



**GoldsteinGroup**  
communications

# 2017 B-to-B Marketing Budget Planner

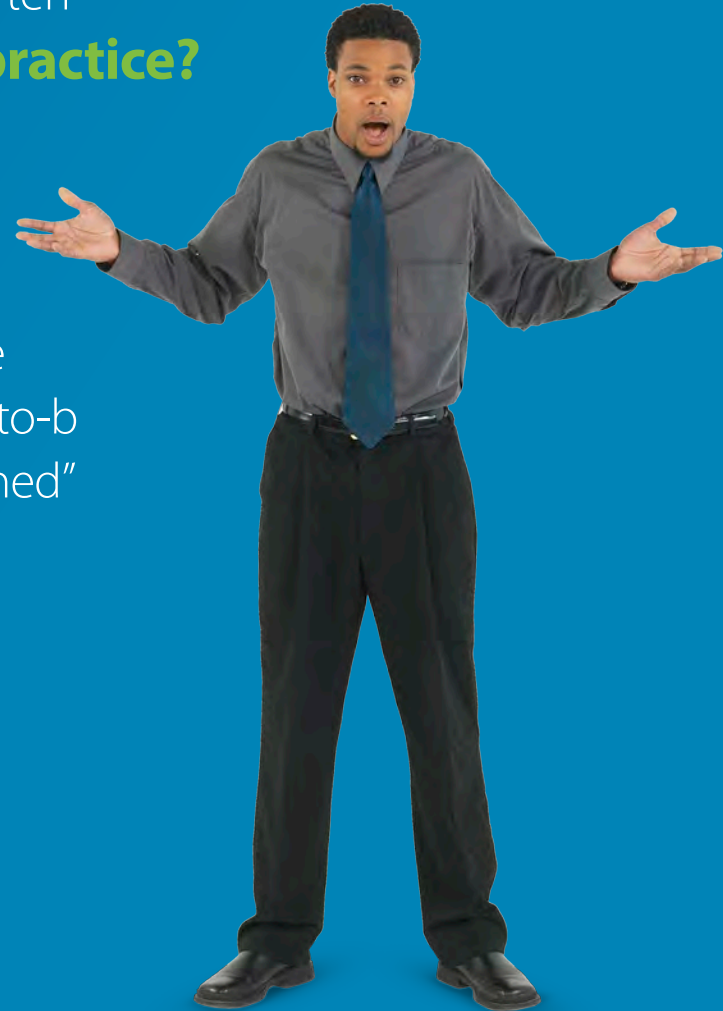


*Measurably Better Marketing*

# How Much To Spend? What's Working Today?

It's probably the core question we're asked most often –  
**if I'm building my budget, what's best practice?  
What are other companies doing that  
I should be considering as well?**

Today, there's more information available than ever before to see how others are answering those questions. This ebook is our annual summary of b-to-b budget practices, so you can pull any "lessons learned" from colleagues in a wide variety of industries.

