

# Metrics That Matter For B2B Marketers

## Performance Management: The B2B Marketing Playbook

by Laura Ramos

June 22, 2016

### Why Read This Report

B2B marketers must do more than measure activities like click-through rates and event attendees; they need to show how their activity directly affects business results. This report shows marketers how to provide insight on the things that matter most to their executive peers and the board — growth in revenue, profit, and customers. While marketers need to capture a wide range of metrics, this report focuses on measuring marketing's contribution to revenue as a function of customer acquisition and installed base growth.

This is an update of a previously published report. Forrester reviews and updates it periodically for continued relevance and accuracy; we revised this edition to factor in new ideas and data.

### Key Takeaways

#### **B2B Marketers Focus On Measuring Program Outputs, Not Business Outcomes**

Lacking the skills to manage messy corporate data and glean important insights from it, B2B marketers measure what is convenient and easy and track and favor quantity over quality. However, marketers who fail to align marketing activity with business results will continue to struggle to gain credibility and retain budgets.

#### **Metrics Must Connect Marketing To Revenue, Profit, And Customer Growth**

Marketers gain respect and avoid being viewed as a cost center when they can quantify how they drive sustainable business development. B2B CMOs must be able to use performance management to answer key questions that the CEO and CFO pose about marketing's impact on revenue, profit, and customer growth.

#### **Manage Marketing Performance Across The Customer Life Cycle**

Rapid technology and competitive changes, coupled with global service-oriented economies, put marketing in charge of the buying cycle. B2B marketers must calibrate internally focused customer engagement processes to the buyer's purchase journey — not vice versa — while extending performance measurement to post-sale activity.

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## Performance Management: The B2B Marketing Playbook



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Forrester interviewed 15 vendor and user companies, including Acxiom, Adobe, B2B Fusion, Elsevier, Experian Marketing Services, HubSpot, Lenskold, Marketo, MarketShare, Navicure, Oracle/Eloqua, Saepio, SAP, VisionEdge Marketing, and Visual IQ.

### Related Research Documents

[B2B Marketing's Big Data Destiny](#)

[Brief: Redesign B2B Dashboards Around Customers To Deliver Actionable Insights](#)

[Winning In The Age Of The Customer](#)

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## B2B Marketing Execs Struggle To Measure Marketing's Impact

As marketing budgets and spending return to pre-recession levels, B2B marketers feel increasing pressure to justify their activities and results. In our 2016 budget survey, 56% revealed that attributing program spending to revenue results is their top challenge — up from 45% in 2015.<sup>1</sup> When B2B marketing executives can't definitively quantify what their company gets in exchange for the budget dollars spent on in-person events, sponsorships, advertising, and sales support, CFOs see marketing as a cost center, sales execs see marketing as a resource diversion, and CEOs don't consider marketing a strategic part of the management team. Marketing execs might have great motivation, but several factors make measuring marketing's impact a constant struggle:

- › **Marketers face a deluge of data.** The number of channels that B2B marketers use to reach and collect information about customers has grown rapidly in the past decade. Our most recent budget survey respondents report using an average of 9.4 tactics out of the 17 on which we quizzed them.<sup>2</sup> Channel-centric marketing tools generate unique sets of metrics that are difficult to integrate into a cohesive view of customer information and engagement. The tons of social, mobile, and digital data that buyers throw off as they investigate purchase options only increase the scale of the problem.<sup>3</sup>
- › **Messy internal data is difficult to manage.** To make matters worse, mergers, acquisitions, and technology investments have turned the systems used to collect and analyze the resulting data into a hodgepodge of disconnected tools. This makes it a huge challenge to collect, aggregate, and house data, while raising questions and concerns about the reliability and validity of that data. Without the services of a B2B data management specialist, like QuickPivot or Infogroup, the process of merging, deduplicating, standardizing, and augmenting data spins out of control and can cost a large enterprise hundreds of thousands of dollars to get it back on track.<sup>4</sup>
- › **Many marketing teams remain deficient in analytical skills.** Analytics is not a historical skill set of B2B marketing departments. Many marketers lack an analytics background, especially those who rose through the ranks of marketing communications and branding. In research we conducted on how marketers manage performance, we found only 10% of respondents felt that their marketing teams were effective at using data analytics to make decisions.<sup>5</sup>
- › **The role of marketing continues to change.** Long sales cycles in which buyers take nonlinear paths to explore solutions and need to engage multiple decision-makers further complicate how marketing must attract and engage buyers. "Every organization has a vision for how marketing should help the firm achieve its goals, but it is not often articulated very clearly," says Pat LaPointe, former managing partner at MarketingNPV and executive vice president at MarketShare. "So too much subjectivity comes into play." Without clarity on the role of marketing, you can't break marketing activity down into component pieces that you can measure and connect to the right business outcomes.

