

# **B2B Marketing in 2009:** Trends in Strategies and Spending



RESEARCH

## Executive Summary

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Overall, findings from this survey of B2B marketers suggest that the economic downturn has accelerated pressure to (1) reduce spending, (2) gain experience with new media as part of an integrated marketing program, and (3) assume a “play-it-safe” posture.

### Key Findings:

#### 1. The economic downturn has forced B2B marketers to cut spending quickly and dramatically.

- Budget increases were not nearly as common as expected. While 51% of respondents planned for a budget increase in 2008, just 28% saw that increase actually occur. In contrast, 24% experienced a budget decrease, dramatically more than the 5% who had expected a budget decrease a year ago.
- Budget cuts occurred more frequently among large companies, and differences in actual budgets, when compared with expectations, were especially notable among this segment: 9% anticipated a budget decrease, but 43% reported a decrease actually occurred.
- Respondents in this study (conducted at the end of 2008) are far more likely to expect budget decreases in 2009 than were those surveyed at the end of 2007 (about their 2008 budgets). Fully 40% of respondents in 2008 anticipate a decline in marketing budgets compared with 5% a year ago.
- Continuing the trend observed last year, cuts are expected more frequently among Large and Medium-sized companies than Small. However, decreases are expected more frequently in 2009 across all company sizes, when compared with what had been expected the year before.
- Companies experiencing a budget decrease in 2008 are also more likely than others to expect a decline in the coming year.

#### 2. B2B marketers are slowly gaining experience with new media, and the pressures on budgets are accelerating the change.

- Overall, reported usage rates of specific tactics in 2008 have remained similar to those reported in 2007. Companies are using Company Web Site and Email more than any other tactics, followed by In-Person Tradeshows and Public Relations. The most notable changes are increased usage of Search Marketing and Online Video, and decreased usage of Executive Events and Radio.

## Executive Summary (cont.)

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- Usage of new media is on the rise. Digital tactics, both Web 1.0 and 2.0, have generally held usage levels while traditional media have declined. With company websites and email marketing (both Web 1.0) approaching saturation levels in terms of usage, attention is now shifting to interactive/social media. While some of these tactics are still in their infancy (in terms of marketers' experience with them), as a group they are growing rapidly and beginning to share prominence with more traditional tactics.
- Just over half (53%) of the respondents in 2008 are Web 2.0 "Integrators" – that is, they report integrating at least one Web 2.0 tactic (blogs, discussion forums or Other Web 2.0 Media) into their marketing mix. This is up from a year ago when 46% were integrating Web 2.0 tactics. Integrating Web 2.0 media is not associated with company size.
- Web 2.0 Integrators (in 2008) are more likely than Non-Integrators to anticipate increased importance of Web 2.0 tactics in their 2009 marketing mix, suggesting that they are gaining confidence in the effectiveness of these tactics.
- Large and Medium-size companies tend to stick with traditional and Web 1.0 tactics. Large and Medium-size companies report usage of all traditional tactics – and many Web 1.0 tactics – at significantly higher levels than smaller companies. Smaller companies approach or exceed Large companies in reported usage of Web 2.0 tactics.
- Emphasis is particularly strong on use of Search Marketing, Webinars, Email and Company Web Site. Marketers most often cite these tactics among those slated for budget increases; they also see these tactics as having increasing effectiveness; and they expect these media to be more important in the 2009 marketing mix.
- In some cases, traditional tactics still hold strong for reported effectiveness. Executive Events and Inside Sales are highly regarded as effective tools for lead generation, among those using these tactics, as was observed in 2007. TV Advertising (although used by just 12% of marketers) and Public Relations garner top ratings for effectiveness in generating brand awareness, although the proportions indicating that they are each highly effective at this marketing objective have fallen off in the last year.
- Digital and traditional tactics are being woven into an integrated marketing program. Traditional media still represent the largest share of budgets in most cases, suggesting that new media are mostly being integrated into the mix rather than totally displacing traditional approaches. Because Web-based media have a

## Executive Summary (cont.)

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lower apparent cost, reduced budgets are driving the shift away from more costly traditional media and toward less costly new tactics.

- Companies that have already begun to integrate Web 2.0 tactics into their marketing plans are more likely to anticipate a more prominent role for all digital tactics in 2009 than those that have not integrated Web 2.0 tactics. Otherwise, there are no other significant differences in expectations, characteristics or overall strategic direction when comparing “integrators” and “non-integrators,” suggesting any company can become an integrator of these new tactics.
- Web 2.0 Integrators are significantly more likely than non-Integrators to report an aggressive company attitude toward investment in new marketing technology – perhaps because they have been utilizing, and are already comfortable with, technology-based marketing tactics. Otherwise, expectations for 2009 budget increases or decreases are similar regardless of whether companies have integrated Web 2.0 into their plans or not.
- Budget increases are planned most often for digital tactics, among those who currently use those tactics.

### 3. In the face of the economic downturn, most B2B marketers report that they are taking a “play-it-safe” posture.

- Few companies are investing in share growth or new marketing technology. Just 10% indicate they plan to raise marketing levels above competitors to gain share.
- In coping with the effects of reduced budgets, the majority of marketers indicate they plan to direct their activities to a more narrowly targeted audience. This is consistent with findings regarding increased usage of Web 2.0 tactics, as many of these communications tactics lend themselves much more to “one-to-one” communication and can therefore be very targeted and relevant to their audiences.
- Respondents also indicated that they were considering or already taking a number of different actions as a result of the economic situation, with the most frequently cited being a shift in program dollars among various alternatives (65%). Also, 50% expect to implement temporary worker layoffs and/or hiring freezes. Medium-sized and Large companies are more likely to consider variety of responses than Small companies.
- Respondents were asked how aggressive their company is when it comes to investing in marketing technology. 39% report that they have adopted a fairly conservative attitude toward marketing technology investment, preferring to

## Executive Summary (cont.)

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follow the trends of others in their industry, while 31% are willing to adopt technologies and methods that have proven successful to those outside their own industry. Relatively few companies take a very aggressive approach (12%), and a proportion slightly larger (18%) is unwilling to take any risks at all with marketing technology investment.

### Implications:

With a heightened focus on conservative marketing posture, reduced budgets, and new media in the mix, we would expect that marketers will be faced with seven new challenges:

1. **Measure and track effectiveness** of all marketing tactics and strategies to identify the optimum mix on an ongoing basis. The demand for both marketing effectiveness and efficiency will likely increase in the coming months, probably to a greater extent than ever before.
2. **Leverage the economic downturn**, as it becomes increasingly clear that it will not be going away soon. Cutting the marketing budget is not a long-term solution to the problem; in fact it can exacerbate the problem if sales suffer as a result of reduced marketing. Rethinking the marketing mix and adjusting emphasis across marketing tactics to focus on selective target customers are strategies more likely to generate the desired result – and lay the foundation for growth in the future.
3. **Nurture a deeper understanding of and dialog with individual customers and their needs**, afforded by the application of interactive/social media and the need to focus efforts on a smaller universe of targeted customers, increasing the closing ratio in order to maintain sales revenue.
4. **Learn from best practices for tactical implementation across the range of options available**. Because Web 2.0 represents a radical departure from traditional marketing (i.e., is interactive and community-based, not one-way/broadcast out), learnings will come not just from within an industry but across industries. And marketers will likely learn that they cannot abandon traditional media as they jump on the bandwagon for new media, or chase Web 2.0 without first building a foundation of Web 1.0 tools, or enter a world of high transparency without company-wide guidelines, etc.
5. **Deal with the staffing implications of new media**. Web 2.0 tactics in particular have relatively low barriers to entry and low out-of-pocket costs – especially when compared to traditional media such as television, radio, print and direct mail, etc.

## Executive Summary (cont.)

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They are not “free,” however, as they require significant and expert human resources to focus on building community-based interactive relationships.

6. **For larger companies, the need to manage change and adapt to substantially smaller marketing budgets.** Many large companies have a significant investment (culturally as well as financially) in traditional media. And a soft market for television, radio and print advertising make it tempting to maximize use of these “comfortable” tactics at prices well below those seen in recent years. Yet failure to pursue the new community-based approaches in their marketing plans (i.e., experiment with and integrate Web 2.0 tactics) risks losing marketing initiative to smaller and more nimble competitors – with a long term impact that could be disastrous.
7. **For smaller companies, a need to resist the temptation to over-rely on Web 2.0 tactics and abandon traditional and Web 1.0 marketing tactics in the process.** Although Web 2.0 may provide a handy vehicle for smaller companies to eat into the market share held by larger companies, entrepreneurs will need to figure out the right mix and optimal allocation of scarce resources (i.e., manpower, money and management) to fully capture the value of an expanded marketing toolkit in a rapidly changing marketplace environment.

In short, Web 2.0 may presage a paradigm shift in B2B marketing generally, and will require supportive and proactive management. This change is applicable not only to the specific tactics currently thought of as Web 2.0 (i.e., those that are conversational or “social” in nature), but to the entire marketing mix. Essentially, now is the time for marketers to explore and understand how the full spectrum of available marketing tools can best be integrated and optimized to (a) generate and nurture leads, (b) build brand awareness and loyalty, and (c) interact with both prospective and current customers in a meaningful and cost-effective way.

## Research Objectives

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MarketingProfs and Forrester Research teamed up for the second consecutive year to update insights and trends in B2B marketing with respect to budget and marketing mix allocations. By updating results observed at the end of 2007, we planned to observe shifts that had occurred since that time to provide updated guidance to organizations facing their own marketing planning decisions.

In addition, we sought to compare the results from both years to measure and assess the effects of the changing economy on marketing strategies and budgets in 2009. Our overall goal was to begin to assess the early effects and implications of the changing economy on the marketing variables that will affect B2B marketers for the next several years.

## Methodology

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In late 2008, Marketing Profs and Forrester Research recruited marketing executives and other management professionals from the MarketingProfs membership and the Forrester business-to-business panel. 656 respondents were surveyed on a number of issues and questions related to current and anticipated marketing strategies, tactics, budget, attitudes, and administration, as well as current and predicted changes in response to economic conditions.

The data collected are compiled in this report and compared to those gathered in late 2007 via a similar survey instrument. In analyzing both study waves, we came across several changes in both the data and the survey instrument that may impact analytical interpretation:

- In the current 2008 study, small companies (<\$20 million in annual revenue) comprise a larger proportion of the sample than they did in 2007, potentially impacting other aspects of the overall respondent profile, as well as observed attitudes and budget allocation decisions. In order to account for this difference, we weighted the 2008 data according to company size, adjusted to the company size breakdown that appeared in the 2007 data. This modification allowed us to examine trends between the two years without the influence of company size change. Those pages which are affected by the weighting are noted.
- Some questions varied in wording between the two waves of the study. For example, the current wave queried respondents on some tactics which had not been specifically identified in the 2007 survey (e.g., Company Web Site and Discussion Forums/Social Networking). Therefore, we are not always able to assess valid comparisons between years and have noted analytical adjustments in the report.

## Methodology (cont.)

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- Because some specific tactics were added in 2008, the definition of “Other Web 2.0 Media” changed for some respondents from what it was in 2007. Therefore, year-to-year comparisons for this aggregate cannot be made.
- In order to uncover significant findings in the data that go beyond observations at the total level, respondents were segmented along several grouping categories:
  - ▶ **Company Size:** **Small** (<\$20 Million in revenues), **Medium** (\$20 Million - \$499.9 Million) and **Large** (\$500 Million+).
  - ▶ **Web 2.0 Integrators:** Respondents who use at least one traditional or Web 1.0 tactic **and** use at least one Web 2.0 tactic, versus **Non-Integrators:** Those who have used at least one Web 1.0 or Traditional tactic, but have not used a Web 2.0 Tactic.

For the purposes of this report, Web 2.0 tactics are classified as those characterized by two-way conversations that are social in nature: Discussion Forums, Blogs, and Other Web 2.0 Media.

- ▶ **Budget Increases:** Those who plan to increase budgets in the coming year, versus **Budget Decreasers:** Those who plan to decrease budgets in the coming year.
- Observations between segments and between years (2007 vs. 2008) were tested for significant differences at the 95% level of confidence.
- We have also included a small number of Business-to-Consumer marketers who responded to this survey. Excluding them from the data would not impact results in a meaningful way.





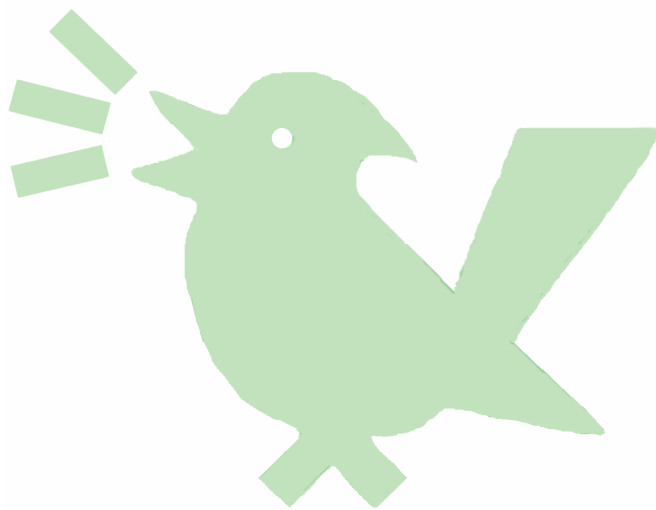
## Table of Contents

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<b>Tactics Used</b>	<b>11</b>
Overall • Annual Comparison • Company Size • Web 2.0 Integrators • Web 1.0 and Web 2.0 Overlap	
<b>Budget Allocation to Specific Tactics Planned for 2009</b>	<b>27</b>
Overall • Annual Comparison • Company Size • Web 2.0 Integrators • Web 1.0 and Web 2.0 Overlap	
<b>2008 Budget and Plans for the Coming Year</b>	<b>41</b>
2008 Actual vs. Plan • Company Size • Web 2.0 Integrators • Planned 2009 • Magnitude of Changes • Tactics Affected	
<b>Attitude and Behavioral Analysis</b>	<b>57</b>
Economic Condition Impact • Planned Responses • Company Size • Web 2.0 Integrators • Focus Shift Response • Aggressiveness Toward Marketing Technology Investment • Lead Generation Tactics • Brand Awareness Tactics • Perceived Effectiveness of Specific Tactics	
<b>Appendix: Respondent Profile</b>	<b>73</b>
Company Size • Marketing Budget • Distribution Profile • Customer Focus	



## **TACTICS USED**





## Tactics Used

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We reviewed current tactics used and budget allocations, and those reported a year ago. In addition, we examined sub-groups including those who have integrated at least one Web 2.0 tactic into their marketing mix (“Integrators”) compared to “Non-Integrators.”\*

- Overall, reported rates of specific tactics used in 2008 have remained similar to those observed in 2007, with companies using Company Web Site and Email more than any other tactics, followed by In-Person Tradeshows and Public Relations. The most notable changes are increased usage of Search Marketing and Online Video, and decreased usage of Executive Events and Radio.
- Medium and Large companies are more likely to use many Web 1.0 and Traditional tactics than Small companies. The most significant year-to-year differences were an increase in use of Search Marketing among Large businesses and a decrease in Sponsorships among Mid-Size businesses.
- Just over half (53%) of the respondents in this study are “Integrators” – that is, they report integrating at least one Web 2.0 tactic (blogs, discussion forums or Other Web 2.0 Media) into their marketing mix. This is up from a year ago when the comparable number was 46%. There is no substantial difference in company size between Integrators and Non-Integrators, although Medium-sized companies are reporting higher levels of Web 2.0 integration than Medium-sized companies reported a year ago.
- Web 2.0 Integrators report significantly greater usage of Web 1.0 tactics – and many Traditional tactics – than do Non-Integrators. Overall, Integrators are using a greater number of tools at their disposal.
- When we look at those companies using at least one Web 1.0 tactic (other than the Company Website), we also find that they are significantly more likely to be Web 2.0 Integrators. This suggests that Integrators are more likely to add Web 2.0 tactics into their marketing mix once they have a strong Web 1.0 foundation of digital marketing basics.

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\* Web 2.0 Integrators are defined as those using one or more of the following: Discussion Forums, Blogs, Other Web 2.0 Media.

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 Trends in Strategies and Spending

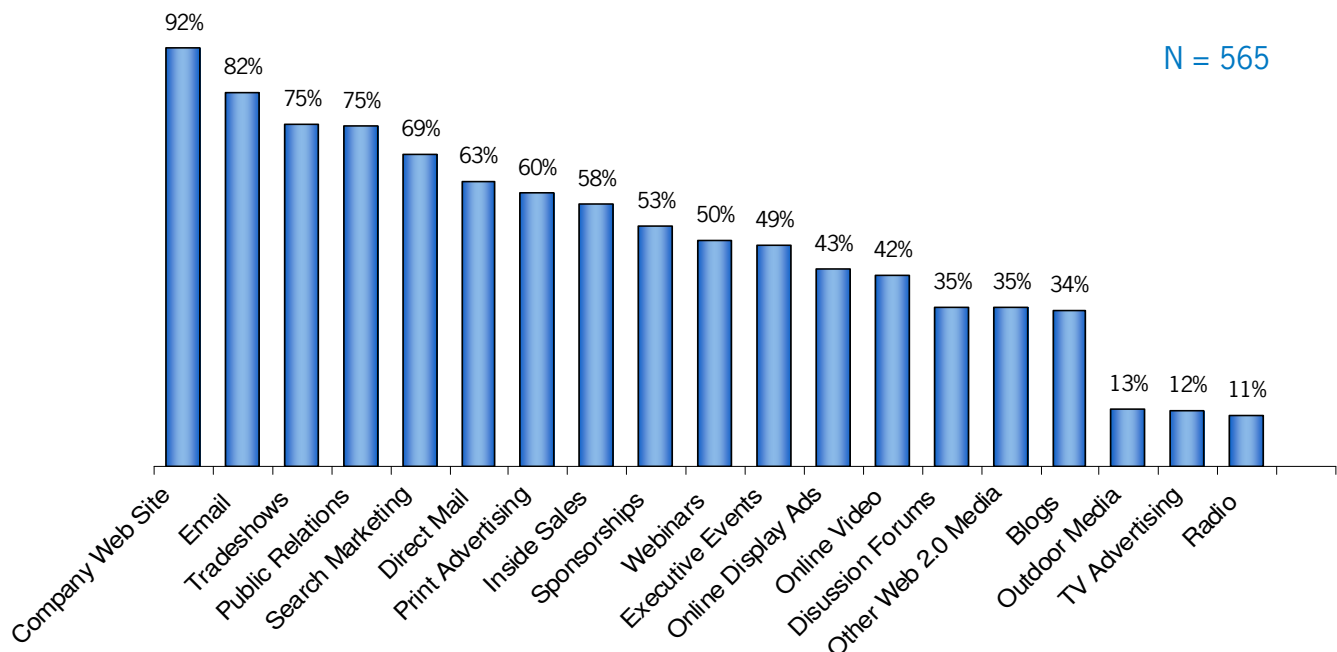
## Tactics Used

### Tactics Currently Used

Traditional tactics still dominate the marketing mix, with the majority of those tactics used by more than 50% of respondents being mostly traditional in nature. That said, the data suggest that marketers are also relying heavily on certain digital tactics. The top two tactics used are Company Web Site (92%) and Email (82%), followed by some traditional tactics, such as In-Person Tradeshows (75%) and Public Relations (75%). Marketers are also using Search Marketing (69%) at a greater rate than traditional tactics such as Direct Mail (63%), Print Advertising (60%), Inside Sales/Telemarketing (58%), Sponsorships (53%), and Executive Events (49%).

