Data-Driven Budget Planning

Allocating Marketing Dollars Effectively
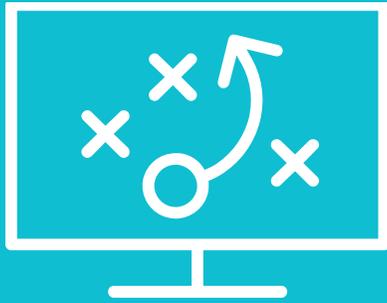
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we know b2b

Experience

Manage lead generation for B2B companies:

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CURRENT MARKETING PLANNING

MARKETING PLANNING HORROR STORIES

"Other departments underspent, we have $25k to spend in the next 2 weeks"

"We need you to spend precisely $250k this quarter. Can you please pause digital marketing efforts at precisely $250k?"

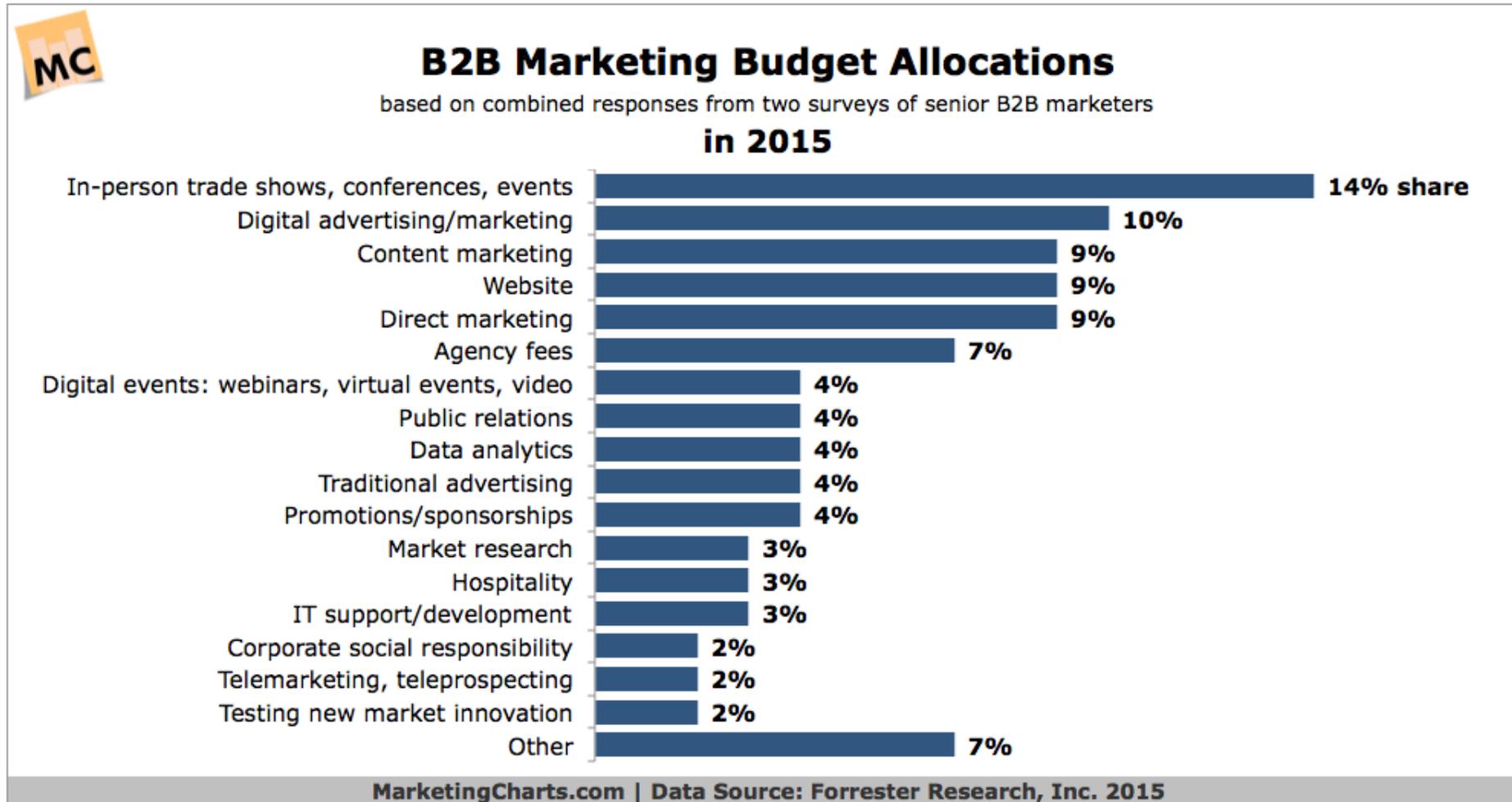"Spend $100k on Google Search, $40k on Google Display, $10k on Google Remarketing, $5k on LinkedIn, $5k on AdRoll"

"Department 1 has $20k to spend. Department 2 has $30k to spend. Please use all of Department 1's money. Pause those campaigns. Then run the same exact campaigns against Department 2's PO."

