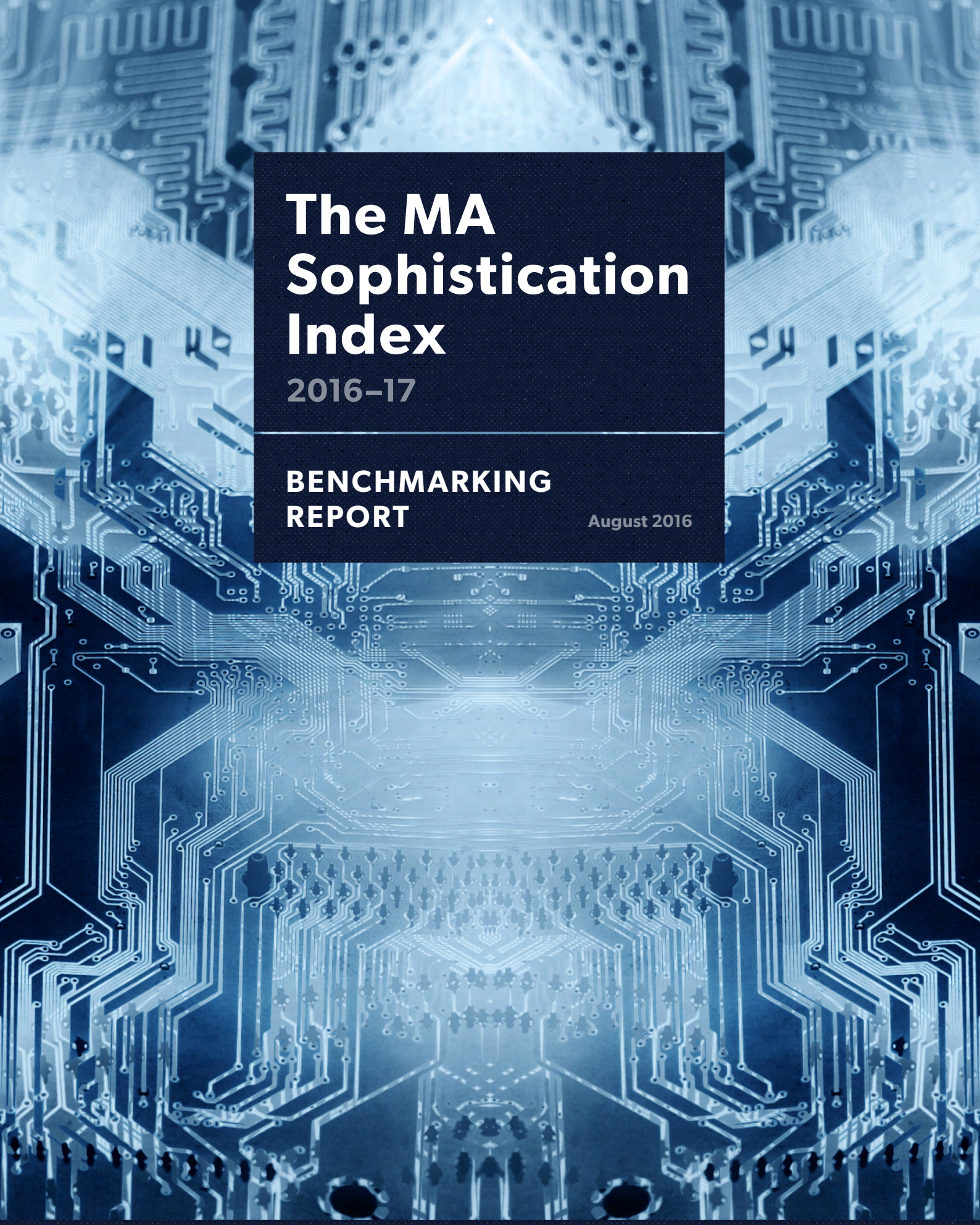


The MA Sophistication Index

2016–17

BENCHMARKING REPORT

August 2016

B2B Marketing

IN ASSOCIATION WITH

Circleresearch
The B2B experts



Andrew Dalglish
Director
Circle Research

Foreword

A recent study by B2B Marketing and Circle Research revealed the five key ingredients of successful marketing.

1. Have a clear strategic vision
2. Carefully craft a detailed plan of attack
3. Keep messaging clear and consistent, and support it with high-quality content
4. Invest considerable time and effort into sales and marketing alignment
5. Put the right human and physical infrastructure in place.

Central to that latter point is the adoption of marketing technology, especially automation. The case for marketing automation (MA) is persuasive, and this *MA Sophistication Index* reveals it has reached a tipping point. When we measured adoption in 2015, the minority (43 per cent) of B2B marketers had put an MA system in place. One year on, the majority (56 per cent) has taken the plunge and automation is now becoming the norm.

Automation has secured this position because, quite simply, it works. Eighty-one per cent of users say it has helped them reach their marketing goals and 63 per cent report that it has increased marketing-generated revenue.

Remember that successful MA isn't just about putting the system in place; it's about using it effectively

However, when developing an MA strategy, choose your platform carefully. Two fifths (42 per cent) of those surveyed are dissatisfied with theirs, so spend time asking your peers about their experiences before you commit. And when reviewing options, ask yourself whether you really need all those bells and whistles – almost two-thirds (58 per cent) only use a minority of their platform's features.

