

FORRESTER



Insights into 2010 B2B Marketing Budgets and Tactics Mix

Peter Burris, Principal Analyst and Research Director, Forrester's Technology Marketing Research Team

Roy Young, President, MarketingProfs LLC





Agenda

- What challenges face B2B marketers in 2010?
- How effective are B2B marketers' tactic and mix choices on branding and demand?
- How do 2010 program and budget plans compare to 2009 results?
- What should B2B marketers do to maximize marketing mix effectiveness given the rise of social media?

Agenda

- **What challenges face B2B marketers in 2010?**
- How effective are B2B marketers' tactic and mix choices on branding and demand?
- How do 2010 program and budget plans compare to 2009 results?
- What should B2B marketers do to maximize marketing mix effectiveness given the rise of social media?

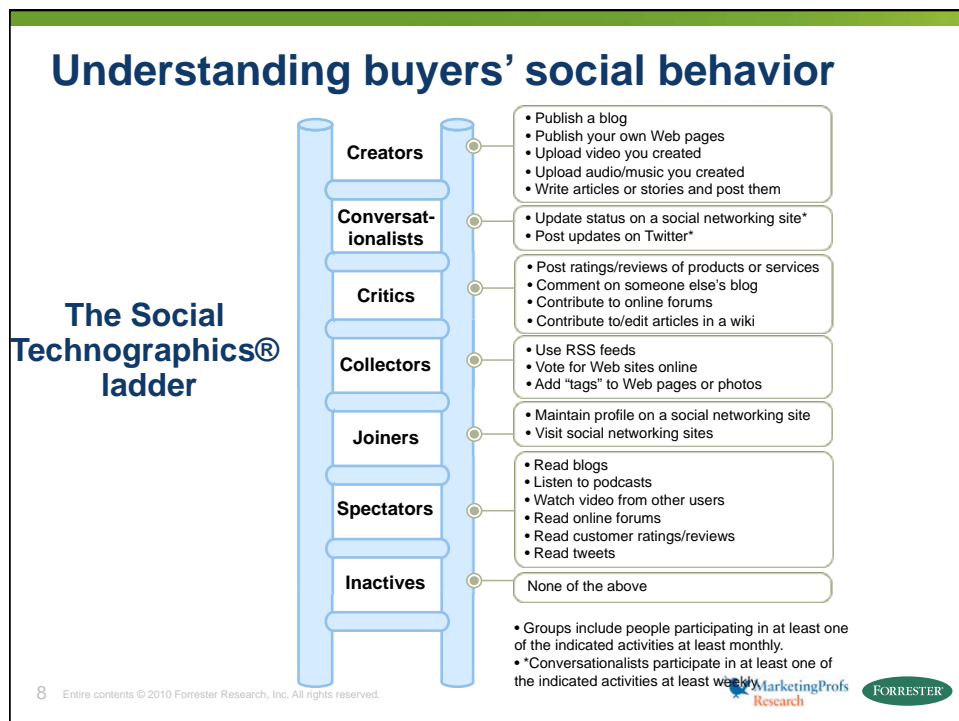
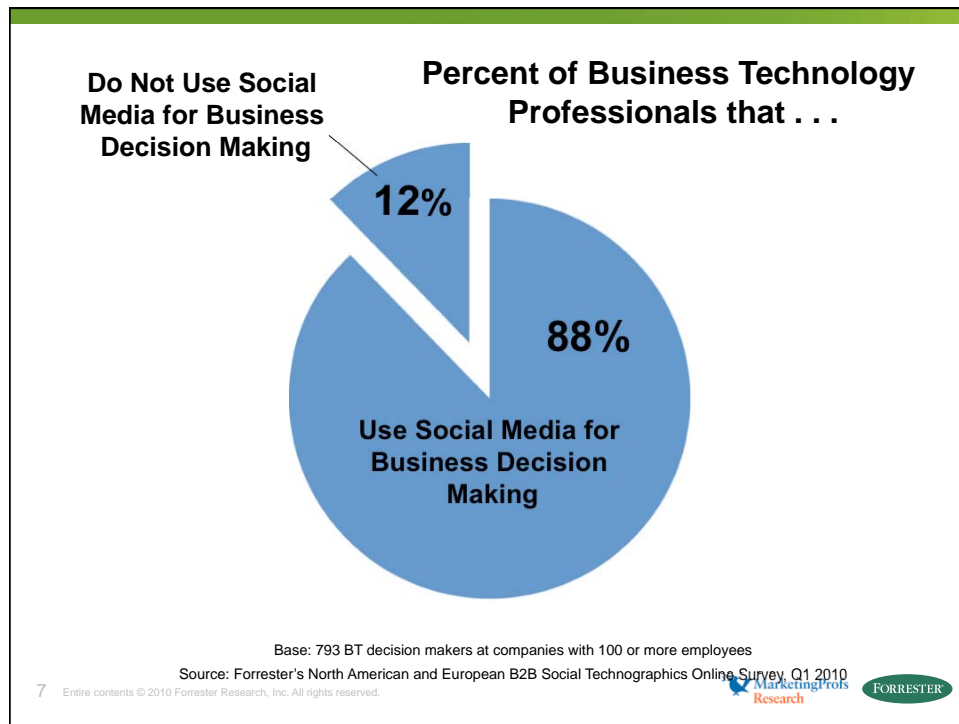
Demand generation is the No. 1 B2B challenge

"What top B2B marketing challenges do you face in 2010? (Select up to five.)"

