
2014

B2B ENTERPRISE
**DEMAND
GENERATION**
SURVEY

A Benchmarking Study from ANNUITAS





Executive Summary

From April 8 to June 15, 2014 ANNUITAS conducted a study to analyze current Enterprise-level B2B Demand Generation Strategies and discover key patterns, including where B2B marketers produce the best results and where they continue to struggle.

This survey was unique in that it focused exclusively on the B2B Enterprise (organizations with revenues that exceeded \$250M in annual revenue). More than 100 B2B enterprise marketers responded to the study.

Most surveys of this nature feature a high majority of respondents from the SMB space, and ANNUITAS felt that it was important to uncover more information about how the largest companies run their marketing—uncovering where many organizations are lacking and shining a light on areas for improvement.

Overall, the marketing departments are still grappling with achieving success in the world of Demand Generation. The results of this study show that there is plenty of room for improvement and that some organizations are gaining ground. The following study is complete with commentary from the Strategy Team at ANNUITAS and is intended to cast light on the survey as well as supply some advice on areas for improvement. The raw data is also responsible for download if the desire is to read with no commentary.

The account and marketing technology demographics of the individuals that responded to this survey can be found in an addendum at the end of the paper. Thanks for all who made this study possible and for all who participated. We hope you gain insights from the information and welcome further discussion on these results.

– **Carlos Hidalgo**
CEO, ANNUITAS

Takeaways Include

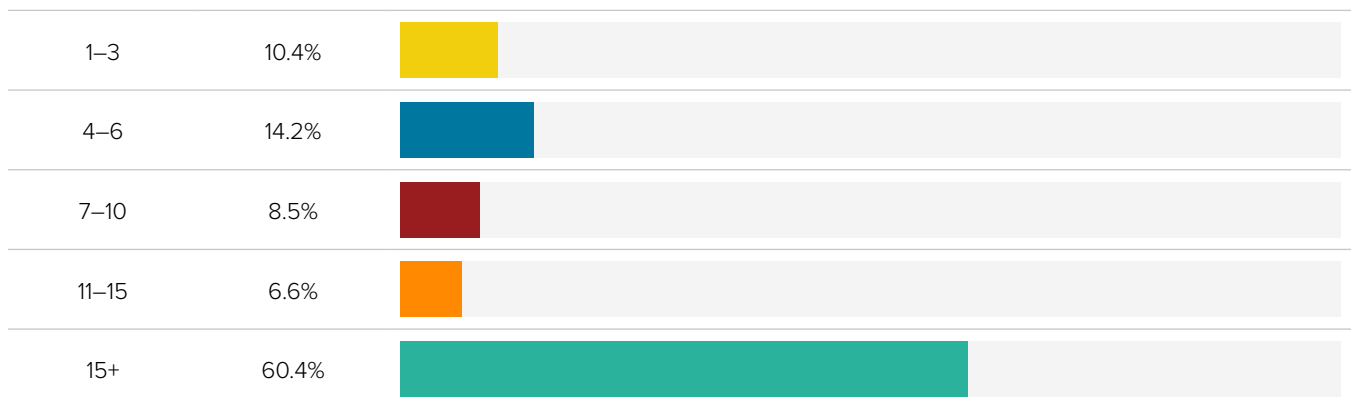
- **There is a disconnect between what marketing is looking to accomplish and what they are measuring.** Those in enterprise demand generation need to better align their goals and objectives with their metrics and KPIs.
- **Marketing departments are struggling to succeed with their Demand Generation.** Almost 60% of respondents indicated they feel their efforts are not very effective, with less than 3% stating they are very effective.
- **Demand Generation professionals are still falling short of connecting with their buyer.** From the creation of Buyer Personas and development of aligned content, there are improvements that need to be made in order to achieve better results.
- **Marketing needs to improve their interaction with sales when it comes to the development of Demand Generation activities.** Most organizations do not take a proactive stand with sales in the development of Demand Generation strategies.
- **Lack of skills continues to be an obstacle for marketing organizations.** This is an indicator to CMOs that training will be key to any improvements that need to be made in effectiveness, measurement and revenue contribution.

Demand Generation Overview

Demand Generation is more Tactical than Strategic.

Organizations top goals are focused on revenue-generating activity, yet very few have confidence in their ability to measure or reach these goals. As a result they continue to struggle with the overall effectiveness of their Demand Generation efforts.

How many Demand Generation programs/campaigns do you run on an annual basis?

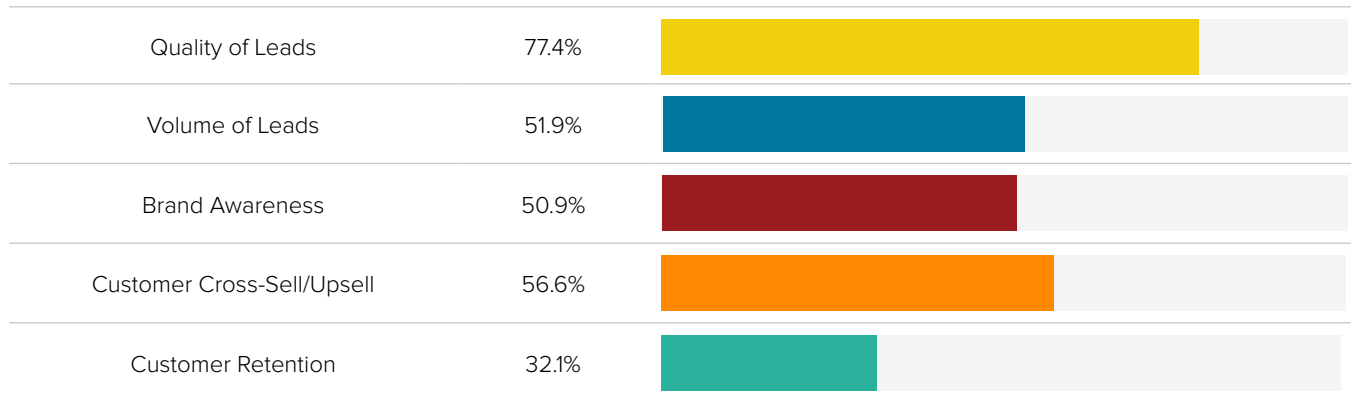


B2B Marketers are running more than one marketing program or campaign per month, with almost two-thirds of enterprise organizations running more than 15 each year. **This would indicate that the majority of organizations are still focused tactically on Demand**

Generation, focused more on quantity than quality, and therefore are not taking a strategic approach to Demand Generation.



What are the goals of your Demand Generation programs/campaigns?



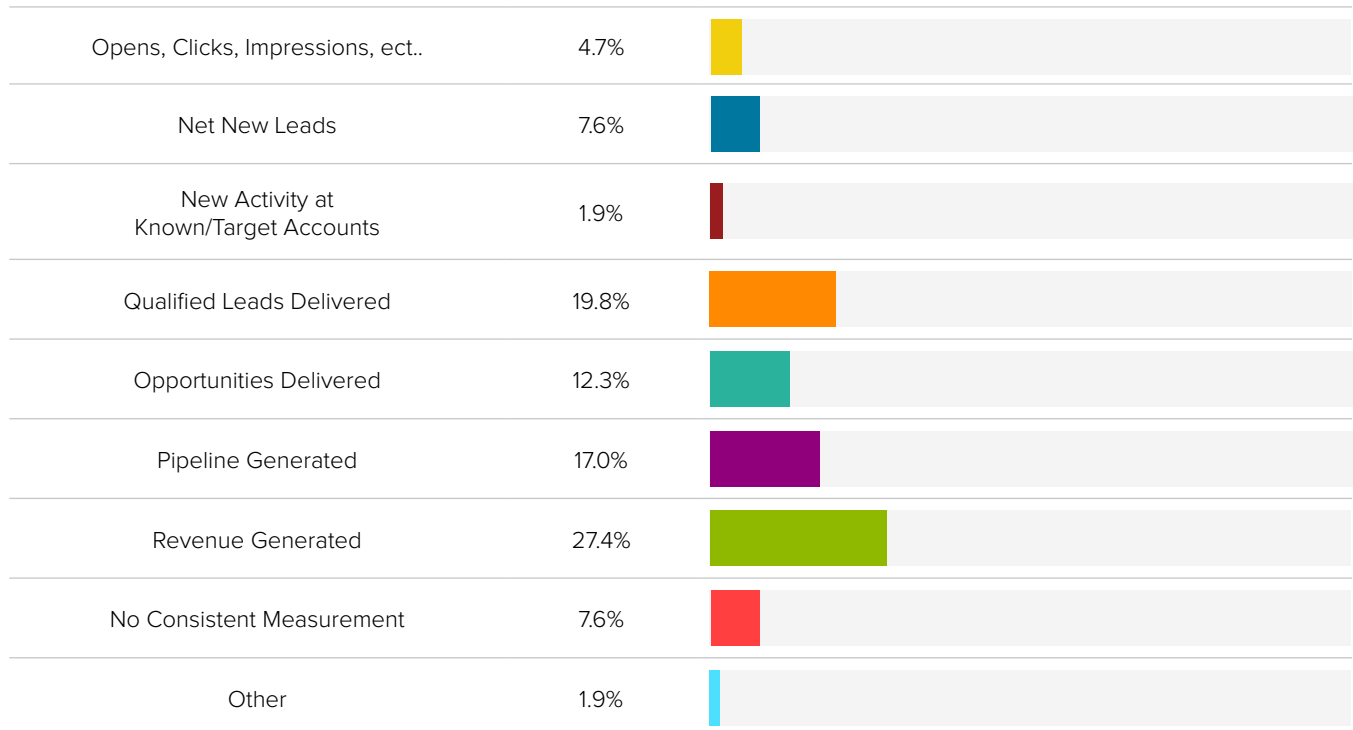
As seen, the top three goals for their Demand Generation Programs are Quality of Leads, Customer Cross/UpSell and Lead Volume.

