Why are so Few Companies Using Marketing Technology?

And what martech companies can do to change that

A study of 351 mid-market B2B companies

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Introduction

Over the past 20-plus years businesses of all sizes have adopted a wide range of technologies including PCs, networks, email, word processors, spreadsheets, presentation software, virtual meetings, smartphones and tablets. Few of these provide a measurable ROI or contribution to revenue, although at this point few companies would even think about operating without them.

At the same time, though, the adoption of marketing technology (martech) has been very slow, despite measurable ROI and in many cases a significant contribution to revenue from it. Nothing better illustrates this than that most people could tell you what a search engine is, but even many marketers would have a hard time defining exactly what search engine marketing is, and even fewer could manage it. Other important marketing technologies and programs such as predictive analytics, conversion optimization and marketing automation are just as foreign to most people in business.

As a result, the 1,000-plus companies that provide some flavor of martech (and the several hundred others that make sales technology), face an unprecedented market challenge.

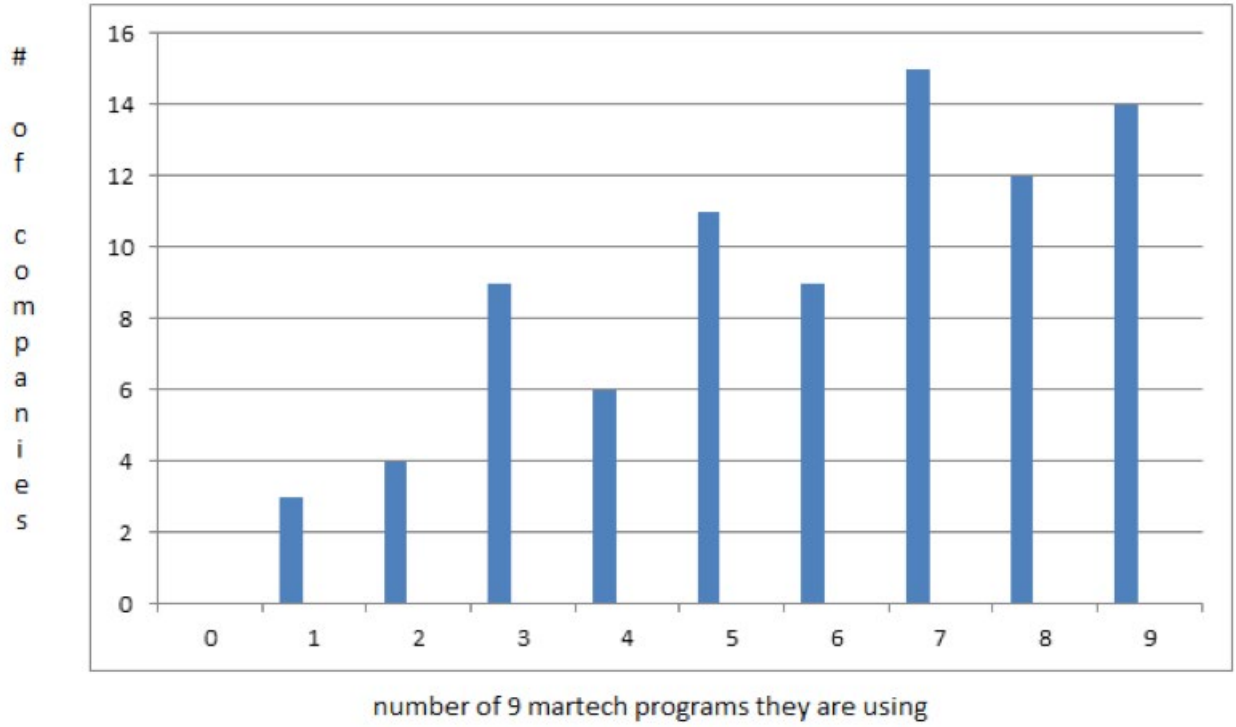
In this report I will explore:

- How many companies are actually using marketing technologies
- Causes for the generally low adoption rates
- Why marketing technology is a special case of Geoffrey Moore's chasm model
- The financial losses many marketing technology companies are suffering
- The financial gains companies are missing out on by failing to more aggressively adopt martech
- Some strategies for martech vendors to deal with this situation