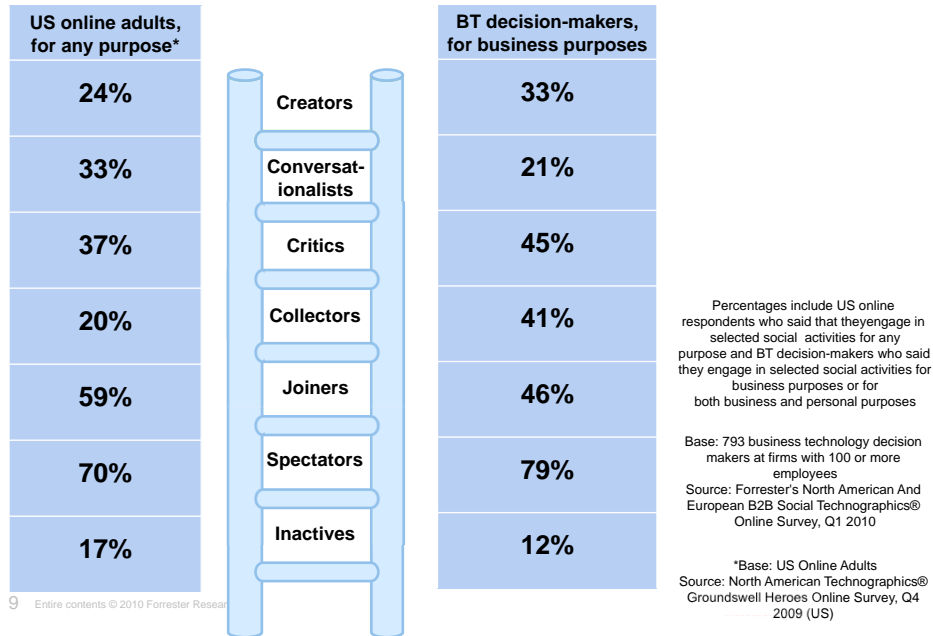


Base: 241 B2B marketers at companies with 50 or more employees

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey



BT Decision Makers Are Big On Social Media



BT Pros Socialize for Professional Help

"Which of the following would motivate you to participate in social activity — or participate more — for work purposes?" (Up to three responses accepted)

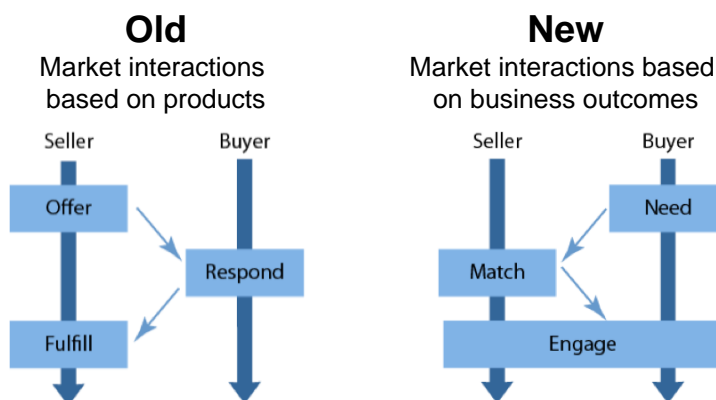


Base: 793 BT decision makers at companies with 100 or more employees
Source: Forrester's North American and European B2B Social Technographics Online Survey, Q1 2010

10 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Business marketing requires new interactions



Source: May 7, 2008, "Community Marketing: A New Discipline For Business Technology Marketers" Forrester report

11 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



You Have To Demonstrate That You Understand the Outcome

"How important are the following factors when selecting the best vendor for a technology purchase?" (Sum of critical and somewhat critical)



Base: 793 BT decision makers at companies with 100 or more employees

Source: Forrester's North American and European B2B Social Technographics Online Survey, Q1 2010

12 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



What does this mean?

- Demand management continues to be the No. 1 job.
- Yet, traditional marketing approaches can fail to reach online, socially savvy buyers.

