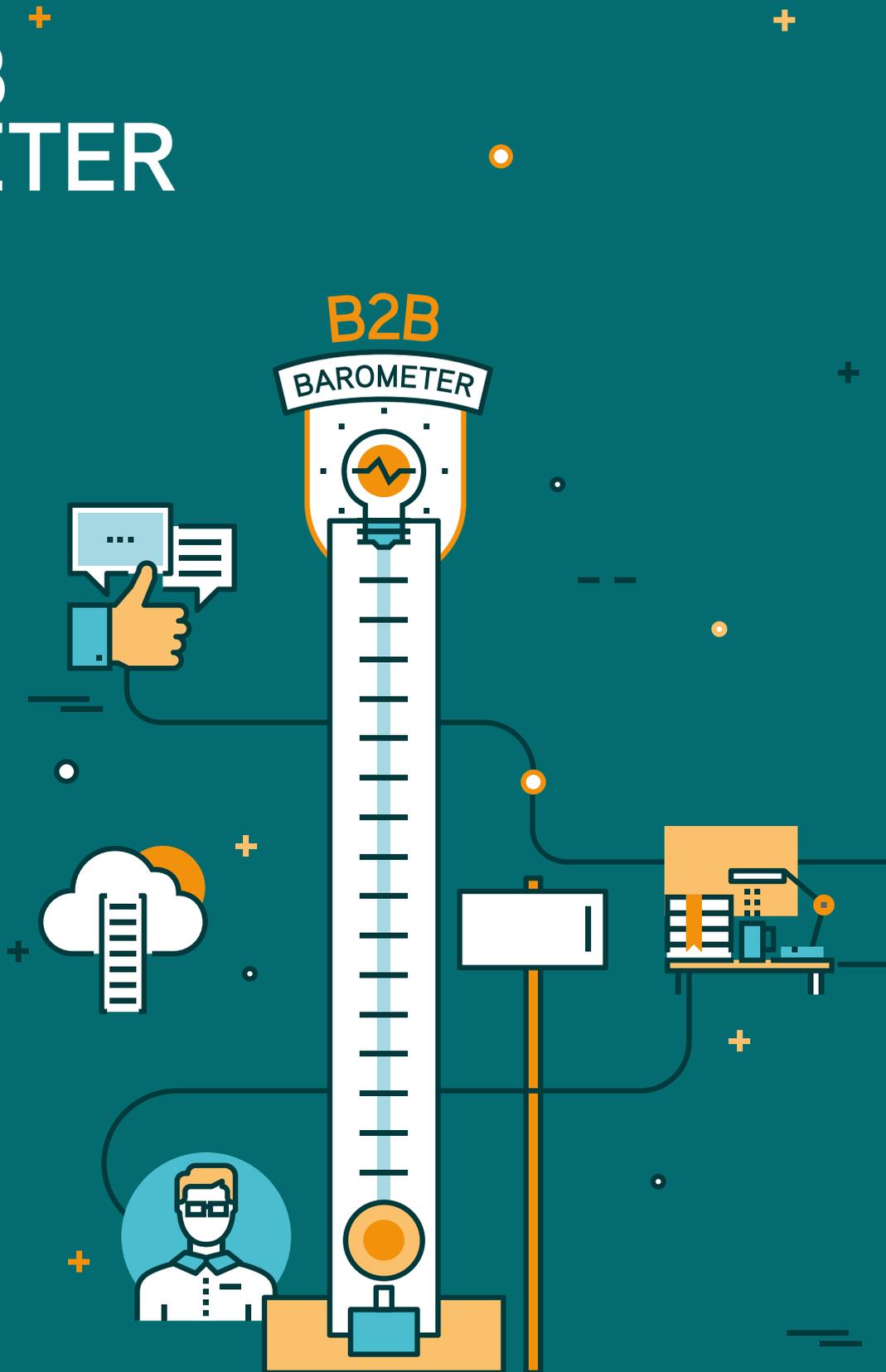


# THE B2B BAROMETER REPORT 2015



# 1. INTRODUCTION

The B2B Barometer is an annual state-of-the-nation study which explores the world of B2B marketing.

**It identifies:**

- + Key trends
- + Movements in marketing budgets
- + Channel use and effectiveness
- + Internal perceptions of marketing
- + Job satisfaction and challenges

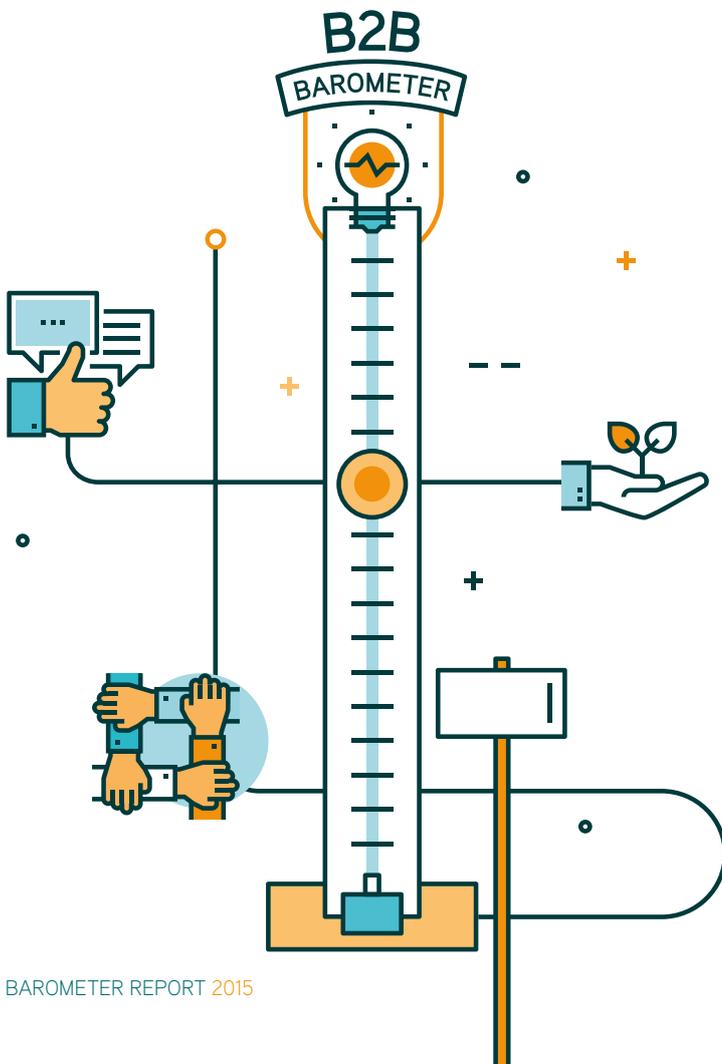
To provide a view on these topics we surveyed 69 client-side B2B marketers and 48 marketing agency employees – a total of 117 responses. These individuals all have either responsibility over marketing budgets in client-side organisations or lead client accounts in marketing agencies.

