



Research Report: Engineering Marketers' 2017 Spending Plans –

How, Where, and Why Marketers are Allocating Budget

ENGINEERING.com

With comments from TREW Marketing, Tiecas Inc., &
Thomasnet Results Powered Marketing



Table of contents

1. [Introduction](#)
2. [Meet our Expert Panel](#)
3. [Overview of Engineering Marketers' Budgets in 2017](#)
4. [Engineering Marketers Line Item Budgets for 2017](#)
5. [Trends in Marketing Tactics](#)
6. [Report Wide Insights and Recommendations from the Experts](#)
7. [Thank You](#)
8. [Demographics](#)



Introduction

For the past four years we have surveyed engineering marketers about their plans for the New Year. And every year, marketers like you have shared their experiences about what sorts of campaigns work best and where they are allocating their budgets for the coming year.

This year, 85 engineering marketers took the time to fill out our survey during the months of December 2016 and January 2017. Respondents came from a range of industries, but were predominantly from either the manufacturing or design software sectors. Upwards of 95% of the respondents worked in and for US based companies.

The top-level takeaways include that budgets are trending upward in 2017 and that engineering marketers are reporting a maturation of their roles within their companies – specifically that their compensation is being closely tied to measurable objectives, most notably leads. Other key findings include:

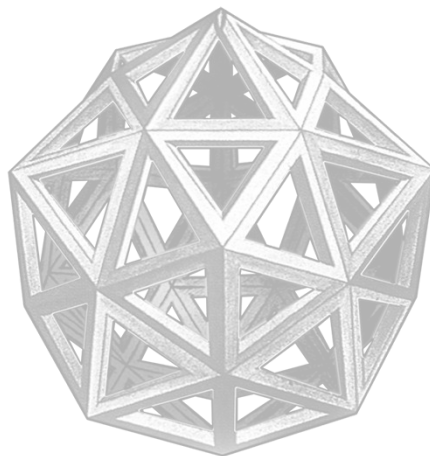
- Top Performing marketers are dedicating more of their budget to digital media
- Engineering marketers are investing in video in 2017
- Despite a high concentration of their target audience consuming content on mobile devices, few marketers are budgeting for mobile campaigns and even fewer are succeeding
- The trend away from print continues, and it still has a ways to go

We think information like this is tremendously useful because it tells you what your peers are doing now and what is working for them.

Again this year, I am delighted that industry experts Achinta Mitra, Rebecca Geier and Shawn Fitzgerald are providing their excellent insights to interpret the results.

We hope you find this report useful,

John Hayes



Meet our expert panel



Rebecca Geier is CEO and Cofounder of TREW Marketing, a full-service agency serving engineering and scientific companies targeting technical audiences.

Named by *The Wall Street Journal* editors among the Ten Most Innovative Entrepreneurs in America, Rebecca is author of *Smart Marketing for Engineers: An Inbound Marketing Guide to Reaching Technical Audiences*.



Achinta Mitra is the President of Tiecas, Inc., a Houston-based industrial marketing and consulting company. The company will be celebrating its 30th anniversary in 2017.

Achinta combines his engineering and marketing education with 25+ years of hands-on experience to effectively communicate with engineers and industrial buyers. That's why he calls himself a **marketing engineer**.



Shawn Fitzgerald is the founder of Results-Powered Marketing, a HubSpot Diamond Partner Agency. He leads a team of engineers and marketing experts in working with industrial businesses to generate leads, penetrate new markets and target growth goals.

He holds a bachelor's degree in Mechanical Engineering from Lehigh University and has more than 16 years of experience in working with manufacturers.



John Hayes is President of ENGINEERING.com and author of the Digital Marketing for Engineers eBook, [Blog](#) and host of the [LinkedIn group](#) of the same name.

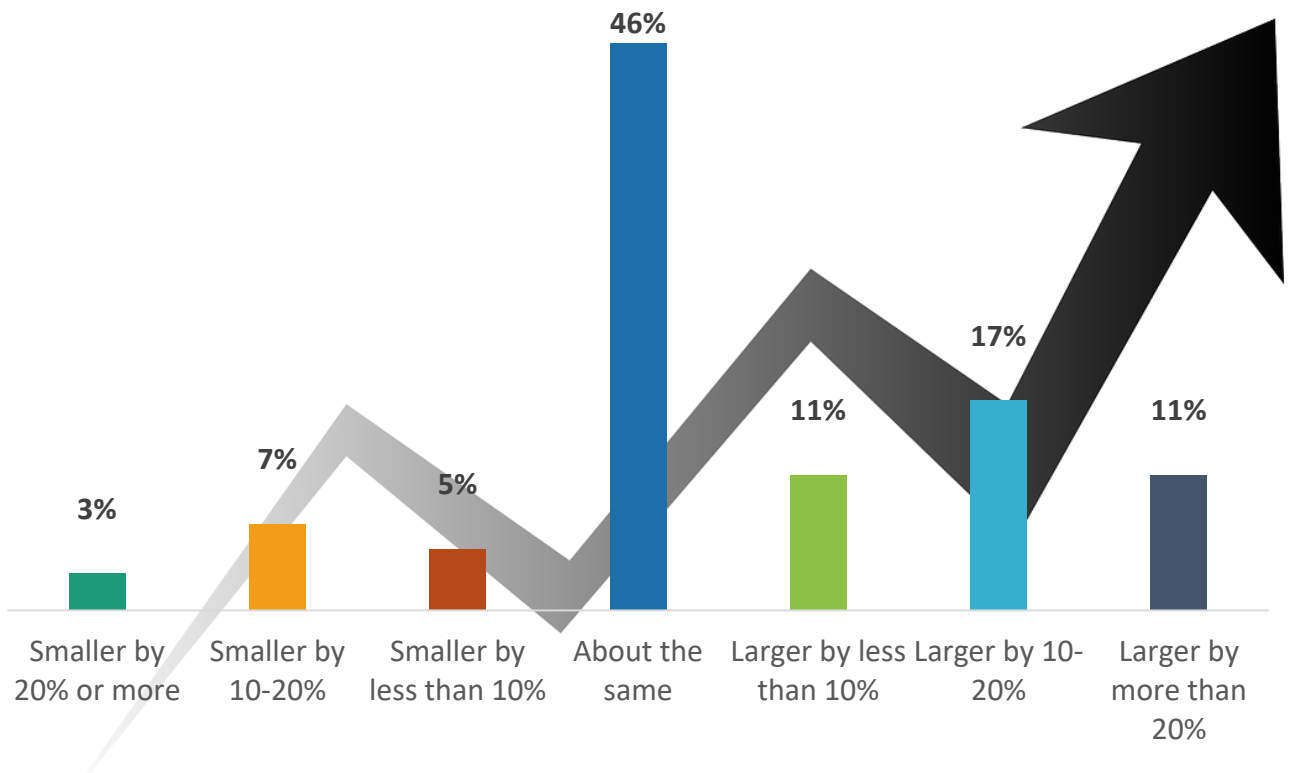
He has run countless marketing campaigns for marketers who need to reach an engineering audience. John holds an MBA from Carnegie Mellon University.



Overview of Engineering Marketers' Budgets in 2017

Budgets are trending upwards in 2017

Engineering marketers reported that their budget growth overall is healthy. 2.5X as many marketers reported that their budgets were growing than reported that their budgets were shrinking. The software industry reported the strongest budget growth, with 41% of those marketers reporting growing budgets.



Q: "Compared to 2016, will your 2017 engineering marketing budget be:



Rebecca: GDP decreased from over 4% in August 2015 to 2.5% by summer of 2016, and marketing budgets were certainly impacted. With GDP up over 3%, and the election over, I do expect we'll see marketing budgets stabilize and even grow this year.



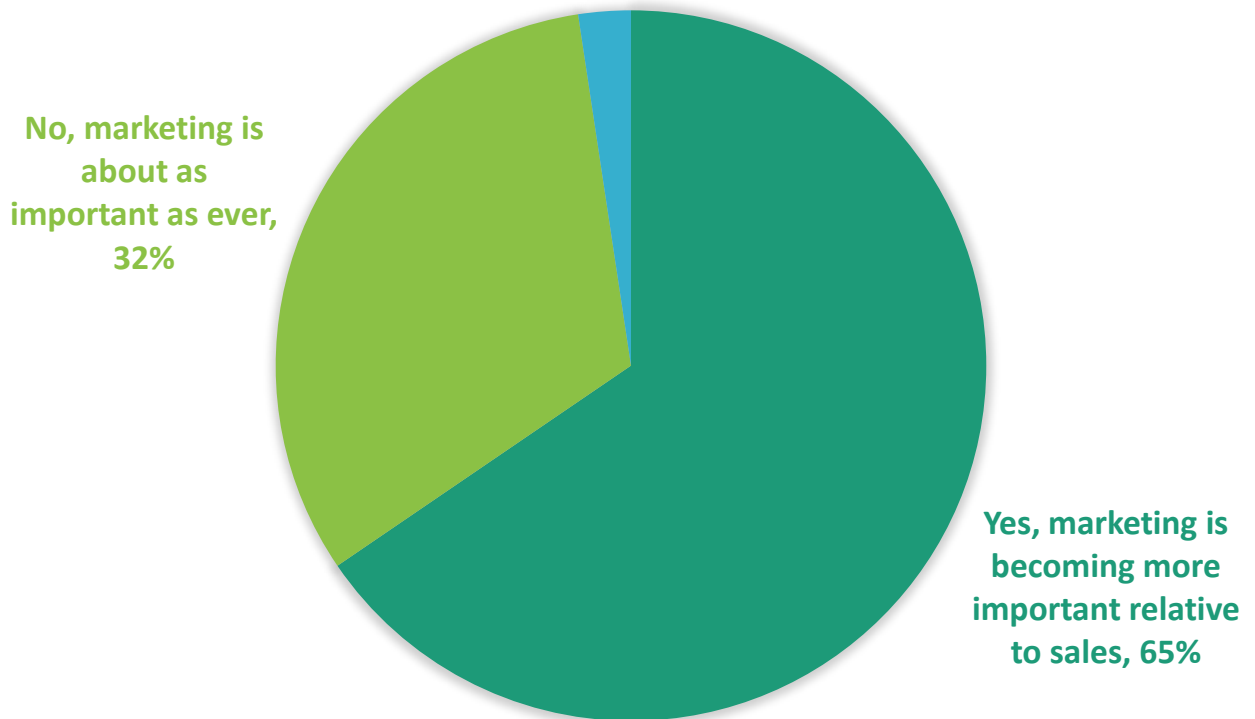
John: Marketers have been able to prove to the C suite that there is a direct connection between digital marketing investment and revenue, which in turn has been the key to winning higher budgets. This has been going on for several years and shows no sign of stopping.