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**Marketers Don't Measure The Right Things**

Marketers need to measure a lot of things to understand what is working and what isn't. Unfortunately, most get stuck measuring activity, not value: More than half (61%) of the marketers we surveyed admitted that most of their data work went into reporting on how they did, not showing how marketing drives better business results.<sup>6</sup> This tendency, and the challenges described above, constrains marketers from measuring the things that really matter to the company. Instead, they:

- › **Measure only what's easy.** Marketers gravitate to measuring the things for which they know they can get data. They rely on the individual metrics and reports generated by each tool they use, such as web analytics to measure visitors or page views and email systems to measure email open rates and click-throughs on offers.
- › **Focus too narrowly on funnel metrics.** Most B2B marketers we surveyed still try to prove marketing's value by reporting short-term operational trends like sales pipeline (72%), marketing spend (58%), and return on program investments (51%). Fewer than 20% of respondents include metrics that take a longer-term view, such as marketing's contribution to retention, market share, or category ownership, to track the forward-looking health of the business.<sup>7</sup>
- › **Track quantity over quality.** Marketers commonly use quantitative measures like inbound traffic, attendees at events, social media followers, and marketing-qualified leads to benchmark the results of their marketing activities. While these metrics can make marketing look good on the surface, lead conversion rates, customer retention, and account penetration measures better prioritize programs that result in strong sales opportunities among both prospects and current customers.
- › **Fail to measure factors that lead to improved performance.** Monitoring awareness, preference, consideration, market sentiment, and customer satisfaction and loyalty are conventional performance management tasks that help marketing execs understand brand impact. However, this activity falls short among the marketers we surveyed, as it fails to measure and report the results that matter more to CEOs and board members — like increases in customer lifetime value (15%) and cross-sell/upsell opportunities (25%). Laura Patterson of VisionEdge Marketing sums this up by saying that too many marketers “manage to metrics rather than performance.”

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## Measure Marketing's Impact On Revenue, Profit, And Customer Growth

Marketing plays a broad set of roles in B2B firms, from defining product strategy to creating brand awareness, generating demand, and orchestrating the post-sale experience. But to gain respect, avoid being viewed as a cost center, and justify budgets, marketing must be a driving force in what tops the agendas of boards of directors, CEOs, and CFOs: sustainable profitable revenue growth. B2B marketing leaders must be able to answer the questions these executives have about marketing's impact on revenue, profit, and customer growth (see Figure 1). It's time to shift measurement to the metrics that matter.

**FIGURE 1** The CEO And CFO Need Answers On Marketing's Impact

What matters to the CEO/CFO	CEO/CFO questions about marketing's impact
Revenue growth	<ul style="list-style-type: none"> <li>• How are we performing at each stage of the lead-to-revenue cycle?</li> <li>• How much is marketing contributing to pipeline and revenue growth?</li> <li>• How much revenue can we confidently forecast for current and future quarters?</li> <li>• Which accounts represent the largest contribution to revenue and how does our marketing engage them?</li> </ul>
Profitability	<ul style="list-style-type: none"> <li>• What's the return on the money we are investing in marketing?</li> <li>• What will happen if we increase (or decrease) marketing spend by [x] percent?</li> <li>• Is marketing continuously improving to optimize spending?</li> <li>• What does it cost to close a deal from awareness to signed contract?</li> <li>• How does this cost break down between marketing and sales?</li> </ul>
Customer/account growth	<ul style="list-style-type: none"> <li>• What is our customer retention rate? Is it increasing or decreasing?</li> <li>• How does customer loyalty translate into account growth and upsell opportunity?</li> <li>• What is our relative market share? Are we increasing or decreasing relative to competitors?</li> <li>• How do our customers help us attract, win, and close business?</li> <li>• What is the proportion of advocates in our customer base?</li> </ul>