What should be noted is the lack of focus that organizations put on customer retention, with only 32% of organizations listing this as a goal.

Companies are missing a big revenue generating activity by ignoring customer retention and are also putting a larger burden on new logo acquisition to make up for any attrition.



What is your primary measure of success for Demand Generation programs/campaigns?



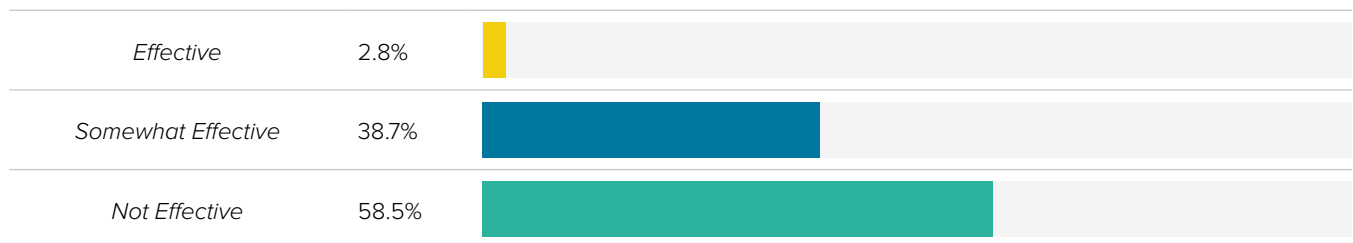
Despite the focus on quality and volume of leads generated and the attention towards upselling and cross-selling to the customer base, less than one-third of organizations have measurements that indicate their success against these goals.

While the most frequent measurements are revenue generated and pipeline generated, less than 20% are measuring qualified leads delivered—which is the

number one goal stated by B2B Demand Generation professionals. **This shows that there is a wide gap between what marketers are saying they want to do and what they are actually able to measure.** As analytics become more of a focal point for CMOs, we expect this gap will close in future years.



How effective are your Demand Generation Programs/Campaigns at achieving your primary goal(s)?



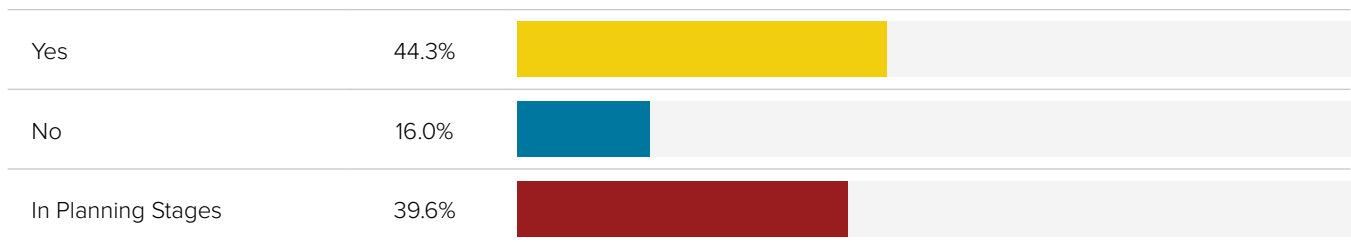
Marketers rated themselves very low in overall effectiveness with less than 3% rating themselves as such and more than 57% rating themselves as not effective. This lack of effectiveness will only continue to put more pressure on CMOs as they are being asked to do more by the business, drive greater pipeline and play a larger role in impacting revenue.

As organizations improve their ability to measure and analyze their results, it is expected that their ability to show overall effectiveness will improve. **While the lack of vision is contributing to low effectiveness scores, this is also an indication of a skills gap that currently exists in B2B Enterprise organizations,** which will be reviewed later in this study.

Buyer Personas—Buyer Insights

While the term Buyer Persona is widely used throughout the market place, many organizations are still in the process of trying to make it part of their day-to-day planning. Moreover, the approaches and methods used are still rather immature, in that they are inwardly focused and are potentially a source for misalignment with sales.

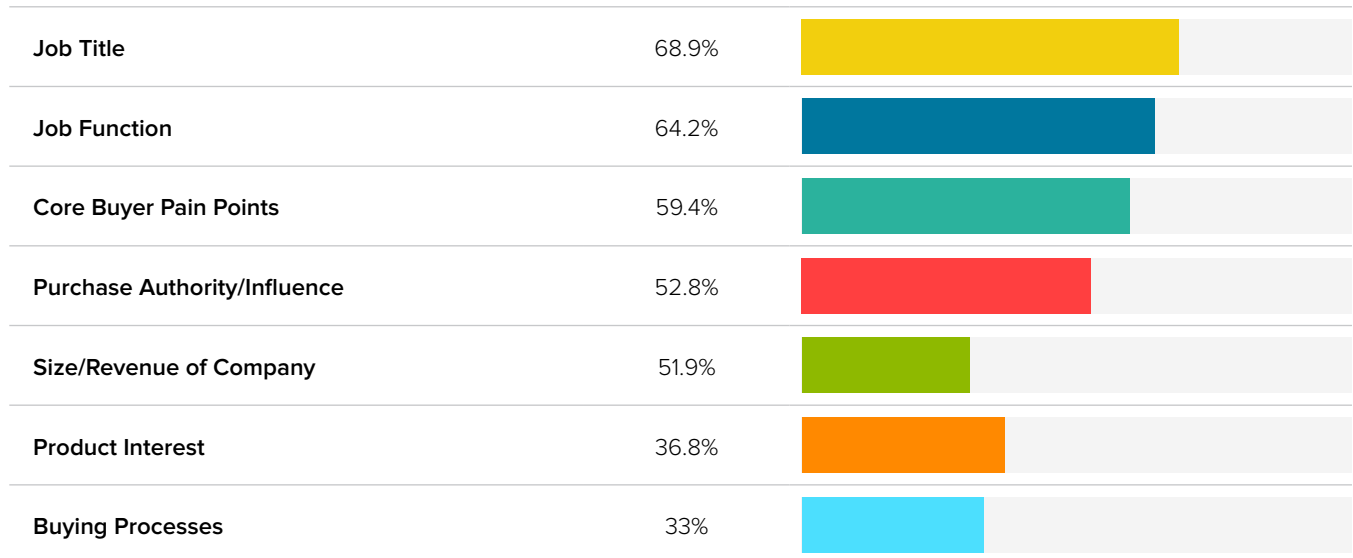
Does your organization utilize buyer personas in the planning of Demand Generation Programs and activities?



Surprisingly, less than half of B2B enterprise organizations use Buyer Personas as part of their Demand Generation planning stages. This sheds even more light on the low marks that enterprises give themselves on being effective, but is also **a clear indication that many organizations (even if they are in the planning stages) are still not developing buyer-centric Demand Generation programs** which will only continue to limit the success marketers have with these programs.



What criteria do you use to develop your buyer personas?



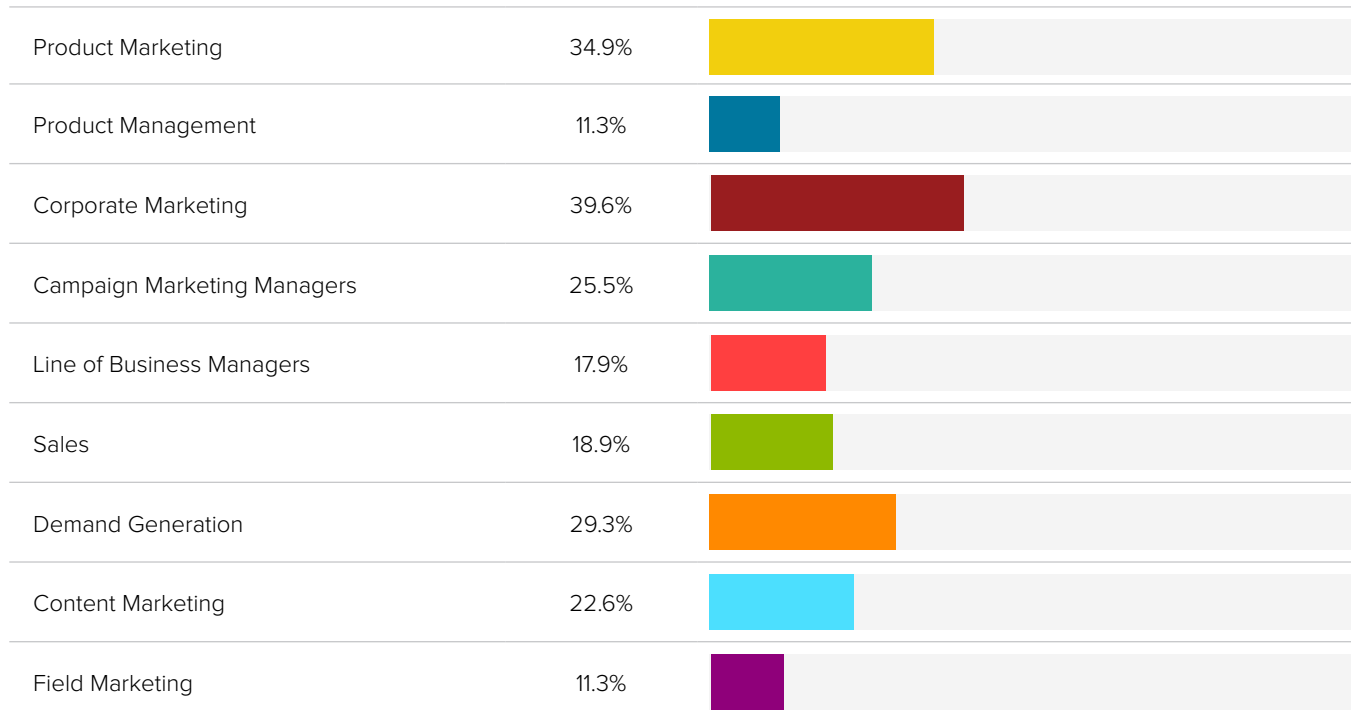
More than two-thirds of organizations use Job Title and Job Function as the top two criteria in their buyer personas with company size in terms of revenue being used in just over half. Close to 60% of organizations include Core Buyer Pain Points as part of their personas, which is something all organizations should use. How these pain points are collected is unknown, but organizations would do well to speak to the buyers themselves to get a deeper understanding of these challenges.

