

Demand Generation Benchmark Study: Quality Over Quantity Takes Center Stage For Demand Marketers

Increased Focus On Revenue Metrics Drives Move Away From
MQLs And Activity Goals To Conversions And Qualification



DEMAND GEN[®]
REPORT
SURVEY REPORT

SPONSORED BY



brightcove

DEMANDBASE



The top two priorities for marketing teams in 2020 are to improve conversion rates/campaign performance and focus on lead quality over quantity.

Executive Summary

Getting prospective buyers to “raise their hand” remains a key goal for B2B marketing teams as they support revenue and pipeline. However, for many organizations, this pattern has resulted in an over-reliance on constantly filling the top of the funnel with new leads — without always having solid strategies for leads who are most likely to turn into actual customers.

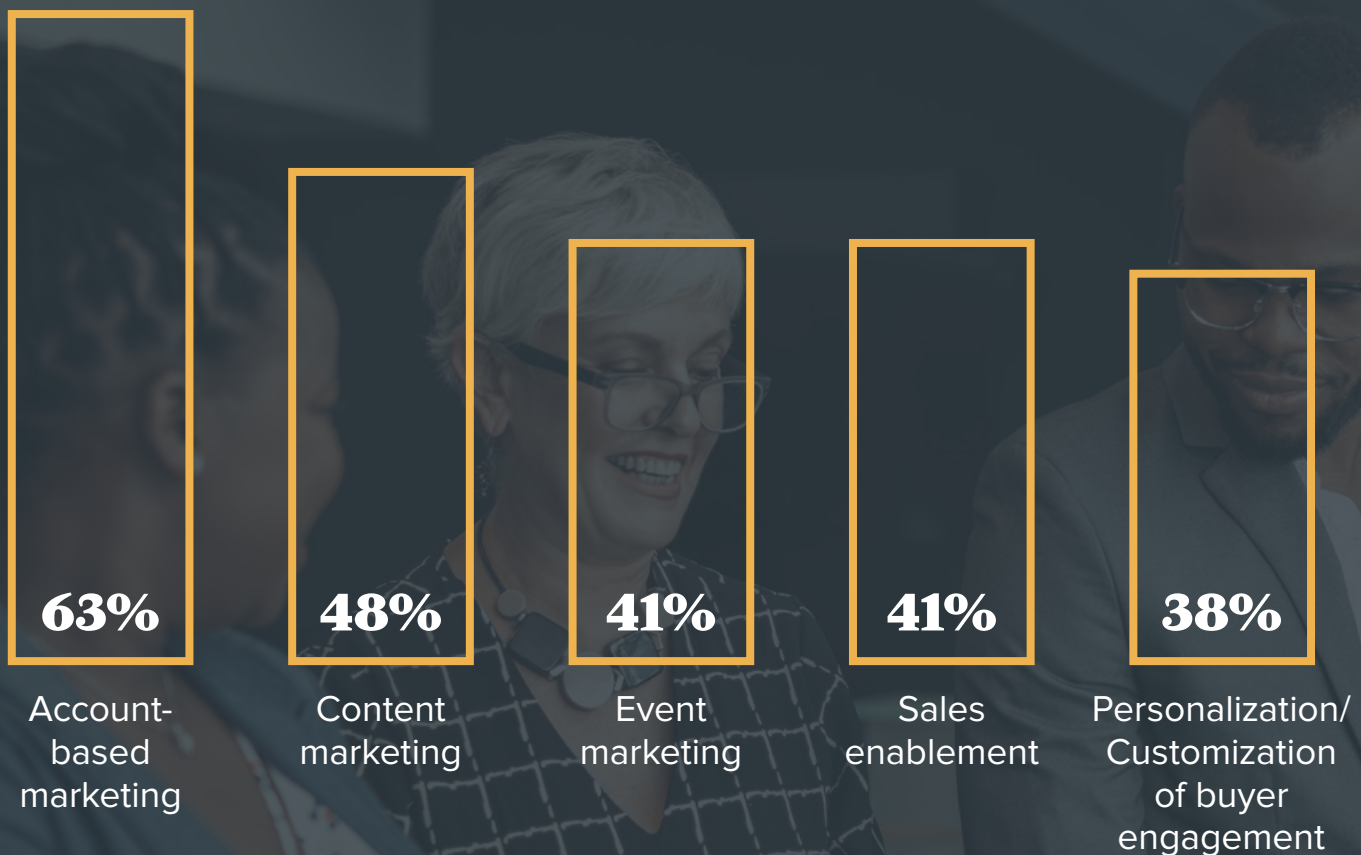
Heading into a new decade, there are signs that progressive organizations are getting off “the MQL treadmill” and are focusing less on lead quantity and more on quality.