### Assess The Impact Of Marketing Efforts Across The Entire Customer Life Cycle

The most important metrics for B2B marketers to manage and report on are the ones that quantify the outcome of marketing's work across the entire customer life cycle and provide insights on how to improve performance. This has become imperative because:

- › **Marketing now owns most of the buying cycle.** In the age of the customer, technology empowers customers with extensive information about your company and products.<sup>8</sup> Business buyers get what they need on their own: 74% told us they found buying from a website more convenient, and 59% said they prefer not to interact with a salesperson.<sup>9</sup> This now makes

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marketing responsible for a much bigger piece of the lead-to-revenue cycle.<sup>10</sup> Marketers must nurture prospects for weeks or months before they turn into qualified sales opportunities, so it is critical to know how marketing performs at each interim stage a buyer goes through.

- › **Concerns about efficiency heighten demands for accountability.** It used to be the case that as long as the company hit its revenue goals, marketing could escape close spending scrutiny. Rapid technological, competitive, and market changes now put operational efficiency at a premium, and executive leadership requires every organization to demonstrate its impact on the top and bottom line. B2B marketers feel this pinch acutely:

52% of our budget survey respondents said that demonstrating a clear return on investment (ROI) was one of their top three budgeting challenges.<sup>11</sup>

52% of our budget survey respondents said that demonstrating a clear return on investment was one of their top three budgeting challenges.

- › **Automation tools make it possible.**

Measuring marketing performance typically requires a data warehouse to collect clickstream data from web analytics tools, contact and lead information from campaign management systems, as well as sales opportunity and closed-deal data from sales force automation (SFA) systems. It also requires the use of complicated analytics tools to generate meaningful metrics. Marketing automation platform providers like Oracle Eloqua and Marketo, along with a host of new business intelligence, dashboard, and predictive modeling tools, are taking some of this pain away; they've recently added capabilities to model the stages of the revenue cycle, combine data from each stage, and summarize key metrics in graphical dashboards that allow marketers to drill into details.

**Measure Performance At Key Points Throughout The Customer Journey**

By measuring performance across the stages of the customer life cycle, it becomes clear which areas need the most attention. As a prerequisite for this, marketing and sales leaders must agree on what the complete revenue cycle looks like for their company and calibrate the stages of internally focused customer engagement processes to the customer's purchase journey (see Figure 2).<sup>12</sup> This requires you to define common stage names, specify the qualifications and conditions for placing someone in a particular stage, and set the rules for movement from one stage to the next.<sup>13</sup> With this in place, marketers can measure and analyze the factors that drive performance (see Figure 3):

- › **Volume.** Marketers need to know how many opportunities are in each stage, how fast each population is growing over time, and how many get added each period. By analyzing this data, marketers can see which activities contribute the most new opportunities to each stage. Sourcefire used volume data to learn that half of the people who buy its cybersecurity products participated in at least one online product demonstration — so marketing now steers prospects to a demo earlier in the process.

