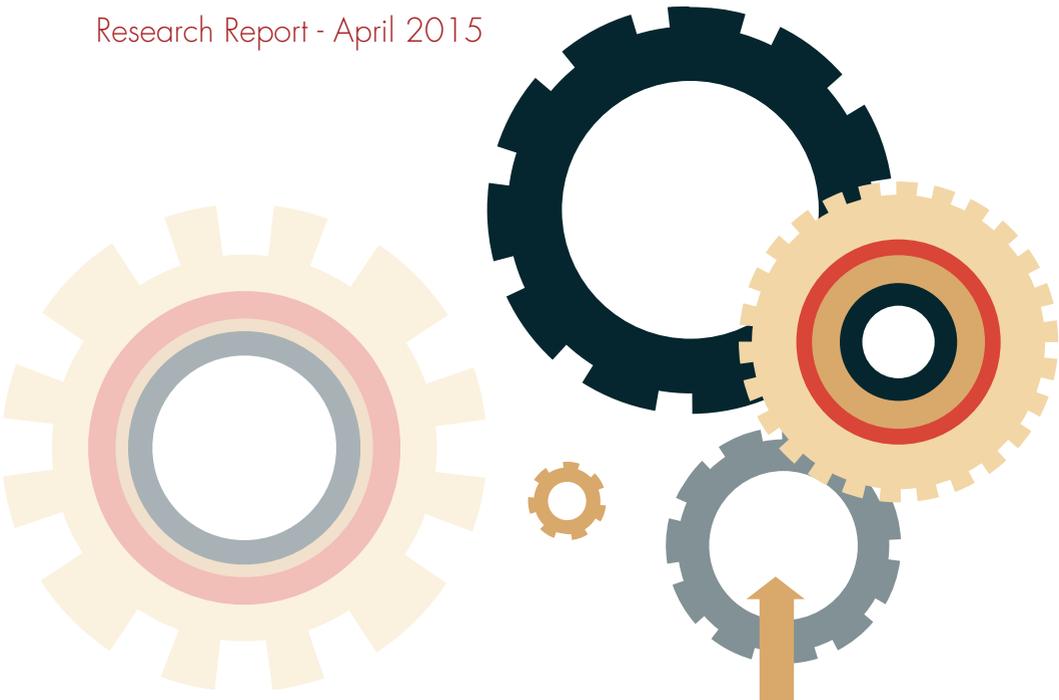


STATE OF B2B MARKETING AUTOMATION 2015

Research Report - April 2015

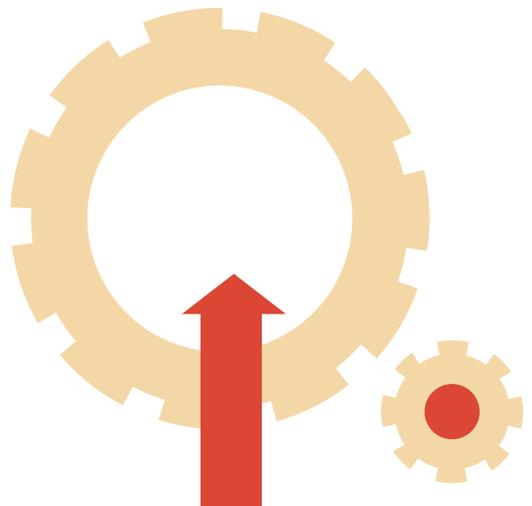


|| WHO WE SPOKE TO

Given the increasing pressure that B2B marketers are facing in meeting sales revenue objectives, it is not surprising to find more and more of them implementing a marketing automation solution to streamline their marketing activities. The complexity of the situation is made more vivid by the increasing number of channels that marketers have, to engage with customers today.

We spoke to senior B2B marketers from companies across a range of product categories to understand how successful they have been in implementing their marketing automation solution and what challenges they face in getting the most out of their investment.

The research was done globally with a fair mix of product and service companies.