The *2020 Demand Generation Benchmark Study* found a growing emphasis on improving conversion rates and moving the needle away from leads to revenue-focused metrics. The research, conducted by *Demand Gen Report*, showed the top two priorities for marketing teams this year are

1. **Improving** conversion rates/campaign performance; and
2. **Focusing** on lead quality over quantity.

To support this new focus on driving better pipeline performance, the strategies that support increased segmentation have moved up the priority ladder. According to the study, account-based marketing once again topped the list for increased budget prioritization this year, with personalization/customization also placing high on the list.

Which of the following strategies are seeing increased budget prioritization in 2020?





When asked specifically how they were planning to support the quality-over-quantity challenge, marketers pointed to advancements in ABM, use of intent and signal data, as well as more aligned approaches with sales organizations on lead conversion.

In looking at where marketers were planning to experiment with new tools and tactics in 2020, account-based marketing also dominated the list, with other emerging areas like intent data and chat showing increased activity.

In the following report, we will explore the survey findings to examine trends in revenue goals, budget allocation, as well as the changing performance metrics marketing teams are being measured against. We will also evaluate which channels and engagement tactics have been performing best at specific stages of the funnel.

How are you addressing the “quality vs. quantity” challenge for your demand generation initiatives?

73%

We’re practicing account-based marketing to ensure we’re targeting the right stakeholders

66%

We’re actively communicating with sales to ensure leads are being followed up on

56%

We’re using our BDR/SDR teams to extensively qualify prospects

51%

We’re using intent data to better assess prospects that are actively researching a buying decision

45%

We’re A/B testing our messaging to ensure content resonates with our target audience



66% of respondents are expecting revenue increases between 1-20%, while 23% are forecasting revenue growth of more than 20%.

Realities Of Revenue Growth And Marketing's Role In Reaching Goals

The survey showed that B2B organizations are heading into the new decade with aggressive growth plans. Only 6% of the respondents projected their revenue would be flat in 2020, with 5% projecting declines in revenue. The rest of the companies surveyed all had revenue expansion plans and aggressive marketing goals to support those forecasted gains.

