

STATE OF PIPELINE MARKETING | 2018 |



2018 State of Pipeline Marketing Report — Executive Summary

Pipeline Marketing, the methodology that focuses on impacting the entire funnel rather than just the top, is being embraced by more B2B marketers and B2C marketers with sales teams than ever.

Metrics that capture more of the funnel—sales opportunities, pipeline, and revenue—are increasingly the primary marketing metrics for making plans, optimizing engagement, and measuring success.

Using these down-funnel metrics is paying off, too. Pipeline marketers are more likely to hit their revenue

goals, report alignment with broader business objectives, be aligned with their sales counterparts, and be perceived as revenue centers.

The 2018 State of Pipeline Marketing Report, the fourth annual, is based on survey responses from over 400 B2B marketers. It includes powerful, new data about how they approach powering growth for their organizations.

What are their priorities? How do they create plans and execute on them? How are they engaging, optimizing, and determining success?

34.9%

34.9% of marketers say that their top priority is to generate leads. 33.4% say that their top priority is to convert leads into customers.

29.5%

29.5% of marketers say that they are confident in the quality of their CRM and marketing automation data.

24.5%

24.5% of marketers rate their organization's ability to effectively measure marketing performance as "effective."

47.0%

47.0% of respondents categorize marketing's reputation as a "revenue center."



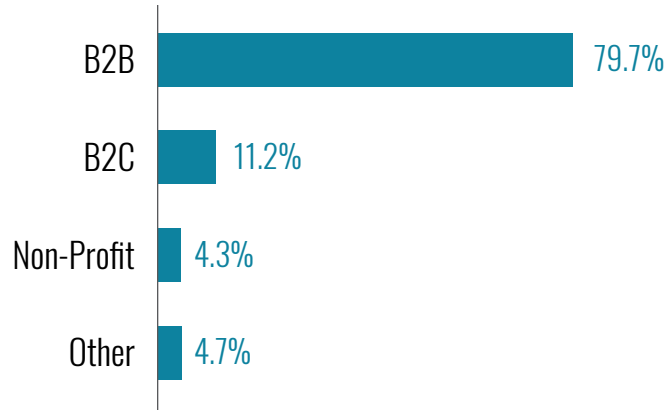
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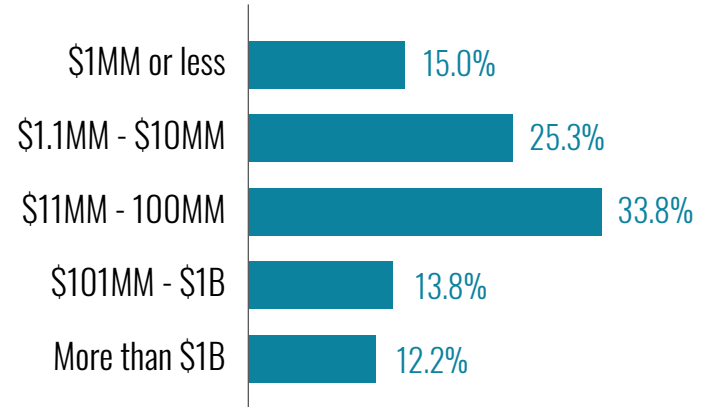
Firmographics & Technographics

We surveyed over 400 marketers in July 2018 from a variety of industries and company sizes. Here's a little bit about them.

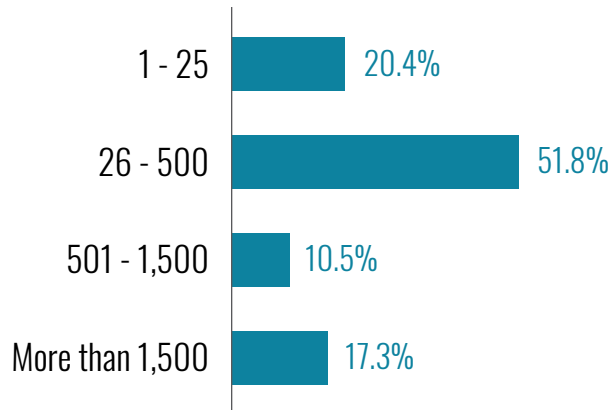
How would you best classify your organization?



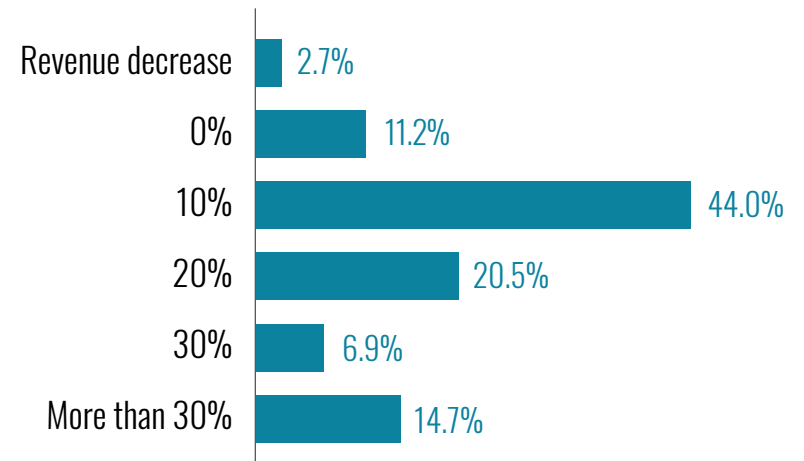
What best describes your company's revenue?



How many full-time employees currently work for your company?

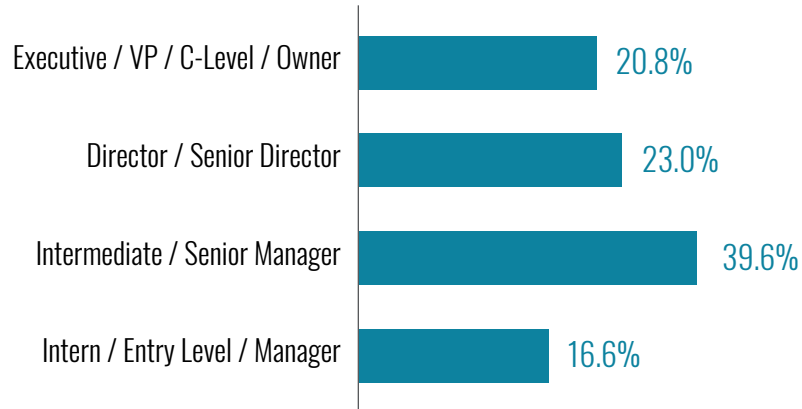


What is your company's approximate YOY revenue growth?

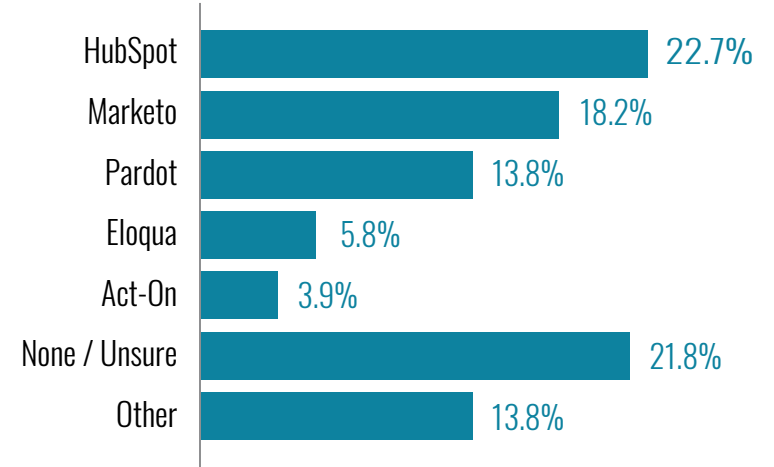


Firmographics & Technographics

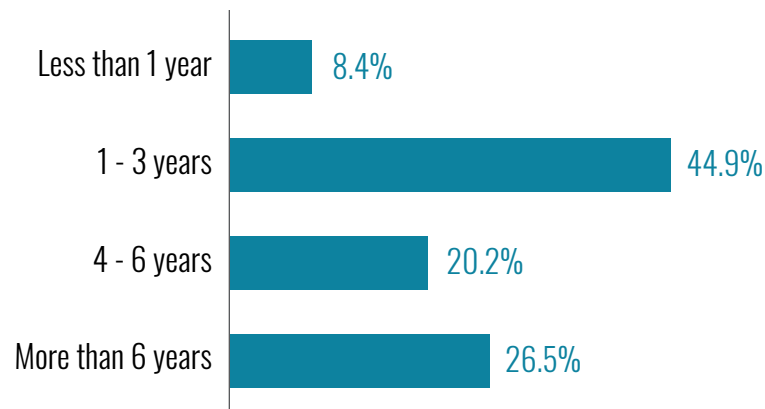
Which of the following best describes your job level?