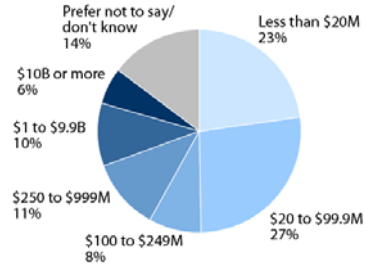
Agenda

- What challenges face B2B marketers in 2010?
- **How effective are B2B marketers' tactic and mix choices on branding and demand?**
- How do 2010 program and budget plans compare to 2009 results?
- What should B2B marketers do to maximize marketing mix effectiveness given the rise of social media?

Who did we survey?

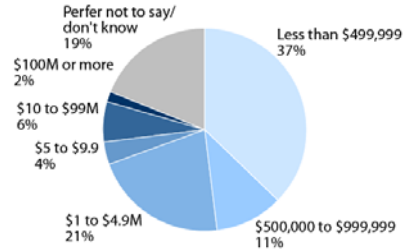
Worldwide revenue

In 2009, what were your company's worldwide revenues?



Total marketing program budget

In 2009, what was your company's total marketing program budget?

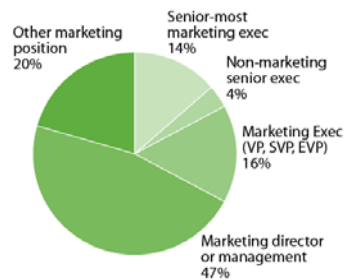


Base: 249 B2B marketers at companies with 50 or more employees

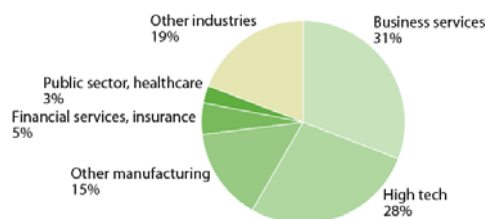
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

Who did we survey? (cont.)

Title, position



Industries, vertical

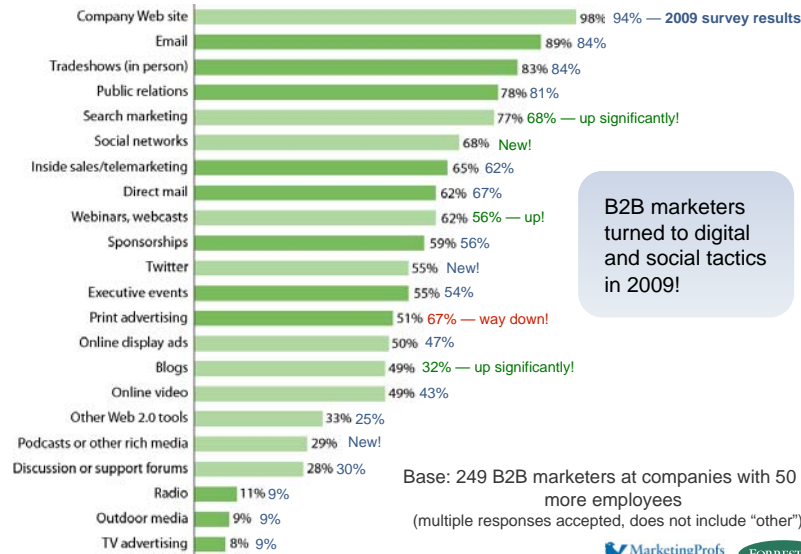


Base: 249 B2B marketers at companies with 50 or more employees

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

Web sites and email dominate marketing mix

"Which of the following marketing tactics does your marketing organization use?"



17 Entire contents

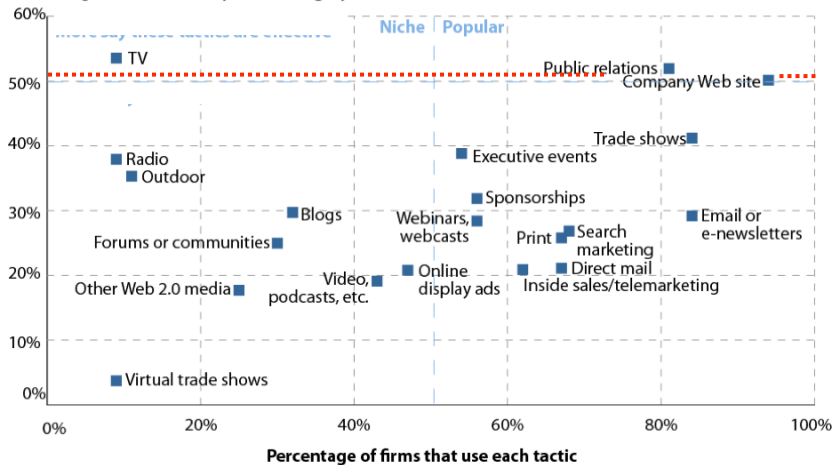
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

MarketingProfs Research FORRESTER

In 2008: PR, TV, and Web delivered branding results

"How effective are the tactics you use at building brand awareness?"