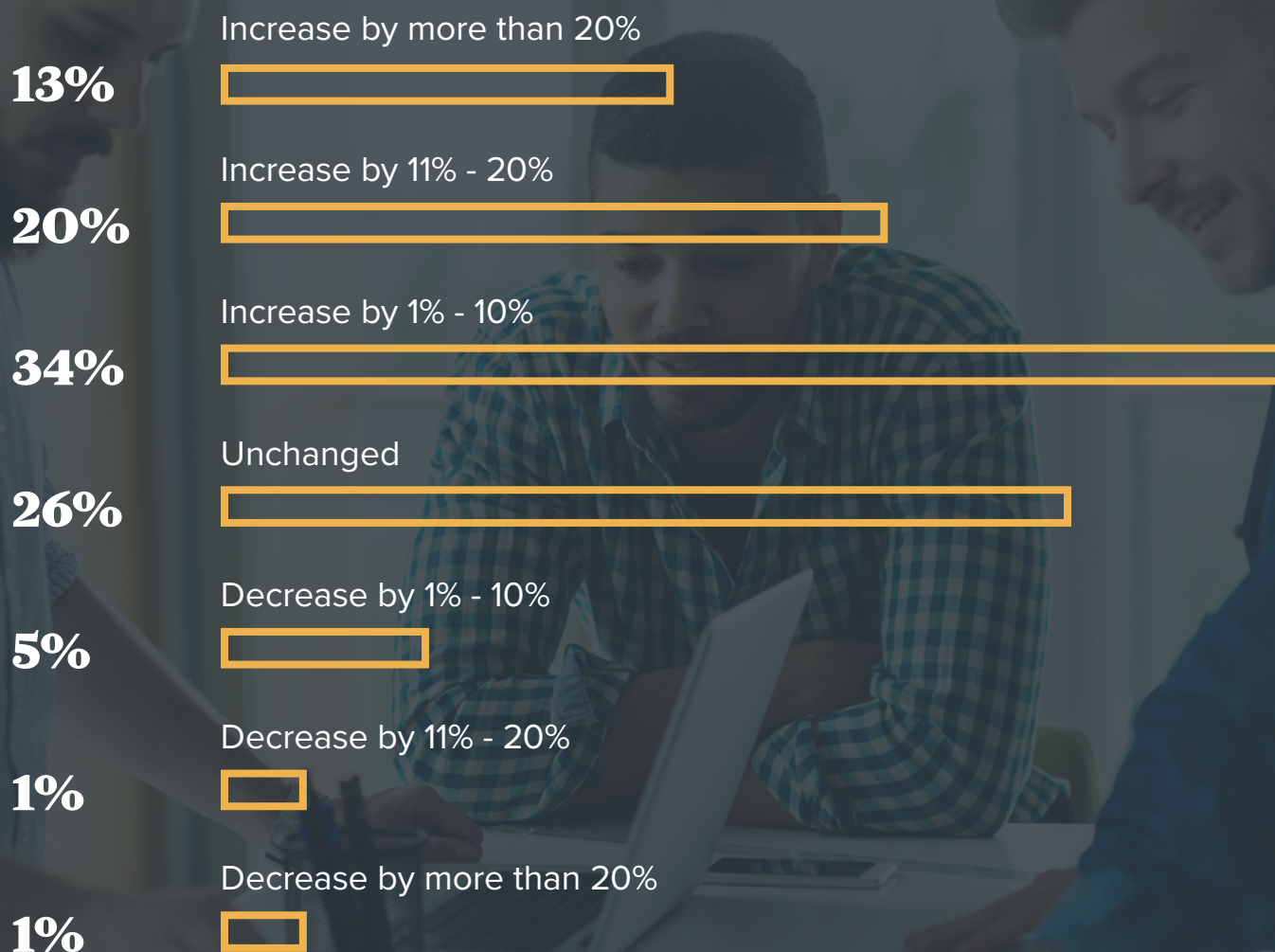
Of those respondents planning growth, the outlook broke down with these targets:

- **39%** expecting revenue increases between 1-10%;
- **27%** projecting revenue growth between 11%-20%; and
- **23%** forecasting revenue to grow by more than 20%.

The survey also showed marketing organizations are being measured against specific performance quotas to support those revenue increases. And those performance goals are increasingly becoming more revenue-specific, rather than tracking activity or lead volume goals.

Only 16% of respondents said they had no performance goals for their marketing team or plans to implement them, while 11% didn't have performance goals in place yet, but planned to implement them this year.

How will your demand generation budget change in 2020?





Of those that did have performance measurements in place, the largest number (27%) are being measured against a mix of account-based, lead-based and revenue-based quotas. Specifically:

- **One quarter** of respondents said they were tracked against specific revenue quotas;
- **17%** were still measured against lead-based quotas; and
- **4%** said they had shifted exclusively to account-based quotas.

In looking at which specific metrics and KPIs organizations are using to analyze marketing's impact on pipeline, the survey showed a continued shift to aligning with sales on true pipeline conversion over activity. The top two metrics used to track performance were opportunities generated and revenue generated (both cited by 49% of respondents), which both ranked above MQLs/SALs (42%) and total leads/inquiries (39%).

Other more advanced metrics were also cited, with 33% having specific quotas against marketing-sourced revenue, 28% tracked against pipeline influenced and 23% against accounts engaged.

Given that the majority of marketing teams are now being measured against revenue goals, it is not surprising to see marketing-sourced leads driving a bigger share of annual revenue. According to the survey, 30% of respondents said they are driving between 11% to 25% of annual revenue and 21% said their marketing-sourced leads represent an impressive 26-50% of revenue.

What is the primary metric you are measured on?





26% said their demand generation budgets would be flat for 2020.