Some digital tactics cluster together in the middle of the pack, including Webinars (50%), Online Display Ads (43%), Online Video (42%), Discussion Forums (35%), Other Web 2.0 Media (35%) and Blogs (34%). Some traditional tactics are used the least often of all tactics, including Radio (11%), TV Advertising (12%), and Outdoor Media (13%).

#### Usage Rates Highest for Company Web Site and Email



Note: 2008 data weighted against 2007 data by company size.

## Tactics Used

### Tactics Used: 2007 vs. 2008

Overall, usage of most tactics in 2008 appears not to have changed when compared with usage rates observed at the end of 2007. Two “traditional” tactics – Radio (17% in 2007 vs. 11% in 2008) and Executive Events (58% in 2007 vs. 49% in 2008) – have experienced significant declines in usage, while some Web 1.0 tactics, Search Marketing (61% in 2007 vs. 69% in 2008) and Online Video (34% in 2007 vs. 42% in 2008), have gained ground.\*

#### Most Usage Rates Similar Between 2007 and 2008

TACTICS USED	Usage Rate		Percentage Point Change
	A. 2007 (N=337)	B. 2008 (N=565)	
Online Video	34%	42% A	8
Search Marketing	61%	69% A	8
Tradeshows (in person)	72%	75%	4
Inside Sales	56%	58%	2
Print Advertising	59%	60%	1
Blogs	34%	34%	0
TV Advertising	13%	12%	-1
Online Display Ads	45%	43%	-1
Public Relations	76%	75%	-1
Direct Mail	65%	63%	-2
Webinars	52%	50%	-2
Email	85%	82%	-3
Outdoor Media	15%	13%	-3
Sponsorships	58%	53%	-5
Radio	17% B	11%	-6
Executive Events	58% B	49%	-9
Company Web Site	n/a	92%	n/a
Discussion Forums	n/a	35%	n/a

Columns A and B were tested against each other for the determination of statistically significant differences, with the letter (A or B) indicating that the noted percentage is significantly larger than the corresponding percentage in the other column in the same row.

\* In both years, respondents evaluated “Other Web 2.0 media” as a separate aggregate. However, since Discussion Forums is included as a tactic assessed in the 2008 survey, but not in the 2007, the definition of “Other Web 2.0 Media” may have changed for some respondents in the two years studied. Therefore, we have opted not to include “Other web 2.0 media” in this analysis when results from the two years are compared. Further, since Discussion Forums and Company Web Site, are included for the first time this year, comparisons with 2007 data for these tactics are unavailable.

Note: 2008 data weighted against 2007 data by company size.



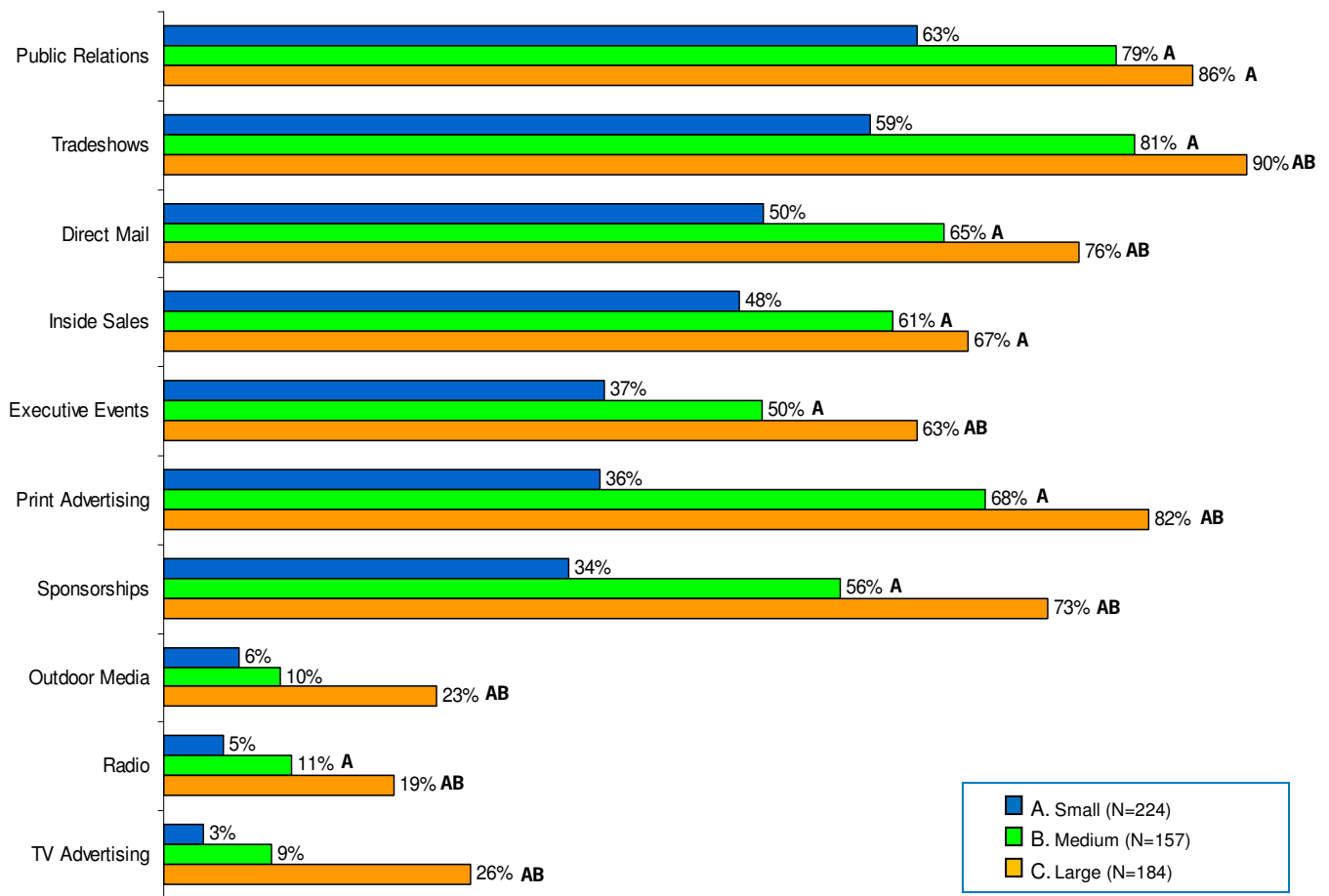
## B2B Marketing in 2009: Trends in Strategies and Spending

### Tactics Used

## Traditional Tactics Used by Company Size

Large and Medium-sized companies are significantly more likely than Small companies to use traditional tactics.

### Traditional Tactic Usage Rates Higher Overall Among Medium/Large Companies



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the percentage in the other colored bar(s) for the same tactic is/are significantly different.

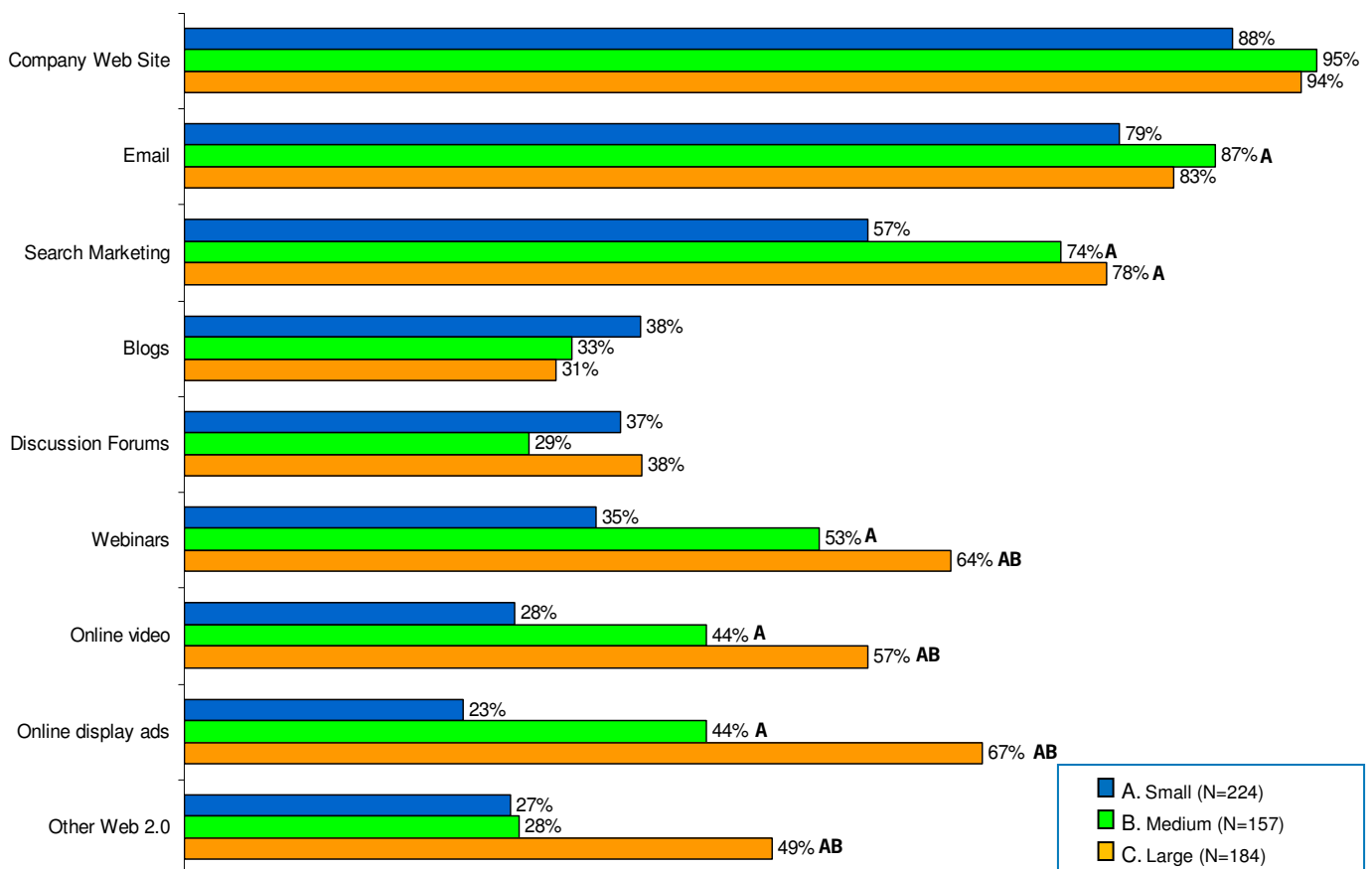
Note: 2008 data weighted against 2007 data by company size.

Tactics Used

## Digital Tactics Used by Company Size

Usage of many Web 1.0 tactics is also higher among Medium and Large companies when compared with Small companies. There is variation in the difference by company size regarding Web 2.0 tactics: Other Web 2.0 Media is used significantly more often by Large companies than Medium or Small, while Small companies appear to use Blogs more often than other companies. Usage of Discussion Forums fluctuates by company size.

**Digital Tactic Usage Rates Higher Overall Among Medium/Large Companies**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the percentage in the other colored bar(s) for the same tactic is/are significantly different.

Note: 2008 data weighted against 2007 data by company size.

## B2B Marketing in 2009: Trends in Strategies and Spending

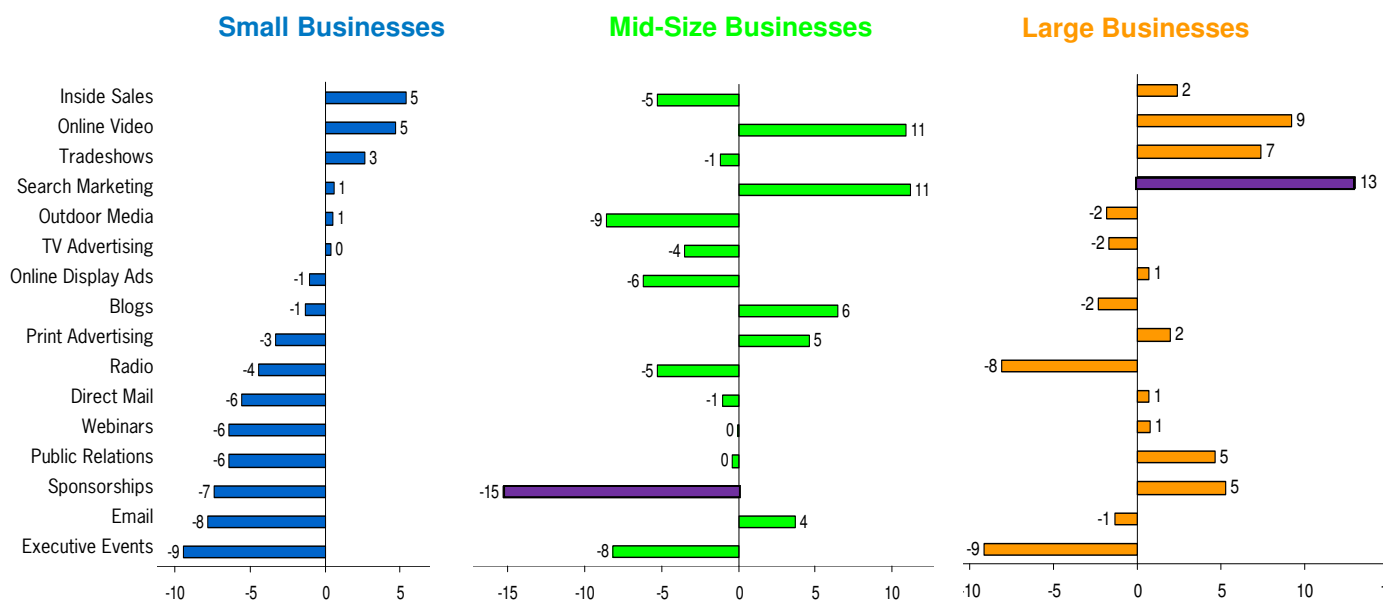
### Tactics Used

## Tactic Usage by Company Size: 2007 vs. 2008

While there was some variation in the rates of tactics used between 2007 and 2008 among Small, Medium, and Large companies, most of the changes were not statistically significant. Only two tactics saw significant changes in usage – a drop of 15 percentage points in Sponsorships among Mid-size businesses and a 13-percentage point surge in Search Marketing among Large organizations.

**Usage Rates Relatively Similar Between 2007 and 2008, Regardless of Company Size**

### Tactic Usage Rates: Percentage Point Change 2007 to 2008



Bars above represent percentage point changes between 2007 and 2008 usage rates. Those differences which are statistically significant are represented here by purple bars.

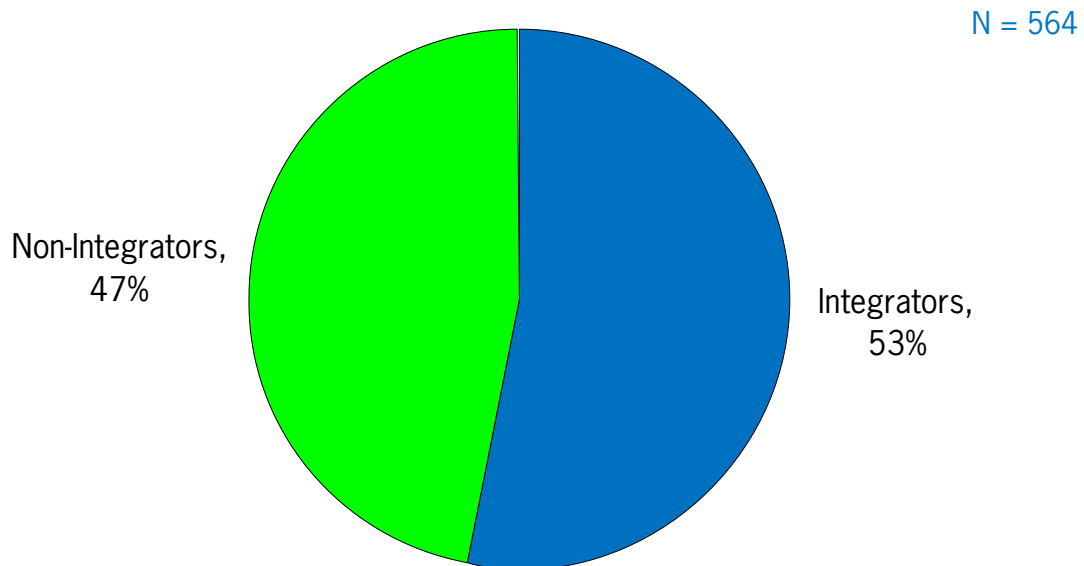
Note: 2008 data weighted against 2007 data by company size.

Tactics Used

## Web 2.0 Integration – Overall Proportion

In 2008, 53% of respondents indicate that they have integrated at least one Web 2.0 tactic (Blogs, Discussion Forums, or Other Web 2.0 Media) into their marketing mix.

**More Than Half of Respondents Have Integrated  
Web 2.0 into Marketing Mix**



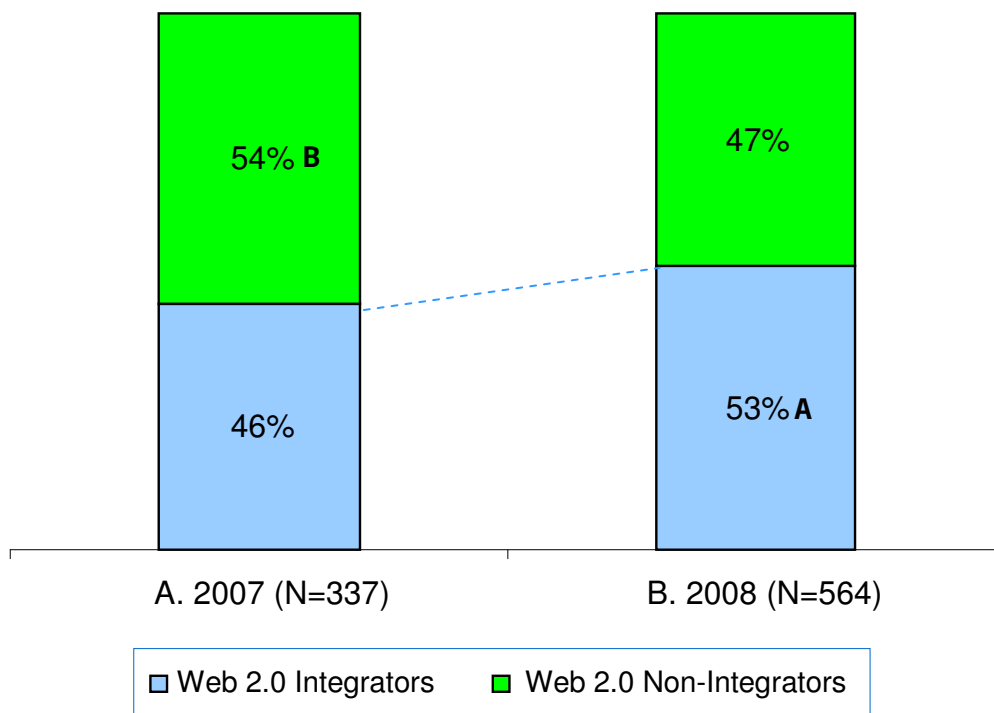
Note: 2008 data weighted against 2007 data by company size.