The importance of marketing continues to trends upwards

One reason for increasing marketing budgets is the growing importance of marketing relative to sales. Survey respondents over the past four years have confirmed that the role of marketing is becoming more important, particularly as engineers and buyers conduct online searches rather than placing phone calls to suppliers.

No, marketing is becoming less important relative to sales, 2%



Q: "Do you believe marketing is becoming more important to your company relative to sales?"

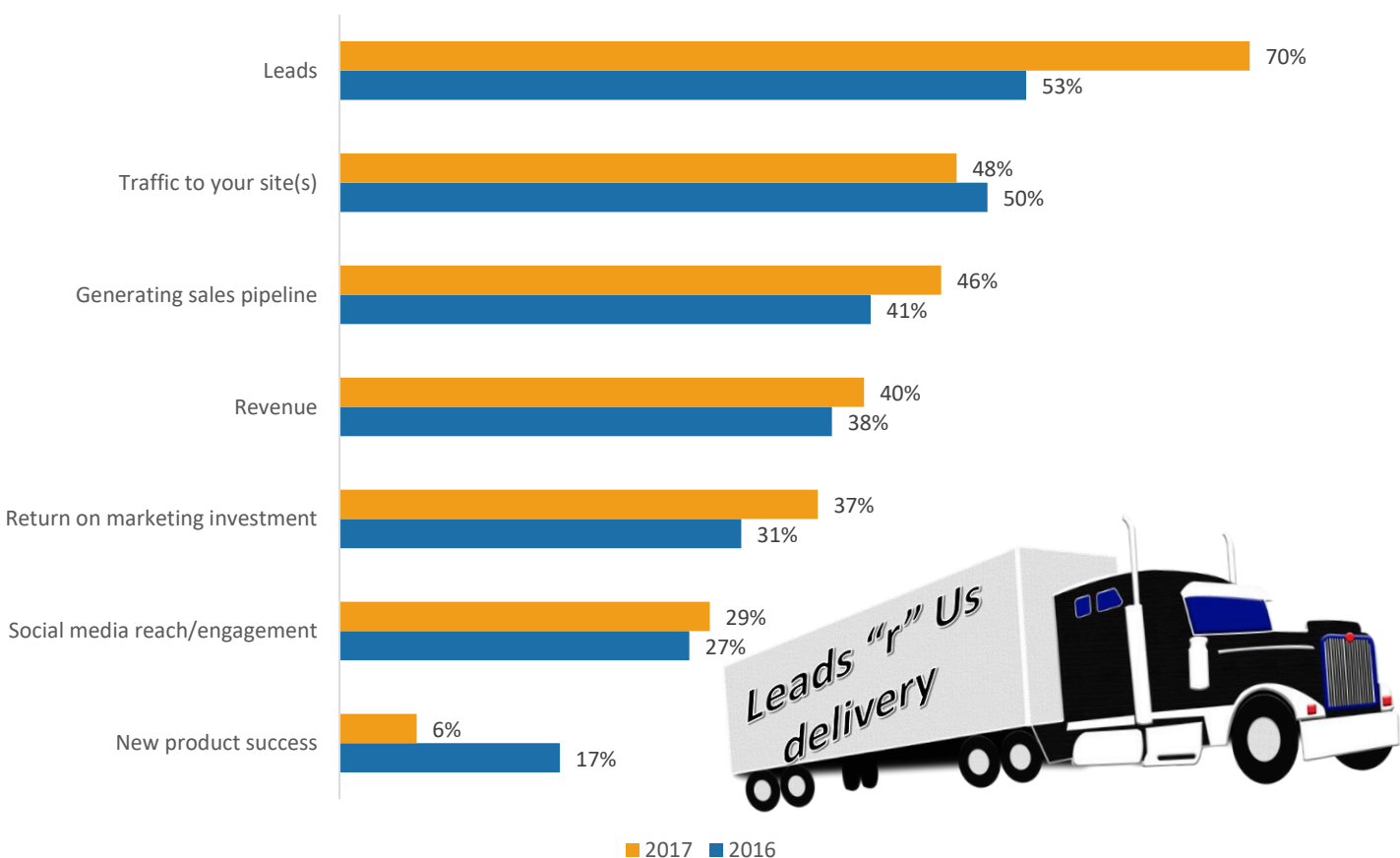


Shawn: Marketing and sales are intertwined more than ever. While it can be attributed to the clear-cut ability to measure ROI, it's also important to consider the shift in prospect behavior: They're downloading spec sheets, using calculators, checking out testimonials, and vetting the products and services listed on your company's website — all before they even raise a hand.

This should also, hopefully, lower the barrier to entry for your sales team as prospects are armed with more knowledge.

Marketers are reporting a spike in how often they're being evaluated on lead gen

Evaluating marketers on their ability to generate leads is way up, but you'll also notice that most of the other evaluation categories are up too. This suggests that marketers are being evaluated on a wider range of metrics than they were in 2016. This can indicate a level of maturity in compensation plans for marketers, increasing the alignment between marketing and the overall goals of the company.



Q: "Which metrics are you measured on?"



Achinta: Accurately measuring ROI or ROMI is still a big challenge. One of the problems I see is the improper attribution of marketing's contribution to sales and revenues. Even companies using CRM and Marketing Automation tend to attribute conversions to the last click.



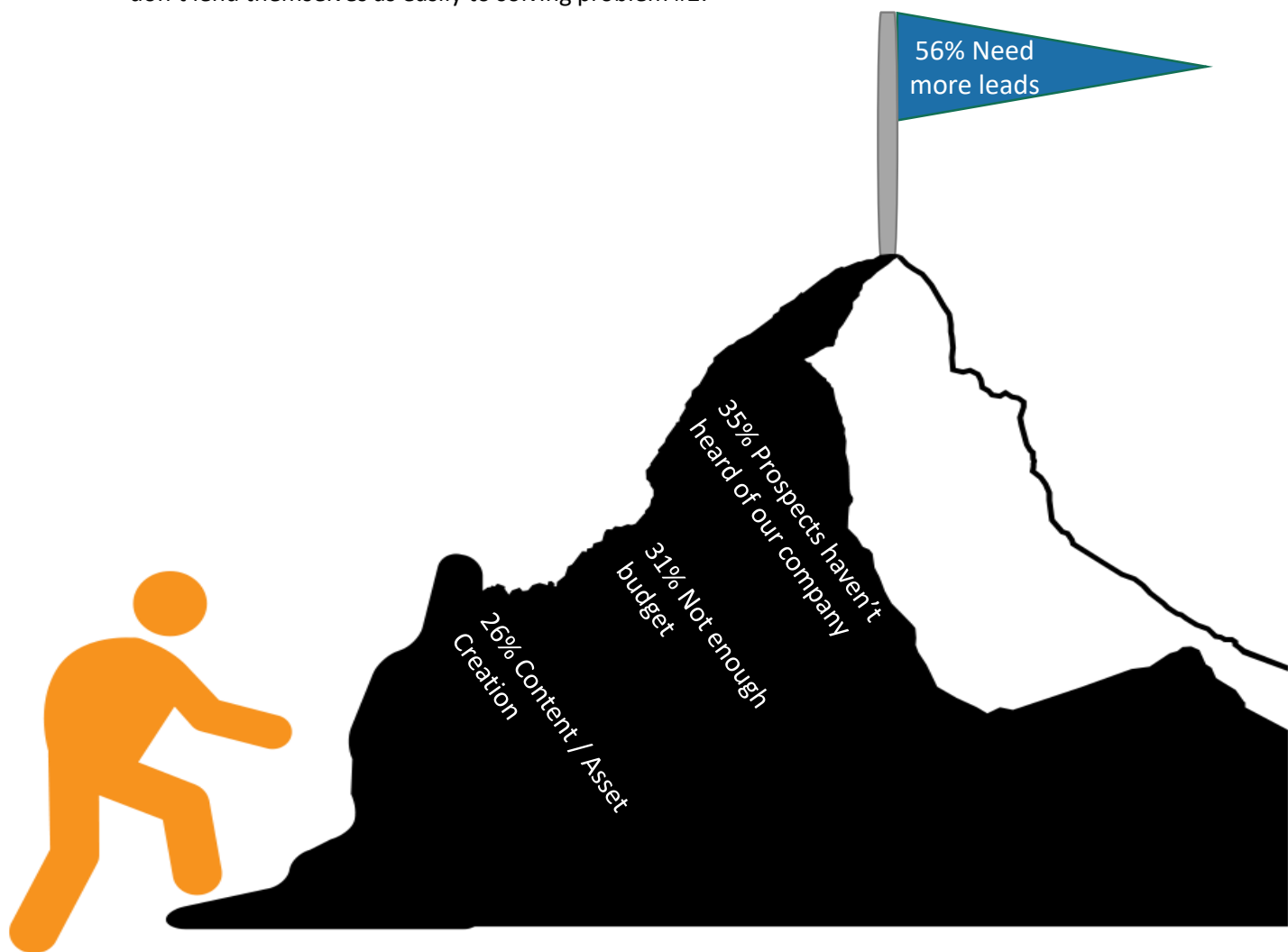
Rebecca: Seeing the leads metric increase dramatically while the traffic metric decreased shows a move toward greater focus on ROI vs. activity. This is exactly the right direction marketers should be moving.



2017's biggest challenges

With more marketers now being evaluated on generating leads, it is no surprise that more now rank “needing more leads” as their number one challenge.

Interestingly, not being known to potential customers was the second most common challenge reported. That’s a difficult and expensive problem to fix, because awareness advertising can be hard to measure. It also doesn’t help that the tactics most commonly used so solve challenge #1 don’t lend themselves as easily to solving problem #2.



Q: “What do you consider to be your biggest marketing challenge(s) in 2017?”



Achinta: “Need more leads” and “Prospects haven’t heard of our company” are related. For most industrial companies, the pool of qualified prospects is known and it is limited. The marketing problem really boils down to putting the company in front of right people and maintaining top of mind awareness to start meaningful conversations with the sales team. This needs to be a continuous and efficient process and not a hit or miss approach.