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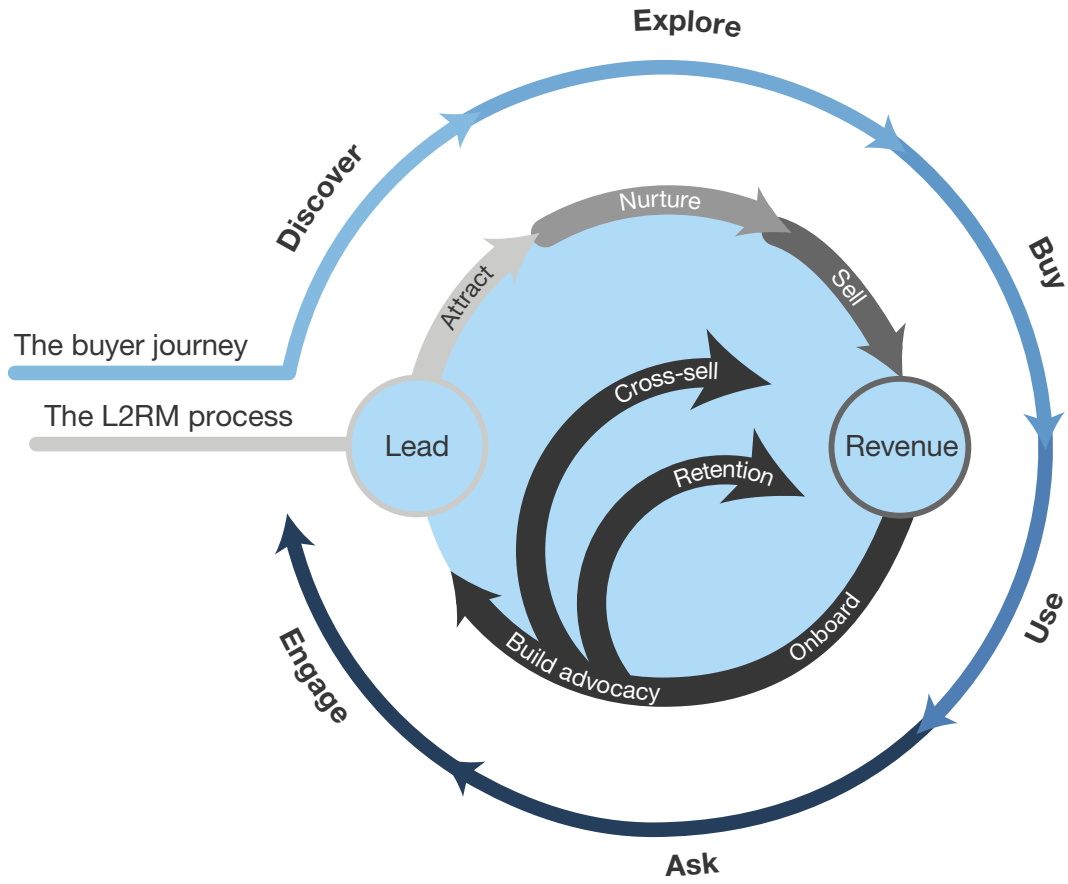
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- › **Velocity.** Velocity measures the average time it takes for a prospective customer (or current customer considering an upsell or expansion) to advance through the first three stages of the customer life cycle. Measuring how fast buyers move through different stages — and how time in each stage is trending — is important for understanding pipeline velocity. Marketers need this information to find the chokepoints in the process and determine how to improve deal flow. Measuring velocity is also the best way to pinpoint where marketing execution fails to engage customers. When buyers stall, at any stage, it's generally because marketing or sales interactions aren't relevant.
- › **Value.** It is often easier to improve revenue performance by shifting the mix to higher-value prospects than it is to increase volume. You need to know the total value of the revenue pipeline, the value at each stage, and how much that value has increased or decreased in each reporting period. By analyzing this data, marketers can ensure that they are targeting the highest-value segments and positioning the value of their products and solutions to the right candidates across the buying cycle.
- › **Effectiveness.** Measuring conversion rates from stage to stage and their trends over time allows marketing and sales leaders to analyze where leaks in the pipeline occur and what each team can do to stem the flow. Effectiveness metrics help optimize stage movement criteria and identify which types of leads convert at the highest rates. Elsevier analyzes its conversion rates from marketing-qualified lead to sales-accepted lead to refine the criteria for what it considers sales-ready; this ensures that sales is working on the leads with the highest likelihood to turn into revenue.
- › **Efficiency.** Efficiency metrics show how well programs and processes convert costs into returns. To drive profitable revenue growth, marketing leaders need to keep a close eye on the cost of customer acquisition — and require their sales counterparts to do the same. Good measures of demand generation efficiency include the average marketing investments needed to generate a qualified lead, an opportunity, and a closed deal. Good measures of how efficiently marketing grows current-customer revenue include the average marketing investments needed to onboard customers, ensure their successful deployment, expand use within accounts, and close qualified upsell offers.

