Econsultancy

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State of B2B Marketing Automation

In association with Act-On

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1. Executive Summary

The **State of B2B Marketing Automation** report, published by Econsultancy in association with **Act-On**, is based on a survey of more than 350 B2B marketing professionals. The aim of the research is to explore the maturity of marketing automation, looking at adoption levels and types of strategies organizations are using. The study evaluates tools and processes employed as well as potential barriers to effective use of the capability.

The key findings from the research are summarized below.

1. Investment in marketing automation drives B2B marketing performance

While never a panacea on its own, technology helps marketers spend their budgets and use their resources more efficiently. A more scientific and data-driven approach to marketing, facilitated by technology, helps marketers define ambitious goals that they can later demonstrate have been achieved and even exceeded.

'Leaders' are identified as businesses with high-performing marketing departments, defined as those companies with marketing functions that exceeded their top business objective in 2016. Our research shows that Leaders are 24% more likely than their peers to say they are currently using marketing automation. Almost two-thirds (62%) of these companies employ marketing automation technology, compared to 50% for the Mainstream.

Overall, just over half (53%) of B2B organizations surveyed are using marketing automation technology, and a further 37% say they are planning to implement it.

2. Companies strive to close the gap between expectations and reality

Companies have made significant progress in realizing the benefits of marketing automation software, using it to generate greater volumes of high-quality leads that have a transformative impact on both marketing and sales teams, and overall commercial success.

The two most important strategic goals for B2B marketing automation are generating higher-quality leads and increasing revenue. Two-thirds (66%) of respondents rank higher quality leads as being among their top three reasons for implementing automation, while just under half (49%) say the same for increased revenue. Close to a third (29% and 31% respectively) rank them as their first-choice goals.

The vast majority of respondents agree that they are *more efficient because of marketing automation* (82%), that *marketing automation is delivering a return on investment* (79%), and that it has *increased contribution to pipeline* (76%).

Despite the important role this technology plays in helping marketers to deliver against commercial objectives, the research has also found that a significant proportion of companies (47%) are not yet using marketing automation technology.

The research shows that not all organizations are able to utilize fully the capabilities of marketing automation software. Virtually all (98%) respondents agree that effective marketing automation is *critical to long-term business success*, but only two in five (41%) believe their organizations are *using marketing automation to its fullest capacity*.

Companies need to ensure that they have as much clarity as possible around their sales and marketing goals, and have the processes in place – along with the technology – to help them achieve this. By clearly demonstrating the value that relatively simple software use cases are delivering, marketers are in a stronger position to ensure the further organizational commitment

that may be required to harness the technology more fully, for example to ensure closer alignment of sales and marketing teams, and greater integration of data residing in different business silos.

3. Leaders take a different path to ensure they are utilizing tech capabilities

There remains significant room for B2B marketing practitioners to expand the scope of their use of marketing automation systems, beyond low-hanging fruit. There are only three areas where more than half of B2B organizations surveyed are using marketing automation: *email*, *web forms* and *landing pages*.

The vast majority (85%) of those surveyed rate their marketing automation systems as effective, but only a small proportion describe them as 'very effective'. Leaders are almost three times as likely as their peers to rate them as very effective (20%, versus 7% of those in the Mainstream group).

This can be attributed to the significant gap in adoption between Leaders and their peers, particularly in more advanced areas such as *account-based marketing*, *lead recycling*, *progressive profiling* and *business intelligence integration*. *Social* is also an area where Leaders are focusing much more heavily than the rest of the sample (48% versus 29%).

Just as much of the marketing automation toolbox remains under-utilized, there remains ample room for practitioners to become more sophisticated in tracking how activities are performing against marketing goals. Leaders are significantly more likely to measure the contribution marketing makes to the sales pipeline or revenue using their marketing automation system or CRM.

The vast majority of Leaders say that marketing automation has delivered a return on investment (93%) or increased contribution to pipeline (90%), compared to just over two-thirds of Mainstream organizations (69% and 68% respectively). Leaders say that automation has increased marketing's contribution to pipeline by an average of 31% (versus 26% for the mainstream).

Leaders are less likely to be struggling with their top-of-funnel marketing activities, and more preoccupied with their ability to convert prospects, and then to retain customers. Conversely, mainstream respondents are more worried about getting those leads in the first place, the research shows.

4. Europeans are playing catch-up with their North American counterparts

North American respondents are 14% more likely than their European counterparts to say they are currently using marketing automation, and this is attributable to the strong heritage of this sector in the US, largely due to the larger representation of martech companies headquartered in North America and scale of the market.

Across all types of usage and practices, North American organizations are more likely than their European counterparts to use marketing automation. In some categories, such as CRM integration, social, web forms and account-based marketing, this is by a significant margin.

North American marketers are also well ahead of European peers when it comes to measurement. For all measurement techniques featured, prevalence is higher in North America than Europe, and there are especially large gaps in focus on tracking of leads. Measurement of *marketing qualified leads* (65% versus 48% in Europe) and *sales accepted leads* (56% versus 39%) is much more common in North America.

A significantly higher proportion of respondents based in North America indicate marketing automation has delivered return on investment to their organizations (91% for North America

versus 72% for Europe). Europe-based practitioners are also less inclined to cite positive results from marketing automation on efficiency, collaboration and pipeline contribution.

5. Marketing automation delivers but challenges must be overcome

B2B marketers face an array of challenges relating to marketing automation, although these can be surmounted. The foremost obstacle is the perceived *complexity* of marketing automation which is cited as a significant challenge by more than four in ten survey respondents.

Exacerbating the intricate and challenging nature of marketing automation are organizations' resource constraints, particularly in terms of practitioner time and expertise. Notwithstanding the importance of best-of-breed technology, successful marketing automation is very much people-powered.

Resources were highlighted by six in ten respondents as a marketing automation challenge, but only 11% cited pure *cost*, indicating broader constraints. Half of respondents referenced limited availability of *skilled experience* as a barrier to success.

Adding further to the complexity are technology challenges around areas such as *data management* (cited by almost half of those surveyed as a key challenge) and *integration* (highlighted by more than a third).

This stresses the need for B2B marketers to invest time and resources upfront when entering the field of marketing automation, both in development of a clear strategic vision and plan, and selection of a vendor.

1.1.   Methodology

There were 355 respondents to our research request, which took the form of a global online survey fielded in April and May 2017. Respondents included B2B in-house marketing professionals only.

Special thanks go to Demand Metric, particularly John Follett and Jerry Rackley, for their valuable input at all stages of the research process and their help with promoting the survey.

Information about the survey, including the link, was emailed to Econsultancy's and Demand Metric's respective user bases and promoted via social media.

The incentive for taking part was access to a free, advance copy of this report just prior to its publication on the Econsultancy website. Additionally, Demand Metric incentivized the first 100 respondents with a complimentary Starbucks Card.

Detailed breakdowns of the respondent profiles are included in the *Appendix*.

If you have any questions about the research, please email Econsultancy's Head of Commercial Research Services, Monica Savut (monica.savut@econsultancy.com).

1.2. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 600,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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2.   Foreword by Act-On

Marketers today face a changing, daunting world: a crowded vendor landscape, online channels that are fast-multiplying, a digitally disrupted customer journey. But more importantly, the customer they serve is more empowered and more in control than ever before – able to set the terms of the purchasing process thanks to their unfettered access to content (via a vendor's website, a third-party review site, a news report, even advice from a contact on LinkedIn). These customers do their own research, on their own time, and come to their own purchasing decisions, often only engaging with sales at the last possible stage of the evaluation process; making it paramount for marketers to nurture buyers for longer, and steward more of the customer experience as a result.

Meaning that technologies like marketing automation have a bigger role to play than ever before. Marketing automation is now the command center for businesses. It's the tool to ensure the brand stays top-of-mind for buyers throughout their decision making process, the system to enable marketers to automate and trigger engagements based on buyer behavior, the engine to nurture and score buyers based on who they are and the actions they take, and ultimately the workspace to streamline the execution and reporting of multichannel campaigns.

It was precisely this transformation in the customer journey and in marketing's role that drove us to investigate how marketing automation helps companies operationalize and grow. Our goal in this research was simple: to better understand how companies use and value marketing automation, looking at the technology's adoption, sophistication of use cases, and overall effectiveness across B2B companies in North America and Europe. We felt marketing automation was a prevalent technology in North America, and we wanted to know if the same was true in Europe, and what differences, if any, existed in how marketing automation was perceived, valued, and used. The findings have proven fascinating, and point to new and thrilling opportunities for maximizing the value derived from marketing automation – ways to adopt the technology in order to grow revenue, or to enrich and expand its usage across an organization to create broader business efficiencies.

No one customer journey is the same, no two paths to purchase alike. To execute the kinds of programs that meet customers' individual needs, marketers need to invest in marketing automation – increasingly a competitive advantage – and invest as well in a platform that can support tomorrow's way of doing business: Adaptive Journeys™, the next-gen customer journey enabled by machine learning – that can predict when, where, and what to send a customer based on engagement data. This new vision from Act-On in many ways dovetails with this report's findings, reinforcing not just the need for personalized engagement at scale across the lifecycle, but also marketing automation's specific ability to pioneer a more thoughtful and intelligent customer experience. What Waze has done for the modern driver, Adaptive Journeys will do for the marketer – streamline and simplify the experience.

Michelle Huff
CMO
Act-On Software, Inc.

2.1.   About Act-On

Act-On Software is a marketing automation provider responsible for delivering innovation that enables marketers to create Adaptive Journeys using customer behaviors, preferences, and data to intelligently guide the engagement strategy.

Act-On is the only integrated workspace that powers the customer experience from end-to-end, from brand awareness and demand generation, to retention and loyalty. With Act-On, marketers can drive better business outcomes and see higher customer lifetime value. Act-On is squarely focused on the success of its customers and offers consultant-level quality with everyday customer support.

Act-On has been recognized for its superior product and rapid business growth by Deloitte, Forbes, and Inc. Magazine. For more information, visit www.act-on.com.
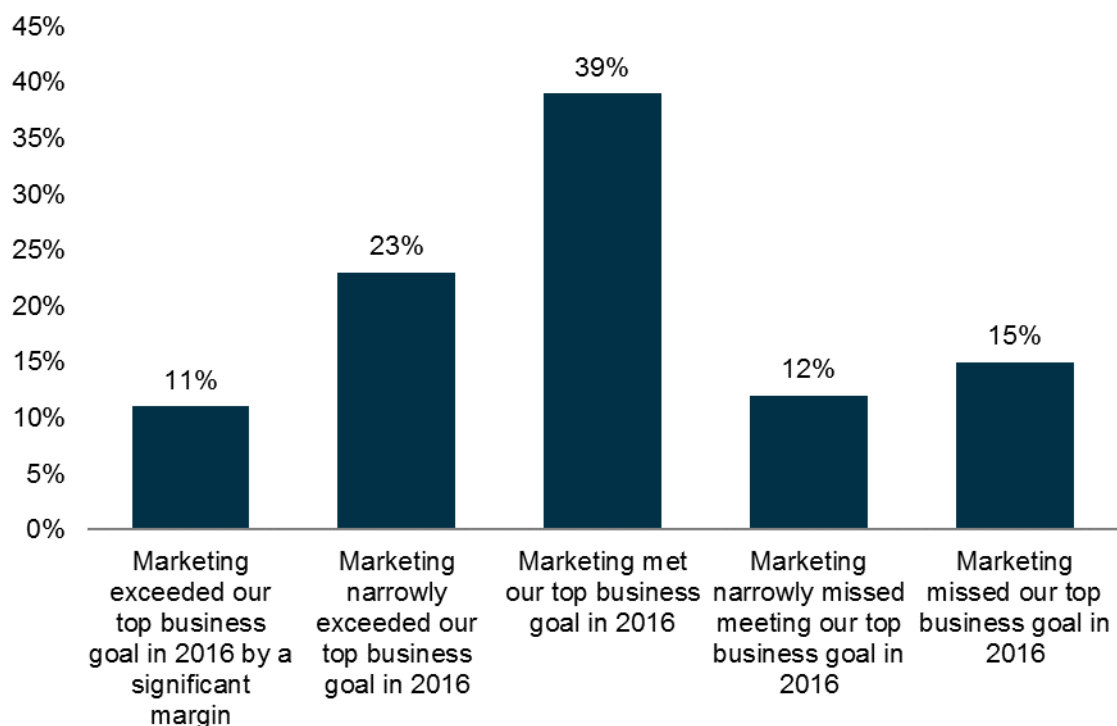
3. Embracing marketing automation

A major focus of this report is the exploration of what B2B companies that are succeeding in their marketing activities are doing differently from the rest.

Where appropriate, the research findings are broken down by level of marketing performance, comparing high-performing companies ('Leaders') with the rest of the sample ('Mainstream'), in order to identify the attributes and characteristics that are correlated with success, and to make recommendations.

Leaders, defined as those whose marketing functions exceeded their 'top 2016 business goal', comprise roughly one third (34%) of the sample, while the remaining 66% are designated as the Mainstream.

Figure 1: Thinking about 2016 performance, which statement best describes how marketing performed against its top business goal?

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Respondents: 324

This section looks closely at the challenges facing B2B marketing teams, and how marketing automation technology can help.

Acquisition of new leads is the most significant marketing challenge in B2B, with almost half (46%) of those surveyed citing it as their main headache. As *Figure 2* shows, lead acquisition is 31% more likely to be the most pressing challenge for Mainstream respondents (47%) than for respondents identified as Leaders (36%).