Breaking Down Budgets And Priorities For 2020

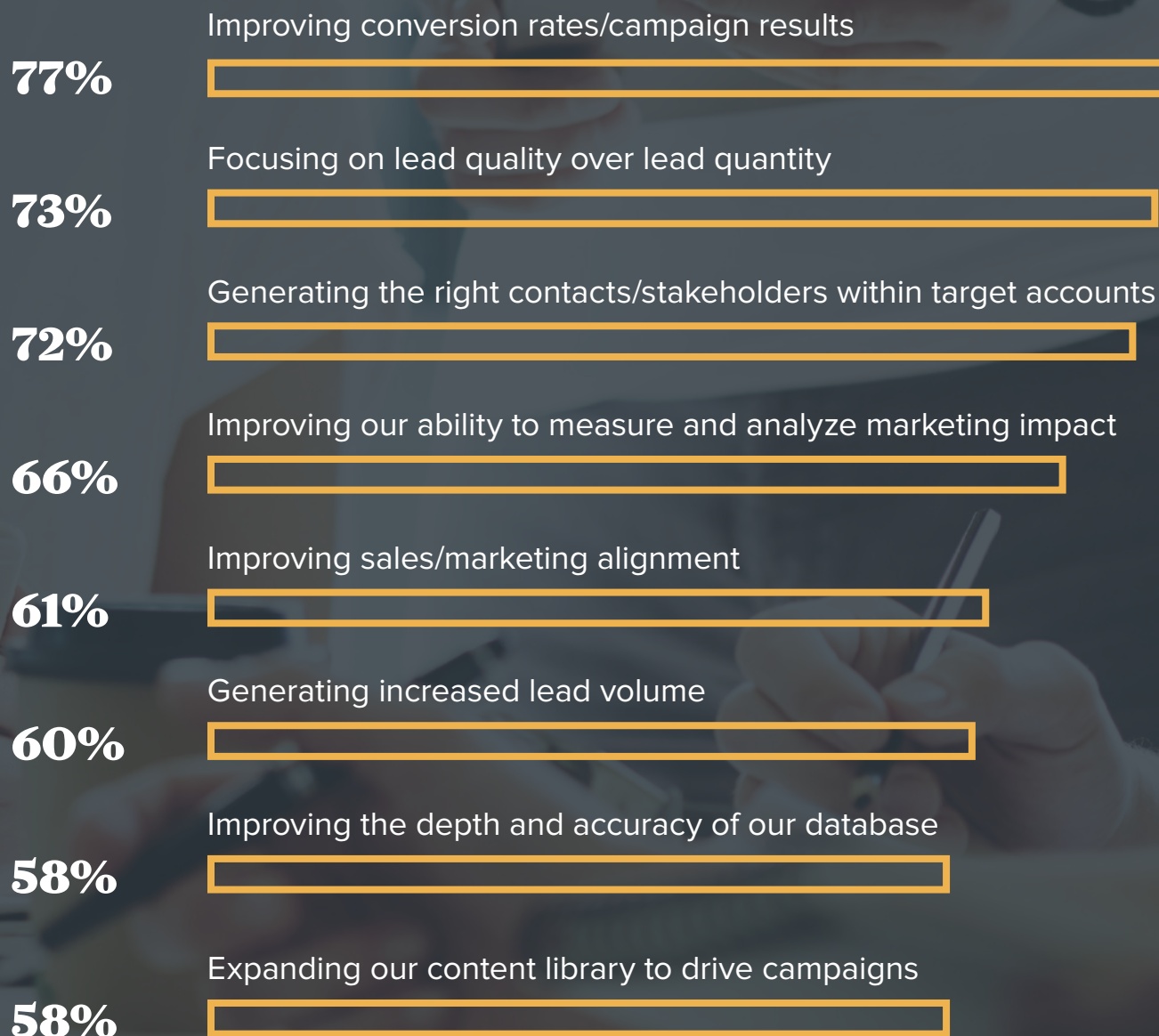
Another reality revealed by the survey is that marketing organizations have to support aggressive revenue goals without significant increases in budgets. More than one-quarter (26%) said their demand generation budgets would be flat for 2020, while 34% said budgets would go up between 1-10%. Only 33% were expecting healthy double-digit budget raises of over 11% for this year, while 7% expected budgets to decline.

In terms of their priorities and where they planned to allocate their demand generation budget dollars for 2020, the study showed a continued shift to efficient and precision-oriented approaches such as ABM, lead nurturing and qualification.

