

# THE CMO'S AGENDA: MANAGING MARKETING AND ITS ALIGNMENT WITH SALES

January 2017

## Report Highlights

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Best-in-Class organizations are 74% more likely to have the success of their marketing efforts reflected in positive sales performance.

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74% of Best-in-Class organizations have strong or complete marketing and sales alignment.

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Best-in-Class organizations report 2.3 times the effectiveness levels of All Others for measurably connecting marketing and sales efforts to revenue.

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Best-in-Class organizations are twice as likely to use data for predictive identification of marketing and sales advantages and opportunities.

In this report, Aberdeen Group has collected the most relevant findings and insights for building Best-in-Class business-to-business (B2B) marketing performance in the next year.

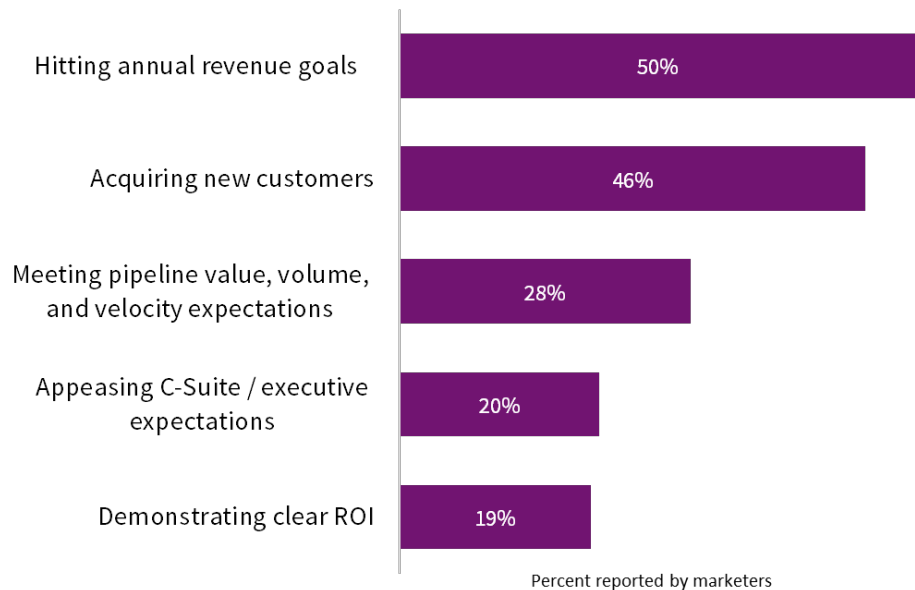
# 2

**By strategy, or by happenstance, the majority of most B2B marketing leaders are functionally tied to supporting sales. It's an added wrinkle to the ever-increasing demands on CMOs: be a brilliant, productive marketing leader, but also, maintain a stake in sales performance at the same time.**

## Understanding the Present B2B Marketing Environment at a High Level

Aberdeen Group has found that marketers at Best-in-Class organizations (defined in sidebar on page 3) are 74% more likely to have the success of their marketing efforts reflected in positive sales performance, compared to All Others (66% vs. 38%). Looking ahead for the next year, top performing CMOs need to be prepared, not only to set up their marketing teams for success, but also to ensure that their strategies are in sync with sales efforts. Below, Figure 1 illustrates the primary stresses cited by marketing leaders in Aberdeen's study.

**Figure 1: Top Pressures Reported by Marketing Leaders**



n= 244

Source: Aberdeen Group, December 2016

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**Aberdeen's Maturity Class Framework**

Aberdeen's research defines Best-in-Class **marketing and sales** performance by benchmarking organizations against five key qualitative and quantitative performance metrics:

- Percentage of respondents “effective” or “very effective” at managing profitable marketing & sales operations
- Current lead acceptance rate
- Current percentage of revenue attributed to marketing
- Year-over-year improvement (decrease) in sales cycle length
- Year-over-year improvement (increase) in total company quota attainment

By looking at organizational performance, we then break the survey respondents into three maturity classes:

- **Best-in-Class:** top 20% of performers
- **Industry Average:** middle 50% of performers
- **Laggard:** bottom 30% of performers

Sometimes, a fourth maturity class, **All Others**, is used to describe Industry Average and Laggard combined.