Mainstream companies are also more likely than Leaders to see *building brand awareness* as a pressing concern (19% versus 11%). Leaders, conversely, are 55% more likely to perceive *lead handoff from marketing to sales* as the most pressing challenge, and are 67% more likely to say that *retention of customer / install base* is their biggest issue. The conclusion here is that Leaders are less likely to be struggling with their top-of-funnel marketing activities, and more preoccupied

with their ability to convert prospects and then retain customers. Conversely, Mainstream respondents are more worried about getting prospects and leads in the first place.

Leaders versus Mainstream
Figure 2: What is your marketing team's most pressing challenge?
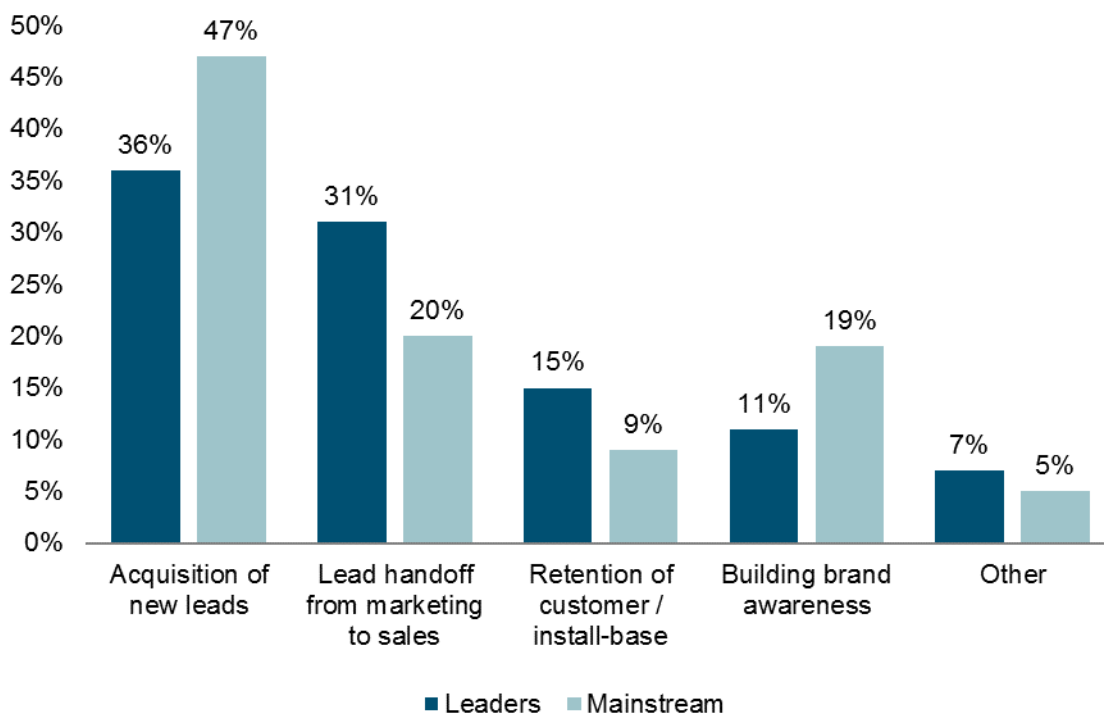
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Respondents: 246

There are two main reasons why greater investment in marketing technology might result in better performance against marketing targets:

- **Greater efficiency**. Marketing technology comes in all kinds of shapes and sizes. According to Chiefmartec.com[1], there are now more than 5,000 marketing technology solutions in the marketplace. With so much choice, there is no guarantee that each and every one of these solutions is going to result in tangible return on investment for customers. But greater competition has improved the capability and quality of marketing technology across the board, resulting in better performance for marketers in the context of their business goals. In theory, technology helps marketers spend their budgets more efficiently, and the data from this survey suggests that the theory has become reality for a significant proportion of businesses.

- **Clarity of strategy and business goals**. As the sums involved in marketing tech investment have become more substantial, so has the need for Chief Marketing Officers (and Chief Marketing Technology Officers) to build more robust business cases for investment. CMOs are under more pressure to quantify how martech can help their companies meet and exceed their targets, and how these marketing goals translate into improved business performance, for example increased revenue and reduced costs. A more technology-focused and, consequently, data-driven approach to marketing has helped companies set ambitious yet achievable marketing goals.

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[1] http://chiefmartec.com/2017/05/marketing-technology-landscape-supergraphic-2017/

Figure 3 looks at the extent to which companies are using marketing automation technology. Just over half (53%) of B2B organizations surveyed are already using this technology, and a further 37% say they are planning to implement it. The vast majority (87%) of the latter plan to implement it in the next year, and almost half (46%) within the next six months (*Figure 4*).

North American respondents are 14% more likely than their European counterparts to say they are currently using marketing automation, and this is an expected finding given the strong growth of this sector in the US and heavy representation of martech companies in North America.

Figure 3: Is your organization currently using marketing automation technology?
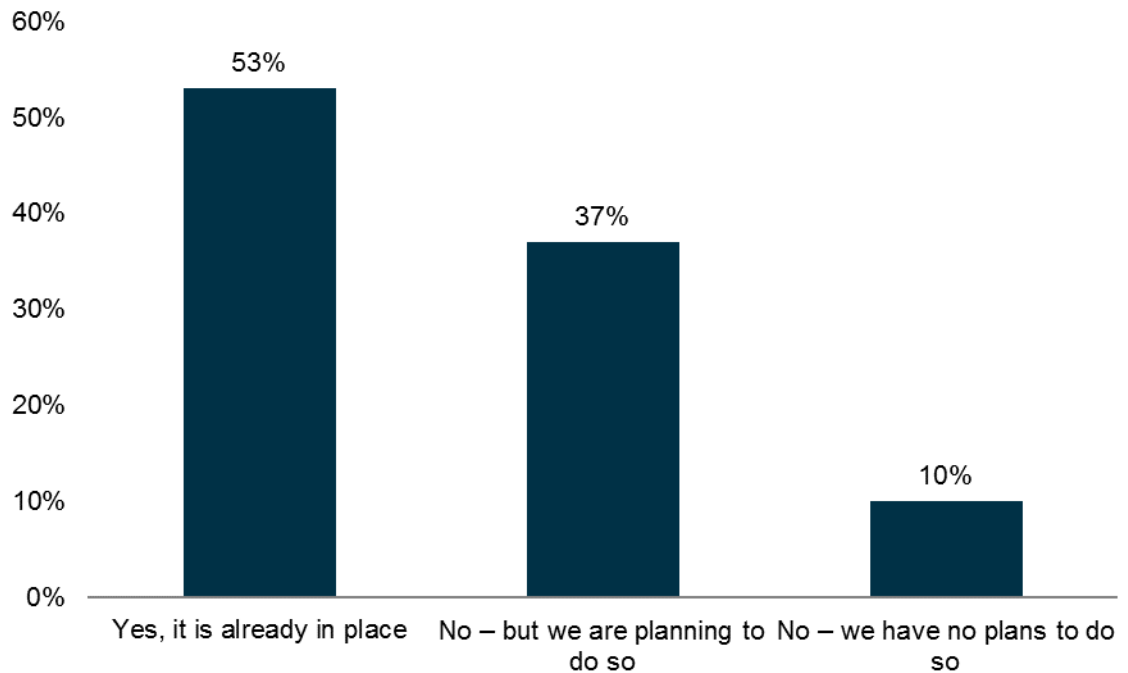
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Respondents: 279

Figure 4: When will your marketing automation system be implemented?
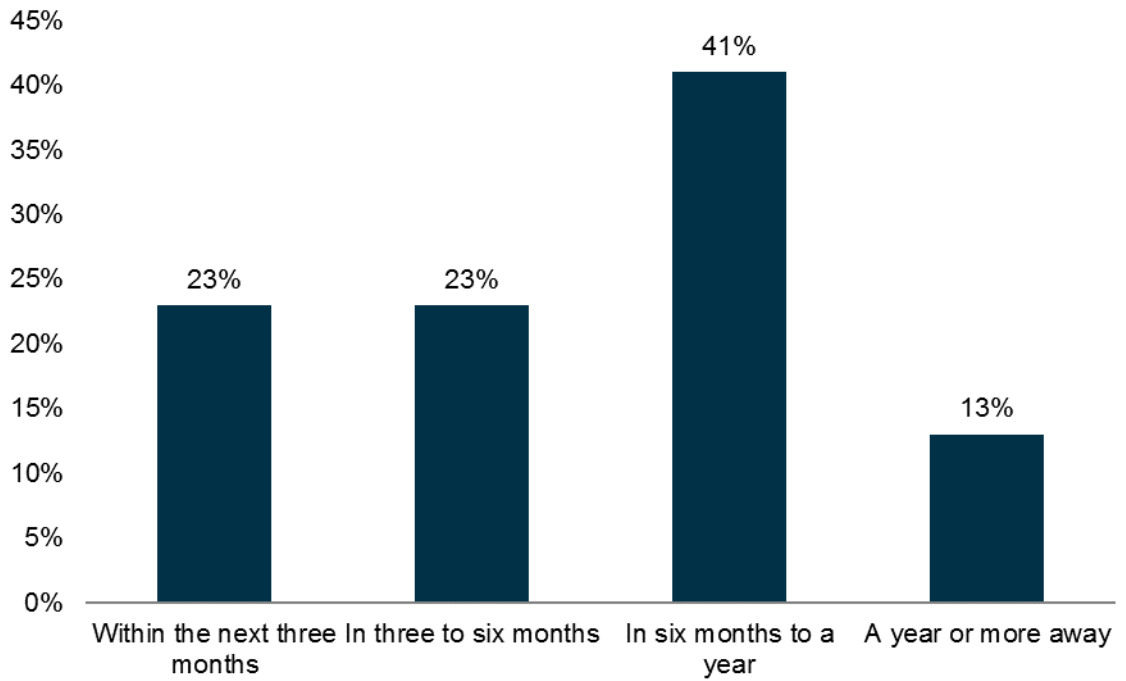
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Respondents: 92

It is also clear from the research that the use of marketing automation technology is correlated with success. Leaders are 24% more likely than their peers to say they are currently using marketing automation (*Figure 5*).

Leaders versus Mainstream
Figure 5: Is your organization currently using marketing automation technology?
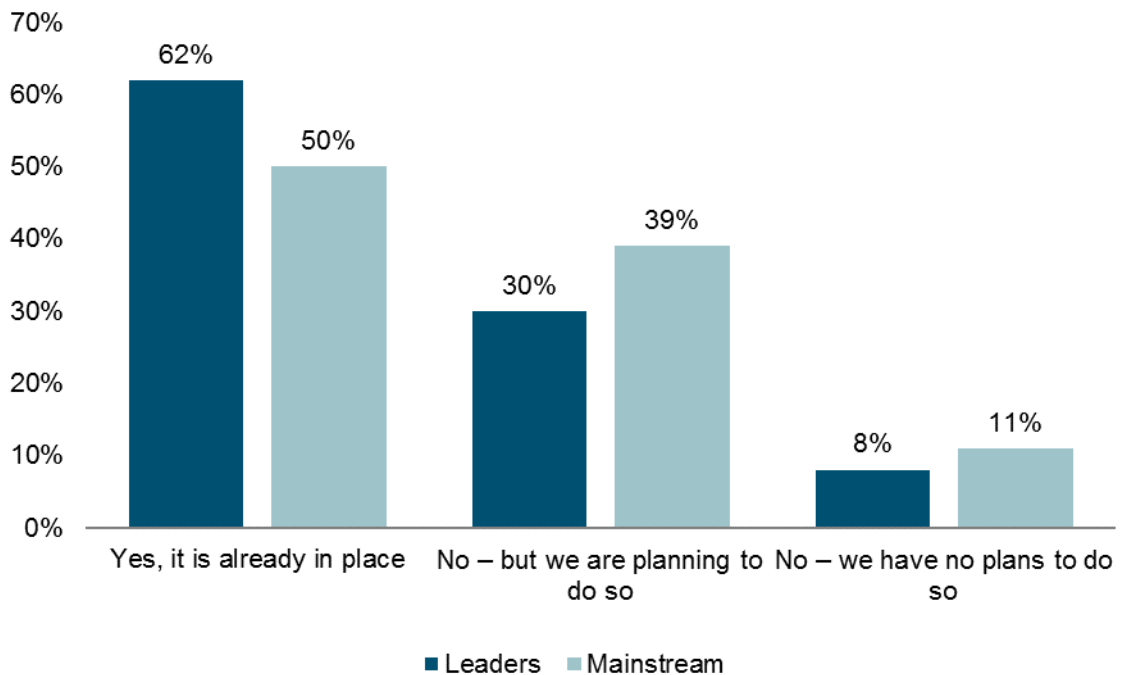
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Respondents: 279

The two most important strategic goals for B2B marketing automation are *generating higher quality leads* and *increasing revenue* (*Figure 6*).

Two-thirds (66%) and just under half (49%) of respondents rank these goals, respectively, among their top three reasons for implementing automation, including close to a third (29% and 31%) who rank them as their first-choice goals.

The prominence of higher-quality lead generation as a key driver in the uptake of marketing automation software is consistent with *Figure 2* where it was seen that lead acquisition is seen as the most pressing marketing challenge. Better quality leads are a vital ingredient in the recipe for B2B marketing success, and will ultimately help to bring about increased revenue – the second most widely cited strategic reason for implementing marketing automation.

While *generating more leads (volume)* is also an important objective for marketing automation (cited as a top-three reason for its implementation by 41% of those surveyed), the quality of leads is of higher importance. Ideally, of course, what B2B organizations want is both quality *and* quantity, and the right technology – properly implemented – can help to deliver that.