KEY FINDINGS:

82%

respondents choose improve lead nurturing as their key marketing automation objective



» tweet this «

79%

marketers say they invest in marketing automation



» tweet this «

77%

respondents choose analytics & reporting features as a factor that they would consider while evaluating a marketing automation tool



» tweet this «

64%

marketers say they saw the benefits of using marketing automation within the first 6 months of its implementation



» tweet this «

62%

respondents say they expect their marketing automation budget to increase in the next 12 months



» tweet this «

62%

marketers have been using marketing automation for over 2 years



» tweet this «

31%

marketers rate their marketing automation efforts as very effective

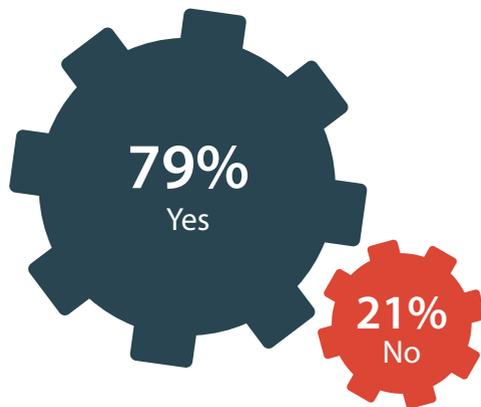


» tweet this «

MAJORITY OF ORGANIZATIONS SAY THEY INVEST IN MARKETING AUTOMATION

79 percent of respondents we spoke to, said their companies invest in marketing automation; a positive upward trend from the findings in our survey last year¹ where this number stood at 73%.

Does your organization invest in Marketing Automation?

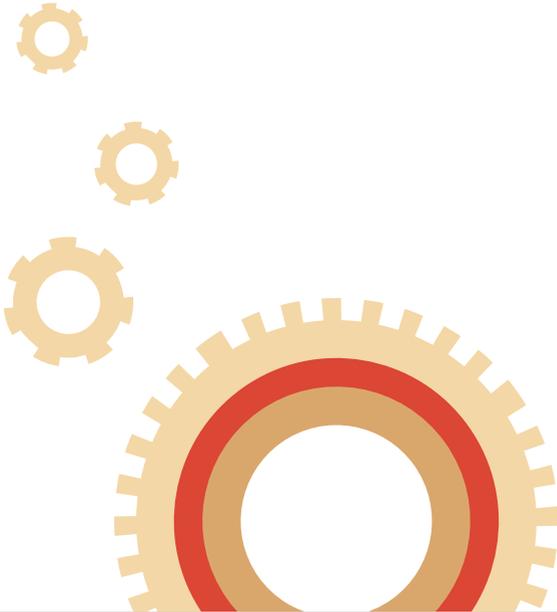
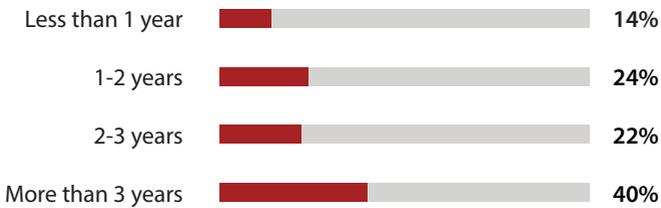


¹Source: State of B2B Marketing Automation 2014

62 PERCENT OF MARKETERS HAVE BEEN USING MARKETING AUTOMATION FOR OVER 2 YEARS

Only 14% of the respondents said it was **less than 1 year** since they had begun using marketing automation.

