

# 2012 Lead Generation Marketing Effectiveness Study

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**Published  
September 2012**

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## Table of Contents

Research Methodology	3
Executive Summary	4
Recommendations	6
Sponsor Commentary	7
Legend for Key Segments	8
Detailed Findings	9
1. Marketing Automation Impact on Performance	9
2. Marketing Operations to Deliver High Performance	14
3. Marketing ROI to Assess Effectiveness	18
4. Summary of Greater Growth Companies	22
5. Summary of Highly Effective and Efficient Companies	23
Participant Profile	24
About the Author – Lenskold Group	25
About the Sponsor – The Pedowitz Group	26

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## Research Methodology

The *2012 Lead Generation Marketing Effectiveness Study* was conducted by Lenskold Group and sponsored by The Pedowitz Group. The results are drawn from 373 respondents who indicated that they were in B2B companies (half or more of their revenues generated from business customers) and whose marketing group generates leads for a sales organization or channel partners.

***Survey integrity is an important part of our research design.*** Members of Demand Gen Report's subscriber base were invited to participate in the online survey to represent an unbiased random sample of B2B Lead Generation marketers for select questions. Supplemental participants were recruited through social media and direct contacts of The Pedowitz Group to increase the base of marketing automation users. The combined set of participants was analyzed against the random sample to ensure there was not recruitment bias.

We extend our sincere thanks to Demand Gen Report and their members for participating in this research. Visit [Demand Gen Report](#) for informative and leading edge content on lead generation practices and automation, including blogs, newsletters, events and webinars.



## Executive Summary

Marketing automation integrated with CRM systems, the use of marketing ROI metrics and strengths in key competencies enable lead generation marketers to manage effectiveness and increase key outcomes including Total Marketing Revenue Contribution. Results show how a best practice group of “highly effective and efficient marketers” – a top tier segment (11% of all marketers surveyed) that have advantages in outgrowing competitors, adopting integrated marketing automation and using ROI metrics – differ from the general marketing population. These key findings underscore the essential capabilities and competencies that enable higher marketing performance

### **Lead generation marketing effectiveness increases with marketing automation.**

Marketers report an increase in six key outcomes as a result of implementing marketing automation, with 6 in 10 reporting increased quantity and quality of leads and close to half reporting increases in the Percent of Leads Accepted by Sales and the Total Marketing Revenue Contribution.

### **Marketing automation users that also use ROI metrics to assess effectiveness are much more likely to realize an increase in Total Marketing Revenue Contribution from their automation.**

The vast majority of marketers that use ROI metrics (69%) report an increase in Total Marketing Contribution from marketing automation. This is a huge difference from those marketers using only traditional, non-financial metrics for which just 19% report an increase.

### **Strengths in organizational structure and processes are key differentiators for highly effective and efficient companies.**

Most of the best practice group reported strengths in having the organizational structure and processes (78% each) to manage lead gen effectiveness compared to just one in three among all other marketers (33% and 38%, respectively). Large gaps existed in other areas of competency, including sales team alignment, content and staff skills, indicating the need to take a holistic approach to leveraging marketing automation to achieve high performance.

### **Highly effective and efficient companies are far more likely to report a strength in “driving repeatable and predictable lead-to-sale conversion rates.”**

When rating their organization on six different capabilities, the best practice group showed the greatest advantage in their strength to drive repeatable and predictable lead-to-sale conversion rates (75% vs. 27% of all other companies). The lead-to-sale conversion rate metric is a strong indicator of high quality leads being sales-ready. Those marketers that measure campaign effectiveness build insights and confidence to repeat marketing that is likely to deliver predictable results.

### **Highly effective and efficient organizations have strengths in many capabilities that support high performance marketing.**

Compared to all other companies, marketers in the best practice group were much more likely to report strengths in proactively managing the marketing funnel, measuring incremental sales and revenue, providing a pipeline forecast and being accountable for revenue goals. The differences were quite significant, averaging 70% for highly effective and efficient marketers vs. 30% of all other marketers.

**Marketing automation impact on Revenue per Sale is not yet being realized.**

Just 28% of marketers report an increase in Revenue per Sale as a result of their marketing automation. One issue is that 27% do not currently measure this outcome. With the increase in content marketing, marketers can better educate and engage potential buyers, which should increase Revenue per Sale as this helps upsell buyers, increases their total demand and establishes greater loyalty and retention. To capture this impact and help justify the higher cost of certain content marketing, Revenue per Sale must become a higher priority measurement.

**Highly effective and efficient marketers are more likely to attain a strategic level of marketing support from their automation, with CMO support and Sales team integration.**

Users of marketing automation were asked to describe their level of support as either Basic, Tactical, Process or Strategic. Almost half of the best practice group are attaining a strategic level of support from marketing automation while only 18% of all others reach this level. The strategic level was defined as being “driven by the CMO and integrated with Sales.” Marketing automation improves effectiveness and efficiency through better integration with sales as leads are tracked to sales conversion and funnel leakage points can be addressed. In addition, CMO guidance on the overall strategy helps ensure independent marketing teams work collectively toward improving effectiveness and efficiency.

**The use of marketing ROI metrics to assess effectiveness reaches its highest level.**

Four in ten lead generation marketers (39%) are using marketing ROI to assess the effectiveness of at least some campaigns. This is the highest level reported since the study began in 2007. Just 24% rely only on traditional, non-financial metrics and the balance (36%) use some financial metrics such as cost per lead but not profitability metrics. Users of ROI metrics are more likely to be outgrowing competitors, achieving highly effective and efficient marketing and using integrated marketing automation than users of only traditional, non-financial metrics. It is possible that the growing adoption of marketing automation, which provides better quality data and tracking support, is enabling this trend.

Adoption of integration marketing automation continues to grow and make an impact on marketing performance. Marketers seeking to leverage technology to improve bottom line results must embrace processes, organizational structure, alignment with sales and strong staff skills to reach high levels of effectiveness and efficiency. Having the discipline of using marketing ROI metrics, a strength in measurement capabilities, and accountability to revenue goals are all critical components to guide performance improvements.

## Lenskold Group Recommendations

Research findings indicate an opportunity exists for marketing to create the environment for integrated marketing automation to deliver repeatable and predictable revenue and ROI. The following recommendations are based on the research results and Lenskold Group's experience in building capabilities to measure and deliver more profitable marketing.

### **1. Build capabilities to get more from marketing automation.**

The research shows how capabilities surrounding marketing automation make a major difference in achieving highly effective and efficient marketing. Establishing processes to deliver better results requires a combination of strategy developed to drive incremental sales and revenue and reliable measurements to assess performance. Marketing automation integrated with a CRM system provides the foundation to accomplish this. With better data and funnel insight into lead-to-sale conversions, the organization must have the insight-to-action process in place to apply measurement results.

### **2. Use integrated marketing automation to manage performance with financial metrics.**

Integrated marketing automation users showed much higher use of cost efficiency, sales, revenue and forecast metrics (in addition to engagement, lead and response metrics). It is important to keep in mind that marketing automation captures the data but the business leadership is responsible for defining the metrics used to manage the business. This is a good example of where processes are necessary to monitor metrics, evaluate the impact on performance and guide improvements.

### **3. Measure Revenue per Sale to support and justify high impact content marketing.**

There has previously not been a strong need for lead generation marketing to prioritize Revenue per Sale as a key outcome metric. Content marketing that now plays a much greater role in educating and engaging buyers from early in their research stage to well into their selection stage has changed this. If executed well, content marketing should have a greater impact on Revenue per Sale by upselling customers, motivating greater demand and improving loyalty and retention. Accounting for higher Revenue per Sale may help build the ROI case for higher cost marketing initiatives.

### **4. Use ROI metrics to assess lead generation campaign effectiveness.**

Maximizing lead generation ROI requires measuring incremental sales and revenue. The challenge for lead generation marketers is tracking lead outcomes through sales cycles that can be lengthy. Integrated marketing automation certainly helps track lead outcomes. In order to get a more immediate assessment of lead generation ROI, marketers should use predictive lead scoring that provides reasonable estimates of sales conversion and customer revenue. Projected outcomes provide enough information for an ROI comparison of marketing tactics.