Tactics Used

## Web 2.0 Integrators: 2007 vs. 2008

Respondents are significantly more likely to currently be Web 2.0 Integrators than were the respondents a year before, climbing from 46% in 2007 to 53% in 2008.

Proportion of Integrators has Increased from 2007



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

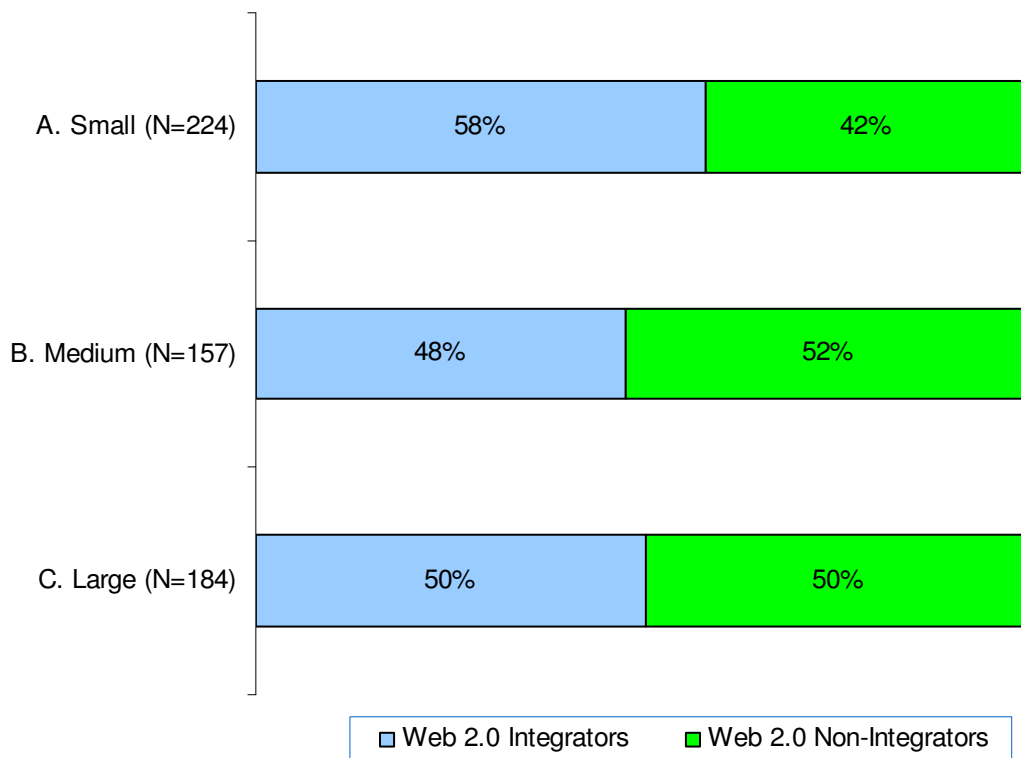
Note: 2008 data weighted against 2007 data by company size.

Tactics Used

## Web 2.0 Integrators – by Company Size

Small companies (58%) appear more likely than Medium (48%) or Large (50%) companies to be Web 2.0 Integrators, although the difference is not statistically significant.

**Web 2.0 Integration Rates Are Similar Across Company Size**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. No significant differences were found.

Note: 2008 data weighted against 2007 data by company size.

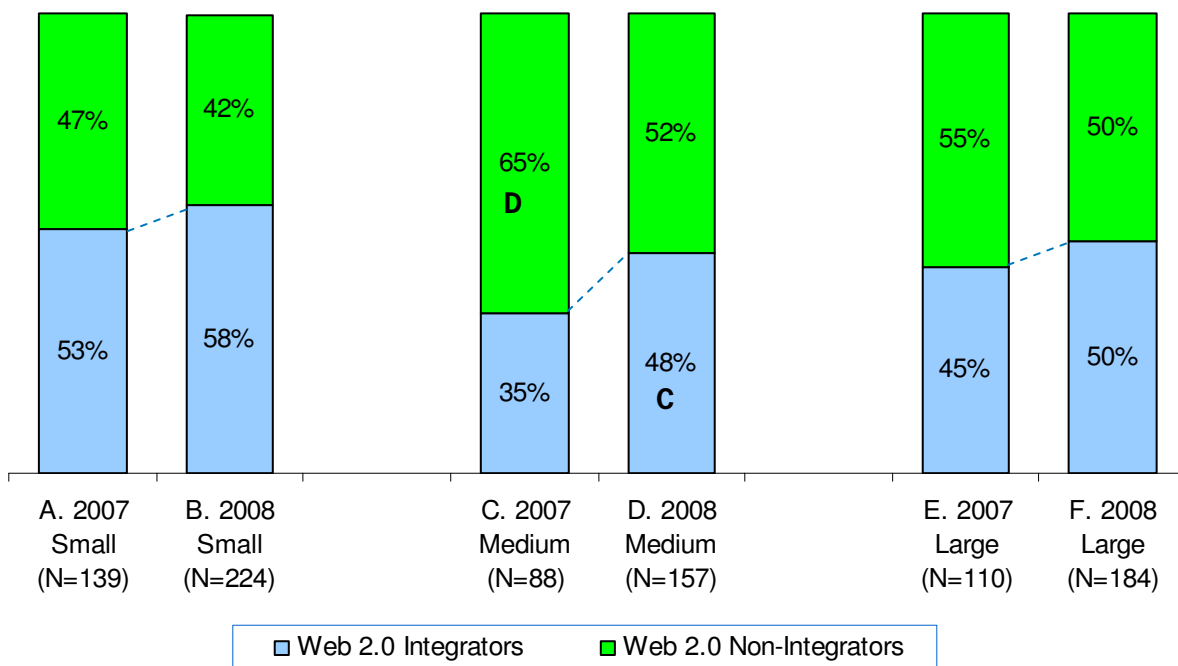
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 Trends in Strategies and Spending

**Tactics Used**

**Web 2.0 Integrators – by Company Size: 2007 vs. 2008**

Medium-sized companies in 2008 are significantly more likely to be Web 2.0 Integrators (48%) than Medium-sized companies in 2007 (35%). While Small and Large companies also appear to be reporting higher rates of Web 2.0 Integration in 2008 than in 2007, the differences are not statistically significant.

**Medium-Sized Respondents in 2008 Reporting Higher Levels of Web 2.0 Integration Than 2007 Respondents**



The percentages in the bars above were tested against each other (A vs. B, C vs. D, E vs. F) for the determination of statistically significant differences. The letter next to the percentage (A, B, C, D, E, or F) indicates that the corresponding percentage in the other bar is significantly different.

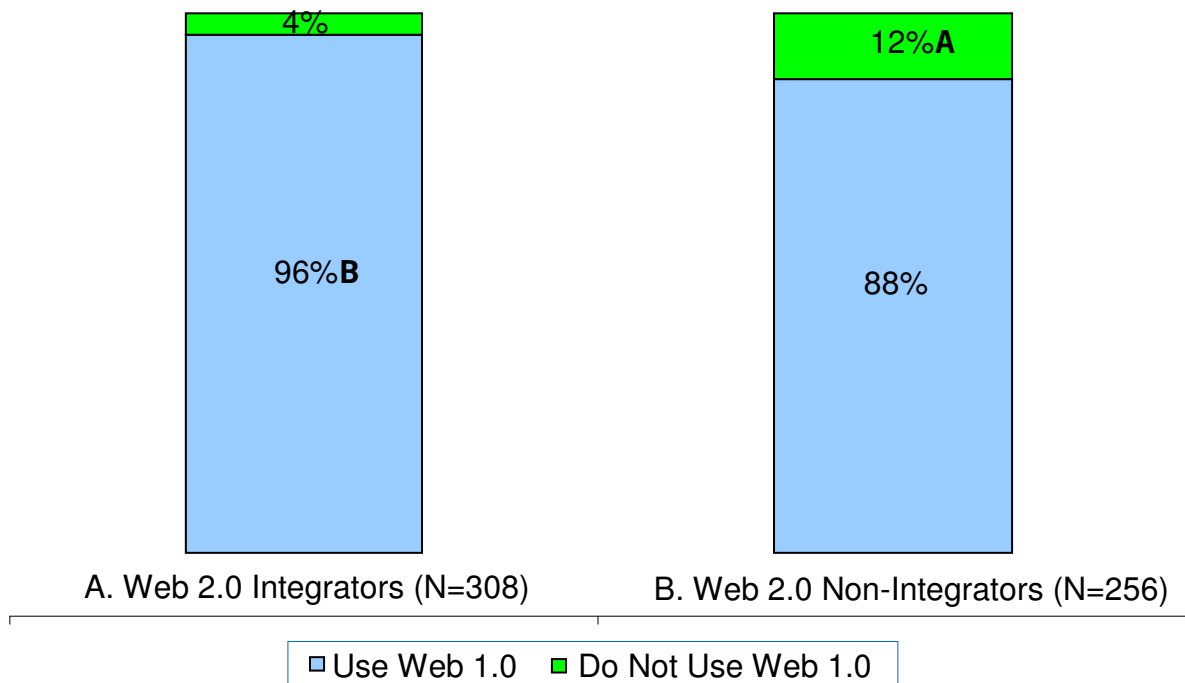
Note: 2008 data weighted against 2007 data by company size.

Tactics Used

## Web 2.0 Integrators – Usage of Web 1.0 Tactics

Web 2.0 Integrators are significantly more likely to be using at least one Web 1.0 tactic (96% using Email, Online Display Ads, Online Video, Search Marketing, or Webinars) than Non-Integrators (88%). (Note that Company Web Site was not included since usage of this tactic is ubiquitous.)

**Integrators More Likely Than Non-Integrators  
To Use Web 1.0**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.



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Trends in Strategies and Spending

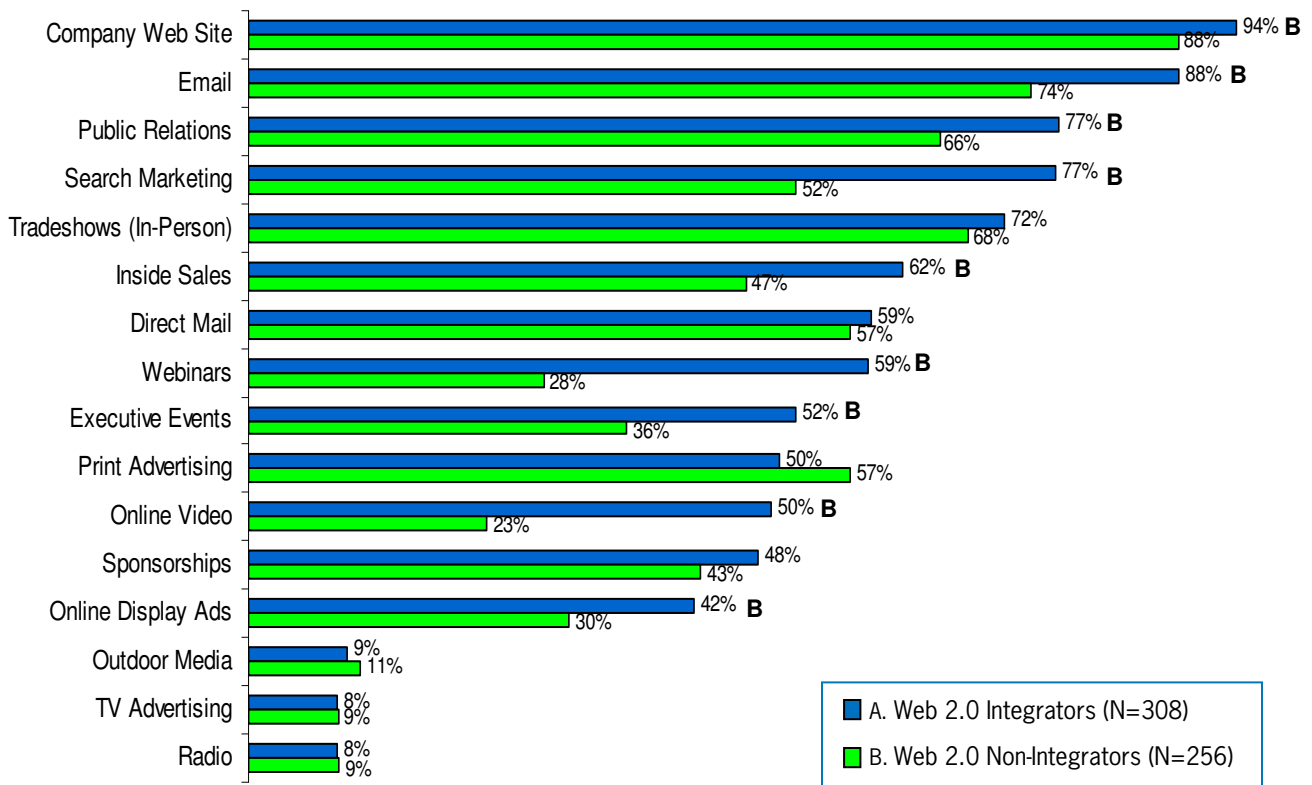
## Tactics Used

### Web 2.0 Integrators – Other Tactics Used

When viewed in detail, Web 2.0 Integrators are statistically more likely to use Web 1.0 tactics more often than Non-Integrators. In particular, Web 2.0 Integrators are much more likely to use of Search Marketing (77%), Webinars (59%) and Online Video (50%).

Additionally, Web 2.0 Integrators also use some traditional tactics significantly more often than Non-Integrators, including Public Relations (77%), Inside Sales (62%), and Executive Events (52%). In short, Integrators indicate a greater propensity for using a multi-faceted marketing arsenal than those marketers who have not incorporated Web 2.0 tactics.

#### Web 2.0 Integrators More Likely Than Non-Integrators To Use Many Other Tactics – Particularly Search Marketing, Webinars, and Online Video



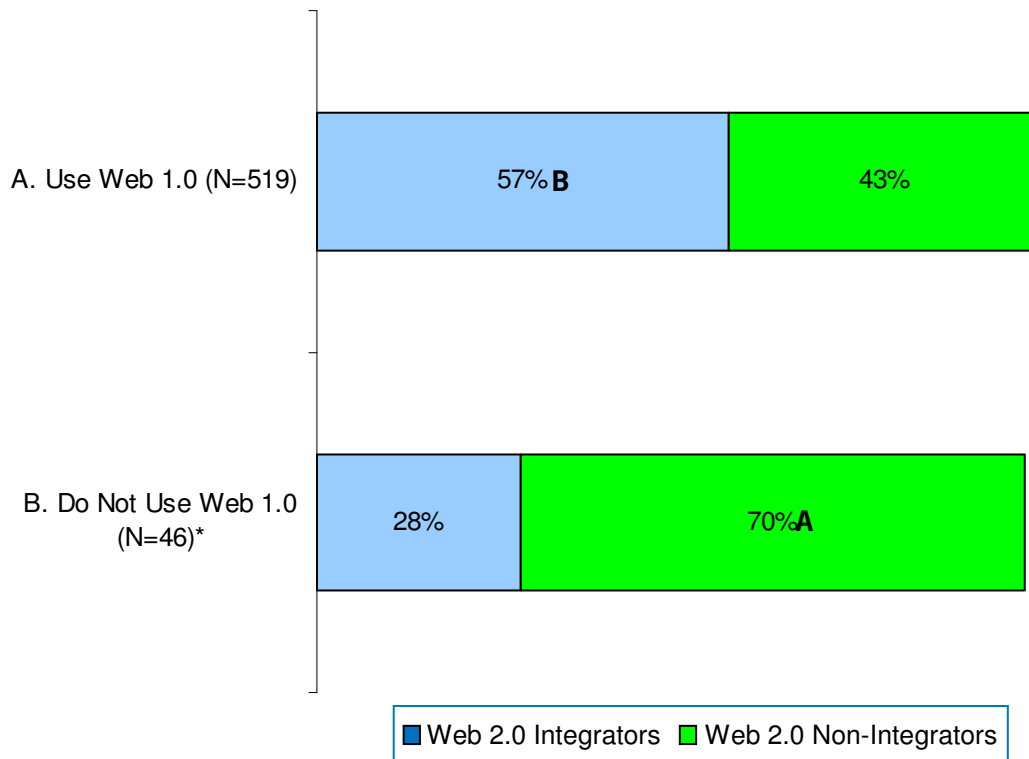
The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the percentage in the other colored bar for the same tactic is significantly different.

## Tactics Used

### Web 2.0 Integration Among Web 1.0 Users

Respondents using at least one Web 1.0 tactic are significantly more likely to have integrated Web 2.0 (57%) than those who have not used Web 1.0 (28%). This finding suggests that companies may be more likely to incorporate Web 2.0 tactics into their marketing toolkit once they have a strong foundation of digital marketing basics.

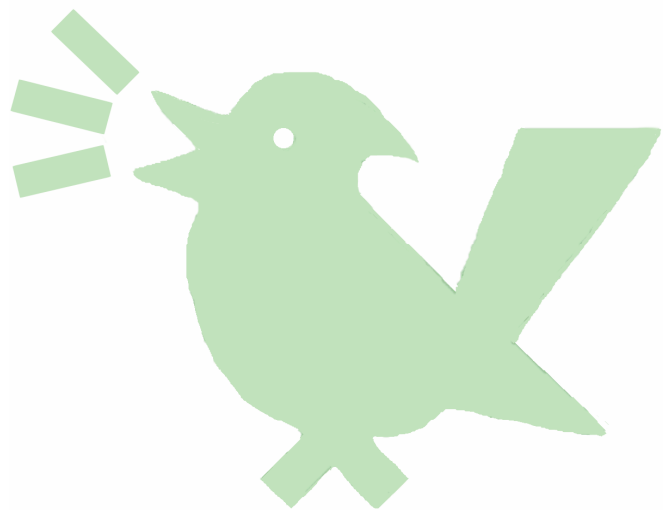
#### Web 2.0 Integration Significantly Higher Among Web 1.0 Users Than Among Those Who Don't Use Web 1.0 Tactics



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.



**BUDGET ALLOCATIONS TO  
SPECIFIC TACTICS PLANNED  
FOR 2009**





## Budget Allocations to Specific Tactics Planned for 2009

### Planned Marketing Budgets for 2009

Planned 2009 marketing budget allocations were explored among users of the various tactics and compared to similar allocations in 2008.

- The largest percentages of 2008 budgets were devoted to traditional tactics. In fact, Company Website is the only digital tactic appearing on the list of the top 8 tactics for percentage of budget allocated, among those using the tactics. The other 7 include:
  - Tradeshows, a widely used tactic (75% of respondents), representing an average of 19% of budgets among the companies that use them, the highest share of budget of all tactics;
  - Television Advertising, used by a relatively small number of B2B companies (12% of respondents in this study), representing 16% of the marketing budget among those using this tactic; and
  - Inside Sales, Direct Mail, Print Advertising, Public Relations and Executive events, used relatively frequently (by 49-75% of marketers responding in this study), each representing 11-15% of the average marketing budgets among those companies using the tactics.
- Other tactics, including a range of both traditional and digital approaches, typically account for 10% or less of the budget. Digital tactics usually garner much smaller budget proportions, in the 3-6% range on average, as these are generally less expensive than traditional media.
- Overall, budget allocations have not changed significantly in the past year.
- Respondents are most likely to believe that digital tactics – particularly Company Web Site and Email – will become more prominent in their 2009 marketing mix. Of the top 12 tactics expected to become more prominent, only Inside Sales is purely traditional; all the others are digital.
- Budget increases are planned most often for digital tactics, among those who currently use those tactics, although increases for all tactics are less likely to be anticipated than they were in 2007 (among users of them), and decreases are expected by more respondents.
- Web 2.0 Integrators (in 2008) are more likely than Non-Integrators to anticipate increased importance of Web 2.0 tactics in their 2009 marketing mix, suggesting that they are gaining confidence in the effectiveness of these tactics.