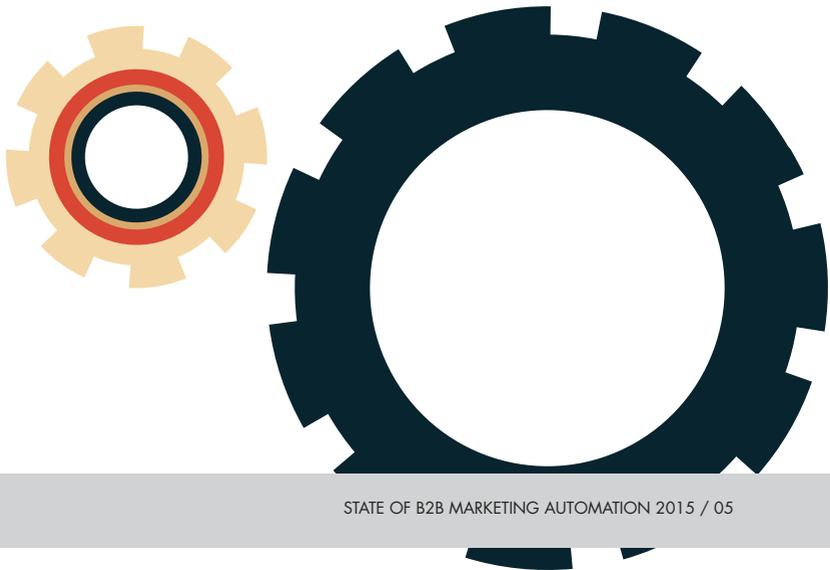
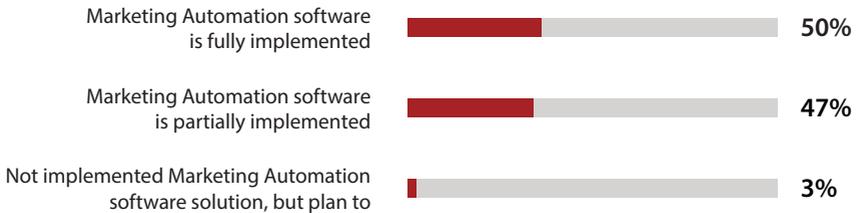
How long has your organization been using Marketing Automation?



MARKETING AUTOMATION IS FULLY IMPLEMENTED IN HALF THE NUMBER OF ORGANIZATIONS WE SPOKE TO

Of the rest, 47% said it has only been implemented partially.

Which of the following statements best suits your organization's Marketing Automation software implementation status?

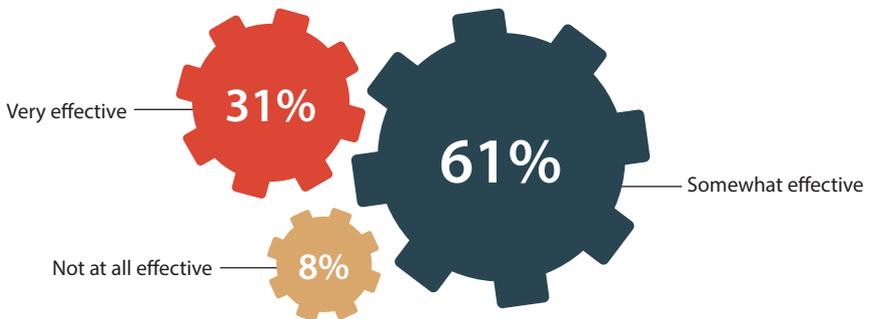


ONLY ABOUT A THIRD OF THE RESPONDENTS RATE THEIR MARKETING AUTOMATION EFFORTS AS VERY EFFECTIVE

31 percent of marketers rated their marketing automation efforts as very effective; while 61% rated their efforts as only *somewhat effective*.

For marketing automation to be effective, it needs to have a strong content strategy to back it up. This, we believe, is still a work-in-progress in most companies. In fact, 54% of marketers we spoke to in an earlier study on content marketing¹, said they were *still learning how to align content to the buyer's journey and plan to execute on their strategy within the next six months* – a basic pre-requisite for any automation effort to be effective.

How would you rate the effectiveness of your organization's Marketing Automation efforts?



¹Source: State of B2B Content Marketing 2015

LEAD NURTURING TOPS THE LIST OF KEY MARKETING AUTOMATION OBJECTIVES PURSUED BY COMPANIES

82 percent of respondents we spoke to, chose improve lead nurturing as their key marketing automation objective, followed by **improve lead quality** (76%) and **increase lead generation** (74%).

While it is understandable that lead nurturing is the primary driver behind a marketing automation effort, it is disheartening to note how few among the marketers chose to mention **increase customer retention** as one of their key automation objectives. This doesn't come as a surprise to us though, given the finding in our study on content marketing¹ - a majority of B2B marketers see content marketing as primarily a pre-sales tool.

What are the key Marketing Automation objectives your company is trying to pursue?



¹Source: State of B2B Content Marketing 2015

ANALYTICS & REPORTING FEATURES IS THE MOST CITED FACTOR CONSIDERED FOR EVALUATING A MARKETING AUTOMATION TOOL

77 percent of marketers chose **analytics & reporting features** as a factor that they would consider while evaluating a marketing automation tool. This was followed by **lead generation & management** at 69% and **implementation & integration** at 68%.