Figure 6: Top reasons for choosing to implement marketing automation

Econsultancy / Act-On State of B2B Marketing Automation
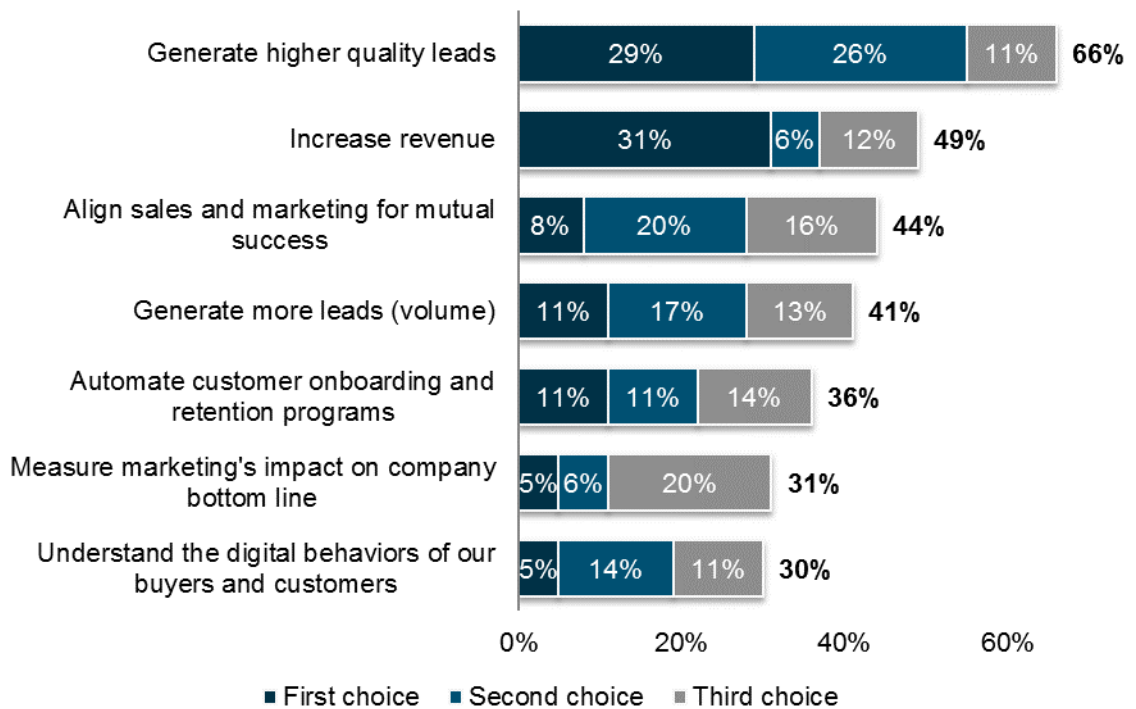
Respondents: 235

The third most widely cited reason for choosing to implement marketing automation is to align sales and marketing for mutual success. It is well documented that the alignment of sales and marketing functions within B2B organizations has become an important factor for businesses that want to thrive.

Even though sales and marketing share many of the same overarching business objectives, such as helping to increase revenue and profitability, many companies have suffered because of rivalry between these departments, and separate technology platforms that have not lent themselves well to co-operation and sharing of data.

Research by MarketingProfs[2] has found that companies with aligned sales and marketing functions can generate up to 208% more revenue from marketing, while disconnected sales and marketing technologies and processes cost B2B companies 10% of revenue or more per year. When sales and marketing teams work together, the MarketingProfs research has shown that companies see 36% higher customer retention and 38% higher sales win rates.

Separately, Aberdeen Research has found that companies that are best-in-class at aligning marketing and sales consistently outperform those companies that are 'laggards' in this respect. Best-in-class organizations averaged 20% annual revenue growth, compared to a 4% decline for the laggards. Furthermore, marketing helped to generate an average 47% of the forecasted sales pipeline in best-in-class organizations, compared to only 5% in laggard companies.

A related trend worth highlighting in this context is the increased prominence of the Chief Revenue Officer (CRO) within B2B organizations, especially in software-as-a-service companies.

As the job title suggests, those in this role have overall responsibility for driving revenue, with enough power within the business to ensure that sales and marketing functions are pulling in the right direction. This can be achieved with a clear business strategy that incorporates both these functions, and consistent KPIs and metrics in respect of both customer experience and financials. Marketing automation can play an important role in helping CROs to deliver against their objectives.

Other reasons for implementing marketing automation (shown in *Figure 6*) are the automation of customer onboarding and retention programs (36%), the ability to measure marketing's impact on company bottom line (31%), and understanding the digital behaviors of buyers and customers (30%).

These are all significant benefits of marketing automation technology, though understandably lower down the pecking order than factors more directly associated with driving revenue.

The financial benefits of more effective onboarding should not be underestimated, with considerable efficiencies typically being achievable when cumbersome manual processes are replaced with automated programs that maximize customer engagement, satisfaction and cross-selling opportunities.

This benefit is closely related to the ability to understand the digital footprint of prospects and customers, a capability that can help to increase your success rate in converting leads into paying customers. Once you have converted prospects into customers, an ongoing understanding of digital behavior can help you to serve their needs in a more compelling fashion, while also surfacing opportunities for cross-selling and up-selling.

Finally, the ability to measure marketing's impact on the bottom line is another key driver in the adoption of marketing automation technology. There is no doubt that CMOs are under more pressure to justify the contribution their departments are making to the business, and marketing automation platforms are integral to a more scientific and quantifiable approach.

As has already been noted, an increased ability to quantify success may partly explain why Leaders – who are more likely to invest heavily in both marketing technology generally and marketing automation specifically – are more likely to state that they exceeded their main business goal in 2016.

[2] http://www.marketingprofs.com/charts/2015/27015/how-aligned-are-b2b-marketing-and-sales-teams

4. Capabilities and measurement

The survey results suggest that there is significant room for B2B marketing practitioners to expand the scope of their use of marketing automation systems, beyond low-hanging fruit. There are only three areas featured in *Figure 7* where more than half of B2B organizations surveyed are using marketing automation: *email* (73%), *web forms* (63%) and *landing pages* (56%).

Many organizations start their marketing automation journey by improving the performance of their email campaigns, so it is not surprising to see that respondents are most likely to use marketing automation in this area. All but 1% of those surveyed are doing so, or have it in their plan. While automated email marketing is an important component of marketing automation, some companies fall into the trap of thinking that triggered email marketing *is* marketing automation.

For those companies thinking about more than just email, the next areas to be tackled are usually *web forms* and *landing pages*, with adoption at more than 50% in both cases.

Figure 7: What do you use (or plan to use) marketing automation for?
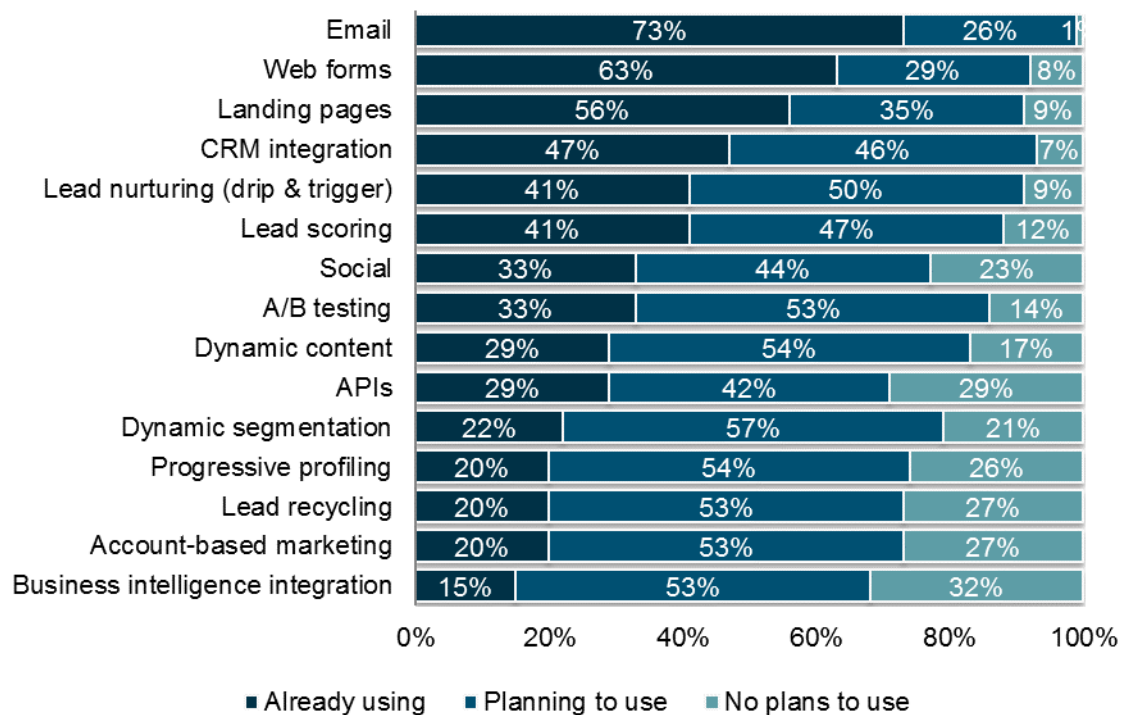
Econsultancy / Act-On State of B2B Marketing Automation

Respondents: 219

As marketing automation practices and technology prove their worth in more basic use cases, there has long been the expectation that marketers will seek other opportunities for gain, such as via greater integration of platforms to allow cross-device and multichannel targeting. Our survey shows this transition remains in progress. For the majority (nine out of 15) of marketing automation components featured in *Figure 7*, usage remains at 33% or lower.

More advanced tactics are, naturally, less prevalent. For example, automated creation of *dynamic content* and *account-based marketing* – both of which can be complex, but hold the promise of significantly improved targeting of communications – score comparatively weakly in terms of traction, with fewer than three in ten respondents currently employing these tactics. In the case of account-based marketing, it seems strange that any business would *not* want to take a more joined-up approach to prospects or customers working for the same company.

The complex task of integrating marketing automation systems with broader business intelligence practices also remains more dream than reality. Only 15% of respondents have enacted *business intelligence integration* and nearly a third (32%) are yet to incorporate this into their plan. Even among Leaders (*Figure 8*), adoption is very low (24%).

Leaders versus Mainstream
Figure 8: Proportion of companies using the following marketing automation functionalities

Email — Leaders 84%, Mainstream 70%
Web forms — Leaders 70%, Mainstream 59%
Landing pages — Leaders 63%, Mainstream 53%
Lead nurturing (drip & trigger) — Leaders 58%, Mainstream 35%
CRM integration — Leaders 52%, Mainstream 45%
Lead scoring — Leaders 48%, Mainstream 37%
Social — Leaders 48%, Mainstream 29%
A/B testing — Leaders 40%, Mainstream 31%
Dynamic content — Leaders 38%, Mainstream 24%
APIs — Leaders 38%, Mainstream 28%
Account-based marketing — Leaders 35%, Mainstream 13%
Dynamic segmentation — Leaders 32%, Mainstream 17%
Progressive profiling — Leaders 32%, Mainstream 16%
Lead recycling — Leaders 32%, Mainstream 15%
Business intelligence integration — Leaders 24%, Mainstream 12%

■ Leaders ■ Mainstream

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Respondents: 219

Leaders are further along the road than their peers in regard to all the tactics featured in the survey (*Figure 8*), and the gap is especially marked in more advanced areas such as *account-based marketing*, *lead recycling*, *progressive profiling* and *business intelligence integration*.

However, there are also some more basic tactics where a much higher proportion of Leaders are pushing for gains, suggesting some more accessible opportunities are being missed. *Social* is one area where Leaders are focusing much more heavily than peers (48% versus 29%), indicating great potential for automated social media marketing among the Mainstream.

Treatment of leads is another area showing a noticeable gap in sophistication between Leaders and their peers. There is a 23-percentage-point divide in the level of usage of marketing automation for *lead nurturing (drip and trigger)*, i.e. using systems to maintain planned and regular communications with prospects, to keep them flowing through the sales funnel. Similarly, significantly fewer non-Leaders are using their systems' *lead scoring* capabilities (37%, versus

48% for Leaders). It was seen in *Figure 8* that both these areas are very much on the radar, with 50% and 47% of companies, respectively, planning to use these tactics.

Across all areas, North American organizations are more likely to use marketing automation than their European counterparts (*Figure 9*). In some categories, such as *CRM integration*, *social*, *web forms* and *account-based marketing*, this is by a significant margin.