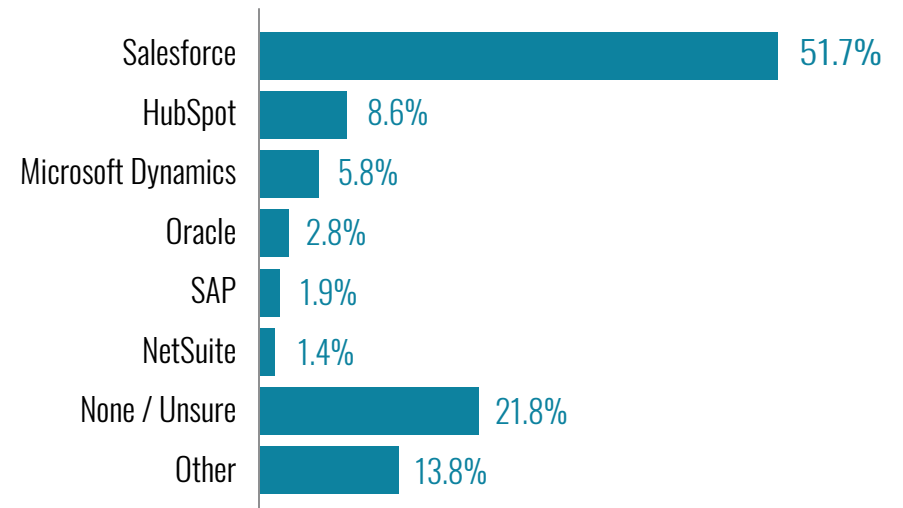
What marketing automation software does your company use?



Which of the following best describes your tenure at your current company?

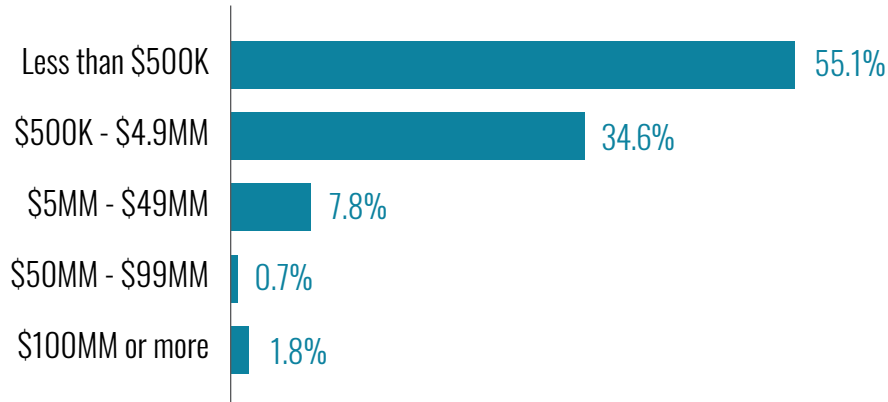


What CRM software does your company use?

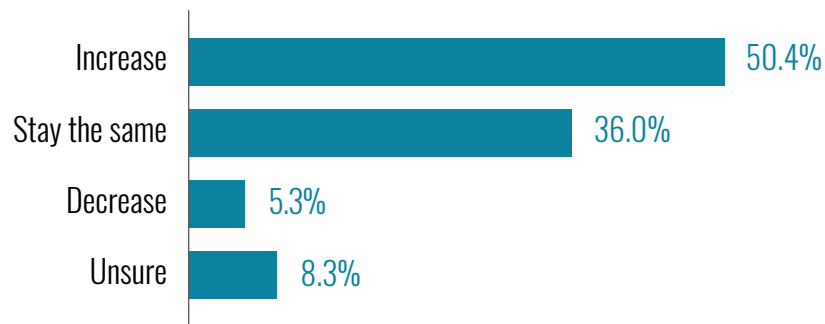


Budgets & Planning

What is the approximate range of your 2018 marketing budget?



In the next year, do you expect your company's marketing budget to increase, decrease, or stay the same?



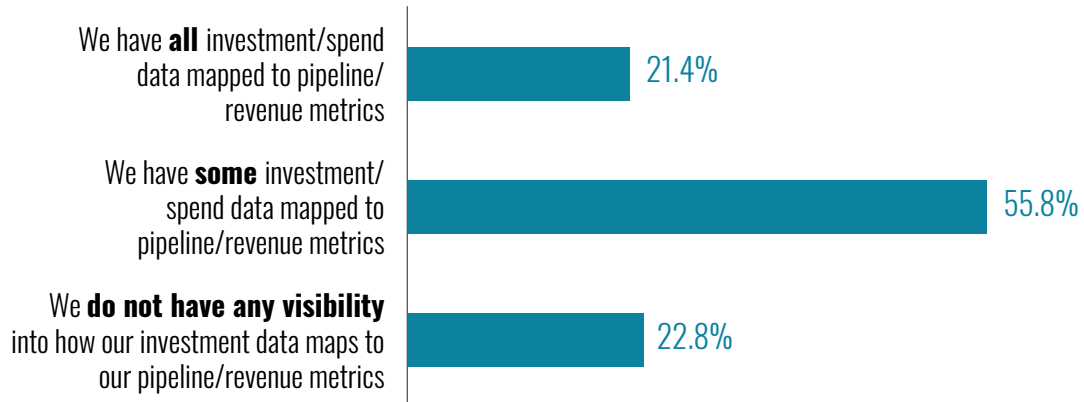
Half of marketers expect their marketing budgets to increase next year, while about a third expect their budgets to stay the same.

The more marketers can demonstrate the value of their efforts in the language of the CEO and CFO, the easier it is for them to ask for and receive budget increases.

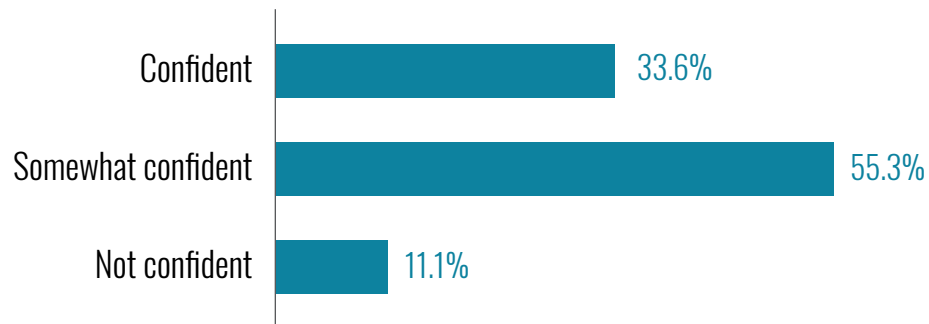
Turn to page 25 to see what traits correlate with budget increases.

Budgets & Planning

How does your investment/spend data map to your pipeline and revenue metrics?



How confident are you in your team's plan to hit your marketing revenue goals?



“Regardless of the exact ROI approach you take, it’s essential to have an accurate view of both the R and the I.”

— Katherine Berry, Co-Founder and Chief Product Officer, Allocadia

To accurately calculate the ROI of marketing, marketers must be able to map their cost data to revenue data. Surprisingly, only about 20% of marketers say they do this consistently.

Given that the majority of marketers aren’t connecting all of their cost data to revenue data, it’s no wonder that most marketers are only mildly confident in their plan to hit their revenue goals.