Having chosen the right platform, the next challenge is to plan for its implementation. And steel yourself: when asked to reflect on the challenges faced when adopting MA, more than a quarter (29 per cent) named data integration as the single biggest challenge, and a further 12 per cent reported their CRM wasn't sophisticated enough.

Finally, remember that successful MA isn't just about putting the system in place, it's about using it effectively. The single greatest challenge reported when the system is up and running is insufficient skills to realise the benefits.

So take heed of you peers' experiences. MA can be a highly valuable tool and this value can be multiplied if you choose your platform wisely, carefully plan for integration and develop the skills needed to unleash the platform's power.

Contents

Introduction 4

Current MA trends in B2B 5

The MA Sophistication Index 14

Summary and conclusion 23



Danielle Howe
Reports editor
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Introduction

Investment in some level of marketing automation (MA) is increasingly accepted as a core requirement of the marketing function in B2B organisations.

Turning MA investment into tangible, measurable returns that are aligned with the goals of the business, however, is a challenge many marketers are simply not overcoming.

So what's going on here? What's stopping marketers from using MA to its full potential? Should they be adjusting their expectations?

To help empower B2B marketers on their MA journey, we set out to identify and explore the three key levels of MA sophistication, at marketing team level:

- Basic
- Confident
- Expert.

We sought to find out how marketers at each of these three stages really feel about MA, the benefits they are seeing and the challenges they are facing.

The in-depth research in the following pages will reveal all, starting with a look at the current trends surrounding MA in B2B. The core of the project – the Index itself – will then outline these different levels of MA sophistication, allowing you to benchmark your own organisation and create a plan to increase levels of sophistication.

The research phase for this report was carried out in June 2016, with 129 marketers completing our online survey.

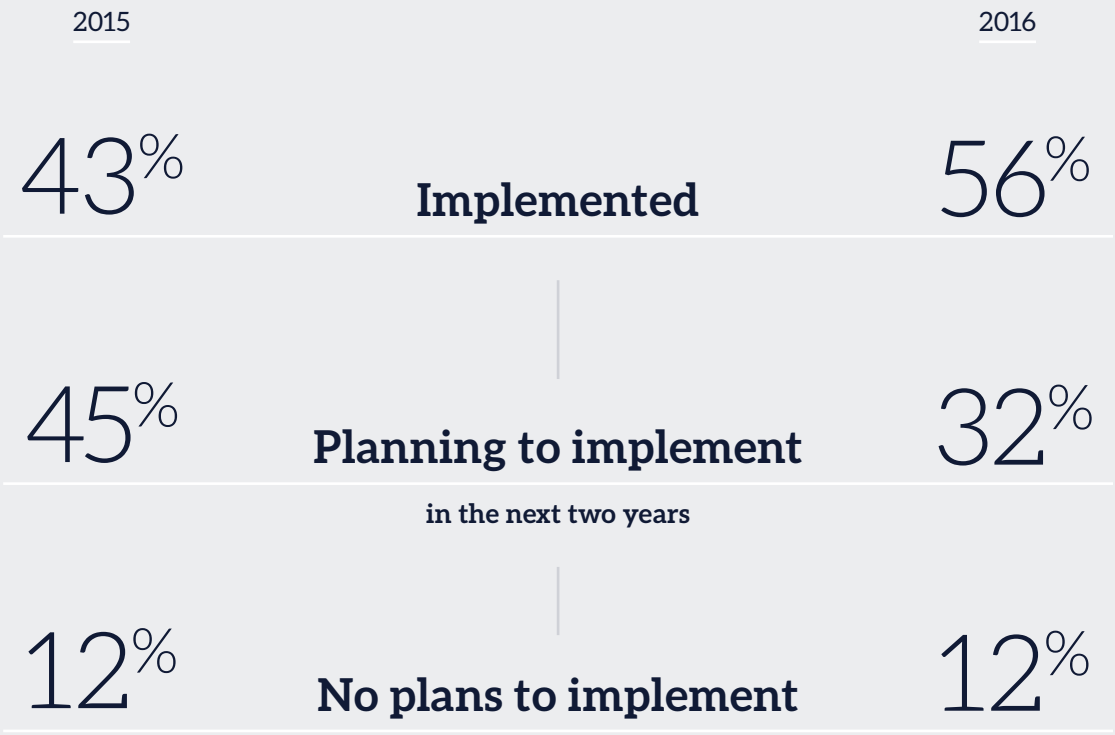
Writing and concept: B2B Marketing
Research: Circle Research

Current MA trends in B2B

01

MA adoption – A more mature marketing tech industry?

The number of marketers now using MA arguably reflects the increasing maturity of the wider marketing tech industry. Since 2015, the balance has tipped, and there are now more marketers using MA than those who aren't (56 per cent, compared to 43 per cent in 2015). If this rate of adoption continues, we'll see a huge 88 per cent adoption rate by 2018. The same percentage as last year has 'no plans to implement' MA (12 per cent), while the number who plan to implement in the next two years has reduced; understandable given the rise in those who have already adopted.