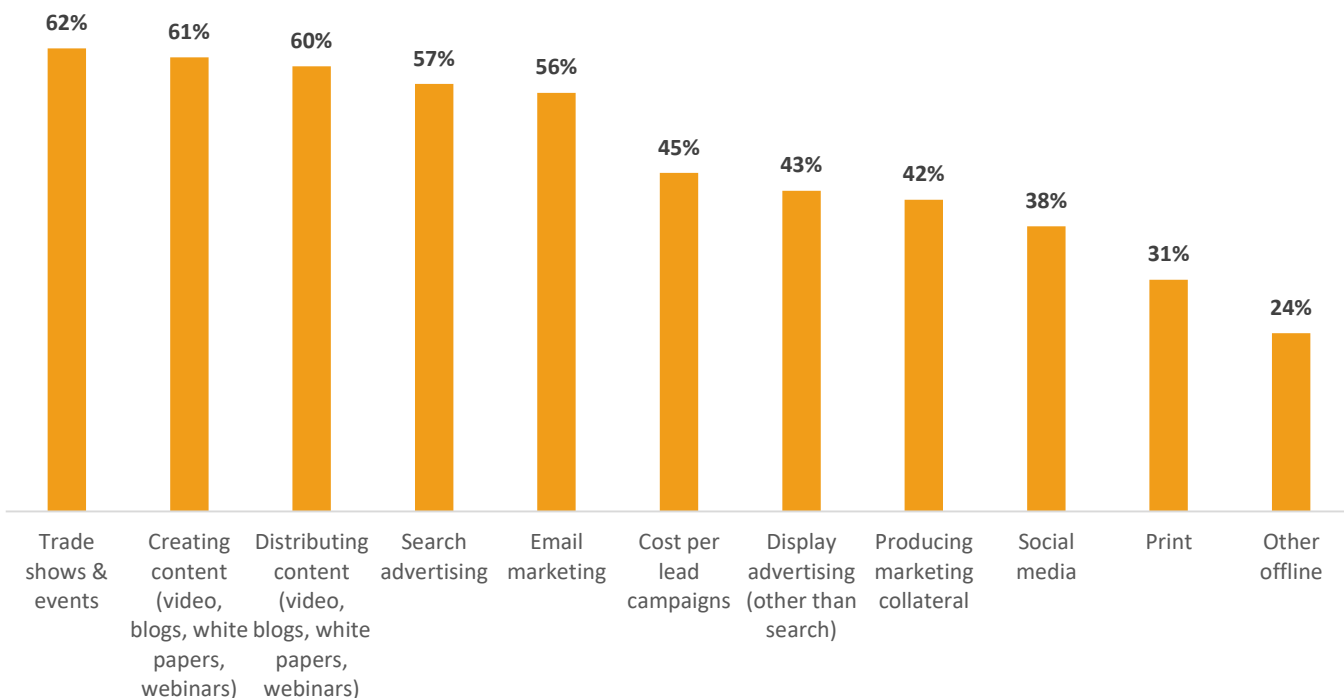


Engineering Marketers
Line Item Budgets
in 2017

Budget consumption in 2017

In 2017 there are three well defined spending tiers. At the top end are the usual culprits – trade shows & events, creating and distributing content, search advertising and email marketing. In the middle, cost-per-lead campaigns, display advertising, marketing collateral, and social. After that is print and other offline.

Activities Receiving >10% of the overall Budget



Q: “What percentage of your external marketing budget will go to the following activities in 2017?”



Rebecca: It’s good to see two of the top three channels for budget spend are related to content. Content marketing is a marathon, and you have to continue investing, and, as I like to say *Treat Your Content Like a Product* through consistent optimization and repurposing.

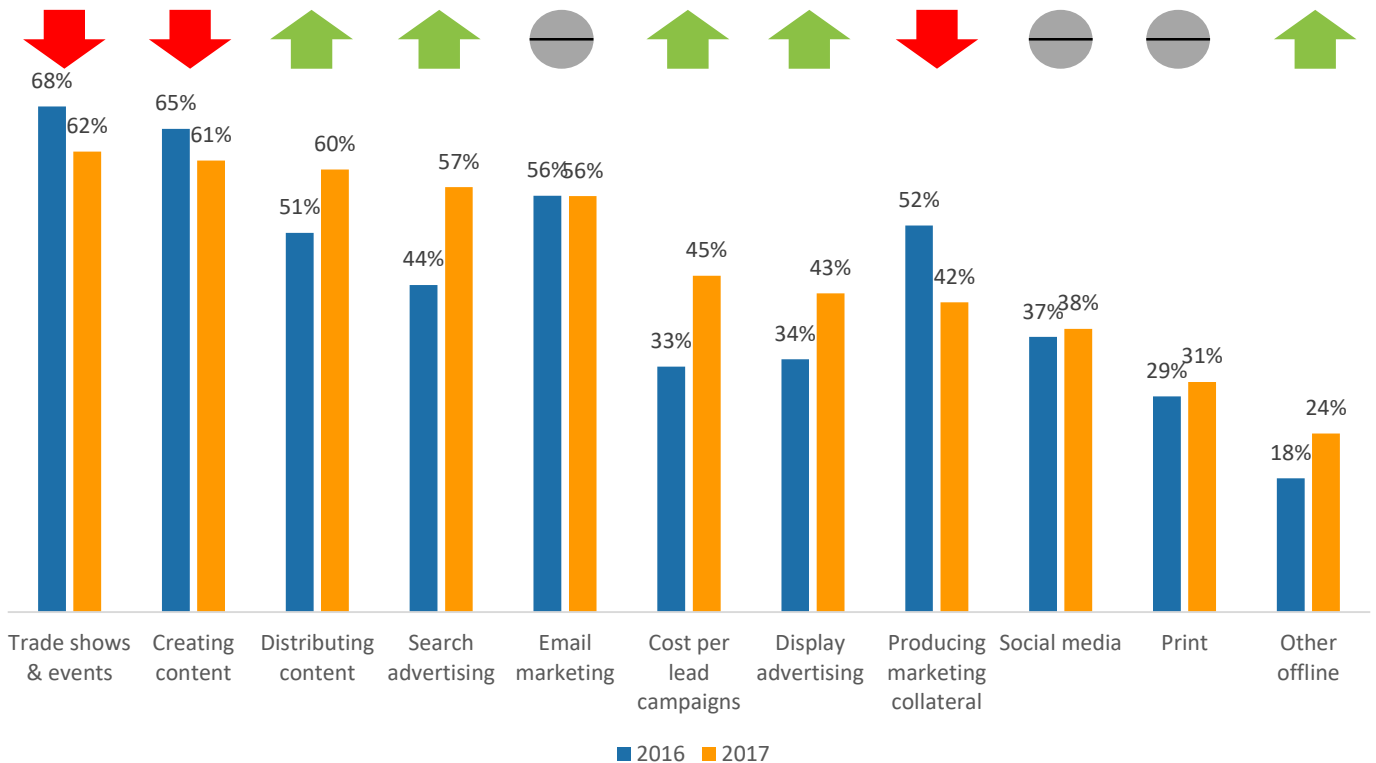


John: We have seen a decline in the number of marketers who are maintaining their trade show budgets, instead opting to direct more funds to content creation and distribution. That leads to an arm’s race in content, which in turn is creating an overflow of low-quality content flooding engineers inboxes. Marketers are now finding that only high-quality content can cut through the clutter.

Budget consumption 2017 vs. 2016

The chart below highlights how spending has shifted year-over-year. The arrows at the top of each column indicate whether numbers are up, down, or relatively flat in 2017 compared to 2016.

It's worth noting the trend when it comes to distributing content. Marketers are now really ramping up their spending to make sure that the content they create finds the right audience. This indicates that how marketers approach content marketing is maturing.



Q: "What percentage of your budget will go to the following activities in 201X?"



Shawn: As marketers continue to grow ROI-conscious mentalities, event and travel budgets will decline in favor of content production, promotion, and leads. With email marketing, SEM campaigns, and the software to tie it all together, you can see every aspect your prospect's journey and invest your budget to maximize results.

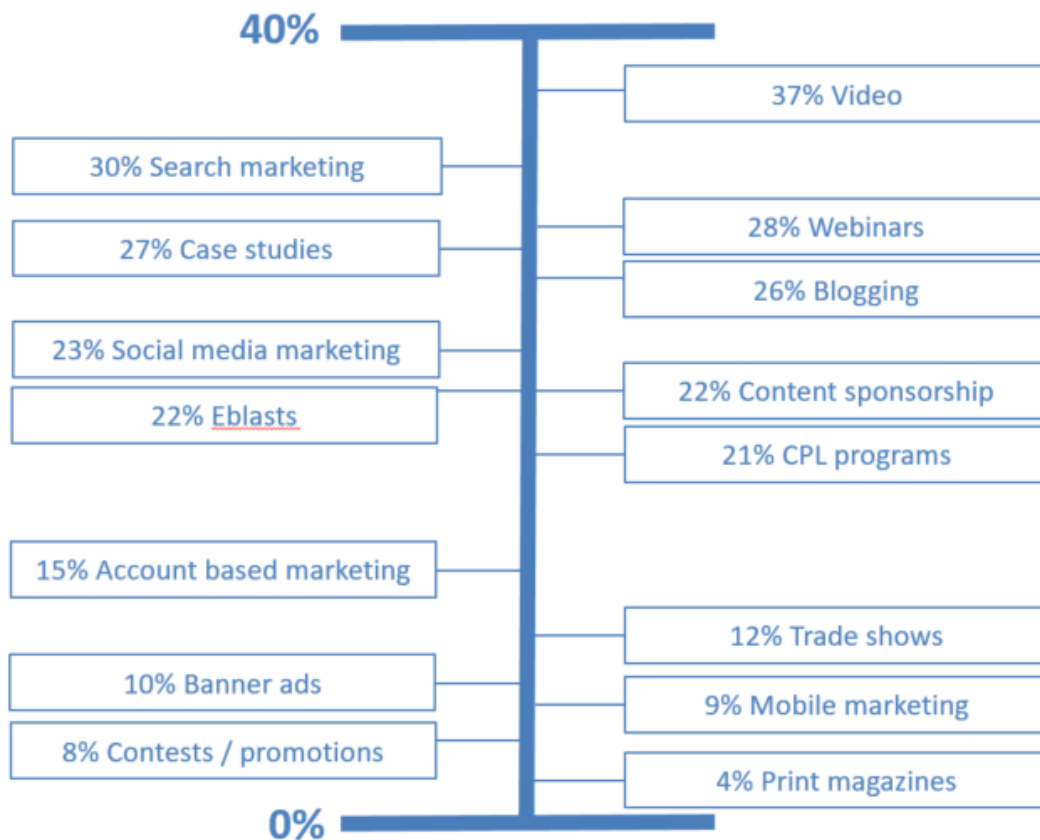
It's no surprise that search and display have increased, but the large jump in CPL shows that the industrial market is maturing, and more platforms will offer this service in the future.



