Abbreviated Summary

The 2015 Services Marketing Budget Allocations and Trends survey 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:

- Size of the Marketing Budget
- Marketing Staffing
- Agency Relationships
- Services Marketing Budget Allocation
- Marketing Programs and Campaigns
- Online/Digital Marketing Spending
- Marketing Priorities and Challenges
- Marketing Organization Perception and Scope
What marketers are focusing on today is not what is going to carry them into the future. Marketing’s contribution to revenue is important, but we must not lose sight of marketing’s pivotal role in customer insight and relationships.
Lead generation has risen to become marketing’s top priority. Is this emphasis overshadowing marketing’s strategic role in the business—understanding buyers and markets?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>3</td>
<td>9</td>
<td>9</td>
<td>27</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>21</td>
<td>22</td>
<td>9</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>25</td>
<td>24</td>
<td>31</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>14</td>
<td>13</td>
<td>10</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>16</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>10</td>
<td>16</td>
<td>19</td>
<td>8</td>
<td>17</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>14</td>
<td>8</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Marketing Priorities:
- Lead generation, management, and nurturing
- Thought leadership development and dissemination
- Brand/reputation management/differentiation
- Solutions marketing
- Marketing technology and automation systems
- Cross-divisional marketing programs and messaging
- Account Based Marketing (ABM)
- Customer insight (wants, needs, buying process)
- Vertical/industry marketing
- Sales and marketing alignment/sales force enablement and tools
- Marketing performance management (measuring/improving/proving marketing’s impact on the business)


© 2015ITSMA. All rights reserved. Reproduction or forwarding of this document to others is prohibited.
The future belongs to those marketers who focus on establishing and building relationships based on personalization and relevance, at all stages of the buying process.

“Marketing talks about nurturing leads when we should be talking about nurturing relationships.”
Marketing budgets and staff will grow in 2014, however modestly

In FY2015, do you expect your marketing budget to increase, decrease, or stay the same when compared to FY2014?
% of Respondents (N=48)

- Increase: 48%
- Decrease: 17%
- Stay the Same: 35%

2015 B2B Services Marketing Budget Growth: 4.4%

What changes do you anticipate in your marketing staff in FY2015?
% of Respondents (N=48)

- Increase: 44%
- Decrease: 13%
- Stay the Same: 44%

2015 B2B Services Marketing Staff Growth: 3.8%

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends
Although many have seen budgets bounce back, marketers are still being asked to stretch their funds as the scope of marketing’s responsibilities increases.

How has the scope of your marketing organization’s responsibilities changed over the last year?

% of Respondents (N=48)

- Marketing’s scope of responsibilities has been expanded: 65%
- Marketing’s scope of responsibilities has been reduced: 29%
- No change: 6%

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends
With the ultimate vote of confidence: other organizations, in particular the BUs, are coming up with funds to supplement marketing’s budget.

In addition to the official marketing budget, are there other sources of money/“funds” that you can access/apply to use?

% of Respondents (N=48)

Yes
79%

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends
Marketing leaders are placing their biggest bets on marketing programs and content development

What are your spending plans in FY2015 for the following budget categories?
% of Respondents (N~47)

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Respondents</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Programs and Campaigns</td>
<td>68</td>
<td>-6</td>
</tr>
<tr>
<td>Content Development</td>
<td>64</td>
<td>-2</td>
</tr>
<tr>
<td>People</td>
<td>40</td>
<td>-17</td>
</tr>
<tr>
<td>Strategy and Planning</td>
<td>34</td>
<td>-9</td>
</tr>
<tr>
<td>Tools</td>
<td>28</td>
<td>-17</td>
</tr>
</tbody>
</table>

How was/will your Marketing spend be allocated across the following categories?
Mean % of Services Marketing Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Mean %</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>42%</td>
</tr>
<tr>
<td>Marketing Programs and Campaigns</td>
<td>3%</td>
</tr>
<tr>
<td>Content Development</td>
<td>5%</td>
</tr>
<tr>
<td>Strategy and Planning</td>
<td>15%</td>
</tr>
<tr>
<td>Tools</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends
© 2015 ITSMA. All rights reserved. Reproduction or forwarding of this document to others is prohibited.
Focus on net-new customers dominates budget growth as marketing seems to be taking over responsibility for the sales funnel.

How was/will your marketing budget (including staff) allocated among these activities?
Mean % (N=25)

- New Business Lead Generation: 40%
- New Business Pipeline Progression: 26%
- Customer Expansion, Loyalty, and Growth: 34%

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends
But is this new focus on tactical lead generation distracting us from the core competence of B2B marketing?