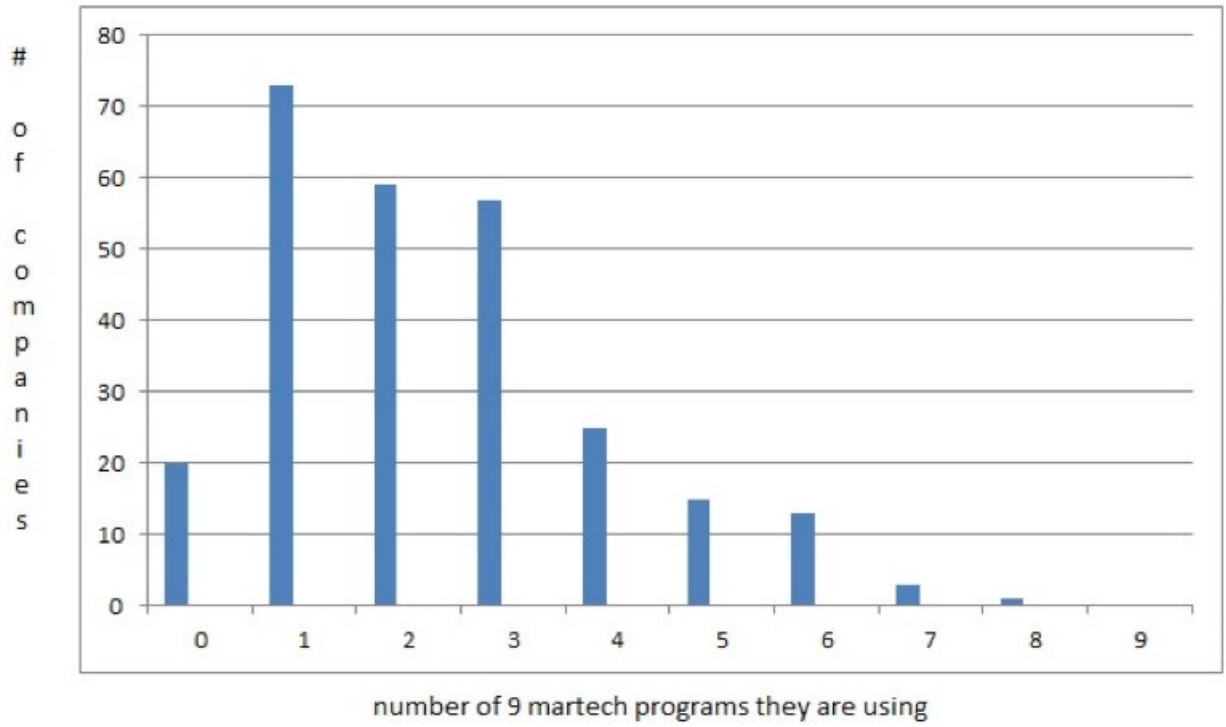
How many companies are actually using marketing technology?

I've reviewed the adoption of marketing technology by 351 mid-market B2B companies across a wide range of industries. There are 9 major types of marketing tech that can be observed from the outside and combined they comprise a rough marketing maturity model.

In studying these companies it pretty soon became clear that software companies of all types (security, hospitality, healthcare, retail, marketing, etc.), are aggressive adopters of martech. I looked at 85 mid-market B2B software companies and most are using 6, 7, 8 or 9 of the 9 martech programs:



But for the 266 companies in other B2B industries – such as custom manufacturing, electronic components, medical devices, and professional services such as engineering, consulting and architecture -- the adoption curve was just the opposite: heavily weighted toward using very little martech.



More of these companies are using none of these programs than are using 6, 7, 8 or 9 combined.

Specifically these are the 9 marketing technologies that I looked for and their adoption rates by mid-market B2B software companies compared to companies in other industries.

Martech Program	Software companies (85)	Other companies (266)
Website analytics	97.6%	87.2%
Marketing automation	78.8%	21.8%
Remarketing	50.6%	9.0%
Search ads	62.4%	15.4%
Search engine optimization	67.1%	35.7%
Conversion optimization	64.7%	24.1%
Content marketing	74.1%	18.0%
Social media presence	51.8%	13.2%
Mobile-ready website	54.1%	21.1%

(Don't worry if you don't know what all of these – or any of these – programs are; just trust me that they're central to a data-informed, modern marketing program.)

On average, software companies are using 6 of the 9 martech programs, with a median of 7. In other industries companies are using on average 2.4 of the programs, with a median of 2.

And these are companies that are big enough, with typically at least tens of millions of dollars in revenue -- the quarter of "other" companies that are public average $100M a year in revenue -- and that operate globally, or at least nationally, and in a type of business where they should market. But when it comes to using martech, other than a modest website with the free Google Analytics installed, they're usually not doing much.

And to clarify: I am an easy grader; I was looking for a minimal effort, not a robust, mature program. Given that many of these programs are synergistic and work best in combination with one another, those low scores are even more revealing. (For more on my methodology, see Appendix B.)

Given this huge divergence between software companies and everyone else, when people who work in software or in digital marketing see these numbers they often are shocked and sobered to learn how much of the business world is utterly indifferent to the tools that they use every day and, in many cases, are trying to sell.

Similar results have been found by others, although they're usually just looking at individual marketing technologies rather than a whole array of them. For example, according to Sirius Decisions, 15 years after its introduction only 16% of B2B companies are using marketing automation.

Some other examples:

- Only a small percent of digital budgets are devoted to website conversion rate optimization, although that can be the fastest and cheapest way to increase qualified leads
- 80% of AdWords clicks are from the ads of just 1 percent of advertisers
- 79% of B2B marketers don't score leads
- Half of small businesses don't have a CRM database, or even a website.

These are all mainstream technologies that have been around for more than a decade and have been proven to provide significant ROI in countless cases and industries.