This report explores their point of view and in doing so provides a perspective from B2B marketers on the front line. It makes interesting reading:

- + Many trends exist in the B2B Marketing space, but all have different levels of relevance, uptake and potential for the future. Content and buyer personas, for example, are barely trends at all any more as they've become accepted as 'business as usual'. In contrast, Big Data, mobile and changing buyer behaviour are set to become the 'next big things' with the former two in particular being areas of focus for marketers as they claim to be underprepared for them going forwards
- + Growth is a key objective for both marketers and agencies, but each has different priorities to enable it and barriers that might hamper it. Whereas marketers are focused on building a strong brand and producing interesting content, for agencies it's all about their people, with staffing being both the number one objective and the number one challenge
- + The life of a client-side marketer is a tough one – particularly in comparison to agencies. Agencies claim to have much higher job satisfaction, spurred by stronger support networks, better growth expectations, not having to compete with a sales department and a much more meeting-light existence. The key issue that hampers marketers though is the difficulty of getting buy-in from internal stakeholders. They are often frustrated by senior colleagues who don't share their vision and who are entrenched into doing things 'as they have always been done'. These struggles put a dampener on the great things about working in B2B marketing – the diversity of work, the ability to make a real difference and the great people
- + Marketers are working with a number of agencies and spend on them is set to increase over the next 12 months. Encouraging a good relationship between the two groups then will be key for the industry going forward. So what do marketers and agencies say is the key to a good relationship? It's exactly the same as what research shows makes a strong personal relationship – transparency, honesty and understanding

We hope you enjoy the full report and continue the conversation:

- + [@circle\\_research](#)
- + [@BMC\\_forB2B](#)
- + [@marketingB2B](#)
- + [@theIDM](#)



## 2. TRENDS: WHAT'S HOT AND WHAT'S NOT?

Mobile, Big Data, social, content, automation... the list goes on.

In recent years the pace of change in B2B marketing has accelerated and it sometimes feels as though keeping up is close to impossible. However, there's a lot of noise out there. Many of these trends are real enough, but they're still a long way from maturity or may only be relevant to a sub-segment of marketers. And others – well, as we'll see, they're not really trends at all.

To explore what's really hot and what's not, we presented marketers with 10 trends which have been lauded by various commentators as the future of B2B marketing. With each we asked them to rate the extent to which they see it as relevant to them right now and, if not relevant at the moment, whether they see it as 'the next big thing' for the future. This reveals an interesting picture.

It seems that content marketing and the use of buyer personas can no longer really be described as trends. Rather they're now firmly embedded as standard practice for many with 71% and 61% of marketers respectively reporting that they're highly relevant to their activities right now.

If we want to prepare for the next wave of change, our attention should turn to three other areas – shifts in buyer behaviour, Big Data and mobile. Only a minority (albeit a large minority in the case of buyer behaviour and Big Data) see, these trends as relevant to them right now, but when asked to name the 'next big thing' these three top the list for many. So we should be prepared for an explosion of activity over the coming months, but it seems as though many are not. Although the majority of marketers (60%) feel prepared to adapt to changes in buying behaviour, only two-fifths say the same about mobile (39%) and Big Data (43%).

This analysis also reveals some trends which either haven't built up a head of steam yet, or alternatively might be running out of puff.

Only 38% feel that social media is highly relevant to them right now and just 17% feel it's the 'next big thing'. A similar pattern emerges for emotion-based marketing. This means that despite the column inches dedicated to these topics, around one-half of B2B marketers still aren't fully convinced of the value

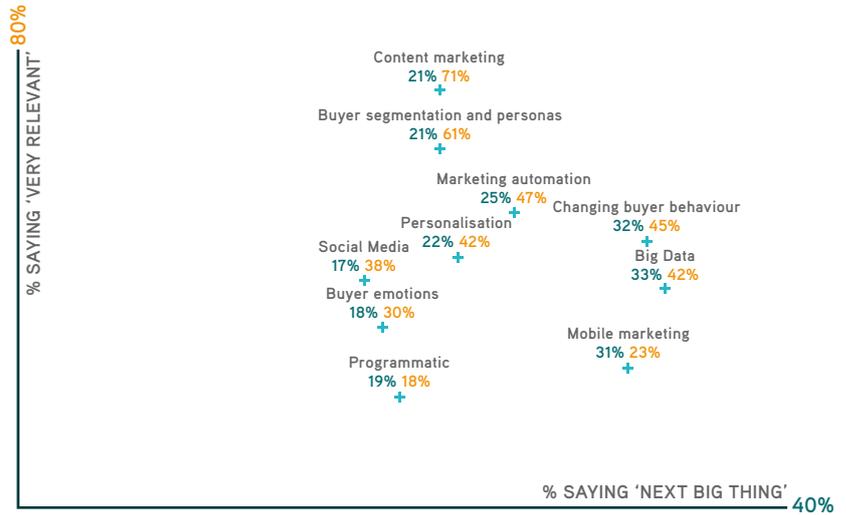
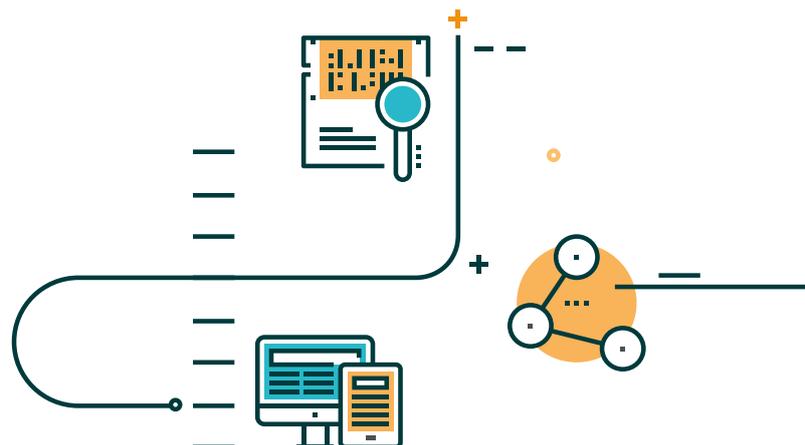


