



# B2B MARKETING BENCHMARK STUDY 2019

## Who's Leading And Who's Lagging?



B2B MARKETING EXPERTS



## The Study

The Mezzanine Group's 2019 B2B Marketing Benchmark Study is the 3rd report on the state of marketing in Canadian small and medium business-to-business (B2B) companies. First fielded in 2012 and then updated in 2015, the study benchmarks B2B companies on marketing objectives, performance, budget and effectiveness. Data is self-assessed and the results are intended to help B2B companies understand where they are leading and where they are lagging in marketing performance.

B2B company revenue leaders (CEOs, VP Sales, Chief Revenue Officers) will find useful information in the report to guide their revenue generation plans, help them think about how to allocate resources to sales and marketing to achieve the best results and to benchmark their performance.

This year's report reveals new insights about the marketing methods, objectives and trends that B2B professionals are prioritizing. Use this information to inform your 2019 marketing activities. Learn from the leaders and outperform your peers.

Over 200 small and mid-sized B2B companies based in Canada, primarily the Greater Toronto Area, have participated in the study since its inception.



# Marketing Effectiveness Is The New Priority

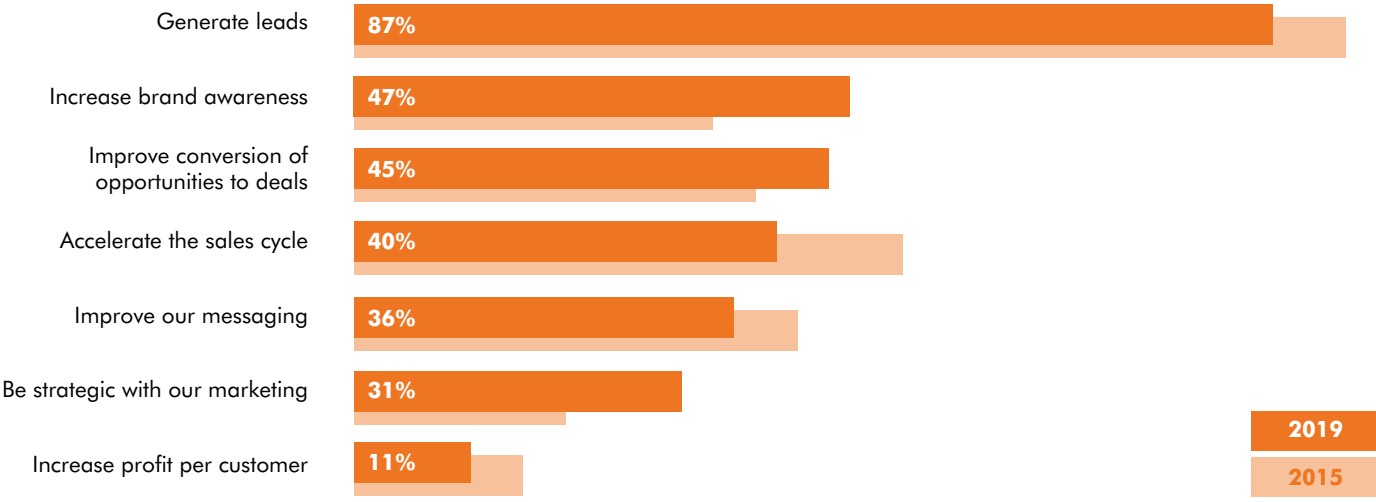
In a dramatic transition from previous years, the 2019 study reveals that B2B marketers are prioritizing overall effectiveness of marketing and not just lead generation.

In 2015, the vast majority (94%) of B2B marketers chose Lead Generation as one of their top 3 priorities. At a distant second and third place were Accelerating the Sales Cycle and Improving Messaging.

In 2019, Lead Generation remained the most common priority, with 87% of marketers listing it in their top 3. But there was a significant shift in the next most common priorities towards Increasing Brand Awareness and Improving Conversion of Opportunities to Deals.