Europe versus North America
Figure 9: Proportion of companies using the following marketing automation functionalities
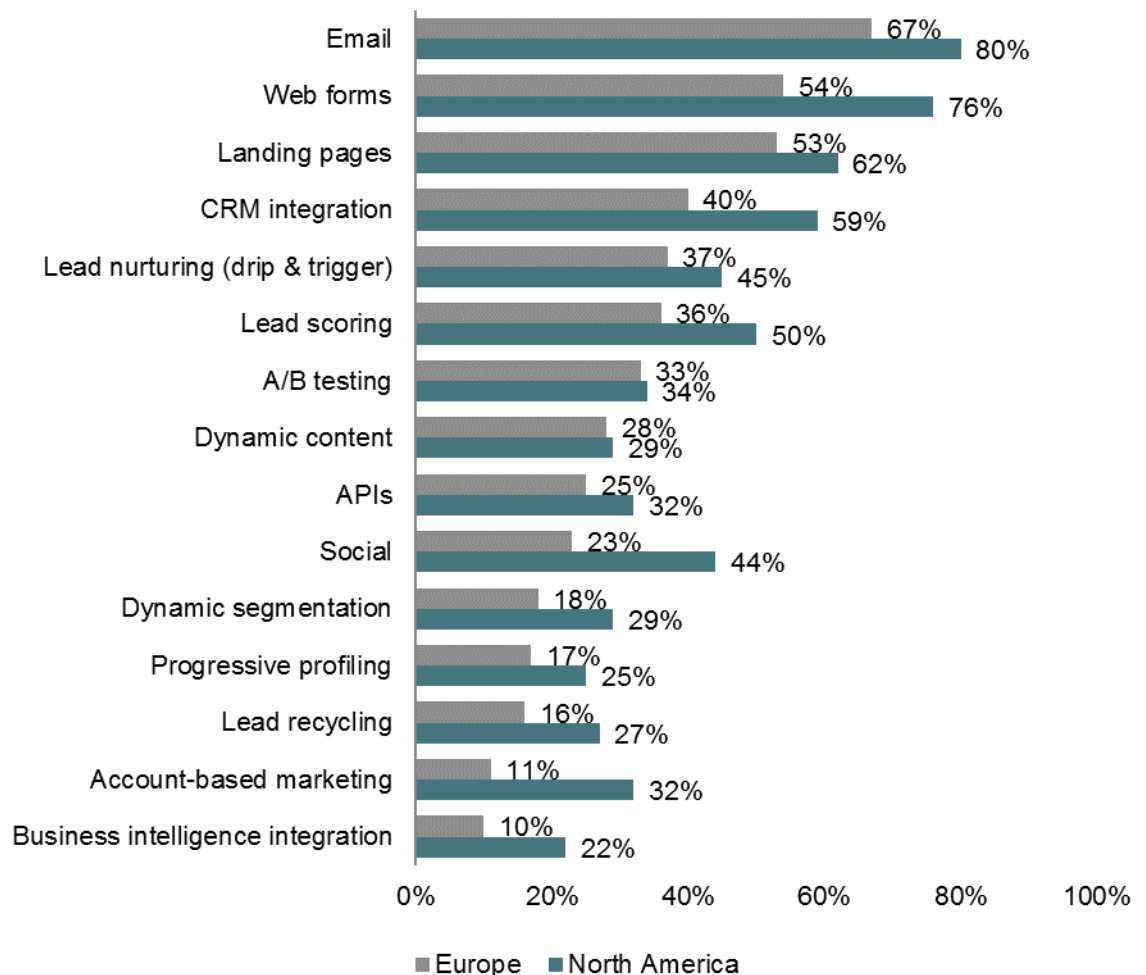
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Respondents: 201

Just as much of the marketing automation toolbox remains under-utilized, *Figure 10* shows that there remains ample room for practitioners to become more sophisticated in how they use these systems to track how activities are performing against marketing goals.

More than two-thirds of respondents are using their marketing automation or CRM systems to track *landing page / forms* and *new contacts*, but for the majority of categories (eight out of 11), fewer than half of those surveyed have firmed up use of their platforms' measurement capabilities. Prevalence of more complex measurement techniques, such as contribution to pipeline and revenue, or customer success metrics, is particularly thin.

Notably, this is despite awareness of the potential gains of measurement being comparatively high. Many respondents have development of different measurement techniques on their radar,

but have yet to enact them. Tracking of *marketing contribution to pipeline (weighted)* is the category where the largest proportion of B2B marketers do not yet have plans, but this still only amounts to 14% of respondents.

Figure 10: What do you actively measure using your marketing automation system or CRM?
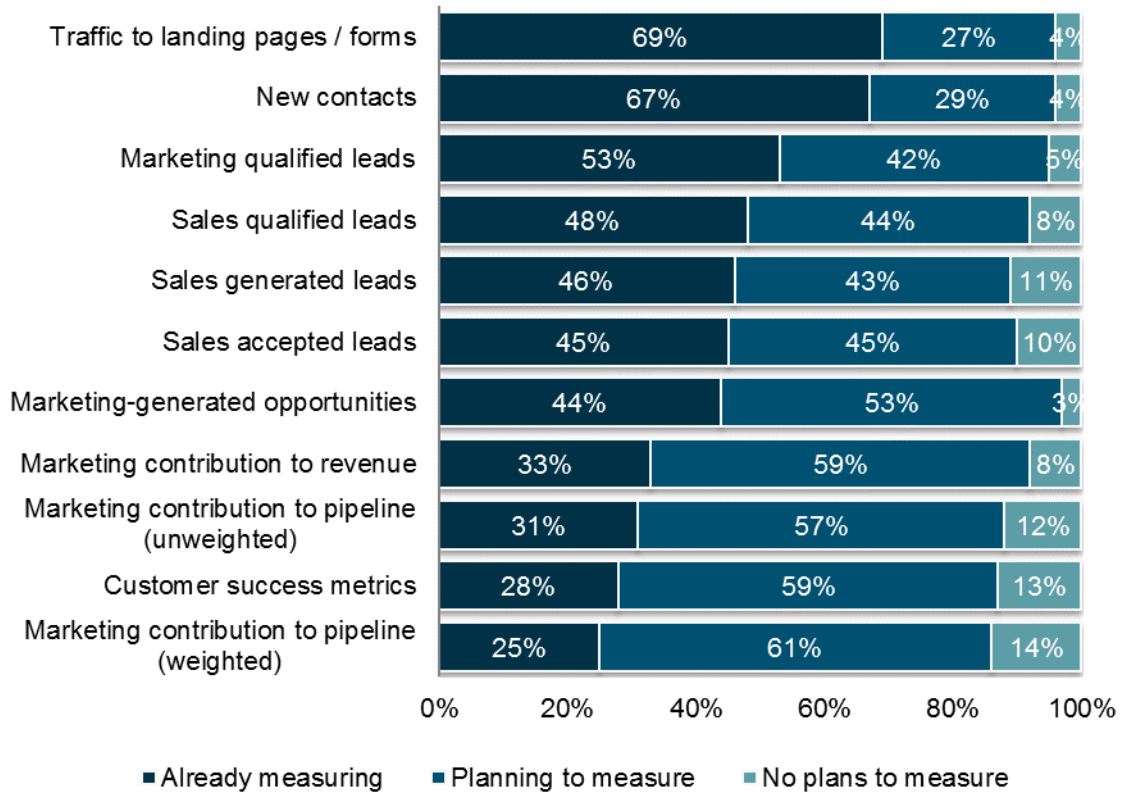
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Respondents: 210

Figure 11 again illustrates how marketing automation sophistication varies between Leaders and the Mainstream. Leaders, for example, are significantly more likely to measure marketing's contribution to pipeline or revenue using their marketing automation system or CRM.

As with marketing automation practices in general, North American practitioners are well ahead of European peers when it comes to measurement (*Figure 12*).

For all measurement techniques featured, prevalence is higher in North America than Europe, and there are especially large gaps in focus on tracking of leads. Measurement of *marketing qualified leads* (65% versus 48% in Europe) and *sales accepted leads* (56% versus 39%) is much more common in North America, for example.

Leaders versus Mainstream
Figure 11: Proportion of companies actively measuring the following using their marketing automation system or CRM

	Leaders	Mainstream
New contacts	77%	64%
Traffic to landing pages / forms	72%	68%
Marketing qualified leads	69%	49%
Sales qualified leads	64%	43%
Sales accepted leads	61%	39%
Sales generated leads	56%	43%
Marketing-generated opportunities	55%	40%
Marketing contribution to pipeline (unweighted)	51%	24%
Marketing contribution to revenue	49%	26%
Customer success metrics	38%	26%
Marketing contribution to pipeline (weighted)	38%	20%

■ Leaders ■ Mainstream

Econsultancy / Act-On State of B2B Marketing Automation

Respondents: 210

Europe versus North America
Figure 12: Proportion of companies actively measuring the following using their marketing automation system or CRM

Traffic to landing pages / forms — Europe 68%, North America 75%
New contacts — Europe 63%, North America 75%
Marketing qualified leads — Europe 48%, North America 65%
Sales qualified leads — Europe 44%, North America 57%
Marketing-generated opportunities — Europe 43%, North America 47%
Sales generated leads — Europe 43%, North America 53%
Sales accepted leads — Europe 39%, North America 56%
Marketing contribution to revenue — Europe 31%, North America 37%
Marketing contribution to pipeline (unweighted) — Europe 28%, North America 38%
Customer success metrics — Europe 26%, North America 33%
Marketing contribution to pipeline (weighted) — Europe 21%, North America 31%

■ Europe ■ North America

Econsultancy / Act-On State of B2B Marketing Automation
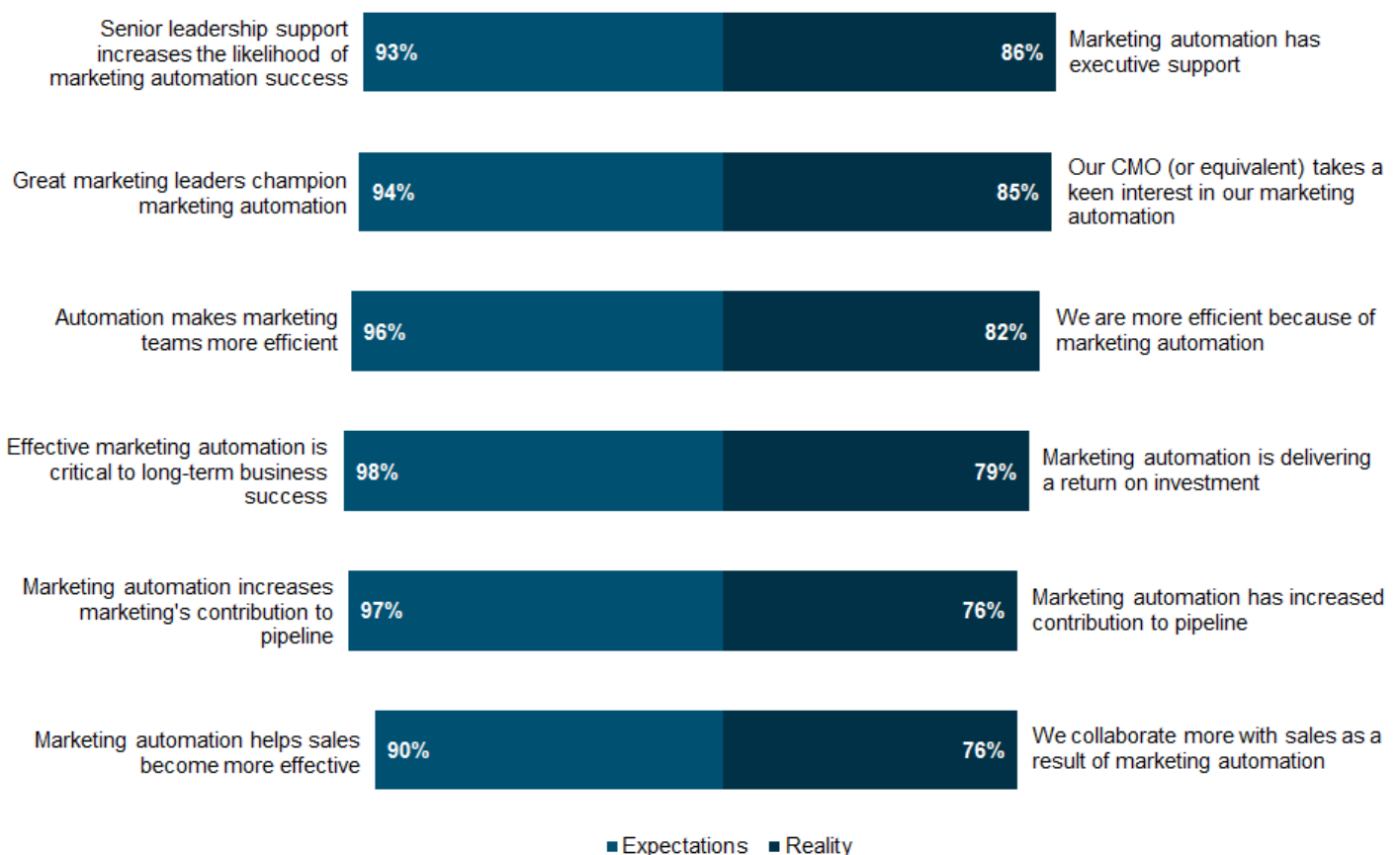
Respondents: 195

5.   The journey to marketing automation success

Many companies have made huge strides in realizing the benefits of marketing automation software, using it to generate greater volumes of high-quality leads that have a transformative impact on both marketing and sales teams, and overall commercial success.

Figure 13, which summarizes the findings of *Figure 14* and *Figure 15*, shows that most companies are closing the gap between expectations and reality. The vast majority of respondents, for example, agree that they are *more efficient because of marketing automation* (82%), that *marketing automation is delivering a return on investment* (79%), and that it has *increased contribution to pipeline* (76%).

However, it is also clear that many organizations can do more to ensure that they are fully benefiting from this technology, as significant numbers of respondents are less than unequivocal about the value marketing automation software is delivering (*Figure 15*). Furthermore, only 41% of marketers agree that they are *using marketing automation to its fullest capacity*.