Percentage of firms that say tactic is highly effective



18

Source: Forrester Q1 2009 B2B Marketing Budgets And Tactics Online Survey With MarketingProfs

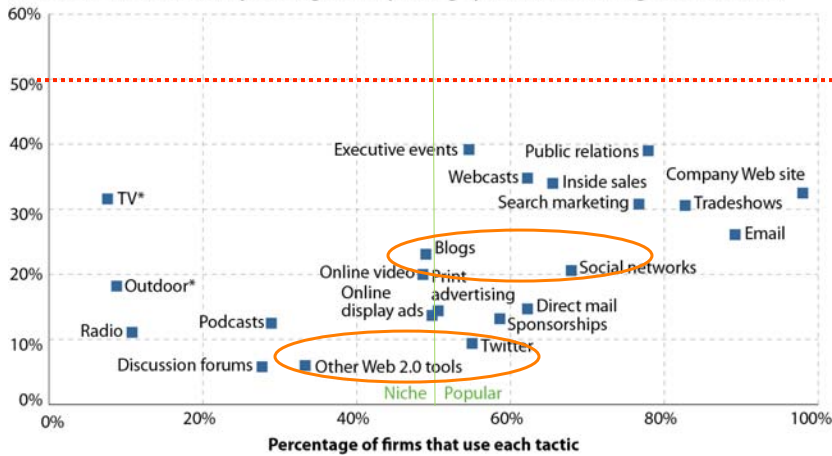
Entire contents © 2010 Forrester Research, Inc. All rights reserved.

MarketingProfs Research FORRESTER

In 2009: marketers said brand building suffered

"How effective are the tactics you use at *building brand awareness*?"

Of firms that use each tactic, percentage that say it is highly effective at building brand awareness



19

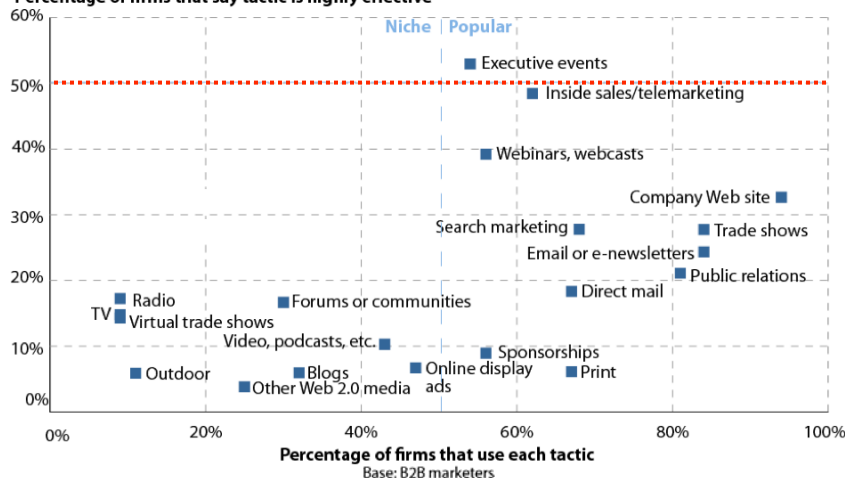
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey
Entire contents © 2010 Forrester Research, Inc. All rights reserved.

MarketingProfs Research FORRESTER

In 2008: Face-to-face events generated leads

"How effective are the tactics you use for *generating leads*?"

Percentage of firms that say tactic is highly effective



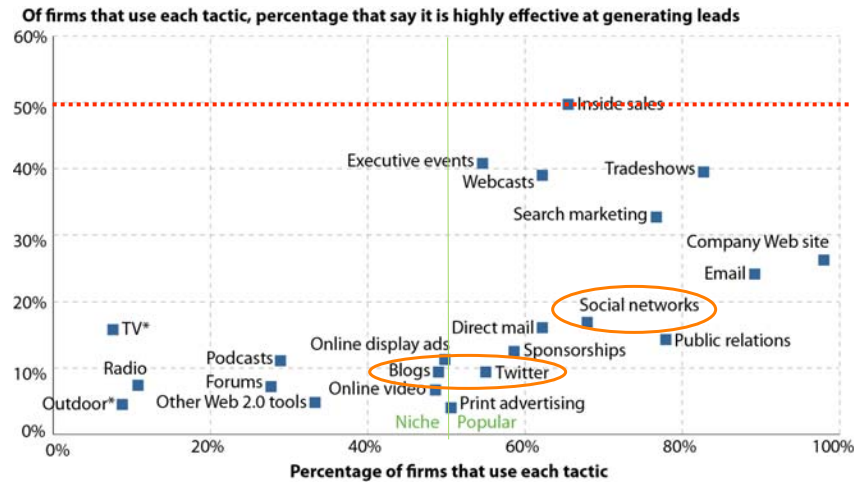
20

Source: Forrester Q1 2009 B2B Marketing Budgets And Tactics Online Survey With MarketingProfs
Entire contents © 2010 Forrester Research, Inc. All rights reserved.

