DEMANDwave

5 HABITS OF TOP PERFORMING TECH MARKETERS

Software Industry Insights from the 5th Annual State of B2B Digital Marketing Report

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EXECUTIVE SUMMARY

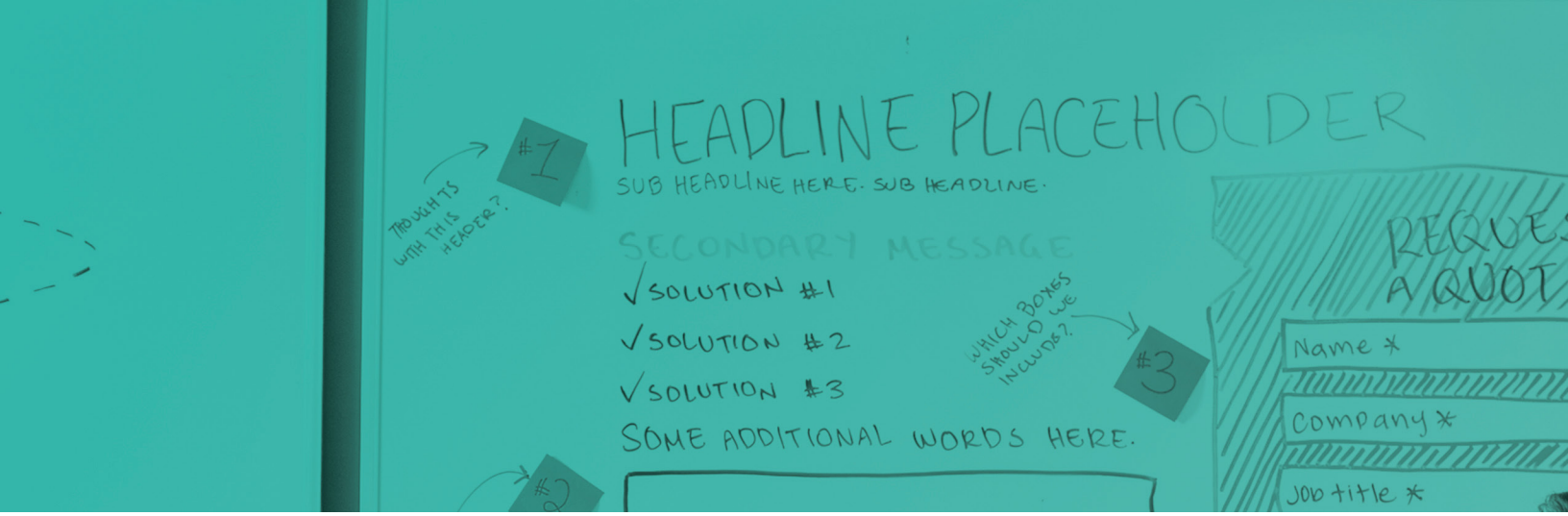
Software marketers are a tech savvy bunch. Whether that's because of their own inherent abilities or the intense pressures they face from competition, they're typically early adopters of new technology and ahead of the curve in digital marketing.

These unique qualities make software marketers an interesting segment to study and learn from, but that's only part of the reason we wanted to dig a little deeper into their strategies. A significant portion of our clients are in the B2B tech industry, and software marketers made up the largest segment (28%) of respondents in our recent 2016 State of B2B Digital Marketing Report.

This year, our State of Digital Marketing Report surveyed nearly 300 B2B marketing leaders in the U.S. about their top priorities and biggest challenges for 2016. All told, 56% of respondents were director level and above, and nearly half work at companies with over 200 employees.

While our report yielded invaluable insights about the state of B2B digital marketing as a whole, we wanted to take it further. We found ourselves wondering: "How would the results change if we filtered for just the software industry respondents?" The results were so intriguing we decided to share them with our clients and colleagues.

In this eBook we'll cover how tech marketers are leading the B2B pack and the five habits that define top performers in the software space. Let's get to it!



PART 1

WHY TECH MARKETERS LEAD THE B2B PACK

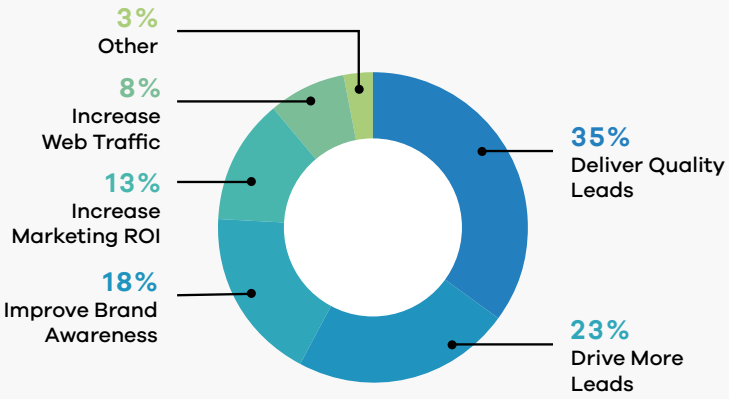
B2B SOFTWARE MARKETERS FOCUS BEYOND THE TOP OF THE FUNNEL.

When we asked all B2B marketers about the number one objective of their digital marketing efforts, 35% answered delivering quality leads.

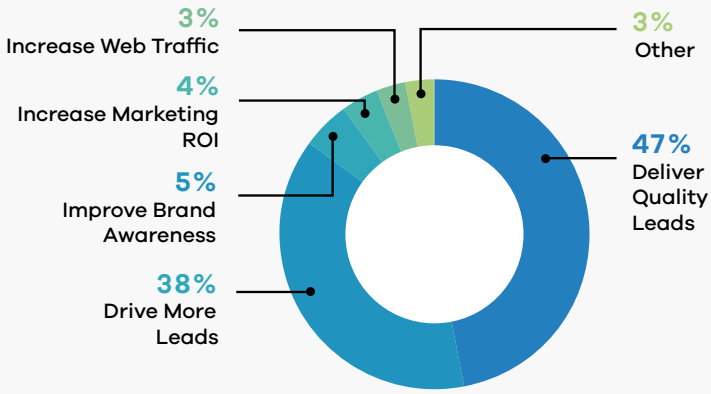
Given how closely the industry is tied to sales, that's not an uncommon answer. This trend increased significantly, however, when filtered down to software marketers. Nearly half (47%) of all B2B software marketers are trying to drive more quality leads this year, and a whopping 85% are focused on lead generation as a whole, compared to just 58% of their B2B counterparts.

What is the #1 objective of your digital marketing efforts?

Responses from B2B Marketers, Excluding Software



Responses from Software B2B Marketers



Clearly, for B2B software respondents it's all about sales-qualified leads. Yet, the desire to deliver more quality leads isn't just limited to our survey or even the country as a whole. A recent study by Ascend2 found that 70% of all B2B marketing professionals around the world feel that the most important objective for effective lead generation is improving their quality.