Apart from adapting to the demands of the C-suite, Figure 1 could easily be exchanged with the common pressures of sales leaders. Indeed, the top three pressures for sales are the same, just with different levels – hitting annual revenue goals; 58%, acquiring new customers; 51%, meeting pipeline expectations; 24%.

Beyond pressures, however, there's even more at work influencing decision-makers in marketing to synch up with sales. In action, when we look at the tactics that marketers are most commonly responsible for supporting, we see evidence of demands from sales as well. Most notably, in Figure 2, we see that 69% of marketers are responsible for helping business development / inside sales teams. While these teams often serve a primarily sales function at most B2B organizations in setting appointments with sales executives and qualifying leads as sales-ready, they can fall into marketing's purview. Moreover, 61% of marketers are tasked with managing comprehensive communications across multiple channels for their organizations. Thus, what's communicated by highly active and, by necessity, vocal departments, like sales, falls under marketing's umbrella.

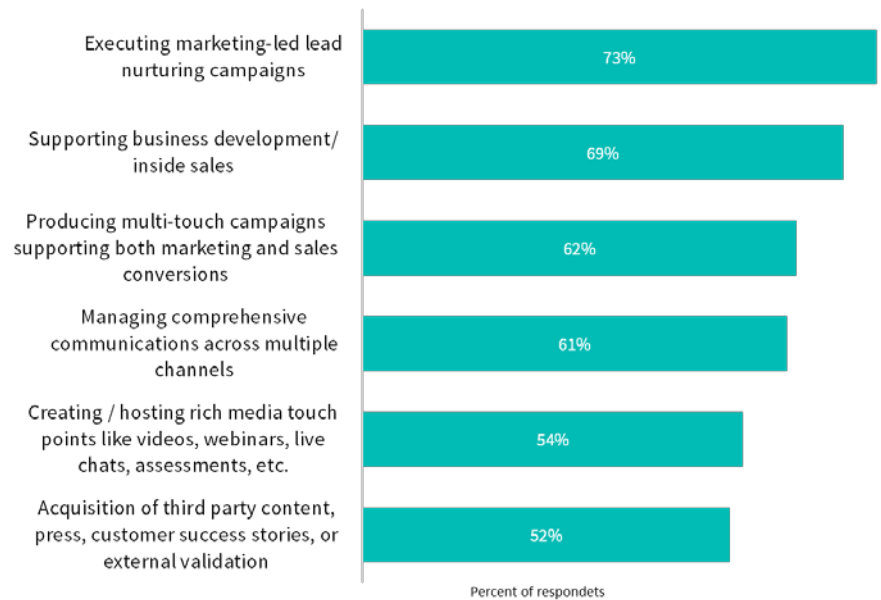
## 4

→ [Read the full report](#)  
*Analytically Grounded  
Sales Teams*

→ [Related Research](#)  
*The B2B Business/  
Customer Arc: Crafting  
Keystones from  
Marketing & Sale*

→ [Related Research:](#)  
*The State of Sales  
Enablement:  
Eliminating  
Ambiguity*