MarketingProfs Research FORRESTER

In 2009: Inside sales continued to lead

“How effective are the tactics you use for *generating leads*?”



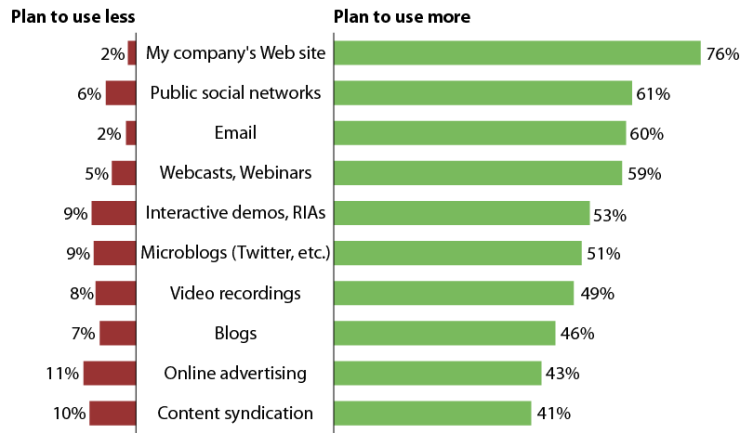
21

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey
Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Marketers focus on Web site and “LinkedIn”

“How do you expect your use of these digital tactics to change in the 2010 mix?”



Base: 241 B2B marketers at companies with 50 or more employees

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

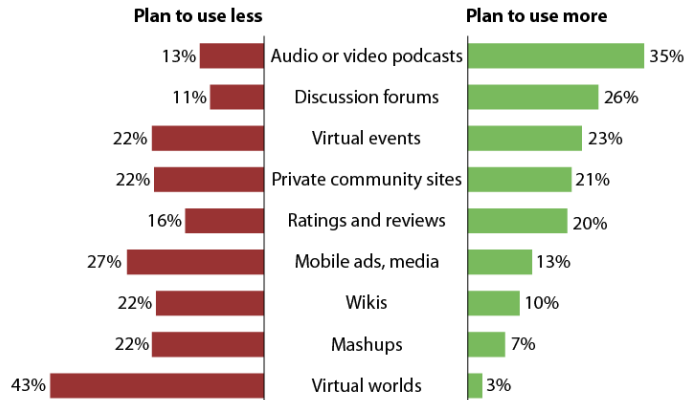
22

Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Virtual worlds and mashups fail to win B2B favor

“How do you expect your use of these digital tactics to change in the 2010 mix?”



Base: 241 B2B marketers at companies with 50 or more employees

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

23 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



What does this mean?

- Marketers must shift strategy from outbound campaigns to inbound dialogue creation.
- Marketing mix must develop, not just generate, demand.
- Integrating physical and digital channels is essential.

24 Entire contents © 2010 Forrester Research, Inc. All rights reserved.

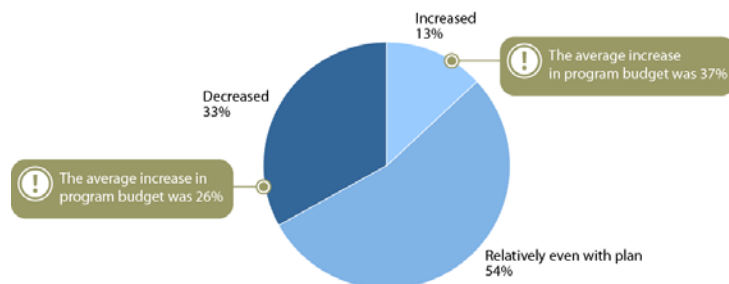


Agenda

- What challenges face B2B marketers in 2010?
- How effective are B2B marketers' tactic and mix choices on branding and demand?
- **How do 2010 program and budget plans compare to 2009 results?**
- What should B2B marketers do to maximize marketing mix effectiveness given the rise of social media?

2009's budget squeeze was not as painful as expected

"How did your *actual* marketing program budgets change in 2009 relative to plan?"

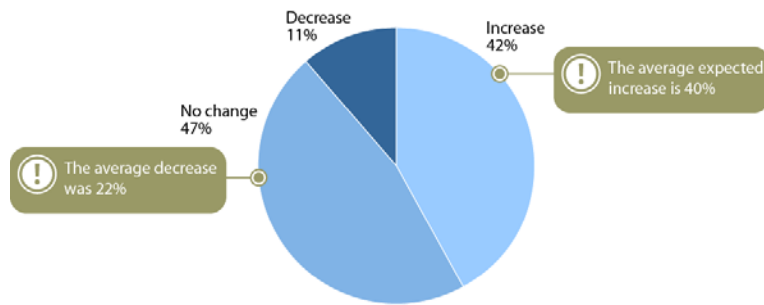


Base: 249 B2B marketers at companies with 50 or more employees

Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

The budget outlook brightens further in 2010

“By how much do you expect your marketing program budget to change for 2010?”



