B2B RESEARCH

B2B Marketing

Generate More Demand

Research, analysis, best practice

In association with: Marketo LBDGA Demand Generation Agency

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INTRODUCTION

Demand generation is one of the most fundamental elements of B2B marketing, and, charted against the demands of the digital marketing environment, it is arguably growing in relevance all the time.

This research project, conducted in partnership with Ledger Bennett DGA and Marketo, sought to gain a better understanding of exactly how B2B marketers regard and approach the process of generating demand for their organisation's products and services.

From that vantage point, we also attempted to understand more about the specific challenges and pain points B2B marketers experience as part of their demand generation activities.

The findings paint a picture of an industry consisting of organisations operating with varying degrees of sophistication when it comes to demand generation. For every business relatively satisfied with its returns and its use of automation and data, there is another struggling to move beyond the ways in which things have always been done. Overall, we discovered that there is significant room for improvement when it comes to maximising the quality of the demand generation activity taking place in B2B.

This report includes an analysis of the key findings, comment from Marketo and a best practice advice piece from Ledger Bennett DGA explaining how to make your demand generation activities work harder.

The research was carried out in April 2014, and this report includes the feedback gathered from 100 mid- to senior-level B2B marketers.



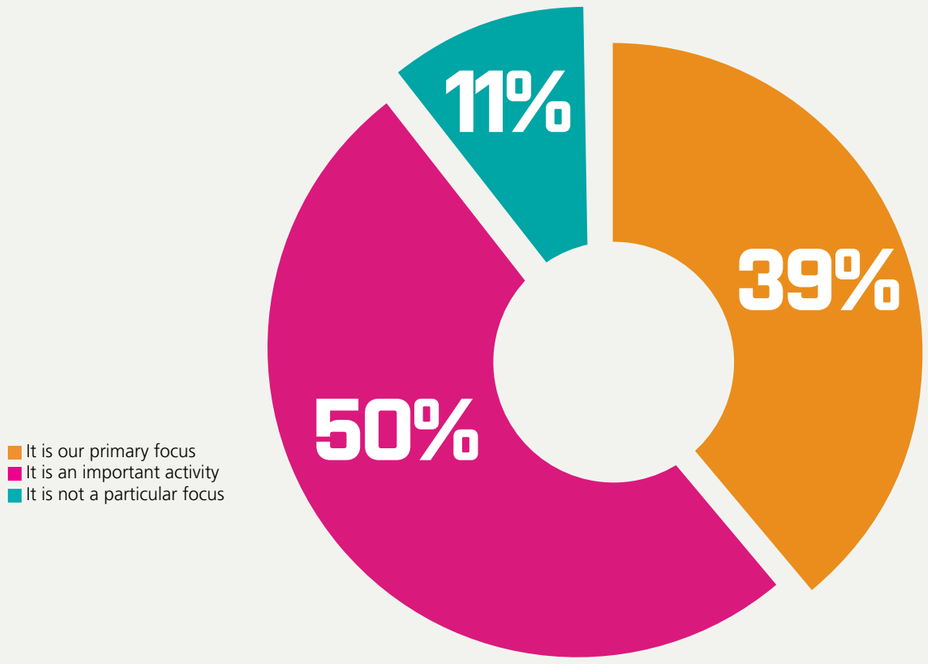
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B2B MARKETING

"There is significant room for improvement when it comes to maximising the quality of the demand generation activity taking place in B2B"

DEMAND MORE

Demand generation sits at the heart of B2B marketing activity. **Alex Aspinall** investigates how it is approached in 2014

Figure 1. How much emphasis is placed on demand generation activity by your marketing team?



Demand generation is regarded as being an important element of a marketing team's focus by 89 per cent of marketers. Indeed, it is the 'primary focus' for 39 per cent of marketers responding to our survey. Given these very clear signs that marketers are thinking a great deal about demand generation activities, it is perhaps slightly surprising the discipline does not receive more coverage from the marketing media aiming to reflect industry concern.

With this in mind we recently partnered with Ledger Bennett DGA and marketing automation provider Marketo to produce a research survey designed to examine how B2B marketers are approaching their demand generation activities in 2014.