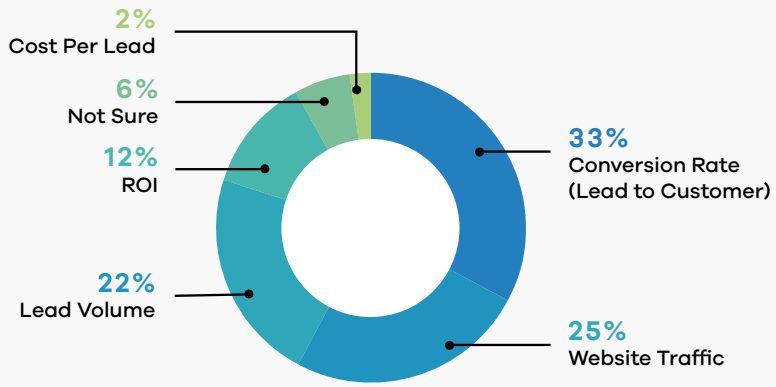
B2B software marketers, then, are wise to look beyond the top of the funnel and place the majority of their focus on lead quality over quantity. By focusing on the strongest leads, software and tech marketers are aiming to work smarter rather than harder in 2016.

B2B SOFTWARE MARKETERS MAP DIGITAL MARKETING KPIS TO GOALS.

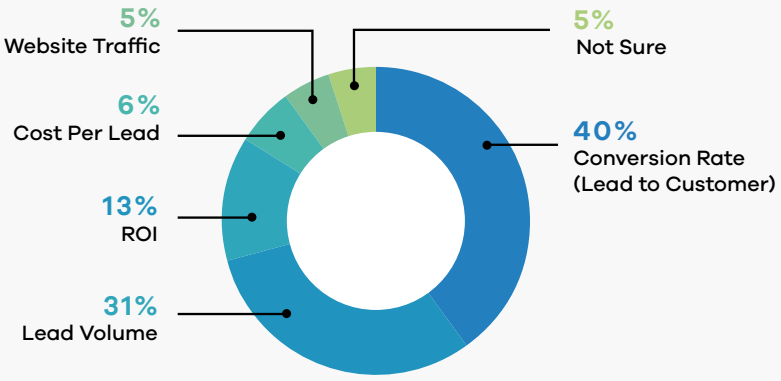
When we asked about the main metric used to measure digital marketing performance, the largest group of B2B marketers said conversion rate, followed by lead volume. While 33% chose conversion rate (lead to customer), this increases to 40% for software marketers.

What is the #1 metric you use to measure digital marketing performance?

Responses from B2B Marketers, Excluding Software



Responses from Software B2B Marketers



B2B SOFTWARE MARKETERS MAP DIGITAL MARKETING KPIS TO GOALS.

Perhaps the biggest indicator of software sophistication is the drop in those that chose “website traffic” as their top metric for measuring digital marketing performance. Just 5% of software marketers selected “website traffic,” compared to 25% of non-software B2B marketers.

While website traffic is a leading indicator of digital marketing success, this top-of-the-funnel metric does not tie marketing efforts to the bottom line. As marketers, there’s an overabundance of metrics we track to gauge success which can lead us astray. Marketers should prioritize metrics that tie their efforts to the bottom line and let them guide overall strategy.

In an interview, Jim Williams, VP of Marketing at Influitive, said: “There are five interrelated metrics to creating value for your organization. First, volume of leads – it is simple but necessary. Second, there’s your conversion rate, to track lead success. Third, the average sale price – for example, you may generate many leads that convert really well, but if they all sell at a fraction of what you need to sell for, you’re in trouble. Fourth, there’s velocity, which few marketers measure. Velocity is important to predict and understand your future revenues and growth. The last metric is ROI. Your return on your investment must be aligned in order to grow a business in a healthy way.”

Truly great B2B marketers evaluate the funnel as a whole, but at the end of day you must optimize to grow the bottom line. Top-of-the-funnel metrics like website traffic only tell part of the story.

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JIM WILLIAMS
VP of Marketing
Influitive

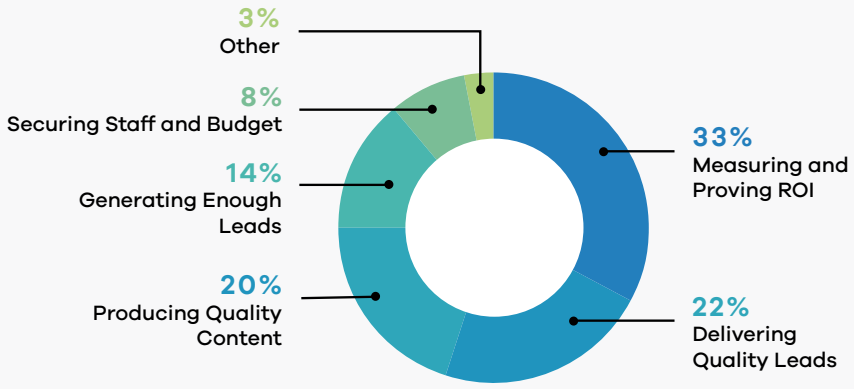
B2B SOFTWARE MARKETERS ARE DATA-DRIVEN.

Measuring and proving ROI is B2B marketers' biggest challenge for the second year. That result seems to match-up with a 2015 HubSpot study that found proving ROI to be the largest hurdle for marketers overall. For B2B marketers, specifically, it was the main obstacle for over half of HubSpot respondents.

In our study, we found it to be a different story altogether for software marketers: "Delivering quality leads" beat out "measuring and proving ROI" as 2016's biggest digital marketing challenge.

What is your biggest digital marketing challenge?

Responses from B2B Marketers, Excluding Software



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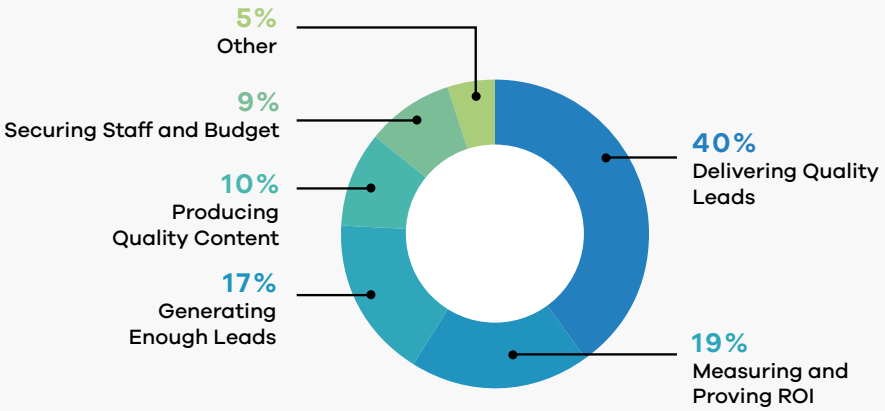


B2B SOFTWARE MARKETERS ARE DATA-DRIVEN.