Achinta: Lately, I've noticed a much greater interest in content distribution and a proportional increase in budgets. This goes much deeper and broader than just tweeting about a new post or posting new content on LinkedIn company pages.

Where are marketers increasing spending in 2017?

The chart below shows the percentage of marketers who are planning to increase their budget for each of the marketing tactics listed. For example, 37% of all respondents said they plan to have a larger video budget in 2017. Key take-aways are that this year investment in video reigns supreme and that 4 of the top 5 areas of investment are content marketing strategies.



Q: “Will you conduct the following marketing activities next year? If so, will your budget be smaller, larger, or about the same as 2016? **Distribution of responses for ‘Larger’ showing**



Shawn: The industrial space is finally figuring out how to use video for more than product promotion, maintenance, and repair — they’re getting smart about using it to generate leads. As it becomes easier to do professional effective video marketing, it will become part of the norm for industrial marketing.



Rebecca: Three aspects are key to content marketing for engineers. Your content must be: 1. high quality, 2. available along the funnel, from educational at the top to driving sales conversations in the middle and bottom, and 3. diverse to match different consuming preferences. As libraries of content mature, it’s not surprising to see investment in video, webinars and visual content such as infographics on the rise.



Top performers are digital enthusiasts, dedicating >70% of their budget to digital

To better understand where marketers are really killing it, we segmented our survey respondents into Top Performers, Industry Average, and Laggards. Top Performers outpace the growth of their industry while Laggards are those who report growing slower than their competition.

Cross-tabulating these segments against online marketing budgets revealed that survey respondents were more likely to be top performers if they were digital enthusiasts investing >70% of their budget to digital marketing efforts. Those who are digital skeptics, investing <30% were the least likely to be High Performers.



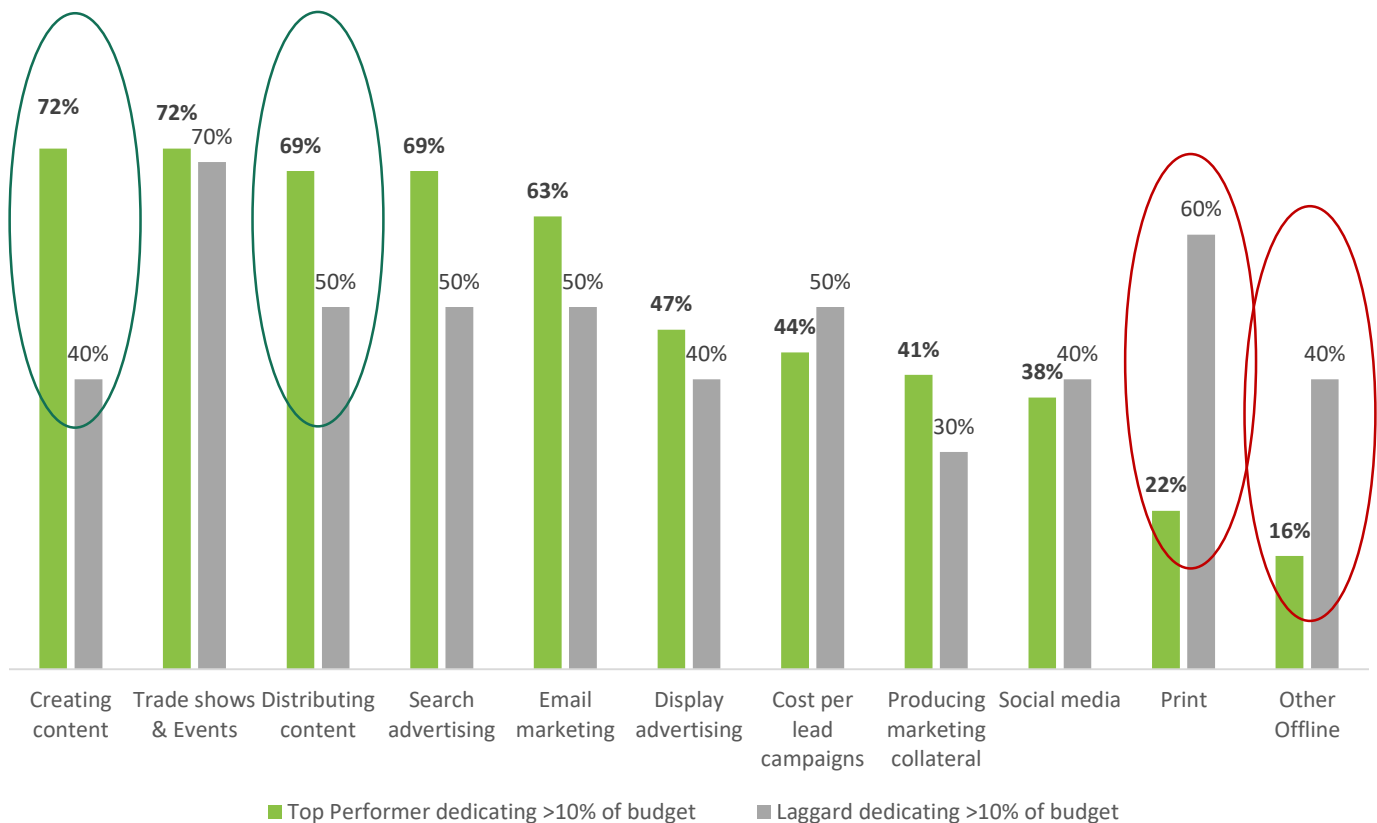
Q: "What percentage of your total marketing budget will go towards online marketing efforts?"



John: It's interesting to see that marketers at the highest performing companies (in terms of revenue growth) were the most committed to digital media. The lower cost of reaching audiences through digital may be one reason for higher performance. Another may be the mindset of the marketers themselves – experimenting more can lead to new opportunities to grow revenue rather than simply repeating the budget allocations from the prior year.

Where are top performers allocating budget?

Here we have top performers, in green, who dedicate more than 10% of their budget to a marketing activity, versus the laggards in gray. You'll notice a few key differences right away. The top performing marketers spend more than the laggards on creating and distributing content. They also spend more on search and on email. Where the laggards outspend the top performers is primarily in print and other offline activities.



Q: "What percentage of your external marketing budget will go to the following activities in 2017?"



Shawn: While longer-form content is still appropriate in some places, the trend is toward immediacy and getting people to the answer fast — calculators, videos, interactive web pages. Don't get stuck in the eBook-only mindset.



John: Shawn — I can't believe you are dissing ebooks in an ebook! See if you get invited to comment next year. But seriously, one thing that stands out to me in this chart is that the top performers are spending so much more on distributing content. It isn't enough that your content is great — marketers now recognize that they have to pay to get it in front of the right audience.



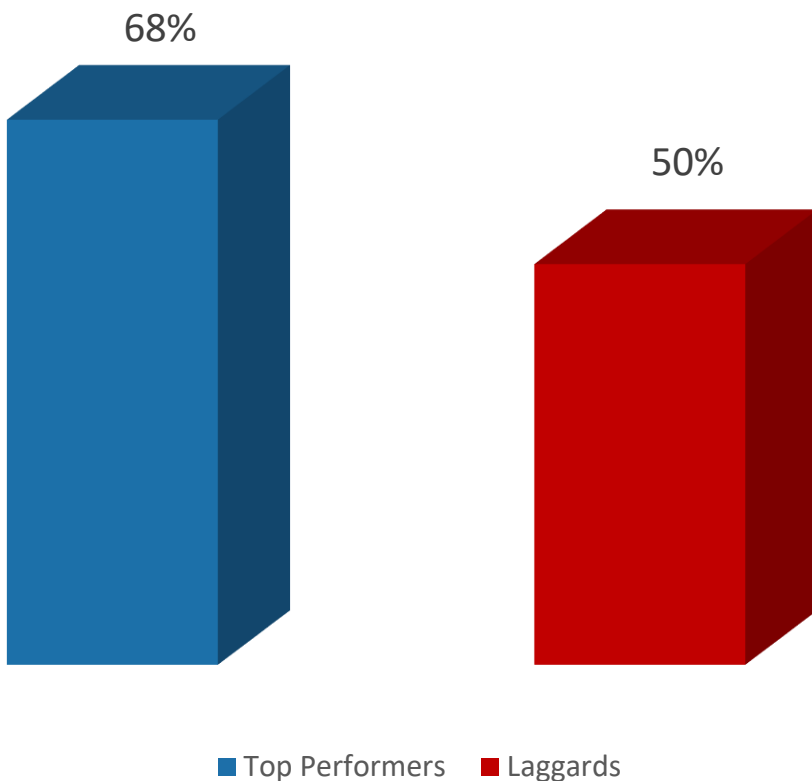
Trends in Marketing Tactics

Top performers are reaping the benefits of email by investing heavily

Top Performers understand the value of email and they are dedicating more budget to it in 2017 than their Laggard counterparts. However, it may not just be a value play, it could be due to the changing nature of emails.