The use of these data-driven tools could speed the rationalization of marketing budgets. According to Forrester, though, only 11% of marketers infuse their work with insights from data to personalize the customer's experience across channels. So it's not surprising that only 12% of CFOs rate CMOs as "excellent" in connecting marketing initiatives to ROI. The vast majority of marketers haven't adopted the tools that they could use to be more effective and report more accurately on the ROI of their spend.

What is causing this?

There are several causes for this situation:

- Marketing technology is complicated.
- Many businesses don't "believe" in marketing and see it as an expense, not a route to growth
- Traditional marketers are uncomfortable with the heavy reliance on data in these programs, coming from a more creative background, or don't want to be held accountable in the ways that these programs make possible
- There is no network effect for marketing technology
- Some industries, like software, are more volatile and so more receptive to trying new ideas and technologies

Let's look at these individually.

It's complicated

With dozens of categories of martech, just choosing the right ones to use (or even to start with) is not a simple matter. Despite the claims of the vendors, not every tech will work for every company, or every industry. And these are not turnkey solutions; their effective implementation requires a combination of marketing, creative, technical and data skills.

These technologies are synergistic and often work best in combination. A traditional "campaign" approach that traditional marketers are comfortable with is usually not productive; digital marketing usually produces its best results when left on and being constantly optimized based on the data gathered.

And with 1,000-plus suppliers many customers simply lump all of the options into one martech bucket that they don't understand. As we'll see below, this creates unique problems for the vendors.

Many businesses don't believe in marketing

There are some businesses that don't especially need to market: development stage biotech and tech firms, companies selling to a very small number of target companies or, for example, to just the Department of Defense, REITs, etc. But way beyond this founders and managers in many other companies don't make a major commitment to marketing.

According to separate studies by Gartner and the CMO Survey, on average larger mid-market companies and enterprise firms commit about 10% of their annual revenue to marketing. Marketing is what drove their growth. And there are many studies that show the ROI on marketing, including marketing during a recession.

Nonetheless, many founders and owners (and remember: the vast majority of companies are private) have an expertise in a particular field but marketing is foreign to them. Unsure of its ROI they see it as an expense, not an accelerator of revenue. As the director of a green tech association said to me when I was talking to him about speaking before his group, "My members have made it clear that they don't want to have speakers that talk about marketing." I mentioned my research and that most of his member companies weren't marketing much and could grow more rapidly if they did, and he responded, "I agree. But they're engineers. They don't want to hear about marketing."

Of course, some marketing campaigns fail. But then a large number of sales reps, and close to half of sales teams, don't make quota, but no one says, "We're not going to try sales again"; they work on improving them. But with marketing, in many companies that's not the way it is.

Traditional marketers are uncomfortable with the new technologies

Many marketers come to the field from a creative background, not from a tech or data background, so they're not keeping up with these new technologies or advocating for them. If marketers were more comfortable with data, more than 12% of CFOs would be happy with the reports on ROI that they are getting from them.

According to a study by Adobe the majority of marketers don't feel even "proficient" in digital marketing. Most don't have formal training in it and 82% only have on the job training. The most common term they use to describe themselves is "overwhelmed".

The language that the martech companies use to promote their software is often confusing and off-putting, too, more in line with a profession that's trying to maintain exclusivity and keep people out than an industry trying to welcome new customers in.

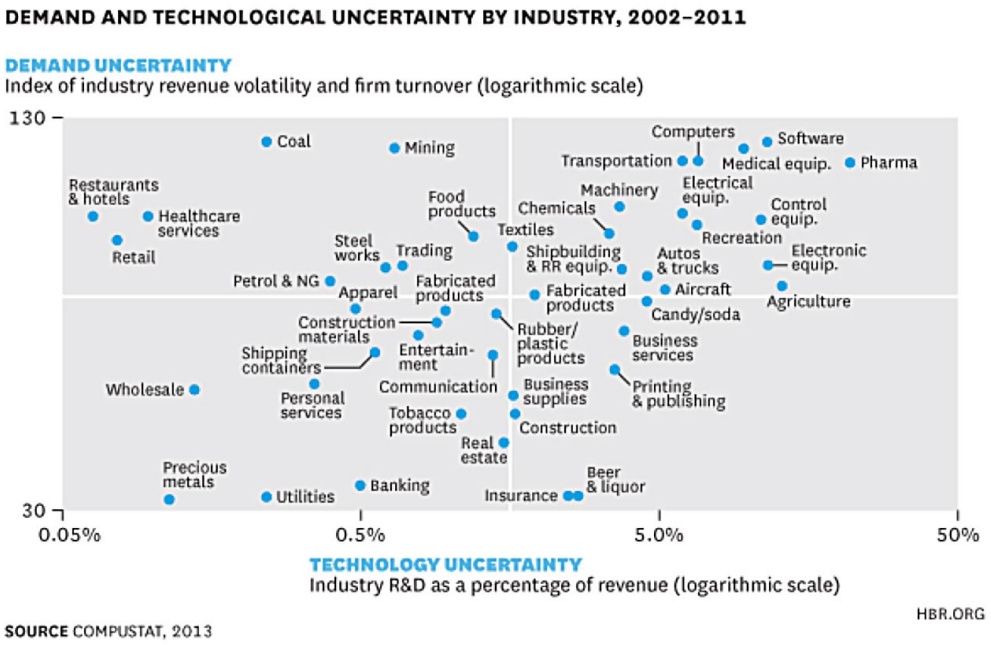
There is no network effect for marketing technology

When the first wave of PC software was introduced it took off slowly, too. But as more and more companies used spreadsheets and document files their partners, vendors and other stakeholders had to start using the programs, too, if they were going to continue to work with them. This network effect was accelerated by email ("Can I email the spreadsheet to you?") and important in the adoption of technologies from fax machines to social media networks such as Facebook, LinkedIn and Twitter.