Although "measuring and proving ROI" is still a significant issue for software marketers at 19%, its tumble to the runner-up spot demonstrates that software marketers feel they have a better handle on ROI than their non-software, B2B counterparts. In fact, software marketers' number one challenge is perfectly aligned with their top digital marketing goal: delivering quality leads (40%).

David Anderson, SalesWarp Vice President of Marketing, furthered this point, sharing that sales-qualified leads is both the top challenge and goal for his team:

"One of our biggest challenges, and I believe it is every marketer's challenge, is making sure that we are bringing in qualified leads...both in terms of need and timing. We run a lean team so making sure Sales is spending time on real opportunities is critical. Wasting their time is not an option. Sales-qualified leads are, and I'm sure will always be, our number one goal."

Indeed, making even incremental investments in becoming a more data driven organization is something everyone from Kathleen Schaub, VP of IDC's Chief Marketing Officer Advisory, to Maggie Chan Jones, CMO at SAP, considers a top priority for all marketers in 2016, according to Forbes.

Moreover, an informal poll by CMO.com found making gains in data-driven marketing to be the top strategic marketing priority for all of 2016, taking in 31% of responses with brand-building and social engagement in second and third places, respectively.

Software marketers' superior ability to measure ROI then begs the question, "What tools are B2B marketers using to measure ROI?"

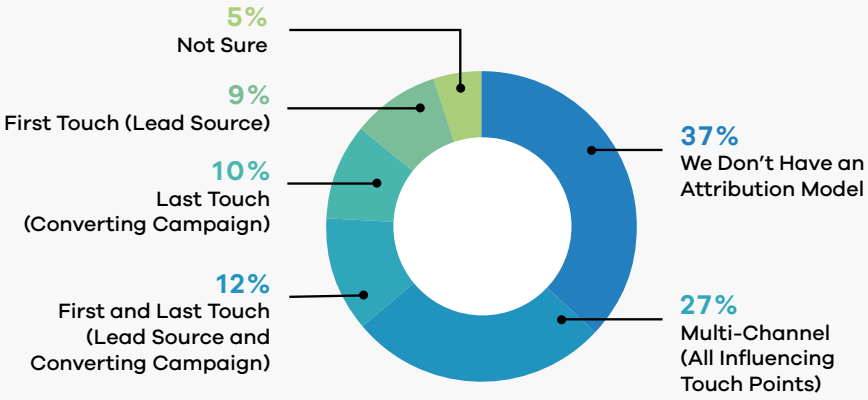
"One of our biggest challenges, and I believe it is every marketer's challenge, is making sure that we are bringing in qualified leads...both in terms of need and timing. We run a lean team so making sure Sales is spending time on real opportunities is critical. Wasting their time is not an option. Sales-qualified leads are, and I'm sure will always be, our number one goal."

DAVID ANDERSON
Vice President of Marketing
SalesWarp

B2B SOFTWARE MARKETERS ARE DATA-DRIVEN.

Which of the following attribution models do you use to measure digital marketing ROI?

Responses from B2B Marketers, Excluding Software



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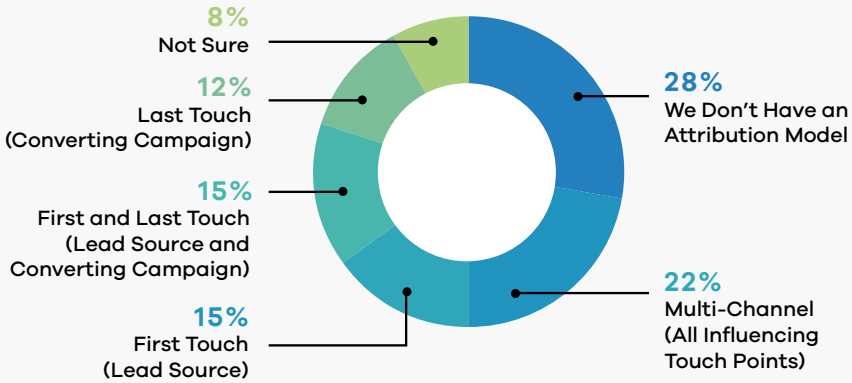
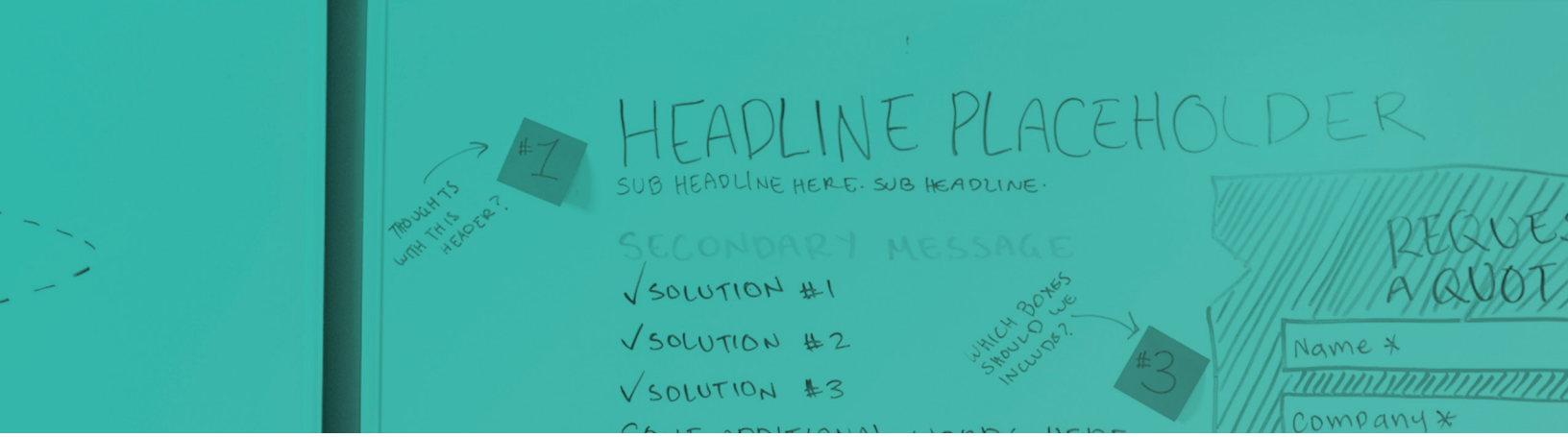


Software marketers show an improvement from the rest of the pack as just 28% lack an attribution model, however, they nearly match their fellow B2B marketers for multi-channel attribution. We consider multi-channel attribution to be those that selected either multi-channel or first and last touch (lead source and converting campaign).