Marketers seeking higher performance will also want to step up measurement sophistication to move beyond single attribution results tracking. Marketing is designed to use multi-channel contacts to drive prospects through the purchase funnel from initial awareness to qualified lead, so attributing all credit to only the first or last lead source is clearly not a true incremental measure. Modeling and strategic market testing are better techniques that, when used as part of an integrated measurement plan, can comprehensively assess the effectiveness and efficiency of diverse marketing initiatives.

## The Pedowitz Group Sponsor Commentary

Today's CMO is facing a watershed moment – find a way to drive repeatable, predictable and scalable revenue, or move on to another career.

Evidence continues to mount on how smart marketing executives are building capabilities to transform marketing from a cost center to a revenue center. The ultimate result? Marketing organizations that adopt ROI and revenue as key measures are helping their organizations *outgrow their competition*.

This growing body of proof should serve as a wake-up call to every B2B enterprise CMO, and once he/she finally “gets it”, the CMO should begin to figure out exactly what to do about it. This journey of transformation™ is not a ‘nice to have’, it is now the ante required to play the game.

The Lenskold Group/Pedowitz Group study reveals key data that begins to unlock the secrets to how marketing organizations connect to revenue and outperform the competition. In a nutshell, these high-performing organizations focus on revenue and ROI through integrated marketing automation, CMO commitment to using automation strategically, and organizational structure with the processes necessary to enable the change.

This study asks questions to determine the role of marketing in helping to drive the business, while exploring how to help make this transformation. The CMO can plan how to map the changes required by using six key levers – strategy, people, process, technology, content and results – all of which are discussed in different ways in the study.

It's clear that today's typical CMO, and certainly tomorrow's most successful CMO, will have an important role in revenue contribution and in helping to outgrow the competition. Understanding exactly *how* to make this transition is now the foremost thought for smart executives. This report's findings prioritize competencies of highly effective and efficient marketing organizations that can help the CMO plan and successfully execute a Revenue Marketing Transformation™.

## Legend for Key Segments

The following segments, defined by survey responses, were used for the deeper analysis:

- Highly effective and efficient organizations, representing just the 11% of “best practice” marketers versus all others (Figure 1)
- Marketers that use integrated marketing automation versus no marketing automation (Figure 2)
- Companies outgrowing their competitors versus companies with same/slower growth (Figure 3)
- Marketers that use ROI metrics to assess marketing effectiveness versus marketers that use only traditional, non-financial metrics (Figure 4).

**Figure 1: Marketing Effectiveness and Efficiency**

Which statement best describes your marketing effectiveness and efficiency? (n = 373)

<b>Highly effective and efficient (Best Practice Segment)</b>		11%
Somewhat effective and efficient	} <b>All Others</b>	48%
Somewhat effective but not efficient		31%
Not effective or efficient		6%
No clear read on effectiveness or efficiency		5%

**Figure 2: Use of Marketing Automation**

Do you use full-featured marketing automation in your organization? (includes technologies such as Marketo, Eloqua, Aprimo, Oracle, Pardot, Silverpop, etc.) (n = 373 including the supplemental sample used for cross-tab analyses)

<b>Yes, and our marketing automation is integrated with sales/CRM automation (i.e., Integrated Marketing Automation)</b>	51%
Yes, but it is not integrated	19%
<b>No marketing automation</b>	30%

**Figure 3: Growth Relative to Competitors**

How would you describe your firm's expected growth in the upcoming year relative to your primary competitors? (n = 373)

Much greater growth than our primary competitors	} <b>Greater Growth</b>	18%
Somewhat greater growth than our primary competitors		42%
About the same growth as our primary competitors	} <b>Slower/Same Growth</b>	30%
Somewhat slower growth than our primary competitors		9%
Much slower growth than our primary competitors		1%

**Figure 4: Use of ROI Metrics**

Does your firm calculate marketing profitability, ROI (return on investment) or a similar financial measure to assess marketing effectiveness? (n = 373 including the supplemental sample used for cross-tab analyses)

<b>Yes, we calculate ROI, net present value (NPV), or other profitability metrics for at least some of our marketing campaigns/investments (i.e. ROI Metrics Users)</b>	36%
Somewhat, we calculate some financial metrics such as cost per lead and cost per sale but not profitability metrics such as ROI and NPV.	36%
<b>No, we use traditional marketing metrics but not financial metrics (i.e., Traditional Metrics Users)</b>	27%

## Detailed Findings

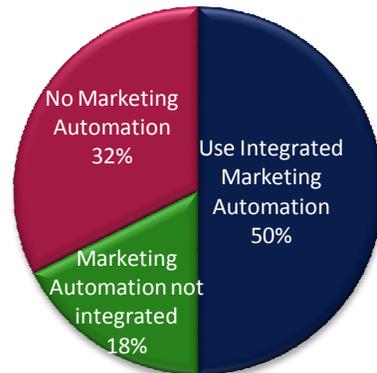
### 1. Marketing Automation Impact on Performance

Marketing automation elevates the use of financial metrics and impact on key outcomes. Users of both marketing automation and ROI metrics are very likely to experience an increase in Total Marketing Revenue Contribution.

Half of B2B lead generation marketers reported using full-featured marketing automation in their organizations (Figure 5). Roughly one in three marketers (32%) surveyed have no marketing automation. As Figure 6 illustrates, companies that have integrated marketing automation are more likely to be outgrowing their competitors (66%) than those who have no marketing automation (50%).

**Figure 5: Use of Marketing Automation**

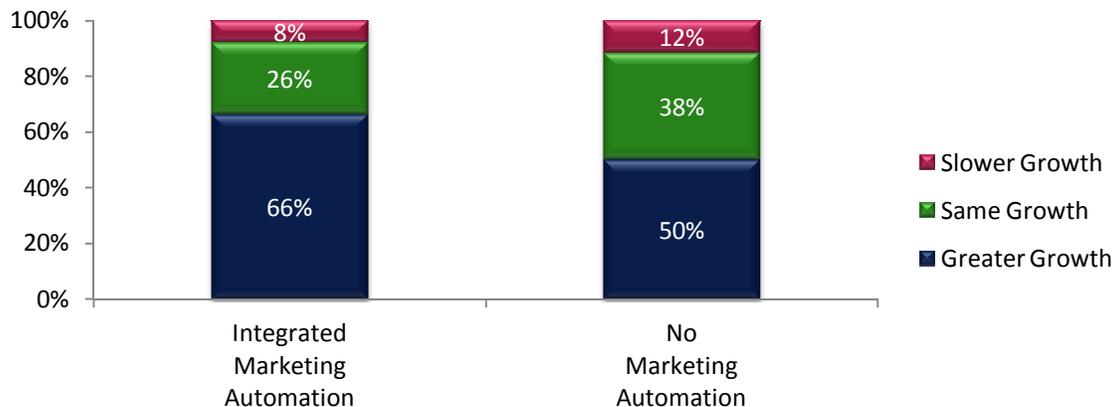
Do you use full-featured marketing automation in your organization? (includes technologies such as Marketo, Eloqua, Aprimo, Oracle, Pardot, Silverpop, etc.) (n = 108)



*Note: This finding is reported based on just the random sample, however findings with the supplemental sample are almost identical*

**Figure 6: Growth Relative to Competitors – Integrated Marketing Automation Users vs. Non- Users**

How would you describe your firm's expected growth in the upcoming year relative to your primary competitors? (n = 190, 112)