But martech has no network effect. Each company uses it independently, or at most with an agency partner or consultant who's helping them implement it. Their partners and vendors typically don't need to adopt the same technology to work with them, and this greatly lessens the virality of its adoption.

Some industries are more receptive to new ideas and technologies than others

In a recent Harvard Business Review website blog post Jeff Dyer, Nathan Furr and Curtis LeFrandt document the revenue and technological uncertainty of industries. They show that some industries, and software (in the upper right corner) is an extreme case, have both rapid technological change, as measured by R&D as a percentage of revenue, and revenue uncertainty, as measured by the revenue changes from year to year.



Given the highly competitive nature of the software industry, with shrinking barriers to entry, and that the people in software are generally comfortable with technology and data, it's not surprising that they are aggressive users of martech. And since some other industries have traditionally had pretty predictable revenue, and haven't adopted many new technologies within their industries, it's not all that surprising that they're slower to adopt martech.

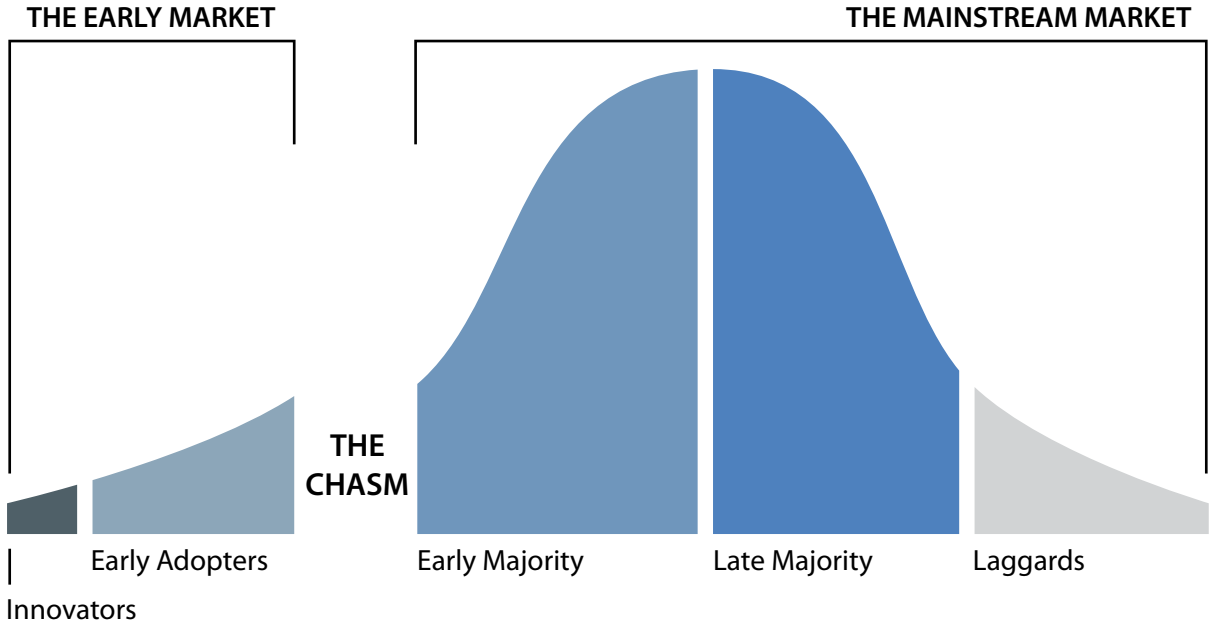
It may not be surprising, but it also may not be wise. If the above chart had been done a decade earlier newspapers would have been way down in the left corner with steady, subscription-based revenue and decades-old presses being used to print the paper daily, which was being tossed onto doorsteps in the early morning light by teenagers. And yet within a few years that industry had been totally disrupted by digital technology. The same is now happening to hotels (Airbnb) and taxis (Uber). And I think manufacturing will soon face significant disruption from 3D printing.

But, regardless: some industries are by their nature more receptive to marketing technology.

Why martech is a special case of Moore's chasm

Perhaps the most important reason for the slow adoption of martech is that people in most companies are conservative about their approach to technological change.

In his high-tech marketing classic, *Crossing the Chasm*, Geoffrey Moore describes the fractures in the technology adoption lifecycle. Specifically he focuses on the chasm with the Innovators and Early Adopters on one side and the Early Majority on the other.



On the far side of the chasm is the vast majority of the market and profits as sales increase and, theoretically, cost of sales decrease.

