

Services Marketing Budgets and Benchmarks: 2008 Budget Allocations and Trends



An ITSMA Study

The optimism from 2007 is carrying over to 2008 with marketers again predicting both budget and staff increases. Overall, it seems that 2008 is shaping up as the year of tactical marketing. Marketers are focusing on initiatives that have a direct and measurable business impact such as enabling the sales force, generating demand, and improving customer satisfaction and loyalty.

REPORT HIGHLIGHTS

OVERVIEW

Services Marketing Budgets and Benchmarks: 2008 Budget Allocations and Trends delivers a detailed look at the state of the services marketing profession as it exists in early 2008. It provides data on services marketing budgets, budget allocations, and marketing priorities from a range of companies across the technology and consulting industries.

Topics covered in the report include:

- Services marketing budget size and growth rates
- Services marketing budget allocations
 - Corporate vs. field marketing
 - Personnel vs. nonpersonnel
 - Demand generation vs. awareness marketing
 - Investment by category
- Marcom budget allocation
- Services growth rates
- Services marketing staffing and operations
- Solutions marketing
- Gross margin trends
- Top services marketing priorities

Key trends highlighted in the report include:

- Marketers are predicting robust revenue growth, bigger marketing budgets, and increased headcount in 2008
- Overall margin growth appears to be slowing
- Marketing's priorities are changing; 2008 initiatives have more direct, measurable business impact
- As they look to increase business impact, marketers are funneling more resources into sales enablement
- The marcom emphasis is on highly targeted campaigns using face-to-face events, digital media, and thought leadership
- Search engine marketing is poised for growth, however, the most effective marketers are also expanding their use of new social media
- Account-Based Marketing continues to gain momentum

STUDY METHODOLOGY

In December 2007 and January 2008, ITSMA used a Web-based survey to gather data from its members about services marketing budgets, services growth and margins, and top marketing priorities. ITSMA received 46 responses from 44 unique companies and analyzed the collected data in four ways:

- The data set as a whole
- Company type—primarily services or product and services
- Company size—less than \$500 million or more than \$500 million in annual services revenue
- Company geographic location of company/division headquarters (region)— Americas, EMEA, and India

Detailed Participating Companies

The full report is available free to the following companies that provided Detailed data in the study.

- Agilent Technologies
- Alcatel-Lucent
- Cognizant
- EDS
- Fujitsu Services
- General Dynamics
- HCL Technologies Ltd.
- Hexaware Technologies
- Hitachi Consulting
- IBM
- Intel
- Juniper Networks, Inc.
- KPIT Cummins Infosystems Ltd.
- KPMG
- LogicaCMG UK
- Neoris
- Nokia Siemens Networks
- Oracle
- Orange Business Services
- Pitney Bowes, Inc.
- Polycom
- Sun Microsystems
- Tata Consultancy Services
- Wood Mackenzie
- Xerox Corporation

Essential Participating Companies

The full report is available at a discounted price of \$295 to the following companies that provided only the Essential data in the study.

- ACS
- AT&T
- Avanade, Inc.
- Avaya
- Capgemini
- CGI
- Hewlett-Packard
- Infosys Technologies Ltd.
- Microsoft
- Patni Americas, Inc.
- QAD, Inc.
- Raya Integration
- SAP
- Satyam
- Savvis
- Siemens Enterprise Communications
- Telcordia Technologies
- VeriSign
- Wipro Technologies

RESPONDENT DEMOGRAPHICS

Industry

Professional services firms	54%
Software providers	13%
Network Systems and solutions providers	9%
Computer systems and solutions providers	7%
Telecommunications service providers	13%
Other hardware systems and solutions	4%

Respondent Perspective

Worldwide	70%
EMEA	15%
North America	11%
United Kingdom	4%

MORE INFORMATION

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

Figure 4.10 Internal Communications Budget, 2008

Do you have a formal budget for internal communications/employee communications?
% of Respondents

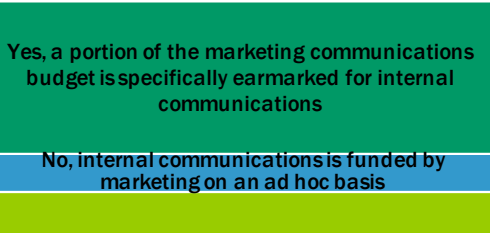


Figure 8.1 Marketers' Top Priorities, 2008

As you look ahead to 2008, which of the following would you say are your top five priorities?
% of Respondents

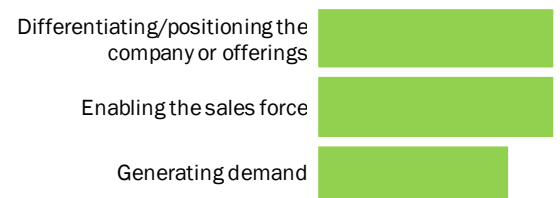


Figure 7.2 Changes in Services Marketing Staff by Company Type and Size, 2008

What changes do you anticipate in your services marketing staff in 2008?
% of Respondents



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2008 BUDGET ALLOCATIONS AND TRENDS, DATA FROM ITSMA KEY METRICS SURVEY
[B018]**

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