Base: 249 B2B marketers at companies with 50 or more employees

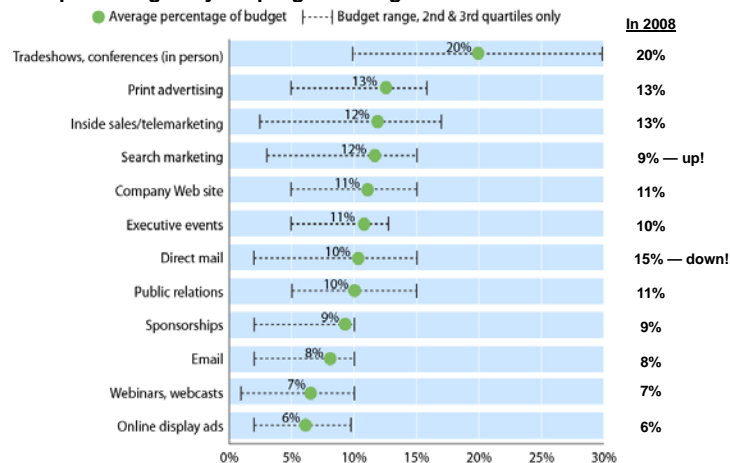
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

27 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Trade shows enjoyed the lion's share of program budget; direct mail lost share in 2009

“What percentage of your program budget is dedicated to each tactic?”



Base: 249 B2B marketers at companies with 50 or more employees

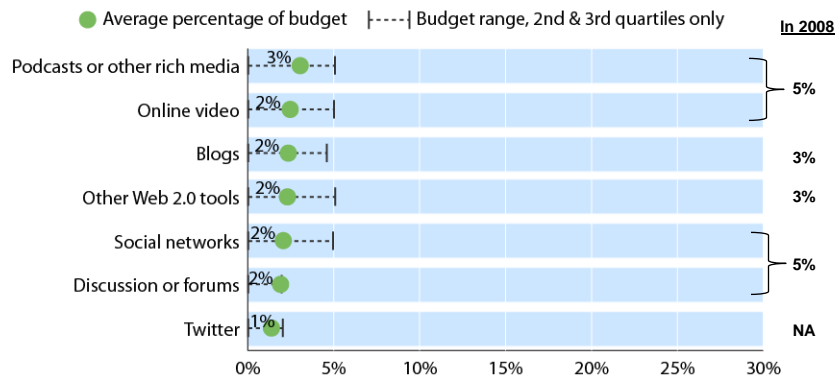
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

28 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Social media garnered little budget, but costs were hidden in 2009

“What percentage of your program budget is dedicated to each tactic?”

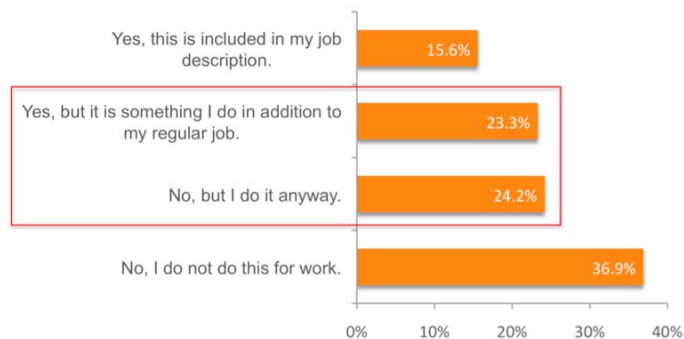


29 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Majority of Social Media Marketers Say Social Media Isn't Part of Their Job Description

Is blogging, posting to sites like Twitter, Facebook, YouTube or LinkedIn, or monitoring buzz for work considered to be part of your job?



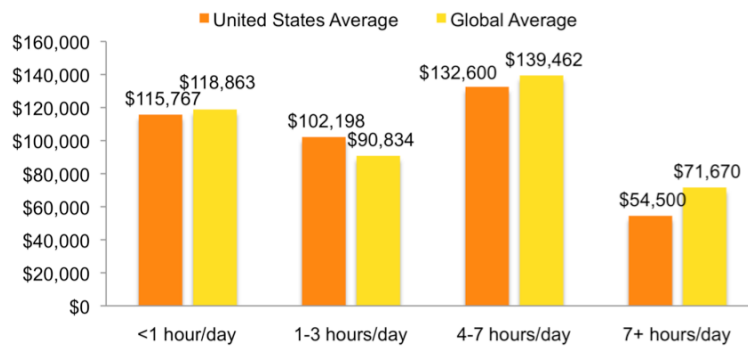
Source: MarketingProfs Fall 2009 Survey
Methodology: Online survey of 5,140 MarketingProfs members
Chart Base: 2,934 marketers