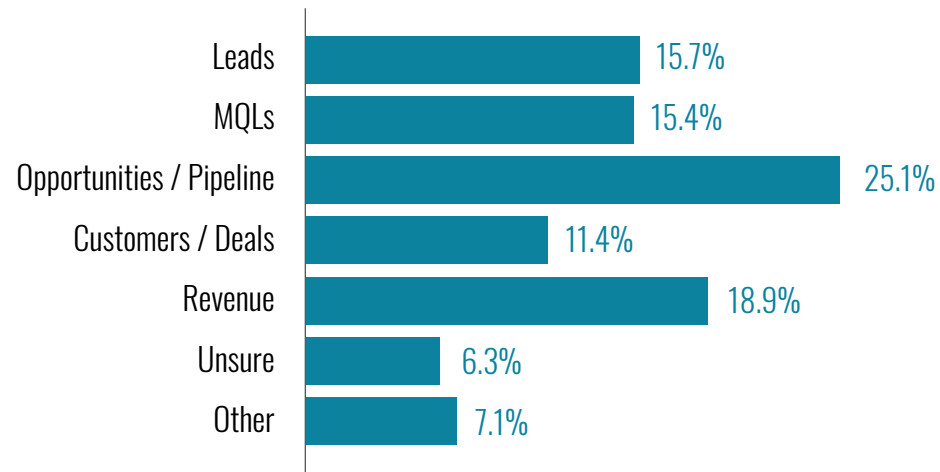
Marketing Orgs that Map Spend to Revenue:

(Compared to marketing orgs that do not)

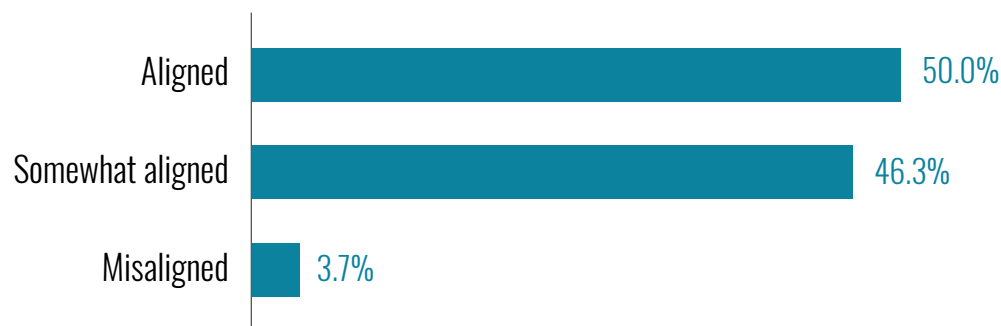
- Are **212%** more likely to have YOY revenue growth greater than 20%
- Are **42%** more likely to expect their YOY budget to increase
- Are **174%** more likely to have an attribution solution in place
- Are **370%** more likely to use sophisticated attribution
- Are **121%** more likely to make revenue plans vs. lead/MQL plans
- Are **114%** more likely to be aligned with Sales

Budgets & Planning

When you plan your marketing, what metric do you use?



How aligned are your marketing goals to broader business objectives?



“Every marketer today must assume accountability for performance against strategic business objectives and revenue targets.”

— Allocadia Co-Founder and CEO,
Kristine Steuart

The majority of marketers surveyed make their marketing plans based on down-funnel metrics. 55.4% of respondents said that they make plans based on Opportunities, pipeline, deals, or revenue.

Similarly, half of marketers say their marketing goals are aligned to broader business objectives, with a similar percentage saying they are only somewhat aligned.

While marketers have historically been accountable to higher-funnel metrics like lead volume, more and more organizations understand that lead volume and business objectives are not necessarily correlated.

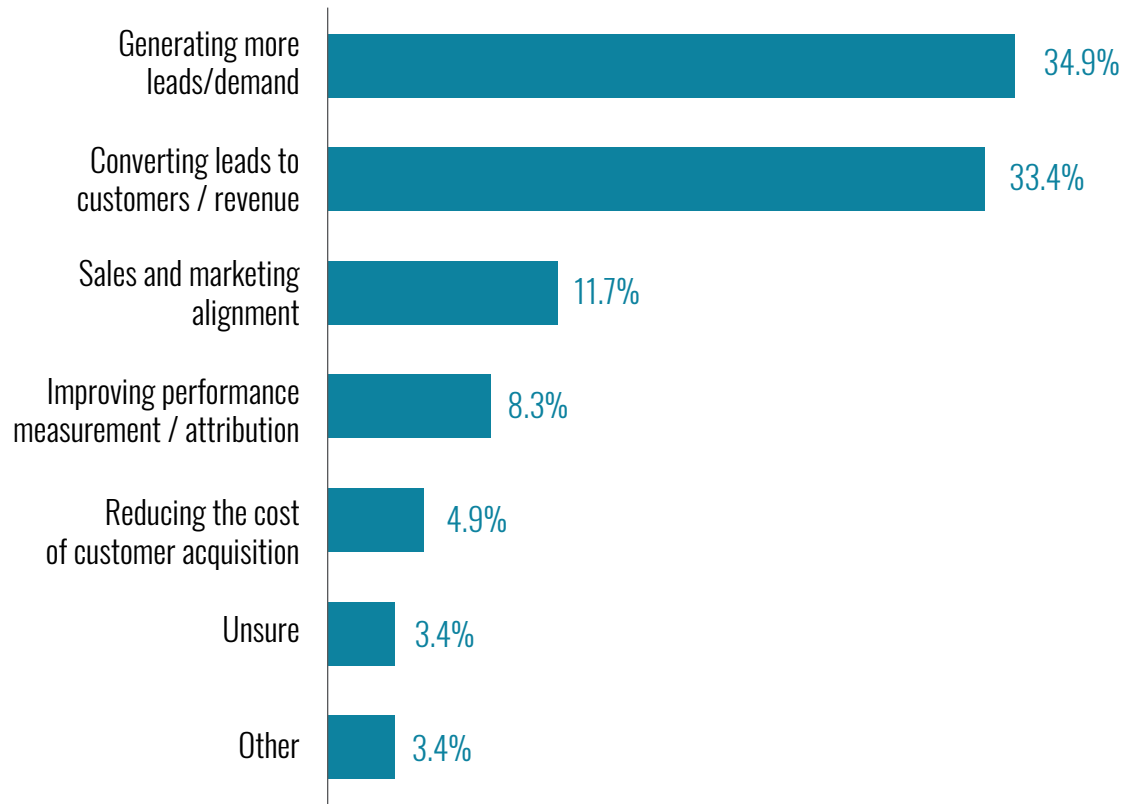
Marketing Orgs that Plan Based on Revenue:

(Compared to marketing orgs that plan
based on leads)

- Are **31%** more likely to be confident that they will hit their revenue goal
- Are **66%** more likely to report positive ROI
- Are **334%** more likely to use sophisticated attribution
- Are **58%** more likely to be aligned with sales
- Are **85%** more likely to have a “revenue center” reputation

Budgets & Planning

What is your top marketing priority this year?

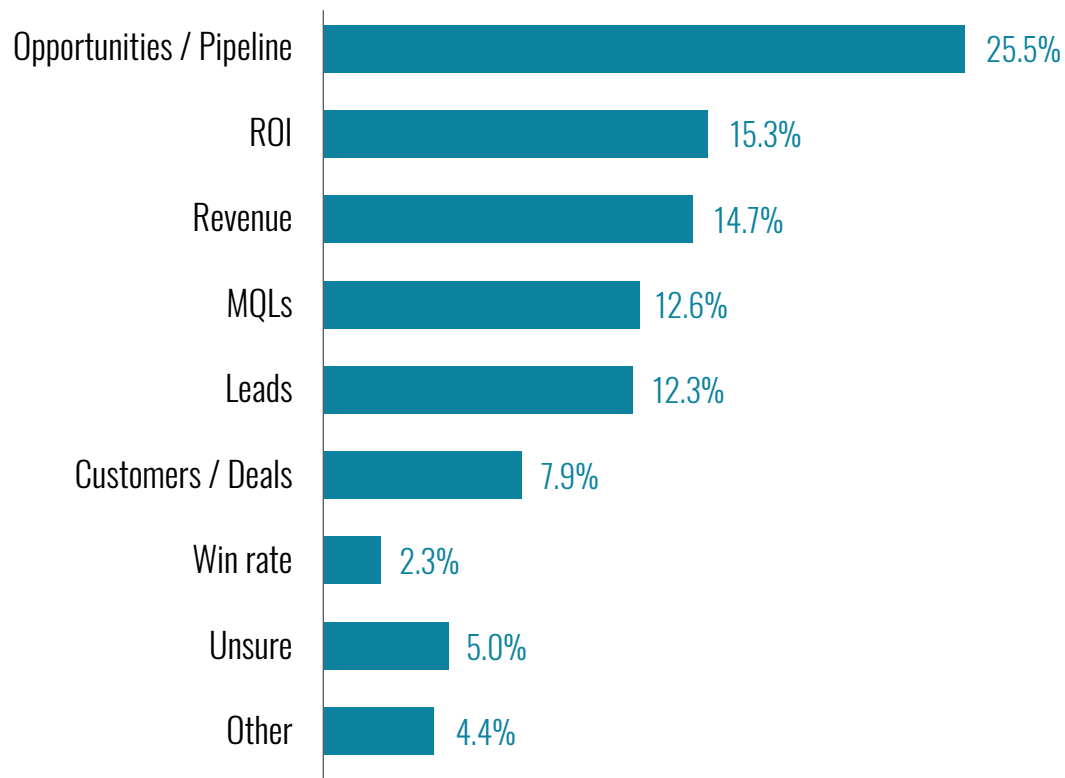


There's a clear tier of top marketing priorities: to generate more leads and to convert those leads into customers.