Ease of use, which topped the list in our study last year at 86%¹, fell to 4th place this year at 63%. Another surprising shift is the drop in the importance of **price** as a factor from 82% last year to 55% this year. These changes could be an indication of how prevalent automation tools have become in the marketing departments of B2B companies.

What factors do you consider while evaluating Marketing Automation tools for your organization?

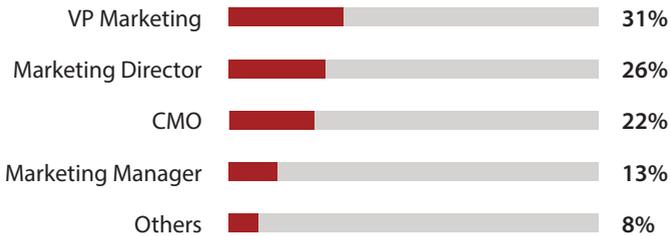


¹Source: State of B2B Marketing Automation 2014

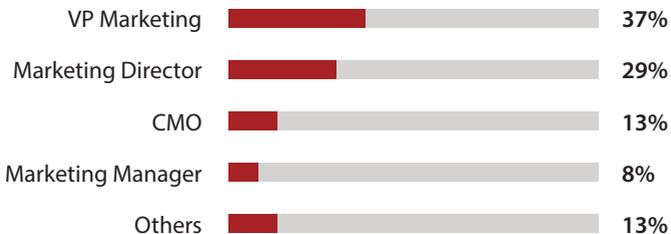
IMPLEMENTING & MANAGING MARKETING AUTOMATION IS A SENIOR MANAGEMENT DECISION

While this may be true, the increasing importance of the CMO and the decreasing role of senior management in the decision-making process, when compared to the findings of our study done last year¹, is probably once again a manifestation of the ubiquitous nature of the product today.

Who is the primary decision maker for implementing and managing Marketing Automation?



Who is the primary decision maker for implementing and managing Marketing Automation? (Source¹)



¹Source: State of B2B Marketing Automation 2014

LEAD SCORING & PROGRESSIVE PROFILING TOP THE LIST OF STEPS THAT REQUIRE IMPROVEMENT WHILE QUALIFYING A LEAD

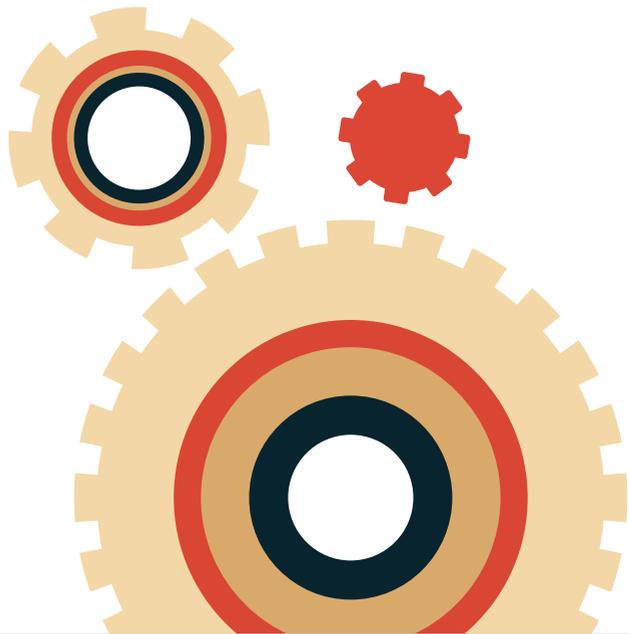
55 percent of respondents chose **scoring the leads** as the step that required improvement while qualifying a lead in their organization; while 53% chose **progressive profiling**.

In your opinion, which of the below steps require improvement while qualifying a lead in your organization?