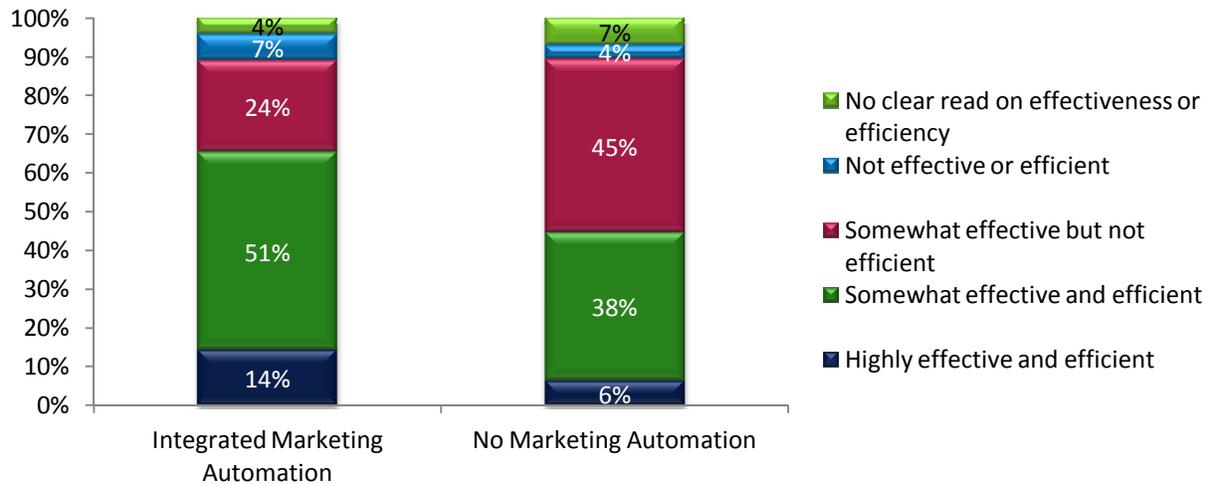


**Marketing Automation Boosts Effectiveness with Efficiency**

Companies with integrated marketing automation are more likely to have increased levels of efficiency in addition to effectiveness than those with no marketing automation (see Figure 7). The combined total of marketers describing their marketing as highly effective and efficient or somewhat effective and efficient is much higher for users of integrated marketing automation (65% vs. 44% of those with no marketing automation). Marketers without automation primarily fall in the third tier of somewhat effective but not efficient, indicating they can deliver on results but lack the insight to know if they could achieve those results at lower cost (the efficiency component).

**Figure 7: Marketing Effectiveness & Efficiency – Integrated Marketing Automation Users vs. Non- Users**

Which statement best describes your marketing effectiveness and efficiency? (n = 190, 112)

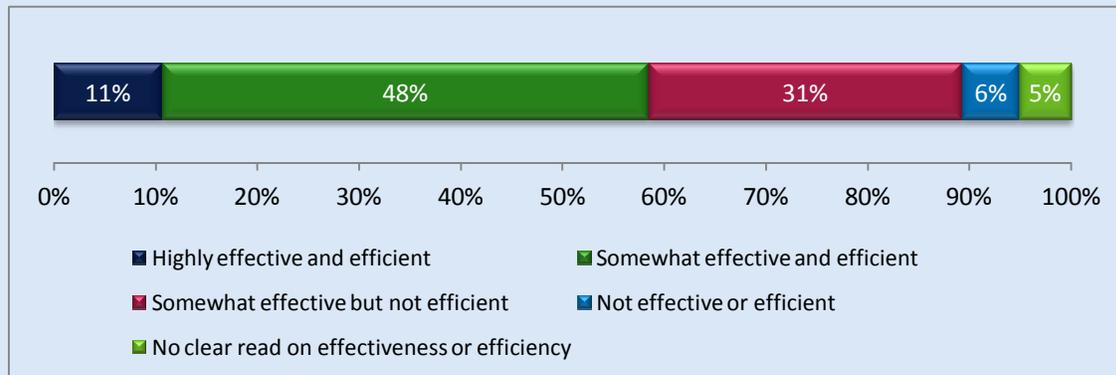


**About the Highly Effective and Efficient “Best Practice” Marketing Organizations**

Throughout this report, the analysis will compare the 11% of marketers that described their marketing as highly effective and efficient against all others. These marketers are more likely to report much greater growth than their competitors (33% vs. 17%), use marketing ROI metrics to measure effectiveness (58% vs. 34%) and use integrated marketing automation (68% vs. 49%) as described in Section 5.

**Figure 8: Marketing Effectiveness & Efficiency**

Which statement best describes your marketing effectiveness and efficiency? (n = 373)



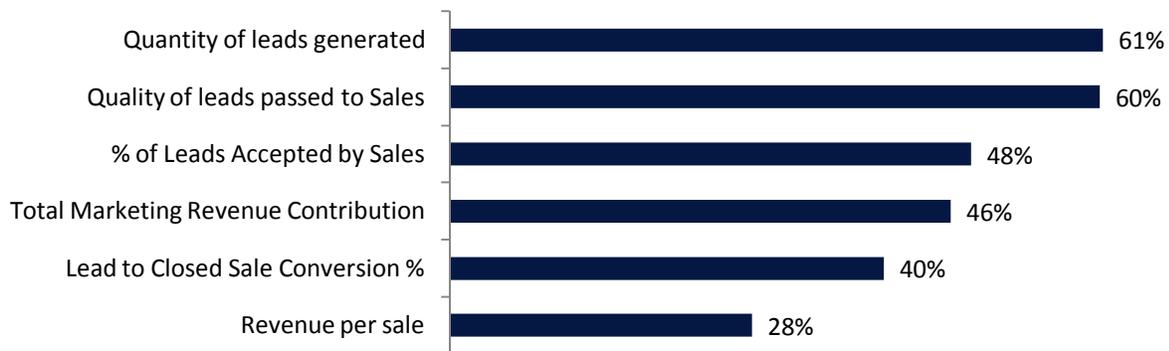
**Marketing Effectiveness Increases Following Marketing Automation**

As Figure 9 illustrates, marketing automation increased marketing effectiveness for leads, sales and revenue metrics. The majority have experienced increases in the Quantity of Leads Generated and the Quality of Leads Passed to Sales (61% and 60% respectively). These metrics are likely to be the first affected by automation and are easiest to track and measure. Sales Acceptance, which should increase as the quality of leads is proven to the sales force, increased for 48% of respondents.

Interestingly, one in four marketers (28%) reported an increase in Revenue per Sale. This measure of marketing’s impact on customer value has not traditionally been a high priority for lead gen marketers. However, with the high growth in content marketing, its importance is becoming more critical.

**Figure 9: Percent Experiencing an Increase in Outcomes Following Automation**

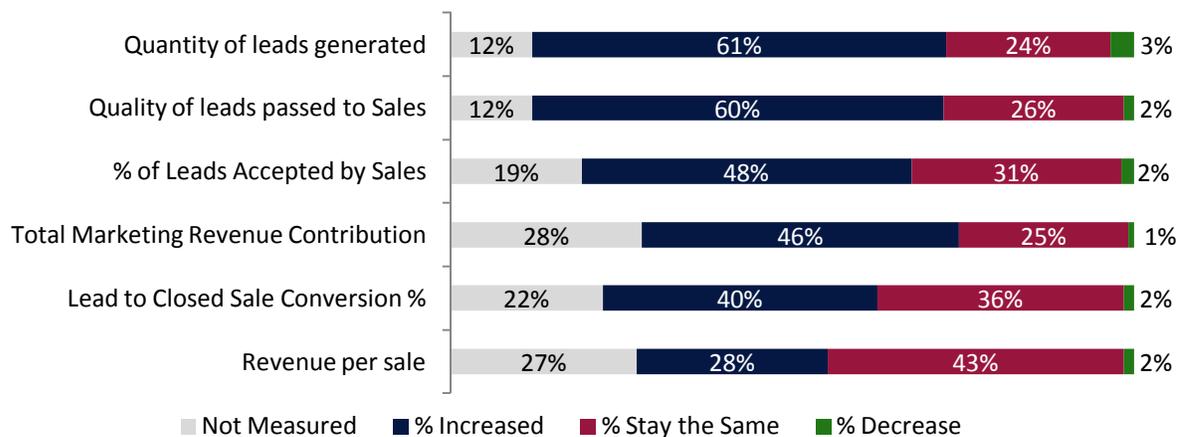
*Has marketing automation increased, decreased or not changed the following outcomes from your lead generation marketing? (n = 261)*



A closer look at how key outcomes changed following automation reveals that a lack of measurement is a primary reason for some marketers not reporting a change in performance. Roughly one in four report that they have no measure for Total Marketing Revenue Contribution (28%), Revenue per Sale (27%) and Lead to Closed Sale Conversion rate (22%).

**Figure 10: All Outcomes Following Automation**

*Has marketing automation increased, decreased or not changed the following outcomes from your lead generation marketing? (n = 261)*



In terms of the impact on key outcomes, the best practice segment of highly effective and efficient marketers appears to have fully leveraged their marketing automation, showing a much higher incidence of increases in Revenue per Sale, Sales Acceptance, Lead-to-Sale Conversion and Total Marketing Revenue Contribution (see Figure 11).