This lack of multi-channel insights for the majority of marketers significantly impacts the ability to build an effective marketing mix. This is especially true for today's savvy, B2B tech buyer.



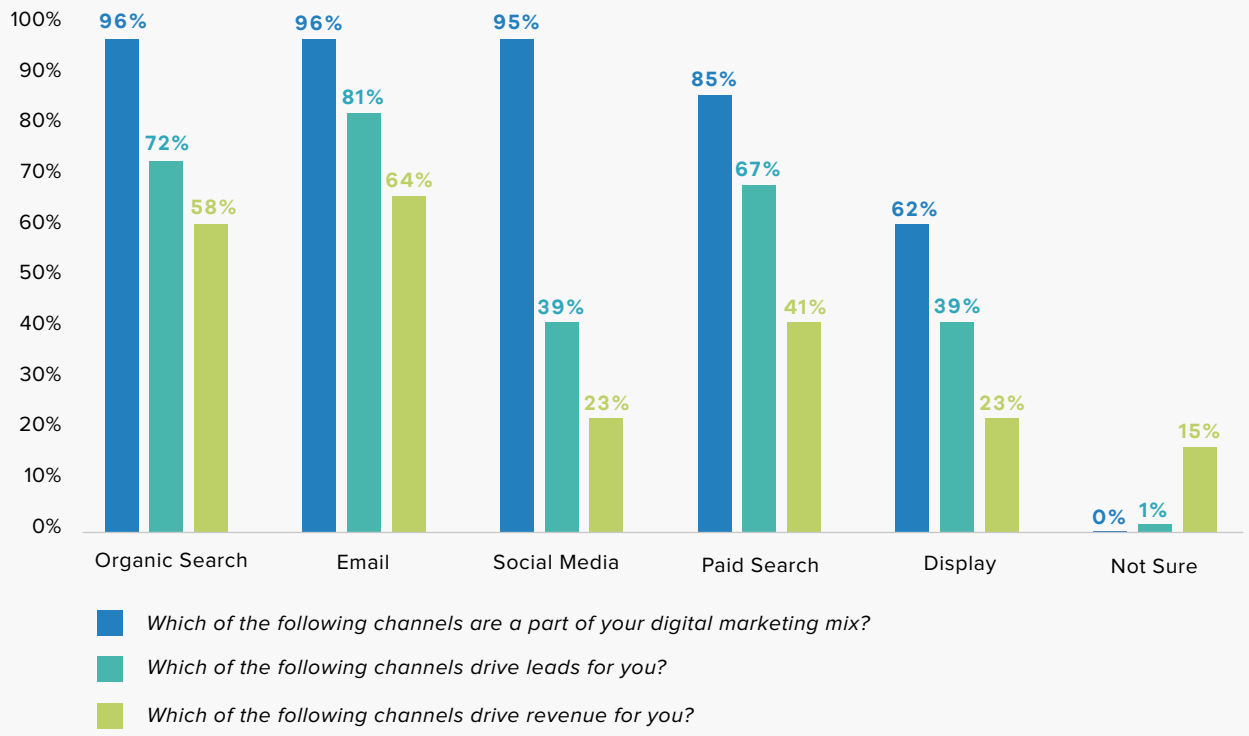
PART 2

THE 5 HABITS OF TOP TECH PERFORMERS

In this section of the eBook, we're defining "Top Tech Performers" as those marketers who can successfully measure digital marketing ROI, and crush the competition while doing it! Here are some of their most common traits.

HABIT #1: TOP PERFORMING SOFTWARE MARKETERS OPTIMIZE THE MARKETING MIX FOR MAXIMUM ROI.

Which digital marketing channels are most effective?



We initially wanted to find out which digital marketing channels are the most effective for software marketers. To do this we asked, “Which of the following channels are a part of your digital marketing mix?” Respondents were asked to choose all that applied from the following options: email, social media, organic search, paid search, display, and “not sure”. The results are shown above in blue.

The result was organic search and email tied for the top spot at 96%, followed closely by social media at 95%. Display trails in last place with 62%.

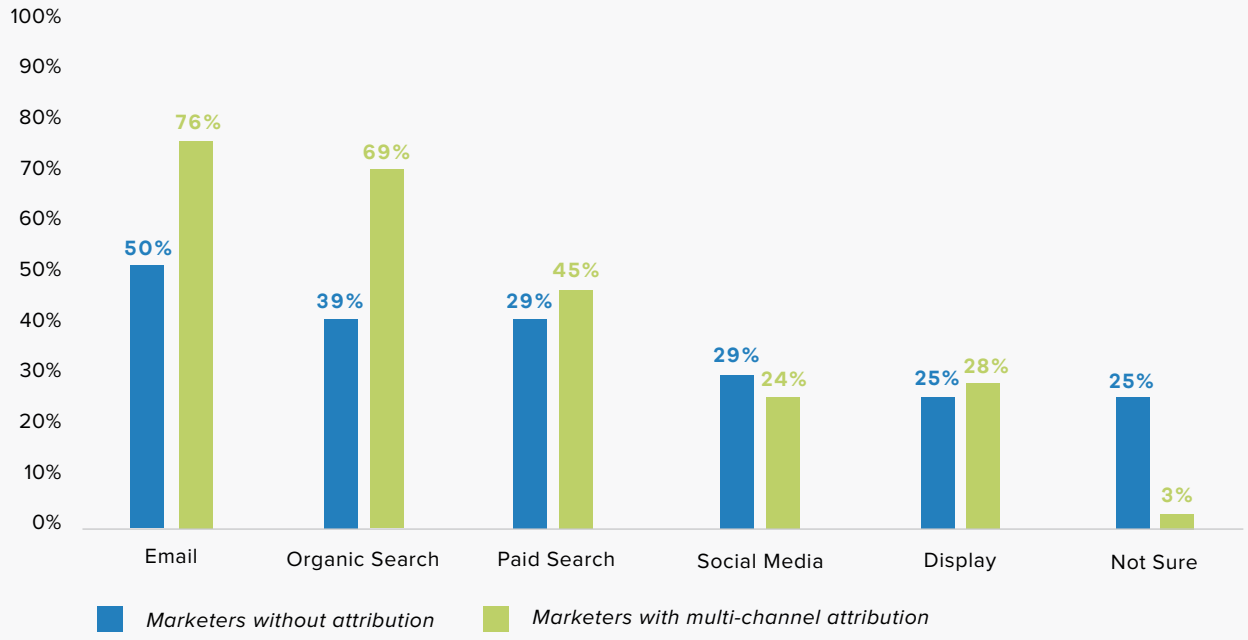
To dig deeper, we asked, “Which of the following channels drive leads for you?” The results for this question are shown in teal. According to the responses, B2B software marketers consider email to be the top channel for lead generation (81%), with organic search ranking second (72%). Surprisingly, although 95% of B2B software marketers use social, the channel ties with display in last place for lead gen effectiveness at 39%.