Many technologies and companies have perished in Moore's chasm because they were unable to transition from the very different needs and psychographics of the Early Adopters and the Early Majority. And today many companies that provide martech, usually distributed via the Cloud, are having difficulty crossing the chasm, too. And their challenge is unique and perhaps even more daunting than previous technologies.

Here are some of the differences between the Early Adopters and Early Majority that Moore describes:

Early Adopters	Early Majority
Technologically competent	Not technologically comfortable
Looking for a change agent	Looking for incremental improvements in existing ways of doing business
Will cobble together new technologies if it gives them a significant advantage	Want a whole product
Want innovative, state of the art technology	Want accepted, industry standard technology
Read futurist, tech blogs and publications and attend tech conferences	Read niche industry publications and attend industry conferences
Expect to change jobs and companies often	Want to stay with the same company for many years
Will accept other Early Adopters as references	Will not accept Early Adopters as references

Now, there are real advantages to being an early adopter of martech in an industry including lower cost ads and keywords, it's easier to get high search ranking, a real opportunity to create thought leadership through original content. But the last thing a martech vendor should point out to a member of the Early Majority is that they still have an early adopter opportunity in their industry. Being an early adopter is the last thing that they want to be; they want industry standard.

For marketers and senior executives who haven't been keeping up with the rapidly evolving world of martech, as few of the Early Majority have, just the names of the

technologies are enough to put you off. What does “marketing automation” mean? Or predictive analytics? Or conversion optimization?

If you’re a company that’s been around for a while it’s far easier to say, “The Dot Com Bubble came and went. Y2K came and went. We’ve made it this far without marketing technology. It’s probably a fad. We can get along fine without it.”

Moore describes the way across the chasm. It typically involves a very focused attack on one, and only one, market segment with a whole product: all of the features and services that the Early Majority in that market requires.

But, as mentioned before, there are dozens of types of martech and they often work best in combination, so it’s difficult for vendors to provide a whole product.

Let’s look at just one example: running a search advertising campaign, like you’d do with Google AdWords. An ideal, robust search marketing campaign would include:

- Google AdWords, Bing and Yahoo
- possibly third-party ad management software
- writing ads and having a compelling offer
- landing page optimization
- remarketing to people who came to your website through those ads
- the CRM
- lead scoring in a marketing automation system
- nurturing of the qualified leads with emails

That’s neither a whole product, nor is it easy for people who are not comfortable with a combination of technology, data and creative to wrap their minds around. And having the whole product is so important that Moore says in italics *“any company that executes a whole product strategy competently has a high probability of mainstream market success.”*

Another key strategy in crossing Moore's chasm is framing the competition so the Early Majority buyer knows where your new solution fits. This typically involves comparing yourself to an old technology/solution (so the buyer knows what you're replacing), and to one other new tech competitor (so the reluctant Early Majority buyer knows that this is a real market with options and leaders). This is a sort of ideal for a martech Aspirant:

	Old Tech	**New Tech**
Target Market	Existing market tech	Aspirant
Broader Market		Product alternative

But all of these martech companies often get painted with the same brush. They sell That Stuff. And we don't use That Stuff, because we don't believe in marketing and, even if we did, we don't understand That Stuff. And next year they'll have something new that they'll want to sell us, and we probably won't buy that, either.

So with buyers lumping all new marketing technology together in their minds too often the competitive landscape ends up looking like this:

	Old Tech	**New Tech**
Target Market	Existing market tech	Aspirant
Broader Market		Alternative Alternative Alternative Alternative Alternative Alternative Alternative Alternative, etc.

The reasons that vendors want to dominate the mainstream market include, of course, that that's where the majority of revenue is, but also that with a more informed and standardized whole product offering their cost of sales can be reduced and profits increased. However, customer acquisition costs may actually rise as the martech vendor enters the mainstream for two reasons. First, martech executives and investors familiar with the marketplace have learned to focus on

the most receptive industries first: the low-hanging fruit. But as they try to sell into those more reluctant industries it takes more time and effort to match their initial success. And, secondly, early Cloud sales with a low-cost or freemium model may be to an individual in a company with a credit card, but as the vendor moves into large enterprise deals they encounter bigger buying teams and long selling cycles, all of which require a more expensive field sales force to run a gauntlet that can include procurement, legal, IT, security and others. Marketing automation company HubSpot recently revealed in its S-1 document that over the past three years its average customer acquisition costs have risen from $6,671 to over $11,500.

Martech then is a special case of Moore's chasm. It's not just one technology that needs to cross it, it's an entire class of related technologies that are being held at arm's length by most businesses. One of these companies might do a great job of developing a whole product, targeting an opportune market niche and adjusting its messaging, and still get rejected out of hand because it's "one of them".

The financial losses many martech companies are suffering are stunning

Over time almost all companies decided that they needed PCs, word processors, spreadsheets, and so on. But 15-20 years in, few companies are buying martech. And it's easier and easier for competitors to join in. So the vendors struggle to gain the big prize and profits.