Figure 2: The Top Tactical Demands on Marketers



n= 244

Source: Aberdeen Group, December 2016

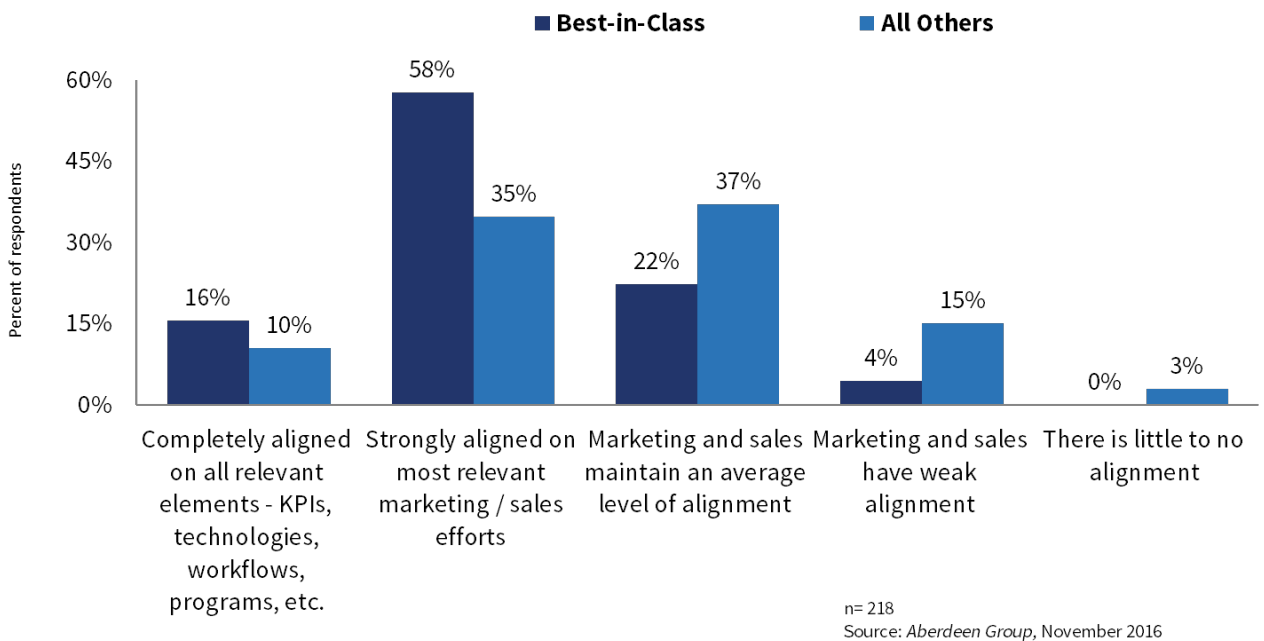
By strategy, or by happenstance, the majority of most B2B marketing leaders are functionally tied to supporting sales. It's an added wrinkle in the ever-increasing demands on CMOs: be a brilliant, productive marketing leader, but maintain a stake in sales performance at the same time. Among Best-in-Class organizations, for example, 61% report a joint dependence on internal content production for both marketing *and* sales efforts. Similarly, for sales enablement, the most common way Best-in-Class organizations execute their sales enablement efforts as reported in [The State of Sales Enablement: Eliminating Ambiguity](#), is as a joint responsibility shared by marketing and sales.

Ultimately, this brings us to the conclusion that the alignment between marketing and sales is the primary concern for marketing leaders pursuing Best-in-Class performance. For context, in Figure

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3, Aberdeen Group has broken down the current state of marketing and sales alignment:

**Figure 3: Understanding Best-in-Class Marketing & Sales Alignment**



**74% of Best-in-Class organizations have complete or strong marketing and sales alignment.**

With 58% of Best-in-Class organizations reporting that they're "strongly aligned on most marketing and sales efforts," compared to 35% of All Others, we see an immediate contrast between the state of operations at top performing and underperforming organizations. When the categories are divided in half between above average and average-or-below average, the disparity becomes a bit starker. A combined 74% of Best-in-Class organizations have complete or strong marketing and sales alignment (an above average state). Meanwhile, the majority of All Other organizations, 55%, fall into the average or below average level of alignment.

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Clearly, this reinforces the concept that competitive CMOs and marketing leaders must craft their strategies not only to fuel marketing performance, but to support synchronized sales performance as well. This is the high-level perspective that Best-in-Class leaders maintain, but how are these leaders diving back down into the nitty-gritty of actionable marketing plans? This is where our research can get back into the more familiar marketing trends and best practices heading into this new year.

