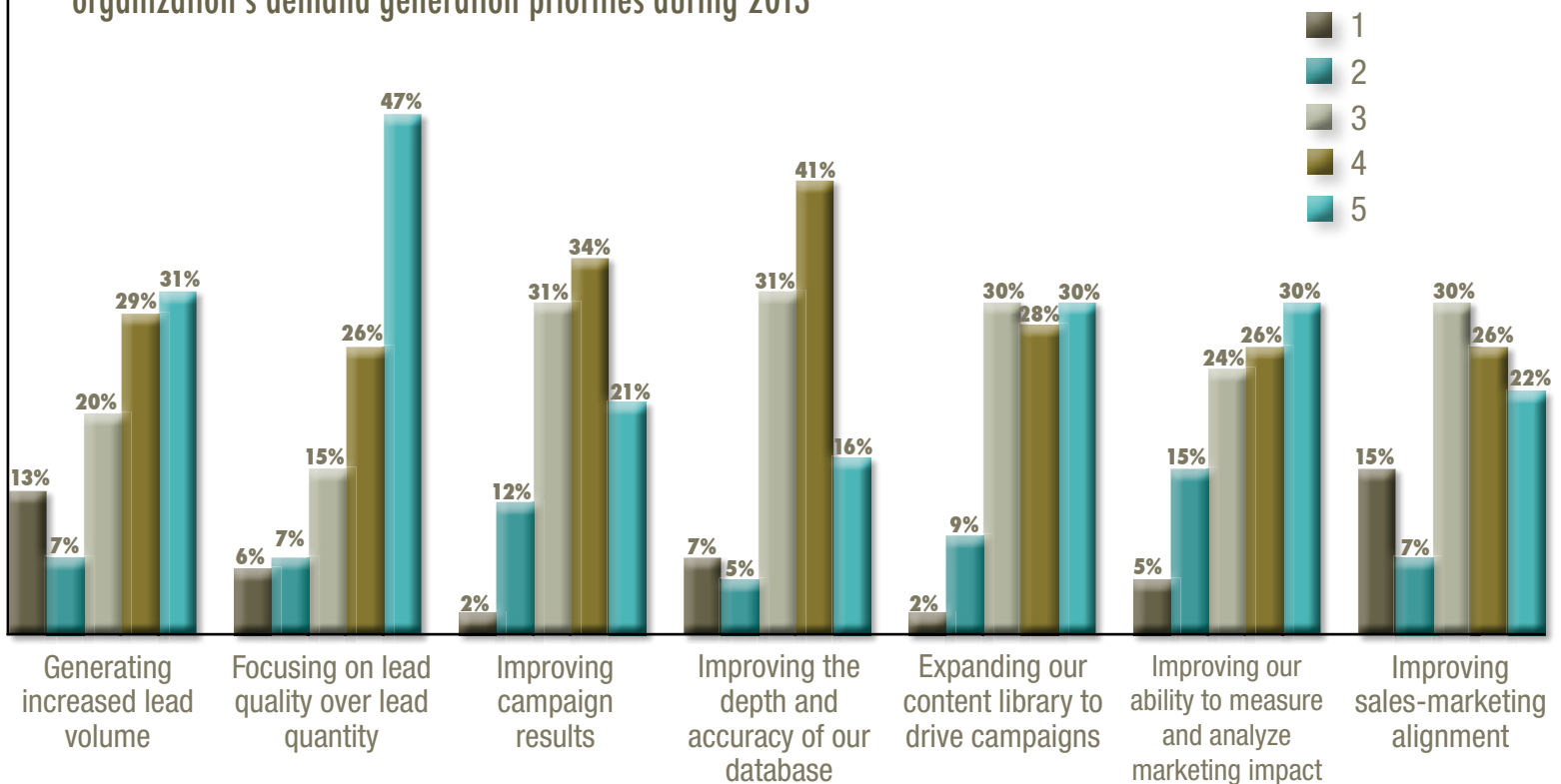
Marketing campaigns, and demand generation efforts in particular, are expected to make a **significant contribution** to total revenue growth. When asked what percentage of annual revenue is attributable to marketing-sourced leads, approximately one half said that 26% or more of revenue was fueled by marketing-driven prospects. Nearly one fifth (20%) reported that marketing leads were responsible for 11% to 25% of revenue growth.