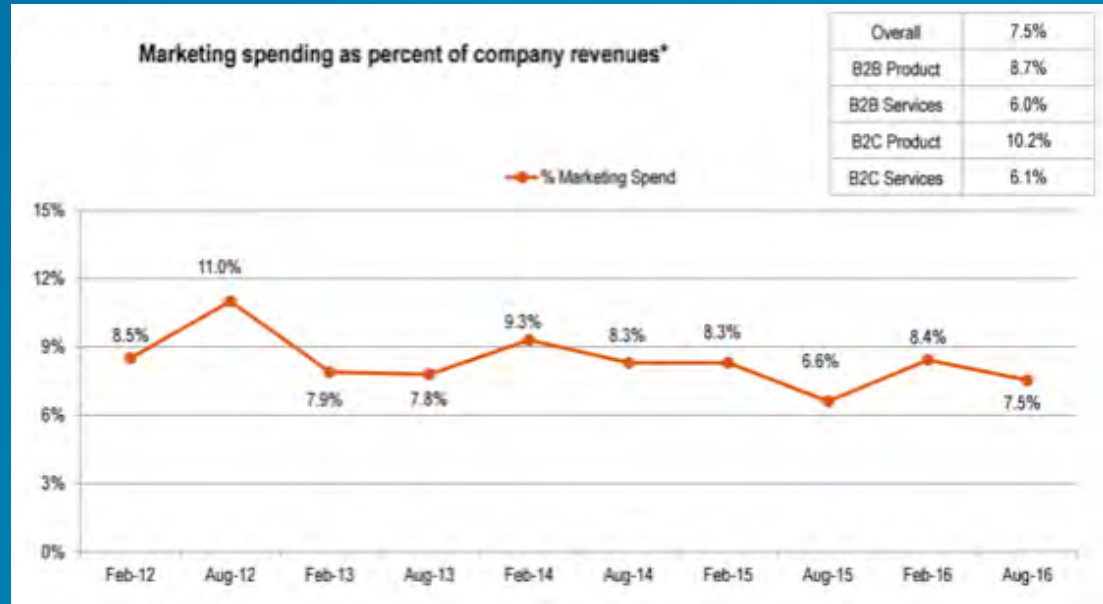


# How Much to Spend?

Let's start at the beginning – as a percentage of revenues, what's the right budget level for marketing? The annual CMO Survey (Chief Marketing Officer) points to 7.5% of revenues as the right figure on average for b-to-b companies, a number that's held reasonably steady during the past four years.

That figure is also consistent with what the Small Business

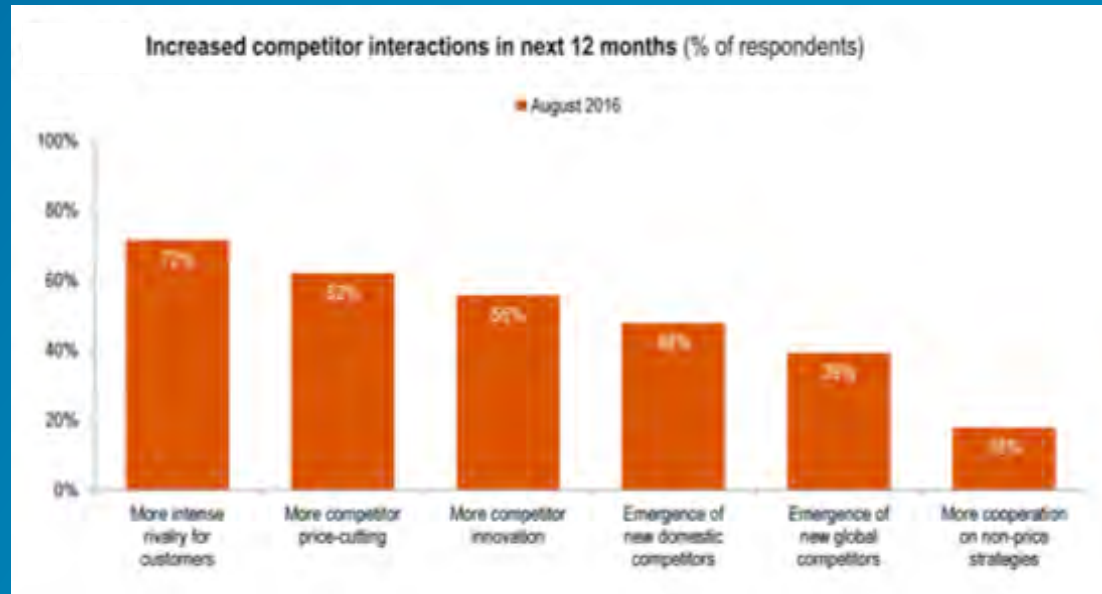
Administration publishes (7-8% of revenues). Gartner Group published a study in 2014 that pointed to 10% of revenues, which is on the high side of what we've found as a benchmark.



Source: TheCMOSurvey, August 2016

# Fighting More Over The Same Pie?

It comes perhaps as no surprise to many, but the landscape for sales & marketing seems to be more competitive than ever. If you're trying to boost sales, revenue growth seems to come more by taking customers from competitors, rather than a pie that's growing for everyone. The battle for next year is likely to be a fight for the same customers, rather than markets that are expanding. In the CMO Survey, most chief marketers are most worried about competitive rivalry for customers and price cutting.



Source: TheCMOSurvey, August 2016

What does this mean? Messaging must go beyond market awareness and basic programs that let customers know who you are and what your new products are. Rather, they need to contain "switch" messages that focus the narrative on reasons for customers to switch to you. Messaging must therefore be tied to campaigns built on the two platforms of switch messaging: what pain are my customers experiencing, PLUS what comparative advantages do I offer?