Only 33% of organizations include the Buying Process as part of these personas, which will have an impact on delivering relevant content at the various buying stages.

The biggest surprise with regard to buyer personas was that no companies consider Buying Process Stakeholders. Organizations could greatly enhance the effectiveness of their personas if they knew the role in the buying committee of each individual buyer, as the majority of B2B buyer decisions are made by committees versus one individual.



Who is primarily responsible for the development of buyer personas in your organization?



When asked about the development of personas, the numbers reveal that organizations are not developing specific personas for each discipline within marketing. Corporate Marketing is responsible for the personas in approximately 40% of organizations, while less than 30% stated the Demand Generation team was responsible. **It is important for marketers**

to understand that most often different personas will need to be developed as the disciplines within marketing are different. There should not be just one set of personas within the organization but there should be collaboration among the groups in order to share and compare the various personas that do exist.



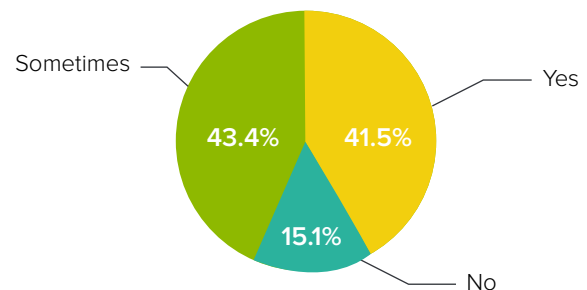
**Which of the following do you consider when you are developing buyer personas?
(Select all that apply)**

<i>Current market position of your prospects?</i>	42.5%	
<i>Current customer interviews?</i>	50.9%	
<i>Prospect interviews?</i>	34.0%	
<i>Secondary research from analysts and industry publications?</i>	56.6%	
<i>Sales team recommendations?</i>	59.4%	
<i>Marketing team recommendations?</i>	58.5%	
<i>We do not take any of these steps</i>	15.1%	

Organizations are still taking a very insular view when developing their personas. Only 51% of organizations interview their customers (which will give a more biased view given their familiarity with the organization) and barely one-third of organizations go and collect information from prospects or non-customers.

Most organizations rely on their marketing and sales teams for the inputs to persona building. While these groups are good sources of information, they do view the buying process through a corporate lens which may detract from getting a true picture of the buyer, and that likely discounts purchasing considerations and priorities outside of their specific products or services.

Is sales involved in the development or approval of buyer personas?

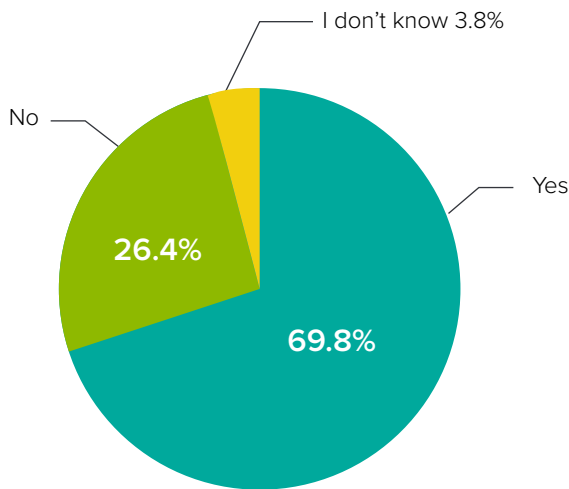


Less than 42% of organizations consistently involve sales in the development of buyer personas. This is surely a friction point between marketing and sales, as sales has a unique view of the buyer and should be part of this process. **Organizations who do not (or only sometimes) involve sales, need to change course and ensure that sales becomes a key stakeholder in providing the necessary buyer insights.**

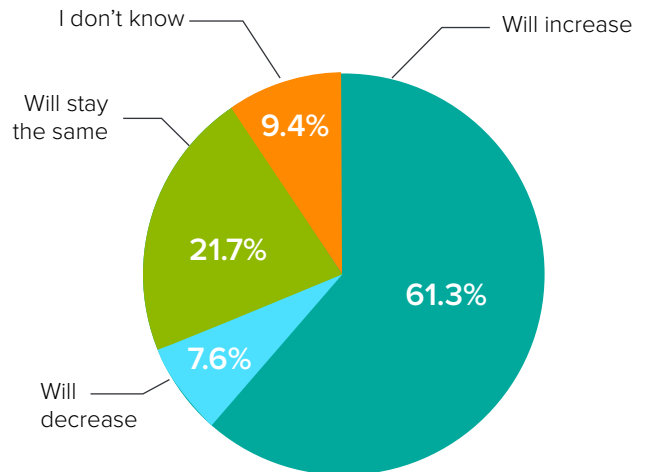
Content Marketing Strategy

The spend on content will increase in the majority of organizations, and most state that they do have a documented content strategy. There is, however, room to debate the presence of an effective strategy given that most organizations do not consistently align content to the buyer’s purchasing path, and that a focus on the buyer’s pains and challenges continues to pose a problem as organizations seek to become more effective.

Do you have a content marketing strategy?

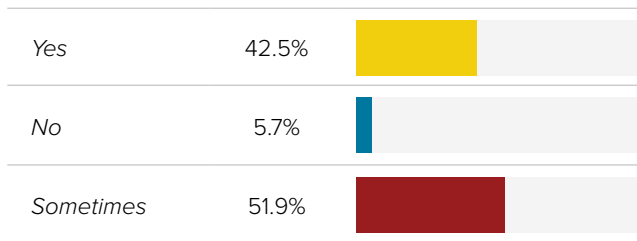


How will your spend on content marketing compare to last year?

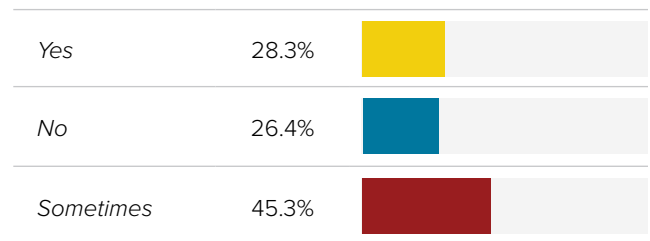


Most organizations state there is a strategy for the development of their content, and that they will be spending more on content creation than last year with 61.3% stating they will increase budgets. **This means more content will be published, but the question of effectiveness and desired results still remain.**

Does your content align to your buyer's pain points and challenges?

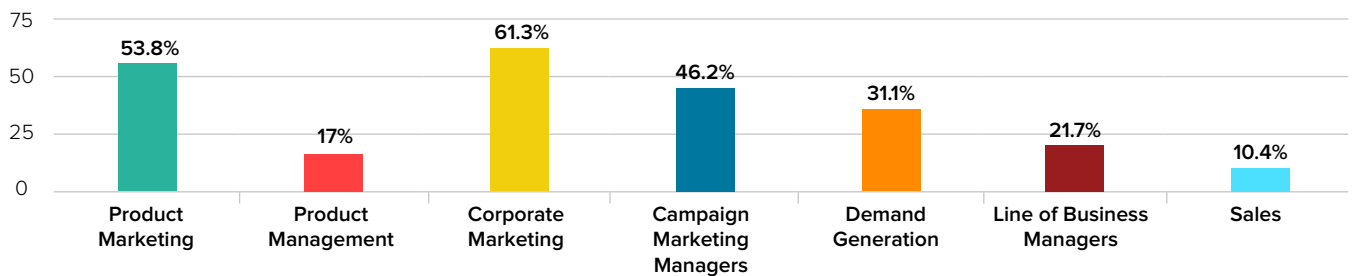


When developing your content do you create content for each stage of the buyer's purchase journey?