**B2B marketers are recognizing that brand awareness and the conversion of leads to booked revenue is as important in marketing success as lead generation.**

Top 3 marketing goals for the next 12 months:	2015	2019
Generate leads	94%	87%
Increase brand awareness	34%	47%
Improve conversion of opportunities to deals	38%	45%
Accelerate the sales cycle	52%	40%
Improve our messaging	42%	36%
Be strategic with our marketing	20%	31%
Increase profit per customer	16%	11%



# There Is Growing Confidence In The Impact Of Marketing On Business Success



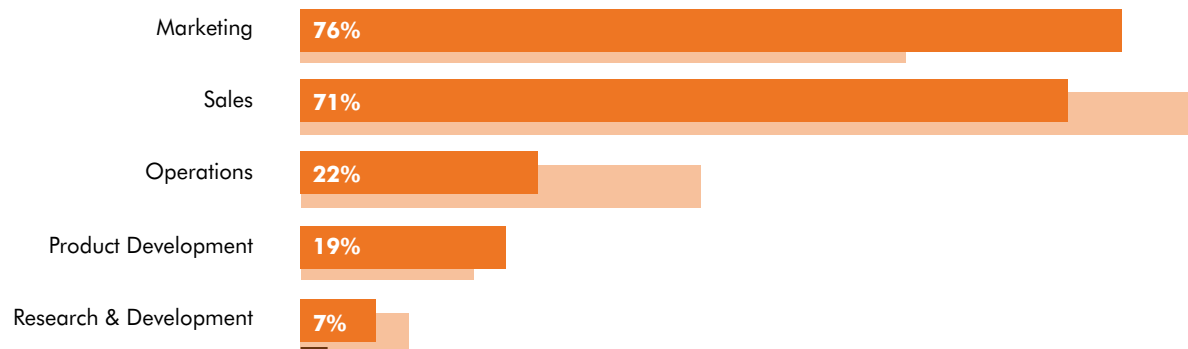
In 2015, B2B executives had the highest confidence in their sales function to impact the success of their business. This was followed – at a lag – by Marketing and Operations.

By 2019, Marketing had made a dramatic shift into the role that B2B executives most believed could impact their success. Sales is a strong second, while Operations has slipped significantly.

**B2B executives have growing confidence that marketing can play a major role in their business success.**

## Business functions that will impact success for the next 12 months:

	2015	2019
Marketing	56%	<b>76%</b>
Sales	83%	<b>71%</b>
Operations	37%	<b>22%</b>
Product Development	16%	<b>19%</b>
Research & Development	7%	<b>7%</b>



2019

2015



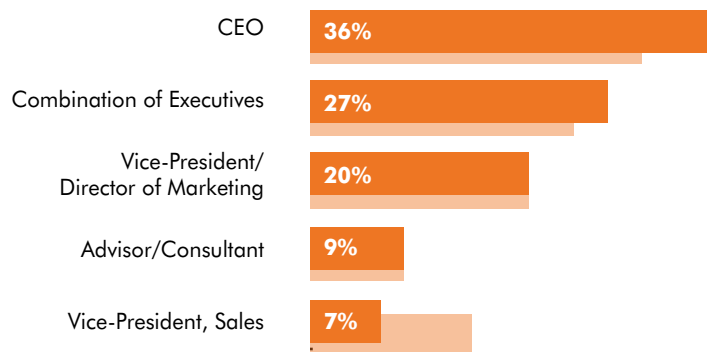
# Marketing Leadership Is Increasingly A CEO's Job



There has been a subtle shift in the responsibility for marketing in B2B companies. As of 2019, about two-thirds of respondents indicated that the CEO or a combination of senior executives was responsible for marketing strategy and planning. This is up from 54% in 2015. Meanwhile, the number of organizations with a VP Sales in charge of marketing decreased from 15% in 2015 to just 7% in 2019.

