

EMBRACING THE MARKETING TRANSFORMATION IN 2012

Trends, Forecast and Essential Guidance

By Bulldog Solutions and IDC

This executive brief summarizes a recent live webinar, *“Embracing the Marketing Transformation 2012: Trends, Forecast and Essential Guidance,”* presented by Bulldog Solutions and market intelligence firm IDC. The webinar provides insights from a recent major study conducted earlier this year on technology marketing budget investments and the shifts seen in recent years. It addresses the question, “What does the future of marketing look like?” You can view the webinar in its entirety at <http://www.bulldogsolutions.com/node/746>.

Executive Summary

Traditional BtoB marketing as we know it is undergoing a transformation. As the economy emerges from a dark period, Marketing must evolve — reimagining its role, reevaluating its processes and delivering more value across cross-disciplinary mediums. A recent major study on technology marketing budget investments, conducted by market intelligence firm IDC, supports an insight captured during one interview with a CMO at a major enterprise brand; that is, “Traditional BtoB marketing is dead.” The results of the study, along with real-world insights that IDC analysts and Bulldog Solutions thought leaders have gained while working with enterprise clients in the space, reveal that **a transformation in marketing is definitely under way and that savvy marketers are changing their game in order to make more of an impact on revenue.**

The Future of Marketing: Key Trends

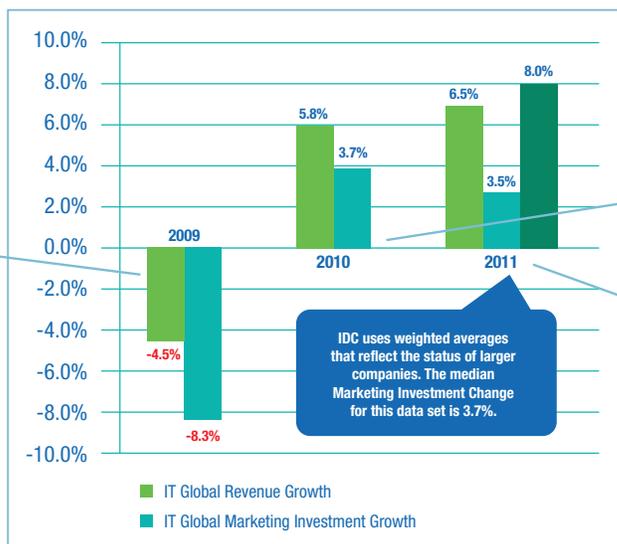
TREND #1

Your buyers are in control. One of the greatest strategic risks facing businesses today is a lack of insight into customer behavior. More knowledgeable, more connected and busier than ever, today’s BtoB buyers are “individual” in terms of how they prefer to consume information. At the same time, the average number of decision makers in an enterprise organization is increasing. Practically speaking, this increases the length of the buying cycle because there are more people to sell to.

TREND #2

Marketing investment trends have been disrupted since the 2009 recession and aren’t recovering as anticipated. The broken trend patterns we’ve seen since 2009 (as shown in the figure below) are indicative of an unstable economy coupled with the fact that marketing investments and budgeting are by and large a game of sentiment. Our research indicates that organizations are questioning the value marketing investments are bringing to the bottom line. Data from our study supports the notion that marketers are now charged with “doing more with less”; that is, the effort and time required to create a customer is growing; each customer costs more money to create; and Marketing is under tremendous budget pressure. Here’s a snapshot of this trend:

Figure 1: Marketing Budgets Took a Dramatic Downturn in 2009 and Haven’t Recovered in Line with Revenue Growth.



2009: The depths of the recession - marketing budgets decline twice as fast as revenue.

2010: Global IT revenue growth returns but marketing budgets still lag behind the expected “snap-back.”

2011: Although the sentiment in January 2011 was that marketing budgets would recover with strength, IDC’s newest data reveals that revenues are still outpacing marketing investments.

IDC uses weighted averages that reflect the status of larger companies. The median Marketing Investment Change for this data set is 3.7%.