While lack of budget is the biggest barrier to investment, a lack of buy-in at board level also throws a considerable spanner in the works

Leads and content drive adoption rates

A focus on increasing the quantity and quality of leads is the driving force behind MA adoption for most B2B marketers – increasing sophistication in lead management is the biggest reason to invest in MA (46 per cent). This is followed by 'increasing conversion rates' (30 per cent) and 'better facilitating content marketing initiatives' (28 per cent). Other common reasons cited include 'to better measure ROI', 'save time' and 'increase revenue'.

The emphasis on leads and content is also reflected in the benefits B2B marketers expect to see as a result of using MA. 'Better management of leads' and 'increasing the quality of leads' were cited as two of the biggest expected benefits (53 and 39 per cent respectively), while personalising content was another popular reason (41 per cent).

What's holding back non-adopters?

It's unlikely we'll see 100 per cent MA adoption in B2B marketing in the near future. There are some big reasons why B2B marketers aren't putting MA at the top of their Christmas wishlists; the most common being lack of budget (42 per cent), followed by lack of belief in the benefits (26 per cent) and lack of support from senior management (also 26 per cent).

Making the business case for MA

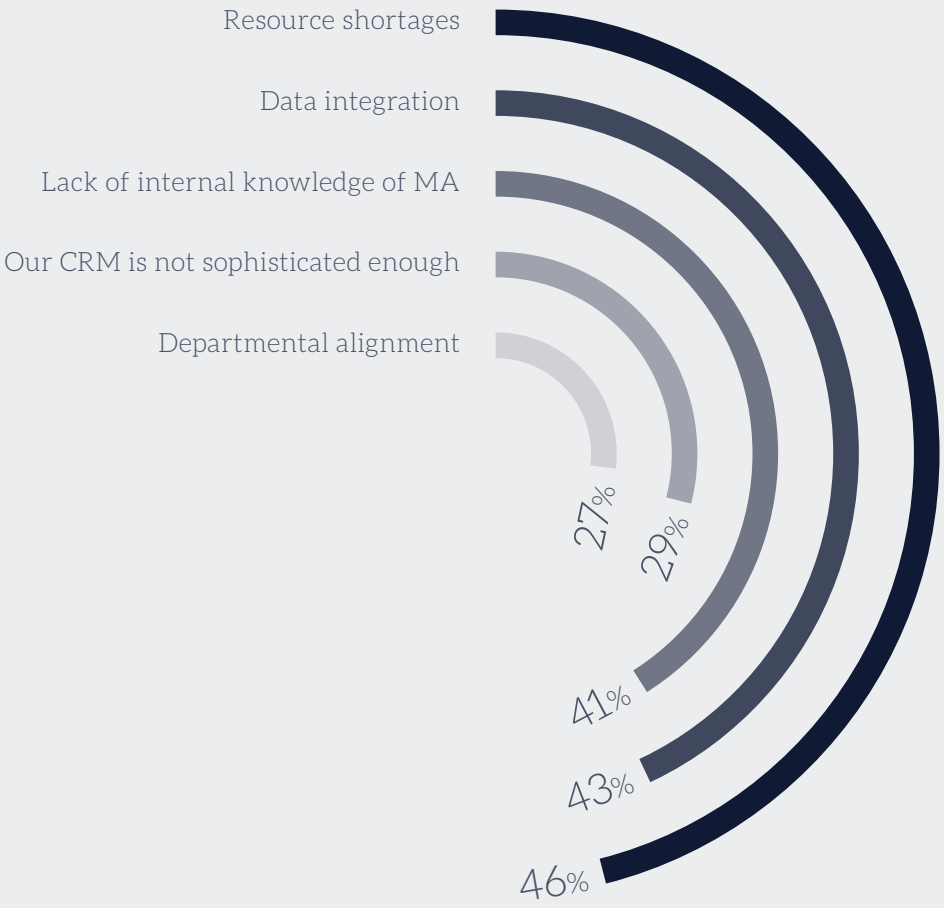
While lack of budget is the biggest barrier to investment, a lack of buy-in at board level also throws a considerable spanner in the works. But how can you make the case for MA in your organisation when you're facing scepticism from the very people holding the purse strings?

- **Make sure there is a strategic case for adoption:** What are the strategic marketing and organisational reasons for investing in MA? If you can't answer this, the board is unlikely to take your request seriously.
- **Build on existing marketing success:** MA is not going to be signed off for an under-performing department. Focus on getting your current marketing right first, and don't pitch MA as the solution to all your problems, but the driver of better results for both marketing and sales.
- **Manage expectations:** As we'll see in more detail later, it can take up to two years for businesses using MA to start reaping the rewards, and the path to success is unlikely to be smooth. Map out what you expect to achieve with automation in the first six months, first year and second year; this is preferable to claiming you'll be achieving everything from day one.

What's the biggest stumbling block?

Whether they've been using it for one year or three, resource shortages remain a thorn in the side of B2B marketers using MA. It's the number one challenge cited by all MA users (46 per cent), regardless of the length of time they've been using automation software.

What challenges do you currently face in relation to marketing automation?