See year-over-year trends on page 28.

Measurement

What is the primary metric you use to measure marketing performance?



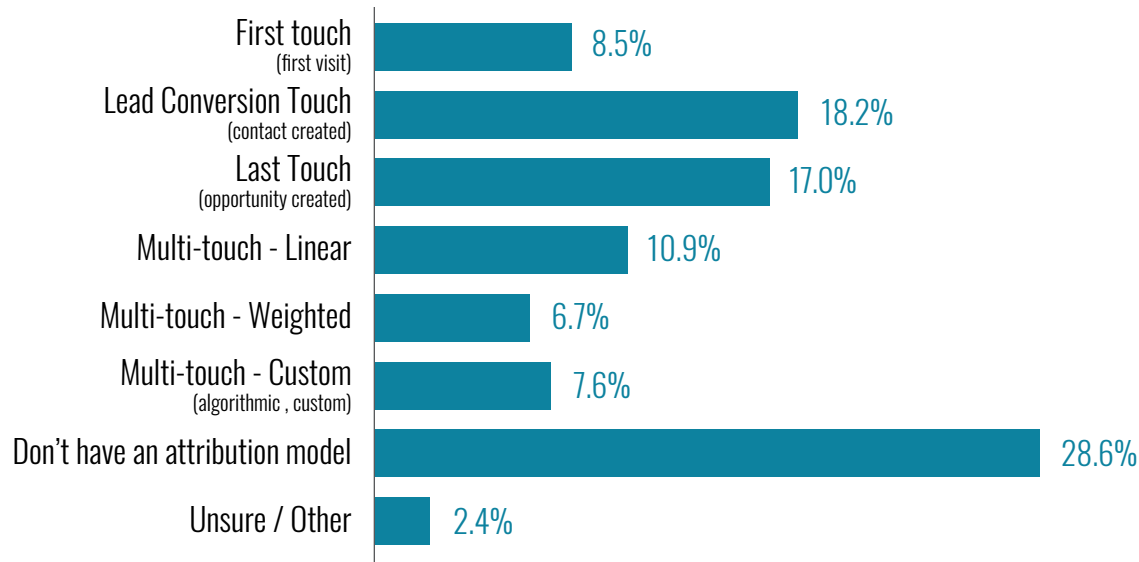
Just like the metric marketers use to plan marketing, it's good to see that marketers are using down-funnel metrics to measure marketing success.

Over 60% of marketers use opportunities, pipeline, revenue, deals, or ROI to measure marketing performance.

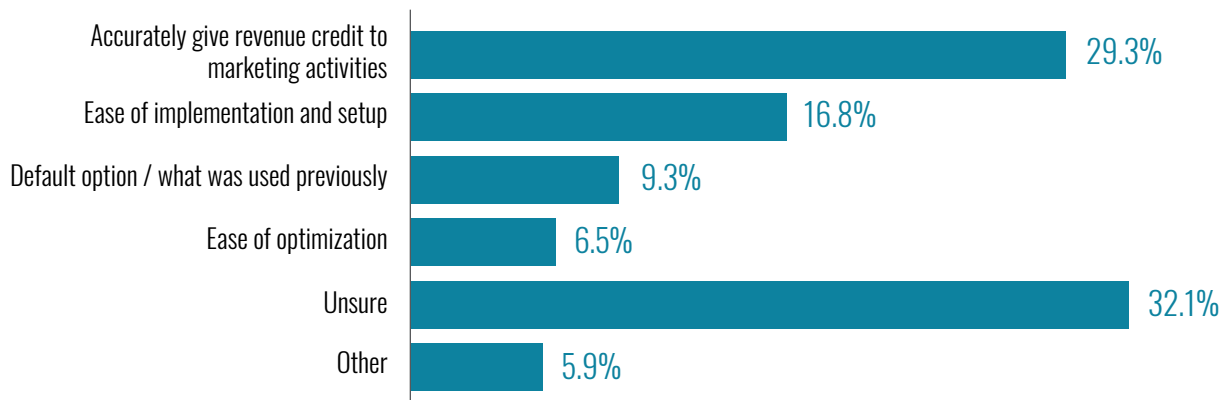
See year-over-year trends on page 29.

Measurement

Which attribution model does your marketing team use to measure performance?



What is the primary reason for using the attribution model you're using?



About one-third (32.6%) of marketers use their current attribution model because it's easy. Another third don't know why they're using their current attribution model. In order for attribution to be effective, stakeholders must buy into the reason a particular model is being used. Without buy-in, the data and insights are less likely to be acted on.

For year-over-year trends, turn to page 30.

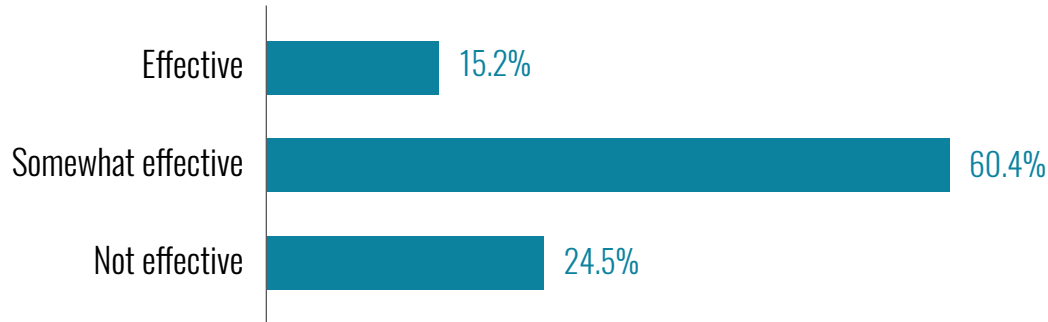
Marketing Orgs with Sophisticated Attribution:

(Compared to marketing orgs that use no attribution, single-touch attribution or linear attribution)

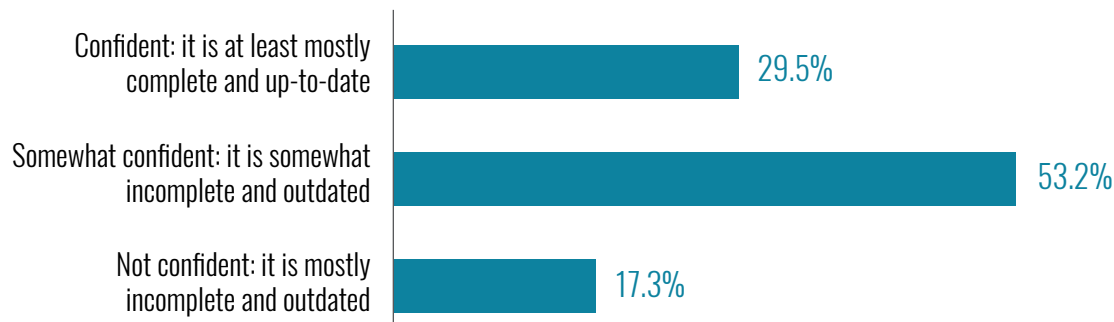
- Are **46%** more likely to have YOY revenue growth greater than 20%
- Are **68%** more likely to have confidence in hitting their revenue goal
- Are **127%** more likely to rate their org as being able to effectively measure marketing performance
- Are **71%** more likely to report positive ROI
- Are **84%** more likely to be aligned with Sales
- Are **59%** more likely to have a “revenue center” reputation

Measurement

Rate your organization's ability to effectively measure marketing performance



How confident are you in the quality of your CRM and marketing automation data?



“At Bizible, we’ve created a powerful marketing machine by being effective in all three phases of marketing: Plan, Engage, and Measure. Most companies devote 90% of their effort and resources to the Engage phase, which leaves the other phases, including measurement, behind.”