Figure 13: Closing the gap between expectations and reality

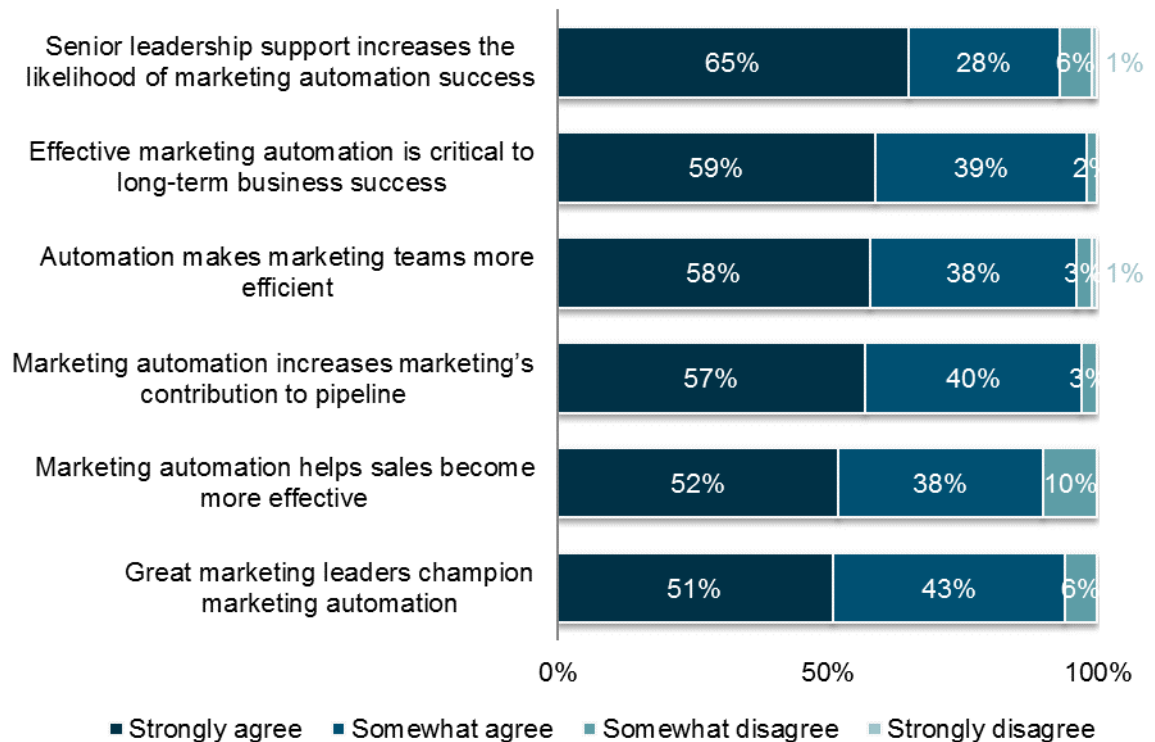| Expectations (left)		Reality (right)
Senior leadership support increases the likelihood of marketing automation success	93% — 86%	Marketing automation has executive support
Great marketing leaders champion marketing automation	94% — 85%	Our CMO (or equivalent) takes a keen interest in our marketing automation
Automation makes marketing teams more efficient	96% — 82%	We are more efficient because of marketing automation
Effective marketing automation is critical to long-term business success	98% — 79%	Marketing automation is delivering a return on investment
Marketing automation increases marketing's contribution to pipeline	97% — 76%	Marketing automation has increased contribution to pipeline
Marketing automation helps sales become more effective	90% — 76%	We collaborate more with sales as a result of marketing automation

■ Expectations   ■ Reality

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Companies need to ensure that they have as much clarity as possible around their sales and marketing goals, and have the processes in place – along with the technology – to help them achieve this. This requires executive buy-in, and it is encouraging that 86% of respondents agree that *marketing automation has executive support*. Management buy-in is widely cited as a key requirement for organizations to push forward marketing automation investment, and to ensure that everyone within the business is pulling in the same direction and committed to its success.

It is important that organizations don't attempt to run before they can walk. By clearly demonstrating the value that relatively simple software use cases are delivering, marketers are in a stronger position to ensure the further organizational commitment that may be required to harness the technology more fully, for example to effect closer alignment of sales and marketing teams, and greater integration of data residing in different business silos.

Figure 14: Please indicate your level of agreement or disagreement with the following statements.

Senior leadership support increases the likelihood of marketing automation success — Strongly agree 65% | Somewhat agree 28% | Somewhat disagree 6% | Strongly disagree 1%

Effective marketing automation is critical to long-term business success — Strongly agree 59% | Somewhat agree 39% | Somewhat disagree 2%

Automation makes marketing teams more efficient — Strongly agree 58% | Somewhat agree 38% | Somewhat disagree 3% | Strongly disagree 1%

Marketing automation increases marketing's contribution to pipeline — Strongly agree 57% | Somewhat agree 40% | Somewhat disagree 3%

Marketing automation helps sales become more effective — Strongly agree 52% | Somewhat agree 38% | Somewhat disagree 10%

Great marketing leaders champion marketing automation — Strongly agree 51% | Somewhat agree 43% | Somewhat disagree 6%

■ Strongly agree   ■ Somewhat agree   ■ Somewhat disagree   ■ Strongly disagree

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Respondents: 280

When looking at reality versus expectations, marketers appear to be making headway when it comes to stewarding marketing automation within the organization. There isn't much of a gap between what is *expected* to be successful and how internal experiences are perceived, especially when looking at support, championing of the technology and efficiency tied to marketing automation. This means companies are making good traction with evangelizing and getting buy-in from leadership to support the technology implementation.

But marketers do appear to be struggling when they need to align marketing automation activities across the business, and to demonstrate the impact these activities are having. There is more of a disparity around reality and expectations when it comes to more tactical elements and tangible benefits such as ROI, pipeline contribution and alignment.

The overwhelming majority (85%) of respondents say that their *CMO (or equivalent) takes a keen interest in marketing automation*, almost the same percentage that agrees that it has executive support. While a strong majority also agree that marketing automation has increased contribution to pipeline (76%), increased collaboration with sales (76%), delivered ROI (79%) and increased efficiency (82%), only around a quarter of respondents 'strongly agree' that this is the case for each of these statements.

Figure 15: Thinking of your organization, to what extent do you agree or disagree with the following statements?
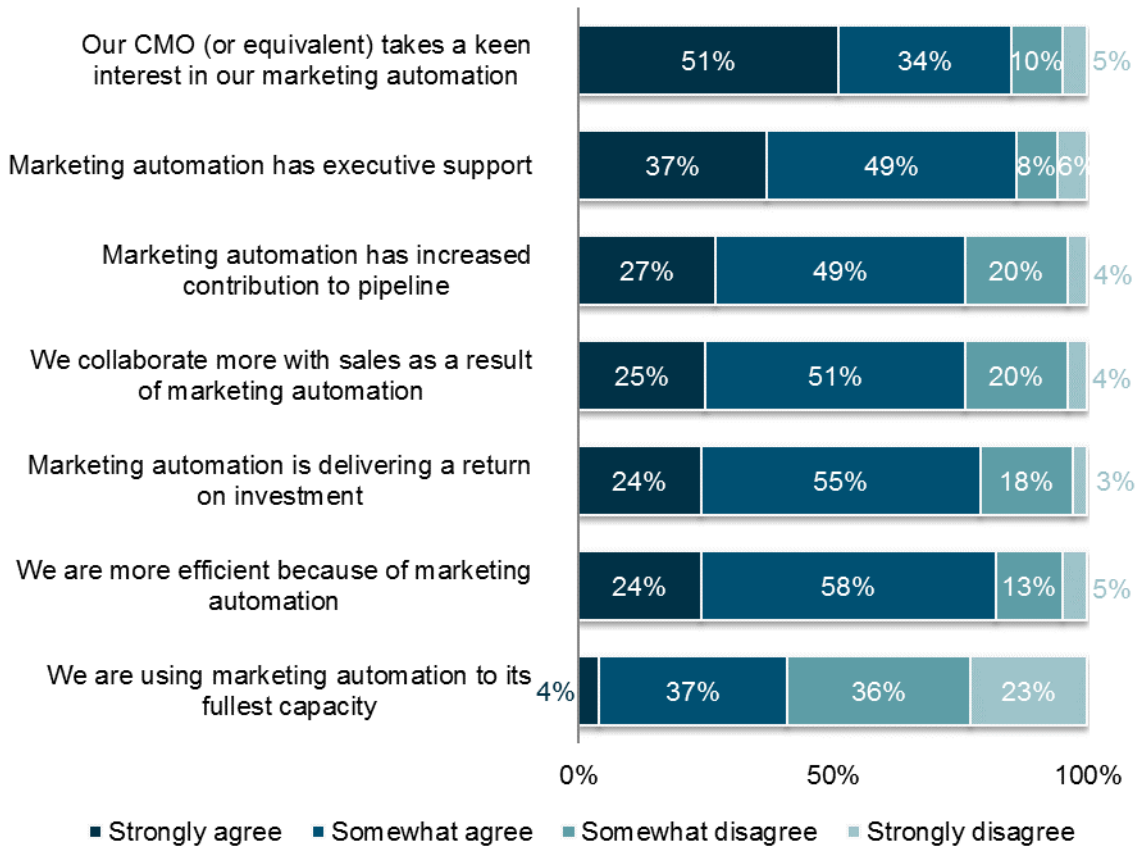
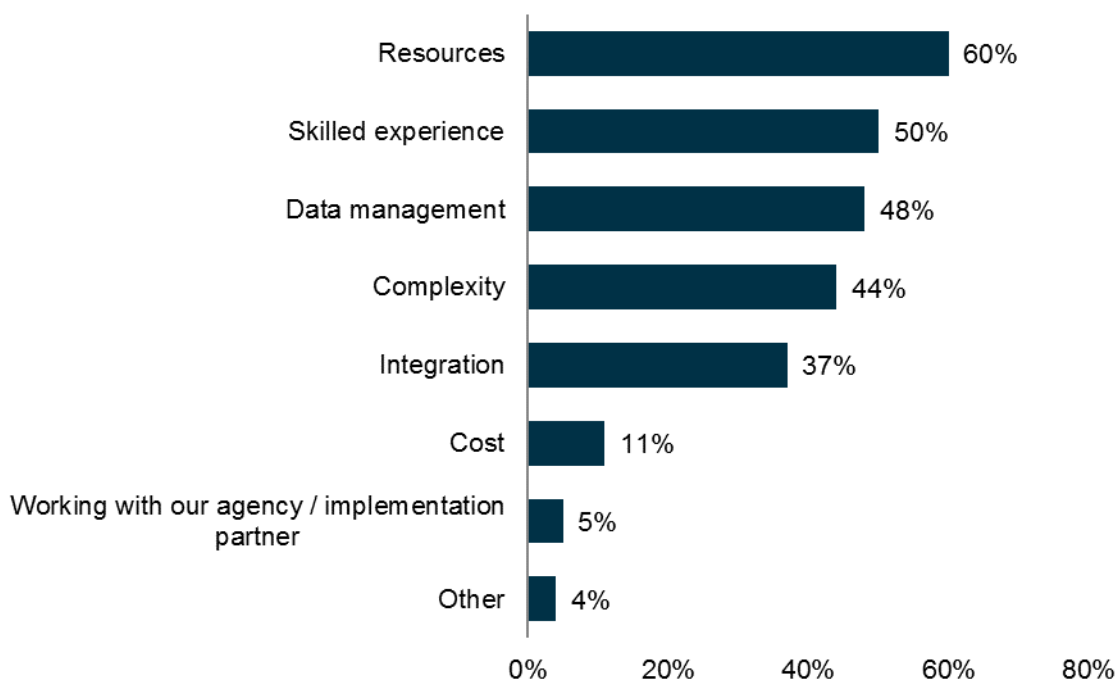Econsultancy / Act-On State of B2B Marketing Automation

Respondents: 129

Why isn't marketing automation delivering a return on your investment?

"Still in the start-up phase, difficulties in rollout, differences in needs and wishes of central marketing teams and country marketing teams."

"It's not connected with our CRM. It isn't properly implemented. It was sold as a solution to our issues and it isn't able to deliver on that. There's also lack of senior understanding of its limitations."

"Lack of support from senior management to allow marketing to use marketing automation as a revenue generator."

"Strategy hasn't been properly defined."

Survey respondents

As seen in *Figure 16*, the vast majority of Leaders say that marketing automation has delivered a return on investment (93%) or increased contribution to pipeline (90%), compared to just over two-thirds of Mainstream organizations (69% and 68% respectively). Leaders say that automation increased marketing's contribution to pipeline by an average of 31% (versus 26% for the Mainstream).

Surprisingly, respondents at Mainstream companies are more likely than Leaders to agree that their CMO takes a keen interest in marketing automation (91% versus 81%).

As elsewhere in the survey, the responses suggest that North America remains ahead of Europe when it comes to marketing automation sophistication, and results. A significantly higher proportion of respondents based in North America indicate that marketing automation has delivered their organizations with return on investment than those in Europe (91% versus 72%).

Europe-based practitioners are also less inclined to cite positive results from marketing automation on efficiency, collaboration and pipeline contribution.