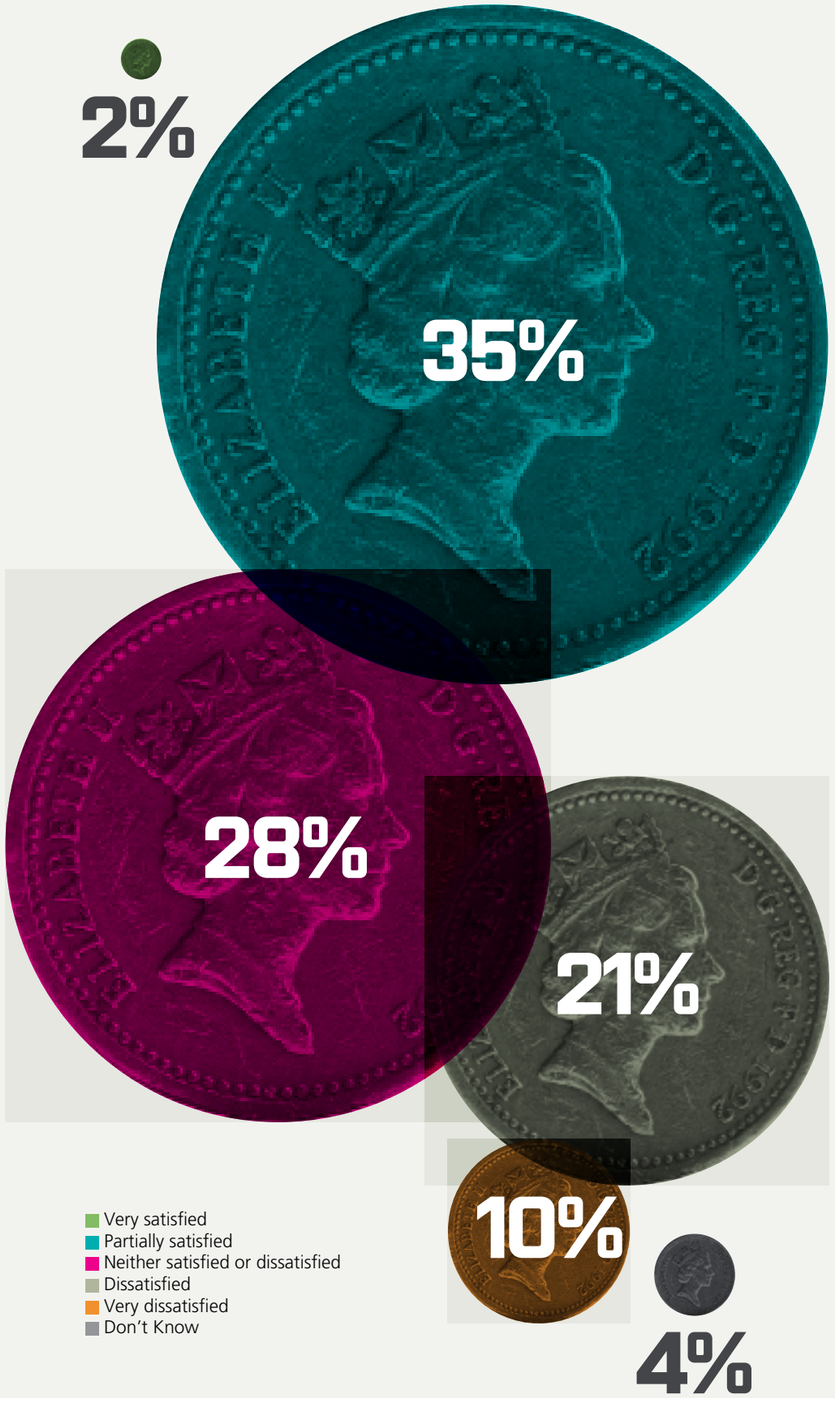
As a starting point, we sought to find out exactly what respondents thought of when asked to reflect on demand generation. Encouragingly, 36 per cent of respondents reported that they regarded demand generation as involving everything from 'first touch point to beyond sale.' This suggests a sizable number are recognising the shifting requirements of demand generation in the always-on digital world. However, a similar 37 per cent equated demand generation more simply with lead generation, suggesting many marketers are still focusing on more basic concepts of the process.