Here are some examples of martech company revenues and income, or lack thereof:

	Most recent FY revenue (M)	Profit (loss)
Salesforce	4,000	(232)
HubSpot	78	(34)
Marketo	96	(47)
Demandware	103	(23)
Marin Software	77	(36)
Brightcove	109	(10)
Jive Software	145	(75)
Rocket Fuel	240	(21)
Millennial Media	259	(15)
ExactTarget (when acquired)	292	(21)
Eloqua (when acquired)	71	(6)
Profitable		
Constant Contact	285	7
Criteo	179 Euros	1.4 Euros
Yu Me	151	.3

At comparable ages and stages of development the business software companies of an earlier generation, such as Microsoft, Lotus Development, Novell, Oracle, Sybase and Adobe, were much more profitable.

This is not to say that all martech companies are losing money. But Cloud companies should be highly profitable. They have very high operating margins: they have no physical product to produce and ship. And the hosting and infrastructure costs keep coming down.

And they would be profitable, if it wasn't for the cost of acquiring customers in a highly skeptical and hyper competitive market, and the constant price pressure from increasing competition.

The financial gains companies are missing out on by failing to more aggressively adopt martech

Before looking at what martech vendors can do to deal with this situation, we should consider one other possibility: maybe the market is right. Maybe they are making a rational decision to not market, or to not use martech to do it.

That is very doubtful. There's simply too much data about the ROI on marketing in general, and martech programs in particular. (See Appendix A for a deeper dive on this.) Contrary to John Wanamaker's century-old quote that "Half the money I spend on advertising is wasted, the trouble is I don't know which half", with martech you get so much data that if you find a program isn't working you simply turn it off and re-allocate the budget to those that are.

Within the 351 companies I studied, public software companies, which have a heavy use of martech, had a median two-year growth of 21% compared to the median two-year growth for other companies of 9%. But you might say that it's unfair to compare across industries, and that's reasonable.

Within the software sector itself, though, the companies showed markedly faster growth with the increased use of martech:

Number of martech programs used	Median two-year growth rate
8-9	72%
6-7	50%
4-5	29%
0-3	15%

I should say at this point that I don't attribute all of the success of these companies just to the use of martech but, as I mentioned early on, I think of this as a rough maturity model for the company's marketing in general. Companies in any industry that still are using 0-3 of these programs simply aren't trying. I think of 5 on my scale as a minimum for most B2B companies.

Martech vendors of all sorts have case studies to document ROI of their programs, and analysts have produced countless similar studies. Here's a case that I ran across in my research:

AFA Protective Systems is a 140-year old company that markets, installs and monitors security systems such as fire alarms, burglar alarms and closed-circuit TVs to businesses and households. It has about $40M in revenue annually and has spent little on marketing: annual advertising has been below $150,000. In its more recent annual report its Chairman and CEO wrote,

> *Last year I reported that we began to embrace the modern age of marketing. During 2013, the company decided to experiment on a limited basis with various forms of marketing to increase our visibility to potential customers and in turn sales. The year end results in this regard were very encouraging. In fact, we traced new booked sales attributable to these efforts and learned that they were produced at a rate of ten to one in comparison to amount spent.*

Ten dollars of revenue for every dollar of marketing. Impressive. On my 0-9 scale, AFA currently scores a 5.

For companies that aren't marketing, or are still marketing like it's 1985, it's definitely worth experimenting with the new, data-driven programs.

Some strategies for martech vendors to deal with this situation

So where do the martech vendors go from here? They could just say that this is a long-term play but this is software, not real estate. It's been 15-20 years already.

There are several strategies being employed, or that could be employed, depending on the goals of the company to speed up adoption:

Talk the customer's language: First, all martech companies might want to tone down their relentlessly youthful and hip startup messaging. It may be helpful in recruiting young employees, and for reaching the Innovator and Early Adopter, but consider the psychographics of the mainstream manager and executive in a company that's been around, and profitable, for 50-plus years. They aren't interested in a 27-year-old in an eight-year-old company that's losing tens of millions of dollars telling them that they need to fail more. If the industry is going to gain mainstream acceptance, it needs to talk the language of its customers.

Organic growth: Many smaller martech companies will grow organically and can do fine with a small share of the total market, or in a specialty market niche. Companies with several thousand customers in a country with over 1 million businesses of all sizes (and far more globally) don't change that low adoption rate for martech, but to them it doesn't matter: they're doing fine. They may be vulnerable, though, to larger, venture-backed companies entering their space in the future.

Flip the company: Some of those 1,000-plus martech companies were created with the express intent of being, essentially, a proof of concept. They plan to go to market, quickly gain enough accounts to prove the value of the offering, and then sell to a Salesforce or LinkedIn as an add-on to their core product. This is a quick turn strategy; I don't know what Plan B is if they don't get bought.

Aggregate a Marketing Cloud: Members of Moore's Early Majority are more inclined to buy from known vendors, possibly ones that their company is already

doing business with, than from startups that they've never heard of. So in the past few years such companies as Oracle, Adobe, Salesforce, and IBM have assembled integrated Marketing Clouds of applications across several martech categories. (In some cases the integration is in name only and it may take a few more years for the different components of a particular marketing cloud to share data and a common user experience.) For some clients that will make all the difference. A marketing automation consultant I know reported to me that she had two clients tell her recently that they were switching from Eloqua to Pardot "because Salesforce told them it was better". Period. No needs analysis or in-depth review; they simply took the word of a trusted vendor. These big companies will continue to see competition from a seemingly endless number of competitors entering the martech market; and already market confusion is growing as the term "marketing cloud" is being expropriated by other martech vendors. Given that tone problem from so many of the industry's startups, though, it's entirely possible that it will take an IBM or an Oracle to get the mainstream market to embrace martech. They know how to sell to the mainstream. And they know how to make a large profit while doing it.