Leaders versus Mainstream
Figure 16: Thinking of your organization, to what extent do you agree or disagree with the following statements?
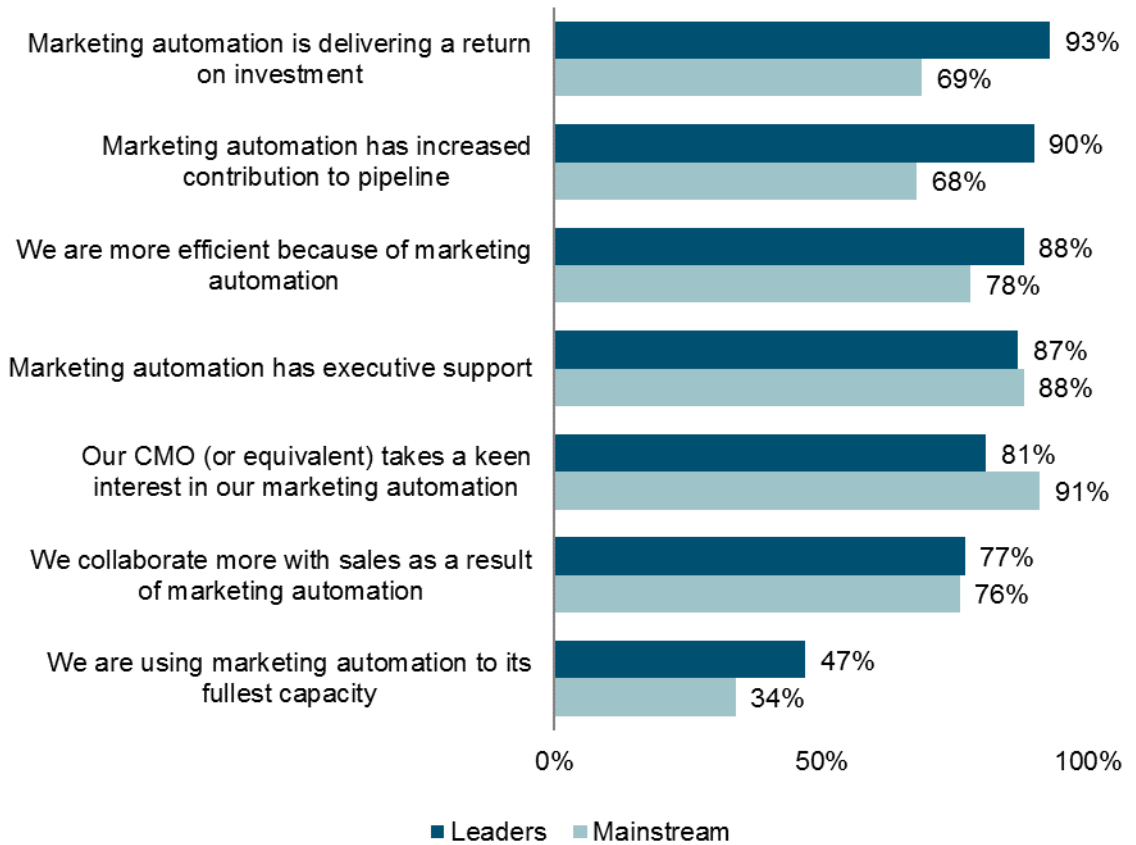
Econsultancy / Act-On State of B2B Marketing Automation

Respondents: 129

Figure 17: What are your organization's most significant challenges with marketing automation?

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Respondents: 124

A long and technical climb, but worth it

The widespread under-utilization of marketing automation becomes more understandable when considering the challenges that practitioners need to overcome when developing their capability in this field.

It can be argued that the top five most significant challenges organizations are experiencing when implementing marketing automation (*Figure 17*) are inter-related. This probably explains why there isn't one that stands out, and emphasizes one of the key takeaways from this report – that marketing automation delivers great return on investment, but getting there involves getting a lot of moving parts working in harmony.

Leaders and Mainstream respondents broadly cite a similar range of challenges, and are in agreement on the main ones (*resources*, *skilled experience* and *data management*), indicating there is no silver bullet for progressing marketing automation.

Nonetheless, there are some key themes to draw out.

Knowledge and time are key to unlocking automation benefits

Resource is, understandably, a key barrier for many organizations, particularly considering the need to be hands-on with automation platforms in order to extract their full benefits. While marketing automation success depends on having great technology, a well-thought out strategy and content to fuel the engine, it is just as important to have the right people to make it work.

Human 'bandwidth' is tight, especially for small businesses, and it can be a big ask to persuade senior management to free up additional resource for a complicated area of marketing that – as noted previously – they often do not quite 'get'. Make sure to do your due diligence when researching marketing automation to ensure that you adopt the system that's the right fit for your company size and business needs. There are many systems on the market – some are targeted at

large enterprises, others at small and micro, and a few for the mid-market. Remember it is not a feature game – more features add more complexity and can actually be an impediment to your marketing success.

This reiterates the importance of having clarity of purpose when entering into the marketing automation field, and building a watertight argument to sell the business case internally. It also suggests that there is some fertile ground for third-party services to support in-house efforts.

The capacity demands of progressing marketing automation are borne out in both the qualitative responses to our open-ended questions (see below), and the survey data. Resource is the most widely cited challenge cited by both Mainstream respondents (63%) and Leaders (59%). This is also the case across Europe-based respondents (58%) and those in North America (67%).

The relatively low proportion of respondents citing *cost* as a significant challenge shows that the resource-related difficulties of delivering effective marketing automation extend beyond money. It also shows that cost-effective solutions are out there for organizations, if they have the ability to exploit them. Similarly, the relatively low proportion of respondents (5%) citing *working with our agency / implementation partner* as a significant challenge suggests no major pool of dissatisfaction with the third-party suppliers working in this space.

Leaders are slightly more likely to describe cost as a challenge, perhaps as a signal of their greater aggression around investment (17% versus 9%).

Another layer to the marketing automation capacity issue is the need for *skilled experience*. As across all areas of modern marketing, practitioners with a valuable – but rare – mix of data- and human-driven skills are required to drive forward automation-led campaigns. Half of all respondents cite fulfilling the need for *skilled experience* as a significant challenge, and this rises to 55% in Europe.

… especially considering IT and organizational complexities

Feeding into resource constraints are the significant technology challenges that tend to arise around platform implementation and operation.

Data management features prominently, and is cited by almost half (48%) of B2B marketers as a significant challenge. This reflects the fact that data remains the lifeblood of all marketing automation initiatives, and that exploiting it is a major challenge with numerous pitfalls.

Marketing departments may become swamped by the numbers, with too much volume of data but too little insight, holding back campaign reach. Data hygiene is also a key issue that carries major resource implications.

Europe-based executives are slightly more likely to reference *data management* as a headache than their counterparts in North America (52% versus 45%), which must be at least partly due to the increasingly live issue of General Data Protection Regulation compliance.

Integration is another technology-related theme concerning many respondents (37%), reflecting the challenges of melding platforms with often-inflexible legacy systems, and the need to align automation platforms with those of other departments, such as sales, to fully realize their benefits.

A backdrop to these technical pain points is the broader theme of *complexity*. Everything about marketing automation is an elaborate task, from strategy development to platform selection and results measurement, and it is therefore no surprise that *complexity* is raised as a significant challenge by more than four in ten respondents.

Complexity is also more commonly cited as a concern by the Mainstream than by Leaders (51% versus 35%), emphasizing that marketing automation – while having major potential – is no easy win.

Nonetheless, despite its challenging nature, there is broad acknowledgement of the ability of marketing automation to deliver strong results.

The vast majority (85%) of those surveyed rate their marketing automation systems as 'very' or 'somewhat' effective. Furthermore, nearly three in five (58%) organizations say that marketing automation has delivered a return on investment within six months of implementation (*Figure 20*).

As can be seen in *Figure 18*, Leaders are nearly three times more likely to rate them as 'very effective' (20% versus 7% of those in the Mainstream group).

It is notable, however, that there is significantly higher satisfaction with systems among North American respondents than those in Europe (*Figure 19*). Among the former group, 93% describe their platforms as effective, versus 76% in Europe.

Leaders versus Mainstream
Figure 18: How effective is your current marketing automation system?
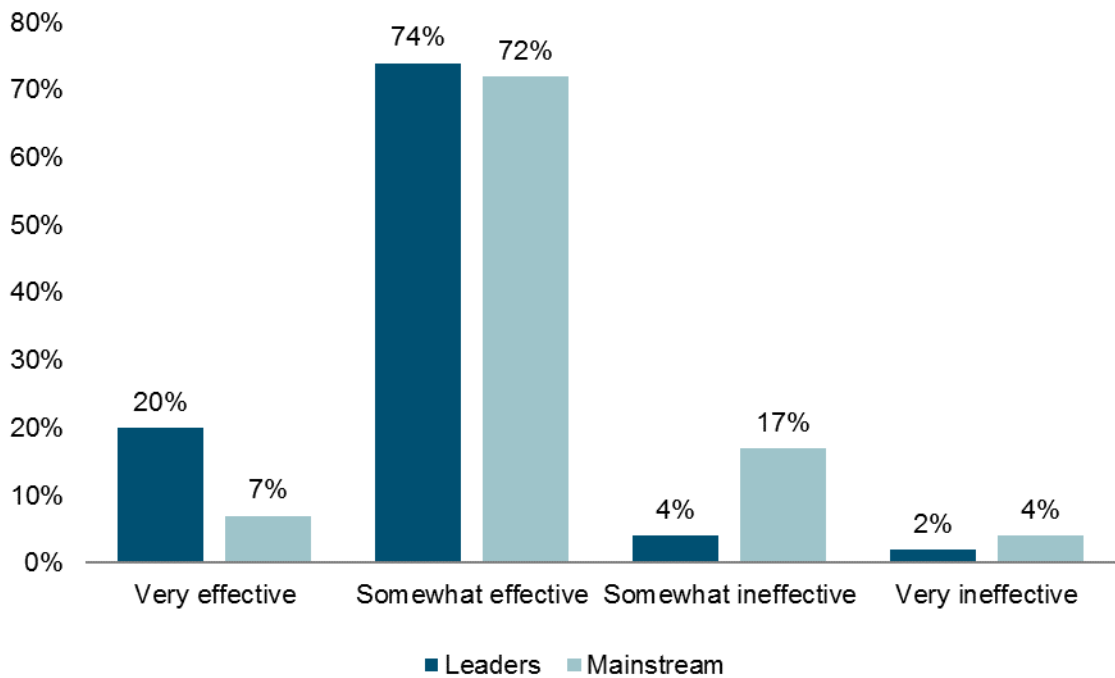
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Respondents: 136

Europe versus North America
Figure 19: How effective is your current marketing automation system?
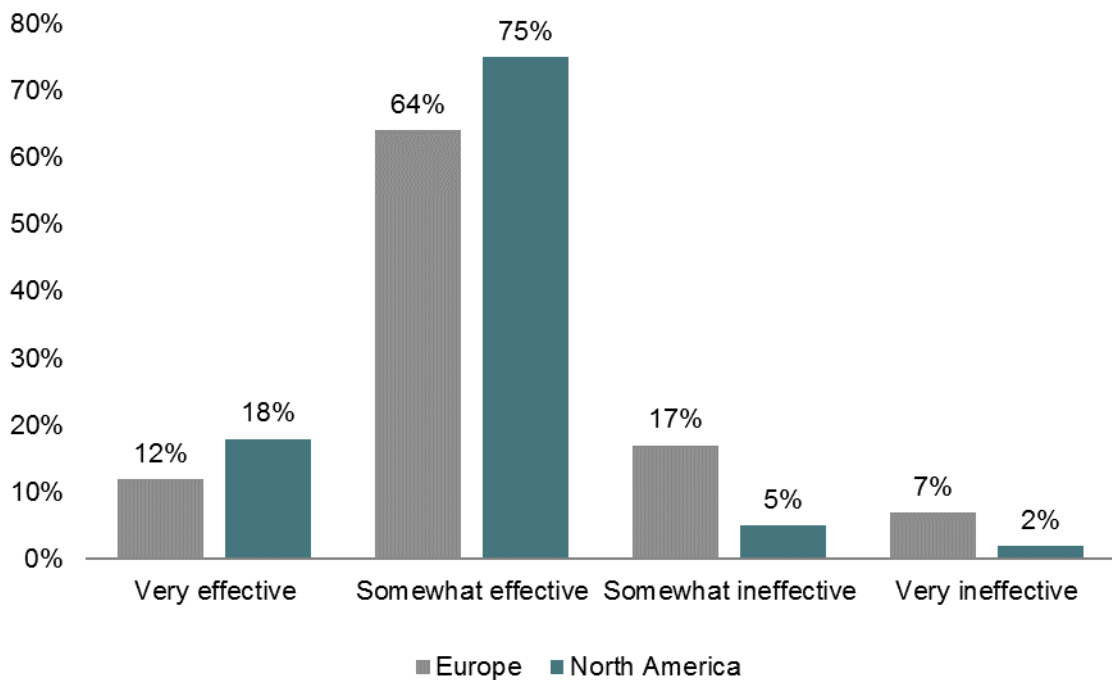
Econsultancy / Act-On State of B2B Marketing Automation

Respondents: 129

Effectiveness of marketing automation systems: what B2B marketers say

"The software is extremely effective; I just need a larger team to use it more fully. Automation is only as powerful as the people behind it. It makes us more effective and efficient but it's people-powered. We need strategies to drive campaigns and people to program campaigns."

"We don't have a leadership team that believe in the use of marketing automation so we lack support in driving it forward."

"It is an evolutionary process that requires constant adjustment and attention – there is very little that is 'set it and forget it'."

"The struggle is that we provide multiple types of deliverables to multiple types of clients, so automation is always a challenge. Now that we have all the right team members in place, we are picking up great momentum with our marketing automation efforts."

"With a niche market and a small marketing team there is only so much automation that can be put into place. Our number of incoming leads is relatively low but the ability to automate the tracking in a number of areas from website visits, email opens and click-throughs with lead scoring is helping us to target the prospects that deserve a follow-up call. Any tool is only as effective as the amount of time and work put into the content and setup. With small businesses, this can take a long time."