Figure 1: Trends considered relevant v those expected to be the 'next big thing'

to them personally. That's not to say that they see these trends as completely irrelevant though. For example, whilst only 38% describe social media as highly relevant to them, 41% see some, but limited, relevance. This suggests that whilst most will dabble in social media and emotion-based marketing, only half will do it with gusto.

Likewise, despite it being a multi-billion-dollar industry, the majority of B2B marketers don't feel that programmatic advertising holds much potential for them personally. Just 19% see it as highly relevant to them now and 18% feel it's the 'next big thing' – a total of 37%. Furthermore, unlike social media and emotion-based marketing, many of the remainder simply don't see any implications in programmatic for them at all, with 64% describing it as irrelevant.



# 3. STRATEGY: GOALS, CHANNELS AND CHALLENGES

## GOALS

Let's not forget that many of these trends are simply tools marketers can use to achieve a bigger goal – growth. When asked to name their key marketing objectives for the next 12 months, increasing revenue through customer acquisition most often tops the marketer's list.

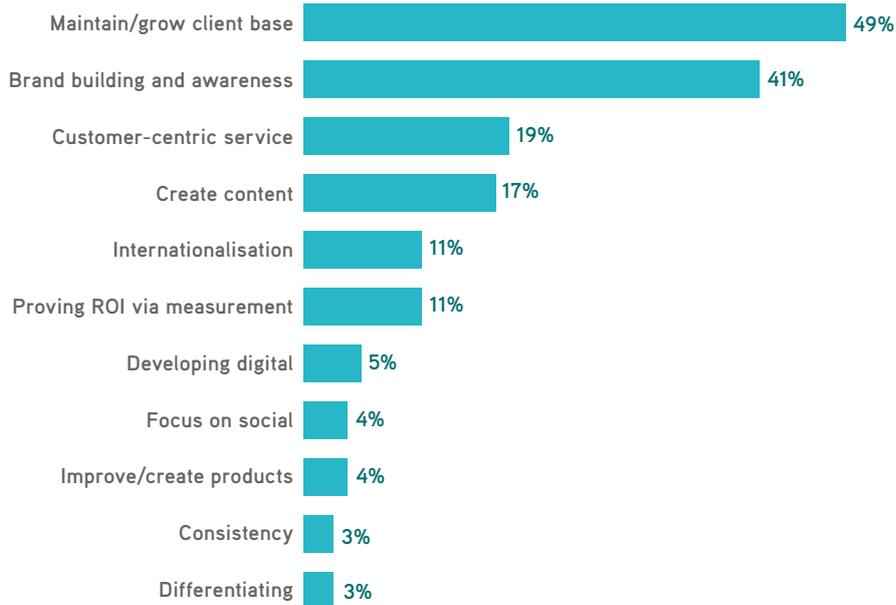


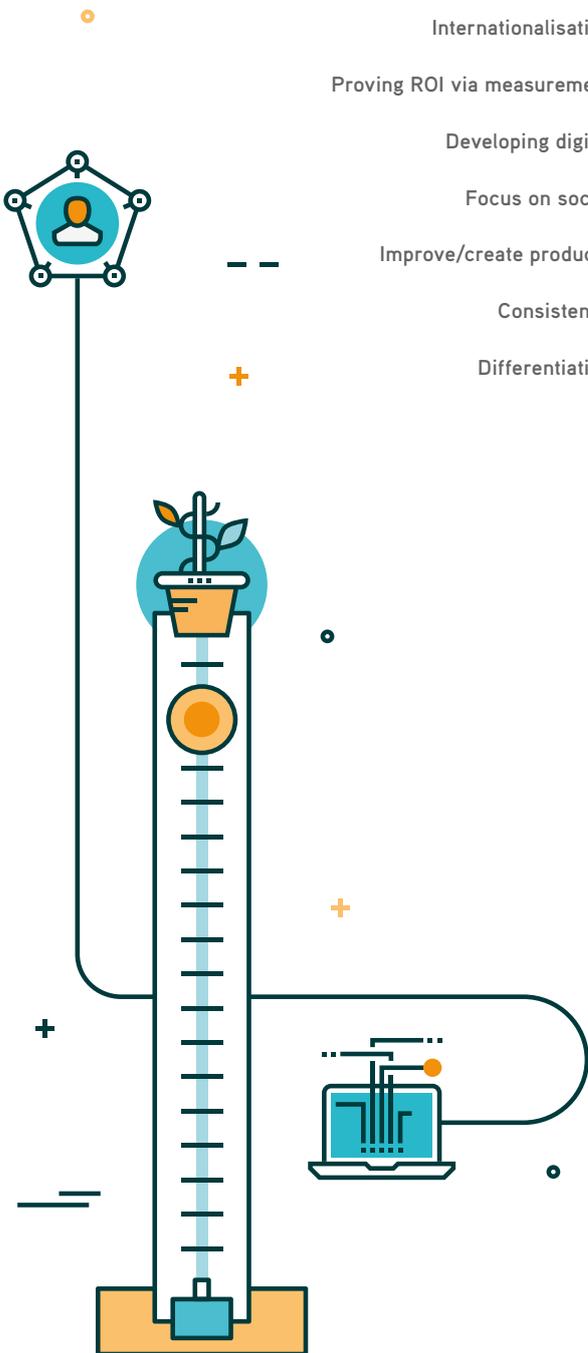
Figure 2: Marketer's objectives

The other objectives commonly held by marketers also feed into this core goal of growth.