— Lillian Smith, Sr. Demand Manager, Bizible

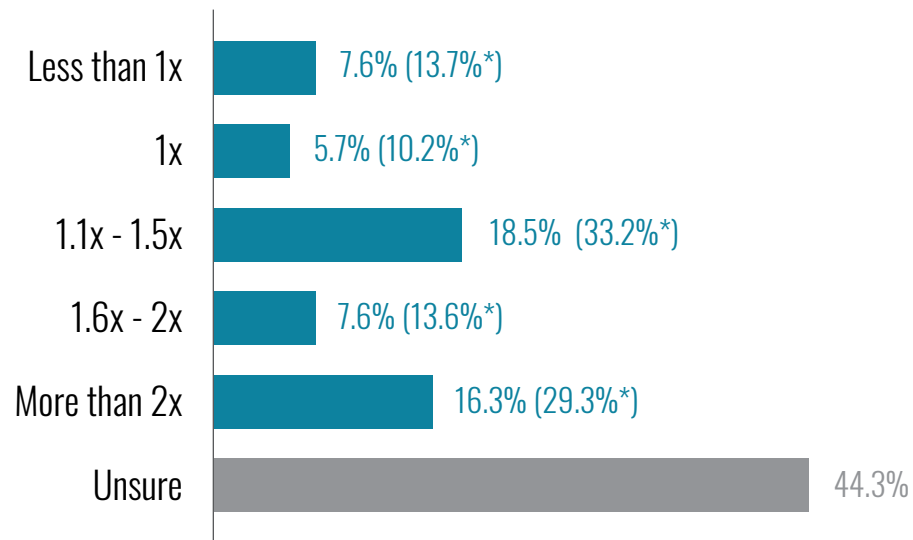
“Companies with advanced data strategies are not just surpassing others—they’re exponentially better at achieving their top goal of more revenue. Yet too few companies are advanced, which is why investing in data and intelligence is their No. 1 priority for reaching their goals.”

—John Hurley, Sr. Director, Product Marketing, Radius

Marketers suffer from inaccurate, stale and incomplete data across their CRM and marketing automation. Fewer than one-third of marketers consider their data mostly complete and up-to-date.

Measurement

What is your current average ROI for marketing?



* Excludes "Unsure" response

While it's shocking to see that more than 4 in 10 marketers don't know the ROI of their marketing, it's encouraging to see that of those who know their ROI, the large majority report positive ROI.

Turn to page 24 for an in-depth look at what high performing marketers do differently.

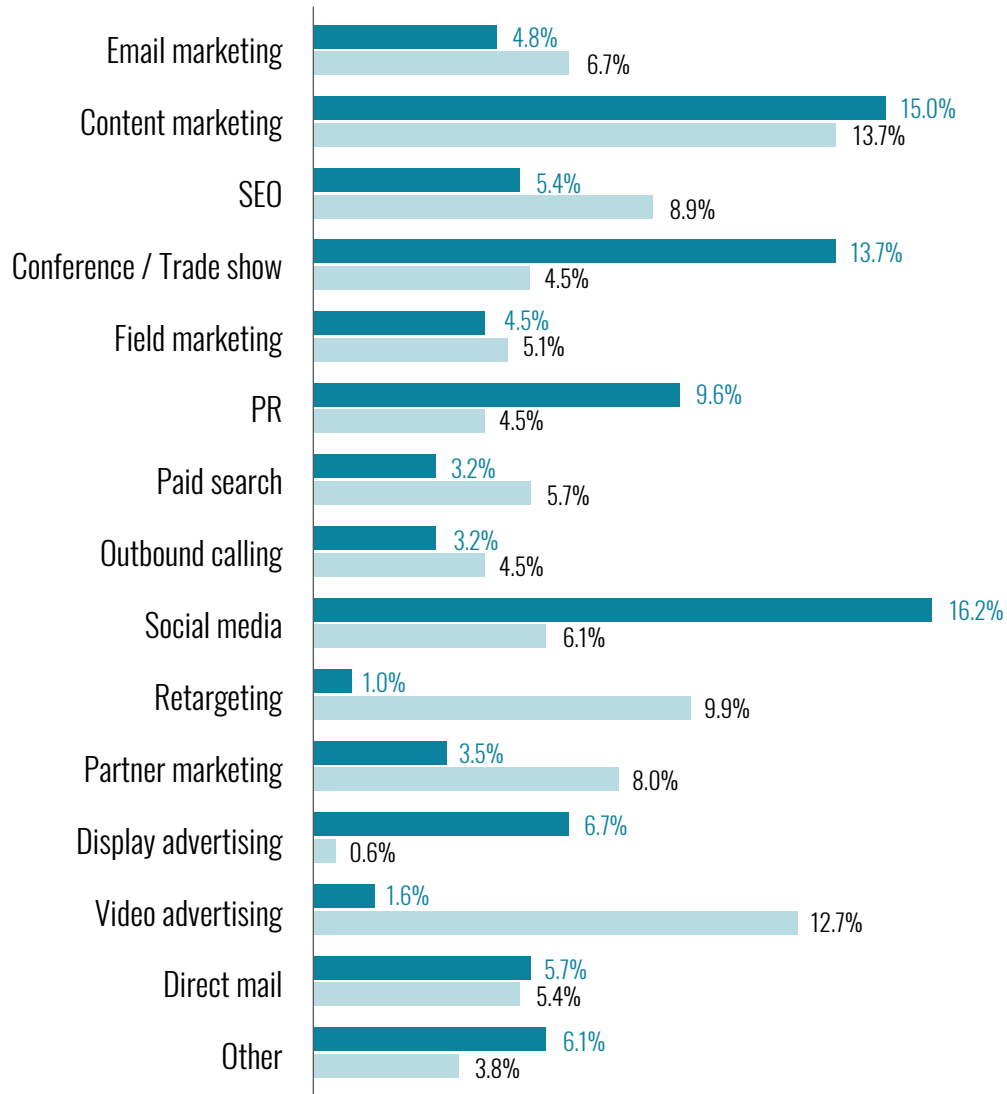
Marketing Channels

Top 10 hardest to measure marketing activities / channels and under-utilized channels

Rank	Hardest to Measure	Most Under-Utilized
1	Social media	Content marketing
2	Content marketing	Video advertising
3	Conference / Trade show	Retargeting
4	PR	SEO
5	Display advertising	Partner marketing
6	Direct mail	Email marketing
7	SEO	Social media
8	Email marketing	Paid search
9	Field marketing	Direct mail
10	Partner marketing	Field marketing

Marketing Channels

- Which marketing activity/channel does your organization find most difficult to measure to revenue?
- Which marketing activity/channel do you think your organization under-utilizes?



Today's marketers are finding top-of-the-funnel marketing activities tough to connect to revenue.

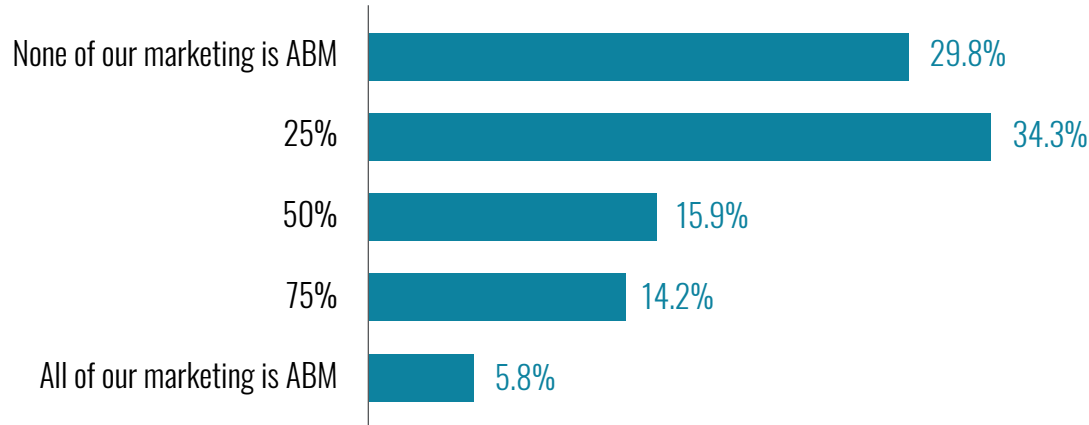
Because these early-stage activities like social media and content marketing are often ungated (i.e. not behind a form), they're not as easily tracked and attributed without sophisticated attribution.

On the other hand, direct response channels, like retargeting, paid search, email marketing, and outbound calling ranked much lower.

When it came to channel under-utilization, there was only weak correlation with marketers' ability to measure the channel to revenue. While content marketing ranked high on both, this was not the case for social media, conferences, and video advertising.

ABM

What percentage of your marketing is account-based marketing (ABM)?