Focus on user experience and success: Software companies often see each new release as an opportunity to stuff more and more features into their programs. But most new features have a very low rate of usage. Far more important to the mainstream buyer may be ease of use, ease of integration, and software that automatically reports and optimizes, requiring less staff learning and expertise. Mainstream buyers are looking for success, not features. The CEO of Sitecore recently said it may take 5-10 years for martech vendors to reduce their complexity, provide a single view of the customer and a digital transformation.

Focus on services rather than software: By now it should be clear that what the world does not need is more martech to not buy. What it does need is more experienced professionals who know how to use the software, understand marketing, and can deliver business results. And some of those people need to have a strategic viewpoint that extends across the various tools and programs. It's of limited help to sell-in, for example, conversion optimization software if at the same time the customer doesn't understand search advertising, the creation of compelling content and offers, email marketing, and remarketing. It doesn't help to

generate more qualified leads if they are ignored by sales due to non-existent lead scoring and poor alignment between marketing and sales. There is a shortage of qualified, experienced professionals in virtually all digital marketing fields, and so there's a real opportunity for greater professional services groups within martech companies and for omni-channel marketing agencies that can produce results.

When we see how rapidly some consumer technologies like smartphones, streaming video and social networks are adopted it can be hard to remember just how slowly organizations change. (Or even how long it actually took technologies like mobile phones to get to where they are today.) I used to think of the Internet as a kind of Big Bang, best exemplified by Google, Amazon and Facebook. But in the world of marketing technology it's more like watching the rings grow on a tree. There's been no great market breakthrough; each year one or two percentage points more of B2B companies adopt the modern, data-driven approach to marketing.

Appendix A: The Efficacy of Marketing Technology

A different combination and weighting of martech programs is likely to be most effective for each company. And the effectiveness of any one of these programs, or combination of programs, will be affected by the quality of implementation, industry, competition, the general economy and other factors. However, cross-industry studies of the 9 programs have found that the implementation, active use and optimization of these tools can have a major impact on a company's revenue. For example:

Marketing automation: Many metrics are used to demonstrate the ROI of marketing automation. Seventy-five percent of companies adopting marketing automation achieve a positive ROI within 12 months; most of those that did not had not engaged in the additional training or staffing needed to support their implementations. As with any of these technologies and programs, the more mature, robust implementations reap the highest return. Companies that automate lead management see a 10% or greater increase in revenue within 9 months (see slide 21).

Remarketing: Remarketing can take many forms including showing display ads to anyone who comes to the website, showing product-specific ads to people who drill down to a particular product or service page, remarketing only to those who come from a PPC campaign click, and even email remarketing to try to close people who abandoned an ecommerce shopping cart. Marketers report such results as 50% increases in revenue and 70% higher conversion rates. And since the remarketing display ads are often paid on a cost-per-click basis, the brand can get many additional free impressions, too.

Search advertising (PPC): PPC can be especially valuable for highly-priced B2B products and services. And independent of the direct traffic from clicks, the free impressions and interactions can have a significant revenue impact, too. Google's AdWords program and third-party PPC management programs provide a vast

amount of data and analytics for optimization based on keywords, ads, offers, and many other factors, and these comprise valuable market research that can be applied to all traditional and digital marketing programs.

SEO: Best-in-class companies, which have higher revenue growth and contribution of marketing to revenue, typically align SEO and content marketing. In surveys, marketers rate SEO at the top of all digital programs for ROI, and have for several years.

Conversion optimization: Conversion optimization can quickly increase conversion rates by 50-100%, and in some cases by over 1,000% (see individual case studies). Testing big changes can lead to big improvements.

Social Media: Studies have shown that people place greater trust in companies in which the CEO and other members of the C-suite participate in social media, and are more likely to buy from them. Reviewing social recommendations are important in the buying process for many people today, as is research on social channels. There are many other ways to measure social media ROI including impressions, engagement, traffic generated to website, leads and revenue, depending on company social media goals.

Content marketing: Not a separate technology, really, but content is the fuel that powers many modern marketing programs. Content marketing can include the publication and promotion of blogs, white papers, webinars, infographics, and other forms of content, which are most effective when mapped to the different members of the B2B buying team and their buying stages. Most companies look for increases in lead generation and customer acquisition as measures for the success of content marketing. Many companies use content as part of nurture programs (which typically are greatly aided by the use of marketing automation programs, too). Forty six percent of best-in-class companies track the number of qualified leads generated by content marketing programs; they also report higher website conversion rates, email click-through rates, and marketing qualified leads (MQLs). In IT decision making, vendor content (34%) is rated almost equal to independent third party content (35%) by buyers for impact on decision making.