Focus your efforts to combat resource limitations

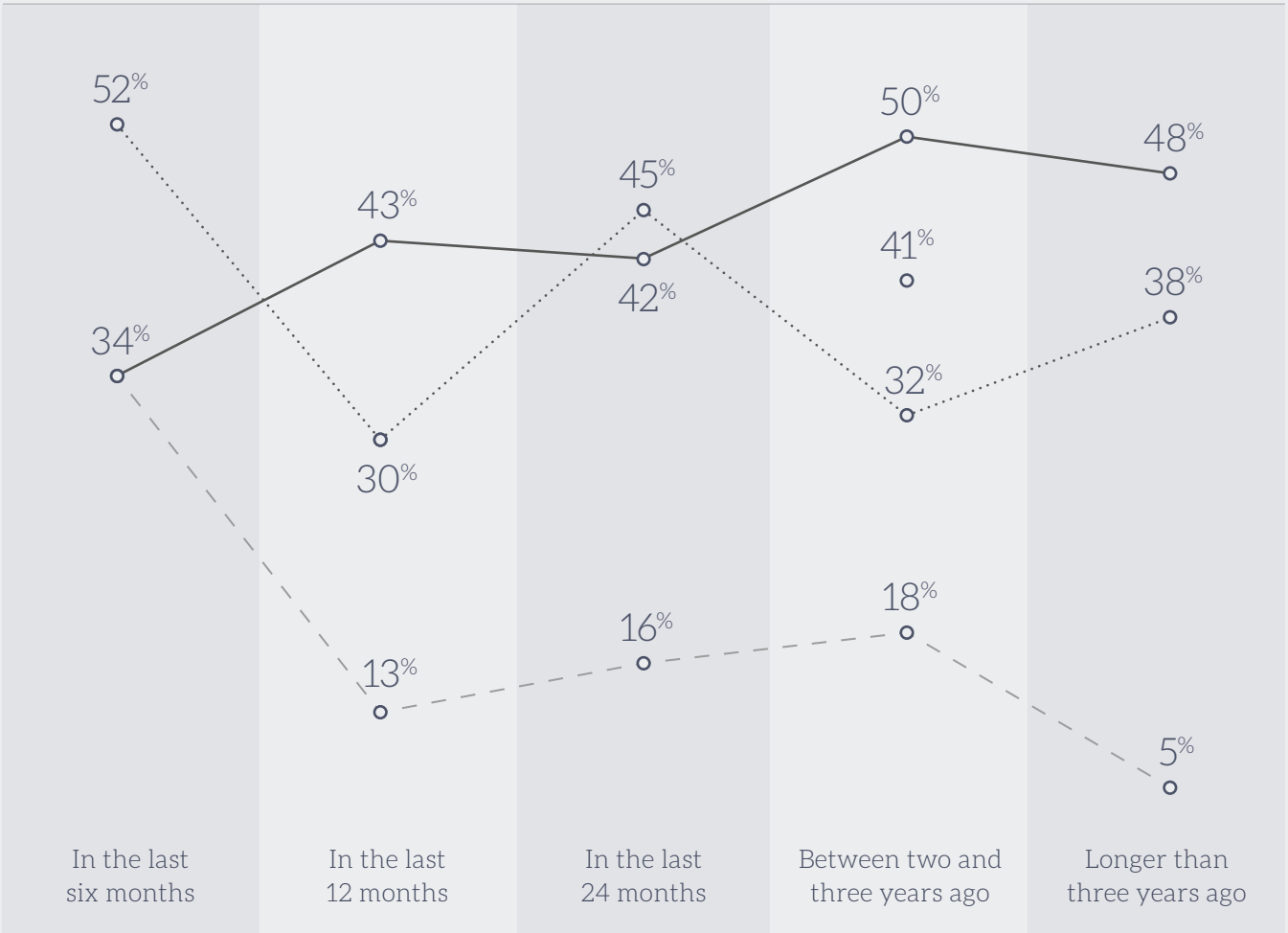
'Resource shortages' is the most commonly cited challenge by B2B marketers using MA (46 per cent), no matter what stage of the MA journey they're at. But while this is an issue that needs to be recognised – marketers cannot do their job effectively without the proper resources – it can be overcome.

The key is to carefully select what you want to be using MA to achieve. Select two or three top priorities and focus on using MA to achieve them – whether that's increasing volume of leads, engaging a specific target audience or increasing sales of a specific product category. Focus the resources you do have on these particular areas, rather than stretching yourself too thinly without actually achieving anything specific.

What challenges can you expect?

We know by now that MA is not a quick fix – it's complex, and requires time, knowledge and experience to get right. All MA adopters are on a journey of discovery, and depending on how long you've been implementing it you can expect to come up against different challenges along the way.

What challenges do you currently face in relation to marketing automation?



Data integration continues to hold marketers back

The business will adjust

MA requires a change in mindset across the company, and this can be a burden for many in the first six months. However, the cultural challenges that accompany MA implementation will practically disappear with time – 34 per cent of those who adopted six months ago said it's a challenge they're currently facing, compared to just five per cent of those who adopted over three years ago. If you're in the early stages of adoption, make sure:

- You remain patient
- You educate and include all the relevant stakeholders from the beginning of the implementation process
- You share your progress, successes and ROI milestones with the wider business via a comprehensive comms plan.