When asked about the total amount of revenue growth their companies anticipated in 2013, 36% said they expected growth of 1% to 10%; while 31% expected revenue growth of more than 30%, and 26% forecasted revenue growth of more than 30%.

Lead quality takes top billing, as 47% of marketers report that they are focusing on generating leads that are likely to turn into sales.

Marketing is also increasingly measured by its **contributions to the sales pipeline and revenue**. More than one third (34%) of respondents said their marketing organizations have lead-based and revenue-based quotas in place, and another 15% plan to establish quotas in 2013.

Rank (on a scale of 1-5 with 5 being MOST important) your organization's demand generation priorities during 2013



Lead Quality Takes Top Billing

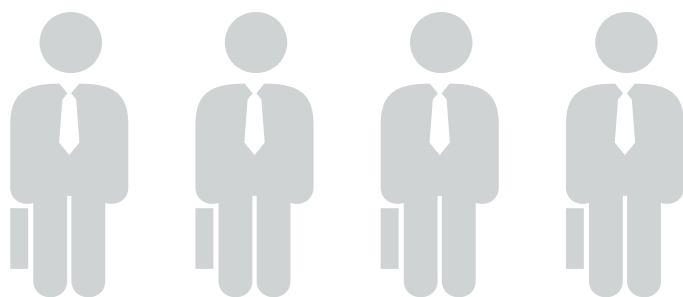
While lead volume is still important to marketers who need to keep the sales team stocked with prospects, those **prospects must be hot**. The survey revealed that nearly half (47%) of marketers surveyed ranked focusing on lead quality over lead quantity as a top priority in 2013.

But that does not mean that marketers were off the hook for increasing the volume of leads. Almost one third (31%) said that **increasing the volume of leads** generated was of highest importance. **Improving campaign results** was also high on the list, with 41% ranking it a four out of five and 16% ranking it as a five, or most important.

Data accuracy was also among the top priorities listed, as more marketing organizations emphasize data integrity and properly crediting leads to marketing or sales. More than one third (34%) rated this a four out of five in terms of importance, while 21% rated it a five and 31.4% rated it a three, so database maintenance is clearly coming to the forefront as an issue.

Expanding the content library was a top priority for 30% of survey respondents, as was **improving the ability to measure and analyze marketing impact**.

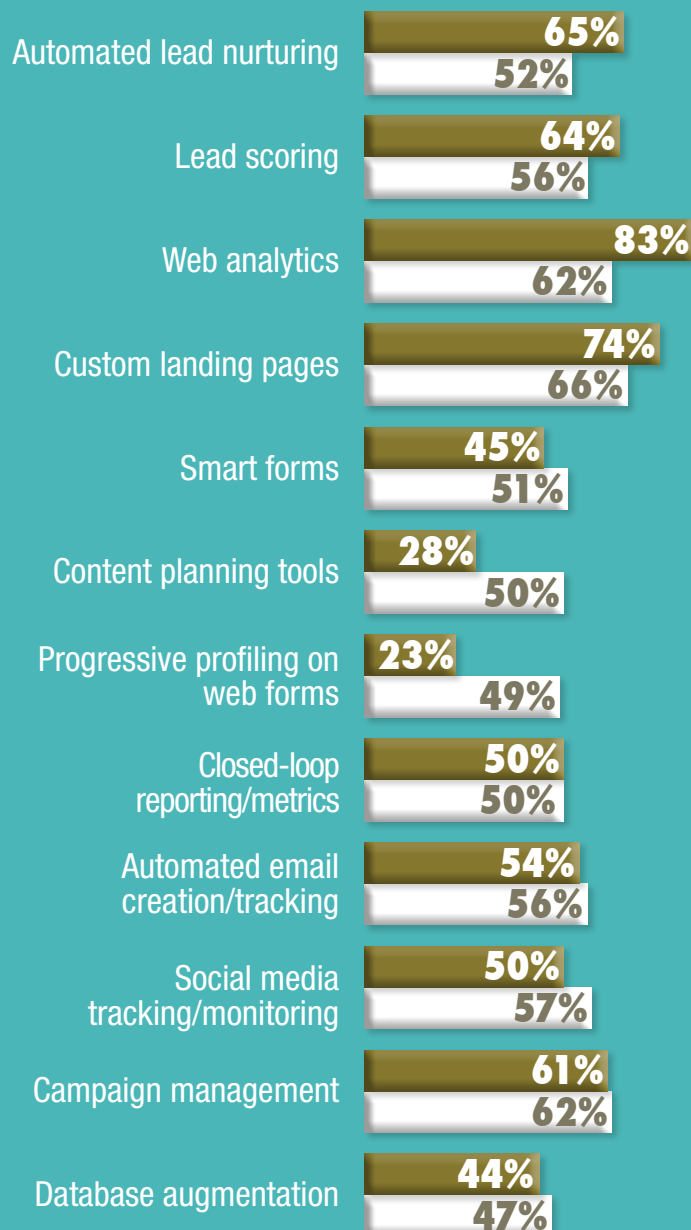
Sales-marketing alignment was identified by 22% of respondents as the top priority, but it was also ranked four by more than a quarter of respondents (30%) and three by 30%, so marketing and sales are recognizing the need to synchronize their efforts for maximum return.