Only 42.5% of organizations are consistently aligning their content to that of their buyers pain points and challenges, which is an indication that **much of the content is not relevant to the buyers they are looking to engage**. Additionally, only 28.3% align content to the buyers purchase path, leaving room for vast improvement in the overall approach to creating content that will effectively generate demand.

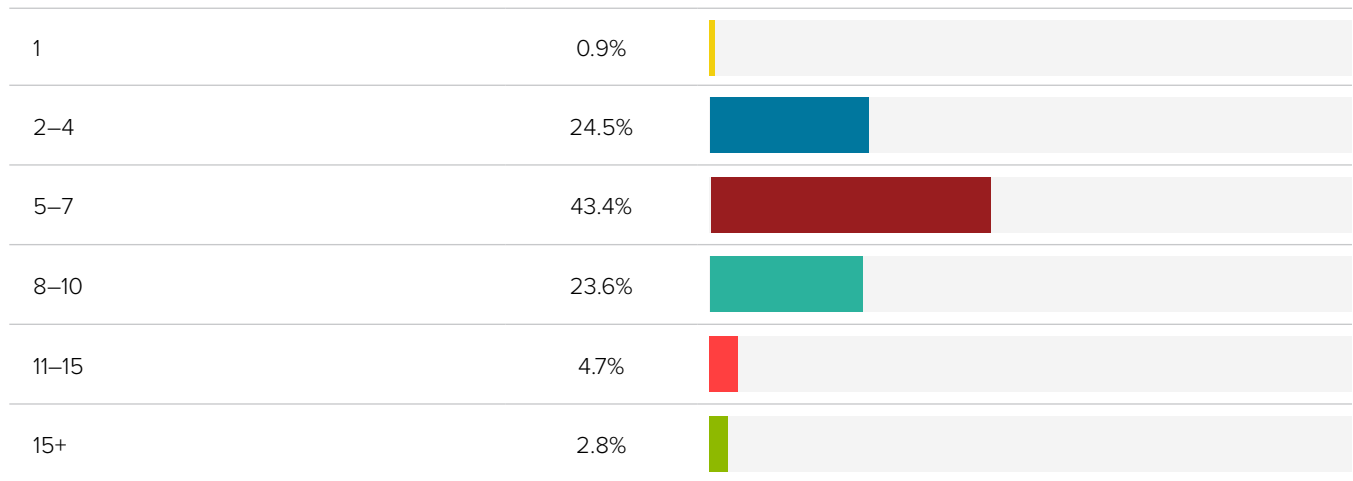
Who is responsible for creating content in your organization? (Select all that apply)



Much like the development of personas, corporate marketing leads the way in content creation, with just over 30% of organizations having their Demand Generation teams develop content. Content development should not stem from one group as there are different needs that

content should address. **Organizations can improve the effectiveness of their content by understanding that there will be different types of content that need to be developed for specific purposes.**

How many different marketing tactics (email, social media, direct mail, telemarketing, etc.) do you use to deliver your content?



Enterprise marketers are using a multi-channel approach in their approach to Demand Generation overall with 40+% using between 5–7 tactics. **Not all buyers buy in the same fashion so having a multi-channel approach is the best approach to engage your buyer(s).** However, in order to be most effective,

B2B marketers should do research to understand what channels their buyers are using the most during their purchase process to drive the most value from their content.



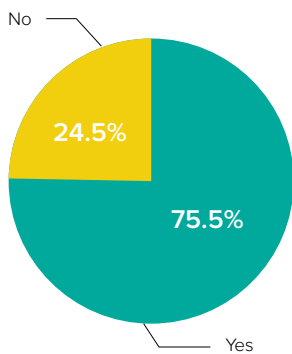
Lead Nurturing

While the majority of enterprise organizations use lead nurturing, it is worth noting that virtually 25% still do not use lead nurturing as part of their Demand Generation approach. The reason for the lack of nurturing by these organizations is not known.

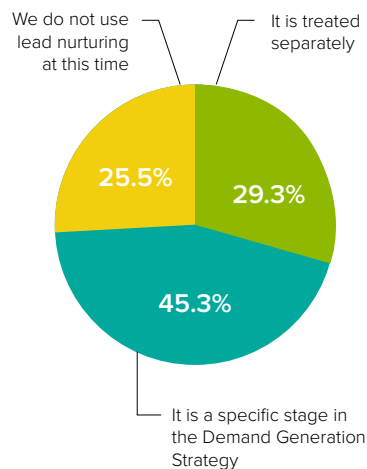
It is encouraging to see that approximately 45% of organizations are now making lead nurturing and integrated marketing part of their Demand Generation strategy, as doing so avoids a “middle of the funnel gap”. As B2B marketing continues to mature, we expect this number to increase.

About 41% of marketers develop unique content specifically for lead nurturing. As this is a crucial stage in the buying process, **marketers would do well to focus resources to develop unique content for this stage** and in so doing increase conversion rates.

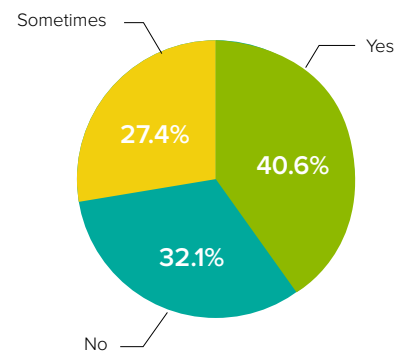
Do you use Lead Nurturing as part of your Demand Generation Strategy?



If you answered yes to the previous question, do you treat Lead Nurturing as its own campaign or is it a specific stage of your Demand Generation strategy?



Do you create specific content for lead nurturing?

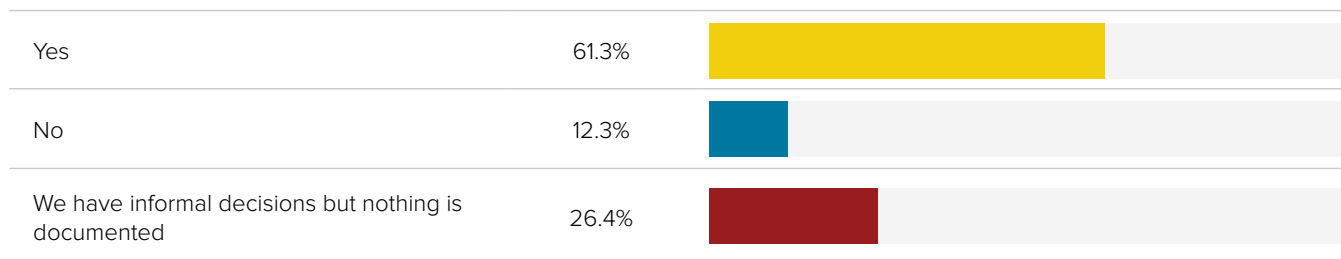




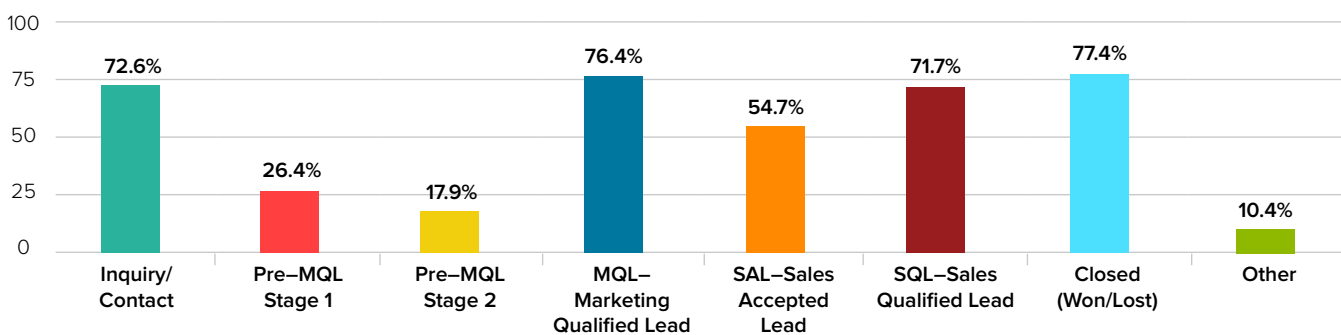
Lead Management

The lack of alignment in the lead handoff from marketing to sales is still a chronic issue in the enterprise.

Are there defined Lead Stages and Definitions that both marketing and sales agree on in your organization?