## Budget Allocations to Specific Tactics Planned for 2009

### Budget Allocations Among Tactic Users

Among those using the specific tactics in 2008, Tradeshows (In-Person) represent the largest share of the budget, at 19% on average, followed by TV Advertising (16%) and Inside Sales/Telemarketing (15%).

We note, however, that Television Advertising is used by a relatively small number of B2B companies (12% of respondents in this study), so while those using Television Advertising devote a high proportion of their total budget to it, the absolute cost of Television Advertising restricts use of the medium to just 12% of respondents – in the same range as Radio (11%) and Outdoor Advertising (13%).

By way of contrast, Tradeshows are more frequently used (75% of respondents) and represent an average of 19% of budgets among the companies that report using them.

Most digital tactics demand smaller budget proportions on average, among those who use them, typically 3-6%. These include Other Web 2.0 Media, Blogs, Discussion Forums, Online Video, Online Display Ads, and Webinars. Company Web Site (12%), Search Marketing (10%) and Email (9%) are the digital tactics that receive the largest budget allocations among their users.

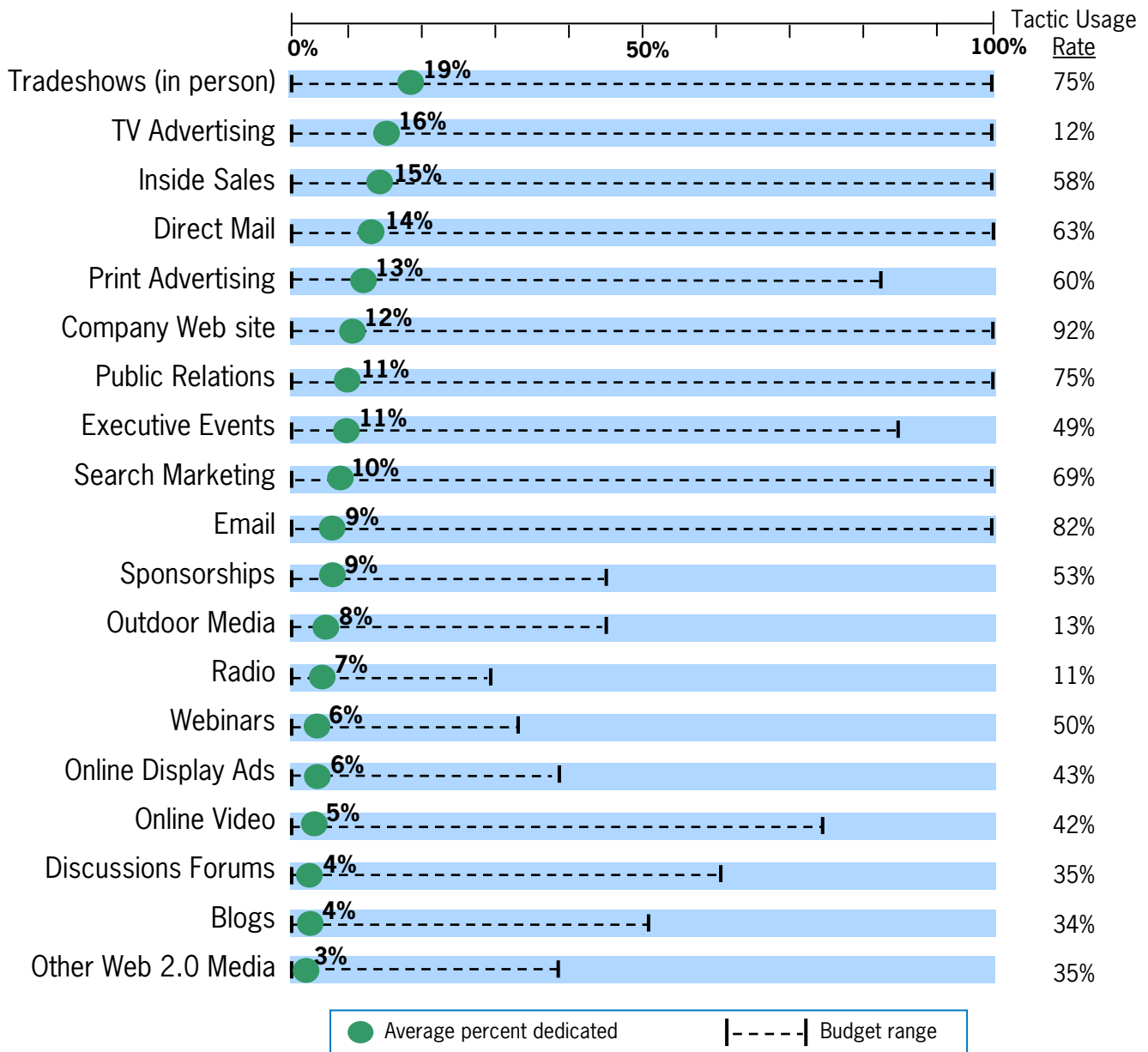
Note that the range around these average budget proportions varies between tactics. For example, 11% of respondents use Radio, with some allocating as much as 30% of the budget to this tactic, although the average is 7%. In contrast, 75% use In-Person Tradeshows, and while the average allocation among those users is 19%, some allocate 100% of their budget to this tactic.

[See chart on p. 31](#)

Budget Allocations to Specific Tactics Planned for 2009

Budget Allocations Among Tactic Users (cont.)

Average Budget Allocations Highest Among Users of Tradeshows, TV Advertising and Inside Sales



Note: 2008 data weighted against 2007 data by company size.



## Budget Allocations to Specific Tactics Planned for 2009

# Budget Allocations Among Users of Specific Tactics: 2007 vs. 2008

Among users of each tactic, budget allocations appear to have undergone relatively minor changes between 2007 and 2008. Those using Inside Sales, Direct Mail, Sponsorships, Outdoor Media, and Online Video appear to have slightly increased budget allocations to these tactics.

### Budget Allocations Relatively Stable Between 2007 and 2008

TACTICS USED	Average Budget Allocation Among Tactic Users		Percentage Point Change
	2007	2008	
Tradeshows (in person)	20%	19%	-1
TV Advertising	17%	16%	-1
Inside Sales	14%	15%	1
Direct Mail	14%	14%	0
Print Advertising	15%	13%	-2
Company Web Site	n/a	12%	n/a
Public Relations	12%	11%	-1
Executive Events	12%	11%	-1
Search Marketing	13%	10%	3
Email	12%	9%	3
Sponsorships	9%	9%	0
Outdoor Media	8%	8%	0
Radio	9%	7%	-2
Webinars	8%	6%	-2
Online Display Ads	7%	6%	-1
Online Video	5%	5%	0
Discussion Forums	n/a	5%	n/a
Blogs	5%	4%	-1

Note: 2008 data weighted against 2007 data by company size.

## Budget Allocations to Specific Tactics Planned for 2009

# Planned Importance of Specific Tactics in 2009 Marketing Mix

More than any other tactic, respondents are most likely to believe that their Company's Own Website (71%) will become more prominent in their organization's marketing mix in 2009 when compared with its position in 2008. More than half also have the same belief about Email (57%), and 40% or more anticipate that Webinars (47%), Inside Sales (47%), Blogs (42%), and Open/Public Social Networks (40%) will each have a more important role in their 2009 marketing mix.

Respondents most often foresee the influence of Virtual Worlds as fading (41%), although given the fact that this digital tactic is a relatively new tool, it is not clear whether its importance is truly in decline, or if marketers are still evaluating its application to the marketing mix. 54% expect this tactic to maintain the same level of importance in 2008 as it had in 2007.

Industry Analyst Firms (33%), In-person Industry Events (33%), and Technology or Business publications (30%) are also expected to be less important to the company's 2009 marketing plans. However, a percentage, ranging between 46 to 53%, depending upon the tactic, anticipates that the usage of these tactics will be emphasized to the same degree in 2009 that they were in 2008.

See chart on p. 34

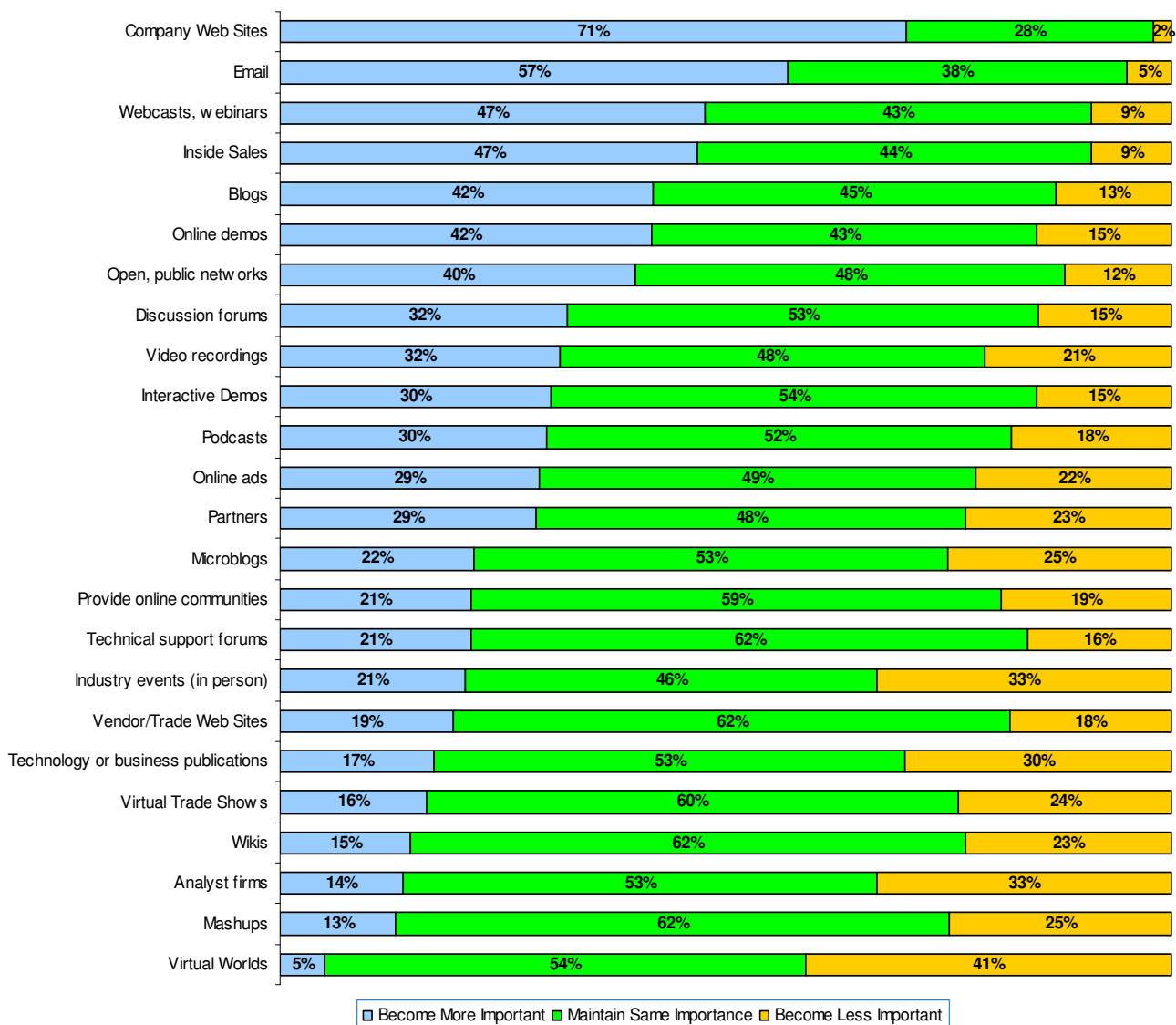
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Trends in Strategies and Spending

### Budget Allocations to Specific Tactics Planned for 2009

## Planned Importance of Specific Tactics in 2009 Marketing Mix (cont.)

**Company Web Site and Email Expected Most Often to Have More Prominent Role in 2009 Marketing Mix**

N = 503



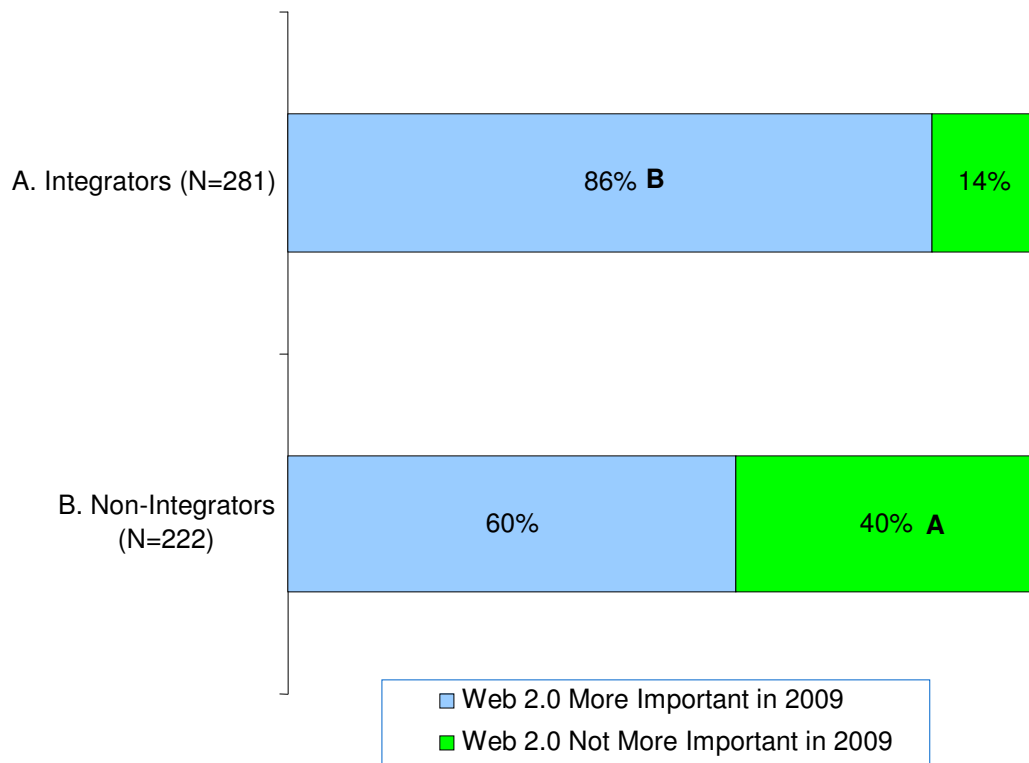
Note: 2008 data weighted against 2007 data by company size.

**Budget Allocations to Specific Tactics Planned for 2009**

**Web 2.0 Integrators – Planned Emphasis of Web 2.0 in 2009**

Respondents who have incorporated at least one Web 2.0 tactic in 2008 are significantly more likely than Non-Integrators to anticipate increased importance of Web 2.0 tactics in their 2009 marketing mix (86% vs. 60%).

**2008 Web 2.0 Integrators Are More Likely Than Non-Integrators to Plan on Emphasizing Web 2.0 in 2009**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

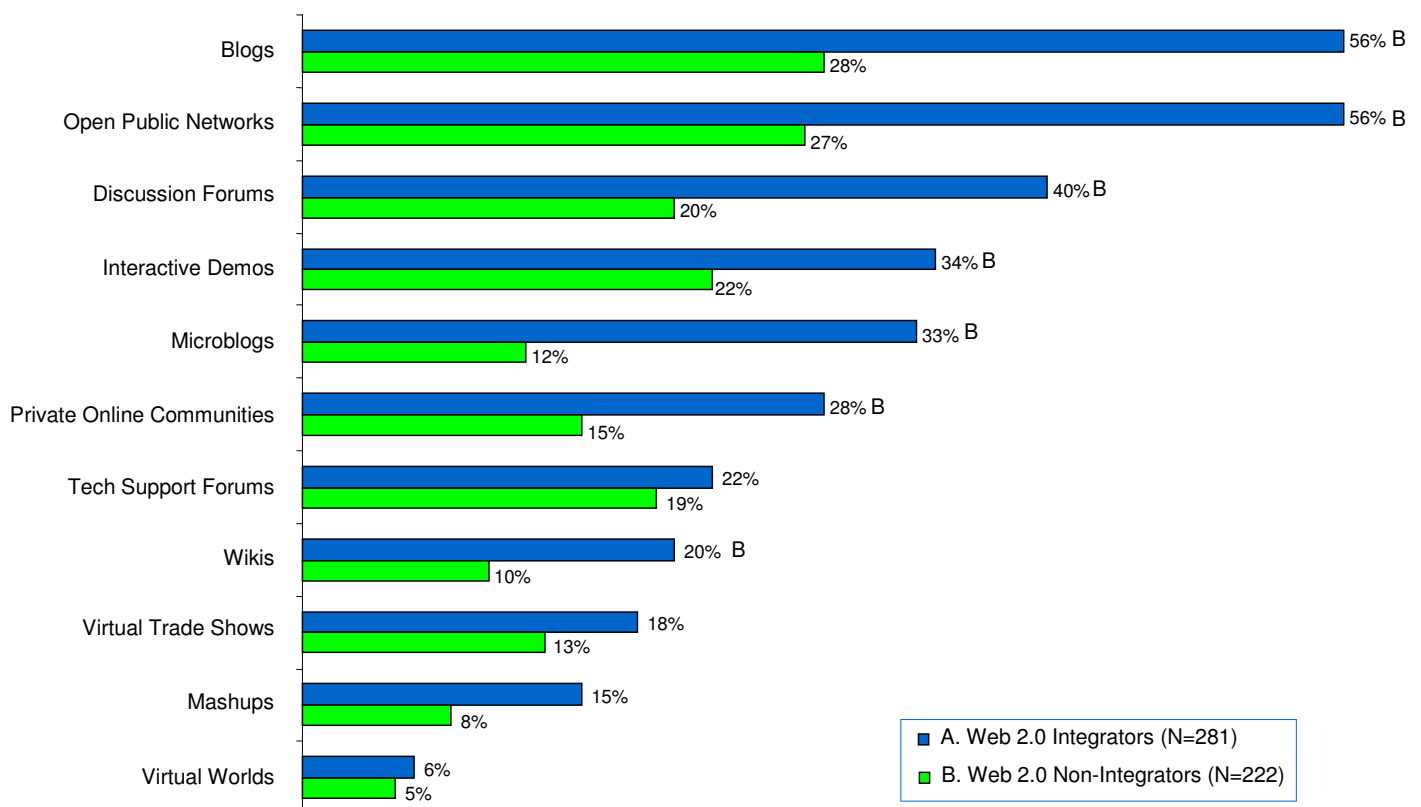
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Trends in Strategies and Spending

### Budget Allocations to Specific Tactics Planned for 2009

## Web 2.0 Integrators – Web 2.0 Tactics with Planned Increased Importance in 2009 Marketing Mix

A greater percentage of Web 2.0 Integrators are planning a more prominent role in their 2009 marketing mix for many specific Web 2.0 tactics - Blogs (56%), Open Public Networks (56%), Discussion Forums (40%), Interactive Demos (34%), Microblogs (33%), Private Online Communities (28%) and Wikis (20%) - than the percentage of Web 2.0 Non-Integrators.