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MARKETING PLANNING STRATEGIES

- Look at competitors

- Use it or lose it

- Whatever's left over

- Last year's spend

- % to marketing

- Working backwards (revenue projections -> marketing dollars)

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CURRENT MARKETING BUDGETS – ALLOCATION

B2B Marketing Budget Allocations

based on combined responses from two surveys of senior B2B marketers

in 2015

Category	Share
In-person trade shows, conferences, events	14% share
Digital advertising/marketing	10%
Content marketing	9%
Website	9%
Direct marketing	9%
Agency fees	7%
Digital events: webinars, virtual events, video	4%
Public relations	4%
Data analytics	4%
Traditional advertising	4%
Promotions/sponsorships	4%
Market research	3%
Hospitality	3%
IT support/development	3%
Corporate social responsibility	2%
Telemarketing, teleprospecting	2%
Testing new market innovation	2%
Other	7%

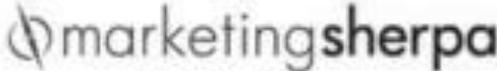**MarketingCharts.com | Data Source: Forrester Research, Inc. 2015**

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CURRENT MARKETING BUDGETS – % OF SPEND

Marketing Budget as a % of total revenue

| Source	Focus	Benchmark
marketingsherpa powered by MECLABS	Business Technology (North America)	8%
	B2B Average (North America)	5-6%
SBI Sales Benchmark Index Metrics Database of 11,000 Companies	High Tech – Average Performers (North America)	5.8%
	High Tech – Top Quartile Performers (North America)	8.3%
	High Tech – Average Performers (International)	5.3%
	High Tech – Top Quartile Performers (International)	6.9%

Note: Top Quartile performers based on world-class performance calculated by Return on Sales

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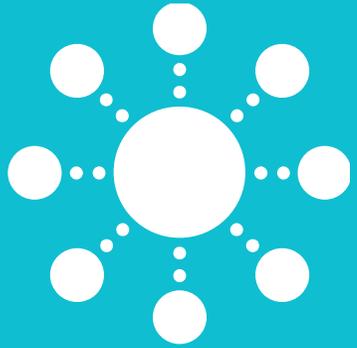
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WHAT AN IDEAL BUDGET LOOKS LIKE
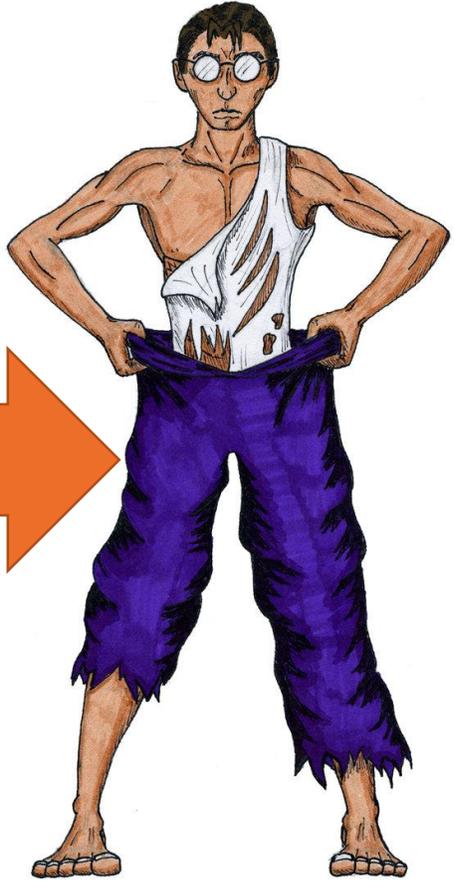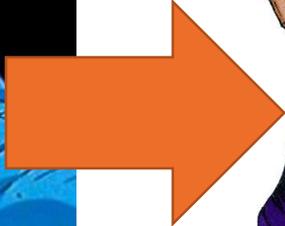
AN IDEAL BUDGET