Priority activity

Given demand generation's central importance to marketing activity, it makes sense to investigate how the industry is going about driving interest. There seems to be evidence a majority of marketers seem quite comfortable with the basics of reaching out to their targets, as indicated by the relatively conclusive returns from the questions seeking to assess where marketers are investing their time.

Email was selected as being the marketing activity used most by B2B marketers during their demand generation activities. It was chosen as a top-three activity by 62 per cent of respondents. Content marketing was the second most popular activity, selected by 44 per cent as a top-three activity, while updating the company website and engaging in search marketing activities were also popular, securing 40 and 32 per cent respectively. These activities are all very much clearly related to one another. That they were all selected as main methods of carrying out demand generation activity shows that marketers are aware of the very close links between demand generation and inbound marketing techniques. The very same quartet of email, content, website and search were also regarded as being the most effective methods of demand generation.

Figure 2. Are you satisfied with the returns on your demand generation activities?



Challenges

So far, so good, for B2B demand generation, then. But this increasingly complex activity is, of course, far from challenge-free. The familiar duo of a 'lack of time' and a 'lack of budget' were selected as the two most challenging elements of respondents' demand generation activities.

It's notable too that a 'lack of sales alignment' was the third most commonly selected demand generation challenge. The resources issue is a challenge for almost any marketing activity, but the fact a quarter of respondents highlighted sales alignment as a 'top two' challenge shows how much demand generation activities have developed (more on this later).

Of course, in order to assess what challenges you are facing you have to know what success would look like. For this reason we asked our survey sample to indicate which three metrics they most paid attention to when assessing the success of their demand generation activities. And while it's possible to pick out the most popular ones, this question returned one of the most scattered sets of responses in the research project.

So, with that caveat in mind: 'enquiries' was the most-selected metric, chosen by 44 per cent as a top-three metric. 'Marketing qualified leads' and 'sales qualified leads' each secured 33 per cent, and 'closed revenue value' was selected by 32 per cent. It's encouraging to see some of the more bottom line-focused metrics being used to assess demand generation activity, and it highlights the importance of the activity for business growth as a whole.

There is, however, still work to be done regarding sophistication in some circles. And this fact is reflected, and acknowledged, in the question focusing on the degree to which respondents are satisfied with their current demand generation activities. Only two per cent of respondents reported they were 'very satisfied' with the returns they were currently seeing. More encouragingly, 35 per cent said they were 'partially satisfied,' but that still leaves 63 per cent of respondents that are either neutral or dissatisfied to some degree with their returns.

Another area in which significant improvement should be pursed is the degree to which marketers feel able to measure the impact their demand generation activity has on revenue creation. Forty-three per cent of our respondent group either were unable to, or didn't know whether they could, calculate

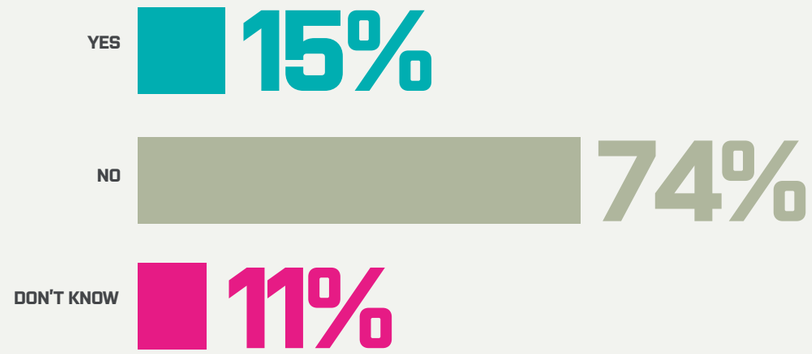
the revenue delivered by their demand generation activities. There is a clear need here for marketing teams to close the loop and start equating demand generation more closely with pounds and pence. The technology required is within everyone's grasp.