**B2B companies are recognizing that the responsibility for marketing lies outside of Sales and is best managed at a senior level.**

Who is responsible for marketing strategy and planning?	2015		2019	
	2015	2019	2015	2019
CEO	30%	36%	30%	36%
Combination of Executives	24%	27%	24%	27%
Vice-President/Director of Marketing	21%	20%	21%	20%
Advisor/Consultant	9%	9%	9%	9%
Vice President, Sales	15%	7%	15%	7%



**2019**  
**2015**

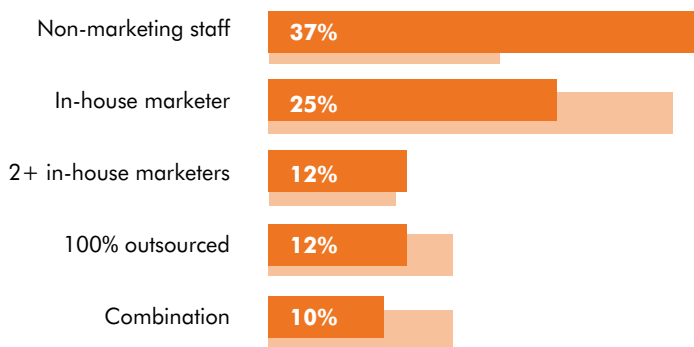


## B2B Companies Are Adding Both Internal And External Marketing Resources

In lock-step with the growing confidence in the impact of marketing, B2B companies are adding dedicated marketing resources. There has been a shift away from marketing being handled by non-marketing staff (more than a third of companies in 2015 handled marketing in this way) to more in-house marketers and a combination of in-house marketers alongside outsourcing.

**As part of their commitment to marketing, B2B companies are investing more in dedicated and experienced marketing talent.**

	2015	2019	
<b>Allocation of Marketing Resources:</b>	Mainly handled by non-marketing staff with support for specific projects by outside resources . . . . .	20%	<b>37%</b>
	One dedicated in-house marketer . . . . .	35%	<b>25%</b>
	2+ in-house marketers . . . . .	11%	<b>12%</b>
	100% outsourced . . . . .	16%	<b>12%</b>
	Combination of 1 in-house marketer and outsource . . . . .	16%	<b>10%</b>



**2019**  
**2015**



# B2B Marketing Budgets

For the first time, the survey benchmarked budget data for small and mid-sized B2B companies. While the data set is small, it provides helpful guidance for B2B companies on marketing budgets:

<b>B2B Marketing Budgets Compared:</b>	<b>Company Size (Revenue)</b>	<b>Marketing Spend</b>	<b>Revenue Percentage</b>
	< \$1M	Up to \$50K per year	Under 5%
	\$1M – \$2M	\$25,000 – \$100,000	2.5% – 5%
	\$2M – \$5M	\$25,000 – \$250,000	1.25% – 5%
	\$5M – \$10M	\$25,000 – \$400,000	0.50% – 4%
	\$10M – \$25M	\$25,000 – \$1M	0.25% – 4%
	\$25M – \$50M	\$200,000 – \$1.5M	0.80% – 3%

No companies in the study spend more than 5% of revenue on marketing. Smaller B2B companies (less than \$5M in revenue) typically spend between \$25,000 and \$250,000. And while the majority of medium to larger B2B companies (over \$5M in revenue) spend over \$100,000 and upwards of \$1.5M, there are some companies in this size range that make a very small investment in marketing of \$25,000 (representing less than 1% of their business revenue.)



# Benchmarking – Leaders & Laggards

## How the benchmarking scale works:

Companies self-assess their performance on a numerical scale from **Low (0)** to **High (4)** performance. Their responses are totaled and the benchmark is established by calculating the average.

- A benchmark close to 4 indicates that companies assess their performance as strong.
- A benchmark close to 1 indicates that companies assess their performance as weak.
- Benchmarks for 16 different marketing functions were calculated for 2019.