HABIT #1: TOP PERFORMING SOFTWARE MARKETERS OPTIMIZE THE MARKETING MIX FOR MAXIMUM ROI.

Finally, we asked our marketers which channels drives the most revenue. The results for these questions are in lime green. Email takes the cake for revenue at 64%, yet we could argue it's also one of the easiest channels to measure ROI.

This inspired us to run a little experiment. We were curious to see what happens if we filtered responses for B2B software marketers that have multi-channel attribution versus those without attribution.

Which of the following channels generate revenue for you?



When we compare software marketers with multi-channel attribution to those without attribution for the question, "Which of the following channels generate revenue for you?," the results change significantly.

The blue in this chart represents "Marketers Without Attribution," which are those respondents that selected "not sure" or "we don't have an attribution model" when answering the question about which attribution models they use to measure digital marketing ROI.

Marketers with Multi-Channel Attribution (the lime green) refers to respondents that selected "Multi-channel (all influencing touch points)" or "First and last touch (lead source and converting campaign)" when answering the question about which attribution models they use to measure digital marketing ROI.

HABIT #1: TOP PERFORMING SOFTWARE MARKETERS OPTIMIZE THE MARKETING MIX FOR MAXIMUM ROI.

Clearly, the differing percentages tell us that marketers with multi-channel attribution are far more confident in their ability to measure ROI by digital marketing channel.

Even more eyebrow-raising? Marketers without attribution models perceived social media as more effective for lead gen than display, yet marketers with multi-channel attribution found the opposite to be true. Plus, confidence in the ROI of email and organic search increased 52% and 77%, respectively. Imagine the effect this difference in perceived impact on revenue has when making resource allocation and budgeting decisions. It's nearly impossible to optimize your content marketing mix for revenue without a mature attribution model.

As David Martin, VeriFyle Vice President of Marketing, shared with us:

"[The toughest challenge facing software marketers today is] choosing the most efficient channels [and] understanding your channels... You have your highest converting investments, like paid search, [for example], and your tendency is to want to pump as much money into paid search as you can. But, generally search is what someone does when they're already aware of your brand. What are the other channels that have led up to somebody searching for your brand or a competitive brand and then leading them to your website to become a customer? How [do] all of those channels contribute uniquely to the process?

... [Make sure] you have some sort of attribution program that is reliable and that you can...adjust to optimize what you're doing."

"...[Make sure] you have some sort of attribution program that is reliable and that you can...adjust to optimize what you're doing."

DAVID MARTIN
Vice President of Marketing
VeriFyle

HABIT #2: TOP PERFORMING SOFTWARE MARKETERS ARE ALSO PROLIFIC AND EFFICIENT CONTENT MARKETERS.

Now, here we asked the same series of questions to find out which content marketing tactics are most effective: videos, blogs, case studies, whitepapers, infographics, webinars, mobile apps, or “not sure”.

Which of the following content marketing tactics are most effective?

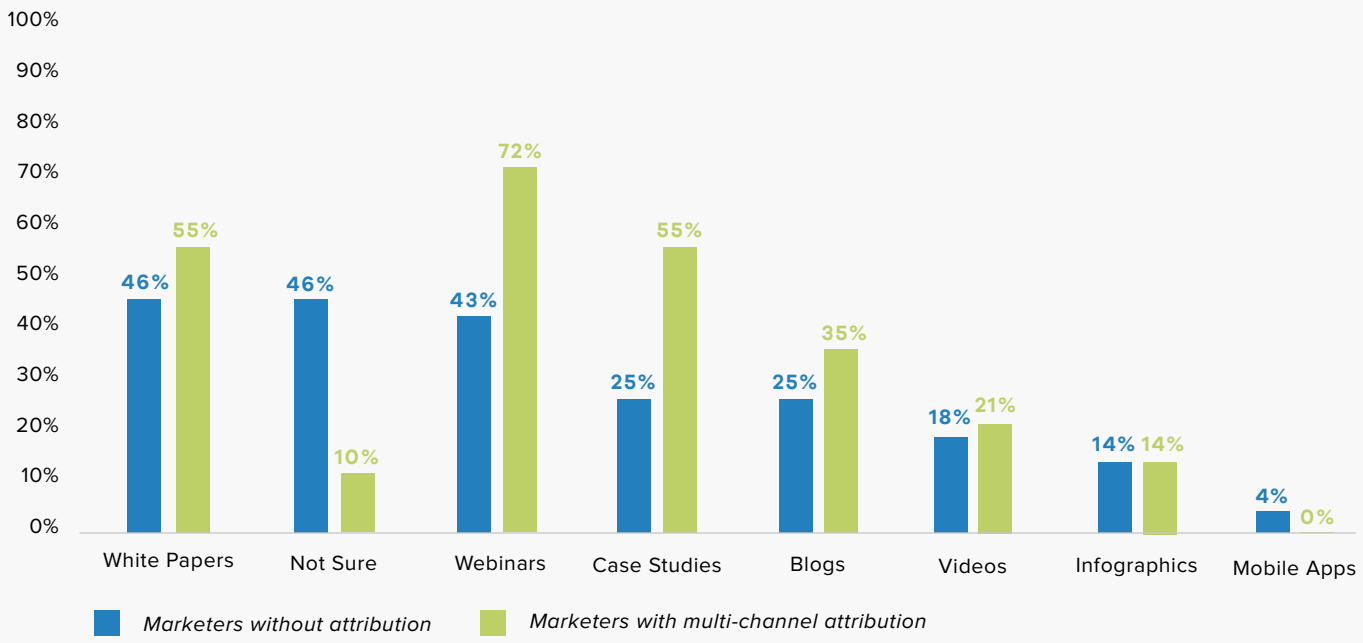
The majority of B2B software marketers invest in a wide range of content marketing tactics including case studies, blogs, infographics, white papers, and videos. Mobile apps, however, finish a distant last. Interestingly, videos are a widely used content format at 91%, but they trail behind webinars, whitepapers, case studies, and blogs in terms of revenue.

Webinars, however, are considered the most-effective content marketing tactic for lead and revenue generation. That result seems to mesh with a 2015 study by the Content Marketing Institute and MarketingProfs, which found 64% of B2B businesses feel webinars are an effective marketing tactic.

HABIT #2: TOP PERFORMING SOFTWARE MARKETERS ARE ALSO PROLIFIC AND EFFICIENT CONTENT MARKETERS.

Running the same experiment that we did for digital marketing channels, we wanted to see what happens when we compare software marketers with and without multi-channel attribution.

Which of the following content marketing tactics drive revenue for you?



And again, when we compare B2B software marketers with multi-channel attribution vs. those without, the results shift significantly.

HABIT #2: TOP PERFORMING SOFTWARE MARKETERS ARE ALSO PROLIFIC AND EFFICIENT CONTENT MARKETERS.