### Web 2.0 Integrators More Likely to Plan Expanded Role for Digital Tactics in 2009 Than Non-Integrators



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the percentage in the other colored bar for the same tactic is significantly different.

## Budget Allocations to Specific Tactics Planned for 2009

### Anticipated Marketing Budget Changes by Tactic

Of those currently using each tactic, respondents indicate that the top eight tactics slotted for funding increases are all digital. Specifically, resources allocated to digital tactics such as Search Marketing and Company Web Site will increase in 2009, with 46% saying so for each, and a proportion slightly smaller saying the same for Online Video (40%), Discussion Forums (38%), Webinars (38%) and Email (37%). 32% are planning to spend more on Blogs and 31% say they same for Other Web 2.0 Media.

In contrast, respondents are most likely to forecast declines in spending on traditional tactics, such as Outdoor Media (64%), Radio (62%), Print Advertising (60%), and TV Advertising (55%).

#### 2009 Budget Increases Expected Most Often for Digital Tactics

TACTICS USED	MARKETING BUDGET CHANGES		
	Decrease	No Change	Increase
Search Marketing	18%	36%	46%
Company Web Site	13%	41%	46%
Online Video	20%	40%	40%
Discussion Forums, Social Networks, or Communities	15%	46%	38%
Webinars	18%	44%	38%
Email	12%	51%	37%
Blogs	10%	58%	32%
Other Web 2.0 Media	18%	51%	31%
Inside Sales	15%	56%	29%
Executive Events	29%	44%	27%
Public Relations	19%	56%	26%
Online Display Ads	35%	40%	24%
Direct Mail	37%	40%	22%
Print Advertising	60%	24%	16%
Tradeshows (in person)	47%	40%	13%
Sponsorships	44%	44%	12%
Outdoor Media	64%	25%	10%
Radio	62%	25%	10%
TV Advertising	55%	36%	8%

Note: 2008 data weighted against 2007 data by company size.

## Budget Allocations to Specific Tactics Planned for 2009

### Anticipated Budget Increases: 2007 vs. 2008

The largest percentage increases are planned for digital tactics, although when compared to last year's study, respondents using each tactic this year are less likely to expect increases in budgets for all tactics in the coming year. Double-digit declines in percentages anticipating increases are projected for nearly all tactics; the smallest decreases in those expecting additional funds are for Direct Mail (-3 points), Radio (-6 points), Email (-7 points), Print Advertising (-7 points), Search Marketing (-8 points), and Inside Sales (-9 points).

#### Percentage of Respondents in 2008 Expecting Budget Increases Smaller Than Those in 2007 Who Expected Increases For The Next Year

TACTICS USED	Percentage Planning to Increase		Percentage Point Change
	2007	2008	
Direct mail	25%	22%	-3
Radio	23%	17%	-6
Email	43%	37%	-6
Print Advertising	23%	16%	-7
Search Marketing	54%	46%	-8
Inside Sales	38%	29%	-9
Blogs	44%	32%	-12
TV Advertising	20%	8%	-12
Online Display Ads	38%	24%	-14
Outdoor Media	24%	10%	-14
Webinars	53%	38%	-15
Sponsorships	28%	12%	-16
Online Video	56%	40%	-16
Tradeshows (in person)	30%	13%	-17
Public Relations	43%	26%	-17
Executive Events	48%	27%	-21

Note: 2008 data weighted against 2007 data by company size.

## Budget Allocations to Specific Tactics Planned for 2009

### Anticipated Budget Decreases: 2007 vs. 2008

The biggest changes in the percentage expecting declines are for mostly traditional tactics, led by Outdoor Media (+46 points), Radio (+39 points), and Print Advertising (+31 points). The percentage of respondents planning to decrease spending is up for every tactic though, among those using those tactics, with relatively steep double-digit declines from 2007 to 2008 expected in most cases, except Blogs (+4 points), Email (+4 points) and Inside Sales (+4 points).

#### Percentage of Respondents in 2008 Expecting Budget Decreases Greater Than Those in 2007 Who Expected Decrease in Coming Year

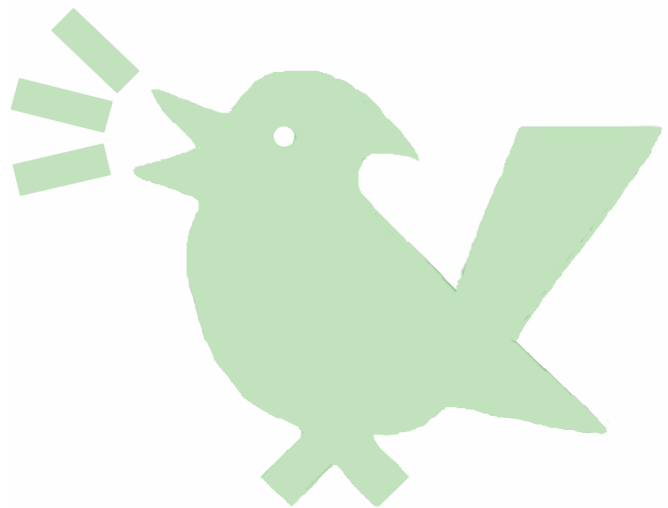
TACTICS USED	Percentage Planning to Decrease		Percentage Point Change
	2007	2008	
Outdoor Media	18%	64%	46
Radio	23%	62%	39
Print Advertising	29%	60%	31
Sponsorships	18%	44%	26
Tradeshows (in person)	22%	47%	25
TV Advertising	33%	55%	22
Executive Events	8%	29%	21
Online Display Ads	15%	35%	20
Direct Mail	20%	37%	17
Online Video	5%	20%	15
Webinars	4%	18%	14
Search Marketing	4%	18%	14
Public Relations	5%	19%	14
Email	8%	12%	4
Inside Sales	11%	15%	4
Blogs	6%	10%	4

Note: 2008 data weighted against 2007 data by company size.





**2008 BUDGET  
AND PLANS FOR THE  
COMING YEAR**





## 2008 Budget and Plans for the Coming Year

### Planned Budget vs. Actual Experience

We asked respondents in this study about how their actual marketing spending in 2008 compared to what they expected going into 2009, anticipating that there might well be a significant spending impact from the economic downturn toward the end of the year. We were also able to compare anticipated marketing budgets for the coming year with similar budget plans reported a year ago, before the recession.

Major findings are:

- While 51% of respondents expected a budget increase in 2008, just 28% saw that increase actually occur. In contrast, 24% experienced a budget decrease, dramatically more than the 5% who had expected a budget decrease a year ago. Budget cuts occurred more frequently among large companies, and differences in actual budgets, when compared with expectations, were especially notable among this segment; 9% anticipated a budget decrease, but 43% reported a decrease actually occurred.
- Respondents in this study (conducted at the end of 2008) are more likely to expect budget decreases in 2009 than were those surveyed at the end of 2007. Fully 40% of respondents in 2008 anticipate a decline in marketing budgets compared with 5% a year ago. The proportion expecting an increase, at 51% in 2007, is just 24% in 2008.
- Among those expecting a budget increase, the average amount is expected to be 29%, while those expecting a decrease expect an average decrease of 21%.
- Continuing the trend observed last year, cuts are expected more frequently among Large and Medium-sized companies than Small companies. However, decreases are expected more frequently in 2009 across all company sizes, as noted above, when compared with what had been expected the year before.
- Companies that experienced a budget decrease in 2008 are also more likely than others to expect a decline in 2009.
- Expectations for 2009 budget increases or decreases are similar regardless of whether companies have integrated Web 2.0 into their plans or not.

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Trends in Strategies and Spending

2008 Budget and Plans for the Coming Year

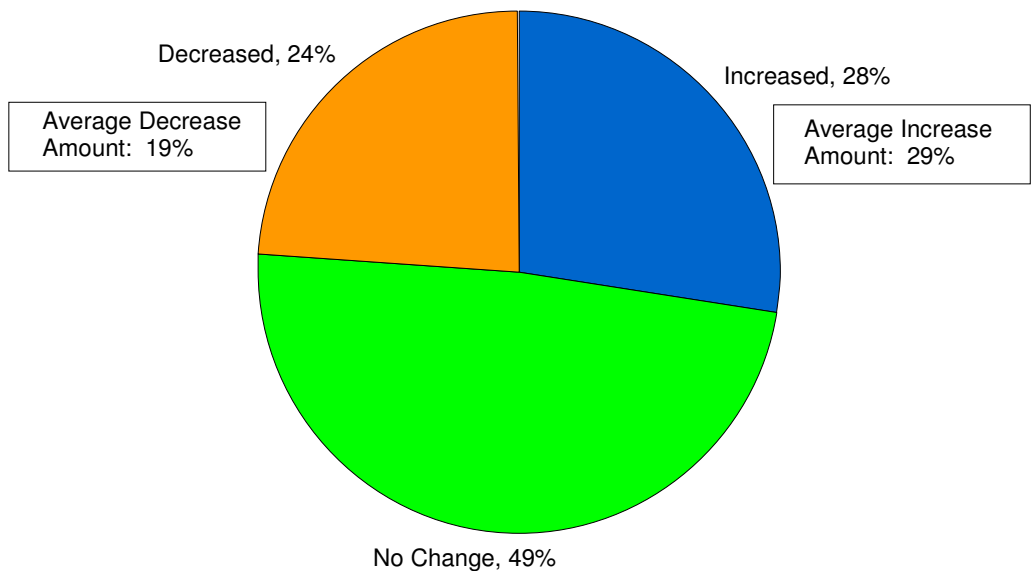
## Actual 2008 Budget Change Relative to Plan for the Year

Respondents are most likely to say (49%) that their 2008 budget did not change relative to what had been planned at the beginning of the year. 28% report that their budget increased, while 24% say their actual budget decreased from the plan for the year.

Among those who experienced a decrease, the average decrease amount (from the budget planned for the year) was 19%. The average experienced increase amount, among those with increases, was 29%.

**Nearly Half Report No Budget Change**

N = 565



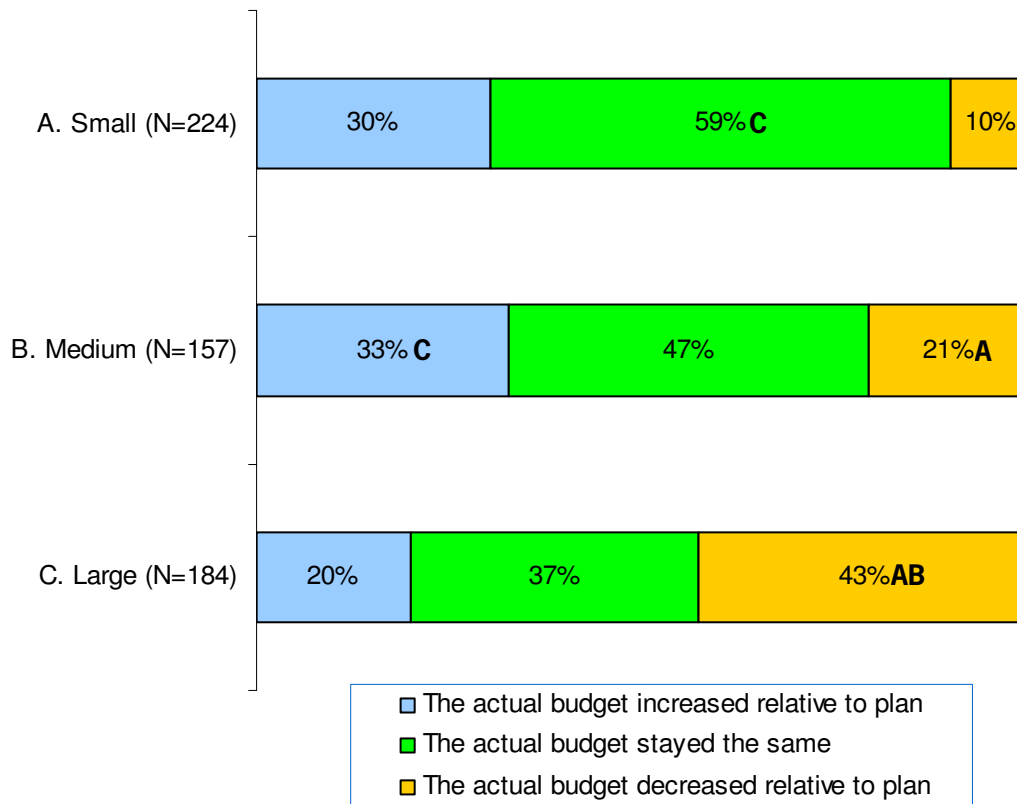
Note: 2008 data weighted against 2007 data by company size.

## 2008 Budget and Plans for the Coming Year

### Actual Budget Change by Company Size

Approximately one-third of Small and Medium-sized companies report actual 2008 budget increases compared to 20% of Large companies. These Large companies are far more likely to have observed budget decreases in the past year (43%) compared to Medium (21%) and Small companies (10%).

#### Large Companies More Likely Than Medium/Small to Have Experienced Budget Declines During 2008



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the corresponding percentage in the other bar(s) is/are significantly different.

Note: 2008 data weighted against 2007 data by company size.

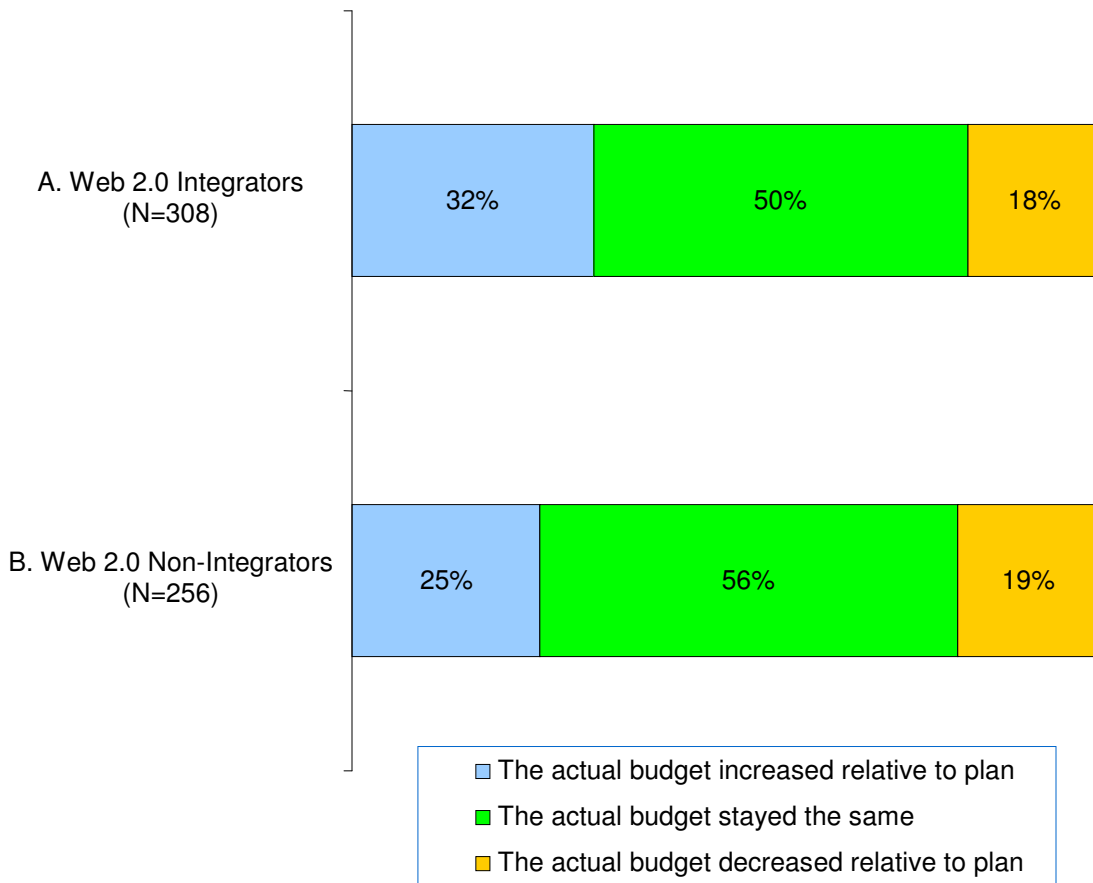
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2008 Budget and Plans for the Coming Year

Web 2.0 Integrators – Actual 2008 Budget Change

Web2.0 Integrators appear to be slightly more likely than Non-Integrators to have experienced an actual budget increase during 2008 relative to the plan for the year, although the difference between the two groups is not statistically significant (32% versus 25%).

**Actual 2008 Budget Change Profile Similar Between Web 2.0 Integrators and Non-Integrators**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. No statistically significant differences were found.

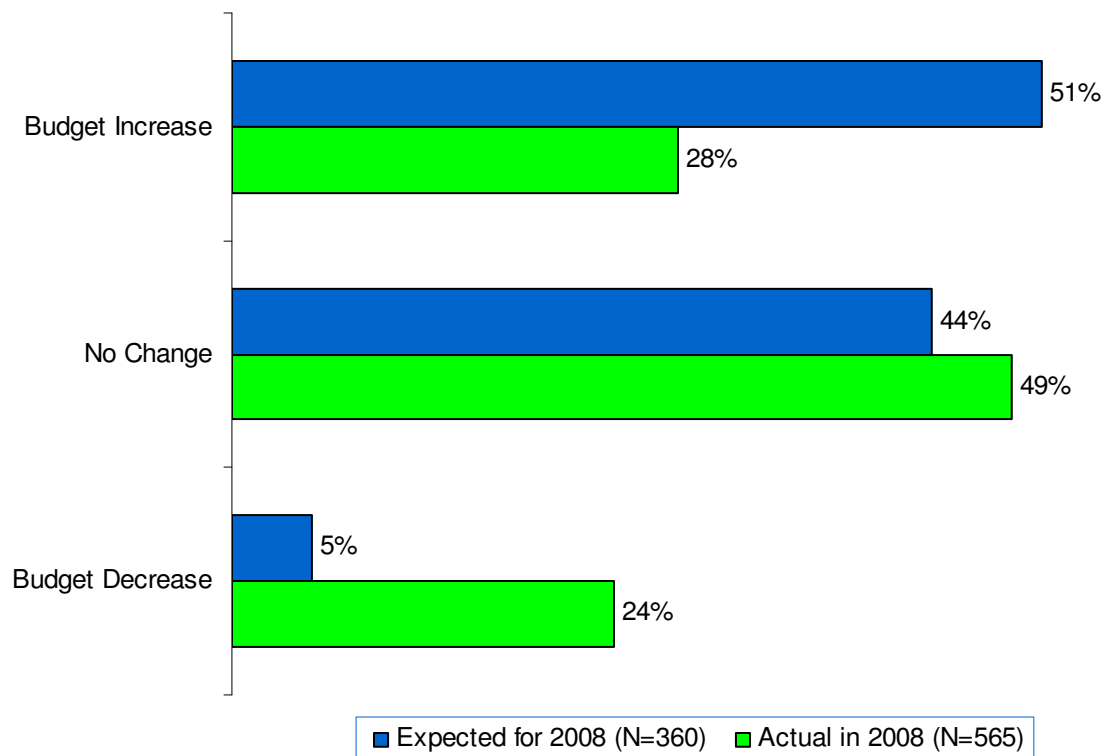
## 2008 Budget and Plans for the Coming Year

### 2008 Budget Change: Expected vs. Actual

Since respondents were asked, in late 2007, about their expected budget changes for 2008, we compared the answers provided at that time with current responses about what actually happened to budgets in the past year.