- Flexible

- Tied to clear objectives

- Informed by data

- Adjusts to a changing landscape

8 BUCKETS OF CAMPAIGNS

TYPES OF MARKETING CAMPAIGNS

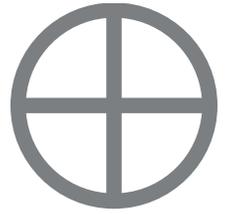| CORE | PERIPHERAL | TEST | BRANDING | VANITY |

| LEAD NURTURING | HIGH VOLUME | POOR PERFORMERS |

CORE

Core campaigns generate first touch opportunities below your target cost per opportunity

- Branded & competitor-targeted paid search

- Targeted email list

- SEO

- Outbound calls

- Tradeshows

PERIPHERAL

Peripheral campaigns generate FT opportunities slightly above your target CPO

- Tangential search keywords
- Twitter advertising
- Media buys
- AdRoll non-converters campaigns

TEST

Test campaigns are the unknowns, untested marketing channels or new betas

- Gmail Sponsored Promotions
- LinkedIn Network Display
- YouTube Remarketing and sponsored videos
- Demandbase

BRANDING

Branding campaigns are campaigns focused on increasing awareness

- PR campaigns
- Media buys
- Limited run display campaigns
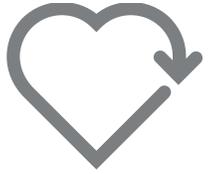
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VANITY

Vanity campaigns are the campaigns higher ups require you to run (sometimes call HiPPO campaigns)

- A particular set of keywords where you <u>need</u> to show up #1

- Publications the CxO visits

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LEAD NURTURING

Lead nurturing campaigns are campaigns run to folks already in your marketing or sales database

- Email newsletter or email blast to subscribers
- Retargeting
- LinkedIn Lead Accelerator

HIGH VOLUME

High volume campaigns generate inexpensive leads but don't often convert to opportunities

- Content syndication
- Partner email list
- Broad-targeted search campaigns
- Display networks

POOR PERFORMERS

👎   Poor performers are campaigns that don't generate opportunities, cheap leads, or generate enough brand awareness
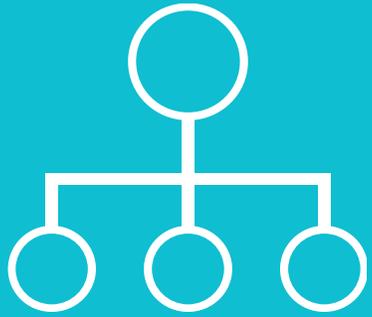
Poor performer campaigns should be paused until significant changes can be made

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WAIT FOR SIGNIFICANT CHANGE

CATEGORIES OF CAMPAIGNS

3 CATEGORIES

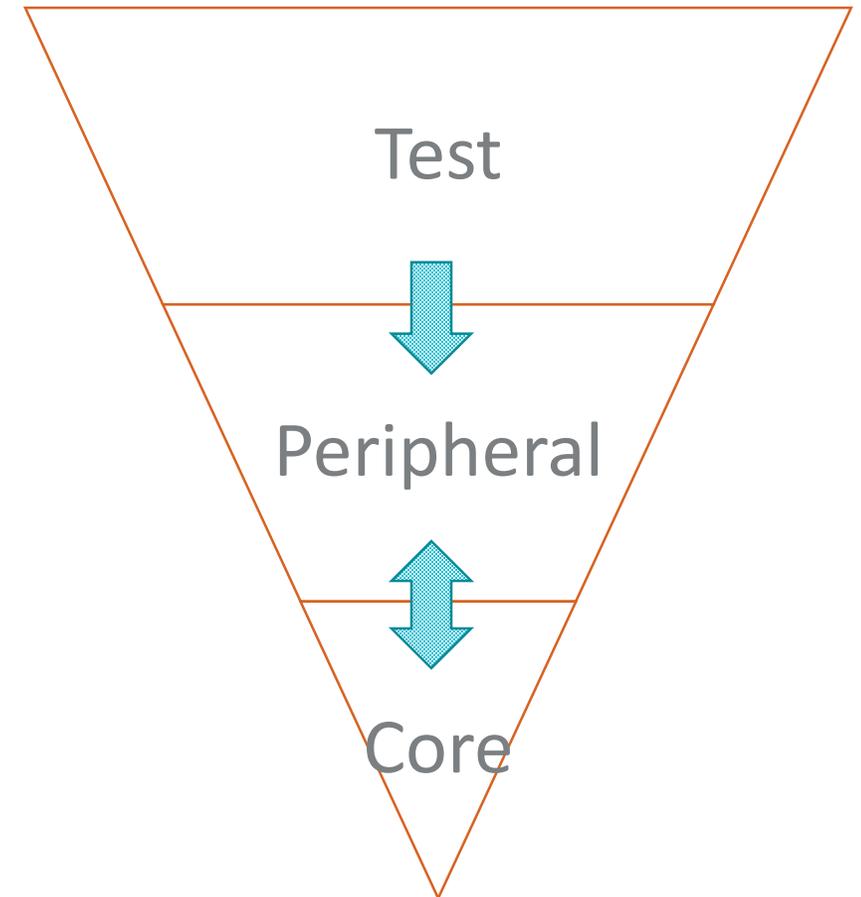| PERFORMANCE | AWARENESS | BUSY |
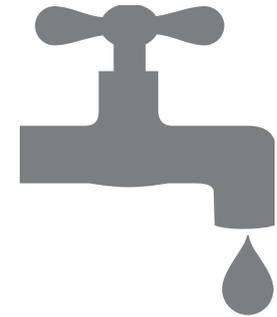
MANAGING PERFORMANCE CAMPAIGNS