This past year we saw many customers ask for email campaigns designed to capture new prospects and pull them into a content marketing workflow rather than attempting to drive qualified leads. These campaigns ensure that the content our customers are producing is finding its way to the right prospects. This is in line with what we saw with Top Performers spending more on content creation and distribution

Dedicate >10% of their budget to email marketing



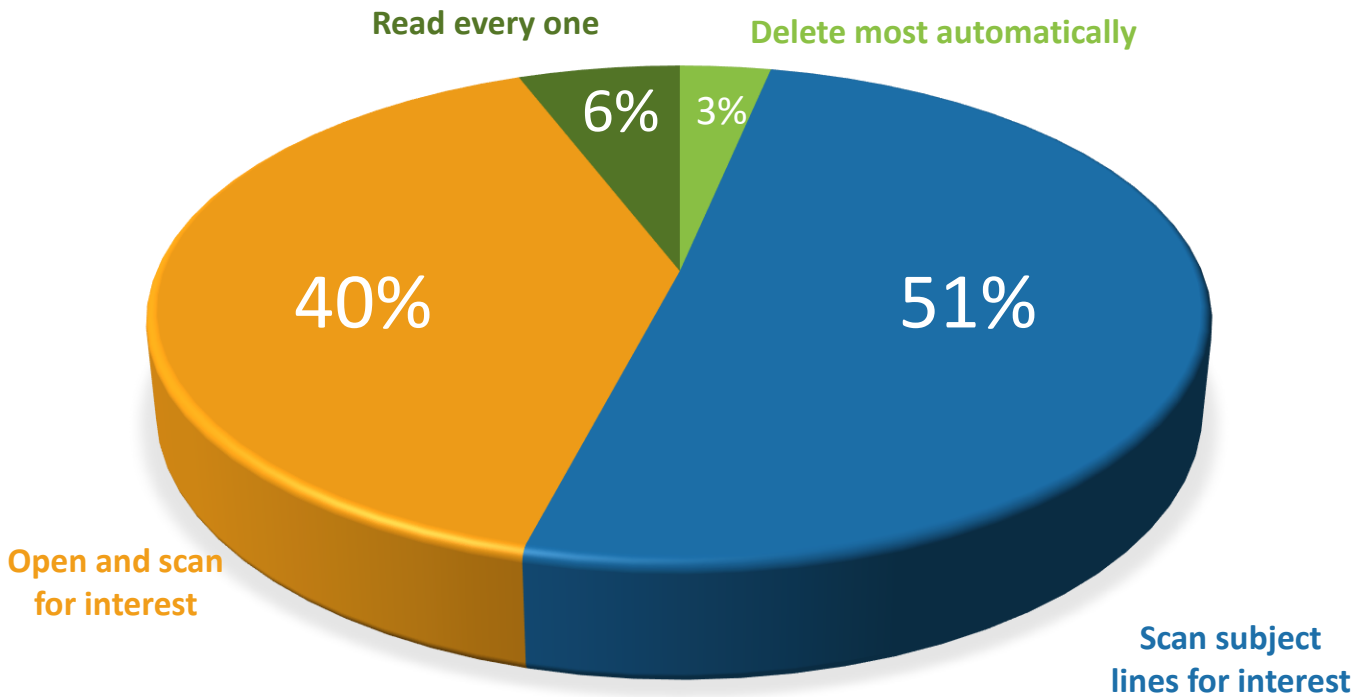
Q: "What percentage of your external marketing budget will go to the following activities in 2017?"



Achinta: The quality of email marketing has improved as engineering and industrial marketers have become better at content marketing. In the past, most emails were transactional in nature and now the content is a good balance between helping and selling. People are paying more attention to brand building and earning trust.

Investment in email is justified as engineers continue to pay attention to their inboxes

The following insight comes from our [2016 Market Research Report: How Engineers Find Information](#). It shows that in a whopping sample of 1,003 engineers, 97% of them at least consider the emails being sent to them. No wonder top performing marketers are investing in email.



Q: “How do you process emails that land in your inbox?”



Rebecca: In all our research at TREW, engineers say email is their preferred communication channel overall. That’s for all forms of communication – from personal outreach following a content download to information offerings like newsletters. In our winter 2016 survey, over 50% of engineers indicated that they subscribe to four or more newsletters.

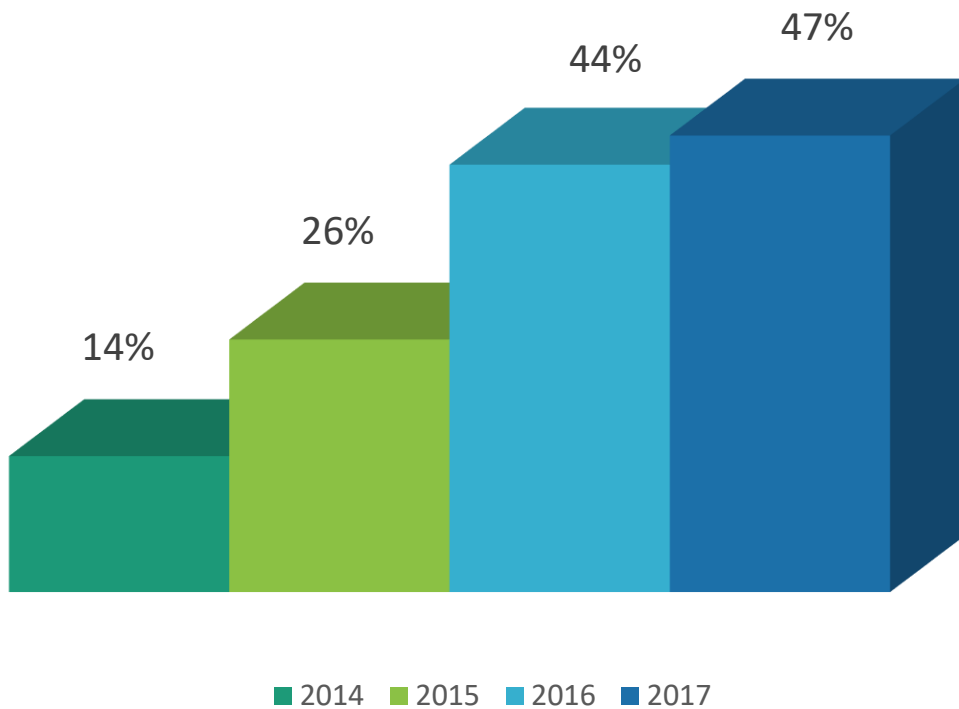


Shawn: Email marketing is effective, but it’s important to find the right balance. With 97% of engineers scanning your subject line and content for interest, you want to deliver information that’s informative and helpful — not overly promotional.

The trend has slowed, but marketers are still increasingly pulling out of print

This slide shows how engineering marketers have moved their budgets away from print media over the past four years. In 2014, only 4% of marketers said that they had zero budget for print. Over the past few years that share has grown, such that now 47%, almost half, say that they have no budget for print whatsoever.

Will you conduct the following marketing activities next year?
Respondents selecting “none” for print



Rebecca: In survey after survey, by TREW, ENGINEERING.com and others, data shows engineers are going online first for information throughout the buying process. This includes Google as well as the websites of vendors and trade and digital publications.

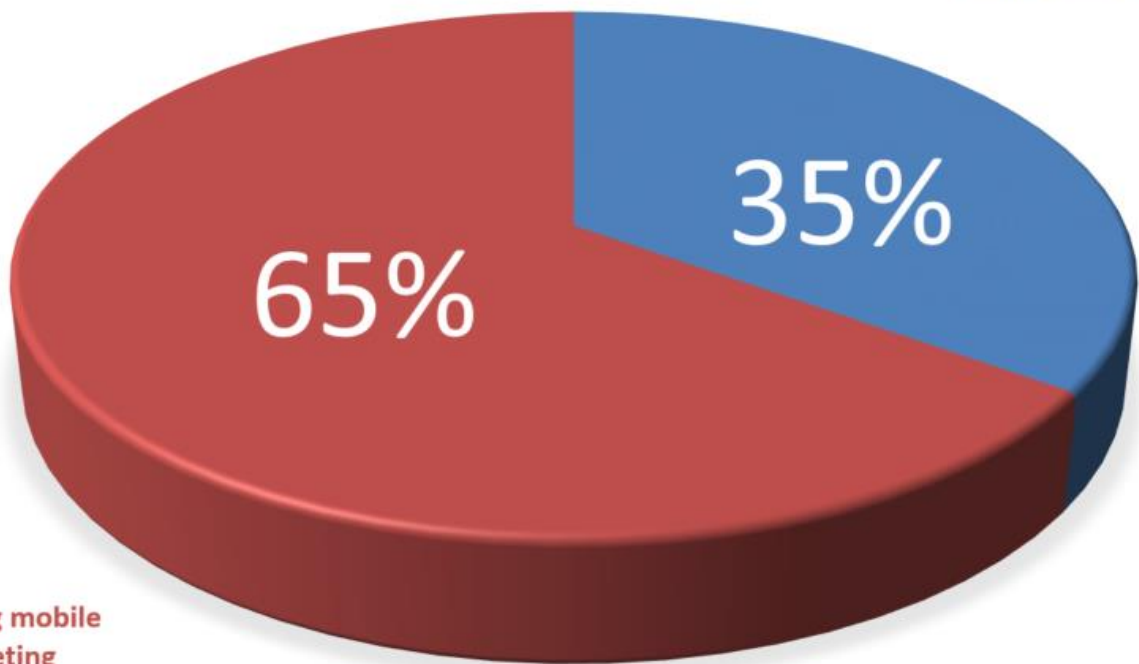


John: An earlier chart showed that the laggards are spending much more on print, a medium that the top performers shun. We conducted other research in 2016 that showed that even the oldest engineers rely more on digital publications than print. It's time for the laggards to revisit their investments.

Few engineering marketers are currently playing in the mobile space

There weren't many engineering marketers experimenting in the mobile space in 2016. Mobile isn't a medium marketers yet feel confident in investing in as they don't know what to expect or how to turn investment into pipeline. Expect that to start changing in 2017 and for mobile to be like any other tactic a few years from now.