Technology

Even the most cursory glance over the technology questions tells a striking tale. The tech solutions most in use at present are those that might be regarded as more simple, or at least those that have been around for longest. Around two-thirds of respondents reported they used email marketing software, web analytics and CRM solutions. Meanwhile, a smaller 40 per cent of respondents had marketing automation platforms in place; the benefits of which in terms of inbound demand generation are well documented. A very small minority of nine per cent admitted to using no tech solutions, but at least it should be fairly easy for this group to pin point areas in which they could potentially up their game.

Encouragingly, there seems to be a good level of willingness to embrace further tech adoption in the industry. Over two-thirds (68 per cent) of respondents reported they were planning to implement new marketing technologies in the coming 12 months. Twenty-eight per cent of the total respondent group were planning to implement marketing automation this year, while 25 per cent were planning on launching a CRM system, 23 per cent were planning on stepping up their web analytics, and 20 per cent were planning to implement a new email platform.

Figure 3. Are you able to forecast future demand?



That such strong signals are being sent out regarding a willingness to embrace further technology adoption is an encouraging sign. Marketers are clearly aware that in order for them to extract the maximum benefits from their demand generation activities, there is a need to embrace technology as part of their inbound activities.

The degree to which individual marketing teams are equipped to utilise such a set up clearly varies. Skill sets and internal business cultures vary but there is hope that with greater tech adoption and – where applicable – with the appropriate training we should soon be able to start reporting that more than the current 56 per cent of marketers are able to measure the impact of their demand generation activities. We would also hope to see an increase in the 15 per cent that currently claim to be able to predict future demand.

Sales alignment

No examination of the demand generation landscape would be complete without a look at the ways in which sales and marketing departments are working together. Improved alignment between the two old enemies is, at once, the result of successful demand generation activity and a reason for its success. But rather than positioning alignment with sales as an awkward 'chicken and egg', it's perhaps more useful to see it as being part of the virtuous cycle serving to secure improved returns for both parties. Is this view shared by our respondent pool?

In short, the answer seems to be 'yes.' A healthy 79 per cent reported a desire within their teams to work closer with sales. However the same marketers were equally as comfortable coming forward to list reasons impeding such utopian working scenarios.

Chief among them was a 'lack of time,' selected by 46 per cent, a 'lack of shared KPIs and responsibilities' (39 per cent), and a 'lack of understanding of the processes required' (34 per cent). It's difficult to mitigate for those decrying the number of hours in the day, but marketers wrestling with cultural challenges such as process understanding and objective sharing do have an opportunity to take the initiative.

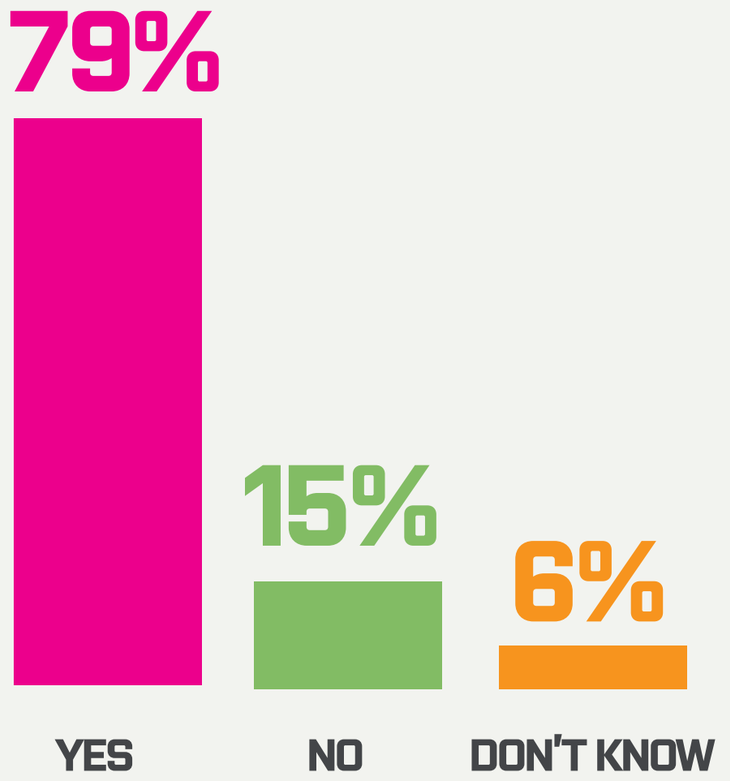
By improving the sophistication of their demand generation activities, in the broadest sense of the term: with recourse to inbound marketing, nurturing and marketing automation, marketers can more easily make the case for closer alignment with sales, sharing successes and allowing for the learnings to be absorbed back into the process. This said, and despite the positive noises being made, it remains a significant challenge for many.