#### Planning for the Future Based on Current Marketing Trends:

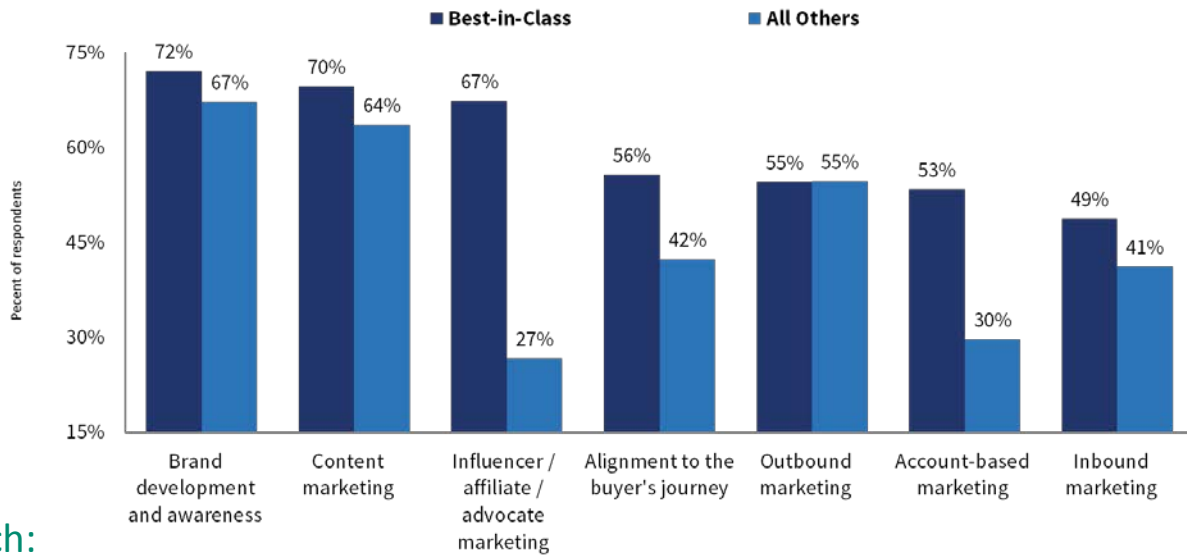
Anecdotally, if we were to report simply on the chatter of marketing trends over the past year, a case could be made for calling 2016 the year of account-based marketing (ABM). The talk of ABM was everywhere. However, only 35% of all organizations surveyed in Aberdeen's research reported being ABM practitioners. As we see in Figure 4, there is merit to the marketing buzz, with Best-in-Class organizations being 80% more likely to practice ABM, compared to All Others (53% vs. 30%).

Perhaps just as interesting, however, is the staying power of brand awareness / development efforts, with 72% of Best-in-Class marketers as branding practitioners and 67% of All Others following suit (see Figure 4, on next page). Nearly matching the level of adoption is content marketing. Some may be surprised that content marketing wouldn't have a higher adoption rate (isn't everyone doing it?), but for some, content is not practiced as a fully developed strategy. Organizations have content that they use for marketing, but they're not necessarily full-on content marketers. There's also some dilution from strategies like inbound marketing, which depend on content and valuable appeals. However, these approaches may or may not be considered synonymous with a content marketing strategy.

**72% of Best-in-Class marketers actively practice brand awareness / development efforts.**

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Figure 4: Top Strategic Marketing Pursuits of Best-in-Class Organizations



n= 218  
Source: Aberdeen Group, December 2016

→ [Related Research: Critical Capabilities for Effective Content Marketing](#)

**Best-in-Class organizations have 2.5x the propensity to practice influencer / affiliate / advocate marketing efforts.**

Most striking, though, in Figure 4, must be that Best-in-Class organizations have 2.5 times the propensity to practice influencer / affiliate / advocate marketing efforts, compared to All Others (67% vs. 27%). In Aberdeen's previous edition of [The CMO's Agenda](#), findings showed that only 32% of all marketers considered themselves effective at earning positive social media mentions, word-of-mouth referrals, and media coverage. This competency, however, is critical for effectively garnering external amplification of marketing efforts through influencer, affiliate, and/or advocate marketing. In Aberdeen's report [Critical Capabilities for Effective Content Marketing](#), findings showed that 74% of leading content marketers were effective at this

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competency. Only 36% of their under-performing peers – and even just 38% of Best-in-Class marketers– could say the same.