Using mobile marketing



Not using mobile marketing

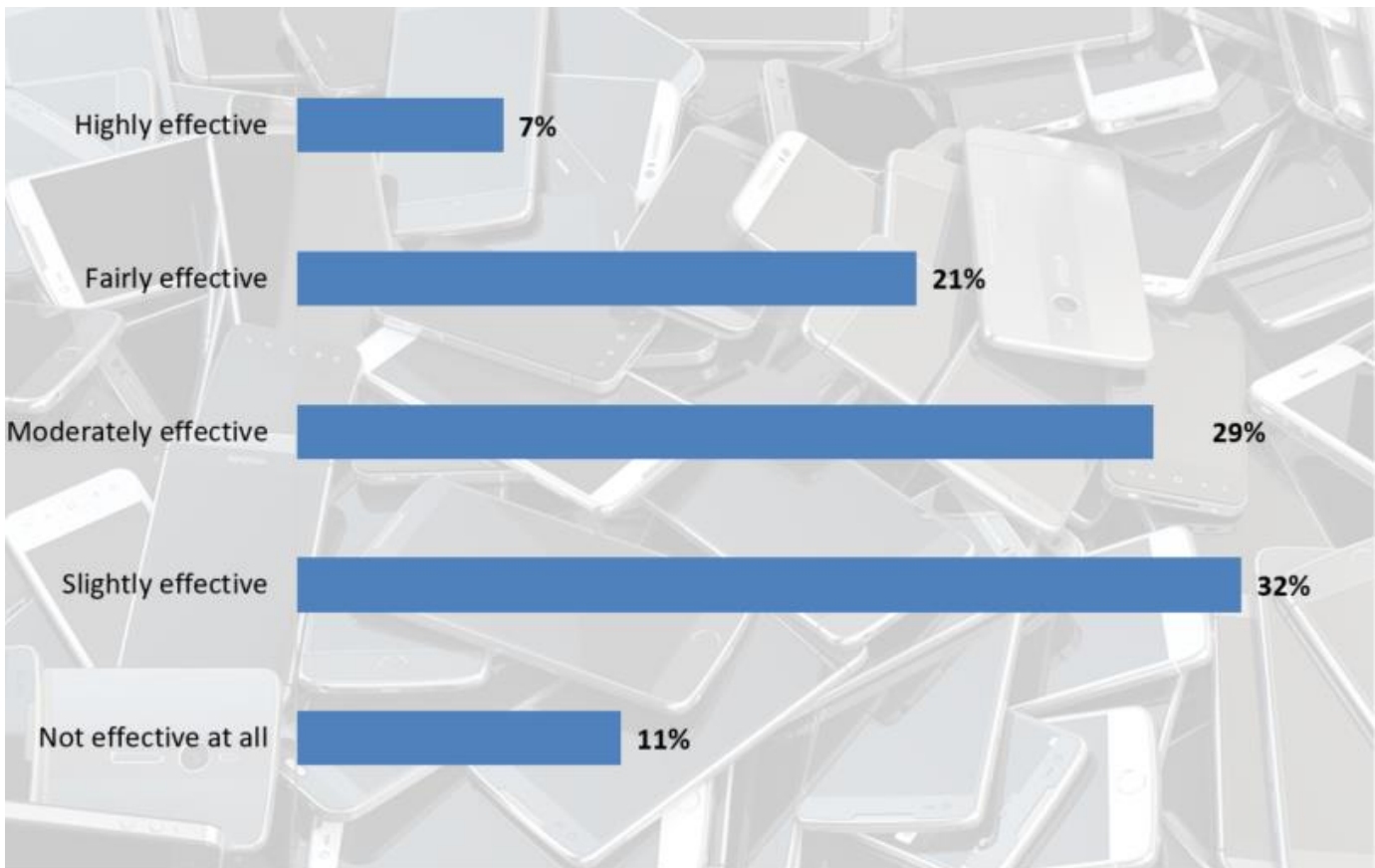
Q: "Please rate how effective each of the following marketing activities is in generating revenue for your company on the following scale of "not effective at all" to highly effective." If your marketing department does not use one of the activities on the list please select "not used."



John: While marketers may not yet be "all in" on mobile, their prospects are. In other [research conducted by ENGINEERING.com](http://ENGINEERING.com) in 2016, over half of all engineers of every age (even more for younger engineers) reported regularly using their smartphones to access engineering information. Marketers will eventually follow their prospects and create compelling campaigns for mobile devices.

Engineering marketers have yet to reliably turn mobile marketing into a revenue generator

Those experimenting with mobile are finding it a difficult medium to master. Currently some 28% are experiencing decent results with it, while 43% are finding it less effective than their usual tactics. Still, it's a rich playground where few competitors are currently playing.



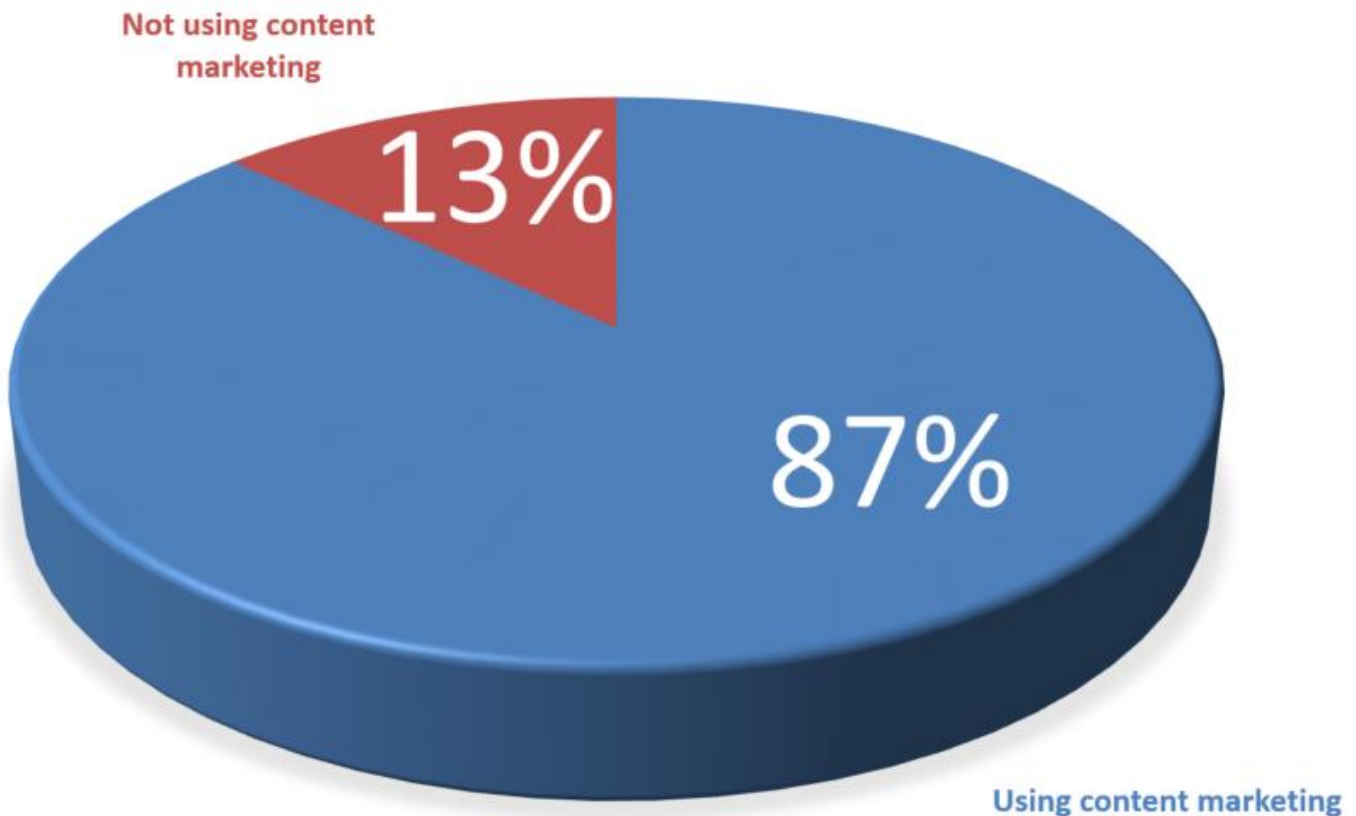
Q: "Please rate how effective mobile marketing is in generating revenue for your company"



John: The reason for poor performance to date may be that publishers and other platforms are a bit behind their audience in terms of developing compelling mobile ad offerings. I expect this to change in the near term.

87% of engineering marketers are practicing content marketing

Not much analysis to provide here folks. The debate is over, content marketing is here to stay.



Q: "Is content marketing helping you deliver more qualified leads to your sales team?"

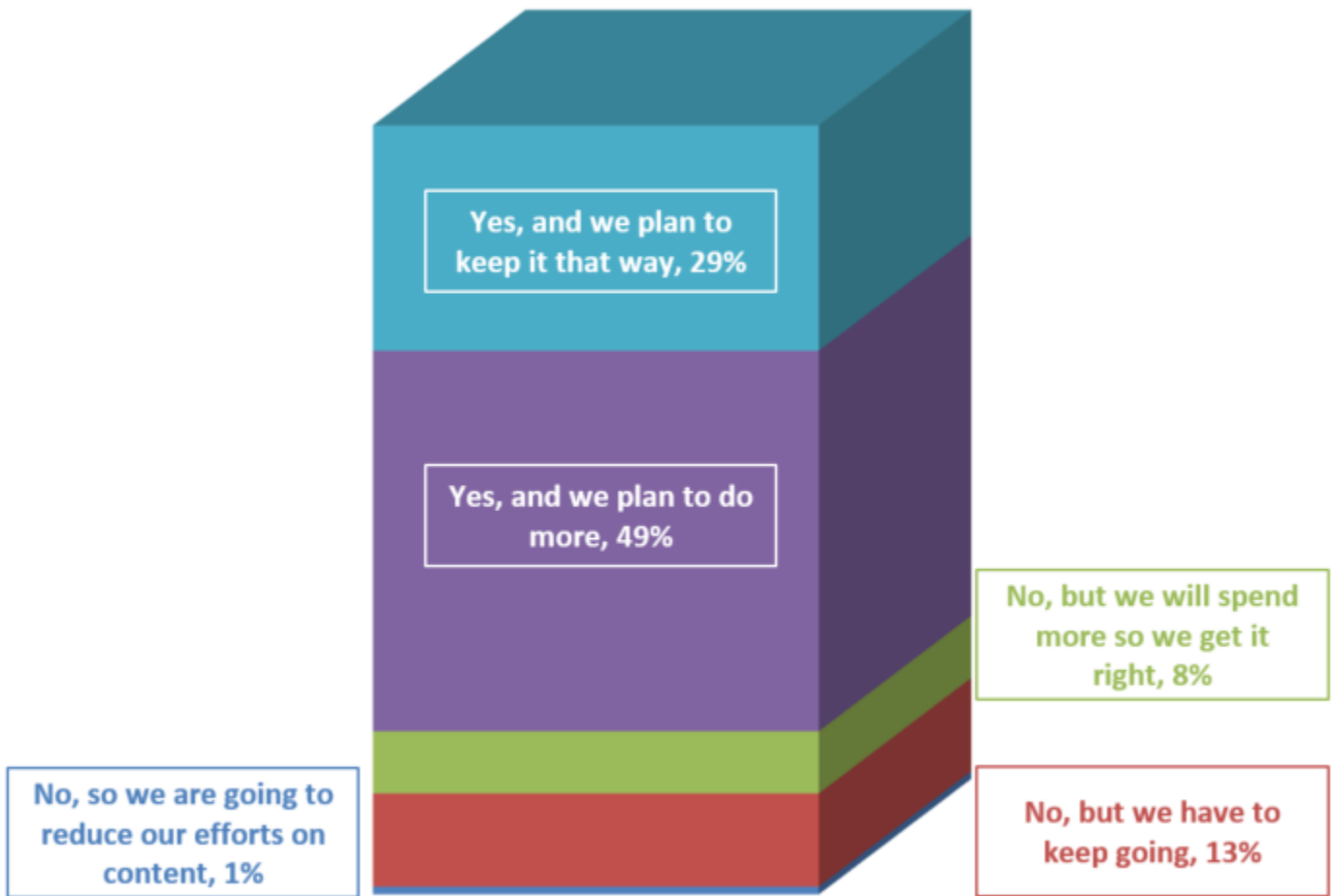


Shawn: Content is the foundation of a strong website and promotional campaigns to target your desired prospects — but once you generate contacts, you'll need to know when they're ready to buy.