41% of marketers are focused on building their brand and, perhaps unsurprisingly given that content marketing is now the norm, almost a fifth (17%) report that creating content is a key objective for the next year.

So to a large degree, the road forward for marketers is lit by exposure – getting themselves out there and building a strong brand that potential customers can identify with (with content often being the basis of doing so).

Acquisition is only part of the story though. Marketers realise that they also need to protect the installed customer base as any losses here will cancel out gains made through the acquisition of new customers. As such, one-fifth (19%) of marketers cite 'customer-centric service' as a key objective.



## CHANNELS

Marketers are turning to a variety of channels to raise their brand profile and distribute this content. The average B2B marketer makes use of nine channels with seven of these being used by about three-quarters or more:

- + Email marketing (95% use)
- + Third-party events (81%)
- + Brand-specific events (78%)
- + Unpaid social media (79%)
- + PR (76%)
- + Direct sales (72%)
- + SEO (72%)

## BUT DOES IT WORK?

Well, it seems that two channels have a particularly solid track record of success. Almost all (97%) of those using direct sales report that is effective and a similar number (89%) say the same of brand-specific events. Four further activities could be said to be almost but not quite as effective – email (78%), telemarketing (76%), SEO (76%) and third-party events (73%).

With other channels the experience is more mixed. The majority report that PPC (68%), PR (66%), direct mail (63%) and digital advertising (61%) are effective, but a sizeable number (around one-third in each case) disagree.

And with three other channels the ROI seems to be questionable. Only one-half (50%) feel that unpaid social media has been effective for them, with this falling further for paid social media (37%) and print advertising (23%). This would perhaps explain why, as we saw earlier, social media is losing steam.

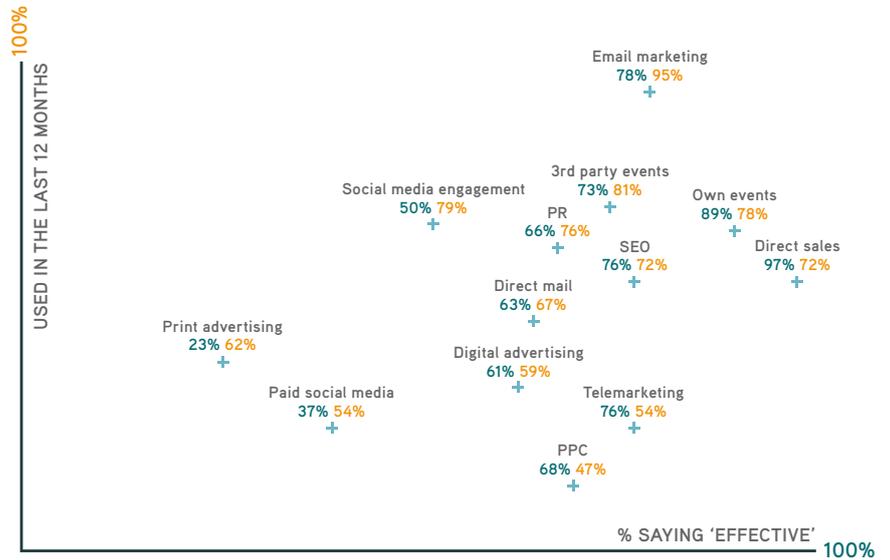
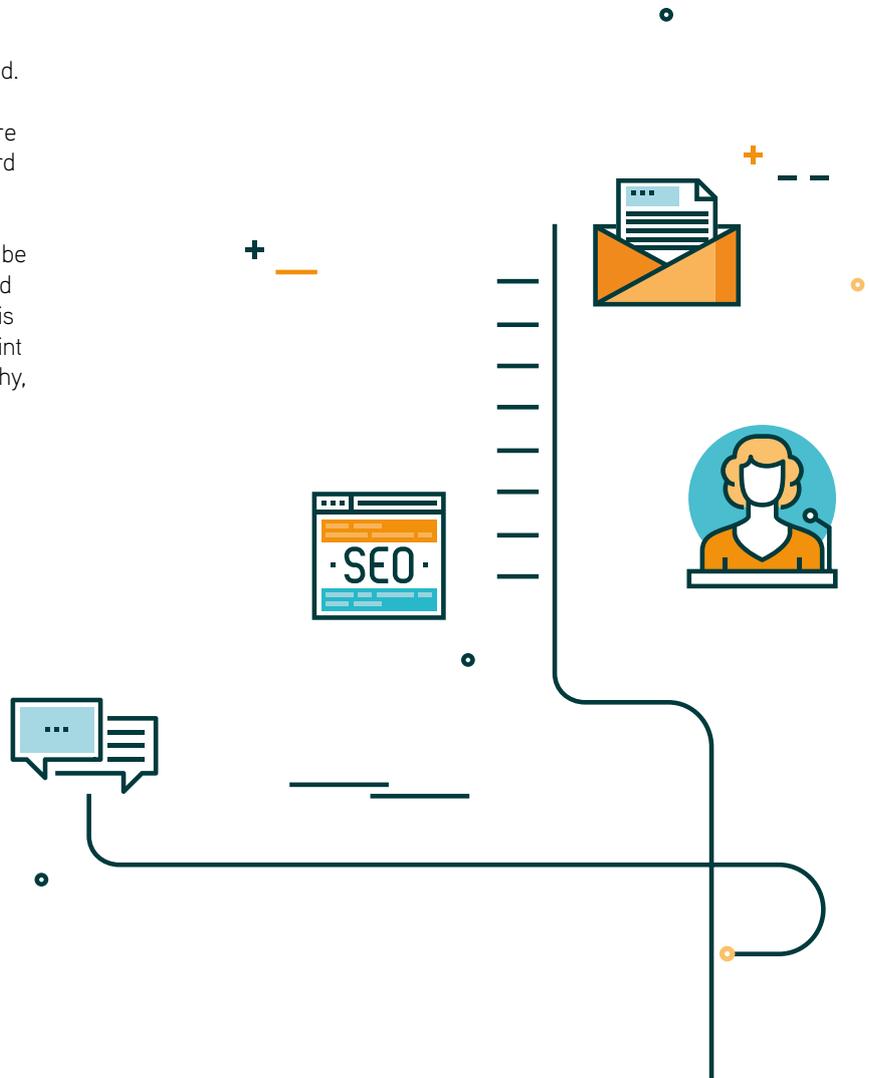


Figure 3: Usage of channels crossed by effectiveness



## CHALLENGES

Even if they pick the right channels, marketers face a number of other challenges in reaching their goals.