Source: IDC 2011 Tech Marketing Benchmarks Study

TREND #3

The marketing transformation is a “long and winding road” to predictable revenue performance. The building blocks of the transformation include:

- Revenue performance strategy and goal alignment
- Targeted messaging aligned with the buyer’s journey
- Content, data, processes and technology—all synchronized
- Sales and marketing alignment

As a result of the pressure on Marketing, noted in trend #2 above, organizations are increasingly embracing sales and marketing alignment. Sales has gotten a bigger slice of the budget, most likely because its impact on revenue is easier to prove. Aligning sales and marketing processes allows organizations to drive revenue growth but do it much more effectively and efficiently.

2012 Forecast

What considerations are important for CMOs as they continue to work on market budget planning for 2012 and what are their areas of opportunity? The overall forecast for 2012 supports the “doing more with less” theme, with marketing investments still projected to lag behind the solid revenue growth organizations are anticipating.

INSIGHT #1

Digital marketing spending has doubled (from 12% of total marketing spend to more than 25%) and is projected to continue to do so. In line with program spend allocations over the last several years, the increase in digital spending is occurring alongside a reduced spend across other more “traditional,” non-interactive categories of the marketing mix, i.e., advertising and trade show events.

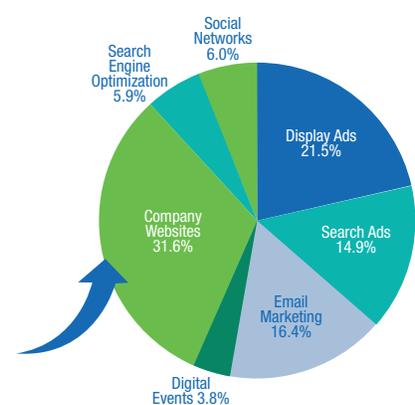
At the same time, social media marketing investments are also gaining prominence in program spend allocations; however, the inherent challenges of internal support, return on investment, processes and talent remain.