As demonstrated by "not sure" bumping up to the second position with 46% for those without multi-channel attribution, it gets significantly harder for marketers to measure content marketing performance without attribution. For those with multichannel attribution, webinars jump to 72% and case studies more than double in revenue impact at 55%.

Beyond measurement, content marketing success for B2B tech marketers hinges on the ability to create stand out content in a highly saturated space. As Akbar Jaffer, Social Annex Vice President of Marketing and Products, describes:

"The goal for my digital marketing efforts almost always is to be perceived through the digital clutter and noise as a thought leader and the provider of the best solution in the space. And, to do it in 15 seconds on social media, 30 seconds on paid search, and 60 seconds on your website...

[For content marketing], what I use is what I call "hot five" content types. These are blogs, white papers [and case studies], webinars, infographics, and video. These content types must be highly strategic and complementary. You can't shoot darts blind-folded...I believe that over 80% of the revenue can be attributed to these hot five bringing an opportunity to a near close."

Optimizing your content marketing mix for sales-qualified leads and revenue is no easy feat, but a vital element of software marketing success.

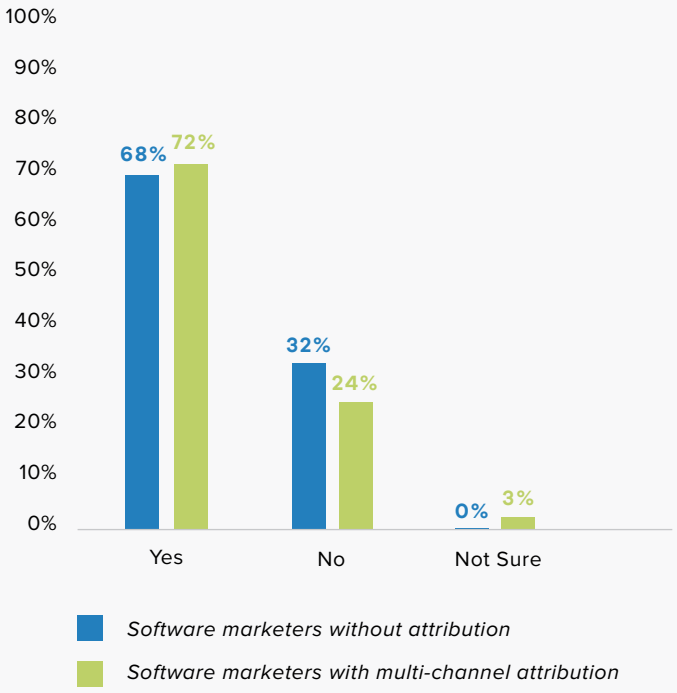
> "The goal for my digital marketing efforts almost always is to be perceived through the digital clutter and noise as a thought leader and the provider of the best solution in the space."

AKBAR JAFFER
Vice President of Marketing & Products
Social Annex

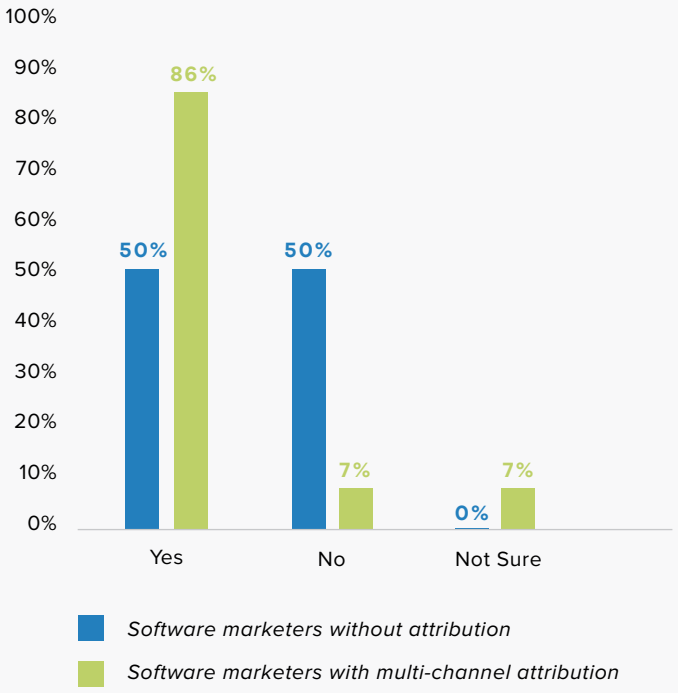
HABIT #3: TOP PERFORMING B2B SOFTWARE MARKETERS ARE CONFIDENT MARKETING TECHNOLOGY ADOPTERS.

Overall, 72% of marketers with attribution have an automation system in place compared to 68% of those without. That's not a huge gap, but the difference grows when we asked those with marketing automation about their use of lead scoring. It turns out 86% of software marketers with multi-channel attribution use lead scoring compared with just 50% of those without.

Do you have a marketing automation system in place?



Do you use lead scoring?

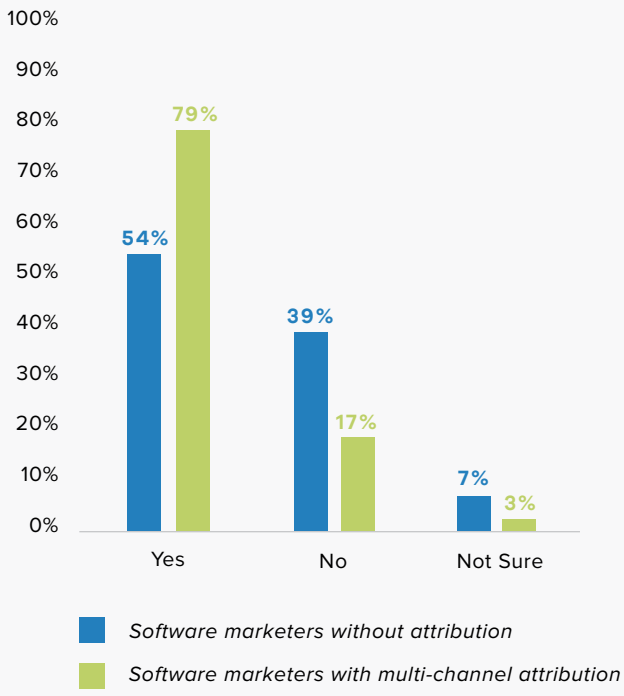


It seems like those using attribution are also more likely to invest in other marketing technology, and therefore tend to be more aligned with sales departments— a key component of B2B marketing success, as we'll see below.

HABIT #4: TOP PERFORMING B2B SOFTWARE MARKETERS ARE WELL-ALIGNED WITH SALES.

When we asked software marketers if they felt Marketing and Sales were well-aligned at their company, 79% of marketers with multi-channel attribution said yes, while just 54% of those without attribution agreed.