One-half (52%) report that they expect to increase their marketing spend over the next 12 months, with most of the remainder (36%) expecting spend to remain at current levels. However, despite this generally positive financial situation, budgets and staffing (which are of course linked) still remain the biggest challenges for marketers. Budgets may be going up, or at least not going down, but marketing still appears to be under-funded.

There are other challenges alongside this. Gaining internal buy-in, which often manifests itself as a lack of senior management enthusiasm and a fear from those established in the company of trying new things (more on this later), is a struggle for many. Then there is that trend that we saw earlier, 'data and automation'. This is another reminder of how important data is going to be, in that marketers see getting to grips with it as a key challenge to achieving their overall objectives.

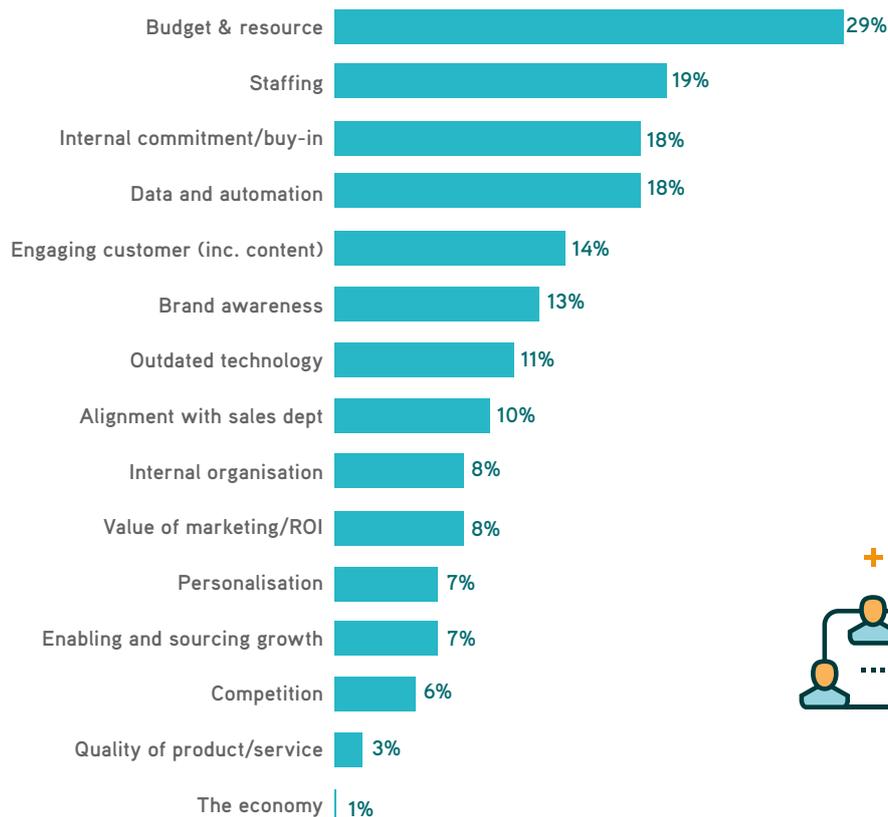
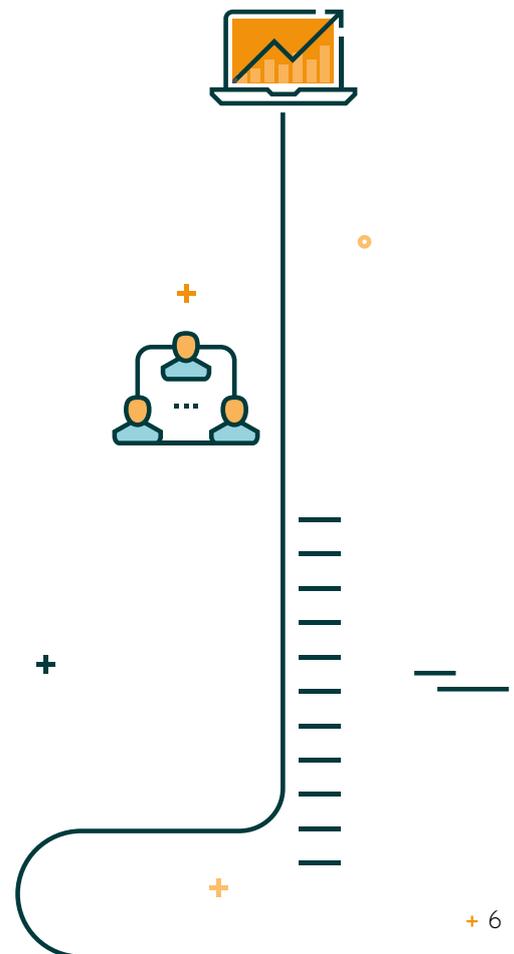


Figure 4: Marketer's challenges



## THE AGENCY VIEW

What of agencies and their challenges?

Well, agencies also want to grow and they're confident in their ability to do so. Almost all report that they expect to see revenue growth over the coming 12 months, with 69% expecting that growth to be significant. That view seems to be a bit too optimistic though. Although around one-half (46%) of marketers (i.e. agencies' clients) expect to spend more with agencies in the next year, only 7% expect to spend significantly more.

Winning the business is one thing, but servicing it is another. Next to growth, agencies often report that staffing – retaining and hiring talent – is a key objective for the next year. Indeed, three quarters of agencies (77%) say that they are looking to grow their numbers, with a quarter (23%) expecting that they will do so significantly.