Figure 2: Digital Marketing Program Spend Allocations 2009-2011



Source: IDC 2011 Tech Marketing Benchmarks Study

Figure 3: Specific Digital Marketing Allocations



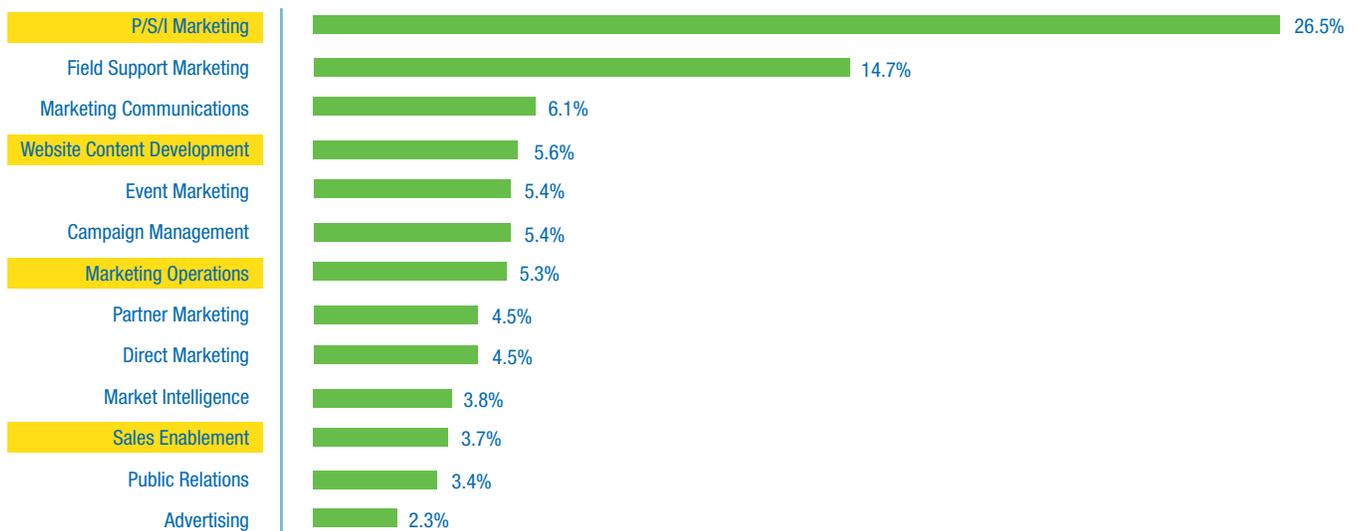
INSIGHT #2

Shifting marketing staff allocations will support predictable revenue performance. The other important consideration for CMOs in our forecast for 2012 aligns with the increase in digital marketing program spends and strategically supports what we’re seeing as a primary goal that progressive organizations are embracing: the move to transforming sales and marketing to deliver predictable revenue performance. The chart below highlights the vital positions that strategically support:

- Targeted messaging using the website as the primary delivery vehicle
- Content, data, processes and technology—all synchronized
- Sales enablement

Change and innovation are becoming the new normal. Expect to identify your “marketing edge” innovators and pull them to the center of the marketing function.

FIGURE 4: CHANGES IN MARKETING STAFF ALLOCATIONS IN 2011



Source: IDC’s 2011 Tech Marketing Benchmarks Study

■ Staff positions requiring more resources to be allocated

Marketing Guidance from the Field

The marketing transformation under way is no doubt disruptive; however, as lead generation evolved into demand generation—which is now evolving into revenue performance and growth—we are seeing indications that smart marketers are doing things differently with solid results:

1. Marketers are looking at the buyer’s journey in different ways, starting their analysis with an understanding of:

- “Where is our revenue currently coming from?”
- “How can we drive revenue quickly, measurably, with improved efficiencies and close rates?”

These questions have resulted in marketers focusing at the bottom of the funnel rather than the traditional top-down view. Smart marketers are thinking about revenue as the objective and performing a bottoms-up review of what they can do to drive that.

2. **Marketers are increasingly applying an integrated approach to revenue generation**, tying brand, products and thought leadership together in order to build program and nurturing strategies, sales playbooks and ROI tools. This, coupled with an integrated storyboard and an integrated design strategy, pulls and accelerates leads through the marketing and sales process.
3. **Marketers are using precision targeting and messaging strategies**, focusing on target accounts at the lower part of the funnel and reviewing, on an account-by-account basis, the available data and opportunities to penetrate those accounts. Segmentation and targeted messaging increase and enhance prospect interaction in meaningful and measurable ways.
4. **Marketers are embracing sales and marketing alignment at the senior management level** in order to drive healthy growth with less waste and fewer inefficiencies. Research shows a clear, proven correlation between a company's performance and the extent to which its sales and marketing organizations are aligned. In fact, companies that reach best practices in alignment stand to close 5x the deals of their counterparts.

Transforming Marketing in Your Enterprise in 2012

The transformation to remain competitive is happening now. The views presented in this summary are part of larger studies conducted and presented by IDC and Bulldog Solutions. Smart marketers now have the opportunity to leverage the guidance presented in this paper as a catalyst to enhance revenue performance in 2012.

As shown in this paper, one key driver of revenue performance is the degree of alignment between Sales and Marketing. As an entry point into a discussion about how to transform your revenue performance in 2012, take the [Bulldog Solutions Sales and Marketing Alignment Assessment](#). The assessment will help determine how you compare to best practices in nine key areas of alignment and will generate a custom report showing you where your organization is strongly aligned and what areas need improvement.

The future of marketing is here, and it offers the savviest marketers the opportunity to sit at the revenue table, proving their impact on sales with an agile and proactive approach to revenue performance.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 47 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research and events company.

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About Bulldog Solutions

Bulldog Solutions transforms BtoB marketers' ability to deliver sales-ready prospects to meet business objectives and prove Marketing's impact on sales. We are BtoB demand-generation specialists recognized for our approach by thought leaders in our industry. Bulldog Solutions is headquartered in Austin, Texas, with operations throughout North America and Europe.

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