You can never know enough

B2B marketing departments with a full understanding of MA are few and far between – lack of internal knowledge is a challenge that holds all marketers back, no matter how long they've been using MA. It's the top challenge for those who adopted within the last six months (52 per cent), and is still the main challenge for those who've been using for more than two years. To overcome this stumbling block, make sure:

- You dedicate time and budget to make use of the resources available to marketers, from events to training courses and online guidance
- You regularly encourage every member of the marketing team to share knowledge they've gained
- Become more active in the MA community; make use of online forums to improve your knowledge and share your own success.

Integration will hold you back

Data integration continues to hold marketers back. In fact, it becomes a bigger issue as time passes, and as marketers look to increase the sophistication of their efforts – 34 per cent of those who've had it for less than six months say it's a challenge, compared to 48 per cent of those who've had it for longer than three years. To address the data challenge, make sure:

- You produce a data plan to ensure you know what kind of data you will need to drive your automation
- There are clear protocols in place across the business for entering data into your CRM (or any other relevant platforms)
- Your data collection points (e.g. online forms) collect the right data for powering your automation, and avoid collecting unnecessary data you won't use.

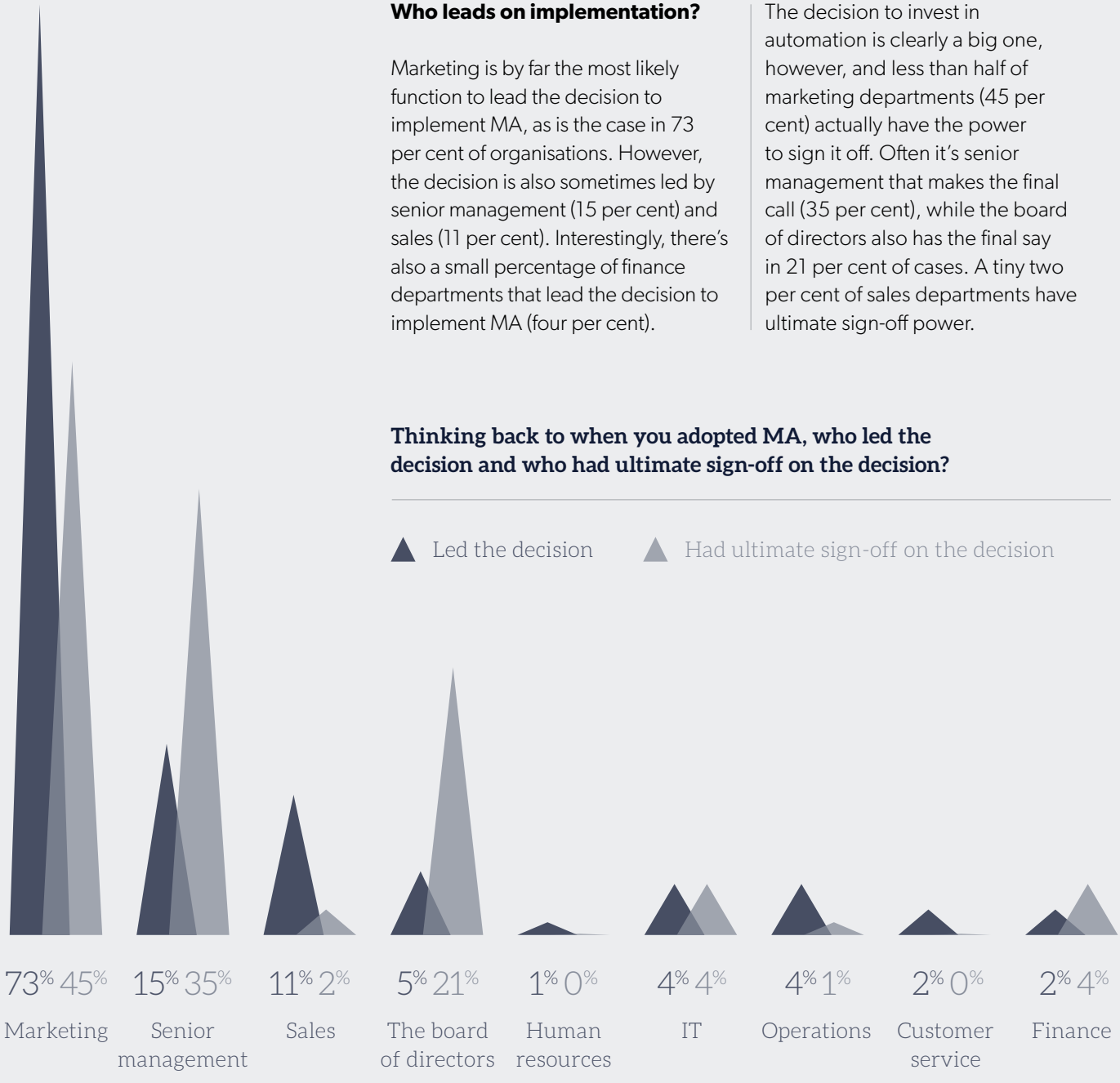
MA and strategic decision-making

Who leads on implementation?

Marketing is by far the most likely function to lead the decision to implement MA, as is the case in 73 per cent of organisations. However, the decision is also sometimes led by senior management (15 per cent) and sales (11 per cent). Interestingly, there's also a small percentage of finance departments that lead the decision to implement MA (four per cent).