- Data-driven. Data supersedes "common sense"
- Consider cost per net new lead, MQL, SAL, and opportunity
- Sales and ROI are key

Test

Peripheral

Core

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BULLETS AND CANNONBALLS

"Shoot bullets before cannonballs"

Jim Collins

BULLETS ARE TEST CAMPAIGNS

SHOTGUN SHELLS ARE PERIPHERAL CAMPAIGNS

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CANNONBALLS ARE CORE CAMPAIGNS

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MANAGING AWARENESS CAMPAIGNS

Find a way to measure performance

- Split test

- Measure lift in brand & direct traffic

- Share of voice surveys
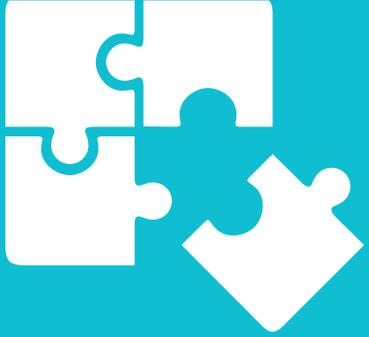
MANAGING AWARENESS CAMPAIGNS

- Set budget to branding efforts
- Minimize financial impact of vanity campaigns

MANAGING BUSY CAMPAIGNS

Busy campaigns are a spigot to turn on or off as needed

- Default setting is off
- Sales demanding more leads, turn on the spigot

PUTTING IT ALL TOGETHER

SALES STACK

Objective: Generate sales

Focus on performance campaigns:

1. Identify 100% saturation on Core campaigns
2. Layer with peripheral and testing budgets
3. Limit spend on Awareness campaigns
4. Only run High Volume campaigns when necessary

DATABASE GROWTH STACK

Objective: Grow sales database

Focus on cheap quality leads:

1. Determine new lead goals
2. Budget for High Volume campaigns to meet lead targets
3. Run Core campaigns with remaining budget
4. If money left over, use for test campaigns

SHARE OF VOICE STACK

Objective: Grow awareness

Focus on increasing brand awareness:

1. Set % of spend for branding campaigns
2. Spend remaining dollars on Core campaigns
3. If money left over, use for Test campaigns

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EXAMPLE BUDGET STACK

Objective: Hit 2015 Revenue Targets

Using average client value and client retention rate, calculated we need 22 new clients in 2015

Based on opportunity to close rate (30%), calculated we need 75 opportunities. Referrals account for 25 opportunities => 50 Opps from New Biz

SATURATE CORE CAMPAIGNS

Step 1: Saturate core campaigns

- Hosted events – Better to Best ($2,000) 153 leads, 75 MQLs, a projected 2 Opps

- Search – Google BOF terms ($1,500 per month) 20 leads, 10 MQLs, 1 Opp

- Social Advertising – LinkedIn skills campaign ($2,500 per month) 100 leads, 15 MQLs, 0.5 Opps

Budget:

$20k hosted events   20 Opps

$18k search   12 Opps

$30k social ads   6 Opps

38 Opportunities from Core Campaigns

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ADD PERIPHERAL & TEST CAMPAIGNS

Step 2: Peripheral and test campaigns

- Outbound Sales – prospecting ($1,500 per month), est. 7 Opps

- Content syndication ($25k test), est. 5 Opps

Budget:

$68k core campaigns	38 Opps
$18k prospecting	7 Opps
$25k content syndication	5 Opps
_____	
$111k	50 Opps

12 Opportunities from Peripheral & Test Campaigns

REAL WORLD STEPS IN

Spend >$9k on Marketing each month = negative monthly cash flow

Options:

- Reduce revenue targets
- Find cheaper Opportunities
- Close at a better rate
- Cut expenses (NowCFO, staff, outside education)
- Borrow

CONSIDER VELOCITY & POTENTIAL

Sales don't happen overnight. When creating a budget based off target revenue, consider time frame before payment (impression to cash)
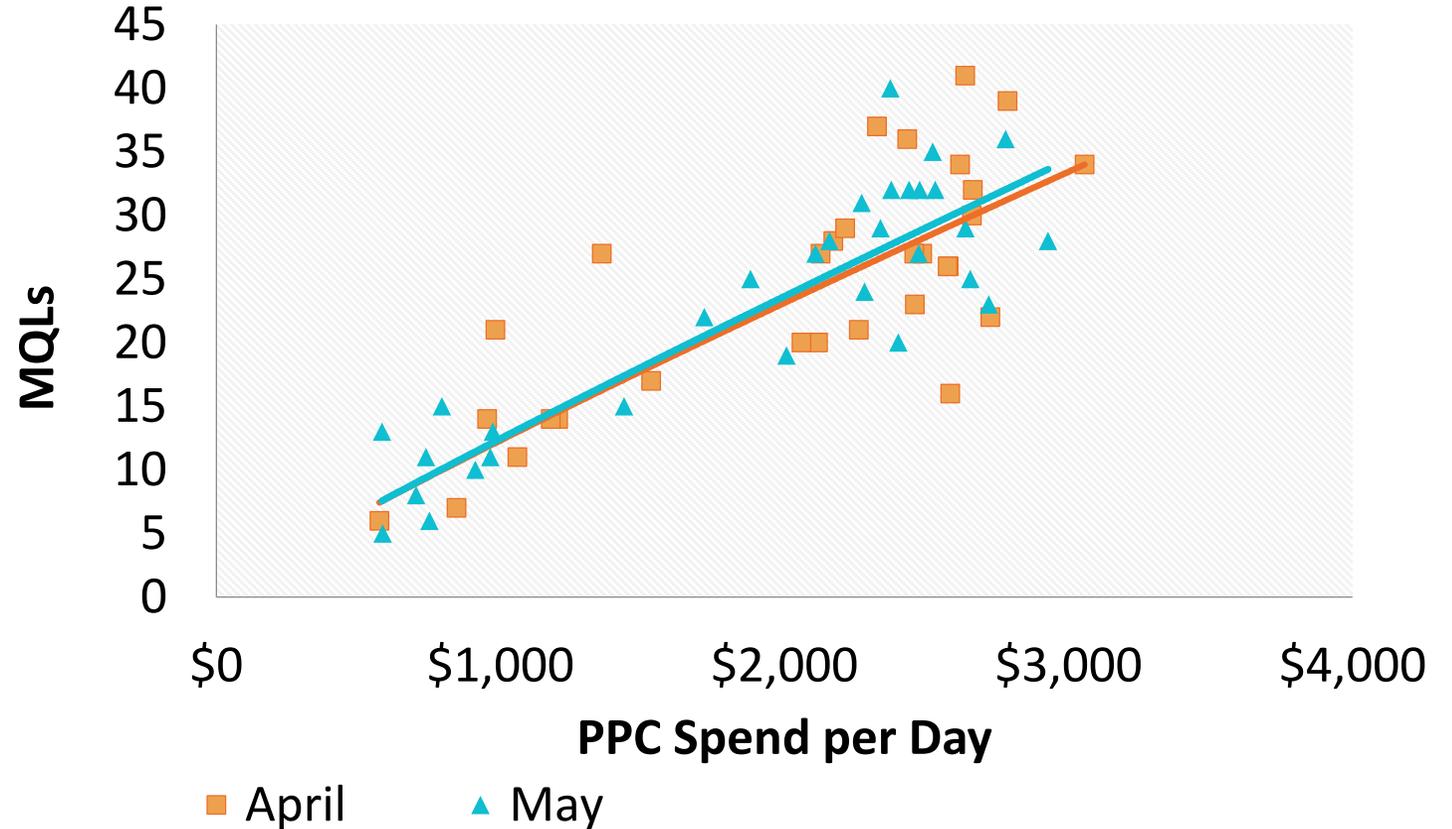
Potential:

- Impression share

- CTR & CVR improvements

- Similar campaigns and audiences

- Marketplace changes

- Re-negotiation

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TEST, MEASURE, & UPDATE

Marketing budget is a living breathing document. It is not set in stone

TAKEAWAYS

- Categorize campaigns
- Stack your marketing spend based on your business objectives
- Sales take time, consider length of sales cycle
- Bullets then cannonballs

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