"It's effective in terms of efficiency within the marketing function. However, we're still under-utilizing it and time investment is required to truly see business benefits."

"We're lacking the time needed to make some tweaks that will improve efficiency, and budget for some customizations."

"Because it is so resource-intensive our lean-and-mean marketing team has to often forgo best practices to simply get marketing out the door."

Survey respondents

Figure 20: How long did it take for marketing automation software to deliver a return on investment?
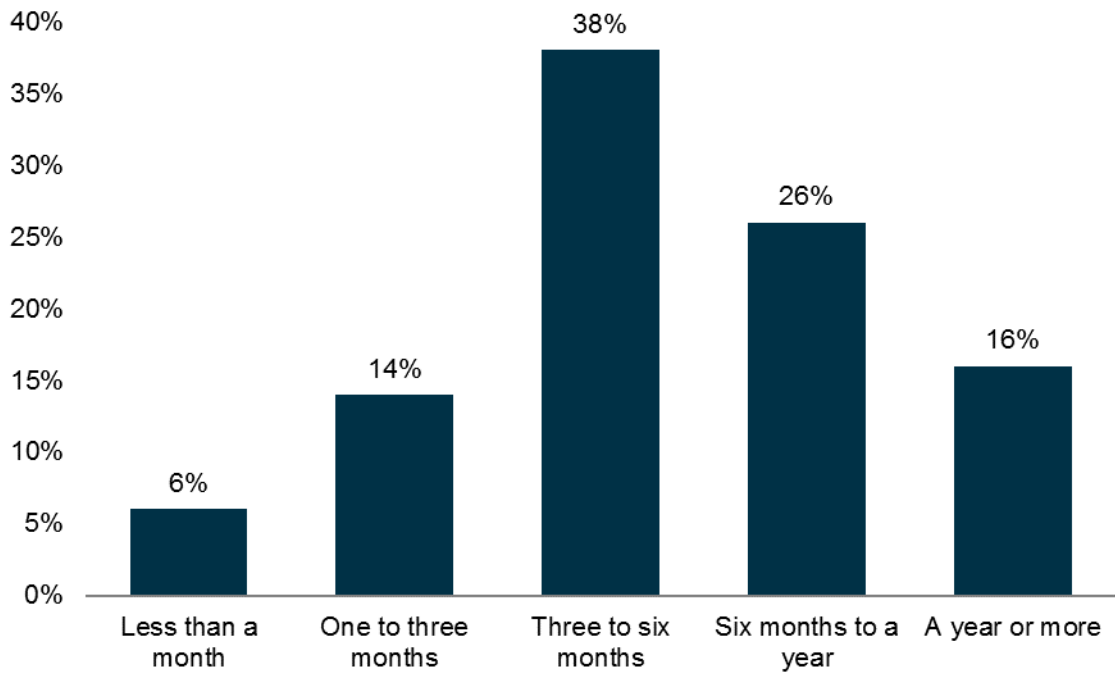
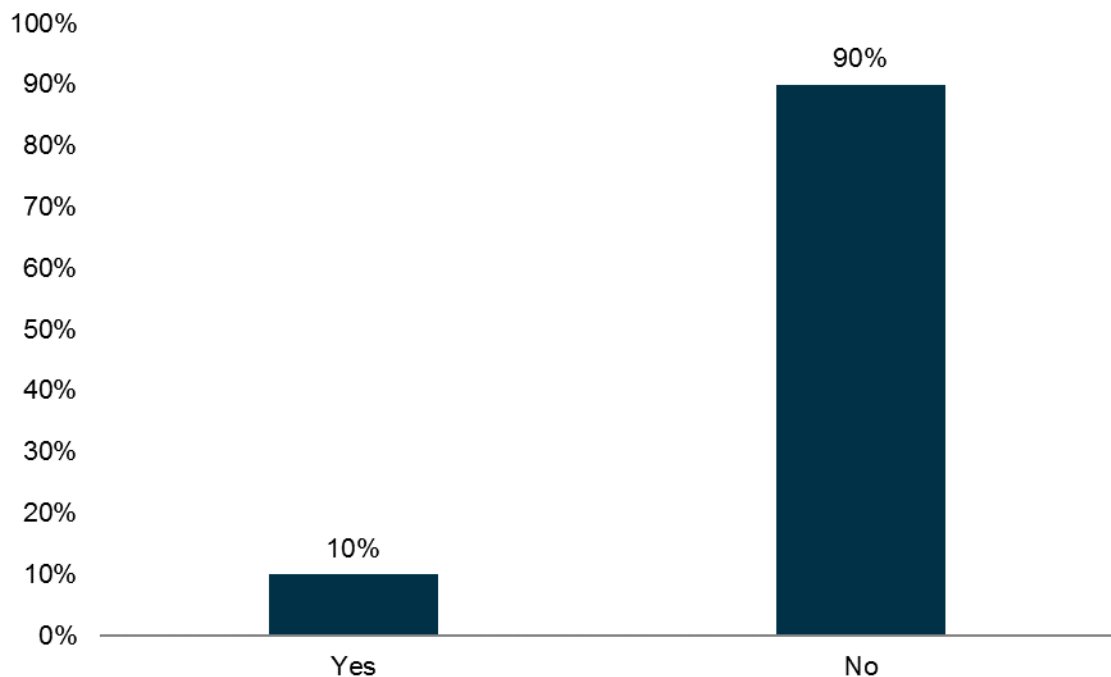**Econsultancy / Act-On State of B2B Marketing Automation**

Respondents: 82

6. To switch or not to switch?

Considering the costs and complexities involved in implementing a new marketing automation platform, it is unsurprising that there is a low level of appetite among B2B marketers to change their provider.

Only one in ten organizations surveyed are planning to switch to a new marketing automation partner (*Figure 21*). This figure only rises by one percentage point when considering Mainstream practitioners that have made less progress than Leaders in the field, and would in some ways have more motivation to switch.

Interestingly, though, European organizations are five times more likely than their North American counterparts to say they plan to switch marketing automation provider (15% versus 3%).

Figure 21: Are you planning to change your marketing automation provider?

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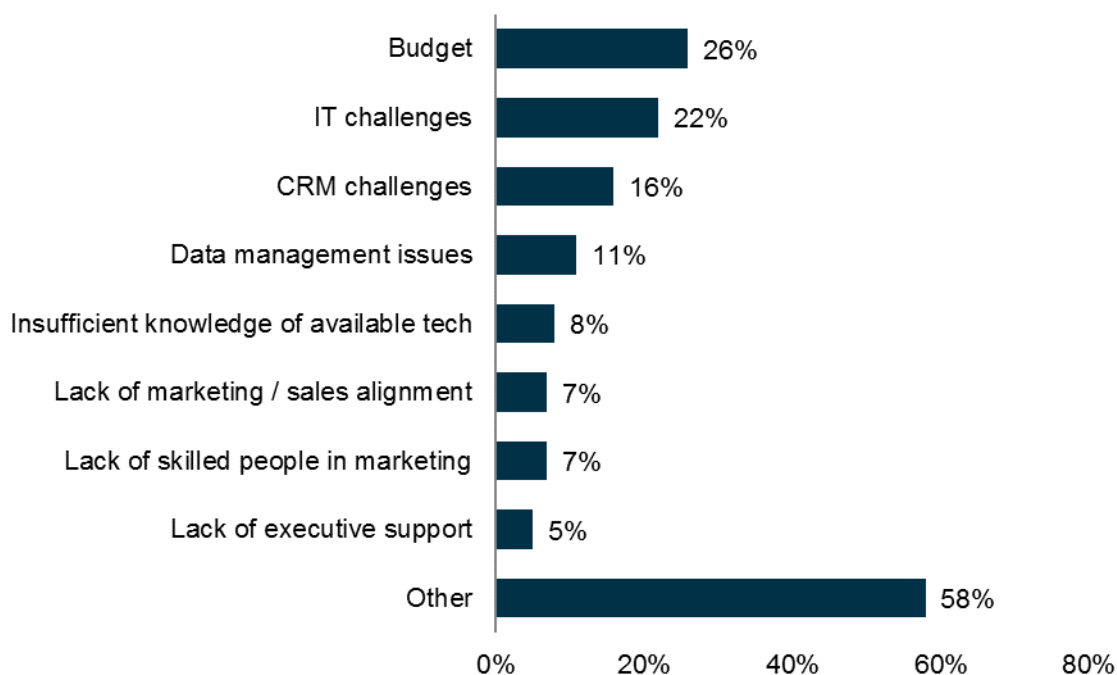
Respondents: 123

That nine in ten respondents are planning to stay with their current marketing automation technology partner does not necessarily mean there is a high level of satisfaction among B2B marketers with their platforms. Switching system – and migrating the associated data – can be a challenging and risky process, creating a major disincentive to change. This, of course, emphasizes the need to select your provider with care (see *Section 7*).

The question of platform retention received a high number of distinct answers from individual respondents, reflecting that every B2B marketer's situation is different, and unveiling their true range of needs is never that simple.

Among the 58% of respondents that chose *other*, most indicated they were happy with their current platforms. Nonetheless, some indicated it was simply too complex or resource-intensive to move everything to a new provider, or that they would rather just focus on better utilizing their current system.

Figure 22: Why are you not planning to change your marketing automation provider?

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Respondents: 73

Of all respondents, more than a quarter cited the cost of switching (i.e. *budget*) as a key consideration (*Figure 22*). Technical complexities also figured prominently, with 22% referencing *IT challenges* and 16% *CRM challenges*.

Among Leaders, the proportion of respondents citing budget constraints was higher than average (32%), suggesting that – despite the level of satisfaction indicated in *Figure 18* – there would be a level of propensity among more sophisticated marketing automation users to switch, should cost barriers be brought down.

Within the Mainstream, with their broader set of unresolved challenges, there was a slightly higher propensity to cite human- and organization-related issues such as *insufficient knowledge of available technology* (11% versus 6% of Leaders), *lack of marketing / sales alignment* (11% versus 3%) and *lack of executive support* (8% versus 3%).

Geographically, European respondents' concerns were slightly more geared towards technology complexity, while in North America, there was marginally higher focus on cost. In Europe, IT challenges were the most commonly referenced barrier to change (29% of respondents, versus 17% in North America), while in North America, budget was most prominent (28% versus 24% in Europe).

7. B2B marketing automation success: five tips for better results

1. Have a strategy and plan

Many marketing automation projects flounder because there is a lack of strategy from the outset. It is important to identify clearly what goals and objectives you are seeking to achieve, and to define your software requirements in this context.

Companies need to map out their plans and gain a thorough understanding of the manual tasks that are going to be automated, and the workflows that are going to be disrupted. Consider fully which cogs and gears within the organizational machinery need to be operating in harmony to ensure success, and the type of inter-departmental co-operation that will be necessary.

A starting point is an alignment process within the business to ensure that there are clear overall business objectives for marketing automation, and a good understanding of the roles played by different departments in delivering against these goals. Think about how your culture will need to evolve in order to improve alignment between sales and marketing, and to ensure that you fully benefit from marketing automation software.

2. Appoint a project lead

While your choice of marketing automation technology is crucial to success, software in isolation is not a panacea for an area of marketing that is very much 'people-powered'. Organizations using this technology need to ensure that the processes are in place to help you get full value from your investment, with co-operation between different stakeholders and business functions essential from the outset.

Marketing automation sits at the intersection of other marketing technologies such as BI, CRM and CMS, and it is therefore important to look at the bigger picture before implementing this technology.

Much will depend on the effective use of data, which will likely sit in separate parts of the business and very possibly different marketing and sales technology silos. There needs to be a plan to pool together these sources of data to maximize your marketing automation success.

Implementation of a marketing automation platform, whether starting from scratch, or replacing a technology that is no longer fit for purpose, can therefore require some heavy-duty project management, and a project manager with sufficient influence within the business to 'make stuff happen'.

3. Make sure you choose the right platform

While B2B marketing automation vendors offer a similar core range of capabilities relating to areas such as lead management, account-based marketing, integration with other marketing technologies and templates for email and landing pages, there can be significant variation in the emphasis that software providers place in different areas. Particular vendors may focus on specialized areas of functionality that may, or may not be, core requirements for your business.

It is also essential to pay attention to the user interface and ease with which people in your business – with a variety of backgrounds and specialist skillsets – will be able to operate the software. Consider also the vendor's commitment to customer service and the testimonials of other customers. Make sure you adopt a rigorous vendor selection process to ensure the right partner, with a carefully thought-out request for proposal (RFP) template, and a scorecard to rate your shortlisted vendors that is based on criteria that match your business needs as closely as possible.

4. Choose the right implementation partner

Successful marketing automation software implementation requires the kind of knowledge and skills that, at best, are in short supply within many organizations.

Depending on the scale of your business and the level of sophistication you require, it may be necessary to appoint a third-party implementation partner to ensure that your technology platform is properly set up and optimized. This will need to be factored into your budgeting, as many companies set aside too little money for implementation and delivery.

A reputable and qualified agency partner can provide guidance around strategic direction and data usage, as well as help on more tactical activities such as content and campaign management. They can also play a useful role as an impartial voice in helping to align different parts of the business, because they are sufficiently detached from company politics and internal agendas.

It is worth talking to potential implementation partners before you commit to a particular technology, in order to understand from them the pros and cons of different vendors, though keeping in mind that they may not necessarily be platform-agnostic themselves.

If you are already sold on a particular vendor, then ask about their agency partner programs and advice on which company might provide the best fit, based on your company size, budget and culture.