Interestingly 'staffing' also tops the list when agencies are asked about their challenges. It seems that people are not only a key goal for agencies, but also their biggest pain point. The challenge agencies have with people is two-fold.

First, certain roles are in high demand and hard to find – there is a perfect correlation between the roles that agencies want to hire for and the areas that they find it most difficult to hire good talent.

Second, agencies have set the bar for new recruits high. They want staff who not only have the right skills and experience, but also bring intelligence, ambition and a personality which fits the culture of the team. Quite right too – after all, an agency's 'product' is their people so they should insist on the best even if that does make recruitment challenging.

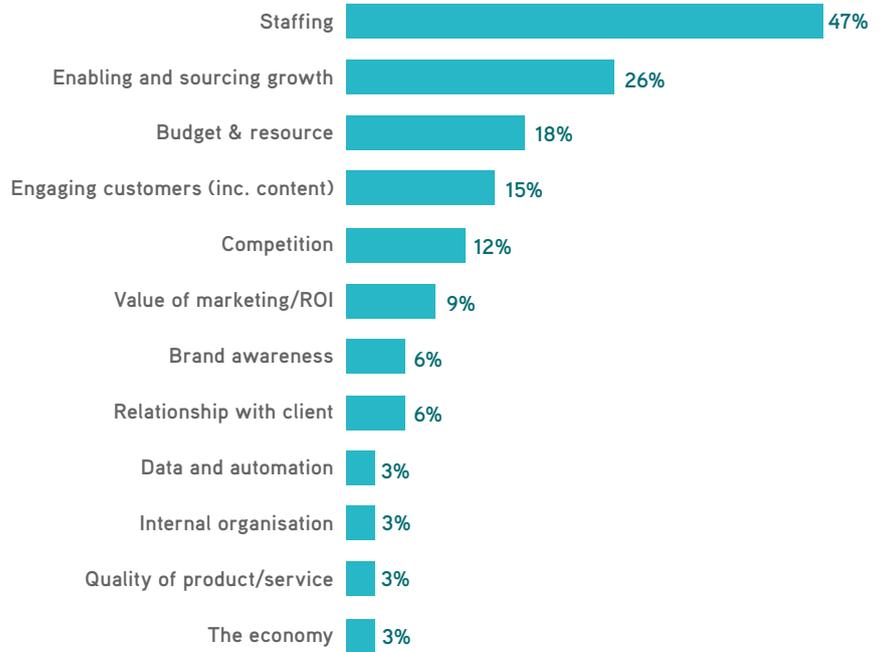


Figure 5: Agency challenges

| AREAS EXPECTED TO GROW             |     | RANK | HARD AREA TO RECRUIT               |     |
|------------------------------------|-----|------|------------------------------------|-----|
| Client services                    | 56% | 1    | Client services                    | 51% |
| Digital                            | 56% | 2    | Digital                            | 28% |
| Creative                           | 56% | 3    | Creative                           | 23% |
| Research, planning and strategy    | 41% | 4    | Research, planning and strategy    | 23% |
| Business development and marketing | 36% | 5    | Business development and marketing | 23% |
| Telesales and lead generation      | 10% | 6    | Telesales and lead generation      | 13% |



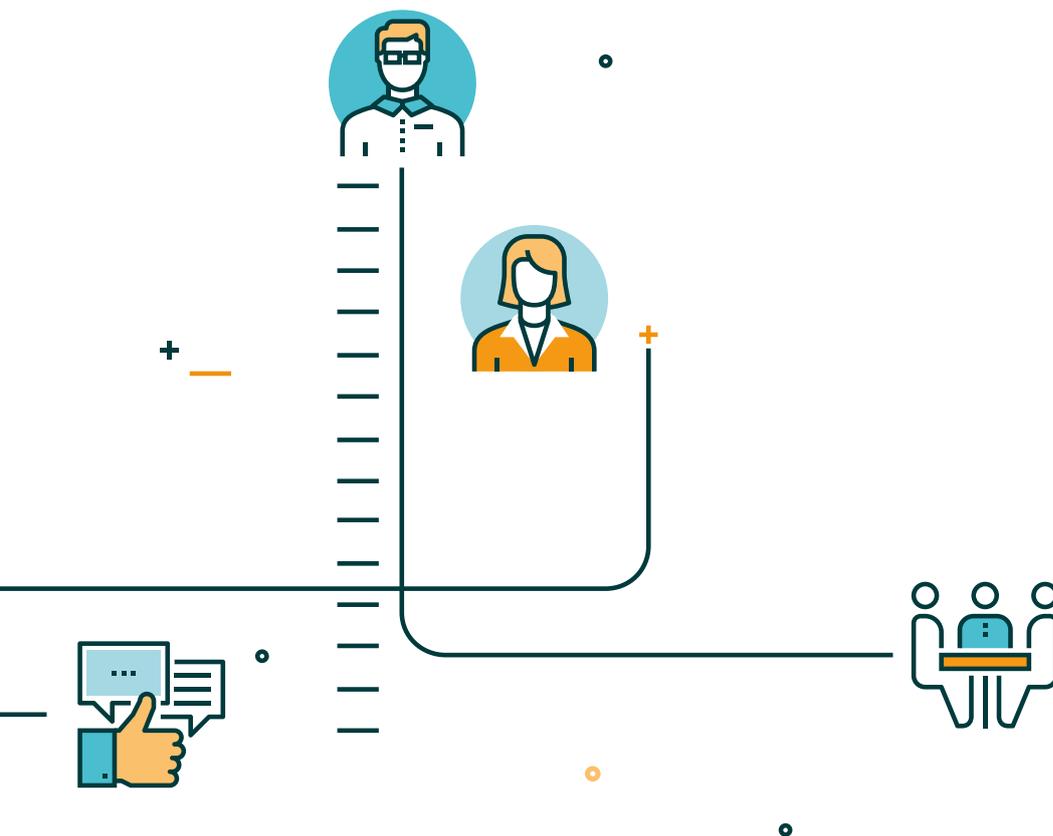
## 4. JOB SATISFACTION

So for marketers and agencies alike, it's all about growth and overcoming the barriers to that. Life's not all about money though, so let's sit our marketers and their agencies down on the psychiatrist's couch to ask them the all-encompassing question – how do you feel?