At the end of 2007, 51% of survey respondents had expected a budget increase for 2008 while just 28% of respondents in 2008 experienced an increase. 5% of those surveyed in 2007 expected to see a budget decrease in 2008 but 24% of current respondents say a decrease actually occurred.

#### 2008 Expected Budget Increases Were Often Unlikely to Actually Occur



Note: 2008 data weighted against 2007 data by company size.



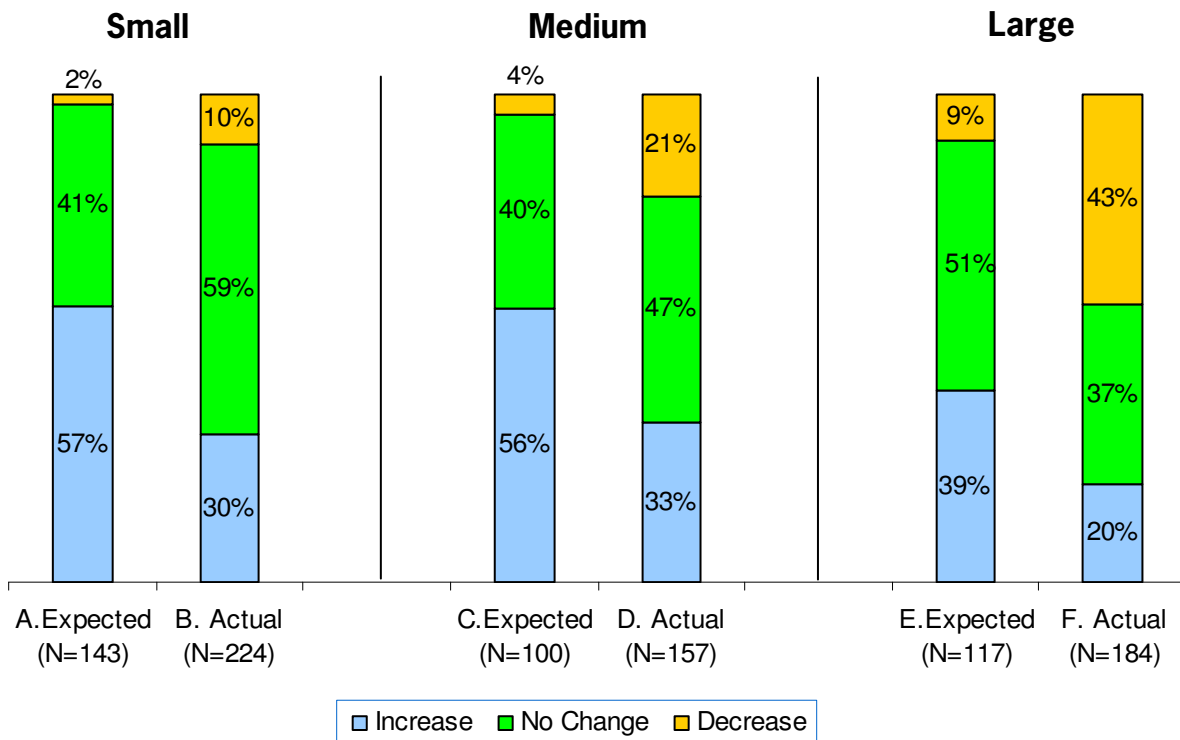
B2B Marketing in 2009:  
Trends in Strategies and Spending

2008 Budget and Plans for the Coming Year

2008 Budget Change by Company Size: Expected vs. Actual

Regardless of company size, the proportion of respondents in 2008 expecting budget increases was far greater than the proportion who actually saw those increases come to pass, with the opposite occurring for decreases. However, the difference appears to be particularly pronounced among Large companies: while just 9% of this segment anticipated a budget decrease in 2008, fully 43% say their companies experienced a decrease during that time.

**Decreases Occurred More Often Than Expected Among All Company Size Segments; Difference Particularly Strong Among Large Companies**



Note: 2008 data weighted against 2007 data by company size.

## 2008 Budget and Plans for the Coming Year

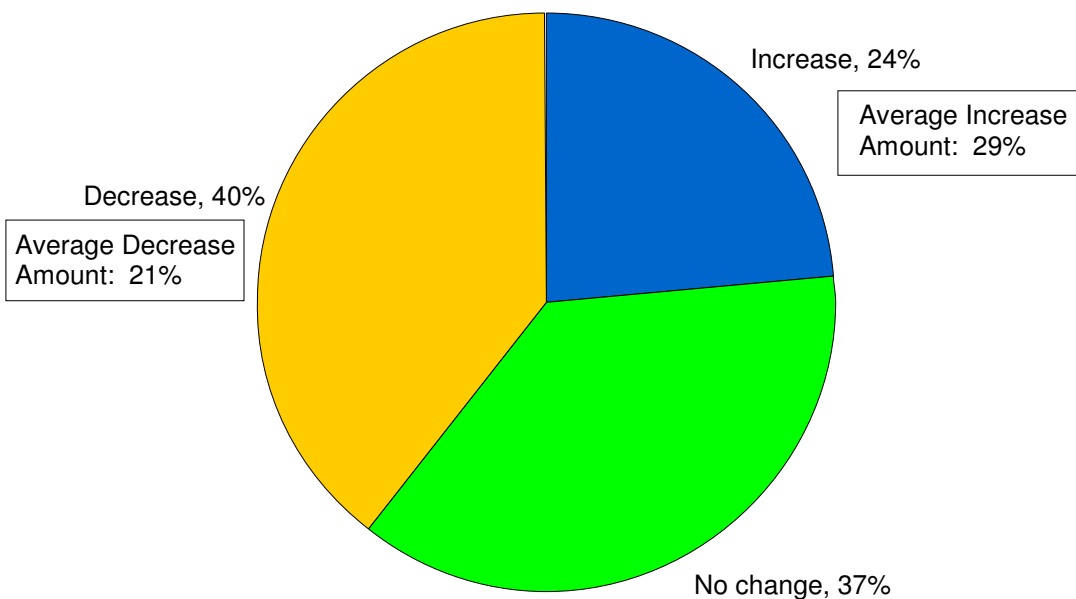
### Expected Overall Marketing Budget Change for 2009

Respondents are most likely to think their 2009 budget will decrease (40%), with a proportion slightly smaller (37%) believing that their budget will be unchanged for the coming year. Just 24% expect a budget increase.

Among those expecting an increase, the average increase amount is expected to be 29%. The average decrease amount, among those expecting a decrease, is 21%.

**40% Expect Budget Decrease**

N = 565



Note: 2008 data weighted against 2007 data by company size.

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Trends in Strategies and Spending

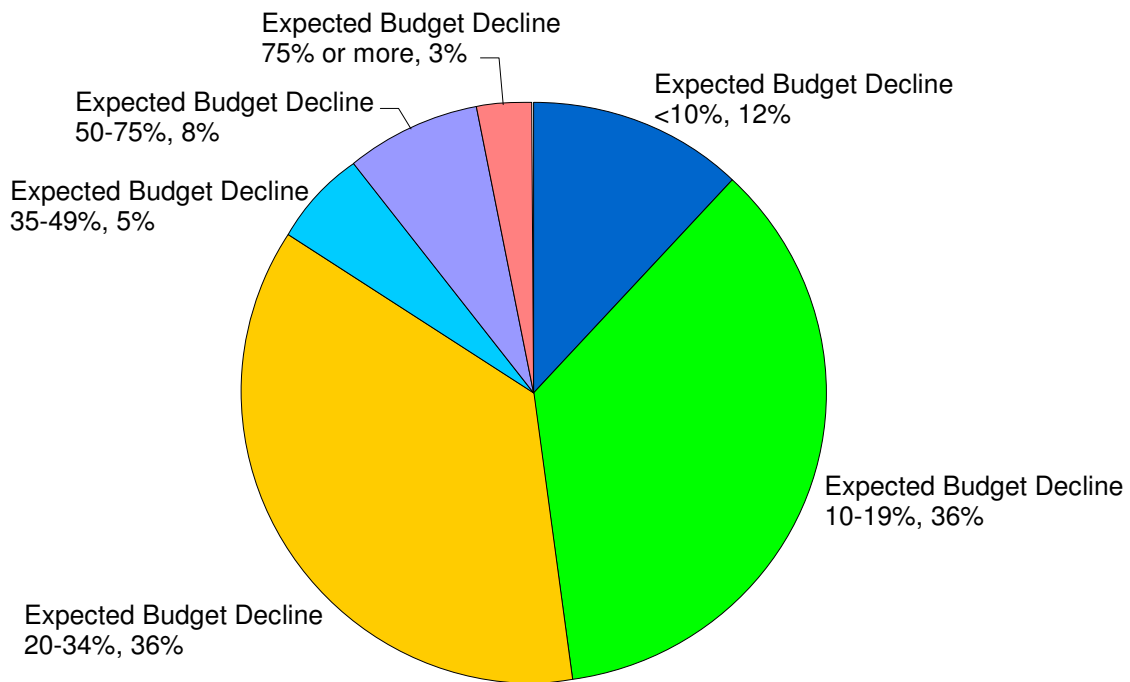
2008 Budget and Plans for the Coming Year

2009 Expected Budget Decline Breakdown

48% of respondents who expect a budget decline in the coming year believe the percentage decline will be 20% or less, with an additional 36% expecting a cut of between 20-34%. 11% expect to see a budget cut of 50% or more.

**48% Expect Budget Cuts of 20% or Less;  
More Than One in Ten Expects Budget Decline to Exceed 50%**

N=203



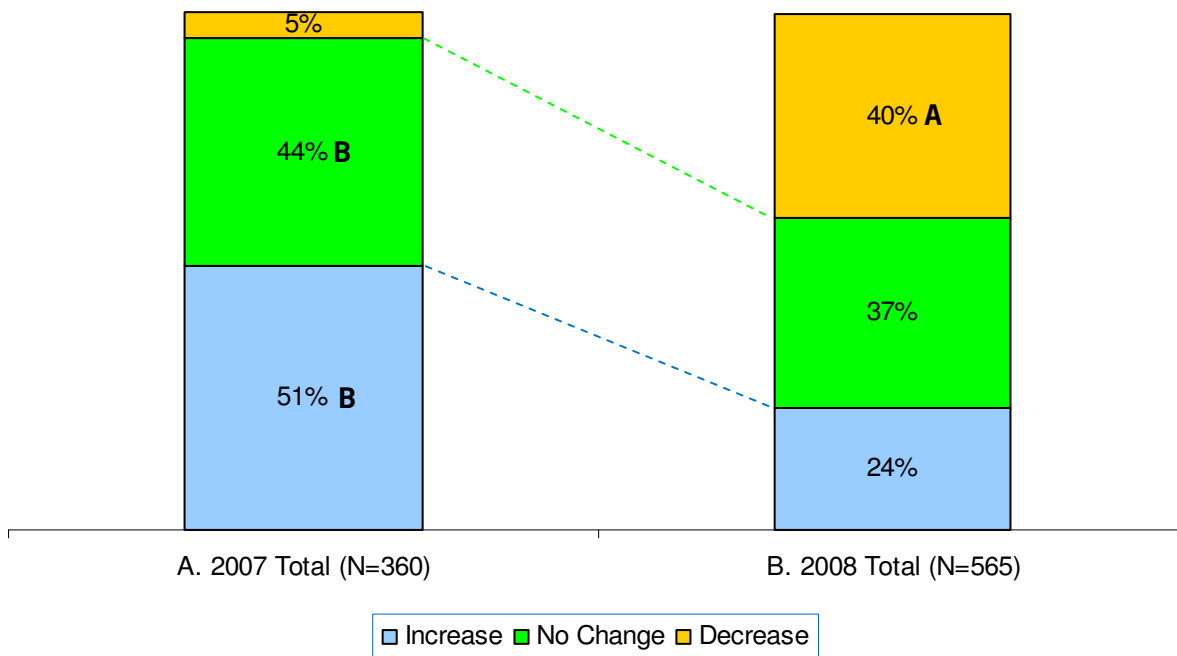
Note: 2008 data weighted against 2007 data by company size.

**2008 Budget and Plans for the Coming Year**

**Expected Overall Marketing Budget Changes: 2007 vs. 2008**

The proportion of respondents predicting a decrease in marketing budgets in the next year has risen sharply since 2007, from just 5% at that time to 40% in 2008. In addition, the proportion anticipating an increase in the coming year is 24%, down significantly from 51% of those predicting an increase a year earlier.

**Respondents More Likely to Anticipate Budget Decrease in the Coming Year Than in 2007**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter (A or B) next to the percentage indicates that the corresponding percentage in the other bar is significantly different.

Note: 2008 data weighted against 2007 data by company size.

B2B Marketing in 2009:  
Trends in Strategies and Spending

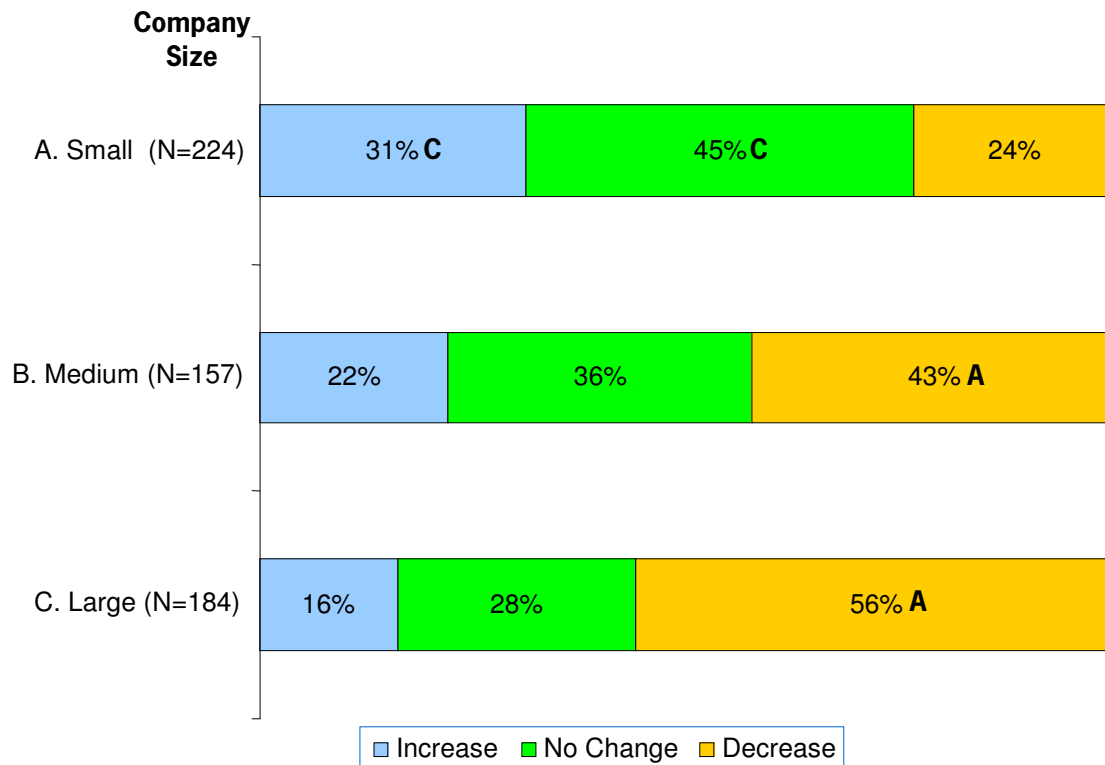
2008 Budget and Plans for the Coming Year

## Expected Overall Marketing Budget Changes for 2009 – by Company Size

Small companies in 2008 are significantly more likely than Large companies to anticipate budget increases for 2009. Further, the proportion of Small companies anticipating a budget increase (31%) is larger than that expecting a budget decline (24%).

56% of Large companies and 43% of those Mid-sized expect budget decreases, compared with 24% of Small companies.

**Small Companies More Likely Than Medium or Large to Expect Budget Increase**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the corresponding percentage in the other bar(s) is/are significantly different.

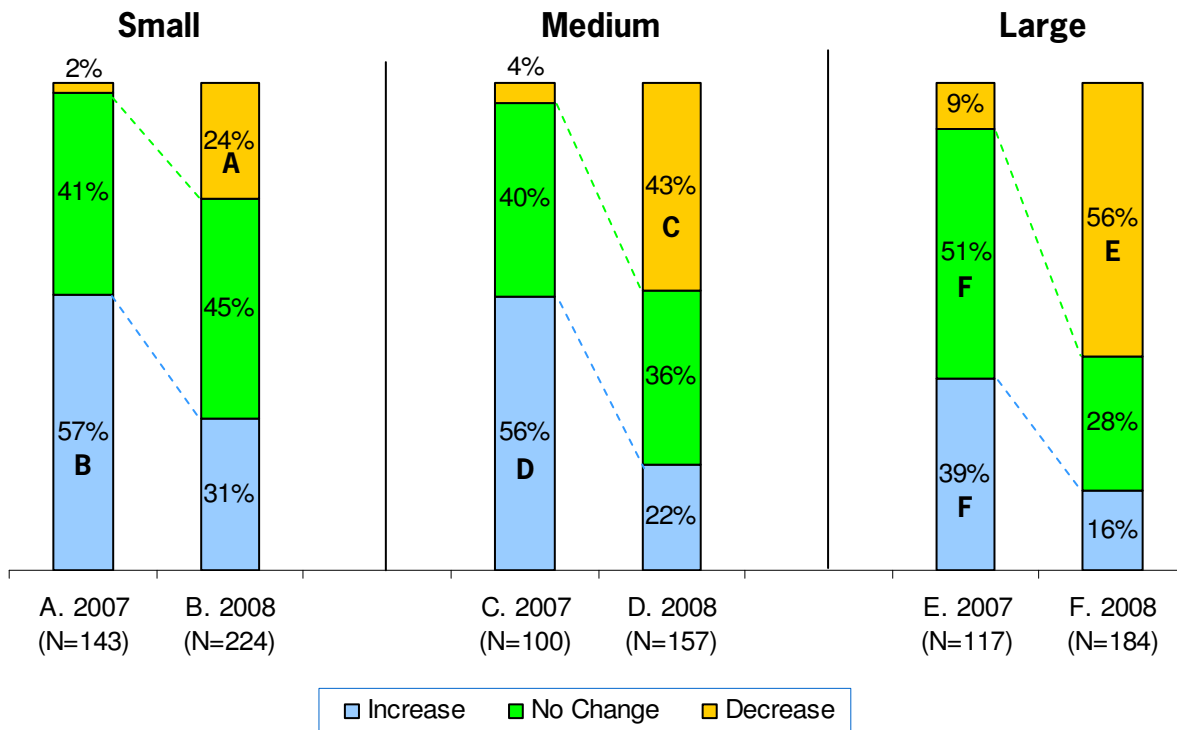
Note: 2008 data weighted against 2007 data by company size.

2008 Budget and Plans for the Coming Year

Expected Budget Change by Company Size: 2007 vs. 2008

Across companies of all sizes, budget reductions for the coming year are expected by significantly more respondents in 2008 than were expected among respondents a year ago. Conversely, fewer anticipate increases in 2008 for the coming year than those who expected them the year before.

Proportion Expecting Budget Cuts in 2008  
Higher Than in 2007 Regardless of Company Size



The percentages in the bars above were tested against each other (A vs. B, C vs. D, E vs. F) for the determination of statistically significant differences. The letter next to the percentage (A, B, C, D, E, or F) indicates that the corresponding percentage in the lettered bar is significantly different.