Mobile-friendly website: Aside from the fact that Google penalizes sites that aren't mobile-friendly, thereby reducing traffic, and brands with mobile-friendly sites typically see far more mobile traffic and mobile time-on-site, companies implementing responsive, mobile-friendly designs have often seen mobile conversion rates quickly increase 50-100% upon launch of the new site.

Other modern programs that could have significant revenue impact, such as email marketing and predictive analytics -- or the integration of the 9 programs studied with traditional efforts such as tradeshows, direct mail and cold calling – could not be externally observed and so were not studied, but adopting those would be expected to ramp up company revenue even more.

The impact on revenue of implementing a comprehensive, modern, integrated program at a low-scoring company could be huge.

Appendix B: Methodology

The 351 companies studied had these characteristics:

- B2B
- Mid-market: typically $10M to $100M in revenue, although a few went as high as $300-400M
- Operate on a global, or at least national, basis
- The company's business would be appropriate for marketing. So, for example, REITs and clinical trial stage biotech companies were excluded. And companies that appeared to have such a narrow customer base, such as only the military, that broad-based sales and marketing efforts would not be appropriate were excluded.
- Ecommerce companies were also excluded since it was assumed that they would have unique marketing requirements.

The specific base measures used for each of the 9 programs, and potential advanced measures for future study, are:

Analytics: Presence of website tags for an analytics program.

Potential advanced measures could include attribution models determining most effective sales and marketing programs based on contribution to pipeline and sales.

Marketing automation: Presence of tags for a marketing automation program such as Eloqua, Marketo, Silverpop, HubSpot or Act-On.

Advanced measures could include full implementation of marketing automation with accelerated pipeline progression, increases in sales, and a positive ROI.

Remarketing: Presence of remarketing tags on the site from such companies as Google (DoubleClick), Facebook or Perfect Audience.

Advanced measures could include increases in sales due to remarketing, and ROI.

Search advertising (PPC): Ongoing PPC programs in excess of $100/day of click fees – a minimal program for companies of the size studied that would be always-on and optimizable -- as measured by such services as Spyfu, iSpionage or SEMrush.

Advanced measure could include always-on search marketing with continuous improvement in contribution to qualified leads, pipeline and sales.

Search engine optimization: Presence of keyword-rich home page Title, and either Keywords or Description meta tags with similar keywords, and unique page descriptions.

Advanced measures could include a more thorough examination of site for high-quality content, other cues to Google, and use of other SEO techniques leading to increases in traffic from organic search and contribution of organic search traffic to pipeline and revenue.

Conversion optimization: For companies doing search marketing, PPC ads that direct traffic to custom landing pages with easy-to-use forms rather than the site's home page or a standard product page. For companies not doing search marketing, the presence of website conversion optimization techniques (beyond the listing of a company phone number) such as prominent "contact sales" buttons or phone numbers high on pages, Contact Sales or Order buttons or phone numbers on product pages, or pop-up chat.

Advanced measures can include the tracking and optimizing of these tactics to document increased conversions, leads and sales.

Social media presence: At least one major, active social media account, usually Twitter, with tweets/posts more than once a day that are part of a conversation and not just promotions of company news. Or, on LinkedIn, posts at least once a week.

Advanced measures can include monitoring the volume of social conversation around a brand and its positive mentions, and increases in traffic and leads originating on social channels.

Content marketing: At least six new content items per month, usually a blog post (of any length and quality), as part of an ongoing active content development program possibly also including webinars, white papers, infographics, marketing apps, etc.

Advanced measures can include SEO-optimized content used in nurture programs for each stage of buying team's journey.

Mobile-friendly website: Presence of a mobile-friendly website, including forms, when viewed in the Chrome browser on a Samsung Galaxy S5 and iPhone 5 using a Safari browser; this usually means a responsive site.

Advanced measures could include increases in mobile traffic, conversions and sales originating on mobile.

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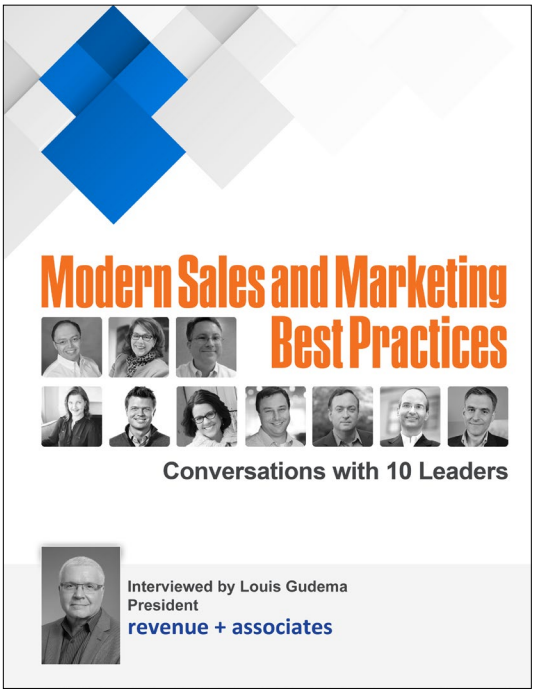

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