30 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



No Social Media Budget, Yet Yearly Salary of Social Media Marketers Likely to Top Six Figures

Average Yearly Compensation vs. Average Hours Spent Per Day Updating/Posting To Corporate Social Media Profiles



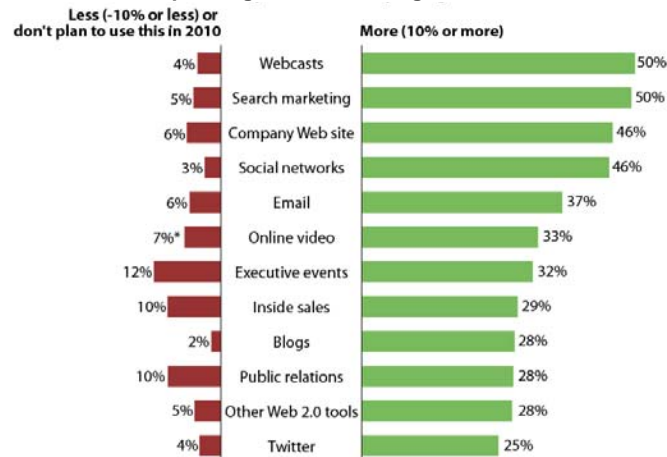
Source: MarketingProfs Fall 2009 Survey
Methodology: Online survey of 5,140 MarketingProfs members
Chart Base: 393 Global, 277 U.S. social media marketers

31 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Digital transformation continues through 2010

“How will 2010 spending on the following differ from 2009?”



*Over 3% of respondents said they don't plan to use in 2010

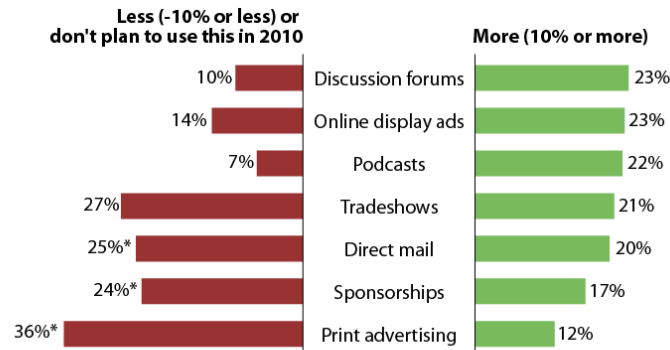
Base: 249 B2B marketers at companies with 50 or more employees who use each tactic
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

32 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Digital transformation continues through 2010 (cont.)

“How will 2010 spending on the following differ from 2009?”



*Over 3% of respondents said they don't plan to use in 2010

Base: 249 B2B marketers at companies with 50 or more employees who use each tactic
Source: Forrester Research and MarketingProfs' Q1 2010 B2B Marketing Budgets And Tactics Online Survey

Agenda

- What challenges face B2B marketers in 2010?
- How effective are B2B marketers' tactic and mix choices on branding and demand?
- How do 2010 program and budget plans compare to 2009 results?
- **What should B2B marketers do to maximize marketing mix effectiveness given the rise of social media?**

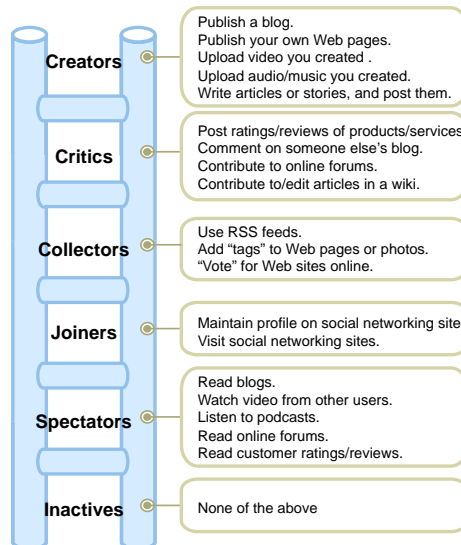
Set marketing mix strategy in four steps

- P** *People*
Learn who buyers are and how they buy.
- O** *Objectives*
Decide what you want to accomplish.
- S** *Strategy*
Plan for how relationships with customers will change.
- T** *Tactics*
Decide which marketing tactics to use.

Match tactic mix to customer social profile

The Social Technographics® ladder

Groups include people participating in at least one of the activities monthly.