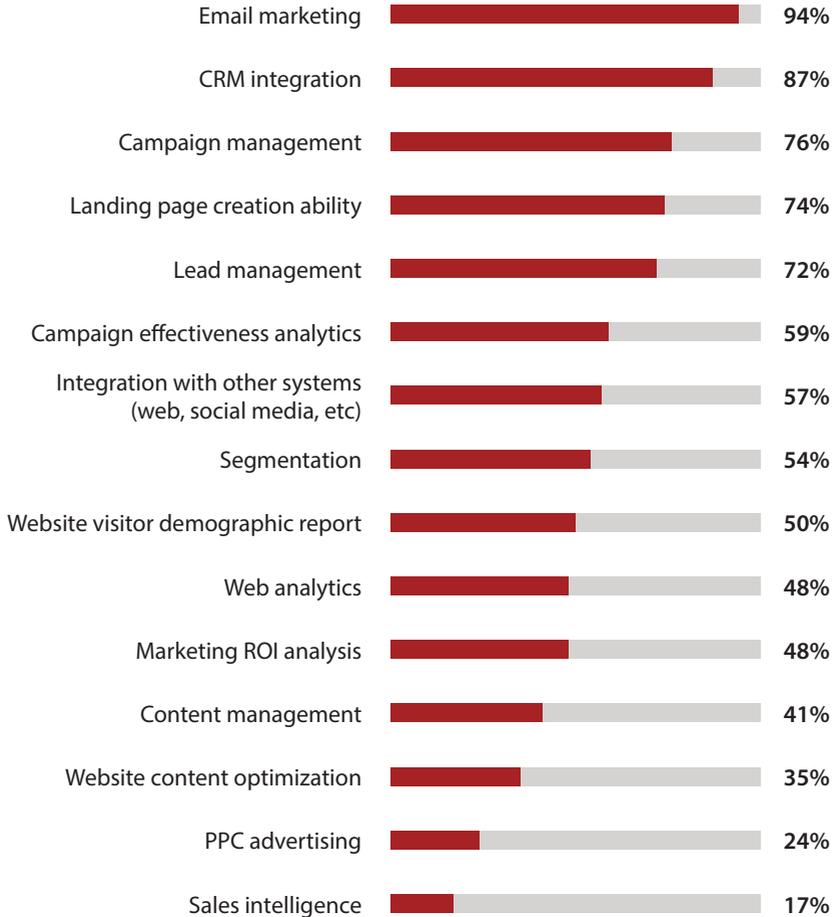


MARKETERS PUT TO USE A MULTIPLICITY OF FEATURES AVAILABLE IN THEIR MARKETING AUTOMATION TOOL

While **Email marketing** (94%) was ranked as the most used functionality of a marketing automation tool, respondents who we spoke to, also picked a wide range of more sophisticated features that they used in their marketing effort including CRM integration (87%), Campaign management (76%), Landing page creation ability (74%) and Lead management (72%).



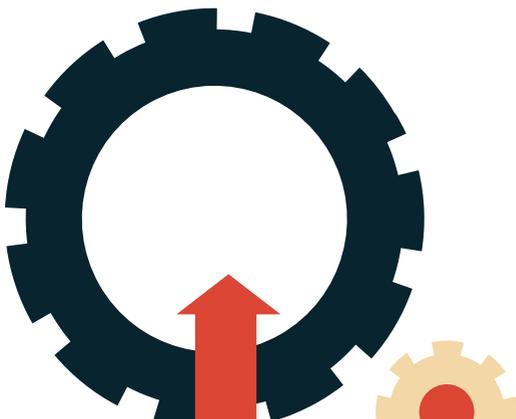
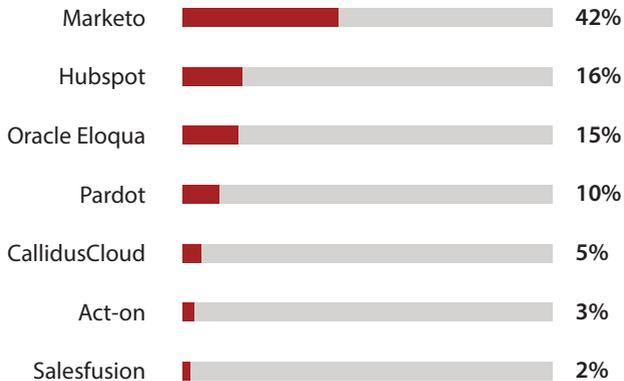
Which of the following Marketing Automation features are primarily used in your organization?



MARKETO IS BY FAR THE MOST POPULAR MARKETING AUTOMATION TOOL

Marketo, at 42%, has the maximum number of adopters among the respondents we spoke to. This is followed by Hubspot (16%) and Oracle Eloqua (15%).