The decision to invest in automation is clearly a big one, however, and less than half of marketing departments (45 per cent) actually have the power to sign it off. Often it's senior management that makes the final call (35 per cent), while the board of directors also has the final say in 21 per cent of cases. A tiny two per cent of sales departments have ultimate sign-off power.

Thinking back to when you adopted MA, who led the decision and who had ultimate sign-off on the decision?



Implementing MA for clear strategic reasons from the start makes a considerable difference to success

The value of strategic implementation

Our research shows that implementing MA for clear strategic reasons and involving the right departments (in particular sales) from the start makes a considerable difference to success and effectiveness further down the line.

There is a clear difference between those who implemented MA to achieve strategic organisational goals and strategic marketing goals, and those who implemented to achieve neither: 71 per cent of those who implemented with both in mind believe MA is effective, versus 60 per cent of those who didn't.

When the sales team is involved in implementation there is an even bigger difference: 70 per cent of those who did involve sales say MA is effective, compared to 51 per cent of those who failed to work with sales from the start of implementation.

The MA Sophistication Index

02

Thinking of how your organisation uses marketing automation, which of the following best describes your sophistication?

20%
Expert user

38%
Basic user

42%
Confident user

The *Sophistication Index* is designed to help you identify the stage that you're at with MA, and help you improve your sophistication and move up to the next level.

Whether you're new to MA and want advice on how to improve, or have been using it for some time and are struggling to progress, the following pages should go some way in guiding and helping you make a plan to improve for the future.

How do B2B marketing departments size up?

The majority (42 per cent) of B2B marketers classify their marketing departments as 'confident' users of MA, with 38 per cent putting themselves in the 'basic' category and a minority (20 per cent) seeing themselves as experts.

Basic

Average length of time using MA

14 months

Average satisfaction with current MA platform

5.59/10

Effectiveness
Forty per cent feel MA is effective, and 10 per cent believe it's very good value for money.

Goals
Just 10 per cent feel MA is meeting overall strategic goals, and 37 per cent feel MA is helping them meet marketing goals.

Efficacy
They use just 30 per cent of the features within their MA platform.

Success
Only just over half evaluate the success of MA, and just 12 per cent have a formal evaluation process in place.

Benefits achieved

1. Lead management
2. Time saving
3. More efficient use of resources

Benefits expected

1. Better lead management
2. Delivering more relevant content
3. Increased lead quality

Biggest challenges

1. Lack of internal MA knowledge
2. Resource shortages
3. Data integration

Basic

The key at this stage is patience – don't expect too much too soon, and don't get carried away with the technology. While you do need to move beyond using MA to send out mass emails, start small by automating basic marketing tasks such as auto-response emails, and think carefully about the areas or parts of the customer journey that will be easiest, but most rewarding, to automate.

While you may expect to move on from this basic stage after a while, you're facing different problems if you're still at this stage after 18 months to two years or more. Question what's holding you back – is it lack of support or understanding from other departments or senior management? Do you lack the resources to invest in the skills and knowledge to run your MA effectively? You should also question the reasons MA was adopted in the first place – what were the expectations? If strategic objectives for implementing MA were never explicit or clear, make sure you review them as soon as possible, and look at your marketing objectives and how you expect MA to help you achieve them (your marketing strategy should ideally already be in line with organisational goals, as we've seen recently).

Top tips to improve

- **Review your strategy:** Review the strategic reasons for adopting MA in the first place – are these clear and achievable?
- **Clean your data:** Do everything you can to make sure the data you're working with is as clean as possible – this is especially important as you look to integrate with your CRM system.
- **Boost your knowledge:** Lack of internal MA knowledge is the biggest factor holding basic MA users back (49 per cent say so). Make sure you allocate sufficient budget to invest in this knowledge, whether that's in terms of recruitment, upskilling or external consultancy.
- **Collaborate:** Ensure sales is on board by demonstrating via your strategy (as mentioned above) how you will increase quality and quantity of leads – you will have to make sure sales is completely on board and understands the positive implications of using MA in order to make long-term progress.
- **Create (or review) buyer personas:** If you've created buyer personas already, review them according to the data you're able to collect – do they stack up? If you don't have buyer personas, get started on creating them for your key customer segments; this will enable much more effective personalisation further down the line.
- **Focus on content:** Create a content strategy focused on dedicated, high-quality content for the personas you've created. It's also crucial to make sure basic things like tone of voice in emails reflect the brand, and that landing pages are engaging and typo-free. Think carefully about how you expect users to interact with each piece of content you create in terms of the entire customer journey.

Confident

Average length of time using MA

21 months

Average satisfaction with current MA platform

6.81/10

Effectiveness
Seventy-two per cent feel MA is effective, but only 12 per cent say it's very good value for money.

Goals
Thirty per cent say MA meets strategic company goals, and 44 per cent say it meets marketing goals.

Efficacy
They use on average 47 per cent of the features available.

Success
Eighty-two per cent currently evaluate the success of MA, but just 14 per cent have a formal process for evaluating success.

Benefits achieved

1. Delivering more relevant content
2. Better lead management
3. Better insight into conversion stages

Benefits expected

1. Better lead management
2. Increased lead quality
3. Delivery of more relevant messaging and content

Biggest challenges

1. Resource shortages
2. Lack of internal MA knowledge
3. Data integration

Confident

The majority of B2B marketing teams using MA fall into this category (42 per cent), perhaps understandably, as most have been using MA for 19 months.