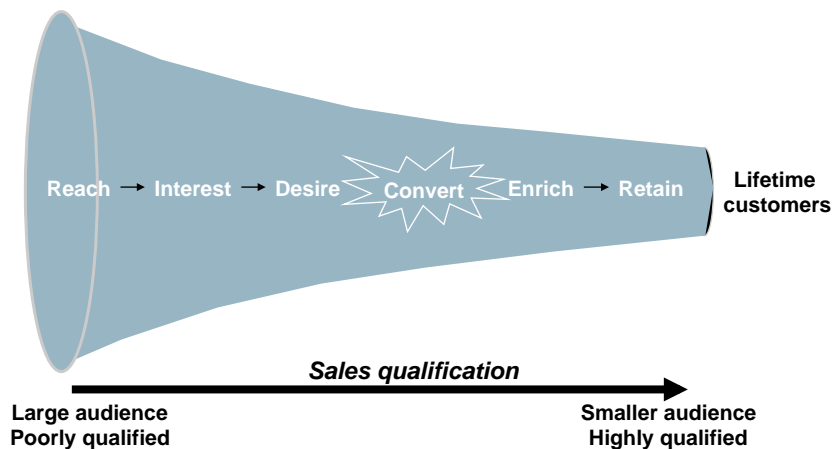
Align tactics with social/business objectives

Social objectives	Functional alignment	Success metrics
Listening	Research	<ul style="list-style-type: none"> Customer insight Improved segmentation Reduced pain, alignment of offering with need
Talking	Marketing, education	<ul style="list-style-type: none"> Changes in reach, impressions, brand awareness Increased share of voice Higher quality of responses to offers
Energizing	Sales	<ul style="list-style-type: none"> Increased velocity of messages in market Increased recommendation, promotion, advocacy Higher trust, brand trust perception
Spreading	Professional services	<ul style="list-style-type: none"> Faster deployments at new customers Existing customers create new business capacity.
Supporting	Customer service, technical support	<ul style="list-style-type: none"> Reduced support costs Higher customer satisfaction Less churn
Embracing	Development, product marketing	<ul style="list-style-type: none"> Delivers products faster to market Increased loyalty, increased advocacy

37 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



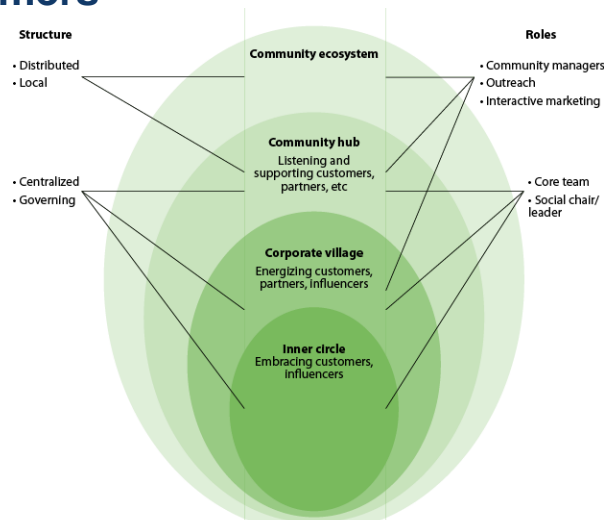
Integrate tactics to move buyers forward



38 Entire contents © 2010 Forrester Research, Inc. All rights reserved.



Market to communities; start with customers



39 Source: February 3, 2010, "Organizing For B2B Tech Community Marketing" Forrester report MarketingProfs Research

FORRESTER

Recommendations

- Focus on programs, not tactics.
- Shift budget to digital, but measure the impact.
- Understand audience and business outcomes to make online tools work.
 - Develop a listening practice.
 - Monitor the impact of social on awareness and pipeline.
- Social media in B2B: where customer reference management converges with community — create social programs with current customers in mind.

40 Entire contents © 2010 Forrester Research, Inc. All rights reserved.

MarketingProfs Research

FORRESTER

Thank you

Peter Burris, Principal Analyst and
Research Director, Forrester's
Technology Marketing Research Team

Tim McAtee, Director of Research,
MarketingProfs

Selected Forrester research

- February 3, 2010, “Organizing For B2B Tech Community Marketing”
- December 9, 2009, “Deepen B2B Tech Customer Engagement With Community Marketing”
- April 24, 2009, “B2B Marketers’ 2009 Budget Trends”
- April 24, 2009, “The Down Economy Pushes B2B Digital Tactics Ahead”
- February 19, 2009, “Community Marketing Boosts B2B Marketing’s Value During Tough Economic Times”
- January 26, 2009, “Tell Your B2B Marketing Story With Online Video”

Selected Forrester research (cont.)

- December 23, 2008, “Predictions 2009: Economic Trends Will Set The Tone For Technology Marketers”
- October 21, 2008, “Making Social Media Work In B2B Marketing”
- August 25, 2008, “How To Make B2B Webinars Deliver Better Leads”
- May 7, 2008, “B2B Marketers Fail The Community Marketing Test”
- December 12, 2007, “B2B Marketers’ 2008 Budget Trends”
- August 2, 2006, “B2B Marketing Needs A Makeover — Now”