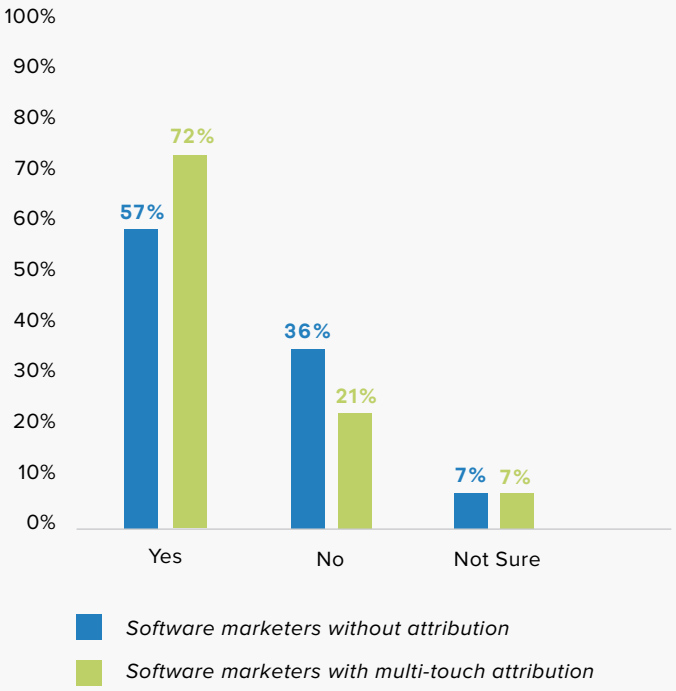
In your opinion, are the Marketing and Sales team well-aligned at your company?



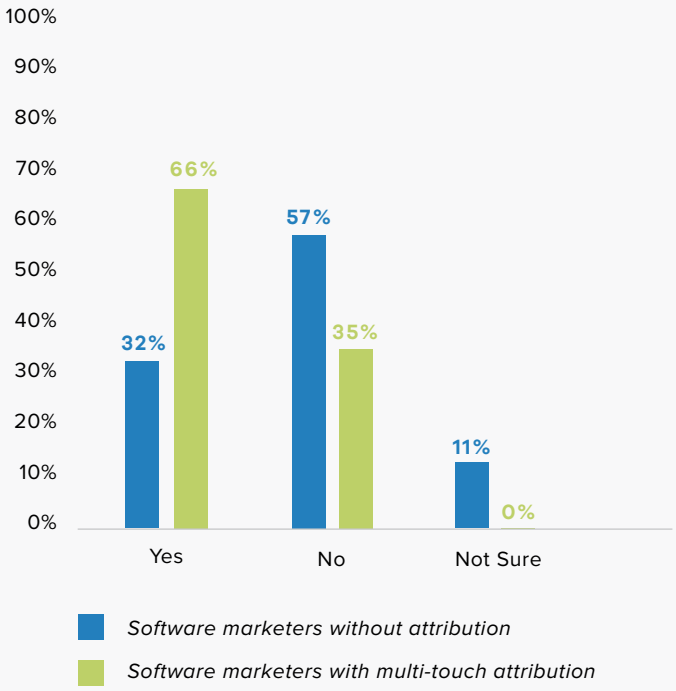
To figure out what factors might be holding back marketers that don't feel aligned with Sales, we asked a few follow-up questions.

HABIT #4: TOP PERFORMING B2B SOFTWARE MARKETERS ARE WELL-ALIGNED WITH SALES.

Does your team have well-defined criteria for what makes a lead sales-qualified?



Is marketing responsible for a sales-qualified lead goal?



It turns out 72% of marketers with multi-channel attribution have well-defined criteria for what makes a lead sales-qualified, compared to just 57% of those without attribution. What's even more revealing is when we asked if marketing is responsible for any kind of sales-qualified lead goal at all. In that scenario, only 32% of marketers without attribution said yes. This more than doubles for software marketers with multi-channel attribution.

This makes sense given that if marketers are having a hard time attributing their work to actions down the funnel, they would be more likely to resist signing up for a sales-qualified lead goal. It seems as though lack of attribution impacts every aspect of the funnel, from click to close.

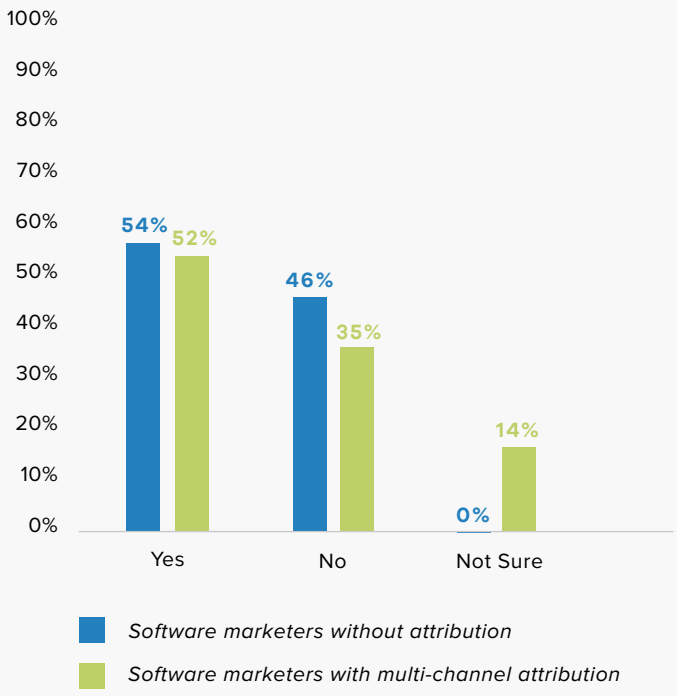
Lack of attribution isn't just a problem in the U.S. either. A 2015 study from Econsultancy and Datalicious found that two-thirds of marketers in APAC, or Asia Pacific, do not practice any form of attribution, and that's largely due to a simple lack of knowledge about the practice. Following the release of that report, AdNews estimated this failure to understand the power of attribution may be leading to millions of dollars in wasted media investments.

HABIT #5: TOP PERFORMING B2B SOFTWARE MARKETERS ARE EARLY, YET CAUTIOUS, ADOPTERS OF THE LATEST TRENDS.

