BENCHMARKING STUDY

2016 Services Marketing Budget Allocations and Trends

ITSMA's latest annual budget study documents the continuing transformation of marketing across the world's leading B2B technology and professional services firms.

Modest growth in overall budgets and staffing conceal more dramatic changes below the surface. Even with near-flat budgets, the scope of marketing responsibilities is growing, digital first is finally a reality, aggressive recruitment for new skills is pervasive, and top performers are putting customer insight, data analytics, and marketing performance measurement at the top of their lists.

REPORT HIGHLIGHTS

OVERVIEW

2016 Services Marketing Budget Allocations and Trends Study, a PowerPoint-style report, provides a detailed look at the state of the services marketing profession as it exists in early 2016. It provides data on services marketing budgets, budget allocations, and marketing priorities from a range of companies across the technology and professional services industries.

Topics covered in the report include:

- Size of the Marketing Budget
- Marketing Staffing
- Services Marketing Budget Allocation
- Marketing Programs and Campaigns
- Online/Digital Marketing Spending
- Account Based Marketing Budget and Spending
- Marketing Tools Budget Allocation
- Marketing Priorities and Challenges
- Marketing Organization Perception and Scope

Key trends highlighted in the report include:

- Marketing's mission is evolving from its original focus on reputation and brand communications to encompass driving revenue growth, and now, customer engagement
- Marketing is increasing its precision with new marketing tools and approaches such as marketing automation (MA) and Account Based Marketing (ABM)
- And marketing is taking on more roles and strategic responsibilities: customer experts, storytellers, data miners, technologists, omnichannel conductors, and revenue growth drivers

Essential data points include:

- On average, services marketing budgets will grow slightly in 2016 to 1.5% of total services revenue, but more than half of organizations will see budgets remain flat or even decline
- Specific areas of increased investment include staffing, content development, digital, Account Based Marketing, and analytics
- More than half of services marketing organizations are engaged in Account Based Marketing, and spending will increase dramatically in 2016
- Online marketing has reached a tipping point, now accounting for more than half of program budgets
- New skills are deemed a priority, yet organizations are dedicating, on average, a mere three days per year to formal staff training and development
- Agile is also a priority, yet the vast majority of marketers rate themselves at 3 or less on a 5-point scale
- Top performers put customer insight, data analytics, and marketing performance measurement at the top of their priority lists

To solidify their new mission and expanded role, marketers in 2016 need to:

- Continue to prioritize the development of new roles, skills, and talent
- Continue to invest in and optimize the digital marketing infrastructure
- Accelerate the development of agile processes
- Expand investment in deep customer insight
- Continue to expand the focus on Account Based Marketing precision
- Increase the emphasis on sales and SME enablement
- Accelerate the focus on data-driven decision making

STUDY METHODOLOGY

ITSMA gathered detailed data on services marketing budgets, trends, and priorities from a cross-section of large B2B technology and professional services firms with an invitation-only, Web-based survey form during December 2015 and January 2016.

Survey respondents were 42 senior marketing and services marketing leaders at 41 mostly global firms, roughly half product-based and half professional services firms, with more than 70% of the respondents from $1 billion+ companies.

The report includes data analyzed four ways:

- The data set as a whole
- By company performance
- By company size
- By company type

Participating Companies

The full report is available at no additional fee to ITSMA member companies that participated in the study. Non-member companies that participated in the study are eligible to receive an executive summary.

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RESPONDENT DEMOGRAPHICS

Industry (N=42)	%
Professional services firm (consulting, outsourcing, systems integration, managed services)	36
Computer systems and solutions provider	21
Software solutions provider	14
Network systems and solutions provider	12
Telecommunications services provider	5
Other hardware systems and solutions (office equipment, storage solutions)	5
Other	7
Company Size (N=42)	
Less than $100M in services revenue	7
$100–249M in services revenue	5
$250–499M in services revenue	7
$500–999M in services revenue	10
$1–5B in services revenue	26
Greater than $5B in services revenue	45
Type of Company (N=42)	
We sell both products and services	55
We primarily sell services	45

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MORE INFORMATION

To learn more about the report, contact Julie Schwartz, Senior Vice President of Research and Thought Leadership at +1-781-862-8500, Ext. 112, or jschwartz@itsma.com.

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