What lead stages do you use? (Select all that apply)

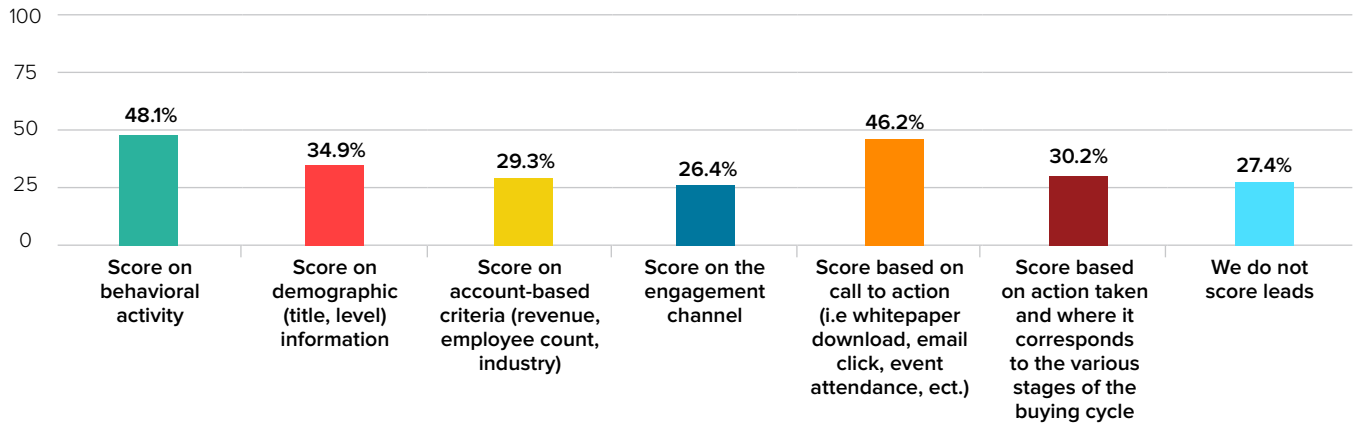


The majority of organizations have defined lead stages within their organizations and have secured agreements between marketing and sales. **About one-third of organizations still do not have**

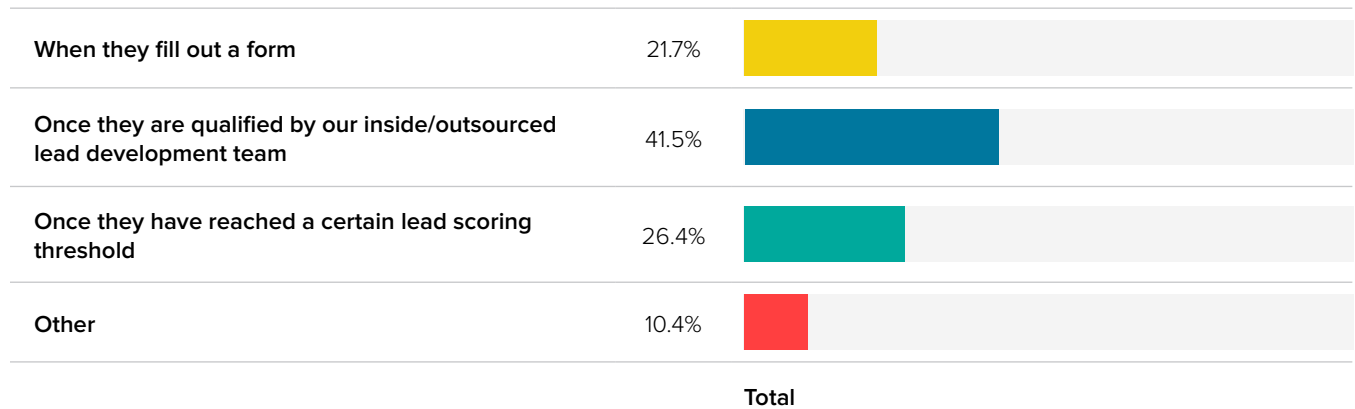
definitions or have not taken the time to document them, and this is a key area to help overall sales and marketing alignment and ensure the goal of Quality Leads can be achieved.



How do you score leads? (Select all that apply)



When does marketing pass leads to sales?

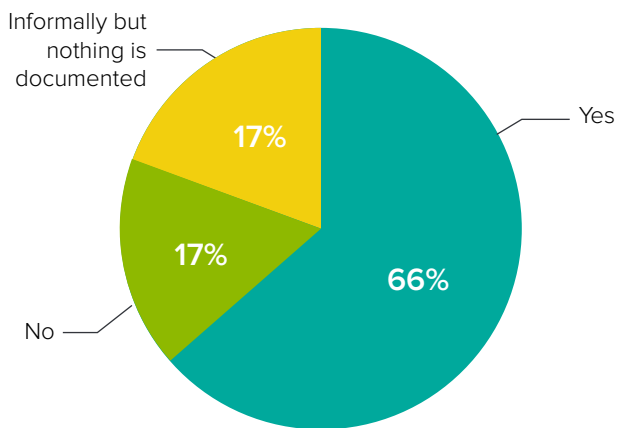


The two most common criteria for scoring are behavior activity as well as the call to action that prospects engage with. Only about 30% score on the action taken by the prospect and where it occurs in the

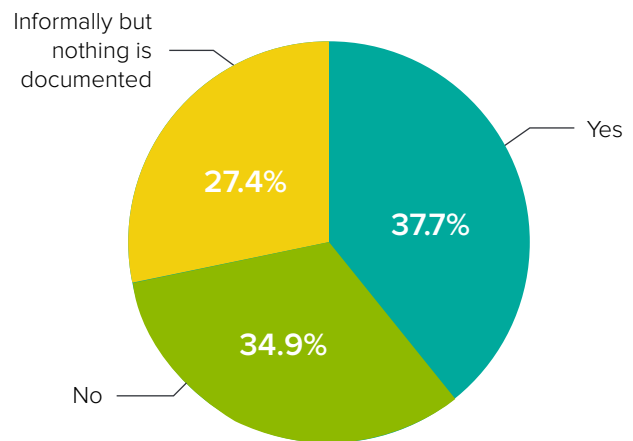
buying cycle. **This is an indication that marketers need to do a better job at understanding their buyers and their paths to purchase.**



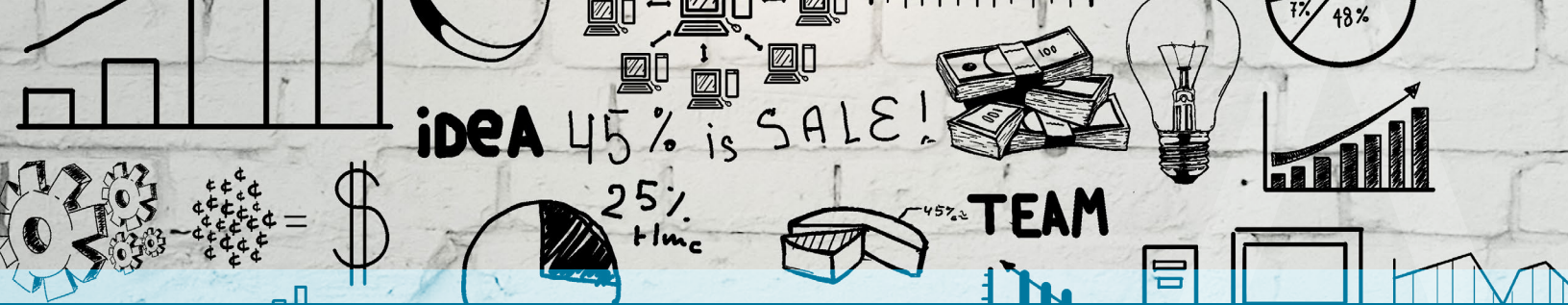
Does your organization have specific lead routing rules that govern how qualified leads will be sent to sales?



Does your organization have defined agreements (SLAs) between marketing and sales that define times for lead routing, lead response and lead disposition?



While lead routing rules seem rather commonplace in most enterprise organizations, it was surprising to learn that less than 40% have service level agreements (SLAs) between marketing and sales that are documented. **The lack of documented SLAs are another area where organizations can see improvements in alignment between marketing and sales.** Another benefit of documenting the SLAs is to ensure that qualified leads do not get lost or age in the CRM system without appropriate follow-up.



Marketing Organization Design / Demand Generation Center of Excellence

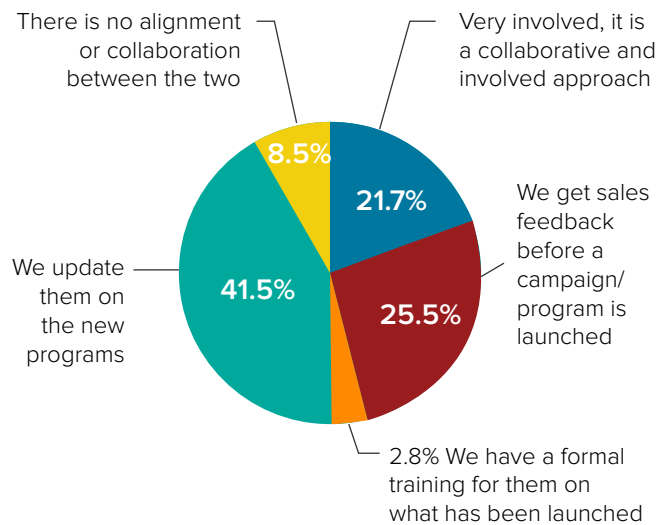
The Demand Generation Center of Excellence is an organizational standard that needs to be more widely adopted by the enterprise.

Do you have a team that oversees all aspects of Demand Generation including the development of personas, creation of content, implementation of programs and measurement?