	2015	2019
<b>Keeping up to date:</b>		
We are well known in our target markets . . . . .	1.91 . . . . .	<b>2.11</b>
We speak at industry conferences every year . . . . .	1.75 . . . . .	<b>1.58</b>
We publish content like whitepapers, blog posts and articles a few times per year . . . . .	1.68 . . . . .	<b>2.24</b>
We network at events where our prospects and customers gather . . . . .	3.26 . . . . .	<b>2.40</b>
Our sales team has compelling collateral (like case studies and product overviews) to use in the sales process . . . . .	2.43 . . . . .	<b>2.25</b>

### We are well known in our target markets.

Canadian companies are making progress in elevating awareness of their businesses within their target markets. The average score increased by 5% to a rating of 2.11 out of 4. While the progress is good, companies still have lots of opportunity to improve their awareness levels.

### We speak at industry conferences every year.

This is one of only two areas that declined from 2015 to 2019. In our experience, in-person events have been declining in attendance which is supported by the drop in participation in this area. In addition, many businesses either are not prepared to present thought-leadership or do not have what they believe is an industry-leading point of differentiation. That said, thought-leadership content publication is on the rise, reflecting the increased emphasis on digital communication.

### We publish content like whitepapers, blog posts and articles a few times per year.

The most significant increase came in Content Marketing, with many more companies indicating they are investing in content marketing activities and achieving stronger performance. This is a reflection of the increased focus by B2B companies on the importance of marketing in their organizations.

### We network at events where our prospects and customers gather.

The most significant decrease came in networking. While the average rating in 2015 was 3.26 – one of the highest rated elements in the study – this fell dramatically by 2019 to 2.40. Although networking is still a relatively strong marketing tactic compared with all others, its decline is a further indication that B2B companies are shifting sales and marketing activities to digital rather than in-person.

### Our sales team has compelling collateral (like case studies and product overviews) to use in the sales process.

Although the decline in the strength of sales collateral was modest, this is an indication of how much more sophisticated B2B businesses are becoming due to their increased focus on the marketing function and marketing support. With a better understanding of content marketing and thought-leadership, building compelling sales collateral that can be leveraged both digitally and in-person is an increasingly important component of the sales and marketing toolbox.

	2015	2019
<b>Sales and Customers:</b> We use a CRM system effectively . . . . .	1.60 . . . . .	<b>1.70</b>
We use a marketing automation system effectively . . . . .	N/A . . . . .	<b>1.00</b>
We communicate with prospects who aren't yet ready to buy through regular communications . . . . .	1.87 . . . . .	<b>1.68</b>
Our sales and marketing teams meet at least every two weeks to discuss initiatives and performance . . . . .	1.64 . . . . .	<b>1.73</b>
Our customers refer new business to us . . . . .	3.11 . . . . .	<b>2.58</b>

### We use a CRM system effectively.

Despite dramatic growth in the CRM software industry and ongoing promotion of the value of investing in CRM, there was only modest improvement in the ratings that our study participants gave themselves in this area. Our expectation, based on the shift in marketing focus our clients are demonstrating, is that the effective use of CRM systems will continue to grow.

### We use a marketing automation system effectively.

We added one question about marketing automation to the study in 2019. In tandem with an increase in effective use of a CRM system, Marketing Automation is the next logical step in implementing an effective and robust marketing and lead generation process. We will continue to monitor response to this question in future surveys.

### We communicate with prospects who aren't yet ready to buy through regular communications.

There is a modest decline in lead nurturing – the process of communicating with prospects who aren't yet ready to buy. This is an area that is valuable but complex for B2B companies to execute. We expect that if there is an increase in the use of Marketing Automation, we will also see an increase in the number of companies who rate more highly in this area.

### Our sales and marketing teams meet at least every two weeks to discuss initiatives and performance.

There was a modest improvement in the integration of sales and marketing teams to ensure good alignment in activities and tracking performance. As the importance of the marketing function continues to grow in B2B organizations, process and regular team meetings will also become more integral to managing marketing and lead generation effectively. For those organizations who outsource their marketing, regular meetings should be an expected part of that process.