This Best-in-Class focus on influencer / affiliate / advocate marketing isn't just noteworthy for the disparity between the best and the rest, though. Given that external amplification (getting coverage, or social pickup from influencers or advocates) is a weakness for most marketers, the pursuit of such a strategy reflects a propensity for Best-in-Class organizations to address their marketing shortcomings head-on.

A recent Aberdeen's report [\*The Data on Data-Driven Marketing: Where Data & Analytics Make a Difference\*](#), showed that at least 25% of marketers skewed data and reporting to fit expectations and opinions. All too often, the path of least resistance for marketers is to report good news and pivot on bad news in terms of performance or meeting goals. However, by doing so, organizations will stagnate and only maintain average or underwhelming benchmarks.

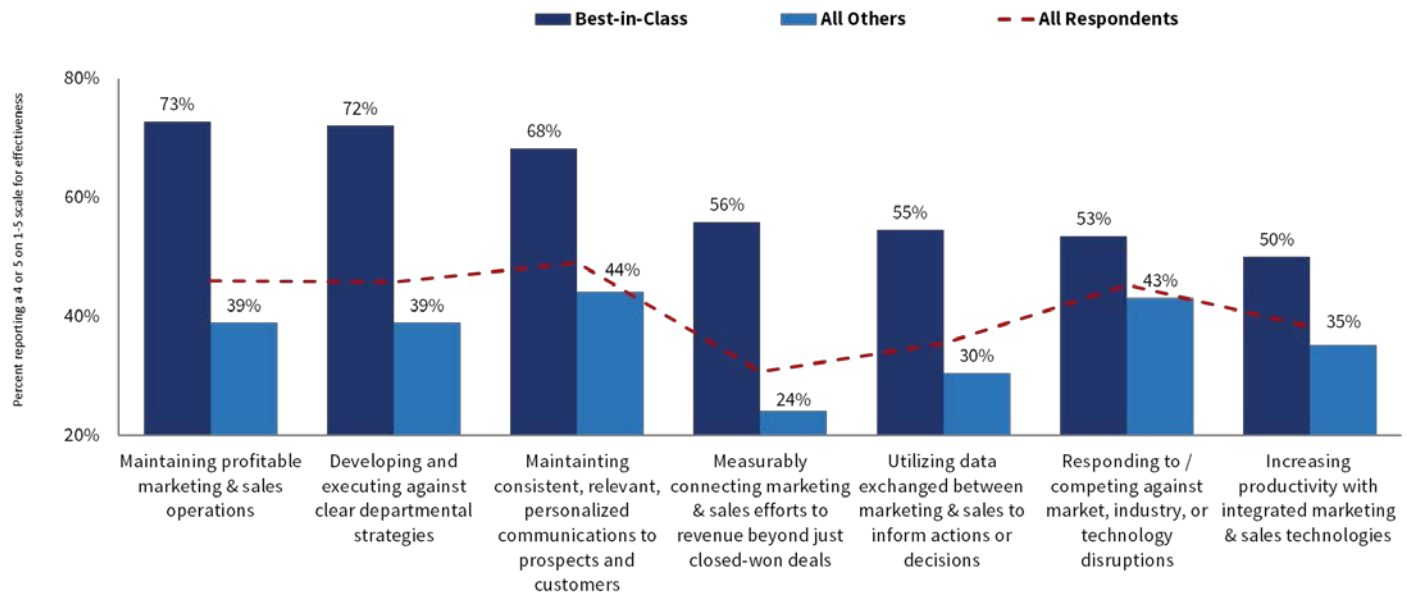
→ [Related Research:](#)  
*The Data on Data-Driven Marketing: Where Data & Analytics Make a Difference*

For average marketers, there is a lot of room to face some hard truths, and improve as a result. In Figure 5 (see page 6), Aberdeen's respondents rate their current levels of effectiveness for key capabilities on a one to five scale: 1: very ineffective, 2: ineffective, 3: average, 4: effective, 5: very effective. What's shown is the percentage of Best-in-Class and All Other organizations reporting only fours or fives on these questions. In other words, Figure 5 shows what the Best-in-Class are better at in terms of effectiveness. The dotted red line represents where average marketers land among the listed skill sets. From maintaining profitable operations to managing data, most marketers are struggling to surpass average levels of performance or escape persistent inefficiencies.