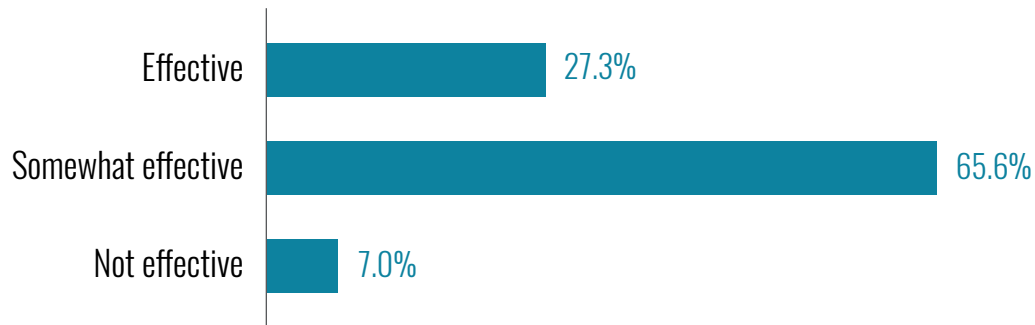


The majority of marketers are at least dipping their toes in the ABM waters; however, it's not a magic bullet—less than 30% consider those efforts to be effective.

Like other strategies, if marketers don't also have the proper mechanisms to measure, learn, and optimize, the results may be disappointing.

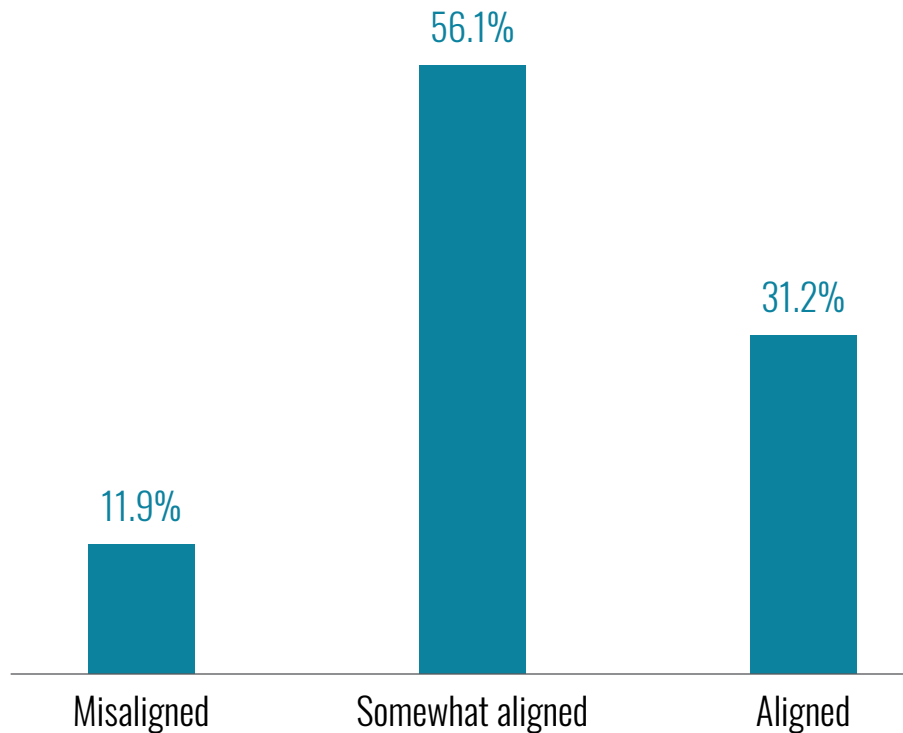
See year-over-year ABM trends on page 31.

Do you consider your account-based marketing efforts to be effective?



Org Reputation

How would you characterize your company's sales and marketing relationship?

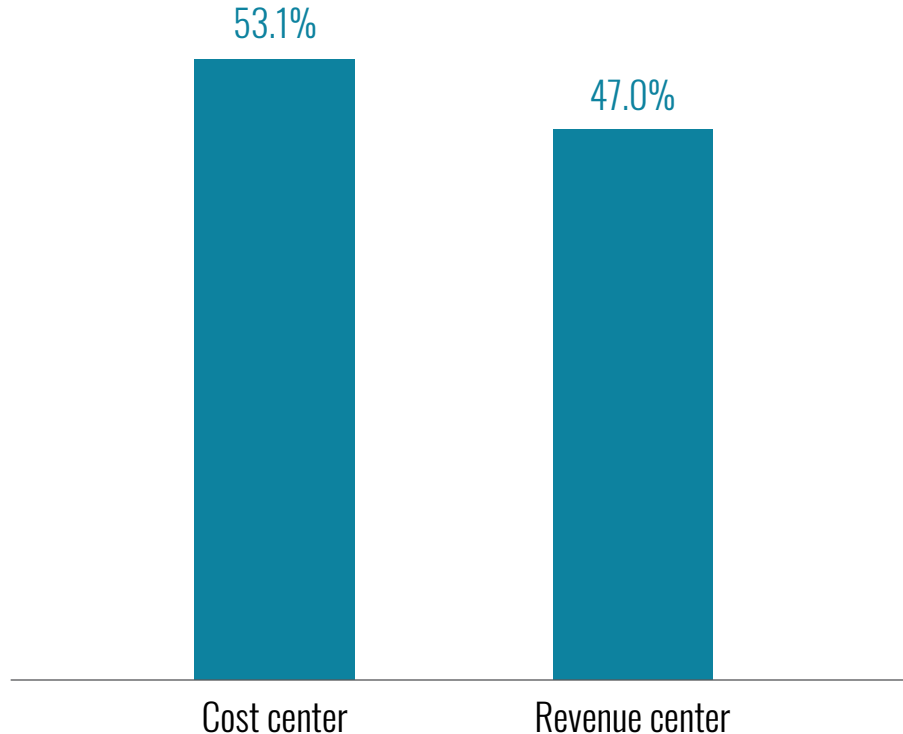


Most marketers (56%) are luke warm about their alignment with sales, but it does skew to the “aligned” side.

Alignment between departments is something marketers should strive for, as there are significant performance-related benefits, which are covered on page 26 of the report.

Org Reputation

What is marketing's perceived reputation in your organization?



“Marketers must earn their ‘revenue center’ reputation by credibly demonstrating marketing impact. If you’re going to the table with activity or lead metrics, you’re not going to be perceived as a cost center.”

— Jordan Con, Product Marketing Manager, Bizible

This is the first time we’ve asked this question for the State of Pipeline Marketing Report. The results show a significant divide in marketing orgs today—those who have gone through digital transformation and are putting in an effort to prove their revenue value versus those who are still activity- and lead-based.

It’s not just semantics or perception either. A revenue center reputation is correlated with greater revenue growth, bigger budgets, better alignment, and more. Check it out on the next page.

Marketing Orgs that Are Perceived as Revenue Centers:

(Compared to marketing orgs that are perceived as cost centers)

- Are **54%** more likely to have YOY revenue growth greater than 20%
- Are **17%** more likely to make marketing plans based on revenue
- Are **12%** more likely to have YOY budget growth
- Are **25%** more likely to have an attribution solution in place
- Are **141%** more likely to use sophisticated attribution
- Are **159%** more likely to be aligned with Sales

Deep Dive

In this section, we take a deeper look into the traits of successful marketing teams.

- What do effective marketers do differently?
- Which marketers get bigger budgets?
- What are the benefits of being aligned with sales?

What Do Effective Marketers Do Differently?

	Marketers with an ROI ≤ 1X	Marketers with an ROI > 1.5X	Difference
We have all investment/data mapped to pipeline/revenue (Q12)	14.3%	36.0%	+152%
We plan our marketing based on revenue (Q14)	14.3%	29.3%	+105%
Our marketing goals are aligned with broader business objectives (Q15)	33.3%	49.3%	+90%
Our primary metric for marketing performance is pipeline/revenue (Q17)	21.4%	46.7%	+48%
We use multi-touch attribution (linear, weighted, custom) (Q19)	9.5%	37.3%	+292%
Marketing is perceived as a revenue center (Q28)	34.2%	72.2%	+111%

Q12. How does your investment/spend data map to your pipeline and revenue metrics?

Q14. When you plan your marketing, what metric do you use?

Q15. How aligned are your marketing goals to broader business objectives?

Q17. What is the primary metric you use to measure marketing performance?

Q19. Which attribution model does your marketing team use to measure performance?

Q28. What is marketing's perceived reputation in your organization?

Which Marketers Get Bigger Budgets?