### Our customers refer new business to us.

There was a surprising decline in the rating of companies who obtain new business through customer referrals. There may be a number of factors influencing this downward trend: in general, fewer in-person networking and event opportunities may be an overall reflection of fewer personal interactions between business owners and peers where these referrals may have previously been made. In addition, with a rise in digital marketing, sales tactics and communication, there is far greater opportunity for prospects to self-educate and therefore less perceived need to ask for a referral.



	2015	2019	
<b>Understanding our markets:</b>	Our customers know about our full line of products and services, not just those that they buy from us. . . . .	2.10	2.23
	We know who our ideal customers are . . . . .	3.07	2.89
	We know how our ideal customers find new suppliers and make buying decisions . . . . .	2.74	2.22
	Our company is clearly differentiated from competitors . . . . .	2.51	2.34
	We have a clear message about why customers should choose us . . . . .	1.99	2.41
	We have a good understanding of what our competitors offer and how we compare to them . . . . .	2.60	2.48

### Our customers know about our full line of products and services, not just those that they buy from us.

Companies have made slight improvements in increasing customer knowledge around their full product and services lines. This is a clear demonstration of the role marketing plays within an organization: growing awareness and generating engagement to pave the way for lead generation and sales through content creation and clear messaging.

### We know who our ideal customers are.

### We know how our ideal customers find new suppliers and make buying decisions.

B2B companies have lost some ground in understanding who their ideal customers are and how they make decisions. This is cause for concern as the success of sales and marketing is dependent on a deep understanding of target customers’ needs and buying behavior. Perhaps it’s time to re-define and segment customer personas in order to support the increased use of CRM systems as well as the future use of Marketing Automation.

### Our company is clearly differentiated from competitors.

### We have a clear message about why customers should choose us.

Many B2B companies struggle to achieve clear differentiation and positioning. The study reveals that this continues to be a challenge, although companies feel they have improved the clarity of their messaging about why customers should choose them. This may be an initial reflection of the increase in the importance of marketing, as the function may have provided stronger sales communication support, but until a unique point or points of difference can be communicated, competitive differentiation will continue to be difficult.

### We have a good understanding of what our competitors offer and how we compare to them.

Relative to the two previous questions, if companies in general are having difficulty expressing their competitive differences, the competition will also struggle to identify them – as will potential customers. Marketing can begin to solve this problem by spending some time on competitive and SWOT analysis to identify market and product or service gaps – as well as your company’s unique differences.



## What Marketing Tactics Work For B2B Companies?

### Marketing Tactic Comparison:

	2015	2019
Website . . . . .	70%	<b>87%</b>
Paid Search . . . . .	23%	<b>33%</b>
Email Marketing . . . . .	33%	<b>51%</b>
SEO . . . . .	36%	<b>36%</b>
Content Marketing . . . . .	19%	<b>56%</b>
Lead Nurturing Campaigns . . . . .	26%	<b>31%</b>
Case Studies . . . . .	45%	<b>42%</b>
Social Media . . . . .	13%	<b>31%</b>
Print Advertising . . . . .	24%	<b>13%</b>
Tradeshows . . . . .	30%	<b>45%</b>
Telemarketing . . . . .	26%	<b>18%</b>

The first and one of the most significant observations here is that the marketing tactics we most often think of as more “traditional” – **Telemarketing** and **Print Advertising** – have seen dramatic drops in success since 2015.

As marketers, we have always known that **Print Advertising**, particularly, is difficult to measure for ROI and as budgets become tighter and ROI more important, understanding whether a tactic offers value becomes a key part of the decision-making process.

The drop in success seen in **Telemarketing** is potentially two-fold. Firstly, many B2B companies simply don’t use this marketing tactic any longer, preferring digital communication to actual live conversations. Likewise, many potential prospects simply don’t have or won’t offer the time to have a “sales” conversation and would prefer you to send them information instead. That said, in our experience, when telemarketing is used correctly – with proper customer





personas, individual contact identification and a compelling message and offer specific to both those personas and contacts – Telemarketing generally sees an excellent ROI and significant lead generation.