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Figure 5: Strengths of Best-in-Class Organizations in Key Marketing Capabilities



n= 218  
Source: Aberdeen Group, October 2016

**Best-in-Class organizations report 2.3x the effectiveness levels of All Others for measurably connecting marketing and sales efforts to revenue.**

The good news in Figure 5, though, is that there are incremental opportunities for improvement. The widest differences between Best-in-Class organizations and All Others, for one, are foundational competencies that can compound on marketing's value when addressed. Most notably, Best-in-Class organizations report 2.3 times the effectiveness levels of All Others for measurably connecting marketing and sales efforts to revenue (56% vs. 24%). By establishing strong revenue attribution models, organizations can identify where the most vital elements of marketing exist. For clarity, revenue attribution models are agreed-upon terms for how marketing and sales actions influence contribution to revenue. (For example, "first touch attribution" means the first touch-point a buyer has with an organization is

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**Reality Check:**

**A combined 51% of all organizations surveyed by Aberdeen operate without a revenue attribution model for marketing, or are uncertain of what's actually in place.**

**Best-in-Class organizations are 93% more likely to use data to personalize content or communications.**

connected to the value of the buyer's purchase.) With 34% of all organizations operating without a revenue attribution model, and another 17% unsure, this single procedural change of defining how marketing efforts impact revenue can course-correct average or underperforming marketing teams. This action will enable them to better follow Best-in-Class behaviors.

Fundamentally, the findings in Figure 5 represent a seemingly intangible shift in marketing perspectives to produce tangibly better results. This shift, of course, is in simply seeing weak, undesirable, or even frightening results (in terms of marketing performance) as opportunities to get better. Managing marketing operations becomes objective diagnostics and mechanical tuning, as opposed to political positioning and selective reporting. Though it sounds like vague pundit-speak, this reframing is actually vital for gaining the most value from one of the most significant changes in modern marketing – the availability of data and analytics.

**Data & Analytics – the empirical Yin to marketing's creative Yang**

The use of data and analytical tools for marketing is, without a doubt, a seismic change in the nature of modern marketing. While some positioning from talking heads and in-industry players may posit data-driven marketing or analytical tools as the future of marketing, this analyst, respectfully, sees something different.

The proliferation of data and analytics in marketing is not meant to displace the traditional creative and communicative elements of the discipline. Instead, the relationship is one of balance. The magic of marketing is always in the *how* (this means the *way* that marketing efforts are creatively executed). Data-driven marketing and analytical tools, however, provide clear answers about *who* to target, *where* there are opportunities for interactions, *when* such opportunities arise, and *what* works best in any given situation.

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**Best-in-Class organizations are twice as likely to use data for predictive identification of marketing and sales advantages and opportunities.**

It's also a marketer's responsibility to put the pieces together to answer *why* campaigns, messaging, positioning, content, etc. work well for buyers. The creative *how* and *why* of marketing is balanced by analytical answers to *who*, *what*, *where*, and *when*.

In Figure 6, Aberdeen has broken down the ways Best-in-Class organizations are presently using data compared to All Others. At a glance, these findings can help to show the spectrum of data applications – from tactical uses like personalization – to more strategic deployments, like predictively identifying new target markets or other untapped opportunities. At present, the trend is that the majority of marketers are able to start with primarily tactical data use-cases, while the higher performing marketers have a higher propensity for more strategic uses.