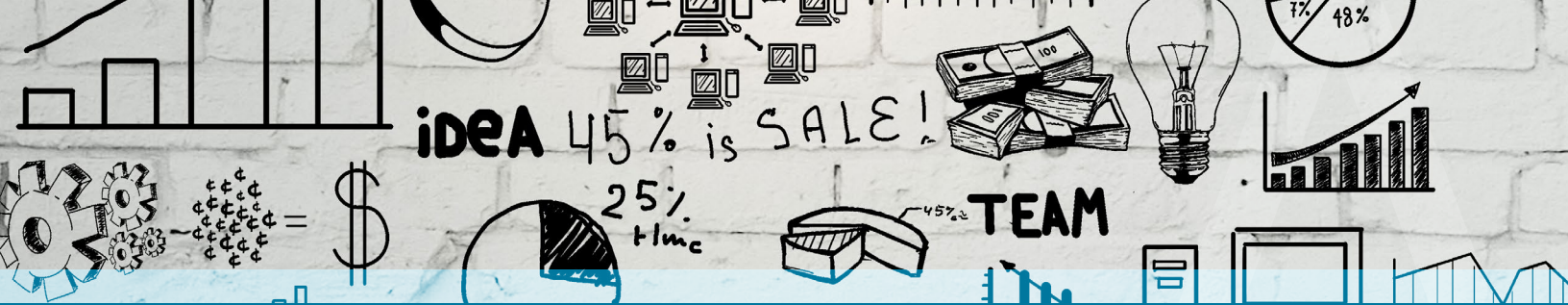
Yes	48.1%	
No	34.0%	
In planning stages	17.9%	

As seen, fewer than 50% of organizations have a department or team dedicated to the discipline of Demand Generation. **The lack of focus on the development of Demand Generation content and programs will only limit the success organizations will have.** Organizations need to rethink their approach to Demand Generation and understand this cannot be a part-time endeavor if it is to be successful.

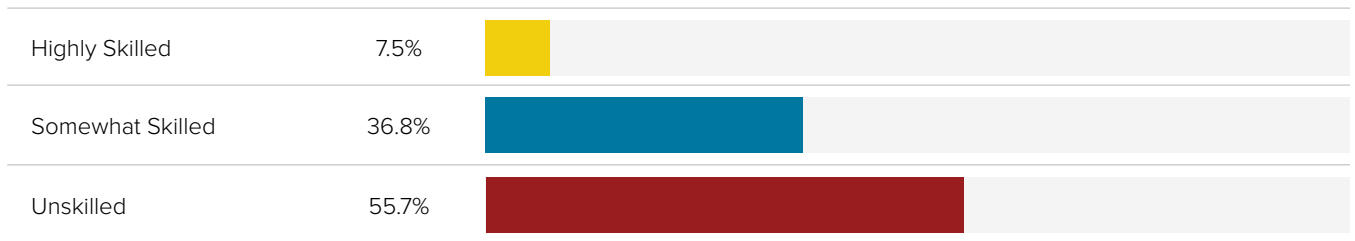
How involved is sales in the design, review and approval of Demand Generation strategies?



Furthermore, the lack of involvement of sales is problematic and will only cause a deeper divide between the two groups and limit the overall effectiveness of marketing's efforts to generate demand.



Please rate the skill set of your marketing personnel in terms of executing Demand Generation Strategy?



Perhaps one of the biggest challenges facing organizations is the lack of skilled resources in terms of Demand Generation. **Less than 8% of organizations state that their personnel are highly skilled and more than half are trying to execute on this vital function with an unskilled workforce.** This lack of skills only

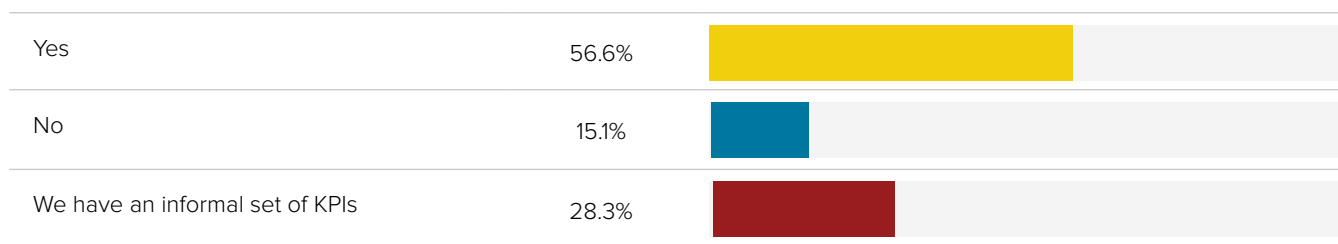
highlights the need to invest in training and will apply more pressure to CMOs who are looking to have marketing provide more value to the business.



Measurement and KPIs

Demand Generation KPIs are established, but accurate measurement of these important metrics is still a challenge.

Does your organization have a standard set of KPIs that it tracks to measure Demand Generation Success?



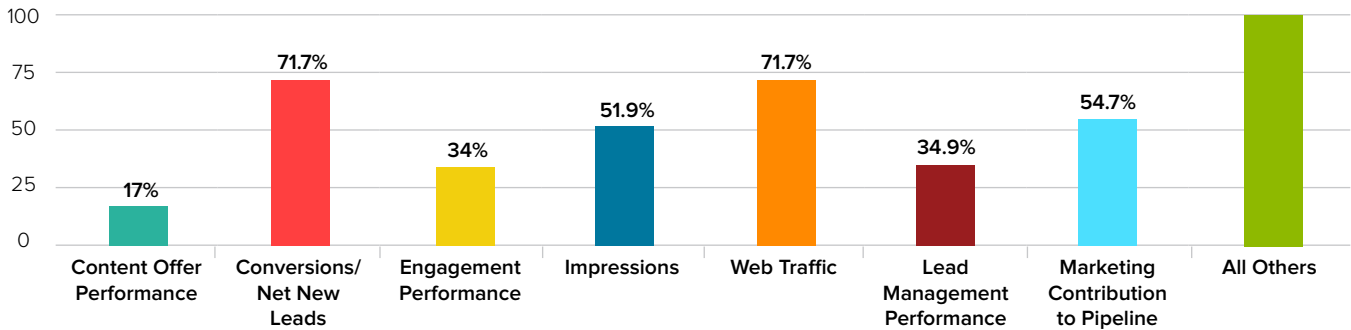
Most organizations do have a standard set of Key Performance Indicators (KPIs) that they track to measure success, however it is surprising that 43.4% do not have KPIs or only have informal KPIs in place.

The lack of KPIs may be part of the reason that many organizations are struggling in terms of Demand Generation success. **If you cannot measure it or do not know what you are measuring, it will be hard to determine overall success.**

This must continue to be a focal point of investment for CMOs as pressure to demonstrate success and business value will continue to mount.



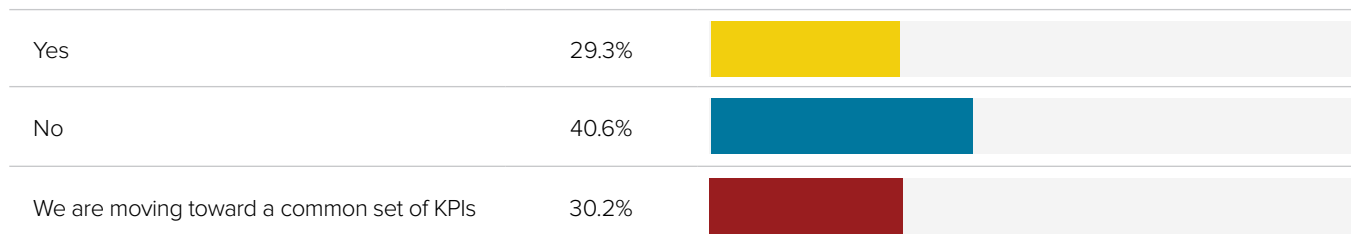
Please select all of the marketing performance KPIs that you currently track:



While many marketers discuss being revenue focused, only slightly more than half measure Marketing Contribution to Pipeline. Interestingly, only 17% of organizations measure the performance of their

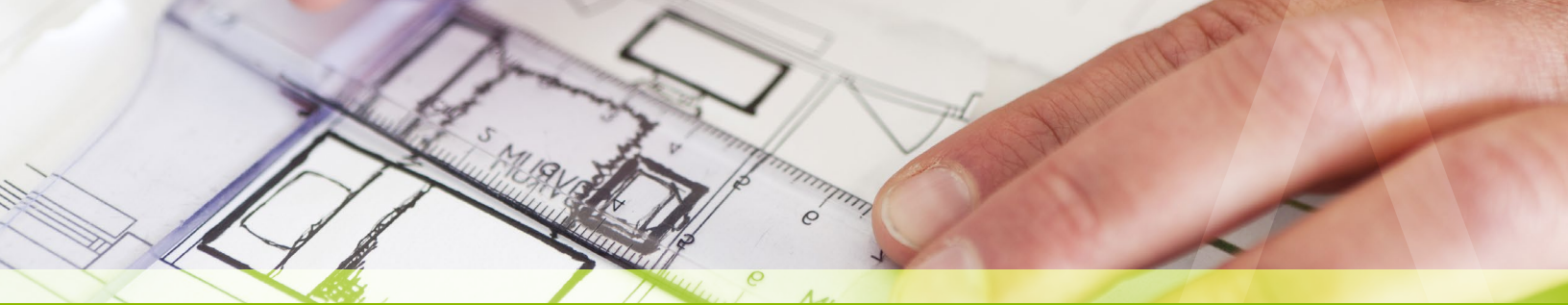
content, meaning that **there is no visibility into how content is performing within the buying process leaving marketers with little to do but simply create more content.**

Do marketing and sales have a common set of KPIs that they both use to measure success?

