2016 Services Marketing Budget Allocations and Trends

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Abbreviated summary

The 2016 Services Marketing Budget Allocations and Trends survey documents the continuing transformation of technology services marketing—with essential data on services marketing budgets, allocations, and priorities.

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
- Marketing Tools Budget Allocation
- Marketing Priorities and Challenges
- Marketing Organization
Modest spending growth in 2016 conceals more dramatic changes under the surface:

- The scope of marketing responsibilities is growing
- Aggressive recruitment for new skills is pervasive
- Digital first is finally becoming a reality
- Top performers prioritize customer insight, analytics, and measurement
Marketing budgets and staff continue to grow, although many still struggle with resource constraints

In FY2016, do you expect your marketing budget to increase, decrease, or stay the same when compared to FY2015?

- **Stay the Same**: 40%
- **Increase**: 43%
- **Decrease**: 17%

2016 B2B Services Marketing Budget Growth: 3.8%

What changes do you anticipate in your marketing staff in FY2016?

- **Stay the Same**: 38%
- **Increase**: 50%
- **Decrease**: 12%

2016 B2B Services Marketing Staff Growth: 6.1%

% of Respondents (N=42)

Source: ITSMA, 2016 Services Marketing Budget Allocations and Trends
Changes in buyer behavior and technology are forcing marketers to adapt

- 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

Marketing is becoming the central nervous system of the company
Online marketing has reached the tipping point, now accounting for more than half the programs budget.

How do you anticipate the components of your Marketing Programs and Campaigns spend changing in FY2016? % of Respondents (N=38)

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<th>Component</th>
<th>% of Respondents</th>
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<td>Online marketing</td>
<td>82%</td>
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<td>Offline marketing</td>
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Source: ITSMA, 2016 Services Marketing Budget Allocations and Trends
For high growth companies, customer insight is the #1 marketing priority in 2016. For all others, it ranked 20th.

Source: ITSMA, 2016 Services Marketing Budget Allocations and Trends
Study Methodology

From December 2015 through January 2016, ITSMA conducted an invitation-only, web-based survey with 42 responses from 41 leading B2B technology and services companies.

Industry Subsector

Which of these categories best describes your industry subsector? % of respondents (N=42)

- Other hardware systems and solutions: 7%
- Telecommunications services provider: 5%
- Network systems and solutions provider: 12%
- Software solutions provider: 14%
- Computer systems and solutions provider: 21%
- Professional services firm (consulting, outsourcing, systems integration, managed services): 36%
- Other: 7%

Organization Size

How large is your services business? % of respondents (N=42)

- Less than $100M: 7%
- $100–249M: 5%
- $250–499M: 7%
- $500–999M: 10%
- $1–5B: 26%
- Greater than $5B: 45%

Type of Company

Which of the following best describes your company? % of respondents (N=42)

- We primarily sell services: 45%
- We sell both products and services: 55%
- Professional services firm (consulting, outsourcing, systems integration, managed services): 36%
- Other hardware systems and solutions: 7%
- Telecommunications services provider: 5%
- Network systems and solutions provider: 12%
- Software solutions provider: 14%
- Computer systems and solutions provider: 21%

Source: ITSMA, 2016 Services Marketing Budget Allocations and Trends
ITSMA analyzed the survey data set as a whole and in three additional ways:

- **By performance:**
  High Growth compared to Average or Below Growth

- **By size of company:**
  Less than $1B compared to equal or more than $1B annual services revenue

- **Type of company:**
  Product and Services Company compared top primarily a Services Company
Study participants
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