Note: 2008 data weighted against 2007 data by company size.

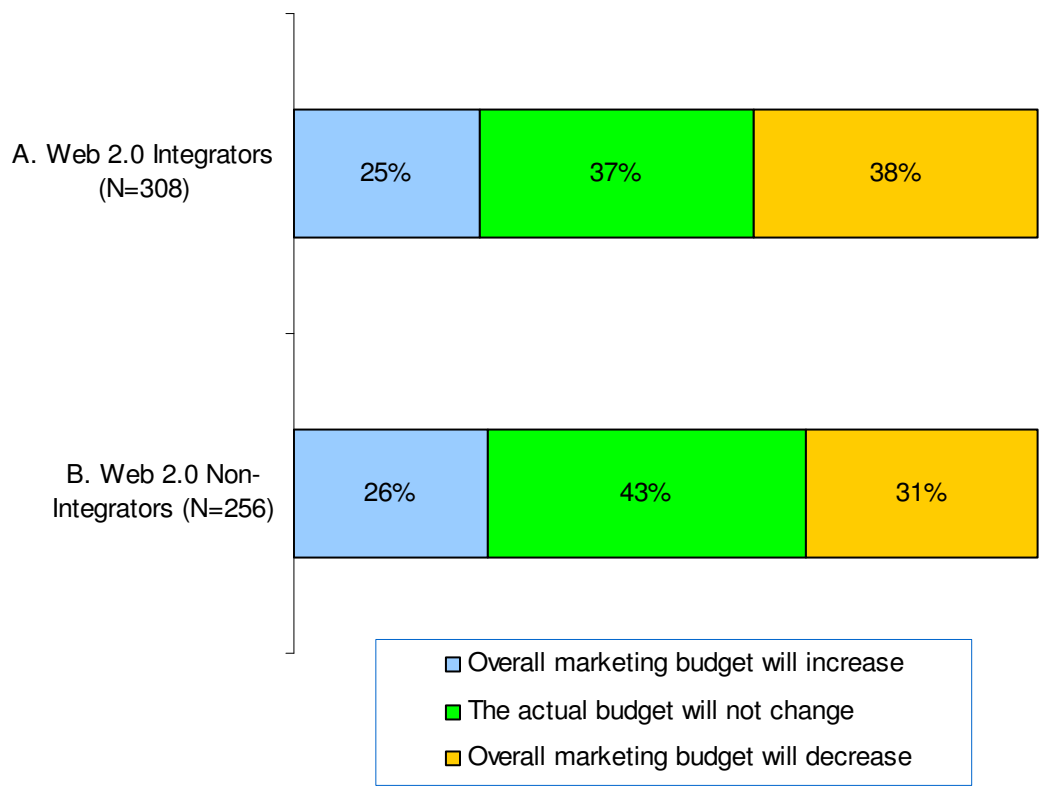
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2008 Budget and Plans for the Coming Year

**Web 2.0 Integrators – Projected 2009 Budget Change**

Budget plans for 2009 are fairly similar between Web 2.0 Integrators and Non-Integrators. While the percentage of Web 2.0 Integrators expecting a decrease (38%) appears to be greater than that among Web 2.0 Non-Integrators (31%), the difference is not statistically significant.

**Web 2.0 Integrators and Non-Integrators Predict Similar Budget Changes for 2009**



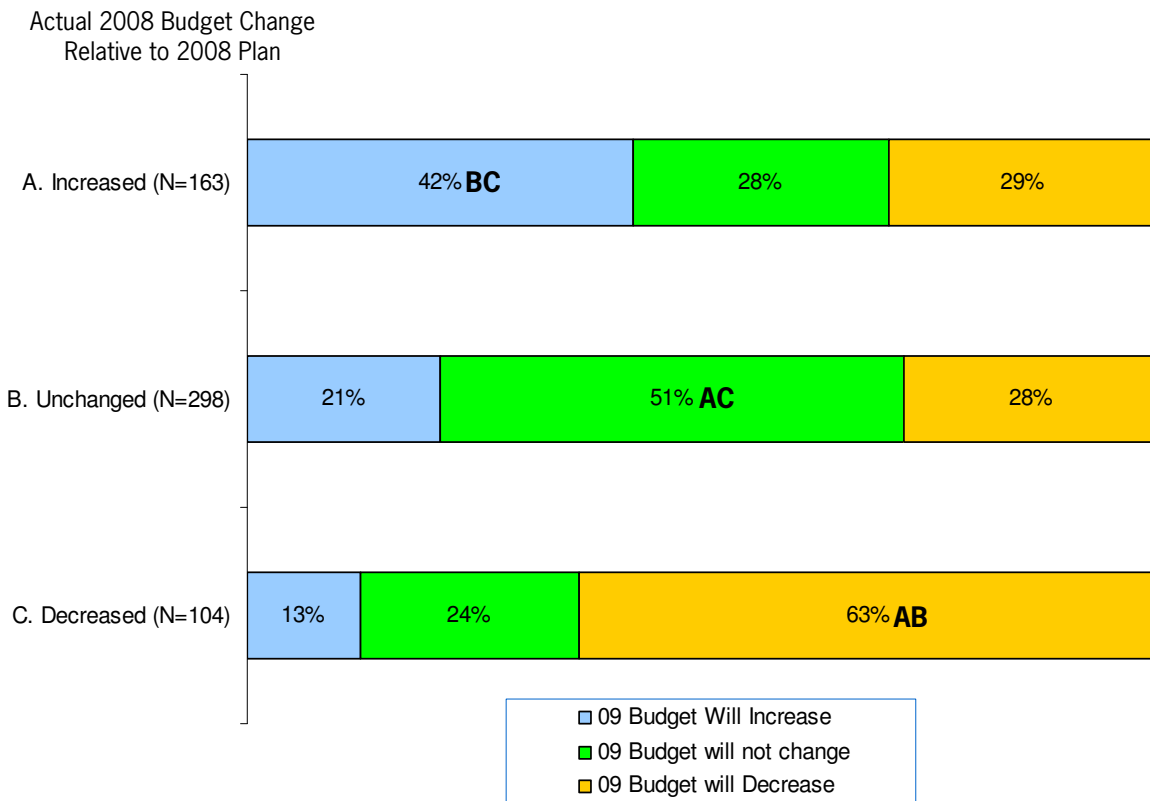
The percentages in the bars above were tested against each other for the determination of statistically significant differences. No statistically significant differences were found.

**2008 Budget and Plans for the Coming Year**

**Anticipated 2009 Budget Change by Actual 2008 Budget Change**

2009 budgets are projected to continue the pattern observed in 2008; respondents who experienced a budget decrease in 2008 are significantly more likely to anticipate a decrease in 2009 (63%) compared to those respondents who observed an increase or no change in their 2008 budget. In contrast, those who observed budget increases in the past year are significantly more likely to expect an increase in 2009 (42%) than others.

**Respondents Who Experienced Budget Decrease in 2008 More Likely to Expect Decrease in 2009**

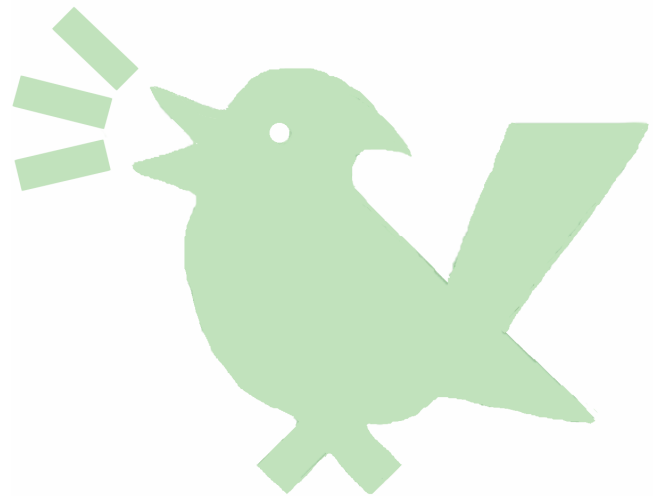


The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter (A, B, or C) appearing next to the percentage indicates that the corresponding percentage in the other bar(s) is/are significantly different.





# **ATTITUDE AND BEHAVIORAL ANALYSIS**





## Attitude and Behavioral Analysis

### Attitudes and Their Implications

Respondents were asked about the strategies they are using to deal with the economic downturn, what tactics they believe are most effective for them, and how their companies are likely to respond to new challenges.

- In terms of the strategies they plan to use during the current economic environment, respondents most often indicate that they plan to invest selectively to reach targeted segments (74%). Very few (just 10%) indicated that they would increase marketing spending levels above those of competitors in an attempt to gain share.
- Respondents also indicated that they were considering or taking a number of different actions as a result of the economic situation, with the most frequently cited being a shift in program dollars among various alternatives (65%). Also, 50% expect to implement temporary worker layoffs and/or hiring freezes. Medium-sized and Large companies are more likely to consider a variety of responses than Small companies.
- Respondents were asked how aggressive their company is when it comes to investing in marketing technology. 39% report that they have adopted a fairly conservative attitude toward marketing technology investment, preferring to follow the trends of others in their industry, while 31% are willing to adopt technologies and methods that have proven successful to those outside their own industry. Relatively few companies take a very aggressive approach (12%), and a proportion slightly larger (18%) is unwilling to take any risks at all with marketing technology investment.
- Web 2.0 Integrators are significantly more likely than non-Integrators to report an aggressive company attitude toward investment in new marketing technology – perhaps because they have been utilizing, and are already comfortable with, some technology-based marketing tactics.
- When it comes to usage and effectiveness of various marketing tactics for lead generation, Executive Events and Inside Sales are most frequently cited as being most effective, as they were in 2007, with Webinars in third place. Other Web 2.0 Media, Online Display Ads, Print Advertising and Sponsorships are infrequently viewed as being highly effective for generating leads.

## Attitude and Behavioral Analysis

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### Attitudes and Their Implications (cont.)

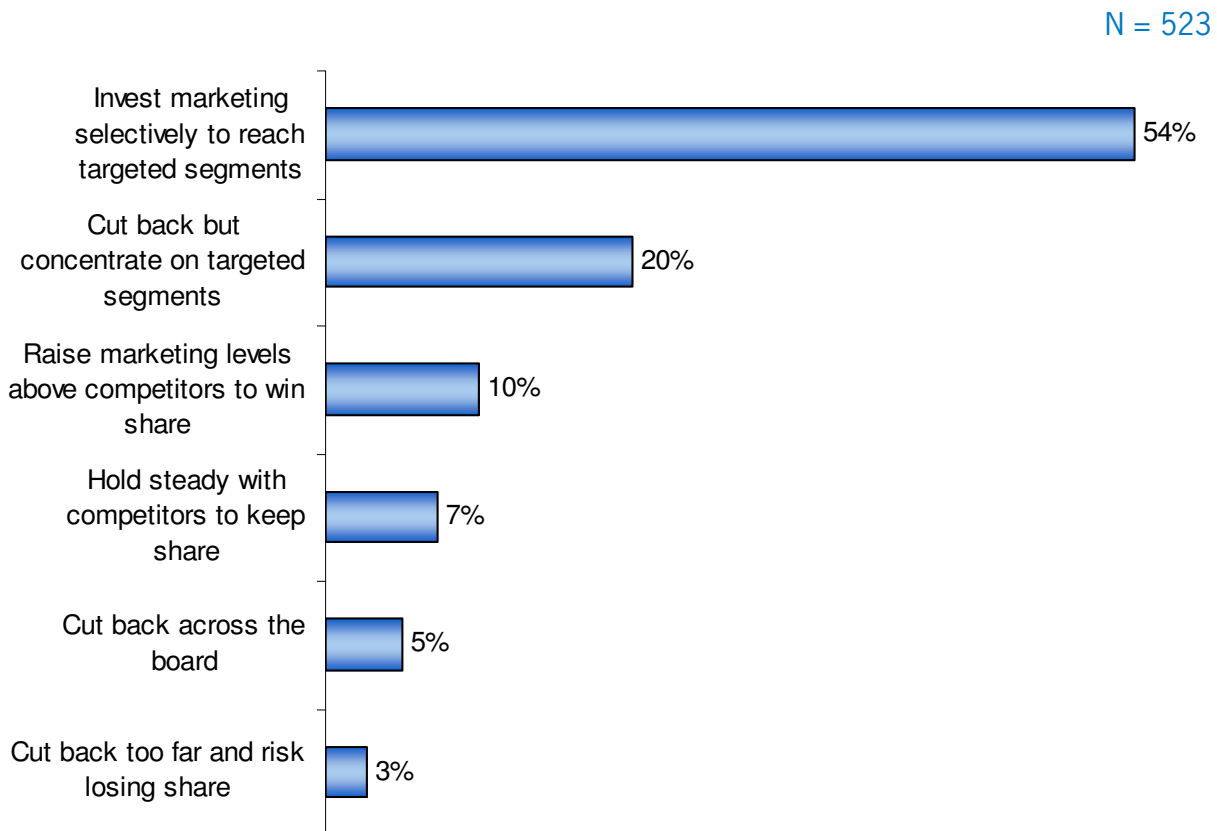
- For driving brand awareness, both TV Advertising and Public Relations continue to be seen as the most effective tactics among those using the tactics. Nonetheless, both are seen as less effective when compared to last year, with similar declines for many other tactics, both traditional and digital. Respondents are far less likely to find that Other Web 2.0 Media, Online Video, Online Display Ads, Inside Sales, or Direct Mail have been highly effective at driving brand awareness.

**Attitude and Behavioral Analysis**

**Impact of Economic Downturn on Planning**

Respondents were asked to characterize the way in which they believe their marketing plans will play out during the current economic conditions. They are most likely to indicate (54%) that these conditions will dictate that they invest selectively to reach targeted segments. An additional 20% plan to cut back overall but concentrate the remaining budget on these targeted segments. Just 10% plan to increase marketing levels to win share, suggesting that few are currently taking an aggressive posture. Yet very few respondents plan to cut so extensively that they risk losing share (3%) or believe these cut backs will be across the board (5%).

**Marketers Respond to Economy with Focus on Key Targets**



Note: 2008 data weighted against 2007 data by company size.

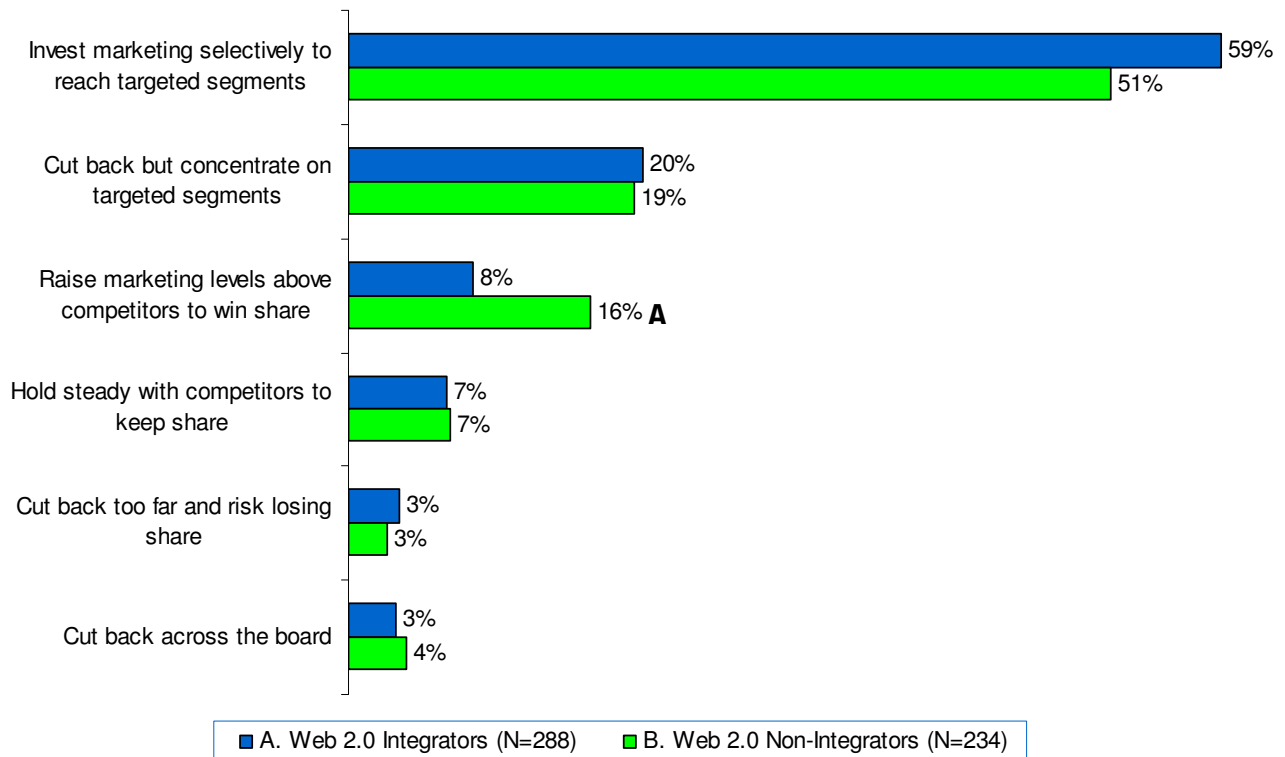
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Attitude and Behavioral Analysis

## Web 2.0 Integrators – Marketing Plans

We compared Web 2.0 Integrators and Non-Integrators and found that a similar proportion of marketers intend to cut back, hold steady or invest selectively, regardless of current Web 2.0 integration.

**Marketing Plans Similar Regardless of Web 2.0 Integration**



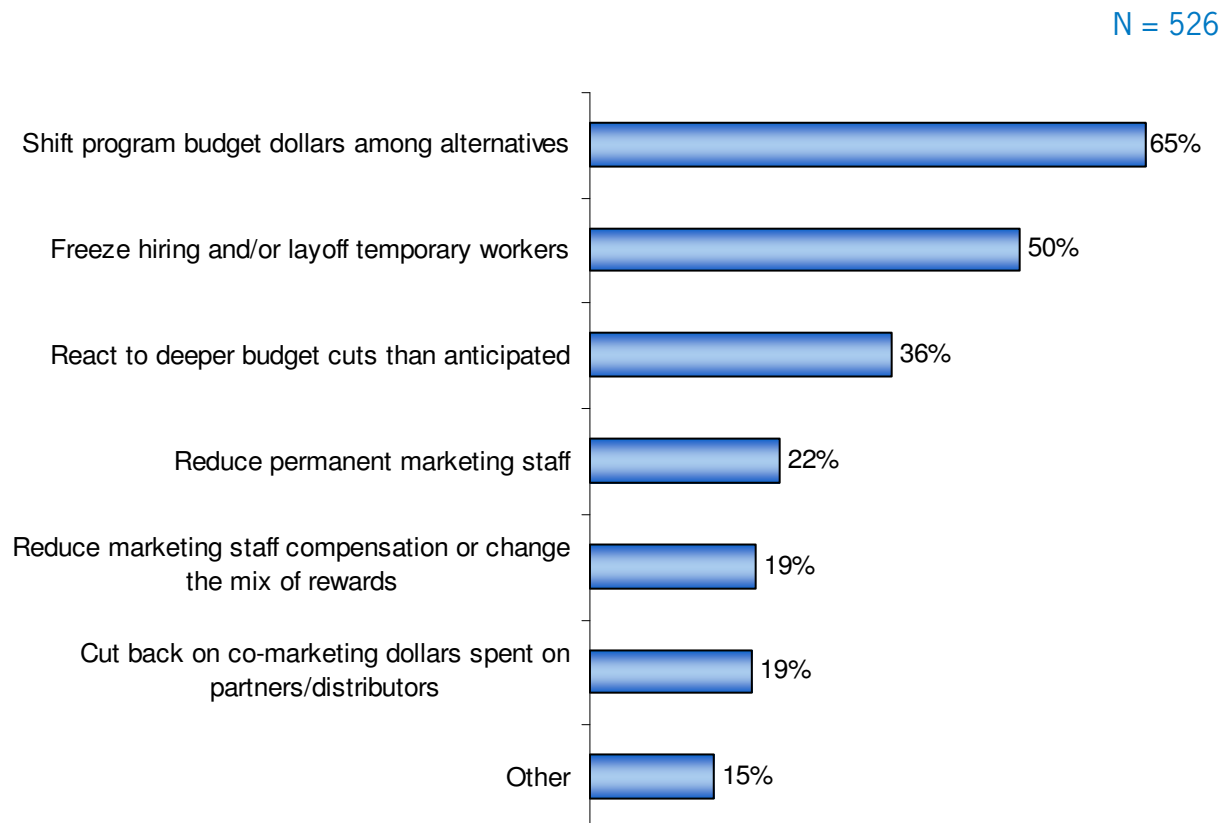
The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the percentage in the other colored bar for the same statement is significantly different.