For example, 41 per cent of our respondents admitted to passing all leads to sales, regardless of quality. Such backwards-looking processes – easily improved by recourse to automation and inbound – are unlikely to help foster improved relationships. It's likely that the 15 per cent of marketers that pass only win-ready leads over to sales have already gone through some level of cultural shift internally. It's also likely this group are among the marketers reporting greater levels of satisfaction with their demand generation activities. No one ever said it would be easy.

By means of positive conclusion, it's clear B2B marketers are aware of the ongoing value of demand generation, as well as of how the digital buying landscape has created a situation that necessitates inbound techniques and tech adoption. It's also clear that marketers are eager to improve their working relationships with sales.

As a call to arms, it's perhaps worth siding with the 32 per cent of our respondents that reflected that marketing and sales alignment would be better if both departments developed campaigns together. It may seem like a huge leap for some, but any organisation brave enough to deliver such a vision would surely be enjoying significantly better returns both in terms of demand generated and bottom line revenue attained.

Figure 4. Is there a desire within your team to foster closer alignment with sales?



The state of UK demand generation

Results from the recent demand generation survey commissioned by Marketo and Ledger Bennett DGA have revealed some key themes in how demand generation is defined and measured by marketers in the UK



RAY COPPINGER
ONLINE MARKETING MANAGER EMEA
MARKETO

1. Differences in definition and maturity of demand generation activity

While demand generation is clearly an important and, in many cases, primary focus for marketers, there are significant differences in how they define what demand generation means to their organisation. Tellingly, almost the same number of respondents suggested that demand generation is simply the process of generating leads compared to those who proposed that demand generation extended from first touch to beyond sale. This dichotomy illustrates the varying levels of maturity and sophistication that exist in the way marketing departments define, manage and measure their demand generation activities.

2. Challenges in measurement of demand generation activity

It is clear from the different ways in which the respondents are measuring the success (or otherwise) of their demand generation activities, that varying levels of demand generation maturity exist across their organisations. While there is certainly an encouraging trend towards metrics that suggest greater maturity such as sales qualified leads and opportunity pipeline created, enquiries was one of the most popular metrics selected by respondents.

The fact that enquiries still rank as one of the most important metrics aligns with the fact that a significant number of companies are not syncing their marketing-generated leads with their CRM. Both of these trends correlate with the large percentage of respondents who cannot measure how their demand generation impacts revenue creation. So we can see there are certainly challenges when it comes to measuring demand generation success. In addition to the challenges around measurement of demand generation, nearly three-quarters of respondents said they were not able to forecast future demand.

> "There are significant differences in how marketers define what demand generation means to their organisation"

In summary, it is clear organisations that are embracing the foundations of successful demand generation such as sales alignment, marketing technology adoption and CRM integration, are moving into a much stronger, more strategic place. They cannot only report on the metrics that matter to the C-suite but also start to forecast demand and the impact the marketing team is going to have on the bottom line in months, quarters and years to come.

To find out more about how to make demand generation work harder for you, visit lbdga.com or uk.marketo.com.

How to make demand generation work harder for you

Results of the recent research on demand generation commissioned by Marketo and Ledger Bennett DGA provide the opportunity to look at demand generation and understand how it is interpreted, implemented and measured by marketers in the UK.

Demand generation continues to make a fundamental impact on marketing and sales efforts. Buyer empowerment demands a different approach where listening to and understanding buyer needs is essential. From here, it's possible to generate dialogue, create relationships and provide answers to the known business problems experienced. Demand generation provides the framework for this to happen efficiently and cost-effectively, resulting in long-term revenue growth.