Please select the tools that your organization:

(select all that apply)

- Currently uses
- Plans to deploy during 2013



Lead Tracking and Analytics Continue to Grow

Most marketers are using the wide variety of demand generation and lead tracking tools at their disposal. **Web analytics** ranked high among the current technologies in use (83%), followed by **custom landing pages** (74%), **automated lead nurturing** (65%) and **lead scoring** (64%).

When asked about the technologies they plan to deploy in 2013, **custom landing pages** was at the top of the list, cited by 66% of respondents. Campaign management and web analytics were both mentioned by 62% of respondents.

Web tracking tools that alert the sales staff to **account activity** was cited as a method/process currently used by 63% of respondents, and 66% reported that they will deploy these tools during 2013.

More than half of all respondents (57%) said that they would install **social media tracking/monitoring tools** in 2013 as social media outlets become more important to B2B marketing efforts.

Lead scoring tools were on 56% of respondents' planned deployment lists, followed by **automated lead nurturing** at 52%.



More marketers expect to deploy buyer personas and social media management/tracking tools in 2013.

Please select the methods/processes that your organization:

(select all that apply)

■ Currently uses

■ Plans to deploy during 2013



Learning More About Buyers

B2B marketers were becoming more interested in using **buyer personas** for campaigns, as 63% indicated that they would use them in 2013 compared to 54% in 2012.

Social media management/tracking tools also attracted more attention, as 64% plan to use them in 2013 compared to 58% in 2013.

B2B marketers expect to turn to **social media more frequently** in 2013 as a demand generation tactic. While 9% of respondents rated it a five on a scale of one to five in terms of importance in 2012, 21% said social media will be of high importance (five) to their demand generation efforts in 2013.

Custom landing pages are also gaining favor as demand generation tools: More than one third (35%) rated custom landing pages a five for 2013, up from 22% in 2012.

Marketers are also warming up to **video as a demand generation tool**. While 17% rated video a five in terms of importance in 2012, that number rose to 22% in 2013. Online advertising, in the meantime, moved up to 17% of marketers rating it of highest importance in 2013, up from 10% in 2012.

Standard lead generation tools such as **white papers, email and webinars** saw small increases in their predicted importance for 2013, while live events and telemarketing saw declines.

More marketers expect to deploy buyer personas and social media management/tracking tools in 2013.



About The Survey Sample

The 86 respondents serve a variety of industries, with software/technology as the top industry chosen. Business services and consulting was ranked second, with financial services rounding out the top three.

More than one quarter (26%) had revenues of \$10 million to \$50 million, while (40%) had revenues of less than \$10 million. Thirteen percent of respondents reported revenues of more than \$1 billion.

Nearly one quarter (23%) reported that their marketing organization's budget was between \$100,000 and \$500,000, while 20% had a marketing budget of \$1 million to \$5 million. One third (34%) said that their marketing budget is less than \$100,000.

About Demand Gen Report

Demand Gen Report is a targeted e-media publication spotlighting the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.



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