	Marketers who expect a budget decrease or freeze	Marketers who expect a budget increase	Difference
We have greater than 10% YOY revenue growth (Q5)	28.2%	54.1%	+93%
We map all of our spend data to pipeline and revenue (Q12)	20.4%	24.2%	+18%
Our marketing goals are aligned with broader business objectives (Q15)	46.2%	53.2%	+15%
We can effectively measure marketing performance (Q18)	21.8%	26.7%	+35%
We use multi-touch attribution (linear, weighted, custom) (Q19)	21.2%	28.7%	+35%
Marketing is perceived as a revenue center (Q28)	40.5%	50.0%	+24%

Q5. What is your company's approximate year-over-year revenue growth? (Select closest)

Q12. How does your investment/spend data map to your pipeline and revenue metrics?

Q15. How aligned are your marketing goals to broader business objectives?

Q18. Rate your organization's ability to effectively measure marketing performance?

Q19. Which attribution model does your marketing team use to measure performance?

Q28. What is marketing's perceived reputation in your organization?

What Are the Benefits of Being Aligned with Sales?

	Marketers who are misaligned with Sales	Marketers who are aligned with Sales	Difference
We have greater than 20% YOY revenue growth (Q5)	10.8%	39.4%	+265%
We expect budget increases next year (Q11)	25.1%	58.2%	+132%
Our marketing goals are aligned with broader business objectives (Q15)	5.4%	78.8%	+1359%
We have positive ROI (Q22)	53.3%	86.8%	+63%
Marketing is perceived as a revenue center (Q28)	16.2%	69.7%	+330%

Q5. What is your company's approximate year-over-year revenue growth? (Select closest)

Q11. In the next year, do you expect your company's marketing budget to increase, decrease, or stay the same?

Q15. How aligned are your marketing goals to broader business objectives?

Q22. What is your current ROI for marketing? (Select closest)

Q28. What is marketing's perceived reputation in your organization?

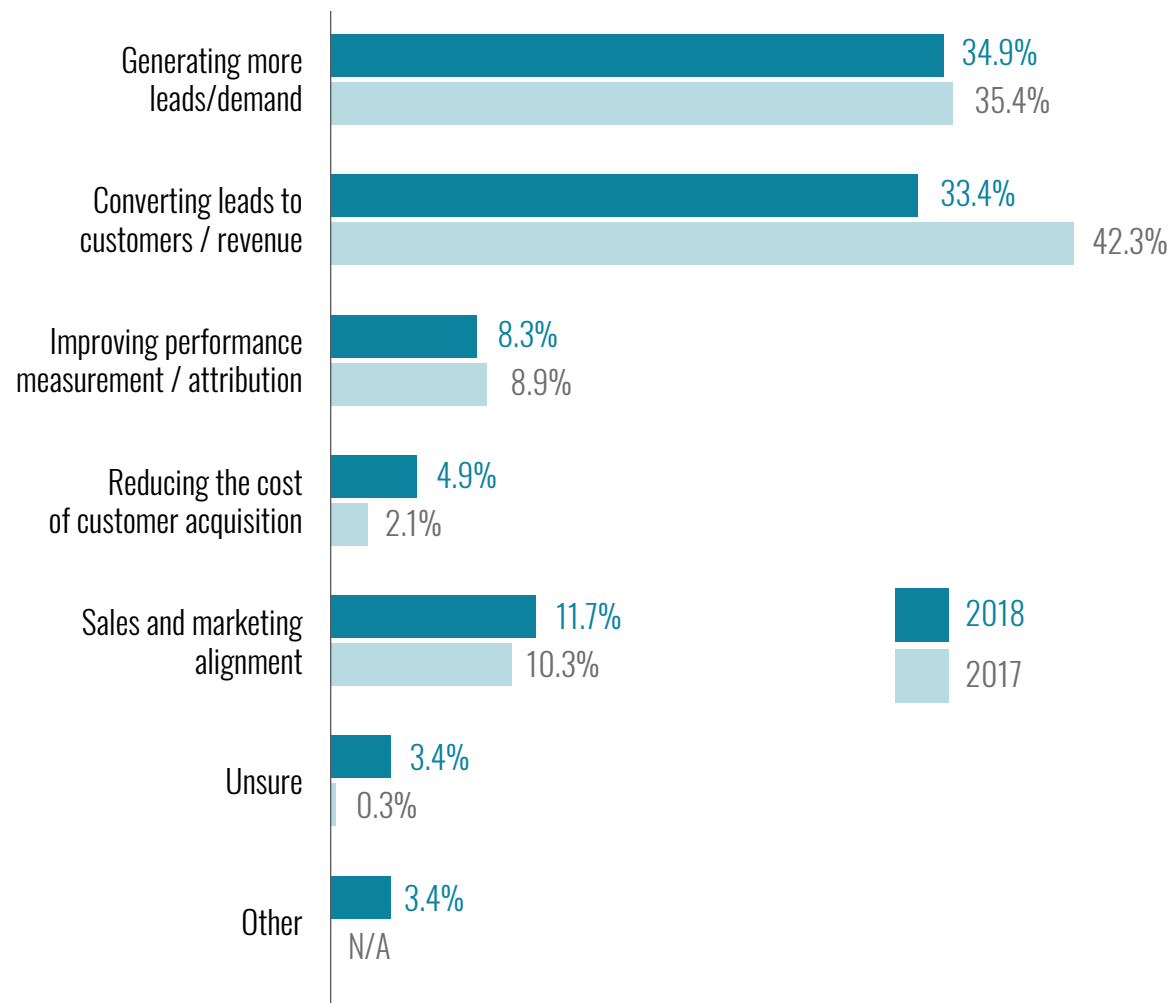
Year-Over-Year Trends

In this section, we take a look at how marketing organizations have changed over the past year.

- Are marketing priorities changing?
- How are marketers measuring performance?
- Is attribution maturing?
- Is ABM maturing?

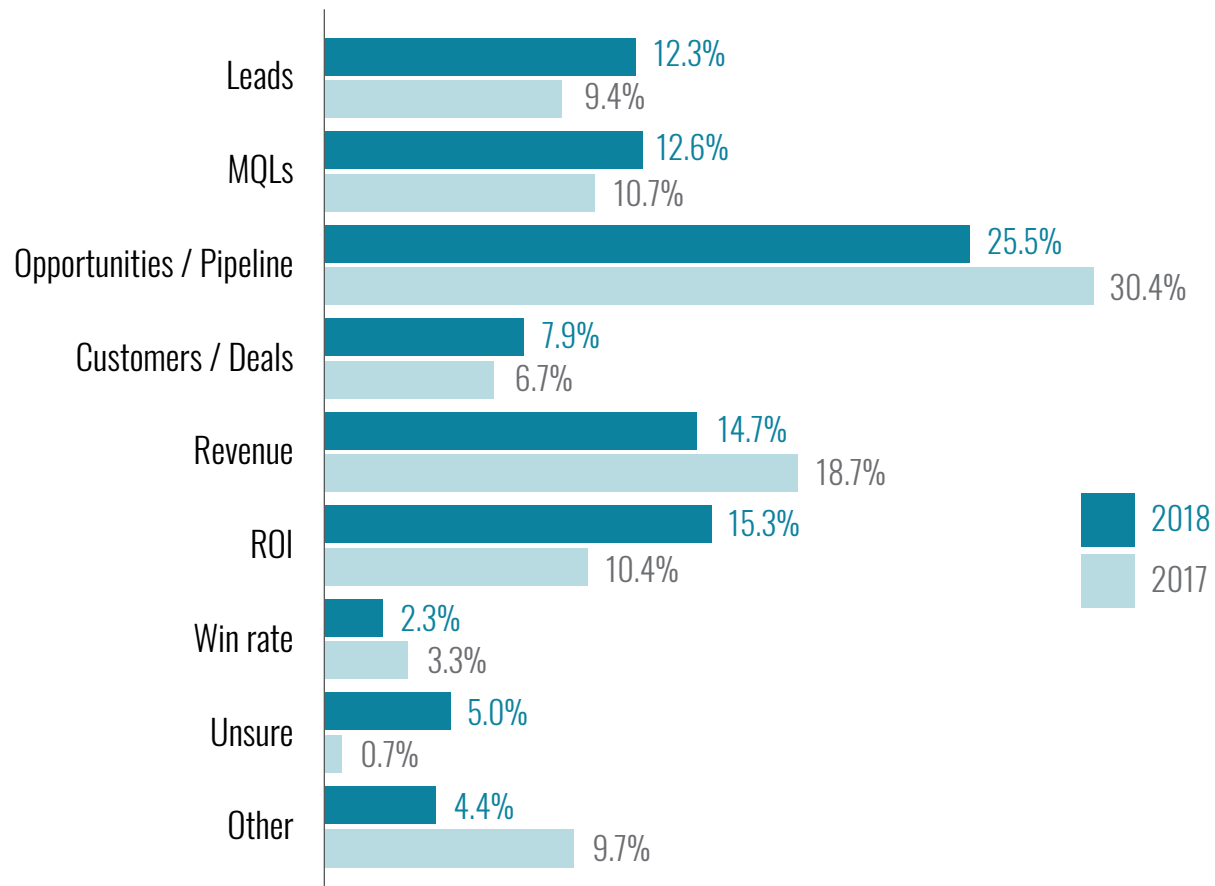
Demand gen takes the slight lead over converting leads to revenue as marketers' top priority

What is your top marketing priority this year?