5. Build the business case for investment

Building the business case for investment is ultimately part of your strategy and planning (first tip), but is worth calling out and elaborating on as a standalone tip for success. In order to get the necessary budget, you will need to provide estimates of the value that marketing automation technology will bring to your business, in terms of increased revenues and greater efficiencies that will result in reduced costs.

This exercise should be well received by those who control the purse strings within your business, because it is ultimately about turning the marketing department into a profit center rather than a cost center.

Think about what your sales and marketing activities cost under the current setup, and what the upside will be in both reduced costs and revenue uplift when you are up and running with a new platform. Ensure you are providing tangible figures (i.e. actual dollars) when estimating the amount of uplift you expect to benefit from, based on sensible and achievable assumptions such as 'increase conversion rates by x%'.

Be realistic about the costs that the new setup will incur, including training, setup and management costs (including any third parties), as well as the cost of the technology.
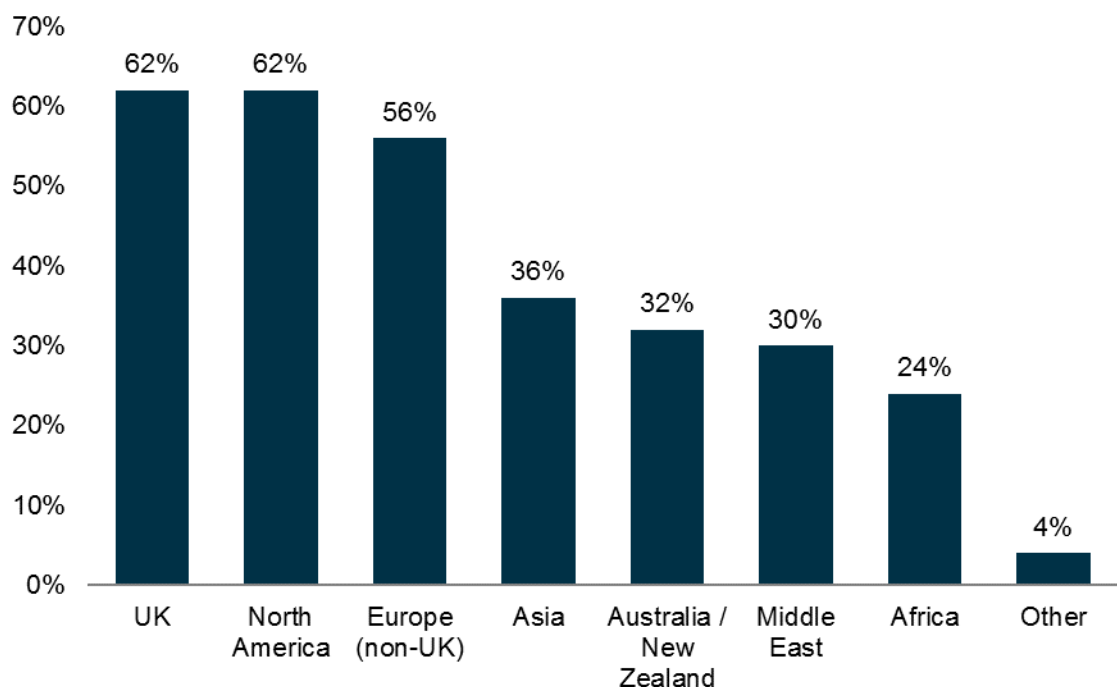
8. Appendix: Respondent profiles

Figure 23: In which country / region are you (personally) based?
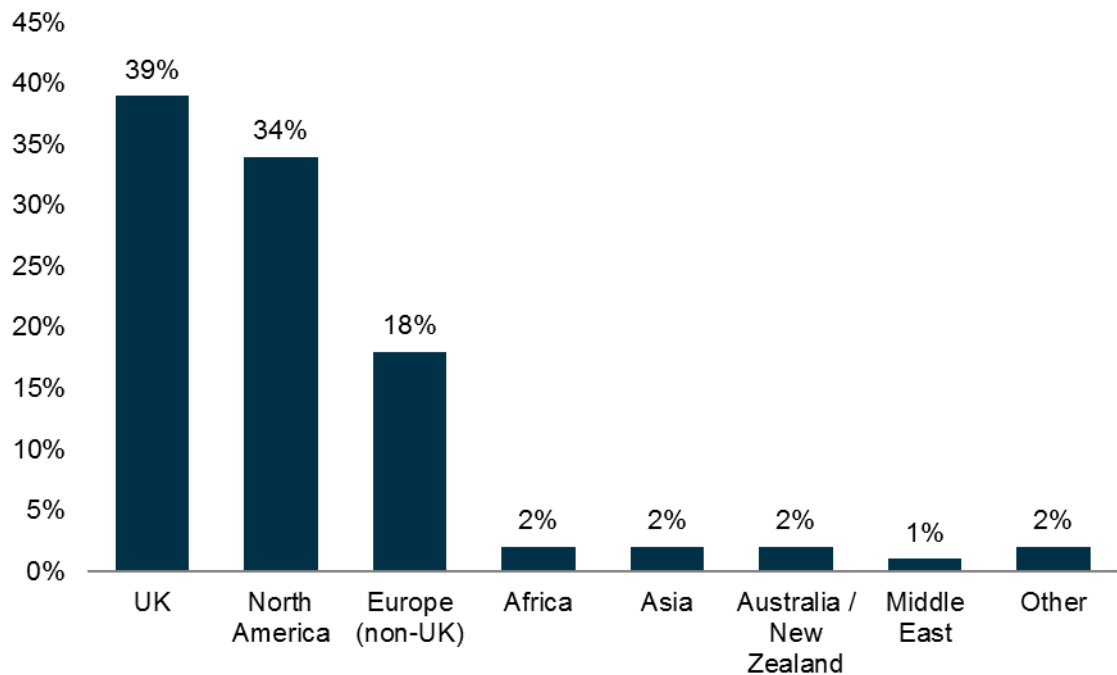
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Respondents: 341

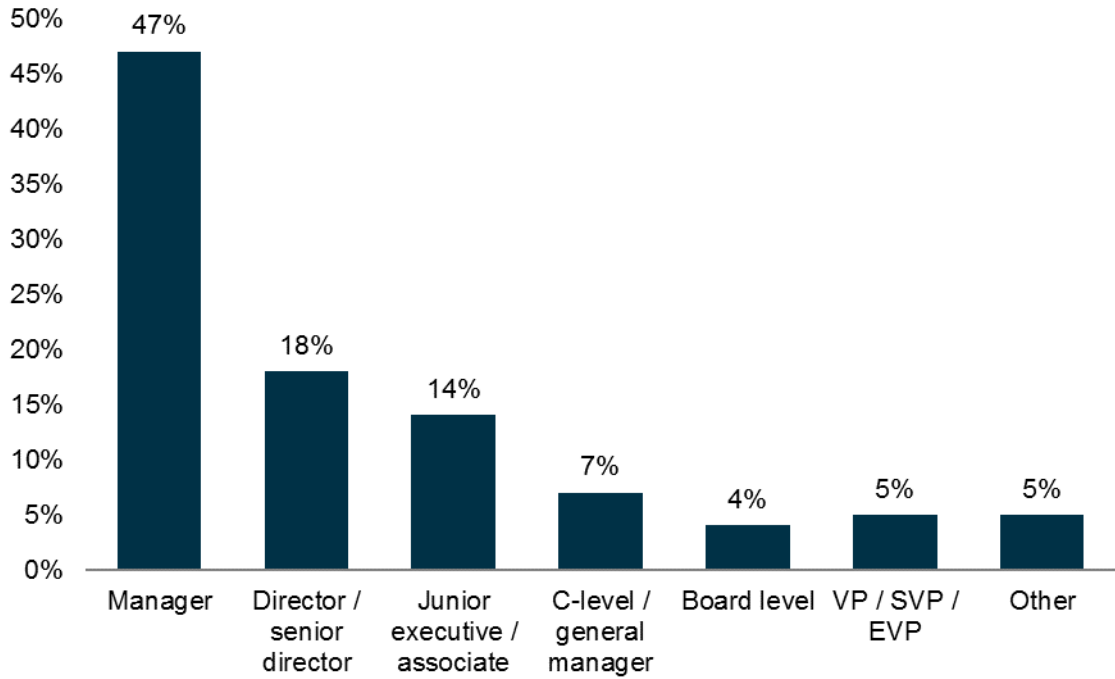Figure 24: In which country / region does your organization market and sell into?

Econsultancy / Act-On State of B2B Marketing Automation
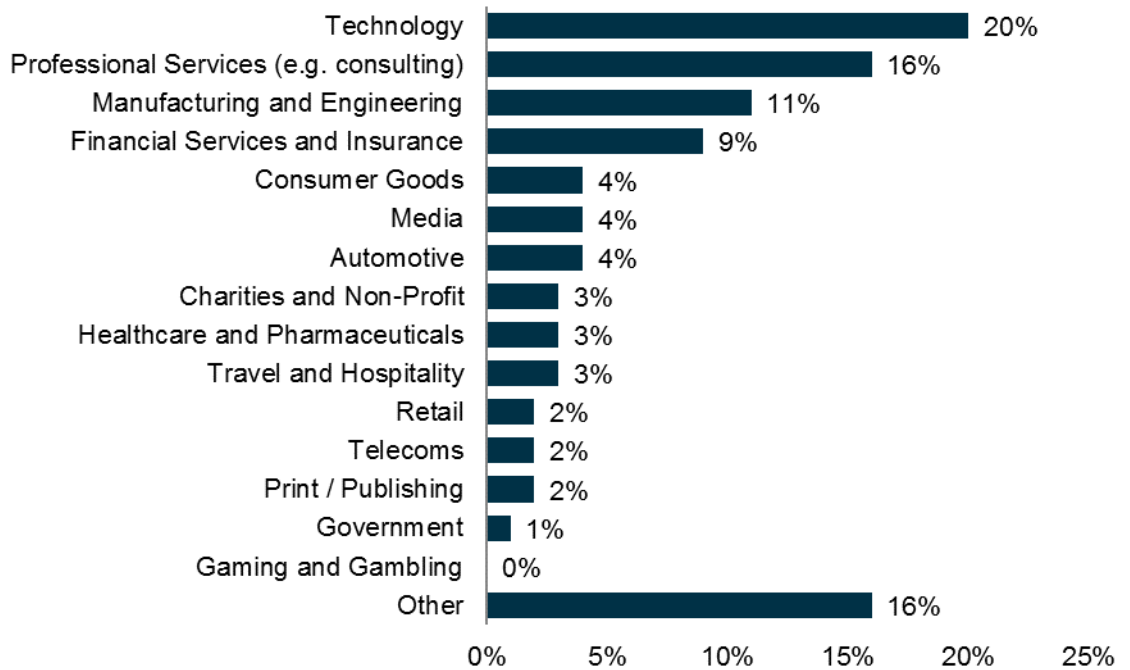
Respondents: 340

Figure 25: What best describes your job role?

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Respondents: 335

Figure 26: In which business sector is your organization?
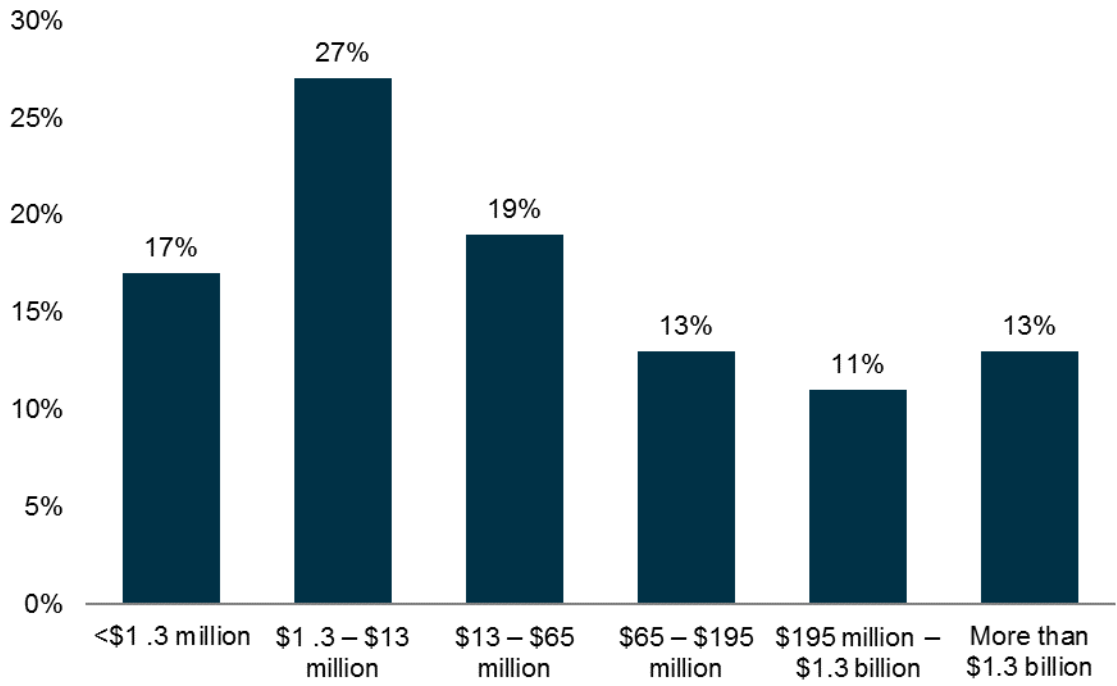

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Respondents: 246

Figure 27: What is your annual company revenue?

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Respondents: 243