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**FIGURE 2** Marketing And Sales Leaders Need A Shared Life-Cycle Strategy





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**FIGURE 3** Measure Marketing's Impact At Each Stage Of The Revenue Cycle

Measurement	Insights to gain	Metrics that matter
Volume	<ul style="list-style-type: none"> <li>• How many opportunities are in each stage, and how many are we adding each period?</li> <li>• Are my stage balances trending up or down?</li> <li>• What is our penetration rate across all current accounts?</li> </ul>	<ul style="list-style-type: none"> <li>• Number of contacts in prospect database</li> <li>• Number of inquiries, prospects, marketing-qualified leads (MQLs), and opportunities</li> <li>• New qualified leads added, individually or per account</li> <li>• New sales-ready leads generated</li> <li>• New opportunities created</li> </ul>
Velocity	<ul style="list-style-type: none"> <li>• What is the average length of the sales cycle?</li> <li>• What is the average time spent in each stage?</li> <li>• Where are sales cycles stalling?</li> <li>• Which sources move through the pipeline fastest?</li> </ul>	<ul style="list-style-type: none"> <li>• Sales cycle time</li> <li>• Time-to-marketing-qualified-lead</li> <li>• Time-to-sales-qualified-lead</li> <li>• Time-to-opportunity; time-to-close</li> <li>• Time-to-onboard; steady-state use</li> <li>• Time-to-upgrade/upsell</li> </ul>
Value	<ul style="list-style-type: none"> <li>• What's the value of my pipeline?</li> <li>• What's the value by stage?</li> <li>• How is it increasing or decreasing over time?</li> </ul>	<ul style="list-style-type: none"> <li>• Total dollar value of MQLs in pipeline</li> <li>• Value of opportunities per quarter/year</li> <li>• Gross margin/discount levels</li> <li>• Customer lifetime value</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• What is the conversion rate from each stage to the next?</li> <li>• Where are the leaks in the funnel, and how do we plug them?</li> <li>• What types and sources of leads convert the best?</li> </ul>	<ul style="list-style-type: none"> <li>• Inquiry-to-MQL conversion rate</li> <li>• Fixed costs per MQL; total costs per MQL</li> <li>• Qualified-lead-to-sales-ready-lead rate</li> <li>• MQL-lead-to-sales-opportunity rate</li> <li>• Opportunity-to-win rate</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• What does it cost to produce a healthy pipeline?</li> <li>• Which programs have the most impact on demand generation? Brand building?</li> <li>• Where are inefficiencies by stage of life cycle?</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed/variable/total costs per MQL</li> <li>• Fixed/variable/total costs per sales-qualified lead</li> <li>• Fixed/variable/total costs per pipeline opportunity</li> <li>• Fixed/variable/total costs per closed deal</li> <li>• Time-to-onboard/implementation</li> <li>• Time-to-first-cross-sell/upsell</li> </ul>

**Measure Marketing's Contribution To Winning And Retaining Customers**

Life-cycle-based performance measures give marketers the data they need to quantify the contribution that marketing makes to building the pipeline, generating revenue, and growing accounts. The following are the metrics that matter.

- › **Impact: What has marketing sourced/influenced?** One of the most important areas for marketing to quantify and communicate is the percentage and value of the pipeline, revenue, and account-specific growth that marketing generated. You can calculate this by giving marketing

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credit for deals in which: 1) marketing sourced the lead; 2) prospects engaged in any marketing activity; or 3) marketing created an opportunity within an existing account. In a recent study of how modern marketing practices prime the sales pipeline, we found that CMOs who enjoy the most collaborative working relationships with sales and who push the marketing automation envelope also develop 50% or more of the opportunities that sales forecasts.<sup>14</sup>

- › **Predictability: How can marketing make growth more predictable?** As the overall economy becomes more services-driven, Wall Street is rewarding predictability over large increases in the top line. To meet these changing expectations, B2B marketers will need to understand not only how well their programs perform at each stage of the lead-to-revenue cycle but also how performance in any one stage drives activity in the next. Marketing measures here must focus on ways to track pipeline health and account penetration to confidently forecast both current and future quarters.
- › **ROI: Which programs and channels perform best?** CEOs and CFOs are not usually interested in the ROI of specific campaigns or programs, but they want to know that marketers focus on optimizing their spending on marketing programs. Marketing needs to measure the sales opportunities generated and use this data to continuously optimize the ROI achieved across a well-considered marketing mix. Marketing must also measure how post-sale communications help shorten implementation times; increase use; and improve opportunities to upgrade, add additional capabilities or services, and grow wallet share.