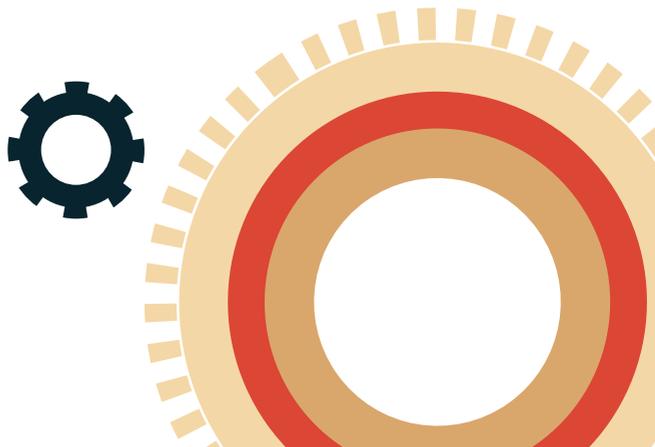
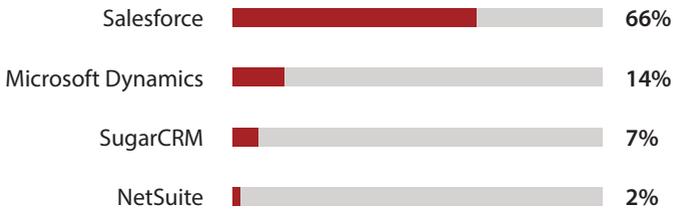
Which of the following Marketing Automation tools are used in your organization?



SALESFORCE IS THE MOST POPULAR CRM TOOL

With 66% of our respondents mentioning **Salesforce** as a CRM tool being used by them, it appears to be by far the most popular CRM tool among others that includes **Microsoft Dynamics** (14%) and **SugarCRM** (7%).

Does your organization use a CRM tool? If yes, which of the following CRM tools have you integrated with your Marketing Automation tool?



BETTER LEAD MANAGEMENT & INCREASED EFFICIENCY ARE THE KEY BENEFITS SEEN IN MARKETING AUTOMATION

Increased lead generation (84%), better prospect / lead insight (73%) and increase in efficiency (73%) are the top three benefits of marketing automation as perceived by marketers.

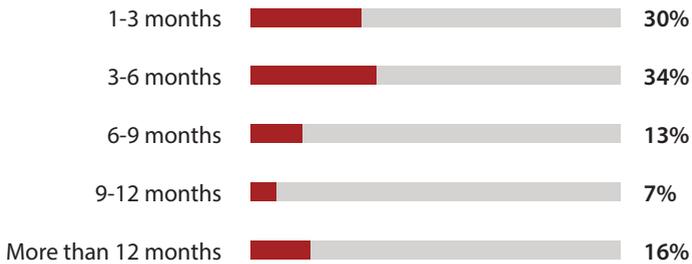
In your opinion, what are the key benefits of Marketing Automation?



MAJORITY OF ORGANIZATIONS SEE BENEFIT OF MARKETING AUTOMATION WITHIN 6 MONTHS OF IMPLEMENTATION

64 percent of marketers we spoke to, said they saw the benefits of using marketing automation within the first 6 months of its implementation. Only 16% of respondents said it took them more than a year to see the benefits accrue.

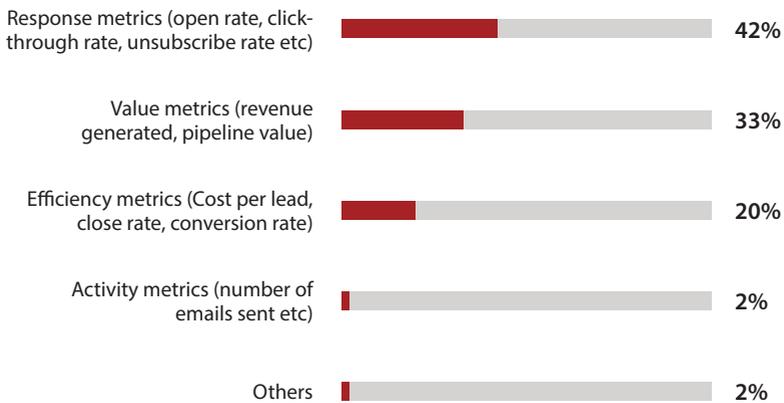
What is the time taken by your organization to realize the benefits of using Marketing Automation from the time of implementation?