When you have data, you can analyze behavioral trends through predictive intelligence to discern when a user and/or company is active in the buying process. While this is currently in its infancy, it will grow larger in the coming years.

4/5 engineering marketers believe content marketing helps them deliver qualified leads

When we asked marketers using content marketing whether it helps them deliver qualified leads, 4 out of 5 said yes. Even those who said that it wasn't working aren't prepared to give up. 8% say that they will spend more while 13% said that they would at least keep going. Only 1% said that they were planning to reduce their efforts on content marketing.



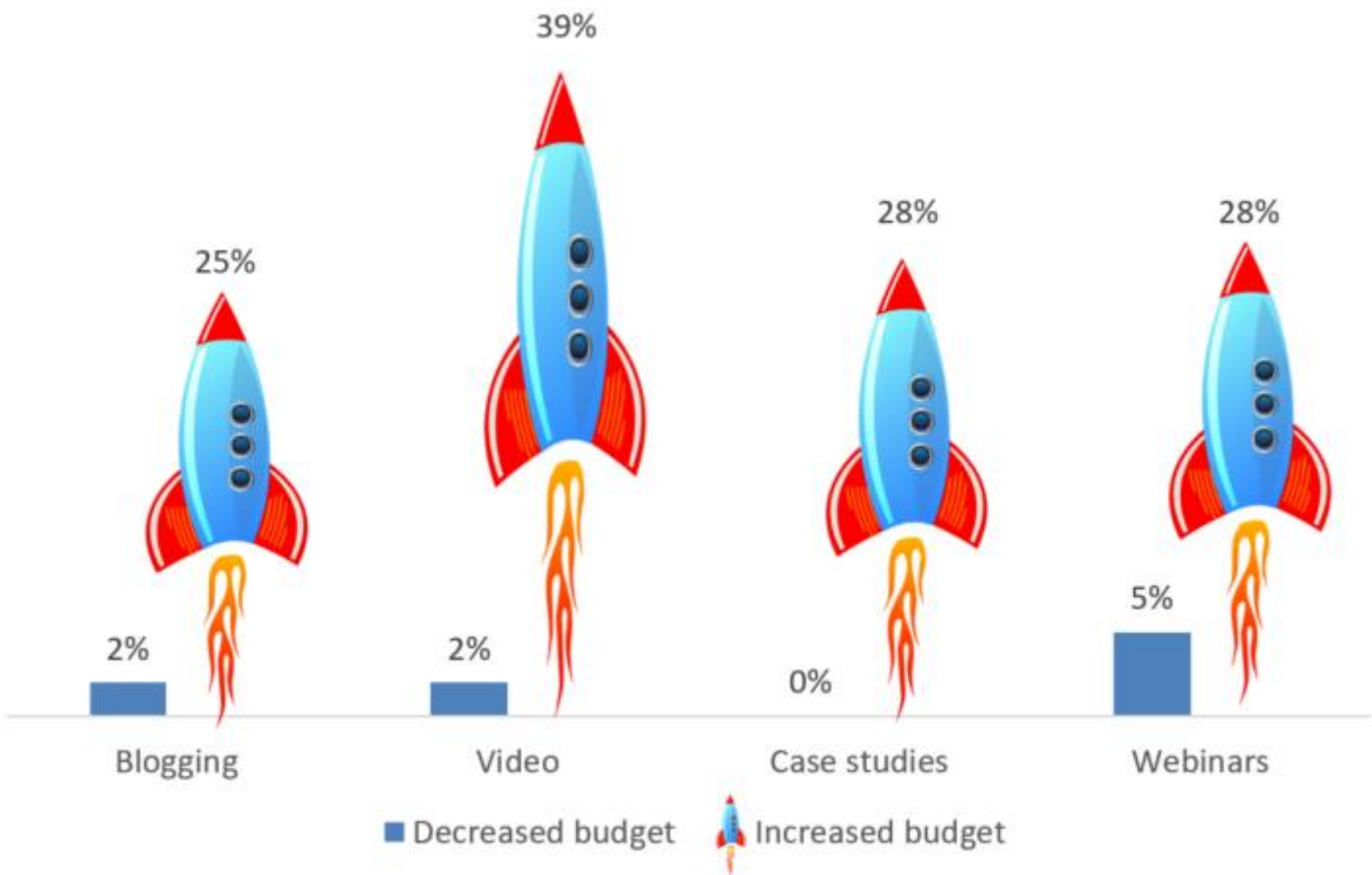
Q: "Is content marketing helping you deliver more qualified leads to your sales team?"



Rebecca: Marketers are seeing great results in using content marketing to deliver leads to their sales team. I believe this is why we see growth in email marketing and more focus on driving ROI through the funnel – we have to nurture and qualify this demand to truly fill sales' pipeline with the qualified leads they need to achieve sales goals.

Budgets are going up across the board for content in 2017

In case you are wondering what specific content marketing activities your colleagues are increasing their spending on, here they are. The rockets show the percentage of marketers who are increasing budget on a given activity while the blue bars show the marketers who are decreasing their budgets. You can see that budget increases outnumber decreases by a wide margin for each of blogging, video, case studies and webinars.



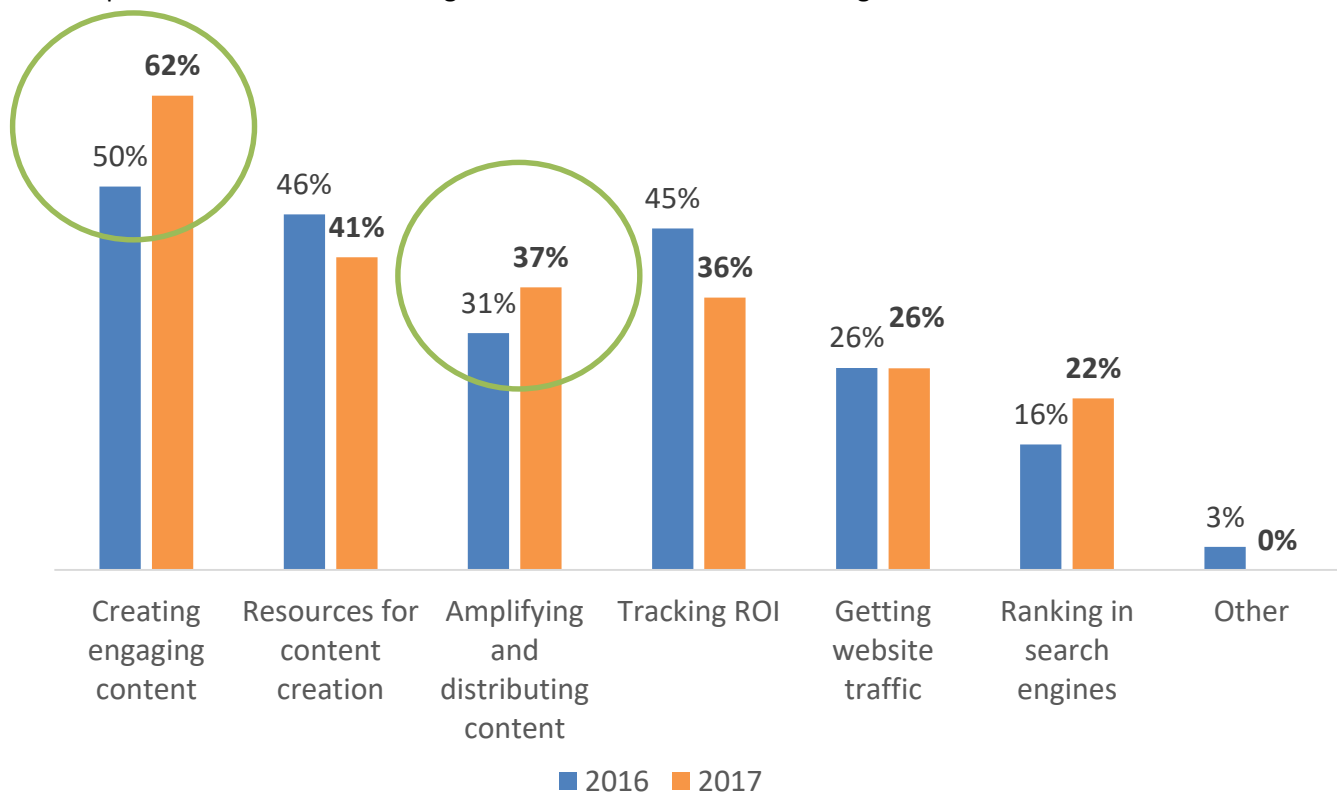
Q: "Will you conduct the following marketing activities next year? If so, will your 2017 budget be smaller, larger, or about the same as 2016?"



John: In the midst of all of this rush to create content, I hope all of us will remember that storytelling is an important ingredient in getting through to our audiences. Whether it is in a blog, a case study or a video, good storytelling is key to getting engagement and shares.

Creating engaging content is still the top challenge for content marketers

We asked marketers about their biggest challenges in executing content marketing. You can see their responses for this year as the orange columns and for last year as the blue columns. “Creating engaging content” has become even more challenging, with 62% of marketers naming it a top challenge in 2017. Finding resources for content creation is also a top challenge, as is finding ways to amplify and distribute the content once you do manage to create it. That may explain some of the rise in budgets for email and search marketing.