# Penetrating Markets, Growing Prospect Databases

As a result, marketers report they're spending the most by far (52%) on selling existing products to existing sectors, rather than investing to enter a new market with new products. Is that a self-fulfilling prophecy? Are marketers not growing in new markets because they're not spending to build awareness and preference there? Perhaps. But CMOs clearly have spoken for where they're placing their bets for 2017 – become the market share leader in their chosen segments, and build their prospect databases to achieve the maximum penetration of accounts and customers within that segment.

**Types of growth strategies**

	Existing Products/ Services	New Products/ Services
Existing Markets	Market Penetration Strategy	Product/Service Development Strategy
New Markets	Market Development Strategy	Diversification Strategy

**Table 2.1. Current and future growth spending\***

Growth Strategy	Actual Spending in Past 12 Months	Expected Spending in Next 12 Months	Percent Change Expected
Market Penetration Strategy	52.1%	48.2%	-7.5%
Market Development Strategy	15.4%	16.3%	+5.8%
Product/Service Development Strategy	23.6%	24.5%	+3.8%
Diversification Strategy	8.9%	11.0%	+23.6%

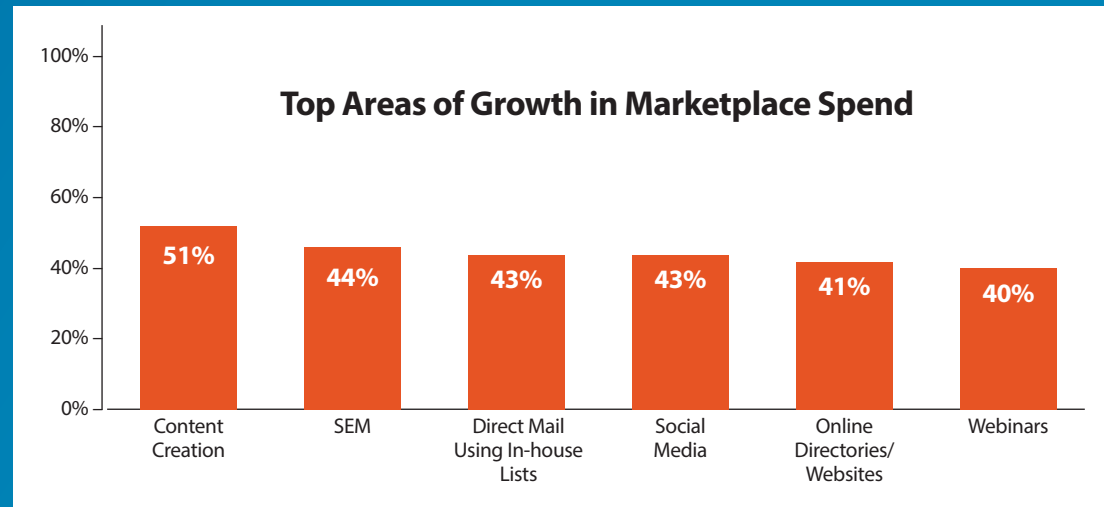
\* % of spending for each growth strategy

Source: TheCMOSurvey, August 2016

# No Surprise: Content Is Driving B-to-B Marketing Budgets

Many are organizing their marketing budgets in terms of buckets, and no bucket is larger today than the content generation bucket. Why is that? We know that the bulk of purchase decisions are made BEFORE a prospect contacts your salespeople (Gartner and Forrester surveys from the past few years have documented that between 57-90% of the sales process, depending on the survey, is over by the time a prospect calls you for a demo or quote). And, we know from a recent Google report that the prospect visits on average TWELVE different websites as part of their product research.

So search presence is CRITICAL for marketing today, and simply put that's driven by content. According to the Industrial Marketing Trends Survey conducted by IEEE Engineering360 Media Solutions, the top areas of growth in marketing spend are:



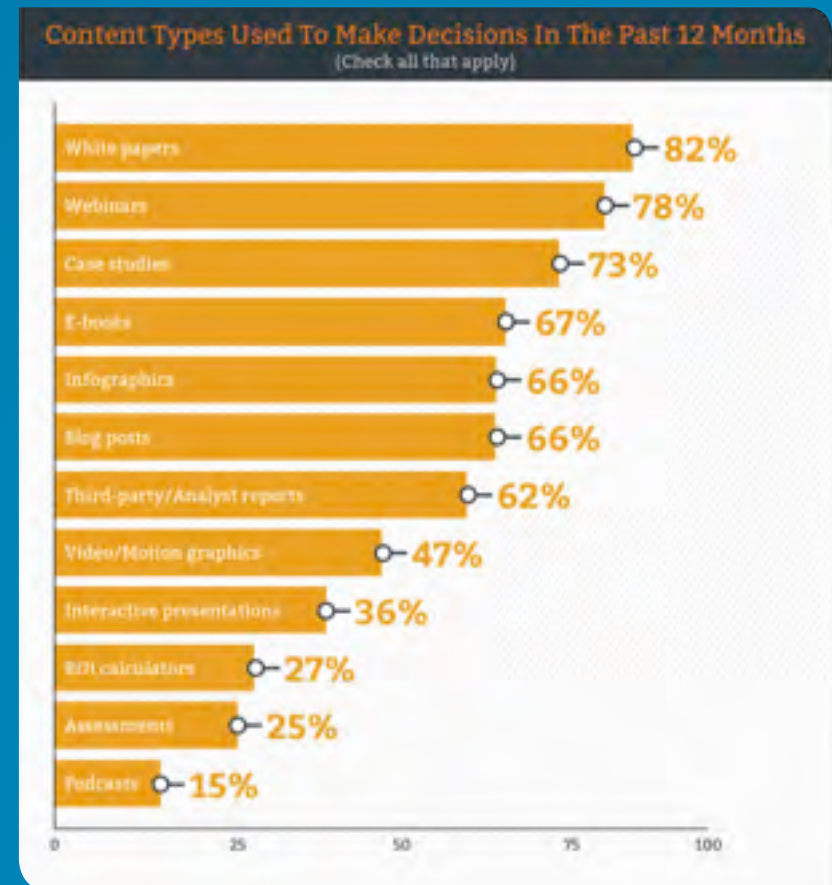
*Notice that four of the six growth areas are exclusively digital, and that a fifth—content creation—is the underpinning of digital content marketing efforts.*

# What Content Works Best?

Content Marketing impact, of course, comes not just from creating content, but two imperatives:

- building content that ties to customer pain and comparative advantages (messages that get prospects to switch from competitors to you)
- creating content that turns into Sales Qualified Leads, not just a cold-early stage lead.

Those higher quality leads are most likely to come from white papers, webinars and case histories, according to the latest DemandGen Report. It ranked a variety of content formats in terms of which were most often used to make purchase decisions.



Source: DemandGen 2016 Content Preferences Survey Report





# None Of Marketing Works Today Without Technology

*(continued)*

Marketers have moved beyond using their budgets to generate leads. The more relevant questions today are:

- **How can I generate more leads at a lower cost?**
- **How can I move them through the funnel in less time, and at a lower cost?**

Those objectives can only be achieved with marketing technology tools that do more than just count leads, but manage, sort, qualify and drive the sales process. From HubSpot to Interlynx to BrightInfo to Call Rail, marketers have recognized that they'll win the battle for customers with a sales and marketing machine that uses marketing technology more effectively than their competitors.

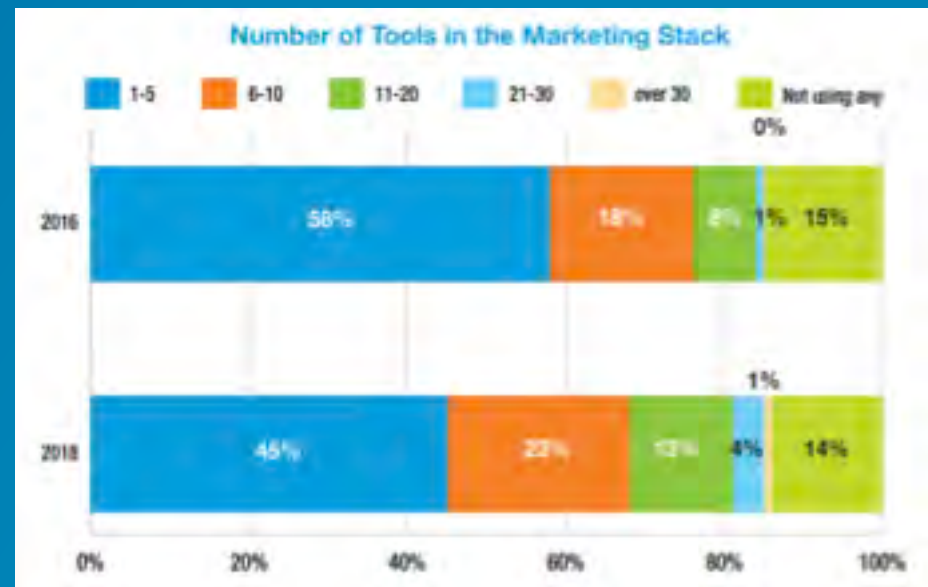
Gartner Group, long the thought leader for company IT and technology budgets, even forecasts that by 2017 the Chief Marketing Officer's technology budget will be larger than the Chief Information Officer's budget!