**Figure 11: Increase in Key Outcomes – Highly Effective & Efficient vs. All Others**

*Has marketing automation increased, decreased or not changed the following outcomes from your lead generation marketing? (n = 33, 228)*

<b>% Increased from Marketing Automation</b>	<b>Highly Effective &amp; Efficient</b>	<b>All Others</b>	<b>Gap</b>
Revenue per sale	49%	25%	24%
% of Leads Accepted by Sales	67%	46%	21%
Lead to Closed Sale Conversion %	58%	38%	20%
Total Marketing Revenue Contribution	64%	44%	20%
Quantity of leads generated	73%	59%	14%
Quality of leads passed to Sales	70%	59%	11%

Marketers with automation who also report using ROI metrics were very likely to see an increase in their Total Marketing Revenue Contribution as a result of their automation as reported by 69% compared to just 19% of Traditional Metrics Only users, as shown in Figure 12.

**Figure 12: Increase in Key Outcomes – ROI Metrics Users vs. Traditional Metrics Users**

*Has marketing automation increased, decreased or not changed the following outcomes from your lead generation marketing? (n = 106, 53)*

<b>% Increased from Marketing Automation</b>	<b>ROI Metrics Users</b>	<b>Traditional Metrics Users</b>	<b>Gap</b>
Total Marketing Revenue Contribution	69%	19%	50%
Lead to Closed Sale Conversion %	55%	25%	30%
Quality of leads passed to Sales	72%	42%	30%
Revenue per sale	40%	13%	26%
% of Leads Accepted by Sales	62%	38%	25%
Quantity of leads generated	68%	55%	13%

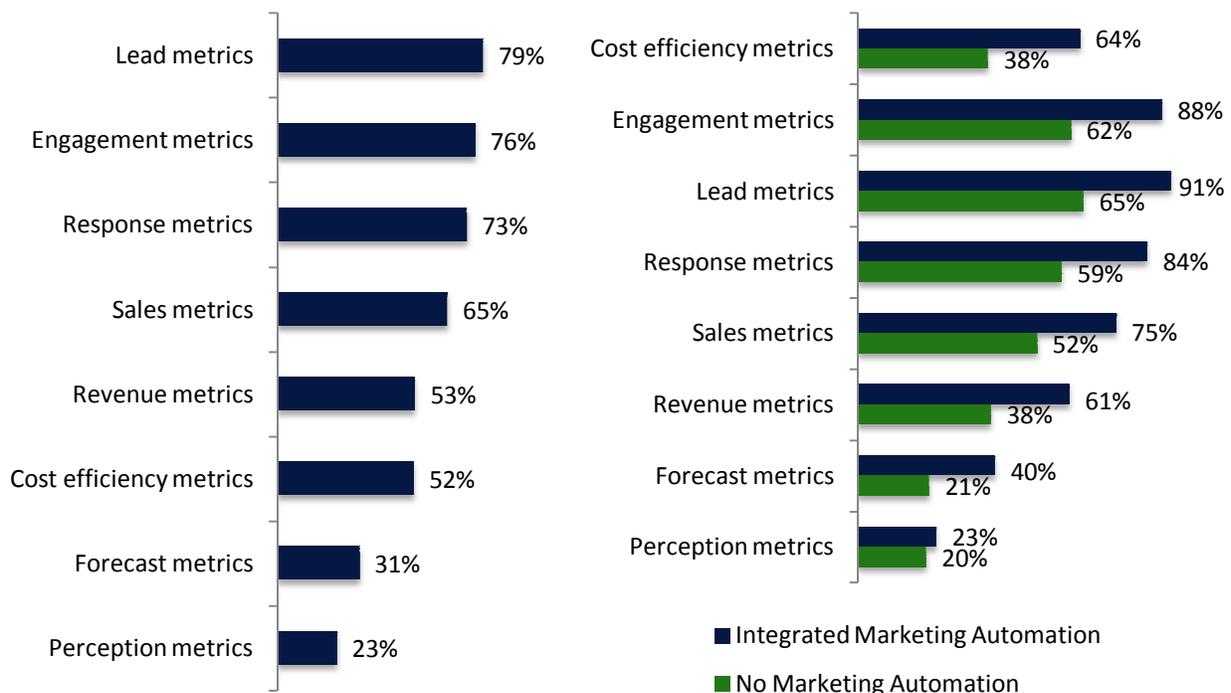
**Greater Use of Revenue and Efficiency Metrics**

There are a wide range of metrics being used by lead generation marketers as illustrated by Figure 13. Overall, high impact metrics, such as revenue (53%), cost efficiency (52%) and forecasting (31%), are used by fewer marketers than metrics that are easy to track but not as closely aligned to financial outcomes, such as lead, engagement and response metrics. Not surprisingly, perception measures that require survey research are used the least by marketers. There are differences when comparing those companies with integrated marketing automation versus those with no automation.

For companies using integrated marketing automation, there is greater use of cost efficiency metrics (64% vs. 38%) and engagement metrics (88% vs. 62%) when compared to companies with no automation. There are also significant gaps between users of integrated automation vs. those without automation in the use of easier metrics such as lead metrics (91% vs. 65%) and response metrics (84% vs. 59%).

**Figure 13: Metrics Used – Total and Integrated Marketing Automation Users vs. Non-Users**

*Which of the following metrics do you use to manage marketing performance? (check all that apply)*  
 (Overall: n = 373; Automation: n = 190,112)



**Metrics Detail Presented in Survey**

- Perception metrics (awareness, consideration, preference, etc.)
- Response metrics (content registration, event participation, etc.)
- Lead metrics (leads generated, sales-accepted leads, etc.)
- Engagement metrics (web activity. Click-throughs, social media posts. Etc.)
- Sales metrics (sales conversion rates)
- Forecast metrics (projected sales and revenue contribution from marketing)
- Revenue metrics (marketing-generated revenue, customer value, etc.)
- Cost efficiency metrics (cost per lead, per sale, etc.)

## 2. Marketing Competencies to Deliver High Performance

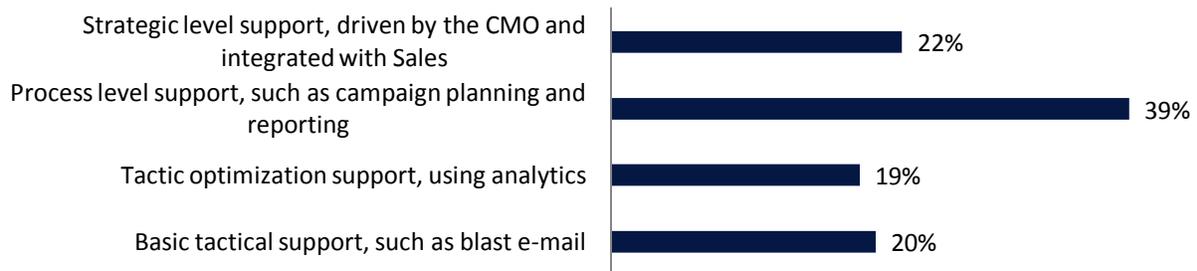
*Strengths in diverse competencies that complement marketing automation, including processes and organizational structure, are prevalent in highly effective and efficient organizations.*

### Reaching a Strategic Level of Support from Automation

Overall, 39% of marketers report that marketing automation is used to support their lead generation at a process level, which includes campaign planning and reporting. A combined 39% are at the tactical level and are almost evenly split between the very basic level (20%) and optimizing with analytics (19%). One in five respondents has reached a strategic level of support that is driven by the CMO and integrated with the sales team (see Figure 14). There is no significant difference between users of integrated or non-integrated marketing automation. Further analysis shows there are differences in these results in terms of the growth and highly effective populations.