Q: “What are your biggest challenges around content marketing?”



Achinta: The problem is not having a good understanding of what “engaging content” is in the first place. Very rarely do industrial companies spend the time on clearly defining their audience and identifying their content needs. Definitions tend to be broad and generic at best. It is difficult to create content that is relevant for all stakeholders and at every stage of their buying journey unless you have a good understanding of the Who, the What and the Why.



John: Often, what a marketer wants to say and what an engineer wants to learn may be vastly different. The marketer says their product is differentiated by a set of features, but an engineer is more interested in learning about applications that match their needs. Meeting the engineer’s requirements takes a lot more targeted pieces of content than marketers have historically had budget to create.

Marketers ranked webinars as the most effective revenue generating tactic they use

Engineering marketers ranked Webinars as the most effective tactic when it comes to driving revenue. That may be because webinars allow interested prospects to interact directly with application engineers from your company to get their questions answered.

Search marketing was the second ranked revenue generator with case studies coming in third. Webinars and case studies tend to be middle of the funnel activities, so it is not surprising that marketers are able to correlate these activities to revenue.



Q: "Please rate how effective each of the following marketing activities is in generating revenue for your company on the following scale of "not effective at all" to highly effective." **Showing Top 3 – Webinars, Search Marketing, & Case Studies**



Rebecca: Webinars are an excellent tool to not only drive demand but also to share your technical, application and industry expertise. Given attendees are spending time out of their very busy schedules to attend, we recommend sales do immediate follow-up with all registrants after a webinar, and consider calling those who attended part or all.



Despite their effectiveness, webinars are still dramatically underused

This result makes little sense given how effective webinars have proven for engineering marketers using them. With roughly half of any marketers' competition not currently running webinars, there may not be a bigger revenue white space for marketers in 2017.

Tactic	% of Marketers who practice the tactic
Eblast	84%
Trade shows	82%
Search marketing	79%
Social media marketing	78%
Case studies	74%
Cost per lead programs (e.g. White paper downloads)	73%
Video	71%
Blogging	67%
Banner ads	58%
Content sponsorship	57%
Print magazines	57%
Webinars	54%

Q: "Please rate how effective each of the following marketing activities is in generating revenue for your company on the following scale of "not effective at all" to highly effective." If your marketing department does not use one of the activities on the list please select "not used"



Rebecca: Per the finding on the previous slide, marketers are in agreement on the effectiveness of webinars. Yet, as we see in this data, only about half of marketers are using the tactic. I'd encourage the 46% marketers out there who are not using webinars to try at least one in 2017. The technology is easy-to-use, affordable and you can repurpose your best white paper and case study as a starting point, so time to create is minimized. Better yet, partner with ENGINEERING.com and have them show you the ropes, and gather the audience, this first time around.



John: In 2016, marketers booked 50% more webinars with ENGINEERING.com than in 2015. This indicates that marketers are becoming more aware of the usefulness of webinars in driving revenue. Perhaps marketers who have never tried a webinar are unaware of how very easy they are to do.



Report-Wide Insights
and Recommendations
from the Experts



Rebecca Geier, TREW Marketing

With the election behind us and GDP growth on the rise, marketing teams and budgets at engineering companies are maintaining and even expanding in some markets, as the data in this survey shows. With greater resources, I encourage marketers to invest more in the *marketing* half of content marketing and working more closely with sales.

As I explain in my book, *Smart Marketing for Engineers: An Inbound Marketing Guide to Reaching Technical Audiences*, “treat your content like a product.” Just as we launch and market products, we need to think the same way about our content. Launch new content via your blog, newsletter, segmented emails, and social media; optimize it with keywords, keeping in mind SEO for People; repurpose it to efficiently expand both content quantity and diversity in format and along the funnel; and make it highly engaging through journalistic and image appeal.

With access to more and more data to measure the ROI of marketing, we should be working more closely with sales to drive qualified demand through the funnel. Key to success is setting up lead scoring, getting closed loop feedback through regular communication, and putting in place an SLA to increase accountability for both teams.



Achinta Mitra, Tiecas, Inc.

The results from this survey and many others confirm that content marketing does deliver qualified leads. However, very few companies consider themselves being effective at it. My recommendation is for industrial companies to do their due diligence before jumping into content creation. By that I mean, take the time to plan an effective strategy that aligns with your sales process, understand your buyers’ content needs and address their concerns, not just focus on “what we have to sell.” Churning out content for the sake of publishing content is not going to help you. Understand that **content creation** is only a part of your overall **content marketing strategy**. Also, there must be a complete buy-in from the top because content marketing is not a short-term fix for slow sales.



Shawn Fitzgerald,
ThomasNet RPM

Looking into the future, content marketing will continue to expand along with pay-per-lead marketing and social media advertising. This is a natural evolution, so it shouldn't come as a shock.

However, as more marketers get better at generating leads and collecting data, predictive intelligence will continue to gain traction. The concept, which uses behavior trends to evaluate their buying activity, is still relatively new to the industrial space — but will quickly become indispensable.

Essentially, you're going to need to keep creating content to get in front of your prospects, but the way it's delivered and the format it's presented in will evolve — along with how your sales team approaches closing the deal.



John Hayes,
ENGINEERING.com

It's encouraging to see healthy and growing budgets for engineering marketers, and to see them report the increasing importance of marketing to the success of their companies.

I predict that in 2017, as marketers find themselves increasingly responsible for generating revenue, that we'll see greater experimentation with digital marketing tools. Those marketers who have lagged on products like webinars will run test campaigns, while those who have been experimental will continue to try new things, such as figuring out how to reach engineers on their mobile devices.

I also predict that all marketers, Laggards and Top Performers alike, will invest heavily in content marketing in 2017. The key difference will be that the top performers will invest in truly excellent content and commit a higher level of budget to distribution. The days of boring industrial marketing are behind us.



We hope you enjoyed our report

We want to thank the marketers who took time out of their busy day to contribute to this report and our expert commentators from TREW, Tiecas, and Thomasnet RPM. We also want to thank you for downloading and reading it. We hope that the insights contained in this report will help you to better reach and engage engineers the world over and build your business and your brand.

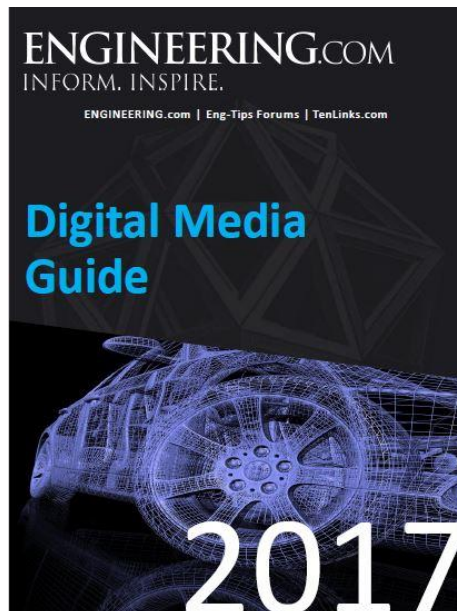
If you haven't already, we encourage you to subscribe to our blog and explore some of our other market research. You may also want to download a copy of our Media Guide. You can find them at the links below.

Digital Marketing for Engineers Blog

Advertising and marketing solutions for
engaging engineers

Signup

[Digital Marketing for Engineers Blog](#)

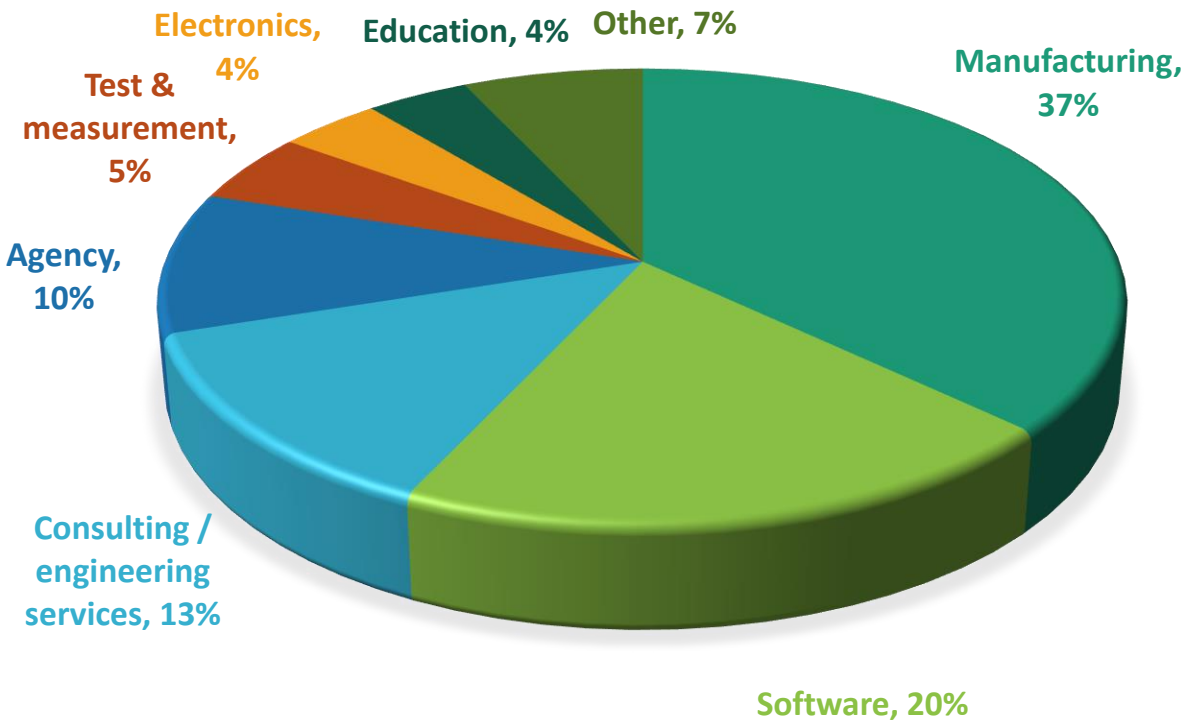


[Media Guide](#)



Demographics

Industries of respondents



Q: "What industry do you work in?"

Size of budgets of respondents



Q: "What is your company's marketing budget for 2017?"