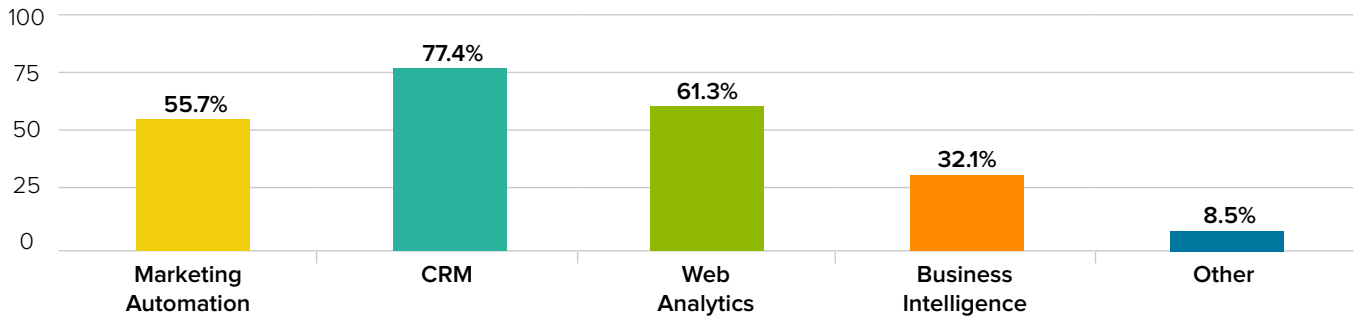


That only 29.3% of organizations have a common set of KPIs that both marketing and sales use to measure success is an indication that marketing does not view sales as a key stakeholder in the Demand Generation process.

As Demand Generation involves the conversion of qualified leads, it is important that marketing and sales be looking at the same measurements and KPIs. Without this commonality in place, alignment will be very difficult.

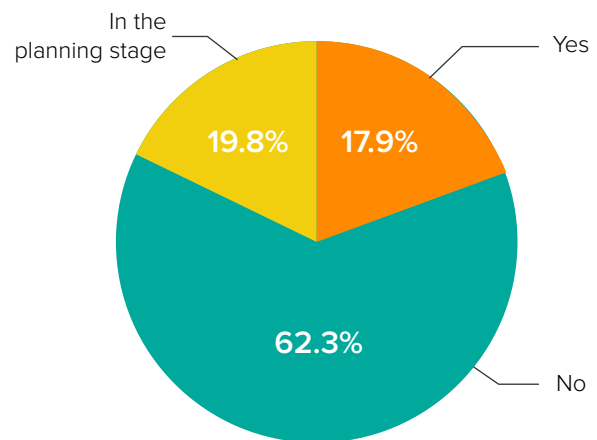


From what systems do you pull your KPIs? (Select all that apply)



Organizations are relying too strongly on limited systems to measure their Demand Generation Programs. While most marketing automation systems and CRM systems have reporting tools, they lack the ability (on their own) to measure end-to-end KPIs. More organizations should follow the lead of the 32.1% and utilize a Business Intelligence application to engage the right analytics and gain the most insights from their KPIs.

Do you have performance KPIs for each stage of the buying process, and the buyers online and offline behavior?



While the majority of organizations measure overall Demand Generation success, **there is still a large gap of having established metrics that provide insight into every stage of the buyers buying process.**

Having these performance metrics in place would provide better overall intelligence and give marketers insights needed to fine tune their demand generation programs for improved success. As organizations improve in their maturity, we expect this to improve.

Executive Summary / Conclusions

Overall, enterprise organizations are still struggling in some key areas of Demand Generation. Marketers need to continue to pursue a holistic approach and be willing to drive change in their organizations in order to get more from their Demand Generation investments. The overall process, strategy and organizational approach they take to address these issues will determine the success or failure of these companies.

» **Read on to access the account and marketing technology demographics of the individuals that responded to the survey.**

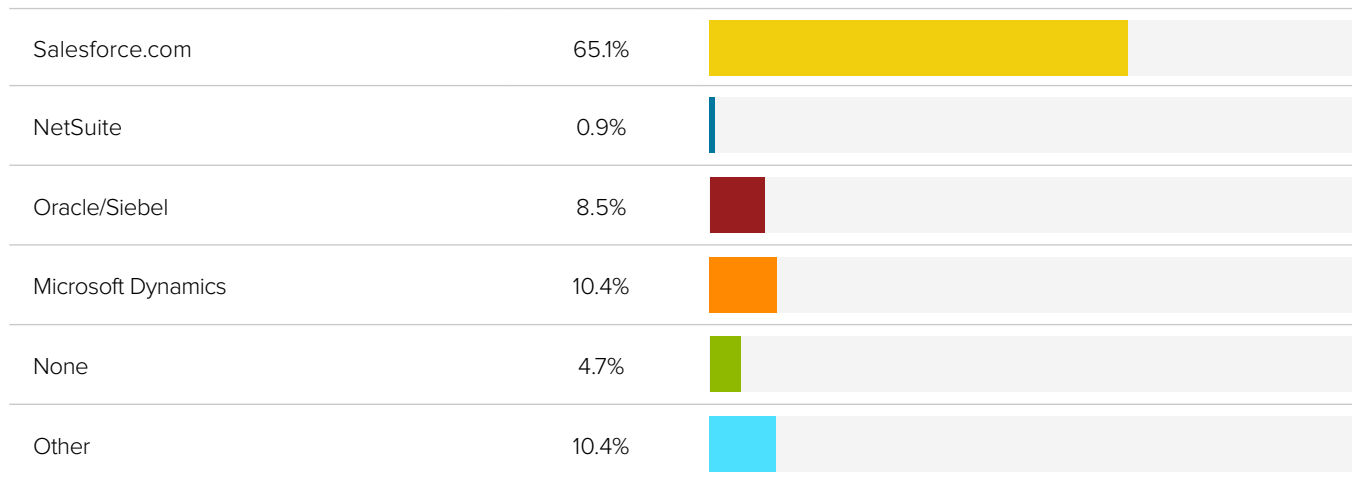




Addendum—Survey Demographics

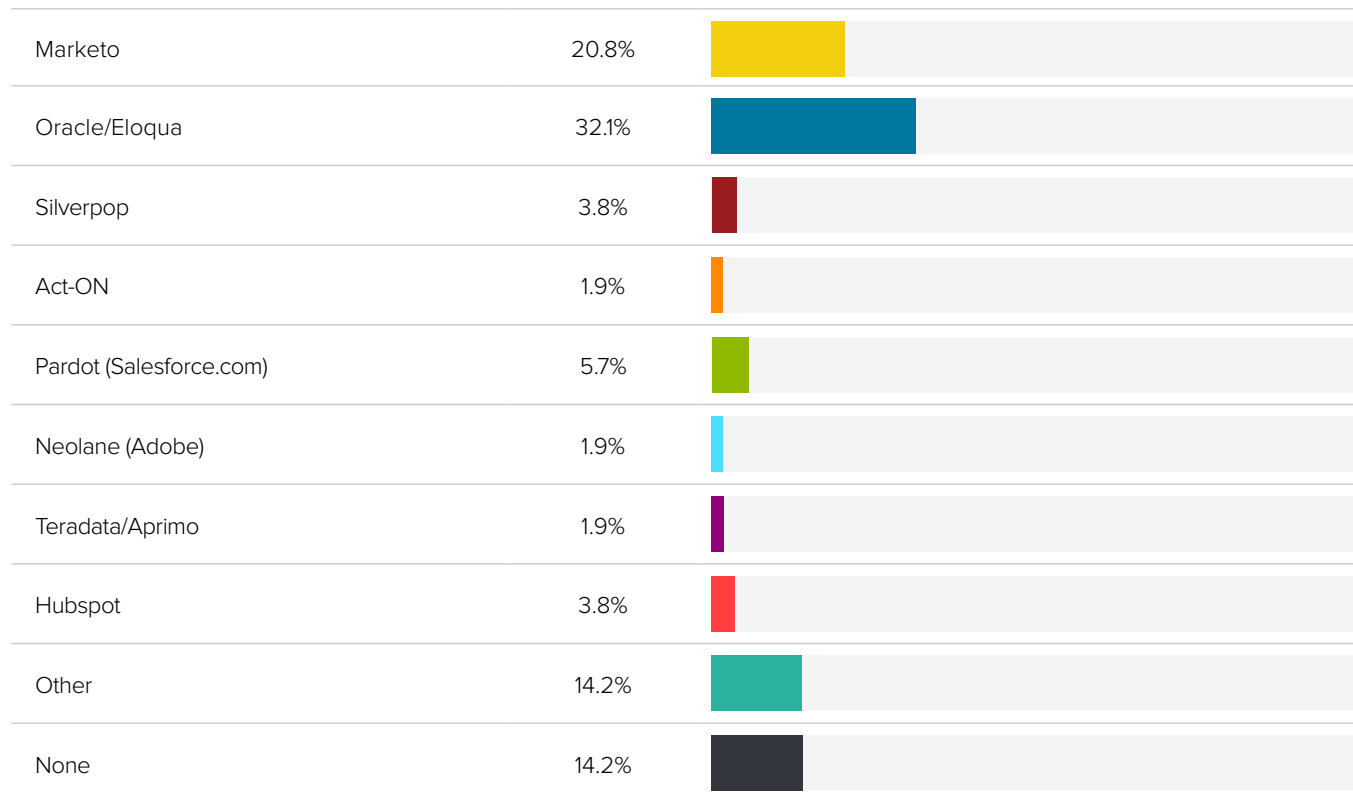
Marketing Technology

What CRM System does your organization use?