**Figure 14: Level of Support from Marketing Automation**

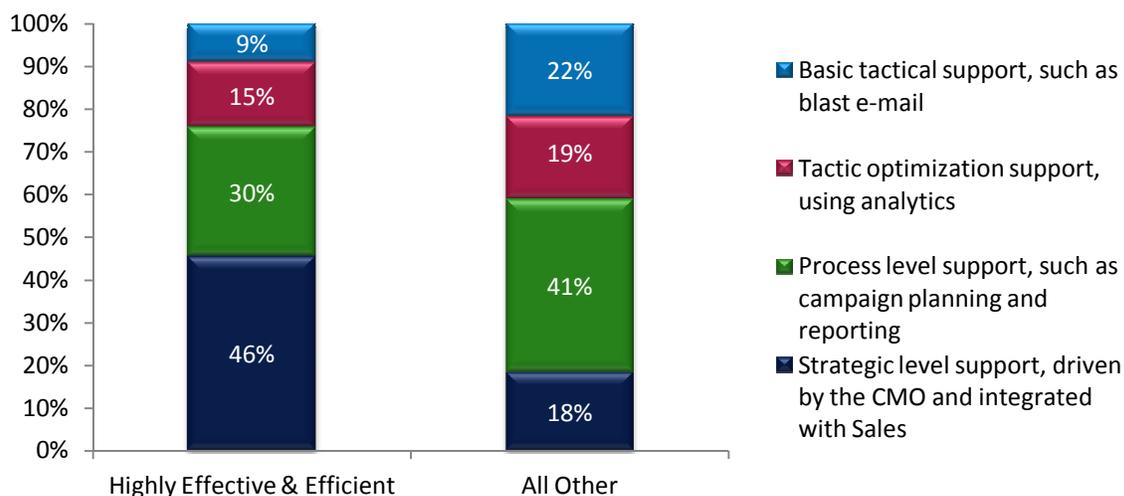
*Which of the following statements best describes the level of support marketing automation provides for your lead generation? (Choose one) (n = 250)*



Almost half (46%) of highly effective and efficient marketers are using automation at the strategic level compared to less than one in five (18%) of all other marketers as shown in Figure 15.

**Figure 15: Level of Support from Marketing Automation – Highly Effective & Efficient vs. All Others**

*Which of the following statements best describes the level of support marketing automation provides for your lead generation? (Choose one) (n = 33,217)*



### Capability Strengths Help Deliver Highly Effective and Efficient Marketing

Demonstrating strength in capabilities to deliver on key practices is critical for achieving high performance marketing. In total, less than half of marketers describe their capabilities as strong (a 4 or 5 rating on a 5 point scale) for any of the practices presented. The differences between the best practice marketers and all others are very significant and reinforce the fact that strong capabilities will make a difference in performance.

Highly effective and efficient marketers were more likely to rate their marketing capabilities as strong when compared to all other marketers (see Figure 16). Strengths in driving repeatable and predictable lead-to-sales conversions showed the greatest gap (75% vs. 27%), followed by measuring incremental sales and proactively managing the marketing funnel (70% vs. 29% and 80% vs. 39%, respectively).

Strength ratings were also very high for the remaining capabilities. Being accountable for revenue goals, providing a pipeline forecast and measuring incremental revenue all suggest a high commitment to marketing delivering financial outcomes.

#### Figure 16: Strength Rates for Marketing Capabilities – Highly Effective & Efficient vs. All Others

*How would you rate your organization's capabilities on a scale from 1 for very weak through 5 for very strong? (n = 40, 333)*

% Rating Strengths (Top 2 Ratings on 5-Point Scale)	Highly Effective & Efficient	All Other	Gap
Marketing is driving repeatable and predictable lead-to-sale conversion rates	75%	27%	48%
Marketing measures incremental sales	70%	29%	41%
Marketing proactively manages a marketing funnel	80%	39%	41%
Marketing provides a pipeline forecast	63%	24%	39%
Marketing is accountable for revenue goals	70%	34%	36%
Marketing measures incremental revenue	60%	29%	31%

### Operational Strengths Enable Highly Effective and Efficient Marketing

Marketing effectiveness and efficiency are often guided by certain marketing operations that enable the organization to deliver at high levels of performance. Of the total base of lead gen marketers, roughly half of the respondents report having strengths in each of the operational areas presented with the exception of the organizational structure to manage effectiveness reported by just 38%.

For the best practice group of highly effective and efficient companies, roughly eight in ten respondents report strengths for each operational area (Figure 17) while barely half of all other companies report strengths. Having strengths in the organizational structure and established processes to manage lead generation marketing effectiveness are much more prominent as strengths, setting the best practice segment most apart from all others.

Notice how highly effective and efficient companies are dedicated to aligning their marketing to sales team success, designing content marketing to drive demand and revenue and ensuring the skills are in place for the marketing team. By instituting these practices, highly effective and efficient companies further separate themselves from all others in terms of marketing effectiveness.

**Figure 17: Strength Ratings on Key Competencies – Highly Effective & Efficient vs. All Others**

Using a 5-point scale, how much do you agree or disagree with the following statements? Please rate each using 1 for strongly disagree to 5 for strongly agree. (n = 40, 333)

	Highly Effective & Efficient	All Other	Gap
We have the organizational structure to manage lead gen marketing effectiveness	78%	33%	44%
We have established processes to manage lead gen marketing effectiveness	78%	38%	39%
We have the tools to manage lead gen marketing effectiveness	83%	50%	33%
Our lead gen marketing is aligned to sales team success	78%	48%	29%
Our content marketing is designed to drive demand and revenue	78%	48%	29%
Our marketing staff has the skills to manage lead gen marketing effectiveness	78%	52%	25%

**Operational Competencies Enabled by Marketing Automation**

The results shown in Figure 18 compare companies using integrated marketing automation to those with no automation. Of course for those with automation, the highest rated area of operations is having the tools (i.e., automation) to manage lead generation marketing effectiveness (75% vs. 25% with no marketing automation).

While strengths in the organizational structure and processes to manage lead gen effectiveness are low for both groups, companies with integrated marketing automation have a major advantage over those with no automation (49% vs. 24% for organizational structure and 56% vs. 22% for processes as shown in Figure 18).

**Figure 18: Strength Ratings on Key Competencies – Integrated Marketing Automation Users vs. Non-Users**

Using a 5-point scale, how much do you agree or disagree with the following statements? Please rate each using 1 for strongly disagree to 5 for strongly agree. (n = 190, 112)

	Integrated Marketing Automation	No Marketing Automation	Gap
We have the tools to manage lead gen marketing effectiveness	75%	25%	50%
We have established processes to manage lead gen marketing effectiveness	56%	22%	33%
We have the organizational structure to manage lead gen marketing effectiveness	49%	24%	25%
Our marketing staff has the skills to manage lead gen marketing effectiveness	66%	41%	25%
Our lead gen marketing is aligned to sales team success	63%	43%	20%
Our content marketing is designed to drive demand and revenue	58%	46%	13%

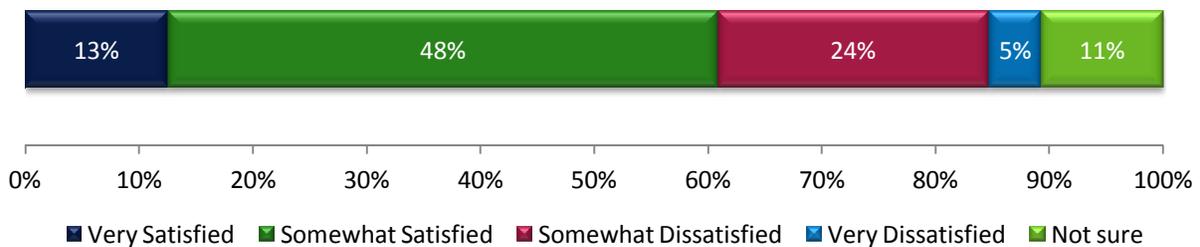
The presence of integrated marketing automation did not show an impact on marketing capabilities. The only exception was that companies with integrated automation were more likely to report strength in proactively managing the marketing funnel (52% vs. 34% of those with no marketing automation).

**Automation Users Somewhat Satisfied with Business Effectiveness**

Marketers are generally satisfied with the effectiveness of their automation efforts, although only 13% (see Figure 19) are very satisfied with the results. To better understand the lack of high satisfaction levels, respondents were asked why they weren't "very satisfied". As Figure 20 illustrates, there is not one dominate response for not being "very satisfied", however there are interesting findings. The top barrier to high satisfaction is the lack of content available for campaigns (16%), followed by the lack of alignment to sales and the lack of technological optimization (both 15%). These key responses indicate a need for process adoption to accompany marketing automation.