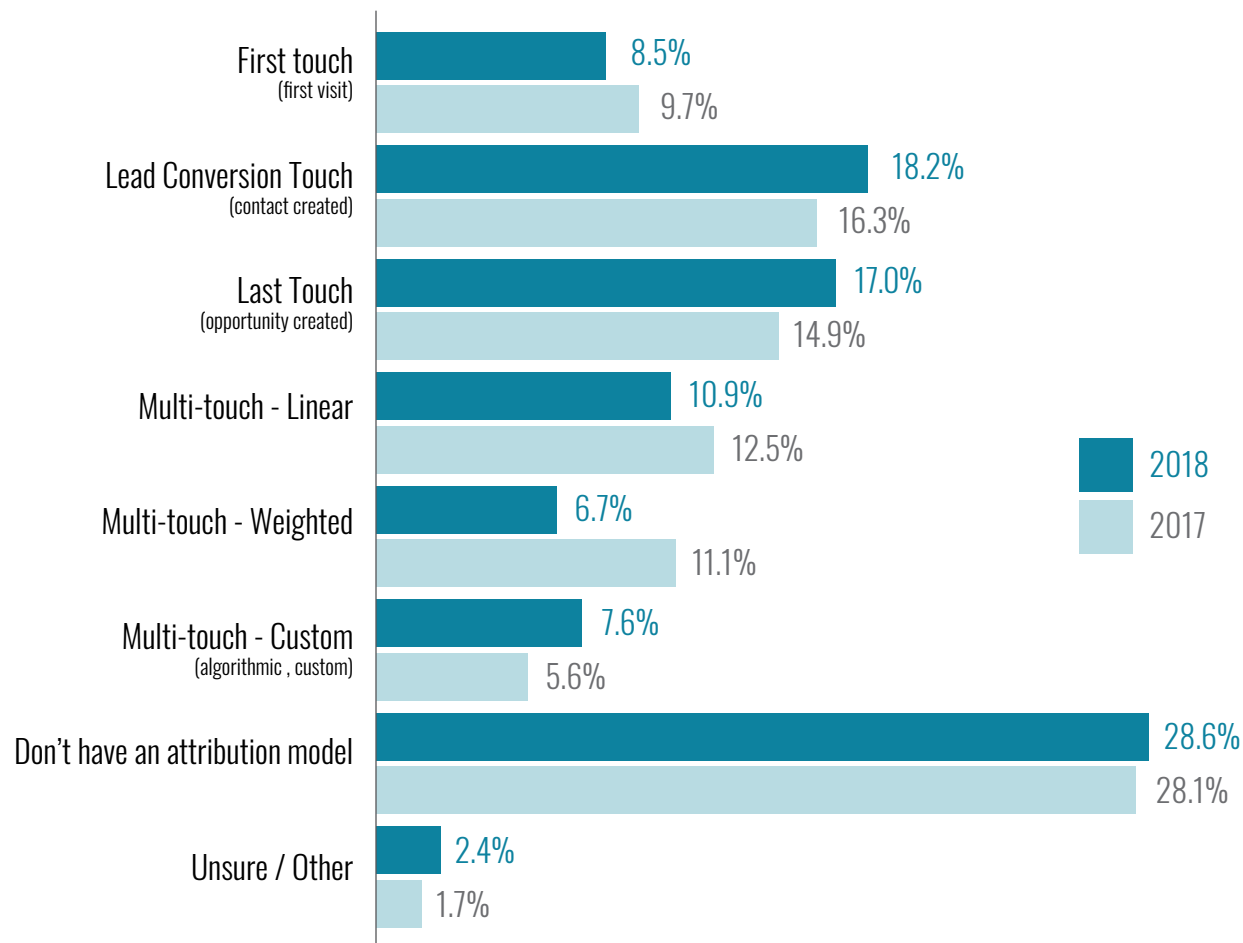
Marketing performance is still primarily judged based on opps/pipeline, revenue, and ROI

What is the primary metric you use to measure marketing performance?



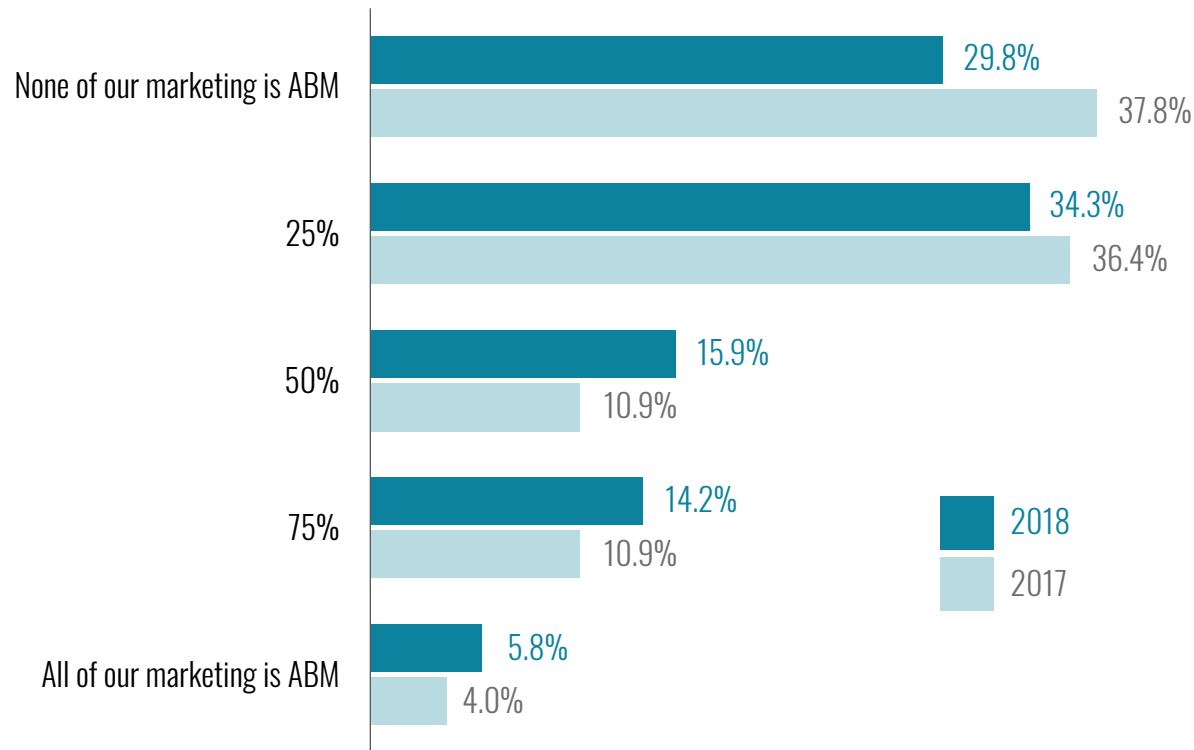
Nearly 1/3 still don't use attribution; small gains at either ends of the spectrum—single-touch and custom multi-touch

Which attribution model does your marketing team use to measure performance?



Modest adoption gains for ABM: 1/3 marketers now do majority ABM (+40% YOY)

What percentage of your marketing is account-based marketing (ABM)?



About Pipeline Marketing

Even though marketing technology continues to mature and analytics systems are able to capture more complex data and insights, far too many companies are still using metrics like lead volume to measure their performance and prove value.

Optimizing for lead quantity rather than quality creates problems, such as misalignment with the sales team, inefficient media spend, and being seen as a cost center rather than a revenue driver.

Successful marketers today understand the big picture and strive to align with and impact business objectives, and are doing it with a Pipeline Marketing mindset. By connecting marketing and sales data, successful marketers are enabled to make smarter decisions and set goals based on the ultimate outcome of marketing: revenue.

Learn more at pipelinemarketing.com



PIPELINE MARKETING