Confident MA users are starting to see some of the key benefits of MA, and a big majority (72 per cent) believe MA is effective. While it's easy to sit on your laurels and remain satisfied with what you're doing – the truth is, continuously aiming to improve will be rewarding for the marketing department, the wider business, and your own marketing career.

Top tips to improve

- **Continually optimise the customer experience:** By this stage you should have a clear idea of what the customer journey looks like, but to move up to the next level you have to start working with other departments and conduct in-depth research and analysis of your data to provide highly personalised and relevant customer experiences.
- **Integrate:** If you haven't integrated your MA platform fully with your CRM, this should be a key goal – it will enable greater personalisation and demonstrate to sales and the rest of the organisation the real value of MA. If you don't have the knowledge or ability to do this inhouse, external consultants may well be worth the investment; MA simply isn't worth using if it's not hooked up to your CRM.
- **Take a strategic step back:** Just 44 per cent of confident users say MA 'helps significantly' to achieve marketing goals, versus 62 per cent of expert users. Take the opportunity to review your original objectives and KPIs – are all of these actually being met, and if not, why?
- **Focus on better measurement:** Without being able to report on your successes and failures, progress will be slow. To improve you'll need to start measuring conversion rates, MQLs and SQLs rather than marketing metrics such as form completions.
- **Invest in talent:** This is the time to start recruiting some experts of your own (although don't completely ditch the consultants and stop upskilling your own team). If possible, look for people who have specific knowledge of the platform you use, rather than knowledge of MA in general; it'll be an investment worth making.

Expert

Average length of time using MA

24 months

Average satisfaction with current MA platform

7.65/10

Effectiveness
Eighty-eight per cent feel MA is effective, with 35 per cent stating it's very good value for money.

Goals
Fifty-eight per cent say MA helps to meet strategic organisational goals, while 62 per cent state that MA helps to achieve marketing goals.

Efficacy
Experts use on average 64 per cent of the features available.

Success
A huge 96 per cent evaluate the success of MA, while 38 per cent have a formal evaluation process. They tend to examine more subtle factors such as conversion, marketing qualified leads and sales qualified leads.

Benefits achieved

1. Better lead management
2. Increased lead quality
3. Increased revenue

Benefits expected

1. Better insight into conversion stages
2. Increased lead quality
3. Greater personalisation

Biggest challenges

1. Data integration
2. Resource shortages
3. Departmental alignment

MA Sophistication Index Benchmarking Report © B2B Marketing 2016

Expert

Only 20 per cent of B2B marketers put their own departments in the 'expert' category, but there's no doubt we'll see this figure increase in the months and years to come.

There is a clear difference between those at this level and those at the 'confident' stage; MA should not just be a tool for the marketing department, but a tool that's fully integrated with the wider business – 58 per cent of experts say that MA 'significantly helps' to achieve overall, company-level strategic goals, compared to 30 per cent of confident users and just 10 per cent of basic users.

The biggest challenge facing experts at this level is data integration, cited by 42 per cent of all expert respondents. The fact this is still a challenge at this level demonstrates the complexity of the task ahead for all marketers using MA; the more integrated your automation platform is, the more sophisticated your campaigns can be, but it remains a huge technical endeavour.

Despite these challenges, expert users are in a great position to be able to experiment with new features and new marketing tech.

Top tips to improve

- **Place a bigger focus on customer loyalty and retention:** Many expert users are still not using MA to drive customer retention and loyalty, so this is a crucial next step for improvement. The amount of data you will have at this point is hugely valuable, so make sure you explore ways to start using it.
- **Create a dedicated team:** If you don't have one already, think about creating a dedicated team that deals solely with MA, and is responsible for turning strategic aims into tactical MA programmes. This will also be a driving force in upskilling the rest of the marketing department.
- **Contribute to the MA community:** By sharing your success stories with people in the community you'll also be able to learn what other MA innovators are doing.
- **Don't be afraid to experiment:** At this level, you're in the position to experiment with new tools and functionalities when they're released. Don't feel disappointed if they're not right for you though; experimenting will only contribute to improving the marketing tech knowledge of the team.

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Only 20 per cent of B2B marketers put themselves in the ‘expert’ category, but there’s no doubt we’ll see this figure increase in the months and years to come

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Summary and conclusion

03

Summary

- More marketers now have MA than don't (56 versus 44 per cent) but 58 per cent still use under half of the features available in their MA platforms.
- Those who have no plans to adopt MA are being held back by a lack of budget, a lack of belief in the benefits and lack of support from senior management.
- Resource shortages, data integration and lack of internal knowledge are the three biggest challenges for all B2B marketers who've implemented MA.
- The most successful MA users are those who involved sales from the start of the implementation process, and those who are using MA to achieve strategic organisational and marketing goals.
- We identified three key levels of MA sophistication: basic, confident and expert.
- The majority of B2B marketers put themselves in the 'confident' category, followed by basic users and then experts.
- Basic MA users have been using MA for 14 months, confident marketing teams have been using it for 21 months, and experts are two years down the line on average.

Conclusion

The Index has shown that while there are clear differences between stages of sophistication, similar challenges raise their heads across the board, but they're prioritised differently. It's also shown that progress with MA never stops. Even the experts have ambitions to improve the quality of their leads and levels of personalisation even further.