The market for "Martech" has exploded in recent years as companies spend more on their "Marketing Stacks."



# How Many Tools in Your Martech Stack?

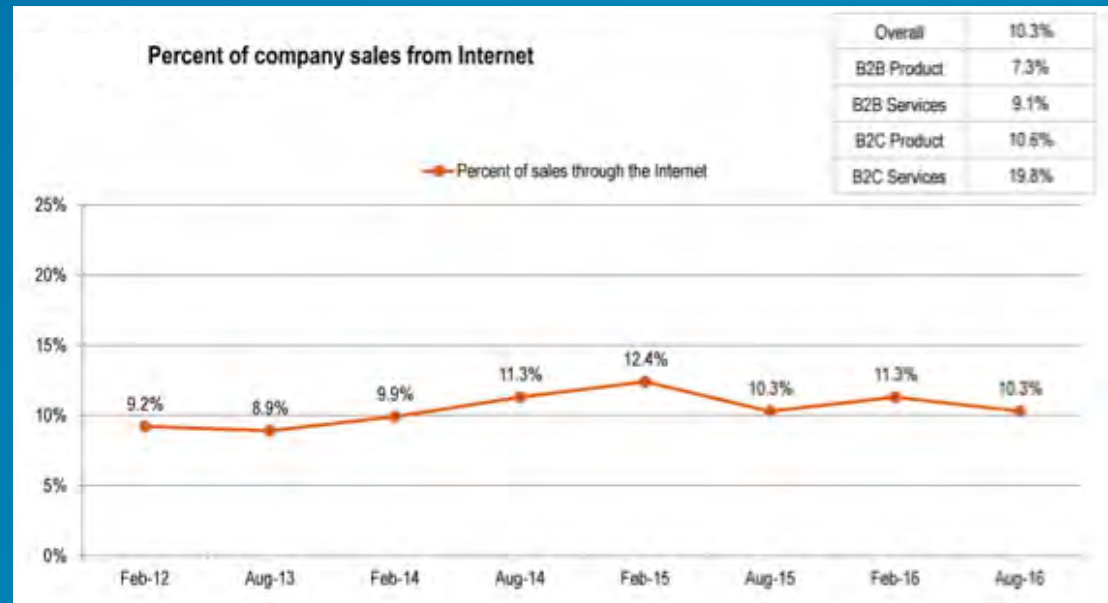
There's no shortage of tech tools marketers available to marketers today, and there's only so much time to test and integrate them into the marketing process. And, just as we've all learned long ago with CRM, while installing technology is a relatively straightforward task, it takes far more time and effort to achieve true adoption of technology. The Analyst firm Outsell reports that today 76% of marketers use up to 10 tools.



Source: TheCMOSurvey, August 2016

# Where are the Online Orders?

Amazon and other online shopping sales are getting more attention from b-to-b marketers, and many report that Amazon in particular is becoming a more important driver of revenue. That's anecdotal, but surprisingly the CMO Survey reports online sales have been flat for the past four years. Is 2017 the breakout year for b-to-b online orders?



# About Goldstein Group Communications

Goldstein Group Communications (GGC) creates high impact branding and lead generation programs for B-to-B companies that are seeking more powerful ways to find and keep customers. The agency brings an unusual combination of corporate communications management and engineer-level writing capability to its client roster. With deep experience in electronics, healthcare and industrial markets, the agency is able to draw on its skills to articulate with impact and clarity the technical advantages its clients offer their customers.

GGC was founded in 1992 as a public relations agency and today represents both entrepreneurial and billion-dollar multi-national firms throughout the country, with 60% of revenues coming from clients outside Ohio. GGC combines both left-brain analytics with right-brain creativity to provide a powerful marketing approach that leads to "Measurably Better Marketing."