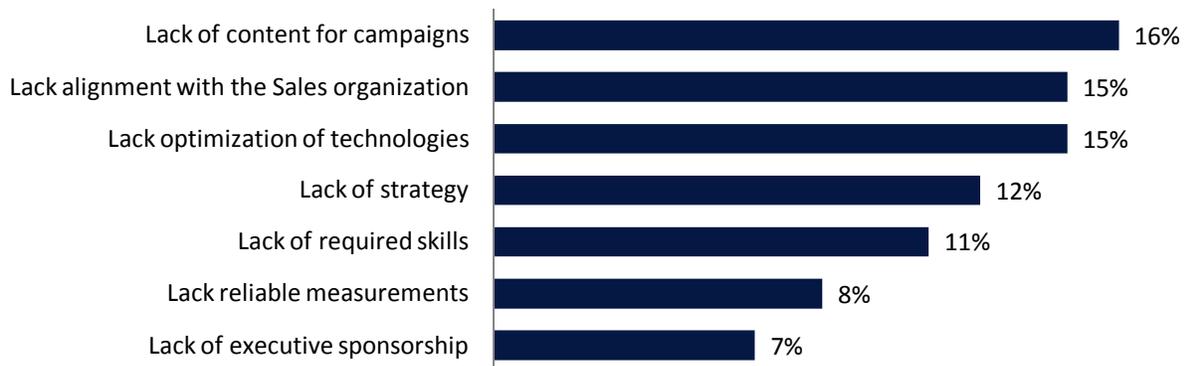
**Figure 19: Satisfaction with Business Effectiveness from Automation**

*How satisfied are you with the level of business effectiveness (i.e., contribution to revenue) generated from your marketing automation? (n = 261)*



**Figure 20: Reasons not Very Satisfied**

*What is the primary reason you are not "very satisfied" with the level of effectiveness from your marketing automation? (choose one) (n = 228)*



### 3. Marketing ROI to Assess Effectiveness

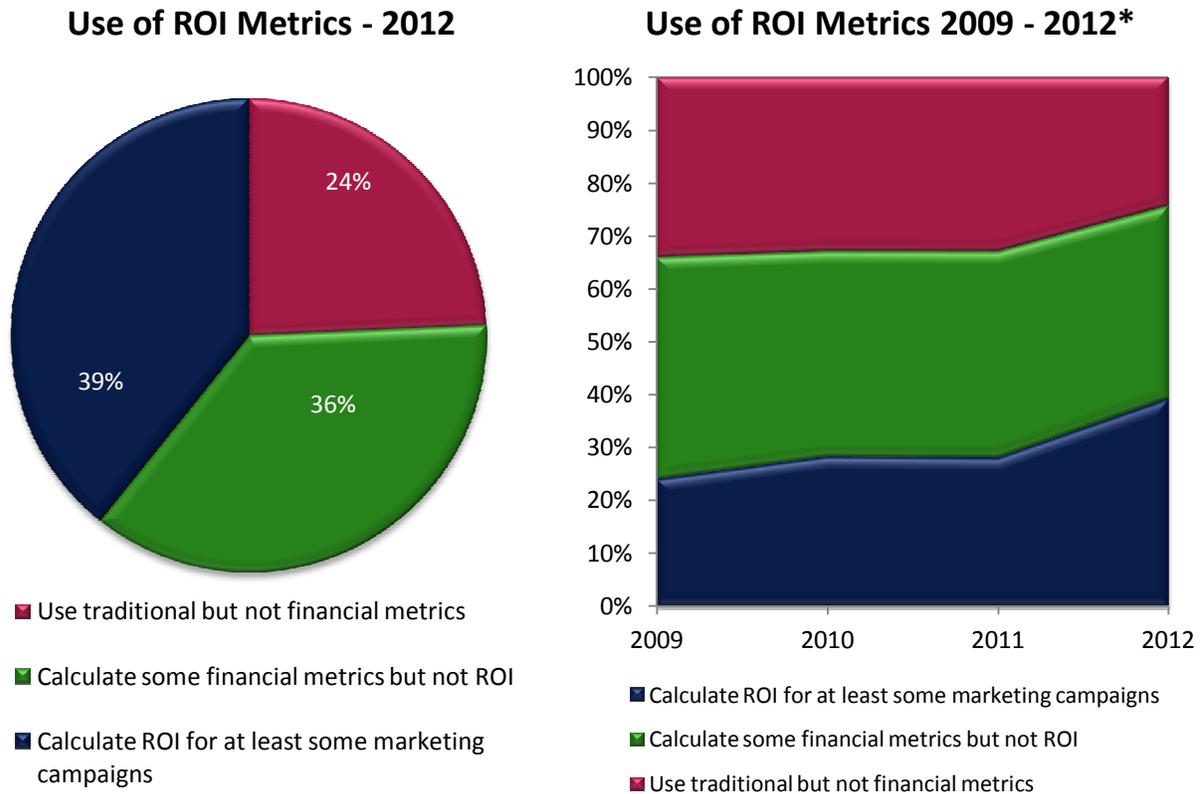
*Marketing automation enables greater use of marketing ROI metrics, helping companies reach the level of highly effective and efficient marketing.*

#### Marketing ROI Metrics Use has Increased

The portion of B2B lead generation marketers that are calculating ROI to assess their marketing effectiveness has jumped from 28% in 2011 to 39% in 2012 (see Figure 21 as well as the footnote below). This also shows a steady increase from 24% back in 2009. Just 24% of marketers are using only traditional metrics without financial metrics and 36% use some financial metrics but not ROI.

**Figure 21: Use of Marketing ROI Metrics**

*Does your firm calculate marketing profitability, ROI (return on investment) or a similar financial measure to assess marketing effectiveness? (Choose one) (n = 108) (for trend graph n = 326, 226, 255, 108)*

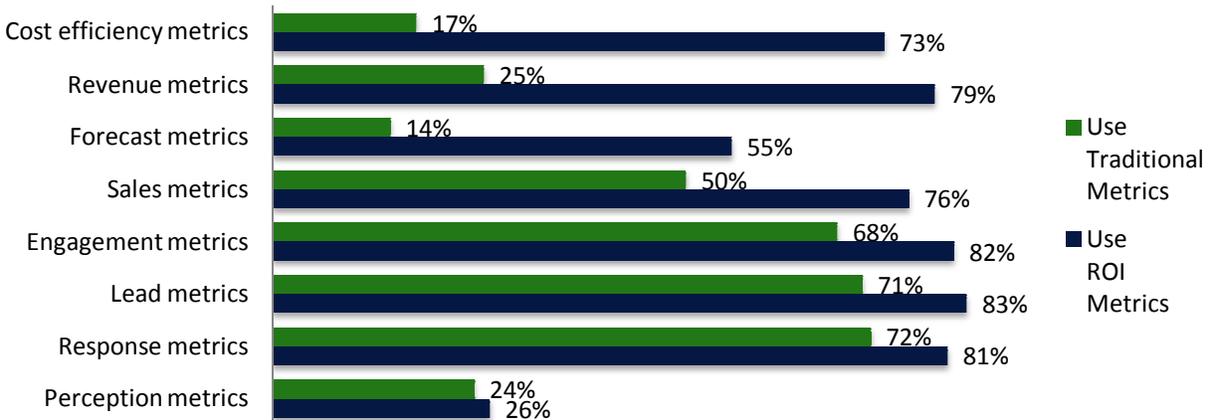


*\* Note that survey recruitment changed in 2012 which may influence results when compared to prior years.*

ROI Metrics users are more likely to also use other metrics to manage marketing effectiveness, especially cost efficiency, revenue and forecast metrics (with gaps of 56%, 54% and 41% over Traditional Metrics users, respectively).