Having revealed how demand generation is perceived and used right now, here are our tips on making it work more productively for you:

1. Build a platform for success

Buyers only buy when they are ready. Simple. So you need to develop a business model and infrastructure that brings unknown prospects into your world and then nurture them over time to a point when they are sales ready. This means using the right technology, applying the right resources and aligning those resources to work effectively.

2. Adopt a persona approach

Buyers don't buy because you have something to sell. Regardless of functions, they have issues that stop them from doing their jobs, managing their businesses, as well or profitably as they could. Engage with prospects at the earliest stage possible to get to know what it is that keeps them awake at night. At this point, it's about their issues, not your product solutions, so make sure you're listening, not talking.

Adopt a persona approach. You can use your marketing automation platform to target messages around their business needs relevantly and efficiently, minimising wastage and unnecessary noise.

Marketing automation makes it possible to deliver messages based on an almost infinite set of criteria such as web behaviours including search, history, content preferences or even preferred time of day for opening email. So even if you don't know who you're talking to yet, you can create messaging that resonates with them.



JON BARKWORTH
HEAD OF CONTENT MARKETING, LEDGER BENNETT DGA

"You need to develop a business model and infrastructure that brings unknown prospects into your world and then nurture them over time to a point when they are sales ready"

3. The power of compelling content

By listening to and working to understand buyers' core business issues, you can start to develop a buyer journey that will provide them with the information they need on a solution, when they need it. So in the early stages, they might be researching around the issue, finding out the options available, reviewing suppliers. From this point, they will look to identify a specific solution, needing evidence to support the buying decision. Finally, supplier chosen and decision made, they will be looking to talk to a salesperson.

"Your challenge is to create compelling, robust content that stands out in a world where there's a mass of information available"

Your challenge is to create compelling, robust content that stands out in a world where there's a mass of information available, but it's difficult to extract what's useful. The best content will focus on the issue at hand, combining existing and new material to address the buyer's concerns and provide a solution, perhaps supported by case studies and additional, practical evidence.

4. Feed the funnel

With the buyer journey defined and the content created, it's a case of using your marketing automation platform to engage new prospects and maintain connections with existing ones. The most used and effective demand generation techniques are all based around inbound activity: email marketing, website, content marketing, search marketing and lead nurturing.

Whichever medium you're using, great content engages and informs – it also encourages people to share your material socially and link your website to their communities, having a positive impact, in turn, on your search results. Which, of course, helps to feed new prospects into your sales funnel.

5. Automate them at their own pace towards a sale

In reality, the buyer journey will be a balance. Buyers' digital body language, which pages they're visiting on your website and which email calls-to-action they're responding to will indicate where they are in the buying process. At the same time, you will be picking up information about the buyer that helps you to clarify how best to meet their business needs.

"It pays to be mindful that, ultimately, buyers are in control of the process, and will make the buyer journey at their pace"

Automated messaging, where communications are created dependent on the levels and types of interaction between you and your prospect, makes the process productive, low maintenance and highly cost-effective. At the same time, however, it pays to be mindful that, ultimately, buyers are in control of the process, and will make the buyer journey at their pace.

6. Make it easier for yourself by aligning sales and marketing

Prospect acquisition is never simple. The demand generation tools available make it easier, and bringing your sales and marketing teams together to work towards a common goal will only help further, making lead nurturing more straightforward. By creating a road map outlining responsibilities and timescales, you make the process transparent and eliminate the risk of prospects falling out of the funnel. Your marketing automation provides the technical means to improve demand generation results and increase revenue, and collaboration between people, using a common platform, ensures that everyone gets the best returns from their efforts.

To find out more about how to make demand generation work harder for you, **visit lbdga.com** or **uk.marketo.com**

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He has responsibility to Ledger Bennett DGA and clients for content auditing and research, persona development, content planning and strategy, story development and content innovation with content distribution through earned, owned and paid channels. Any spare time is dedicated to his family, cycling, running, and swimming.