Is it coming at the expense of more strategic—and less easily measured—activities that focus on reputation and relationship development? We may be undermining the value that only marketing can bring to our companies.

**Top 3 Strategic Objectives for Customer Engagement**

<table>
<thead>
<tr>
<th>2014</th>
<th>VS.</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase share of wallet</td>
<td>1. Strengthen executive-level relationships</td>
<td></td>
</tr>
<tr>
<td>2. Retain existing customers</td>
<td>2. Increase share of wallet</td>
<td></td>
</tr>
<tr>
<td>3. Acquire new customers</td>
<td>3. Gain insight into customers’ business issues/wants and needs</td>
<td></td>
</tr>
</tbody>
</table>

**All about REVENUE**

**All about RELATIONSHIPS**

**All about INSIGHT**

Buyers want more engagement with their providers

- New ideas and thought leadership
- Dialog with provider’s senior executives
- Give input to shape provider’s strategy
- Peer networking
- Relevant content
- Interaction with SMEs
B2B Marketing Leaders will step back from the relentless pursuit of revenue to build ongoing relationships by focusing on:

- Expanding the role and visibility of SMEs and enabling sales to do thought leadership selling
- Integrating on- and off-line marketing to deliver an omnichannel customer experience
- Building a thought leadership engine
- Increasing relevance and personalization through customer insight & B2I
- Capitalizing on new marketing tools and technology
- Creating a comprehensive portfolio to engage with new and existing customers
Study Participants

Alcatel-Lucent
Atos International Germany
Capgemini
CDW
Cisco
Datapipe
Fujitsu
Genpact
Grant Thornton
HP
IBM
Juniper Networks
KPIT
KPMG
Lenovo
Microsoft
Minacs
NetApp
NIIT Technologies
NTT Data
Optum
Oracle
Orange Business Services
Polycom
PTC
PwC
Quinnov
Salesforce
SBS Group
Sita
Softtek
Tata
Verizon
Xerox
Study Methodology

From December 2014 through January 2015, ITSMA used a web-based survey to gather data from its members and select non-members about services marketing budgets, services growth, and top marketing priorities. ITSMA received 48 responses from 45 unique companies.

Industry Subsector

Which of these categories best describes your industry subsector?

- Professional services firm (consulting, outsourcing, systems integration, managed services): 40%
- Other hardware systems and solutions : 6%
- Telecommunications services provider: 8%
- Computer systems and solutions provider: 13%
- Software solutions provider: 19%
- Other: 6%

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends

Organization Size

How large is your services business?

<table>
<thead>
<tr>
<th>Organization Size</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100M</td>
<td>6%</td>
</tr>
<tr>
<td>$100–249M</td>
<td>6%</td>
</tr>
<tr>
<td>$250–499M</td>
<td>8%</td>
</tr>
<tr>
<td>$500–999M</td>
<td>17%</td>
</tr>
<tr>
<td>$1–5B</td>
<td>29%</td>
</tr>
<tr>
<td>Greater than $5B</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: ITSMA, 2015 Services Marketing Budget Allocations and Trends

Type of Company

Which of the following best describes your company?

- We primarily sell services: 56%
- We sell both products and services: 44%
ITSMA analyzed the survey data set as a whole and in two additional ways:

- **By Size of Company**: Less than $1B or More than or Equal to $1B annual services revenue

- **Type of Company**: Product and Services Company or Primarily a Services Company
### Table of Contents for *2015 Services Marketing Budget Allocations and Trends*

<table>
<thead>
<tr>
<th>Section</th>
<th>Slide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Survey Methodology and Demographics</td>
<td>29</td>
</tr>
<tr>
<td>Size of the Marketing Budget</td>
<td>39</td>
</tr>
<tr>
<td>Marketing Staffing</td>
<td>46</td>
</tr>
<tr>
<td>Agency Relationships</td>
<td>52</td>
</tr>
<tr>
<td>Services Marketing Budget Allocation</td>
<td>57</td>
</tr>
<tr>
<td>Marketing Programs and Campaigns</td>
<td>64</td>
</tr>
<tr>
<td>Online/Digital Marketing Spending</td>
<td>69</td>
</tr>
<tr>
<td>Marketing Priorities and Challenges</td>
<td>72</td>
</tr>
<tr>
<td>Marketing Organization Perception and Scope</td>
<td>76</td>
</tr>
<tr>
<td>Crosstabs</td>
<td>81</td>
</tr>
<tr>
<td>By Size of Company</td>
<td>81</td>
</tr>
<tr>
<td>By Type of Company</td>
<td>119</td>
</tr>
<tr>
<td>Appendix: ITSMA Budget Taxonomy and Definitions Used in This Report</td>
<td>157</td>
</tr>
</tbody>
</table>