**Figure 6: Data Practices of the Best-in-Class**



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**Best-in-Class organizations are 76% more likely to use data for operational health indicators.**

Digging deeper (Figure 6 on previous page), we also see a trend to build on traditional marketing strengths like producing creative assets and managing communications. The most common use of data, by 66% of Best-in-Class organizations, is to personalize content or communications. From using “if/then” logic to create customized campaign experiences (if contact has X in their title, send them Y), to enriching web browsing behavior (“Hi Bob, welcome back to our site...”) personalization requires analytical organization and refinement of data, paired with creative deployments. How personalization is used is amplified by the creativity of marketers. At the same time, the narrow windows for targeting (*who* to engage) and calls to action (*what* will convert), vital to personalization, provide outcomes that are easy to analyze. If a highly personalized and relevant message meets or exceeds expected conversion rates, there aren't a lot of variables to evaluate in understanding *why* the message worked. If it converted viewers, it was on point. If the message underperforms, it was not, so updates or fixes need to be made.

In fact, all the deployments of data in Figure 6 represent opportunities for marketers to analytically amplify creative efforts. Building business cases for additional headcount, technology, or other strategic investments allows data to open or expand marketing capabilities. Using data for prescriptive actions (i.e. data-driven decision-making) answers *what* marketers should do based on findings or results, and affords more time or liberty to play with *how* to best execute on such decisions. Predictive identification of new markets, or target segments, unlocks new possibilities for unique appeals or campaigns. Ultimately, the value of data to marketers will be one of balancing and enhancing operations and efforts. Data and analytics are not the future of

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**Ultimately, the value of data to marketers will be one of balancing and enhancing operations and efforts.**

marketing in themselves; they're catalysts for better capitalizing on whatever the future holds.

### **Conclusion & Key Takeaways:**

Looking ahead, CMOs and marketing leaders must be prepared to succeed on two fronts: the first battleground being standard marketing operations; and the second being the support of sales performance. While it might seem as if this sends a CMO in two different directions, the benefit of this shift now places such marketing leaders at the tipping point of a balanced scale. Marketing's programmatic strengths – building brand awareness, educating and informing buyers, and driving progressive conversions – can be more in synch with sales' strengths to close deals and extract maximum value from customers. Recent developments, like data and analytics, may seem to be lighting a fire under how modern marketing is conducted. From such heat, however stable and reliable best practices can be forged.

Remember:

- ➔ **Best-in-Class organizations are 74% more likely to have the success of their marketing efforts reflected in positive sales performance**, compared to All Others (66% vs. 38%). The implication is that marketing can't succeed in a vacuum. Any meaningful lift seen in marketing performance must correspond to a rise in sales performance.
- ➔ **Prepare for complexity in marketing and sales communications. Sixty one percent** of marketers are tasked with managing comprehensive communications

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across multiple channels for their organizations. This includes overseeing compliance in sales communications as well.

- **A combined 74% of Best-in-Class organizations have complete or strong marketing and sales alignment.** The ideal state for marketers to pursue is to be in lock-step with sales. Only 45% of average and underperforming organizations can match the Best-in-Class level of alignment. This represents a significant differentiator between the best and the rest.
- **Best-in-Class organizations report 2.3x the effectiveness levels of All Others for measurably connecting marketing and sales efforts to revenue (56% vs. 24%).** Showing marketing's contribution to revenue opens doors for further investment and forms a solid foundation for building on marketing's successes.
- **Balance marketing's creative strengths with enriched data and analytical capabilities.** The most common use of data, by 66% of Best-in-Class organizations, is to personalize content or communications. For effective personalization, well-maintained and formatted data is critical, but the ways in which the personalization is used to appeal to buyers is still entirely creative. This dynamic is an important example of the value in the interplay with analytical, data-driven marketing and creative marketing.

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For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

#### Related Research

[The State of Sales Enablement: Eliminating Ambiguity](#) ; (December 2016)

[The B2B Business/ Customer Arc: Crafting Keystones from Marketing & Sales](#) (May 2016)

[Understanding Best-in-Class CRM Usage for Marketing](#); (September 2016)

[Understanding the Anatomy of Effective Marketing](#); (April 2016)

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#### About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Waltham, MA.

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