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
- Events
- Membership

For more information on any of these products or services go to b2bmarketing.net or call +44 (0) 20 7438 1370

About Ledger Bennett DGA

Ledger Bennett DGA is a B2B demand generation agency that uses sales and marketing know-how to help customers increase revenue by deploying inbound marketing, content marketing and marketing automation strategies. Its highly focused demand generation programmes drive business performance, helping clients to generate more opportunities, convert opportunities into sales and retain customers while growing their value.

This is achieved by:

- Attracting buyers to your website
- Gaining insight in to who they are and what they want
- Nurturing them, one-by-one, towards a sale
- Engaging post-sale, to maximise customer value



Using more measurable and cost-effective techniques than traditional full service marketing agencies, Ledger Bennett DGA is able to maximise business revenue in the modern world where the internet has fundamentally changed the behaviour of the buyer.

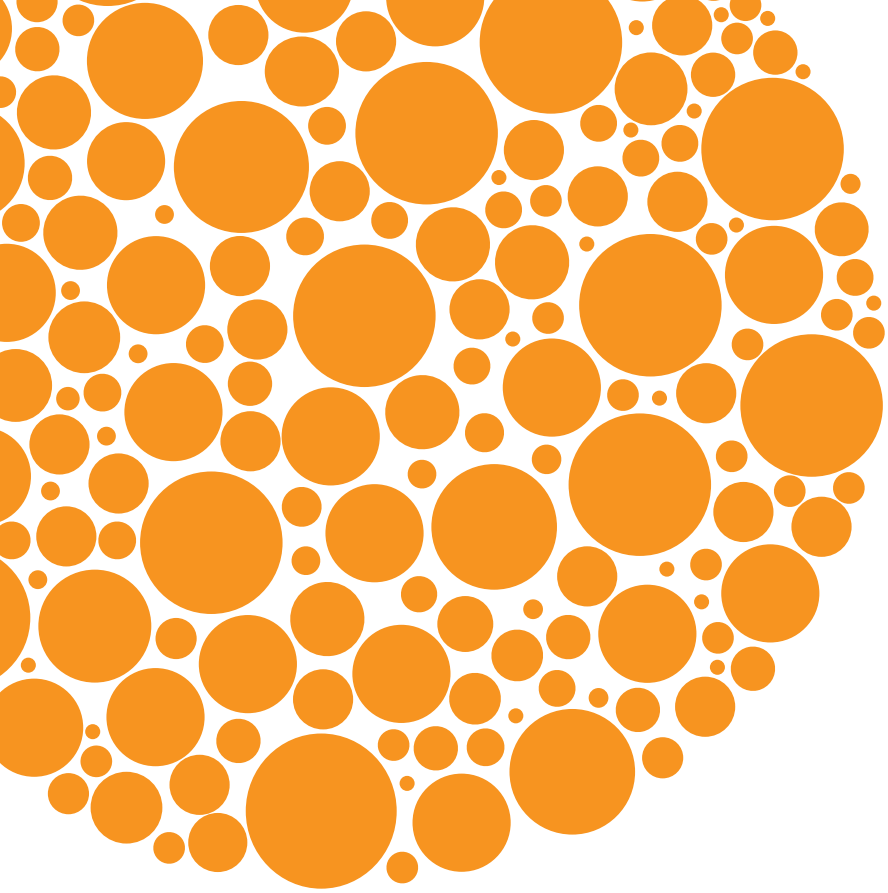
For more information, visit lbdga.com

About Marketo

Marketo provides the leading marketing software for companies of all sizes to build and sustain engaging customer relationships. Spanning today's digital, social, mobile and offline channels, Marketo's customer engagement platform powers a set of breakthrough applications to help marketers tackle all aspects of digital marketing from the planning and orchestration of marketing activities to the delivery of personalised interactions that can be optimised in real-time.

Marketo's applications are known for their ease-of-use, and are complemented by the Marketing Nation, a thriving network of more than 250 third-party solutions through its LaunchPoint ecosystem and over 40,000 marketers who share and learn from each other to grow their collective marketing expertise. The result for modern marketers is unprecedented agility and superior results. Headquartered in San Mateo, CA, with offices in Europe, Australia and a joint venture in Japan, Marketo serves as a strategic marketing partner to more than 3000 large enterprises and fast-growing small companies across a wide variety of industries.

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