**Recommendations**

## Unify Your Approach To Marketing Measurement

B2C marketers use cross-channel attribution and marketing mix modeling to assess marketing's impact on all customer interactions across all devices, channels, and campaign tactics. B2B marketers struggle with the added complexity of having to account for individual decision-makers and influencers participating in an account-level purchase committee over an extended period of time. As technology advances bring more sophistication to performance monitoring, B2B marketers will need to integrate measurement and reporting capabilities while keeping the customer at the center of measurement activity. Top marketers kick-start performance measurement integration when they:

- › **Connect data across programs and platforms.** Forrester recommends that marketers quantify the financial contribution of each program and incorporate the ability to model which future changes can further improve performance.<sup>15</sup> To get there, work toward creating a single view of customer interactions across their lifetime; this is essential to understanding cross-channel behaviors, the impact of campaigns on creating audience or demand, and the relationship of individual decision-makers to the account as a whole.

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- › **Enlist friendly CI professionals to help assess and close gaps.** Given the growing adoption of quantitative approaches to marketing performance management, firms that haven't embraced a data-driven evaluation of their marketing activities risk falling behind competitors. Team with your customer insights (CI) pros to overcome any internal inertia by leading a measurement process that is transparent to all affected groups and demonstrates that the analysis is objective and fact-based.
- › **Build a road map to better measurement.** With your CI, sales, service, and account management counterparts, explore what's working and what isn't in current measurement and reporting. Use this insight to upgrade measurement processes in four steps: 1) Map the measurement techniques and vendors currently used; 2) document how each contributes to improving marketing effectiveness; 3) identify gaps where the marketing team believes it can gain additional efficiency but tools don't provide guidance; and 4) review new offerings in the market that best fill these gaps.<sup>16</sup>
- › **Deploy dashboards that visualize facts and follow the buyer's journey.** Numbers and data are necessary raw material for marketing measurement, but marketers must work to interpret what they reveal about campaign performance and how buyers want to buy. Rather than rely on static reports that become dated quickly, move marketing metrics into secure dashboards that operate in near real time while keeping pace with changing buyer interactions and purchase intentions. For example, Beckon's dashboards provide views ranging from the timing of specific campaign elements, such as webinars or events, to key performance indicators like trends for pipeline conversion rates during the quarter.<sup>17</sup>
- › **Adopt scenario planning tools that simulate results.** One of the advantages of taking a holistic approach to marketing performance management is the ability to explore the impact on results of different budget levels and program allocations. Technology has reduced the need for data scientists to live between the marketer and the model, so explore tools that not only help marketing teams understand campaign results but also offer what-if analysis or recommendations on which future actions to take.

**What It Means**

## Marketing Measurement Nirvana Is Predictive

The ultimate way that marketing can demonstrate its value is by predicting the amount of revenue it can generate in future periods. Predictive marketing analytics will enable marketers to start doing this. New regression and modeling tools from companies like 6Sense, EverString, Lattice Engines, Leadspace, and Mintigo are starting to help marketers use this data to forecast what makes a qualified lead, which characteristics best predict propensity to buy, and how much revenue will result from customer activity at any stage in the life cycle.<sup>18</sup> As marketers gain this ability, they will:

- › **See revenue forecasting shift from sales to marketing.** Most sales leaders struggle to generate accurate sales forecasts because forecasts depend on individual salespeople predicting what specific customers and prospects will do at some point in the future. Marketers who use predictive marketing analytics will be able to generate a clearer picture of what revenue opportunities are

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statistically more likely in future quarters and what the mix of those opportunities may look like. With this type of probabilistic insight, executives will call on marketing to become the source of more reliable sales forecasts.

- › **Be able to ramp up demand generation activities or dial them down.** By being better able to forecast future revenue, marketing teams will shift from a “more is better” approach to one where they move the lever on demand generation up or down based on how well they are positioned to meet revenue targets in future periods. Moving the lever up will help firms meet profit and revenue expectations more reliably; moving the lever down will help keep marketing program costs under control.
- › **Optimize engagement patterns.** Predictive marketing analytics will allow marketers to understand not only which programs have the greatest influence on revenue but also the optimum sequence of campaigns, or critical customer touchpoints, in leading someone to buy. Armed with that knowledge, marketers will be better able to predict the size and flow of future revenue from each source.
- › **Use models to enhance lifetime engagement.** Successful marketers will apply analytic insights to get a greater understanding of the business problems that customers want to solve. To introduce sales and marketing teams to the power of insight for getting closer to customers, they will use predictive marketing to focus more dollars and effort on identifying and pursuing new enrichment opportunities with existing customers.<sup>19</sup> In a market that’s moving toward “as a service” as the dominant deployment model, the ability to predict will help marketers, sales, and customer service prevent defections and maintain those relationships vital to creating long-term profitability.

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## Supplemental Material

### Companies Interviewed For This Report

Acxiom	MarketShare
Adobe	Navicure
B2B Fusion	Oracle Eloqua
Elsevier	Saepio
Experian Marketing Services	SAP
HubSpot	VisionEdge Marketing
Lenskold	Visual IQ
Marketo	

## Endnotes

- <sup>1</sup> B2B marketers remain gloomy about their ability to show definitive outcomes: 52% say it's difficult to demonstrate a clear return on marketing investment. This is a theme we've heard consistently for three consecutive years now, and it won't change substantially until marketers better align with sales around revenue production and link their marketing mix choices to creating deeper customer engagement. See the "[2016 B2B Budget Plans Show That It's Time For A Digital Wakeup Call](#)" Forrester report and see the "[Direct Your 2015 B2B Budget Gains Toward Creating Exceptional Customer Experiences](#)" Forrester report.
- <sup>2</sup> During the past 20 years, digital, social, and mobile have greatly multiplied the types of program and campaign tactics available to marketers. So many choices make it difficult for B2B marketers to stay abreast of emerging tools, like Snapchat and Facebook's WhatsApp, let alone plan and execute a well-considered mix of options. See the "[Solid Content — Not Choice Of Tactics — Creates A Successful B2B Marketing Mix](#)" Forrester report.
- <sup>3</sup> A wealth of insights lies untapped in customer databases, on the internet, as well as from smart devices, social activity, and a myriad of other unconventional sources. Turning this data into customer insight to win, serve, and retain current customers can have a big impact on both the business and on marketing's standing as the steward of lifelong customer experiences. See the "[From Big Data To Actionable Insight: The Role Of Predictive Analytics In B2B Marketing](#)" Forrester report.
- <sup>4</sup> To deal with customer data management complexity and governance, Forrester has long advised B2B marketers to seek help from database marketing services providers, especially those like Allant, Extraprise, Harte-Hanks, and Infogroup that maintain a separate focus on B2B. See the "[Database Marketing Fundamentals For B2B Marketers](#)" Forrester report and see the "[The Forrester Wave™: US Database Marketing Service Providers, Q1 2011](#)" Forrester report.
- <sup>5</sup> Despite advances in performance management, many marketers still fall victim to operational myopia when they focus on past performance to defend net-new budget requests or plan future programs. B2B marketers must move away from reporting outputs and move toward predicting outcomes by leveraging advances in analytics and predictive modeling. See the "[B2B Marketing's Big Data Destiny](#)" Forrester report.

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- <sup>6</sup> B2B marketers can no longer rely on soft measures like brand awareness, clicks, badge scans from trade shows, and leads generated to demonstrate how marketing returns value to the business. Instead, the most successful marketers use data, analytics, and dashboards to connect marketing metrics to cross-functional outcomes, increase decision-making agility, and show business peers where the market is heading. See the [“B2B Marketing Measurement Needs An MBA”](#) Forrester report.
- <sup>7</sup> Despite advances in marketing automation and digital marketing practices, B2B marketers lack rigor when using performance measures to demonstrate results and predict future outcomes. Performance measures and dashboards that deliver real-time comprehensive information, help spot trends, and let marketers adapt to change and capitalize on new opportunities are indispensable to running a top-performing marketing organization. See the [“Brief: Redesign B2B Dashboards Around Customers To Deliver Actionable Insights”](#) Forrester report.
- <sup>8</sup> Empowered customers are disrupting every industry; competitive barriers like manufacturing strength, distribution power, and information mastery no longer create competitive advantage. In this age of the customer, the only sustainable competitive advantage is knowledge of and engagement with customers. See the [“Winning In The Age Of The Customer”](#) Forrester report.
- <sup>9</sup> B2B customers who are accustomed to buying on Amazon now expect that same kind of customer experience in the world of B2B buying. Instead of flipping through a catalog or talking to a sales or call center representative, buyers educate themselves online throughout most of the buying process, often going wherever they find the highest-quality information and have the best browsing experience. See the [“Death Of A \(B2B\) Salesman”](#) Forrester report.
- <sup>10</sup> Today’s digitally empowered buyers control the buying process; they rely less on their salesperson when investigating and evaluating purchase alternatives. See the [“Shift Focus To The Customer Life Cycle To Take L2RM To The Next Level”](#) Forrester report.
- <sup>11</sup> While our budget survey presents a sunny outlook for program spending and expected budget growth, B2B marketers remain gloomy about their ability to show definitive outcomes. We’ve heard this concern consistently for three consecutive years, and it won’t change substantially until marketers better align with sales around revenue production and link their marketing mix choices to creating deeper customer engagement. See the [“2016 B2B Budget Plans Show That It’s Time For A Digital Wakeup Call”](#) Forrester report.
- <sup>12</sup> As technology empowers buyers to connect with vendors and peers through multiple touchpoints, marketing must now own a bigger piece of the L2RM process, and B2B marketers must guide buyers through their purchase journey. This means calibrating your internal processes to how buyers buy, not to how you sell to them. See the [“Build An Adaptive, Efficient Process To Elevate Leads To Revenue”](#) Forrester report.
- <sup>13</sup> B2B CMOs need to optimize the drivers of performance to truly elevate it. They need a framework to help them measure the things that matter for their unique goals and the rest of the business. See the [“Measure These Five Things To Continuously Improve Revenue Performance”](#) Forrester report.
- <sup>14</sup> Despite advances in automation and increased visibility surrounding L2RM processes, tensions between marketing and sales persist concerning the quality of support that marketing brings to the revenue-production equation. To progress from open hostilities to collaborative détente, CMOs will need to reimagine sales enablement programs and strategy around the journey that spans the customer’s lifetime. See the [“From Priming The Pipeline To Engaging Buyers: The B2B CMO’s New Role In Sales Enablement”](#) Forrester report.
- <sup>15</sup> Business buyers traverse a myriad of interactions before they buy, making once-reliable marketing performance measurement techniques obsolete and leaving B2B marketers puzzling over how to credit marketing tactics with customer action. To resolve this, marketers must embrace a new measurement standard — unified marketing impact analytics — that will measure marketing’s entire value and identify the best ways to optimize customer interactions. See the [“Embrace Unified Marketing Impact Analytics To Deliver Value Across Interactions”](#) Forrester report.

**Metrics That Matter For B2B Marketers**

## Performance Management: The B2B Marketing Playbook

- <sup>16</sup> More-powerful technology, growing data volumes, and marketers' increasingly data-driven focus are key trends driving significant innovation in the marketing performance measurement sector. This gives marketers more choice than ever, but it also requires them to update their understanding of the market and take a fresh look at current marketing measurement approaches. See the "[Marketing Measurement Metamorphoses](#)" Forrester report.
- <sup>17</sup> Marketing dashboard tools cover a range of applications: embedded dashboards within customer relationship management (CRM) systems, BI tools with marketing dashboard capabilities, and marketing-specific dashboards. Some marketing-specific dashboards provide data coordination, while others leverage advanced marketing statistics to fractionally allocate credit across campaigns and optimize future marketing investments. See the "[Use Marketing Dashboards To Uncover Customers' Behavior](#)" Forrester report.
- <sup>18</sup> New technologies that can anticipate outcomes with a significant probability of accuracy can help B2B marketing professionals entice prospects, keep customers engaged, and justify their accomplishments. Yet most B2B marketers aren't ready to put the full power of predictive analytics into play and will fiddle with the technology until vendors and use cases sort themselves out. See the "[New Technologies Emerge To Help Unearth Buyer Insight From Mountains Of B2B Data](#)" Forrester report.
- <sup>19</sup> A vast array of information about how and why buyers buy gives B2B marketers new context that can help them predict where to apply resources to expose new opportunities or accelerate the sales pipeline. Using customer insight to retain and serve current customers can have a much bigger impact on the business and on marketing's standing as the steward of lifelong customer experiences. See the "[From Big Data To Actionable Insight: The Role Of Predictive Analytics In B2B Marketing](#)" Forrester report.

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