**Figure 22: Use of Metric to Manage Performance – ROI Metrics Users vs. Traditional Metrics Users**

Which of the following metrics do you use to manage marketing performance? (check all that apply) (n = 131, 99)

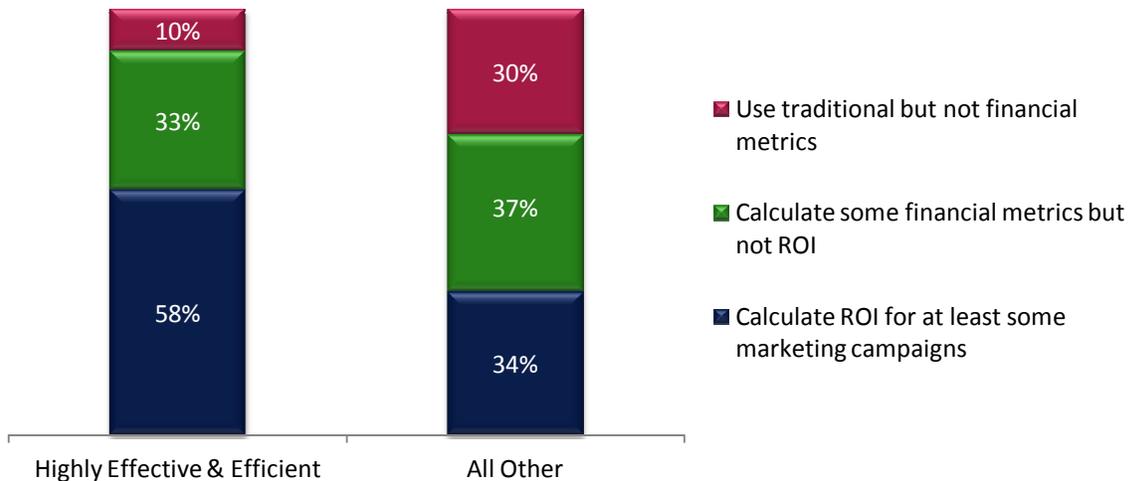


**Highly Effective and Efficient Companies Benefit from Marketing ROI**

As expected, the majority of highly effective and efficient companies are using marketing ROI measures to assess effectiveness (58% as shown in Figure 23). While many measurements assess marketing effectiveness in generating outcomes, ROI measurements provide insight into both effectiveness (i.e., the financial return) and efficiency (i.e., the investment). Just 10% of highly effective and efficient companies use only traditional, non-financial markets compared to 30% of all other companies.

**Figure 23: Use of Marketing ROI Metrics – Highly Effective & Efficient vs. All Others**

Does your firm calculate marketing profitability, ROI (return on investment) or a similar financial measure to assess marketing effectiveness? (Choose one) (n = 40,322)

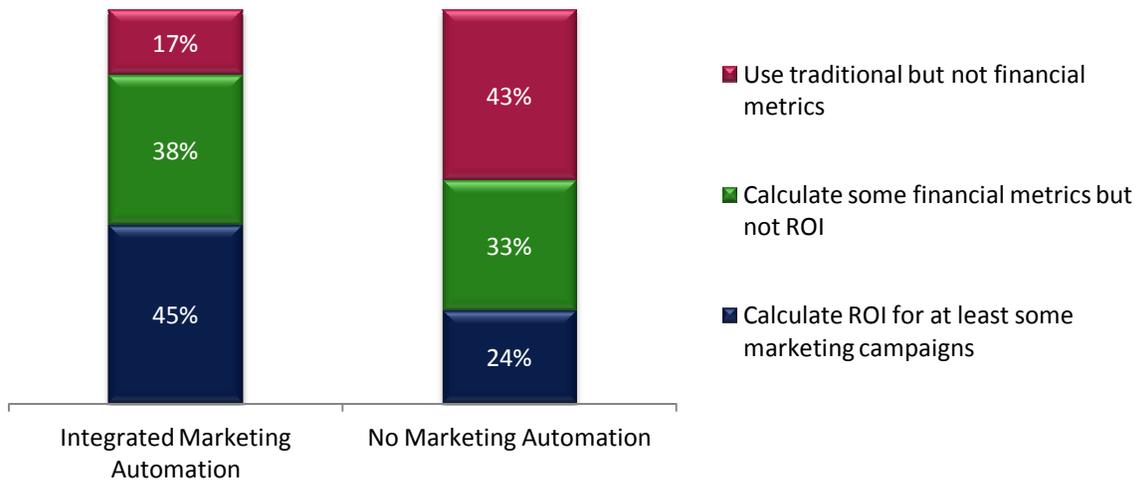


**Marketing Automation Enables Marketing ROI Measures**

The use of marketing ROI metrics to assess effectiveness is significantly higher among companies with integrated marketing automation compared to those with no marketing automation (45% vs. 24% as shown in Figure 24). This is not surprising as integrated marketing automation systems improve access to critical marketing and outcome data and provide results tracking support for better measurements.

**Figure 24: Use of Marketing ROI Metrics – Integrated Marketing Automation Users vs. Non-Users**

*Does your firm calculate marketing profitability, ROI (return on investment) or a similar financial measure to assess marketing effectiveness? (Choose one) (n = 190,106)*



Marketers using ROI metrics are more likely to see increases in key outcomes as a result of implementing marketing automation compared to those using only traditional, non-financial metrics as shown in Figure 25. The most significant gap in increases from marketing automation can be seen in Total Marketing Revenue Contribution (69% vs. 19%) which indicates automation alone will not achieve incremental results.

**Figure 25: Increase in Key Outcomes– ROI Metrics Users vs. Traditional Metrics Users**

*Has marketing automation increased, decreased or not changed the following outcomes from your lead generation marketing? (n = 106, 53)*

% Increased from Marketing Automation	Use ROI Metrics	Use Traditional Metrics	Gap
Total Marketing Revenue Contribution	69%	19%	50%
Lead to Closed Sale Conversion %	55%	25%	30%
Quality of leads passed to Sales	72%	42%	30%
Revenue per sale	40%	13%	26%
% of Leads Accepted by Sales	62%	38%	25%
Quantity of leads generated	68%	55%	13%

### **Additional Findings on ROI Metrics Users**

In addition to the findings reported, companies using ROI metrics to assess their effectiveness are also:

- More likely to be outgrowing competitors (69% vs. 49% of Traditional Metrics Users).
- More likely to define their marketing as highly effective and efficient (18% vs. 4% of Traditional Metrics Users).
- More likely to use integrated marketing automation (64% vs. 31% of Traditional Metrics Users).
- More likely to report strengths in all operational competencies (average of 65% vs. 31% of Traditional Metrics Users) and capabilities (average of 52% vs. 16% of Traditional Metrics Users). See the tables in Figures 16 and 17 for the complete lists of practices and capabilities.
- More likely to be very or somewhat satisfied with their level of business effectiveness generated from their marketing automation compared to Traditional metrics users (81% vs. 45%).

#### 4. Summary of Greater Growth Companies

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As presented in Figure 3, 60% of respondents reported much greater growth or somewhat greater growth than their competitors. This section summarizes the differences in the use of marketing automation, capabilities and areas of competency between companies outgrowing their competitors and those experiencing the same or slower growth than competitors.

Companies outgrowing their competitors are:

- More likely to use integrated marketing automation (57% vs.43% of Slower/Same Growth companies).
- More likely to have experienced an increase in Total Marketing Revenue Contribution from marketing automation (55% vs. 31% of Slower/Same Growth companies).
- More likely to calculate ROI to assess marketing effectiveness (41% vs. 28% of Slower/Same Growth companies).
- More likely to have marketing automation providing a level of strategic support (26% vs. 15% of Slower/Same Growth companies).
- More likely to report strengths in each of the following operational practices (average of 54% vs. 40% of Slower/Same Growth companies):
  - Processes to manage lead gen marketing effectiveness
  - Content marketing designed to drive demand and revenue
  - Tools to manage lead gen marketing effectiveness
  - Marketing staff skills to manage lead gen marketing effectiveness
  - Organizational structure to manage lead gen marketing effectiveness
  - Aligned to sales team success

## 5. Summary of the Best Practice Group of Highly Effective and Efficient Companies

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As previously illustrated in Figure 1, 11% of respondents reported being both highly effective and efficient. Presented below are some other interesting findings of this category with comparisons to all other marketers not in that best practice group.

Highly effective and efficient companies are:

- More likely to report much greater growth than their competitors (33% vs. 17%).
- More likely to use integrated marketing automation (68% vs. 49% of all others).
- More likely to have experienced increased Revenue per Sale, Total Marketing Revenue Contribution, Sales Conversion rates and Sales Acceptance rate as a result of their marketing automation (see Figure 11).
- More likely to be using Revenue metrics (marketing-generated revenue, customer value, etc.) to manage effectiveness (75% vs. 50% of all others).
- More likely to calculate ROI to assess marketing effectiveness (58% vs. 34% of all others).
- More likely to have marketing automation providing a level of strategic support (46% vs. 18% of all others).
- Much more likely to report strengths in each of the operational practices and capabilities presented (see Figures 16 and 17, respectively).
- More likely to be very satisfied with the level of business effectiveness provided from their marketing automation (33% vs. 10% of all others).