Case Studies saw a minor decline in success, which we find somewhat surprising given the increased use of Content Marketing. However, without Marketing Automation or other marketing processes in place for lead nurturing and lead generation, leveraging Case Studies effectively as a marketing tool can be challenging. Where we have also seen a decline since 2015 in the quality of Sales Collateral, leveraging Case Studies as part of the sales toolbox is an excellent way to build prospect engagement and move them forward in the buying decision process.

Other than the success of **SEO** remaining constant, in every other instance there has been a significant increase in the success of every marketing tactic we asked about. The majority of these being digital tactics is not surprising given the ongoing growth in preference for digital communication and marketing.

Clearly **Websites** are continuing to improve in both functionality and accessibility, with most B2B companies recognizing that their website is not just an online brochure but rather a communication hub and potential ecommerce platform for their business. With the increase in focus on digital marketing driving traffic to these websites, it's no wonder that they are continuing to see a growth in overall success.

**Paid Search, Email Marketing** and **Social Media** all saw increased success as well, all of which is most likely attributable to not only the increased B2B marketing focus that has underpinned much of the positive growth throughout this 2019 survey, but also because unlike many traditional marketing methods, it is much easier to build on success and messaging using digital tactics. With their clear measurability and seamless ability to work together to drive traffic online to company websites, these have become the tactics of choice for ongoing customer and prospect engagement.

Hand-in-hand, **Content Marketing** and **Lead Nurturing** are two parts of the same whole – providing meaningful information to prospects that moves them through the sale funnel on their way to a buying decision. With increased Content Marketing, Lead Nurturing becomes simpler and easier to execute. In future, we expect to see this success rate climb even higher as more B2B business turn to their CRM systems and Marketing Automation to manage the sales funnel even more proactively.

Although earlier in this survey we saw a decline in attending and speaking at networking events and industry conferences, **Tradeshows** as a marketing tactic have seen a significant increase in success. From our experience, our B2B clients who exhibit at and participate in tradeshows are choosing these shows much more carefully each year. They are not going to every show or conference simply because their competitors are attending, but because they have conducted a show post-mortem and determined that there is value in exhibiting or attending based on the ROI. In addition, they are becoming much more savvy when it comes to lead collection, follow up and managing both pre and post show communications to ensure the highest possible awareness in their prospect and customer audiences.

# Summary

2019 promises to be a year of change and continued growth for marketers across all B2B businesses. The shift from traditional marketing and formal in-person sales to the digital arena has firmly taken hold and is changing the way B2B businesses communicate with their prospects and customers.

In turn, prospects and customers are becoming better educated and savvier about how they spend their time and attention – so getting any piece of it is now more crucial than ever.

Demonstrated in the results of this survey, we see that clarity around the importance of the marketing function in B2B businesses – and particularly understanding that there is a level of expertise and a dedicated role needed to facilitate successful marketing – has increased. Therefore, so has the overall success of the marketing tactics being used.

As the role of marketing in B2B business continues to grow and evolve, we expect to see a continued increase in the work that marketing and the sales team do together. No longer a secondary function or simply responsible for golf shirts and print ads, marketing has grown up to be the other half of the sales equation – expanding brand engagement, finding leads, nurturing prospects through the sales funnel and educating the market with thought-leadership and valuable content.

And, with this growth in responsibility, it is more important than ever that both sales and marketing work together within the CRM system to properly identify, segment and manage leads, prospects and customers as marketing sets up and nurtures them using marketing automation. As we noted earlier, we expect to see the continued growth of CRM system and Marketing Automation use in the years to come.

As always, we will be watching with interest to see what happens next, but in the interim, the B2B marketing experts at The Mezzanine Group are here to help you achieve your B2B marketing and lead generation objectives and take your business to the next level of success.

*The Mezzanine Group accelerates revenue growth for business-to-business companies. We build B2B lead generation machines that combine traditional and digital marketing with marketing technology, systems and processes to deliver powerful and consistent revenues. Over the past decade we've helped over 250 B2B companies across a variety of emerging and mature industries. [www.themezzaninegroup.com](http://www.themezzaninegroup.com)*







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