TOP DEMAND GEN GOALS FOR 2020 (RANKED ON A SCALE OF 1-5, WITH 5 BEING THE GREATEST PRIORITY)

1. Improving conversion rates/campaign performance **(4.09)**
2. Focusing on lead quality over quantity **(4.03)**
3. Engaging the right contacts within accounts **(3.93)**
4. Improving ability to measure marketing impact **(3.80)**

Rate your organization's demand generation priorities for 2020.



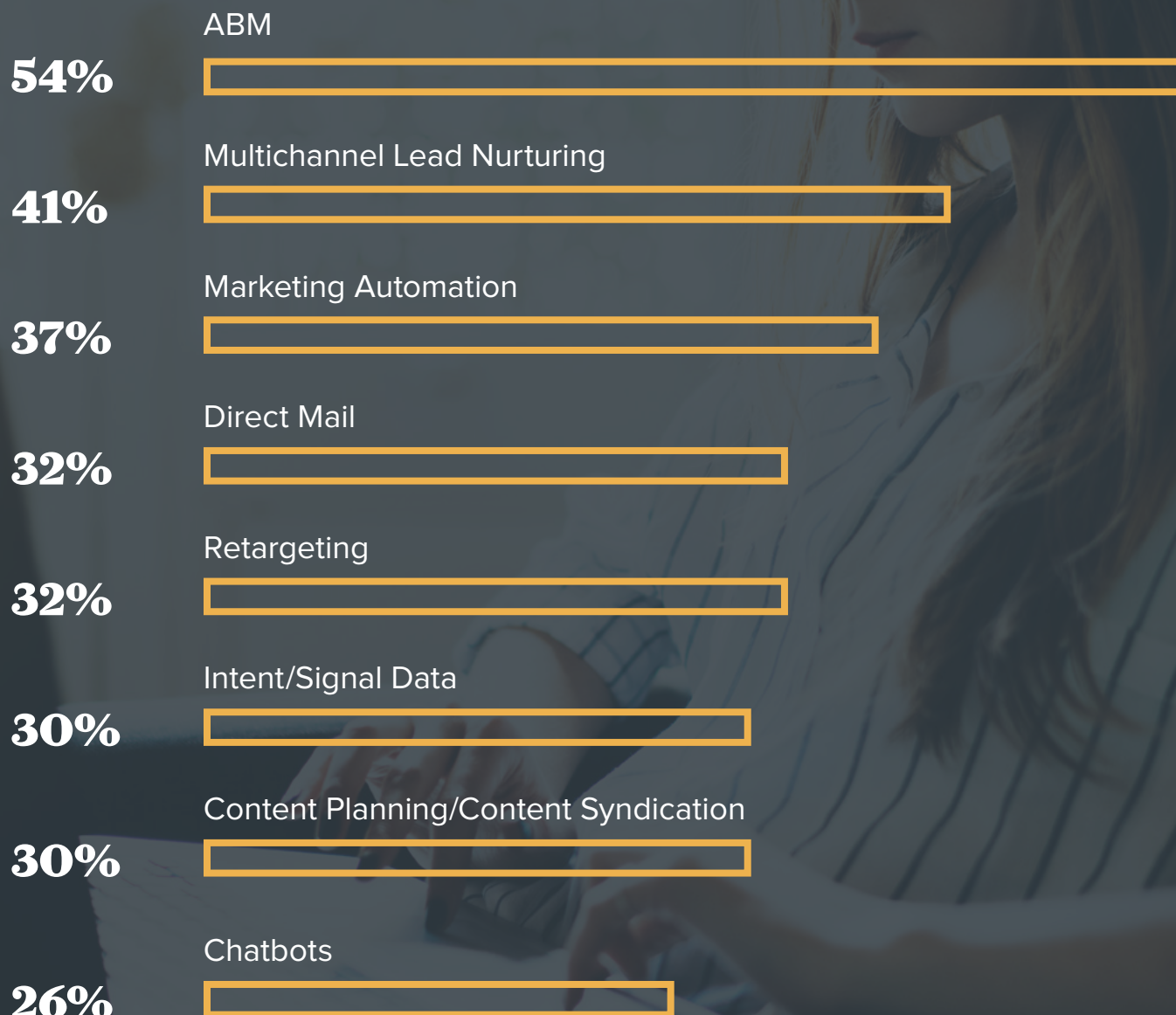


When asked which tools/tactics they were planning to test/deploy in 2020, ABM once again topped the list this year, selected by 54% of respondents. Many of the other tools/tactics aligned with the broader goals on improving conversion rates and campaign performance, including:

- Multichannel lead nurturing **(41%)**;
- Retargeting **(32%)**;
- Intent/signal data **(30%)**;
- Content syndication **(30%)**; and
- Chat **(26%)**.