RESPONSE METRICS OUTFRAN OTHERS IN MEASURING SUCCESS OF A MARKETING AUTOMATION PROGRAM

42 percent of respondents picked **response metrics** as the measure they would use to evaluate the success of their marketing automation efforts. In comparison, 33% chose **value metrics** and 20% preferred **efficiency metrics**. Response metrics are the easiest to track and measure. That marketers stick to basics when tracking the metrics of their marketing programs is something we have come to infer following our study on metrics & analytics done earlier this year¹.

Which of the following metrics does your organization use to evaluate success of Marketing Automation efforts?



¹Source: State of B2B Marketing Metrics and Analytics 2015

TECHNOLOGY & CREATIVE ARE THE MOST POPULAR OUTSOURCED FUNCTIONS

Technical implementation at 36% and creative at 32% are the two most outsourced functions in an organization's marketing automation efforts.

Given that content is critical to the success of marketing automation and the fact that lack of bandwidth to create content was seen as the topmost content marketing challenge by B2B marketers in our earlier research¹, it is surprising to find only 23% of our respondents opting to outsource content creation in their marketing automation effort. This is a lacuna that content companies probably need to address.

Do you outsource Marketing Automation? If yes, which of the following function does your organization outsource?

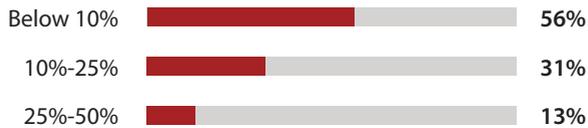


¹Source: State of B2B Content Marketing 2015

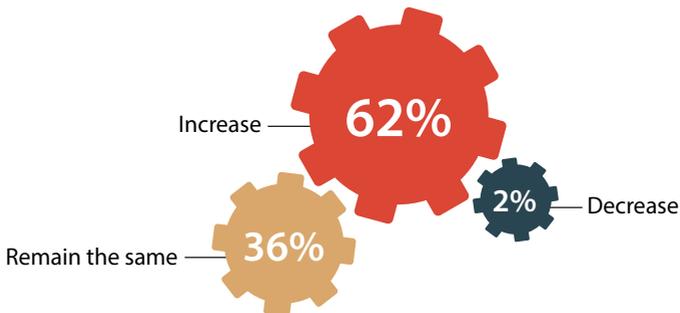
MAJORITY OF RESPONDENTS SEE INCREASE IN THEIR MARKETING AUTOMATION BUDGET IN THE NEXT 12 MONTHS

62 percent of the respondents we spoke to said they expect their marketing automation budget to **increase** in the next 12 months, while another 36% felt it would **remain the same**. Given that 56% of organizations spend less than 10% of their budget on automation, an increase in spend would be a welcome trend.

What percentage of your marketing budget is currently allocated towards Marketing Automation?

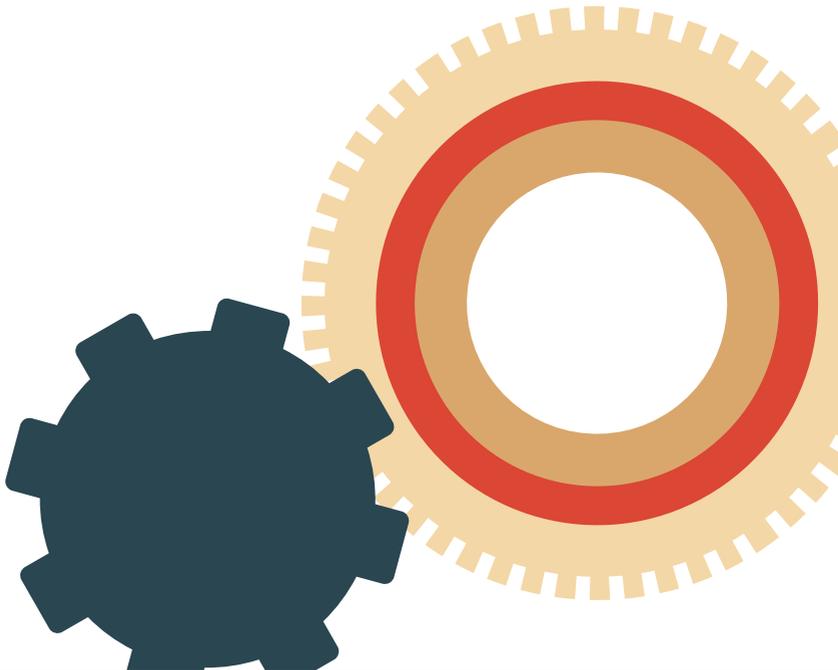


How do you see your organization's Marketing Automation budgets changing in the next 12 months?