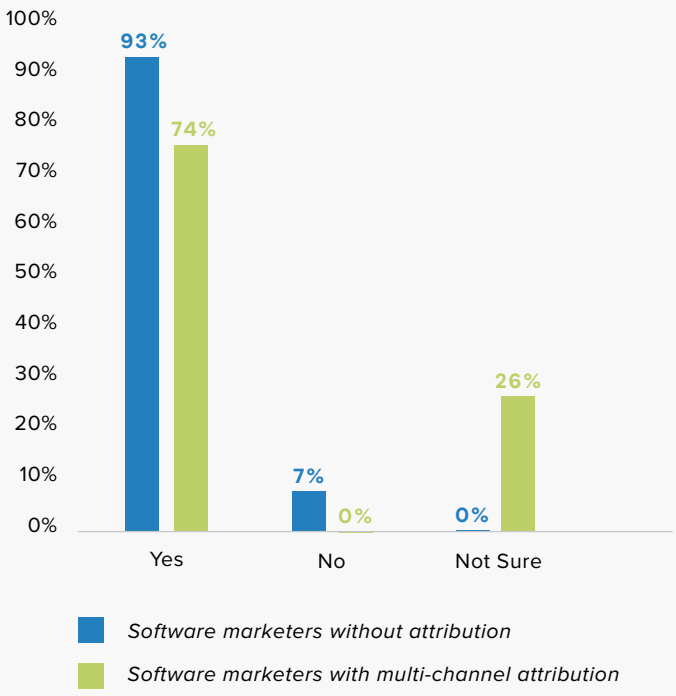
By now we've all heard about account-based marketing (ABM) as the latest B2B marketing trend. While the concept isn't new (targeting companies based on account characteristics rather than individual lead characteristics), the tools and tactics available to implement ABM via digital are new.

So, we asked our software marketers, have you ever tried, or are you currently engaged in account-based marketing? For the first time, both groups— those with and without multi-channel attribution— had nearly the same response with a little over half answering yes.

Have you ever tried, or are you currently engaged in account-based marketing?



If yes, do you think account-based marketing is effective?



Then, for those that said yes, we asked if they thought account-based marketing is effective. 93% of marketers without attribution said yes, while 74% of marketers with multi-channel attribution agreed. The remaining 26% of marketers with attribution said "not sure" versus giving a flat-out "no, it's not effective." This seems to suggest that while software marketers are often early adopters, those with attribution are cautious to wait for its impact on the bottom of the funnel before declaring it effective.

THE BOTTOM LINE

It remains true that software marketers work on the cutting edge of technology, and in some cases that can lead to much better results via clarity in investments. Those tech marketers that are data-driven and relying on tools like attribution models can get a much clearer sense of ROI, which can offer a distinct advantage over other marketers.

For instance, those software marketers utilizing multi-channel attribution are far more confident in their ability to measure ROI by digital marketing channel. This, in turns, allows them to execute a broader mix of marketing tactics because they have a better sense of the results they'll be getting back and can minimize budgetary waste.

Being tech savvy isn't everything when it comes to marketing, but as we've seen with software marketers, it can have significant advantages when tackling challenges like driving a high number of quality leads. And within the current competitive landscape, marketers need every opportunity they can get to sharpen existing strategies and save money in the process.

DEMOGRAPHIC OVERVIEW: SOFTWARE RESPONDENT CLOSE-UP

This eBook was complied, in part, with data gathered from our fifth-annual DemandWave State of Digital Marketing Survey, which was conducted online in November 2015. All participants responded to an email invitation and answered questions using an online survey tool. As we rounded to the nearest percent, not all percentages total to 100% in this report. Charts marked with an asterisk exceed a 100% total, as respondents were asked to select all applicable answers for these questions.

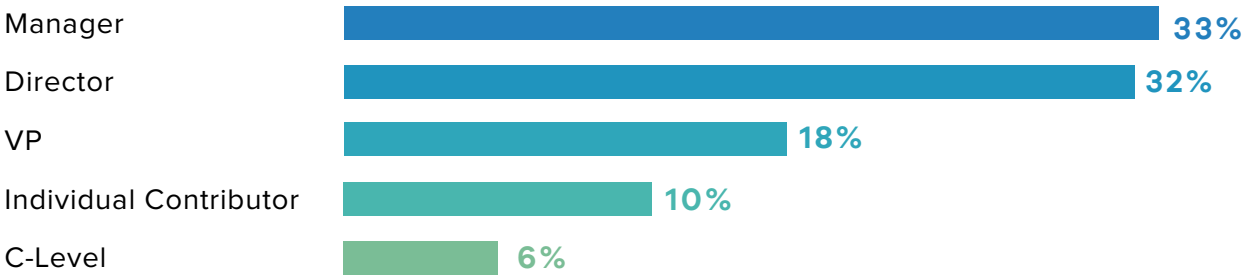
We received 284 responses from U.S. B2B marketers across a wide-range of industries. 78 of those respondents self-identified as B2B software marketers. About 58% are director-level marketing professionals and above. Nearly half, 49%, of respondents work at companies with 200 employees and above.

Looking for more info on our survey respondents? The charts below depict the demographics of B2B software marketers who completed the survey

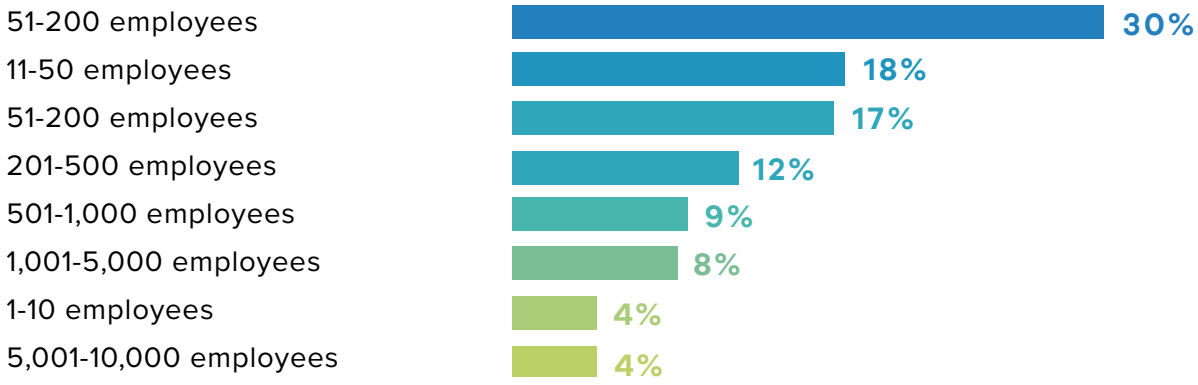
For more information about this eBook and the State of Digital Marketing Survey, please contact results@demandwave.com.

DEMOGRAPHIC OVERVIEW: SOFTWARE RESPONDENT CLOSE-UP

Job Level



Company Size



ABOUT DEMANDWAVE

A two-time winner of Inc. 500/5000, the #9 Fastest Growing Private Company in the Bay Area in 2012, and a certified Google Partner, DemandWave builds digital marketing strategies that go beyond leads and traffic to make a direct impact on revenue. Spanning SEO, SEM, Website Design, and Content Marketing, DemandWave has served as a strategic marketing partner to hundreds of enterprises and fast-growing startups across a wide variety of industries since 2004. Please visit www.DemandWave.com to learn more.

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