If you don't have long, the short answer is that it depends on where you work!

It seems that agency life trumps the world of the client-side marketer. When asked to rate their job satisfaction on a scale of 1-10, those working in an agency environment give an average rating of 8.4. Client-side marketers rated their satisfaction at just 6.8 on average.

Perhaps part of the source of agencies' comparative bliss is that they have more people around them to offer help. Only a third say their support network is 'pretty weak' (35%) whereas half of marketers do (51%). Or perhaps it's simply that they have more time to be getting on with their work. Agency employees are subject to frequent meetings – 13% say this is where they spend more than half their time – but this is nothing compared to client-side marketers where nearly a third (29%) say they spend more than half of their time in meetings. With the average salary of a marketing manager sitting at £44,000 this suggests that a third of companies are spending £22,000 per marketer just to have them in meetings. Time and money well spent? It appears not. When asked what the biggest waste of time was in their job, client-side marketers put 'meetings' at the top of their list.



## THE INTERNAL VIEW OF MARKETING

For now then, let's allow agency employees to skip merrily on their way and explore the marketer's gloom in more depth. Using a 10-point scale (10 being the utmost respect) we asked marketers to rate the level of respect they felt their colleagues outside of marketing had for both marketing as a concept and the marketing team itself. On both counts marketers feel under-appreciated giving an average score of just 6.6 for 'respect for marketing as a concept' and 6.7 for 'respect for the marketing team'.

Contrast this with the sales function. Marketing is a more intangible benefit to the business and many marketers feel frustratingly overlooked when revenue shoots up. Only 58% say that marketing and sales are well aligned, 33% don't think the sales team value the marketing team and a full 77% of marketers think that sales is more influential than marketing in their business. Amongst those who have low job satisfaction, 90% think that sales is more influential than marketing. This doesn't prove causation of course, but it speaks volumes that 9 out of 10 of unhappy marketers think that sales gets all the glory.

This could be in part because the marketing function is not always represented at Board level. Although half of B2B companies have a marketing representative on the Board, half do not. In the latter case this means that there's no one there to fight marketing's corner and communicate the commercial value of its activities.



It's not just sales though. A constant theme is the misalignment of marketing with other departments and the lack of understanding or appreciation of its role in the business. When asked about the personal challenges they face in their job, 28% mention marketing being misunderstood or underappreciated and 27% mentioned misalignment with other areas of the company – often with senior managers who want to stick to 'business as usual' and hamper the creativity of marketers. It's a problem that is widespread and that marketers are clearly passionate about. We'll let them explain themselves:



- + "The lack of marketing representation at board level is a massive factor and causes us an uphill struggle constantly for further investment and improvement to the team"
- + "Shifting the mentality that marketing is not a brochure-maker but instead can be a strategic partner. Across industries and jobs, that old mentality of what marketing used to be 15–20 years ago has persisted"
- + "I think a lot of people don't understand marketing and the importance of building effective go-to-market strategies... we find it even more difficult to convince the board to spend money on agencies as they believe we should be able to do everything in-house"
- + "Getting buy-in from higher level management – proving the ROI on work that we do. Other people in the organisation thinking they can do marketing and too many people being allowed to have their say on our projects"
- + "Lifting the role of marketing in the organisation. Convincing everyone from the board downwards, that without strong marketing the company will never move beyond where it is now"
- + "The vast majority of the business still sees marketing as event organisers and party planners, as something that is done 'to' the business instead of 'with' the business"
- + "A big deal closes and the email goes out like an Oscar's speech thanking everyone - marketing never gets a mention for initiating the lead in the first place"