## Participant Profile

The following charts show the profile of the survey respondents included in the analysis.

**Figure 26: Region**

*In which geographic region is your business based?*  
(n = 373)

	2012
United States & Canada	79%
Europe and Eurasia	7%
Other (please specify)	4%
Central & South Asia	2%
East Asia & Pacific	2%
Latin America	2%
Middle East	2%
Africa	1%

**Figure 27: Company Size based on Annual Revenue**

*Approximately how much annual revenue did your business generate last fiscal year (for government and non-profit groups, please use your expense budget)?*  
(n = 373)

	2012
Less than US\$5 million	24%
US\$5 million to under US\$50 million	28%
US\$50 million or over	38%
Don't Know	10%

**Figure 28: Annual Marketing Budget**

*Approximately how much did your company spend on marketing, advertising and sales activities in your prior fiscal year?* (n = 373)

	2012
Less than US\$1 million	48%
US\$1 million to under US\$5 million	18%
US\$5 million to under US\$50 million	11%
US\$50 million to under US\$100 million	2%
US\$100 million or more	4%

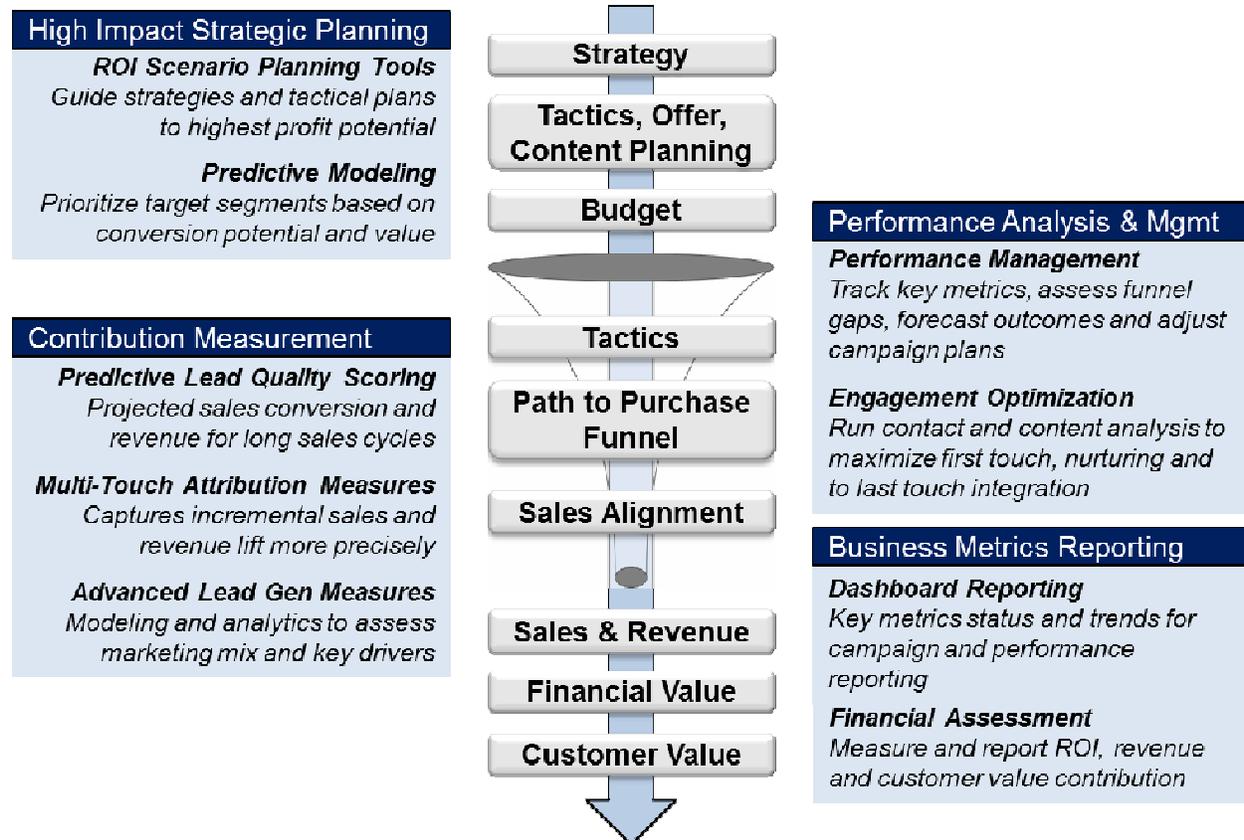
**Figure 29: Industry**

*In which industry does your business operate?*  
(n = 373)

	2012
Technology	41%
Manufacturing	12%
Other	11%
Advertising/Marketing	10%
Healthcare/Medical/Pharma	9%
Professional Services	7%
Financial Services/Banking	6%
Distribution/Wholesale	2%
Government/Public Sector	1%
Insurance	1%
Non-Profit	1%

## About the Author

Lenskold Group delivers deeper insights that lead to smarter marketing and more profitable performance. We offer one of the most comprehensive and innovative approaches to applying marketing ROI techniques and tools to plan, measure and optimize marketing strategies toward maximum profitability. Since 1997 the firm has delivered high-quality consulting and marketing services to generate profitable growth for a broad range of Fortune 500 and emerging mid-market client companies such as AT&T EMC, Seagate, Siemens, John Deere, MasterCard, Kodak, and Qualcomm.



We take great pride in our lead generation measurements and ROI solutions, which address the complexities of lead tracking, sales alignment and long sales cycles. Below are select services we offer throughout the marketing cycle of planning, managing, measuring and reporting.

With a world renowned reputation for championing best practices, each engagement results in immediate short-term benefits, a lasting impact on processes, and a path to additional sources of long-term success. Our team of senior consultants and partners has extensive backgrounds in performance optimization, advanced analytics and high-impact strategic marketing; providing 360-degree customized solutions for measuring and improving marketing ROI.

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## About the Sponsor

The Pedowitz Group is honored to partner with Lenskold Group to bring this critical research to market. Now more than ever before, marketing professionals are tasked with accounting for their performance in financial terms. Understanding what to measure, how to measure, and how those measurements stack up against industry and peer best practices are today's marketing Bible.



Companies call The Pedowitz Group when connecting marketing to revenue is a strategic imperative. We have guided more than 1,000 companies through different stages of the Revenue Marketing Journey. As a result of our experience, we created the Revenue Marketing Transformation™ model, which transforms marketing from a cost center to a revenue center and encompasses six controls: strategy, people, process, technology, content and results.

### Experienced People Deliver Best Practices Focused on Your Success

Revenue Marketing is a combination of strategy and tactics, so whether you are considering demand generation or marketing automation solutions, or have initiatives for improving marketing and sales, The Pedowitz Group can help. As the fastest growing Revenue Marketing agency in North America, our results create repeatable, predictable and sustainable revenue streams.

We've developed offerings that range from strategic to tactical, from process to technical, for companies of all sizes, verticals and global locations and for both inbound and outbound marketing strategies. Our solutions mentality and our building block approach to assembling and delivering the perfect solution for you are what set us apart from the other players in the market.

- Strategic solutions are designed to help you establish the plan you'll need for success:
  - From creating a business case/ROI, to working with TPG on various transformation consulting engagements, to building a Revenue Marketing Center of Excellence
- Tactical services encompass six main categories:
 

○ Campaigns	○ People
○ Metrics and reporting	○ Data
○ Content	○ Technology

### One Agency, One Integrated Solution

We've been at this since 2007 and all we do is Revenue Marketing. The Pedowitz Group is at the forefront of thought leadership in this space.

Changing your marketing organization from a cost center to a revenue-producing arm of your business requires a total transformation, cooperation across many departments and complete dedication. Our experience has taught us that this transformation is not an overnight change. It requires a multi-stage, multi-dimensional and multi-year discipline and there is no easy, one trick fix.

Whatever stage you are at on your Revenue Marketing Journey - traditional, lead generation, demand generation or revenue marketing – we offer solutions, services and expertise that will get you to the next level and beyond. TPG has won multiple awards but more importantly, so have our customers – 21 at last count in the past three years.

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