Somewhat surprisingly, marketing automation ranked high in terms of plans to test/deploy in 2020, cited by 37% of respondents. Because this core technology has been around for more than a decade, it seems high that almost 40% of companies are planning to test/deploy in 2020, but this could represent some portion of respondents that are planning to migrate over one platform to another, as well as those deploying for the first time.

Which tools and/or tactics are you planning to test and/or deploy in 2020?





The most successful channels for driving leads into the pipeline include email (56%), website (51%) and in-person events (44%).

Evaluating What Is Working At Specific Funnel Stages

In addition to looking ahead at priorities and plans for 2020, the survey analyzed which channels and engagement tactics worked best at specific stages of the funnel over the past year.

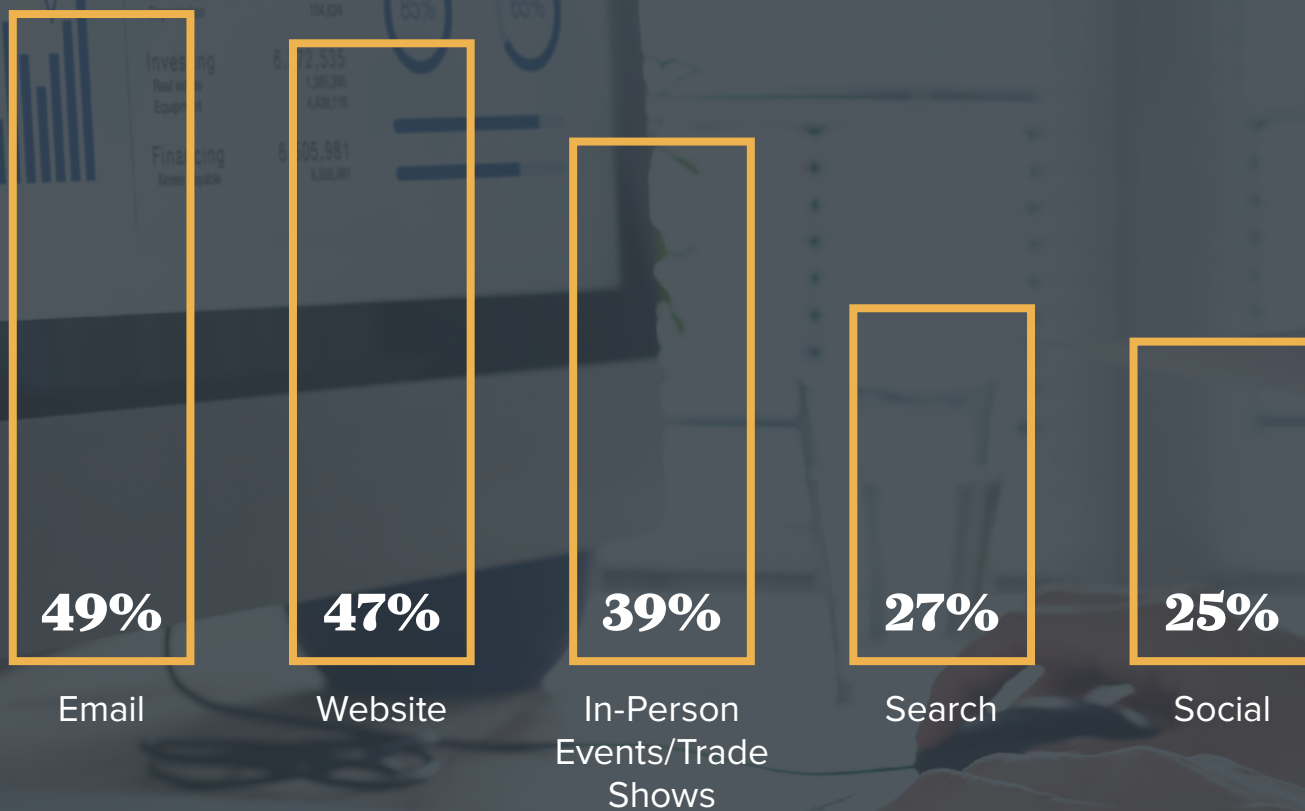
The channels most successful at driving leads into the pipeline were consistent with recent years. Email topped the list (56%), followed by website (51%) and in-person events (44%).