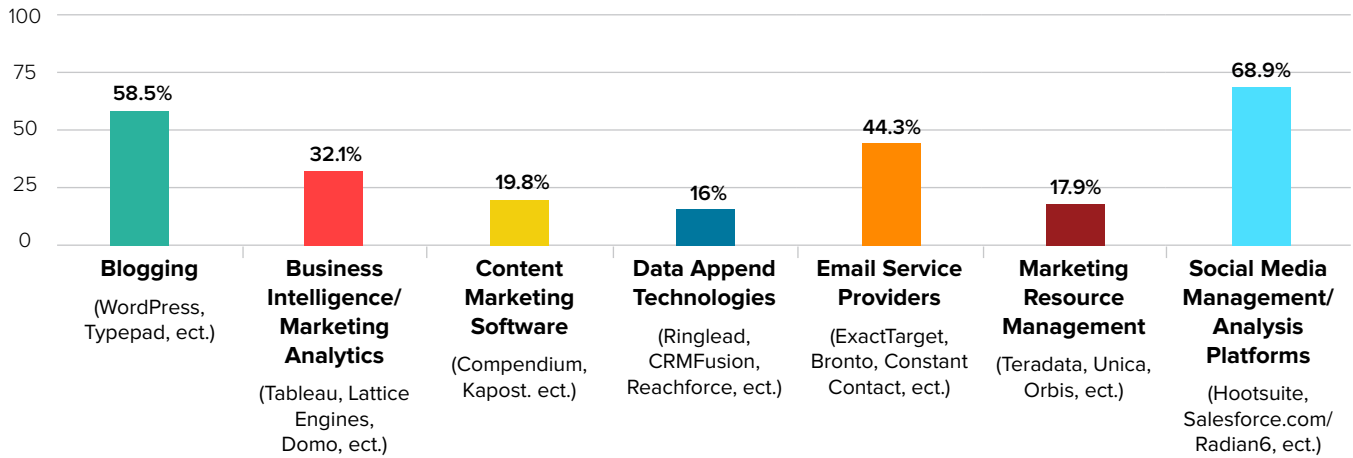


Which Marketing Automation Platform do you use?





What other marketing applications does your organization use? (Select all that apply)

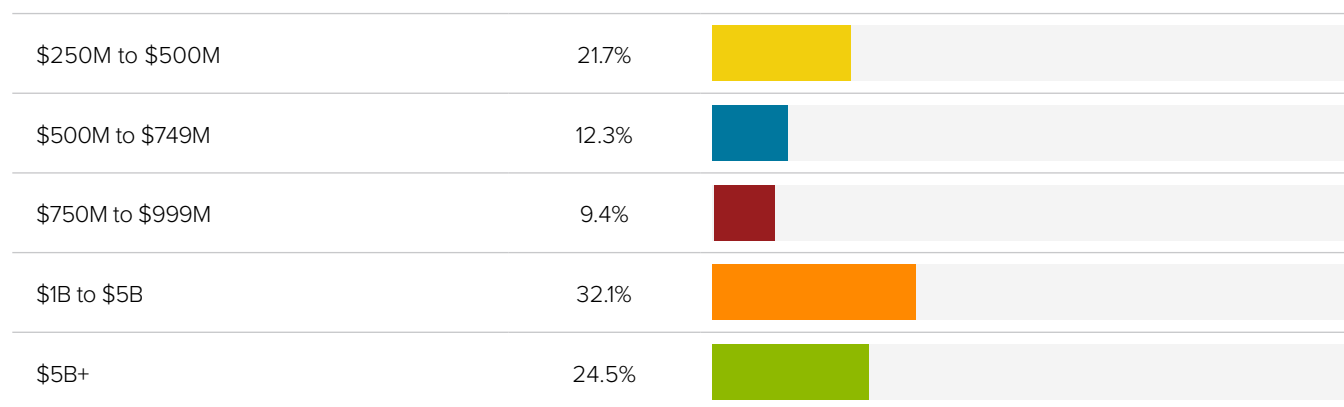




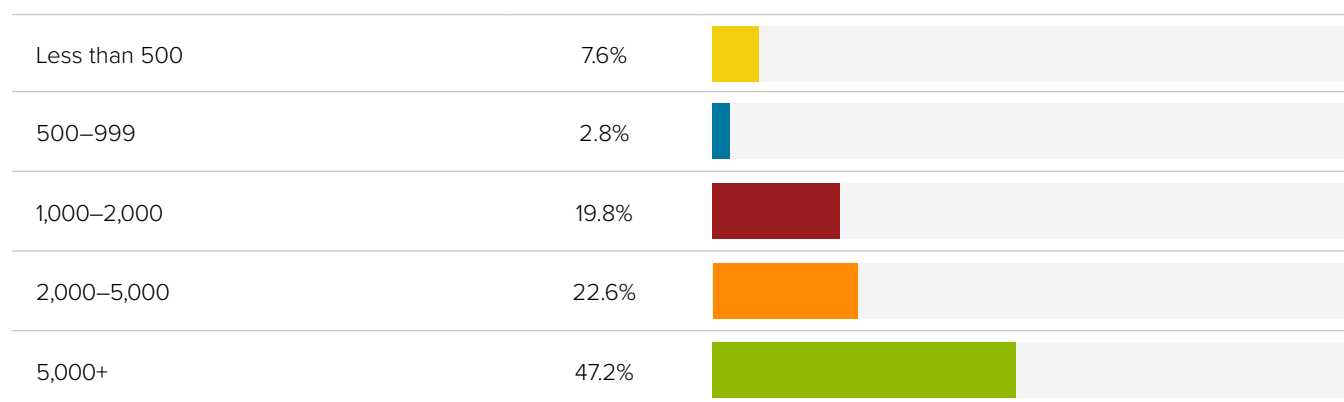
Addendum—Survey Demographics

Survey Demographics

Company size by revenue:

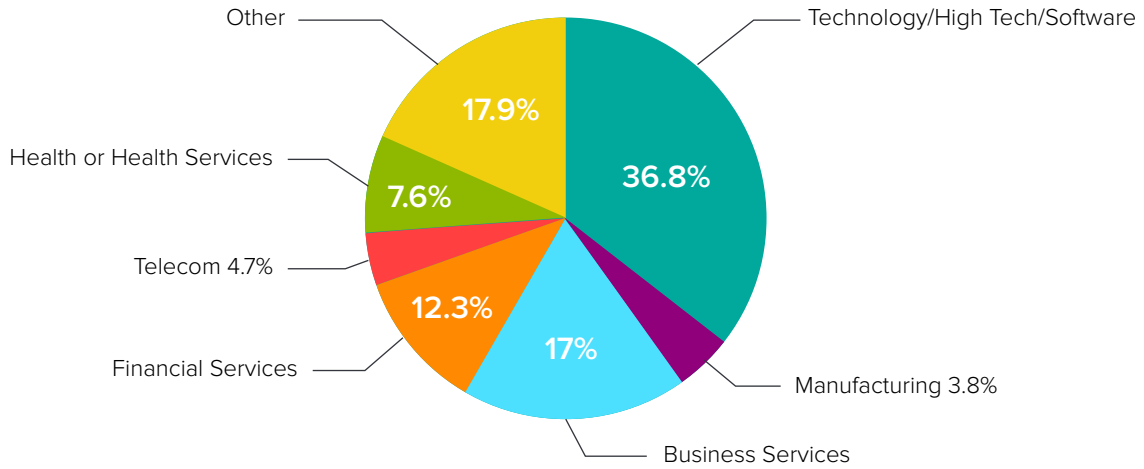


Company size by employees:

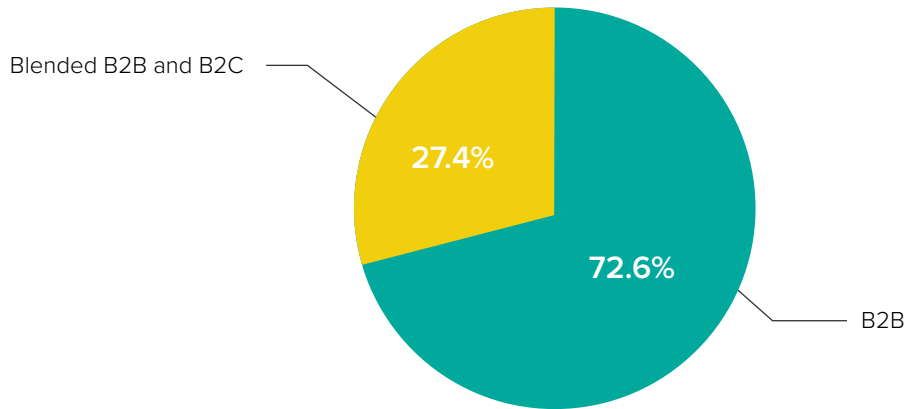




Industry Breakdown:



B2B Breakdown:





Number of employees focused on demand generation:

