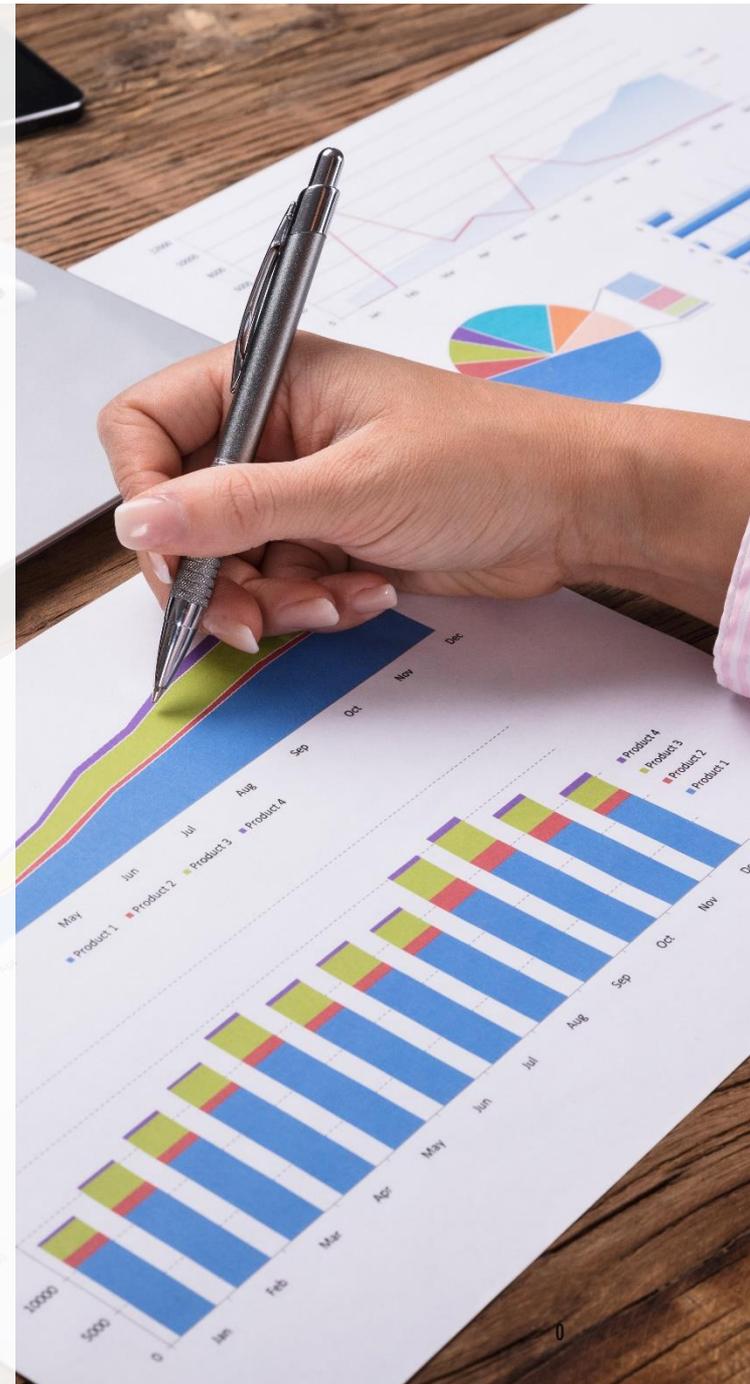


# HEINZ MARKETING

## MARKETING PERFORMANCE MANAGEMENT RESEARCH

JUNE 2017



# INTRODUCTION

The days of activity-based marketing are over. Increasingly, Modern Marketers have the ability to scrutinize the value and impact they have on driving revenue. Revenue is the ultimate metric. The CMO who shows accurate impact to revenue will have career success.

Marketers need to reliably and accurately measure how marketing drives revenue through the entire funnel. This requires skills, tools, process, and accurate data. And historical data is only part of the picture. Marketers have access to tools to measure past performance with attribution models which can help direct future efforts. These models can now be used to help guide resources to the highest performance channels, campaigns and content.

The bottom line: Marketers are under more scrutiny than ever and increasingly more accountable for a their company's revenue results. We believe this is good!

Sales and marketing teams need to effectively partner in order to achieve revenue success. Our survey shows that the highest performing companies have marketing teams with revenue accountability and who partner closely with sales.

We are all experiencing massive transforming in B2B marketing. Stay focused on the revenue. Use our survey to help compare how companies track revenue performance and measure success. The right metrics will ultimately guide success.

# SURVEY OBJECTIVES AND FINDINGS

Heinz Marketing conducted this research with over 250 B2B marketing and sales executives to learn how they measure success and how revenue accountability and responsibility impacts overall sales performance.

The B2B professionals who participated have a variety of B2B sales and marketing roles and responsibilities.

- Marketing Management
- Marketing Operations
- Sales Management
- Sales Representatives
- Product/Solution Marketing

# HIGHLIGHTS

**71.3%** of marketing organizations have increased accountability for revenue goals.

**61.8%** responded their company achieves or exceeds revenue goals as a result of increased marketing accountability and responsibility.

**75%** shared their companies do not achieve revenue goals without increased marketing accountability.

**The #1** ranked success factor in achieving revenue goals is an effective marketing and sales partnership

**66.7%** report revenue pipeline opportunities as the #1 marketing success metric.

**Less than 8%** of sales management **and only 12%** of representatives sales execs believe their marketing organizations effectively use revenue performance metrics.



# FIRST SECTION: SALES AND MARKETING REVENUE RESPONSIBILITY AND ACCOUNTABILITY

# IMPACT OF INCREASED REVENUE RESPONSIBILITY & ACCOUNTABILITY

Over 60% of companies see improved sales performance from marketing teams with increased revenue responsibility.

62.5% of sales managers believe sales performance improved because of marketing's increased revenue responsibility.

The surveyed sales and marketing organizations all show increased levels of revenue accountability. Potentially this is a leading indicator that drives closer alignment to achieve a common goal.

**Greater revenue responsibility leads to stronger revenue results!**

# HAS REVENUE RESPONSIBILITY INCREASED ON COMPANY'S SALES ORGANIZATION?

Over 60% reported increased revenue responsibility for their sales organization

Level of responsibility & accountability	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Increased	62.7%	61.1%	72.4%	75.0%	36.4%	87.5%
Decreased	2.0	2.8	3.4	-	-	-
Stayed the same	30.7	33.3	17.2	25.0	54.5	-
Don't know	4.7	2.8	6.9	-	9.1	12.5

Question: Has the level of responsibility and accountability being placed on your company's sales organization to achieve desired revenue goals increased or decreased?

# HOW INCREASED REVENUE RESPONSIBILITY ON THE SALES ORGANIZATION IMPACT SALES PERFORMANCE

Nearly 65% of respondents reported that their company experienced improved sales performance from increased accountability placed on their company's sales organization.

Seeing improved sales performance	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Yes	64.9%	68.2%	66.7%	66.7%	100.0%	14.3%
No	16.0	18.2	-	11.1	-	71.4
Don't know	19.1	13.6	33.3	22.2	-	14.3

*Question: Has your company seen improved sales performance as a result of the increased level of responsibility and accountability being placed on your company's sales organization to achieve desired company revenue goals?*

# HAS REVENUE RESPONSIBILITY AND ACCOUNTABILITY INCREASED FOR YOUR MARKETING ORGANIZATION

- Over 70% reported their company's marketing organization has increased revenue responsibility and accountability.
- Nearly 80% of marketing management responded they are under increasing revenue responsibility.
- 66% of sales management respondents recognize that their marketing organizations are under increasing revenue responsibility.

Level of responsibility & accountability	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Increased	71.3%	79.2%	75.9%	66.7%	63.6%	12.5%
Decreased	1.3	-	-	-	-	12.5
Stayed the same	22.7	18.1	20.7	33.3	27.3	50.0
Don't know	4.7	-	3.4	-	9.1	25.0

Question: Has the level of responsibility and accountability being placed on your company's marketing organization to achieve desired revenue goals increased or decreased?

# IMPACT OF MARKETING ORGANIZATIONS WITH INCREASED REVENUE ACCOUNTABILITY AND RESPONSIBILITY

63.6% reported that their company was experiencing improved sales performance because of increased revenue accountability placed on the marketing organization.

Experiencing improved sales performance	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Yes	63.6%	68.4%	50.0%	62.5%	71.4%	-
No	7.5	8.8	-	12.5	14.3	-
Don't know	29.0	22.8	50.0	25.0	14.3	100.0

## Results excluding "don't know" responses

Experiencing improved sales performance	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Yes	89.5%	88.6%	100%	83.3%	83.3%	-
No	10.5	11.4	-	16.7	16.7	-

*Question: Has your company seen improved sales performance as a result of the increased level of responsibility and accountability being placed on your company's marketing organization to achieve desired company revenue goals?*

# ARE COMPANIES ACHIEVING OR EXCEEDING REVENUE GOALS WHEN THEIR MARKETING ORGANIZATION HAS REVENUE ACCOUNTABILITY OR RESPONSIBILITY?

Marketing organizations with increased revenue accountability are achieving or exceeding revenue goals.

Achieving or exceeding desired revenue goals	Total	Respondents reporting increased responsibility on marketing to achieve company revenue goals	Respondents reporting <u>no</u> increased responsibility on marketing to achieve company revenue goals
Yes	53.3%	<b>61.8%</b>	25.0%
No	34.0	27.8	<b>75.0</b>
Don't know	12.7	10.3	-

## Results excluding “don’t know” responses

Yes	61.9%	<b>68.9%</b>	25.0%
No	38.9	31.1	<b>75.0</b>

Question: Is your company currently achieving or exceeding desired revenue goals?

# LEVEL OF RESPONSIBILITY/ACCOUNTABILITY FOR SALES BEING PLACED ON YOUR COMPANY'S MARKETING ORGANIZATION

Over 50% of respondents reported that HIGH levels of responsibility/accountability are placed on their company's marketing organization. (1 to 7 scale with 7 the highest)

Level of responsibility & accountability	Total	Sales Increased	Sales Decreased	Sales Stayed the Same	Marketing Increased	Marketing Decreased	Marketing Stayed the Same
7 (very high)	25.3%	33.0%	66.7%	10.9%	31.6%	-	11.8%
6	26.0	23.4	-	32.6	28.0	-	20.6
5	20.7	18.1	33.3	26.1	20.6	-	26.5
4	15.3	16.0	-	13.0	12.1	-	26.5
3	5.3	2.1	-	13.0	6.5	-	2.9
2	4.0	5.3	-	2.2	.9	50.0	8.8
1	1.3	1.1	-	2.2	-	50.0	2.9

Question: How would you rate the current level of responsibility and accountability being placed on your company's marketing organization to achieve desired company revenue goals on a scale of 1 – 7, where 7 means a very high level of responsibility/accountability and 1 means a very low level of responsibility/accountability?

# IS YOUR COMPANY CURRENTLY ACHIEVING OR EXCEEDING DESIRED REVENUE GOALS?

64.2% report that companies with marketing organizations that have increased revenue responsibility are achieving or exceeding revenue goals.

75% of respondents without increased revenue responsibility are not achieving revenue goals.

Achieving or exceeding desired revenue goals	Total	Respondents reporting increased responsibility on marketing to achieve company revenue goals	Respondents reporting <u>no</u> increased responsibility on marketing to achieve company revenue goals
Yes	61.0%	64.2%	25.0%
No	39.0%	35.8%	75.0%

Question: *Is your company currently achieving or exceeding desired revenue goals?*



# SECOND SECTION: PERFORMANCE METRICS

# SURVEY RANKED MARKETING PERFORMANCE METRICS

1. Number of opportunities
2. Revenue by source
3. Number of 'Sales Accepted Leads'
4. 'Marketing Qualified Leads' conversion
5. New customer acquisition costs
6. Time to acquire new customers
7. Number of touches to acquisition
8. Budget allocated by customer type

Less than 17% of sales managers and 12% execs view MQL's as an important metric.

41% of sales managers rate the number of opportunities as the most important metric.

# PERFORMANCE METRICS RANKED BY GROUP

Less than 17% of sales managers consider MQL's an important metric.