Events also ranked high in terms of engagement tactics driving leads at top-of-funnel (TOFU) lead conversions, cited by 53% of respondents. Other top TOFU tactics included webinars (52%), lead nurture campaigns (47%), white papers (41%) and case studies (37%).

Looking further down the funnel, the tactics ranked as most successful in converting and accelerating qualified leads were:

- Lead nurture campaigns **(56%)**;
- Case studies **(53%)**;
- Webinars **(49%)**;
- Field events **(46%)**; and
- Industry Events **(39%)**.

Which channels have been the most effective in driving early-stage engagement?



Which channels have been the most effective in driving conversions later in the funnel?

53%

In-Person
Events/Trade
Shows

48%

Phone

48%

Email

39%

Product
Demos

34%

Website



The top priority for marketers in 2020 is to increase conversion rates on MQLs to opportunities, cited by 46% of respondents.

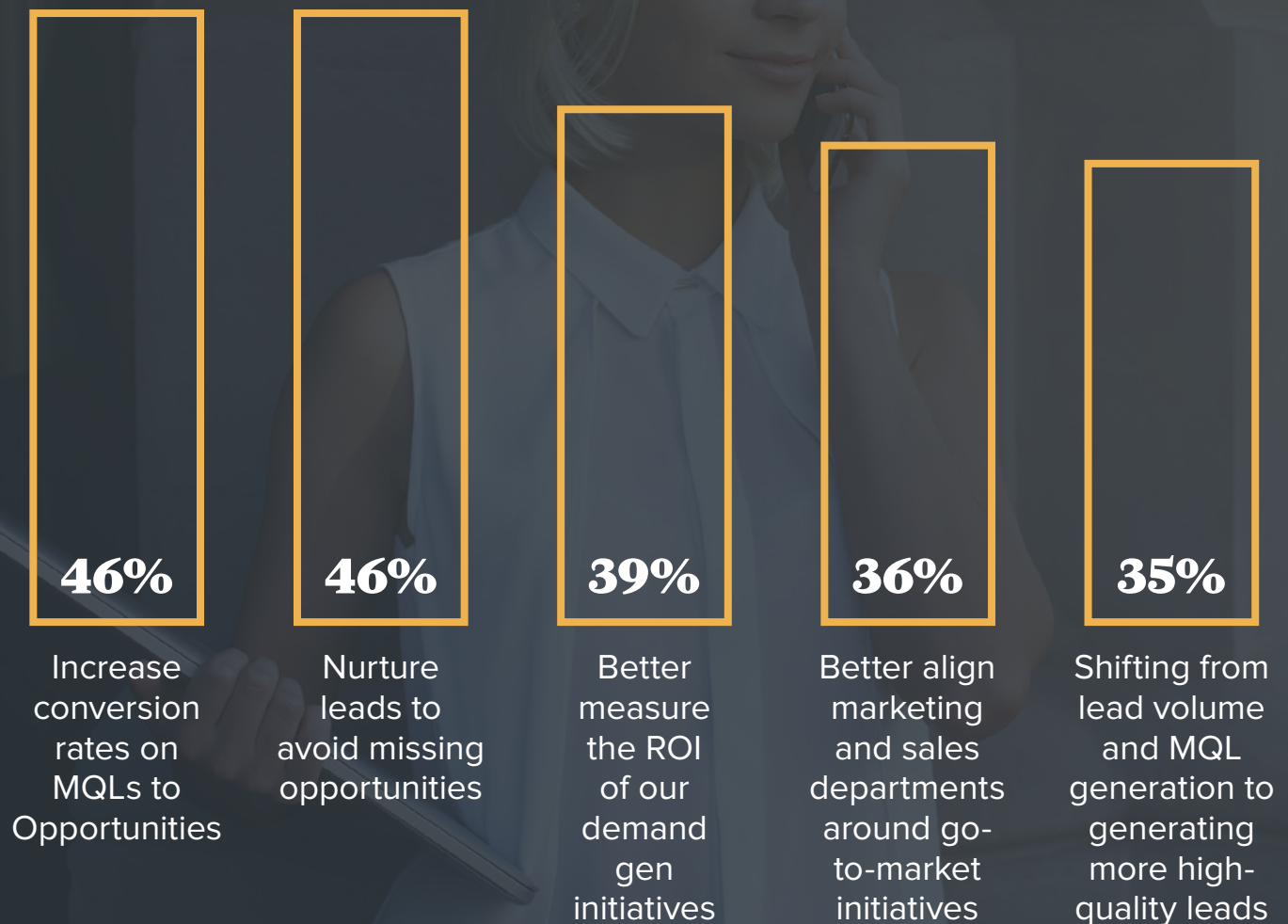
Conclusion

Modern B2B marketers are relying heavily on strategies, tactics and channels that will lead to better pipeline performance in 2020. Their priorities signal a shift from generating as many leads as possible to reaching the right, quality prospects through ABM, lead nurturing and qualification. Specifically, their top demand generation priorities for the New Year are to:

- Increase conversion rates on MQLs to opportunities **(46%)**;
- Nurture leads to avoid missing opportunities **(46%)**;
- Better measure the ROI of their demand gen initiatives **(39%)**;
- Better align marketing and sales departments around go-to-market initiatives **(36%)**; and
- Shift from lead volume and MQL generation to generating more high-quality leads **(35%)**.

With aggressive growth plans in place, B2B marketers are also focusing on retargeting, leveraging intent/signal data and content syndication to improve conversion rates and campaign performance. They are even looking to test and deploy tools such as marketing automation and chat to help drive these goals.

Which of the following are priorities in terms of your demand generation goals?





48% of respondents work in the software/technology industry.

About The Survey