But the discussion around MA shouldn't stop here. We'd like to hear about your personal experiences of MA: what's the one thing that you've been struggling to achieve in the past few months, and what's holding you back?

Get in touch with us at editorial@b2bmarketing.net, @MarketingB2B **on Twitter, our** LinkedIn Group **or our** Facebook page.

About

B2B Marketing

B2B Marketing is the comprehensive information resource for B2B marketers. Its mission is to provide practitioners with the information they need to perform better and achieve more, whatever sector of the B2B space they are operating in.

Launched in 2004 as *B2B Marketing* magazine, it has since evolved into a multi-faceted resource, delivering a broad range of content in a variety of different forms and formats.

Its key products are:

- Online community
- Magazine
- Awards
- Research and reports
- Training
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Circle Research uses market research to help clients solve business issues, grasp opportunities and develop competitive advantage. The average client engages Circle Research on more than four projects, and counting.

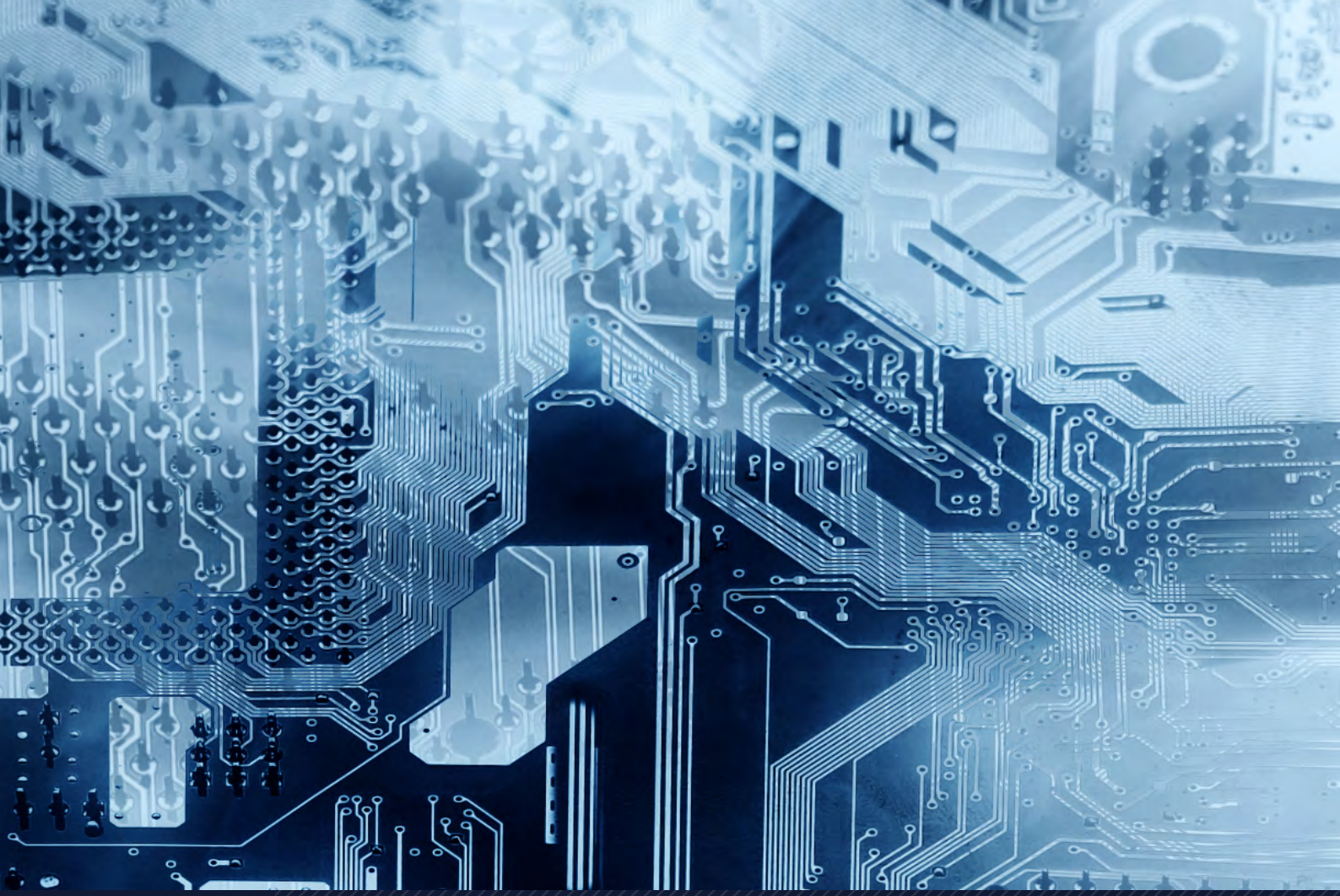
Here's why:

- The B2B market research experts – understanding your sector and seeing things others miss.
- Multi-award winning – benefit from extensive experience and best-in-class approach.
- Commercial acumen – receive commercially sound, engagingly presented recommendations that drive action.
- International – seamlessly covering your entire footprint.
- Delighted clients – you'll love the Circle experience.

Get in touch and let's talk about uncovering those Eureka! moments – insights that transform your view of the situation.

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