Ranked level of responsibility & accountability	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Number of opportunities	66.7%	77.8%	58.6%	41.7%	81.8%	50.0%
Revenue by source	54.0	70.8	51.7	25.0	45.5	25.0
Number of Sales Accepted Leads	52.0	58.3	51.7	41.7	45.5	37.5
Marketing Qualified Lead conversion	50.0	63.9	51.7	16.7	54.5	12.5
New customer acquisition costs	37.3	45.8	31.0	25.0	54.5	-
Time required to acquire new customers	32.0	34.7	34.5	16.7	27.3	25.0
Number of touch points required to acquire new customers	26.0	29.2	10.3	25.0	63.6	25.0
Budget allocated by customer type	12.0	13.9	6.9	25.0	18.2	12.5

Question: Thinking about your company's marketing organization, which of the following performance metrics are currently being used to measure marketing success?

# IMPORTANCE/PERFORMANCE OF KEY COMPANY SUCCESS FACTORS

Sales and Marketing alignment is rated as the most important success factor to achieve revenue goals.

Key factors to company success	Importance	Performance	Gap
Having an effective partnership between sales and marketing that is increasing your company's ability to meet or exceed company revenue goals	8.24	6.95	<b>-1.29</b>
Effectively capturing, analyzing and utilizing sales performance data to strengthen and improve company revenue performance	8.04	6.69	<b>-1.35</b>
Effectively capturing, analyzing and utilizing marketing performance data to strengthen and improve company revenue performance	8.01	6.99	<b>-1.02</b>
Developing demand generation strategies and tactics that reflect an accurate and in-depth understanding of the customer and their vendor journey	7.99	6.92	<b>-1.07</b>
Making sure your company's marketing and sales organizations are effectively partnering to assess all stages of the demand generation and sales processes to improve sales and marketing effectiveness	7.85	6.72	<b>-1.13</b>

Question: Please rate how important each of the following is to your company's success on a 1 – 10 scale?

Question: Please rate how effectively your company's marketing organization is performing on a 1 – 10 scale?

# HOW WELL ARE MARKETING ORGANIZATIONS USING PERFORMANCE METRICS?

26% reported their company's marketing organizations are not effectively using performance metrics identified as being used to improve marketing performance.

Effectiveness of performance metrics currently being used	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Very effectively	11.3%	11.1%	13.8%	8.3%	18.2%	-
Somewhat effectively	57.3	63.9	62.1	41.7	63.9	12.5
Not very effectively	20.0	15.3	20.7	33.3	9.1	50.0
Not at all effectively	6.0	6.9	-	16.7	-	-
Don't know/not sure	5.3	2.8	3.4	-	-	37.5

Question: How effectively is your marketing organization currently utilizing the performance metrics you identified being used to improve marketing effectiveness?

# CONFIDENCE THE RIGHT MIX OF PERFORMANCE METRICS ARE BEING USED TO MEASURE MARKETING PERFORMANCE

Sales and Marketing organizations have differing views on whether the right metrics are used to drive revenue performance.

Level of confidence that right mix of performance metrics are being used	Total	Mkt Mgmt.	Mkt Ops	Sales Mgmt.	Product Mkt	Sales
Very confident	16.0%	16.7%	17.2%	16.7%	18.2%	-
Somewhat confident	42.7	52.8	34.5	8.3	72.7	12.5
Not very confident	26.7	22.2	27.6	66.7	9.1	62.5
Not at all confident	8.0	6.9	10.3	8.3	-	-
Don't know/not sure	6.7	1.4	10.3	-	-	25.0

*Question: How confident are you that the mix of performance metrics currently being used by your company to measure marketing performance is the right mix of metrics to provide the depth of insight that is needed to fully assess marketing performance and effectiveness, as well as grow company revenue?*

# TAKEAWAYS AND GETTING TO MARKETING PERFORMANCE MANAGEMENT

Marketing Performance Management provides navigational discipline to achieve or exceed revenue goals. The discipline is based in data and metrics the lead to one goal – revenue.

Without MPM most marketers are left to partial data models that lead to assumptions and guessing. Marketing Performance Management gives B2B marketers credibility and strategic influence. Focusing on where revenue comes from and how much it cost is what executives want to know.

Our research indicates the biggest contributor to strong sales performance is a strong partnership between marketing and sales. The partnership is held together when the right metrics and data points are used.

We are experiencing massive transformation in B2B sales and marketing. Stay focused on the revenue. Use our survey to help compare how companies track revenue performance. The right metrics will ultimately guide success.

# HELP AND MORE INFORMATION

Heinz Marketing MPM Services

<http://www.heinzmarketing.com/services/marketing-performance-management/>

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