LACK OF ROI NEEDS TO BE ADDRESSED IN ORGANIZATIONS NOT YET INVESTED IN MARKETING AUTOMATION

Among the key challenges mentioned by marketers preventing their organizations from investing in marketing automation are **lack of ROI** (45%) and **lack of expertise** (40%). Product companies will do well in addressing these issues as a means to expanding the market and get the uninitiated to also benefit from the adoption of marketing automation.



FINAL THOUGHTS

There are lots of statistics available extolling the benefits of marketing automation.

- According to Forrester Research, B2B marketers who implement marketing automation, increase their sales-pipeline contribution by 10%¹
- In a study done by DemandGen, B2B marketers saw an average 20% increase in sales opportunities from nurtured leads versus non-nurtured leads after successfully deploying a lead nurturing program²
- Approximately 11 times more B2B organisations are using marketing automation now, than in 2011³

SO WHERE DO WE GO FROM HERE?

We believe the biggest challenge ahead for marketers is to increase the effectiveness of their marketing automation efforts and see how marketers can get more out of their investment in the product.

Marketers need to dig deep into the capabilities of the product and use its various sophisticated features to ensure better profiling and scoring of prospects.

Marketers need to evaluate their marketing automation efforts with more rigor by determining the actual value brought to them by such efforts so they can effectively course-correct along the way.

To increase the value of their investment in marketing automation, companies need to look beyond lead nurturing, and use the tool to build loyalty and engagement with existing customers as well.

And finally, marketers need to have a strong content strategy in place and ensure that their content plan is dovetailed well into their marketing automation efforts, as a good content plan goes hand-in-hand with successful marketing automation.

¹Source: *The Forrester Wave Lead-To-Revenue Management Platform Vendors, 2014*

²Source: *DemandGen, Calculating the Real ROI from Lead Nurturing, Aug 2013*

³Source: *SiriusDecisions, B-to-B Marketing Automation Study, 2014*

|| ABOUT THE ANALYSTS



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SVP, Principal Analyst

Nimish, Senior Vice President, works with CMOs and senior marketing professionals. His research focuses on customer experience management, predictive analytics, mobile enablement and other emerging trends that help customers leverage technology as an enabler of marketing and business outcomes.



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Suresh is a marketer with hands-on experience managing traditional, online and mobile programs. He possesses deep understanding of Marketing Automation tools and techniques. He helps companies engage with their customers through different stages of the buying cycle by using the best modern marketing techniques and technology.



ABOUT REGALIX RESEARCH

Headquartered in Silicon Valley, we help the CMO organization leverage emerging digital practices for creating marketing leverage as they bring new products and innovation to market. Regalix Research helps marketers through research-based insights, consulting and peer-to-peer programs that guide marketing strategy development and execution. Our focus is helping Technology companies leverage innovation and best practices to create real differentiation. Our analysts are practitioners with a successful track record of delivering real marketing results for both leading Fortune 500 companies as well as venture backed firms.

Regalix is an award-winning Global Innovation company that leverages technology and marketing to help companies grow. We create successful ventures with our clients through co-innovation and idea-driven frameworks that inspire companies to think different. We bring ideas to life by envisioning new companies, developing brands, engineering products, and designing technology platforms. Founded in 1998, Regalix is based in Palo Alto. Our Silicon Valley setting has enabled us to stay ahead of emerging trends in digital technology and marketing.

For over a decade, we have provided complete marketing services – Social, Mobile, Content, Multi-channel Campaigns, Technology Development, and Analytics – to companies such as CA Technologies, Citi, Apple, eBay, Cisco, VMWare, NetApp, Cypress, LSI, Keynote, and MetricStream.

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