The *2020 Demand Generation Benchmark Survey* collected responses from more than 150 B2B marketing practitioners, with most respondents based in the United States.

Almost half (48%) of respondents said they work in the software/technology industry, while 23% said they work in the business services/consulting realm. Other industries, represented by less than 5% a piece, include financial services, retail, telecom and healthcare.

What is your company's annual revenue?



Interested in learning more?



Brightcove Inc. (NASDAQ:BCOV) is the leading global provider of powerful cloud solutions for managing, delivering, and monetizing video experiences on every screen. A pioneering force in the world of online video since the company's founding in 2004, Brightcove's award-winning technology, unparalleled services, extensive partner ecosystem, and proven global scale have helped thousands of companies in over 70 countries achieve better business results with video. To learn more, visit www.brightcove.com.

617.500.4947

WWW.BRIGHTCOVE.COM/EN/CONTACT-SALES



DEMANDBASE

Demandbase is the leader in AccountBased Marketing (ABM). The company offers the only Artificial Intelligenceenabled, comprehensive ABM platform that spans Advertising, Marketing, Sales and Analytics. Enterprise leaders and highgrowth companies such as Accenture, Adobe, DocuSign, GE, Grainger, Salesforce and others use Demandbase to drive their ABM strategy and maximize their marketing performance. The company was named a Gartner Cool Vendor for Tech GoTo Market in 2016. For more information, please visit <https://www.demandbase.com> or follow the company on Twitter @Demandbase.

415.683.2660

INFO@DEMANDBASE.COM



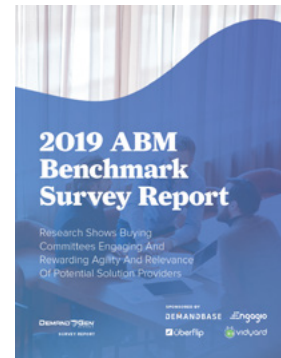
Additional Resources



What's Working In Demand Generation In 2019?



2019 Demand Generation Benchmark Survey Report



2019 ABM Benchmark Survey Report



Demand Gen Report is a targeted online publication that uncovers the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.

201.257.8528

INFO@DEMANDGENREPORT.COM



ANDREW GAFFNEY

is a storyteller and publisher focused on helping brands create content that sparks conversations with their prospects.