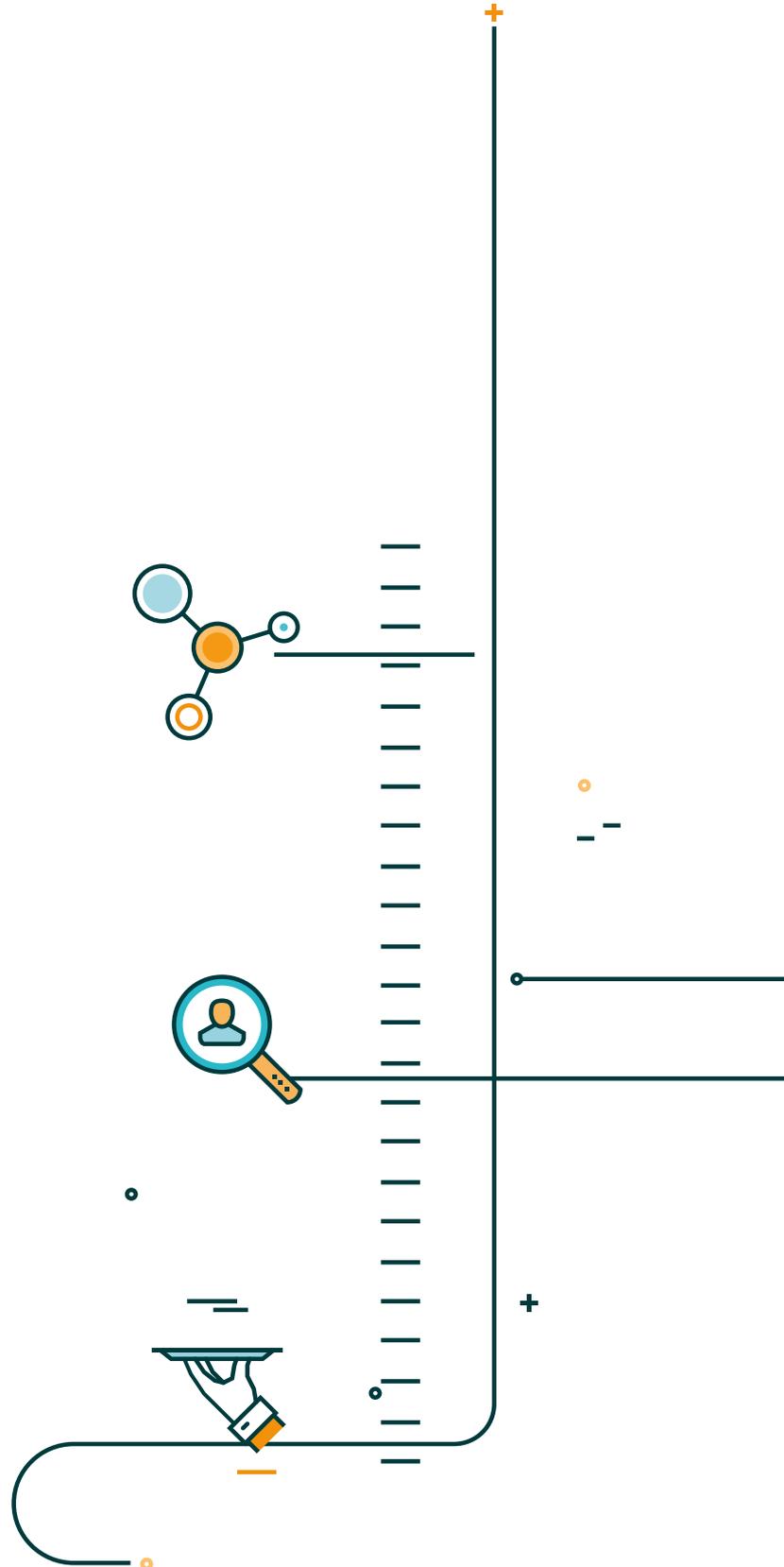
## LOOKING ON THE BRIGHT SIDE

Thus far, our psychiatric report reads as follows: agencies are happier than marketers, for which there could be many reasons including stronger networks, fewer meetings and not having to compete with the sales department or struggle to gain appreciation and creative control. There is a silver lining for marketers though – they tell us that they’re working fewer hours per week than agency employees. The average marketer puts in 45 hours per week which is 2 hours less than the average agency employee.

Let’s put this comparison to one side for now and look at a slightly brighter theme. What is it that those in the marketing industry love about their job? Three predominant areas leap out.

- + **The diversity of work:** “The best thing about working as a B2B marketer in a small team is that every day is completely different, we are doing almost every aspect of marketing. We can make our own decisions on strategy and directly influence the future direction of the organisation, which for me is really exciting!”
- + **The people (both colleagues and clients):** “The people I work with. I’m surrounded by passionate people who take immense pride in delivering a good result for our clients, and we’re rewarded well for a job well done”
- + **Making a difference:** “The ability to make a difference to our customers and markets”

So, it may not always be plain sailing, but B2B marketing can be an exciting place to work. Now, if only we can demonstrate the value-add to colleagues internally...



# 5. THE CLIENT-AGENCY RELATIONSHIP

## AGENCY USE

In order for the marketing industry to be working to its full potential, client-side marketers and agencies need to be meshing together effectively.

Marketers work with a wide range of agencies – 3.5 on average in the past 12 months – and this is likely to increase too with a net 30% of client-side marketers planning to use agency partners more in the next 12 months.

A few types of agency consume the lion's share of the marketer's agency budget. PR agencies are not only the most widely used agency type, but also a regular feature in the marketer's 'top three' by agency spend. Events, branding, advertising and full-service agencies are used much less often, but marketers spend big on them when they do use them.

In the middle are digital, telemarketing, design and market research agencies. These agencies are used relatively often and when used take up a moderate percentage of spend, but are not at the top of either scale.

At the bottom are media buying agencies and social media agencies which are not used very regularly, and even when they are used spend is relatively low.

## WORKING TOGETHER

With agencies and marketers working so closely together in a wide variety of areas, and with this set to increase, it is paramount that they get on. Co-operation is key!

Research in 2014 by E.ON found that 'trust' and 'honesty' were key factors in maintaining a strong relationship with a friend or partner. Marketers and agencies in that sense are like old married couples as when we asked what the secret to a good client-agency relationship was, 'transparency', 'honesty' and 'understanding' were considered vital by both groups.

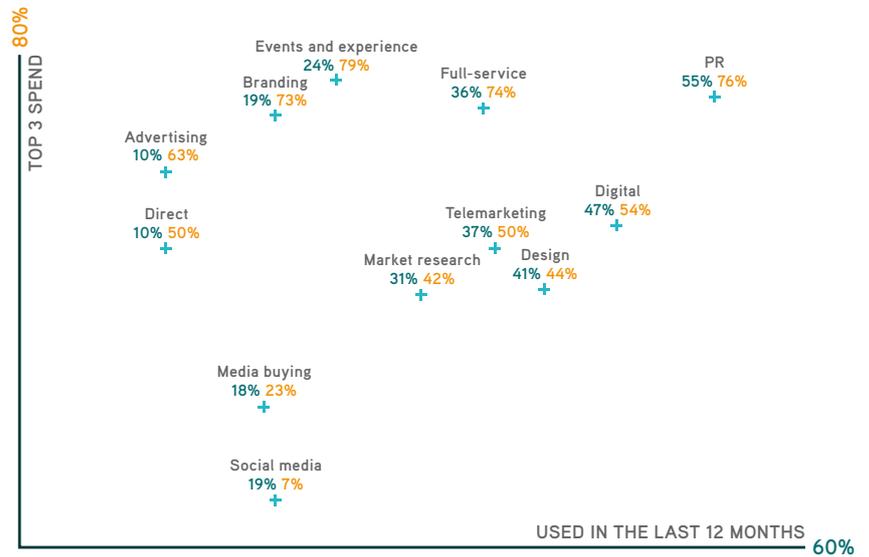


Figure 6: Usage of channels crossed with level of spend on each

There are some things that are more important to each group however. 29% of marketers think that 'communication and listening' are critical to a strong client-agency relationship and 22% mention 'agreed objectives and targets'. In agencies it's much more about results, with 26% saying that 'delivering good work' and 'adding value' is what keeps the relationship sweet.

So, as in any relationship there will inevitably always be ups and down between clients and agencies. Sometimes it may feel like the apparent harmony of Ant and Dec and at others it may turn a bit more Basil and Sybil Fawlty, but as long as they're open, honest, work hard to understand each other and keep on talking, the future should look more Geordie than Torquay.