## Attitude and Behavioral Analysis

### Responses to Economic Downturn

When asked about staffing and budgeting decisions that have either already been made or those which they plan to make for 2009, 65% indicate that they are shifting program dollars between various alternatives, 50% are implementing temporary worker lay-offs and/or hiring freezes, and 36% find themselves reacting to budget cuts that are deeper than they had earlier anticipated. Fewer respondents are planning to cut back on partner/distributor co-marketing dollars (19%), reducing staff compensation or altering their reward mix (19%), or reducing permanent marketing staff (22%).

#### Respondents Most Likely to Shift Dollars Among Marketing Alternatives



Note: 2008 data weighted against 2007 data by company size.

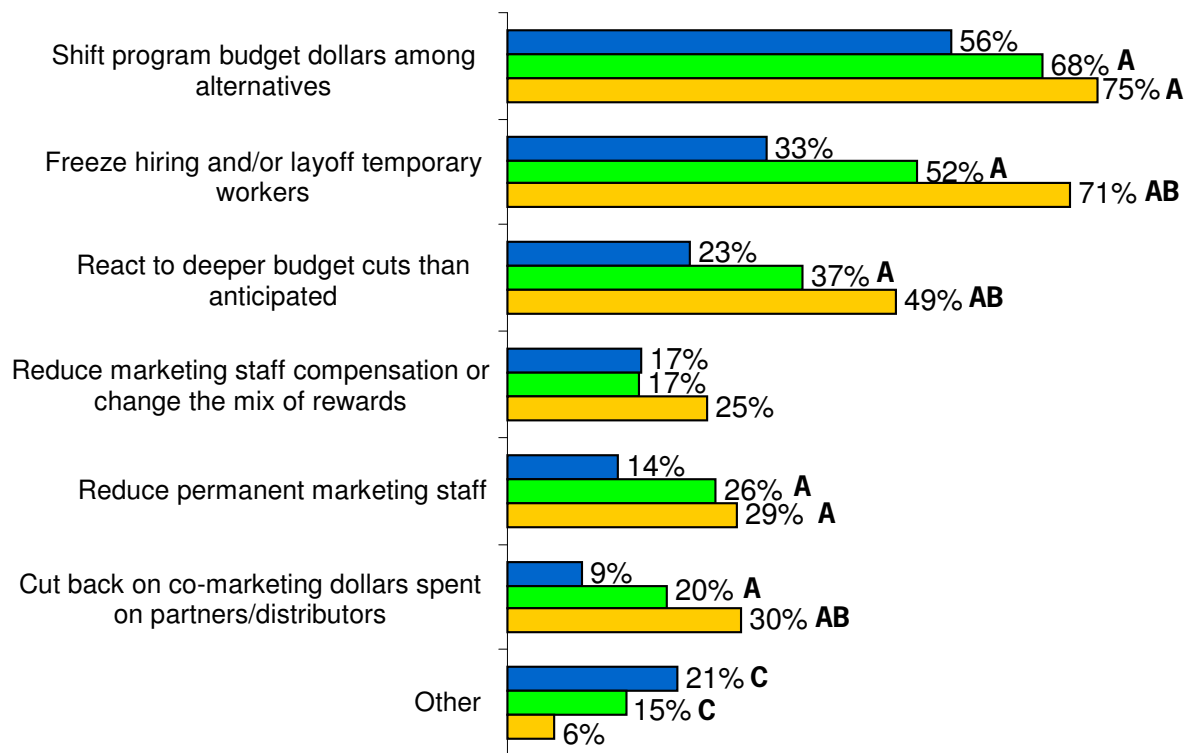


## Attitude and Behavioral Analysis

### Responses to Economy by Company Size

Medium and Large companies are more likely to consider a variety of responses to the economy than Small companies. Large companies are also more likely than Medium companies to consider some alternatives, such as hiring freezes, reaction to deeper cuts than anticipated and cut-backs on co-marketing dollars.

#### Medium and Large Companies More Likely Than Small to Consider Most Alternatives



■ A. Small (N=211) ■ B. Medium (N=144) ■ C. Large (N=171)

The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the percentage in the other colored bar(s) for the same statement is/are significantly different.

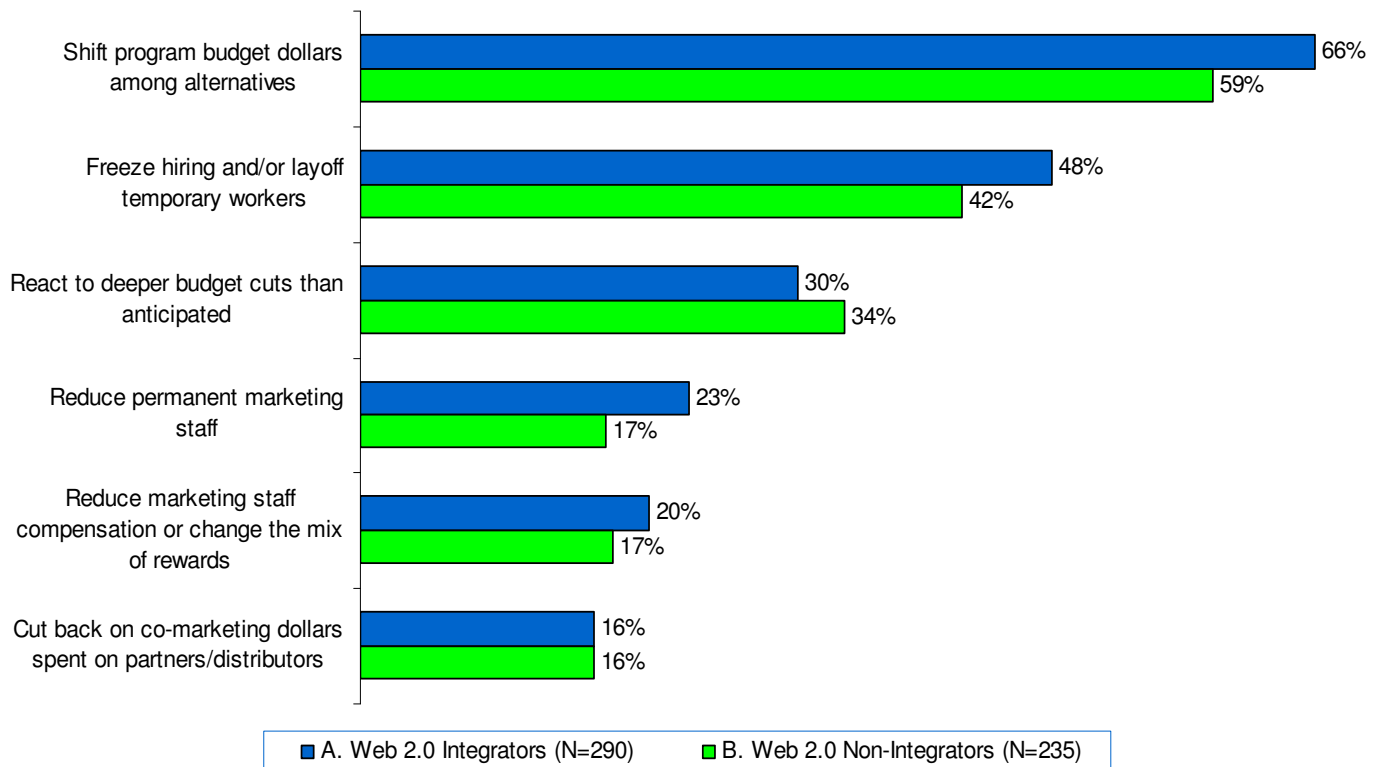
Note: 2008 data weighted against 2007 data by company size.

**Attitude and Behavioral Analysis**

**Web 2.0 Integrators – Response to Economy**

Web 2.0 Integrators are about as likely to take any of the planned actions in response to economic conditions as those marketers who have yet to integrate Web 2.0 tactics.

**Web 2.0 Integrators – Response to Economy**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. No statistically significant differences were found.

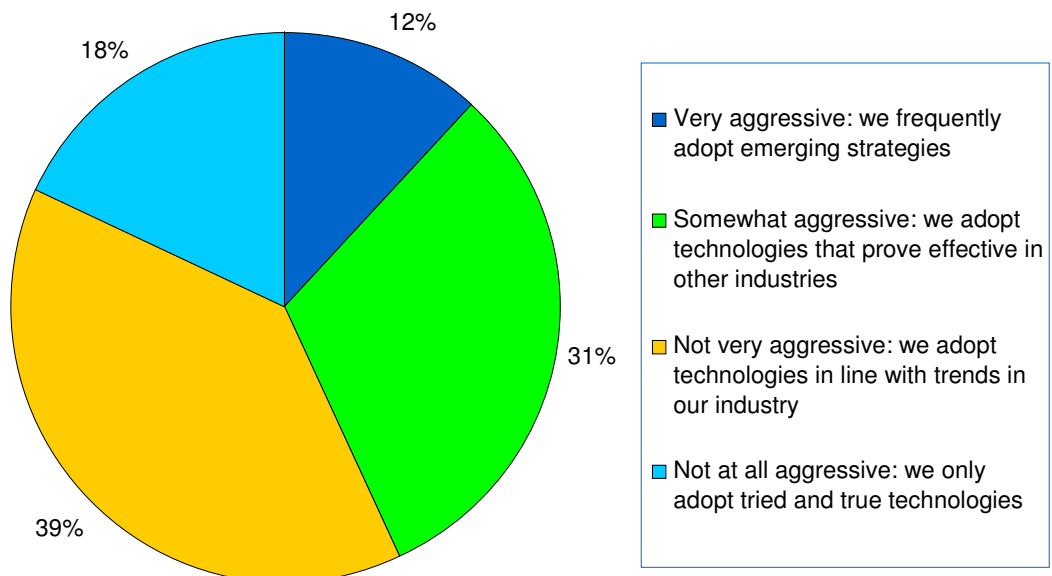
## Attitude and Behavioral Analysis

### Aggressiveness Toward Technology Investment

When it comes to investing in marketing technology in 2008, 39% of respondents are fairly conservative, preferring to follow the trends of others in their industry, while 31% are willing to adopt technologies methods that have proven successful to those outside their own business category. Relatively few companies take a very aggressive approach (12%), and a proportion slightly larger (18%) is unwilling to take any risks with marketing technology investment at all. These findings are very similar to those observed in 2007.

#### Respondents Reflect Diverse Attitudes Toward Marketing Technology Investment

N = 565



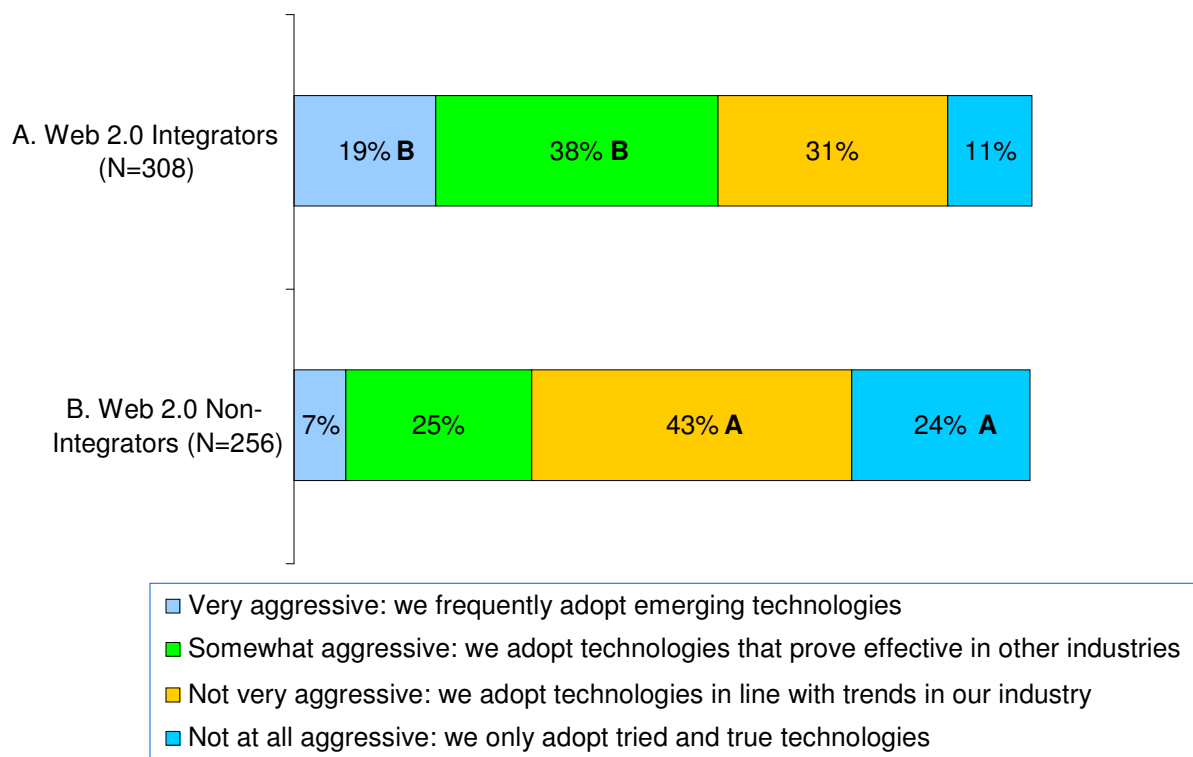
Note: 2008 data weighted against 2007 data by company size.

**Attitude and Behavioral Analysis**

**Web 2.0 Integrators – Marketing Technology Investment Attitude**

Web 2.0 Integrators are significantly more likely to report an aggressive company attitude toward adoption of new marketing technology, with 19% saying they are very aggressive (vs. 7% among Web 2.0 Non-Integrators) and 38% saying they are somewhat aggressive (vs. 25% among Web 2.0 Non-Integrators).

**Web 2.0 Integrators More Likely to Pursue Marketing Technology Investment Aggressively**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

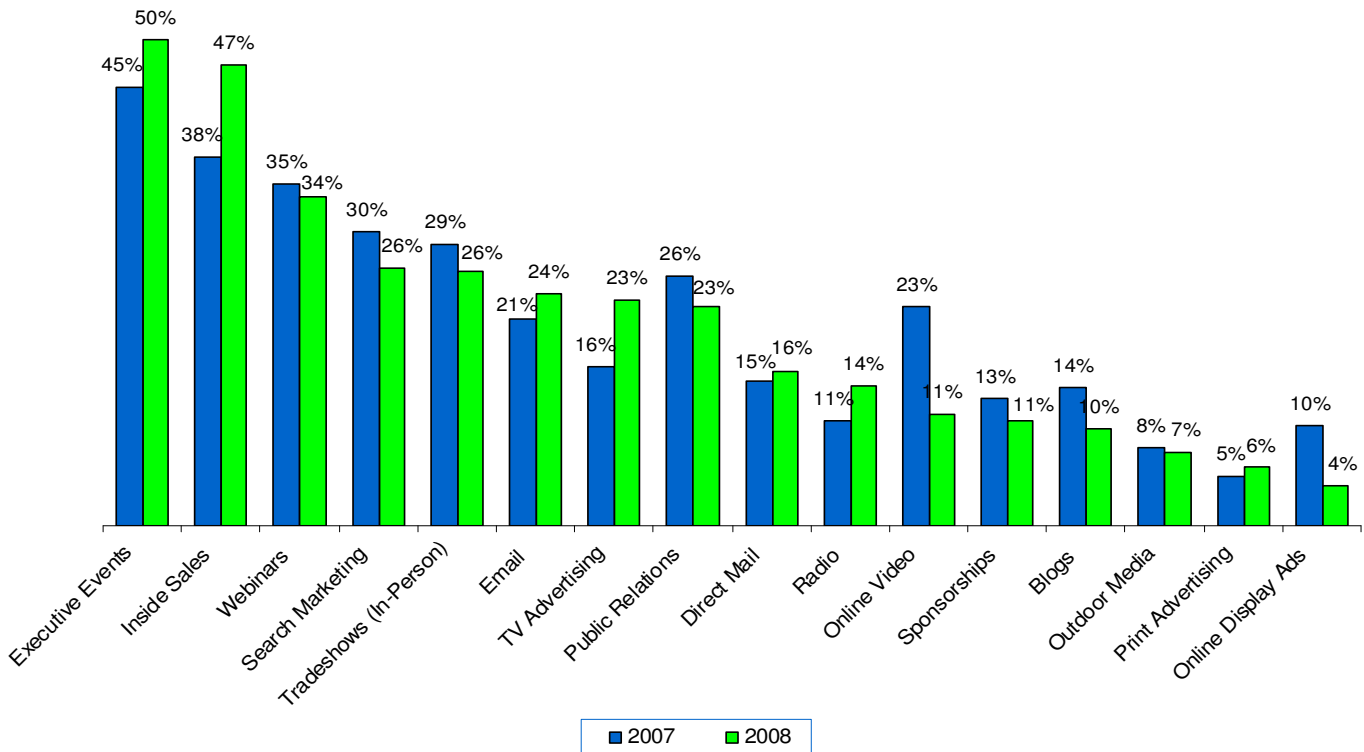
B2B Marketing in 2009:  
Trends in Strategies and Spending

Attitude and Behavioral Analysis

Tactics Generating Leads: 2007 vs. 2008

Executive Events and Inside Sales both experience increases in their effectiveness ratings, and, as observed last year, are still perceived as the most effective tactics for lead generation among users of these tactics. Other tactics which appear to have gained somewhat in efficacy over last year are Email and several traditional tactics, such as TV Advertising, Direct Mail and Radio. Effectiveness ratings for some digital tactics appear to have slipped somewhat, including Search Marketing, Online Video, Blogs and Online Display Ads. A similar proportion of respondents rate some tactics, including Webinars, Direct Mail, Print Advertising, and Outdoor Media as being highly effective in both years.

**Lead Generation Effectiveness Overall Stable for Many Tactics; Slight Increases for Some Traditional Tactics; Ratings for Some Digital Tactics Decline**



Note: 2008 data weighted against 2007 data by company size.

**Attitude and Behavioral Analysis**

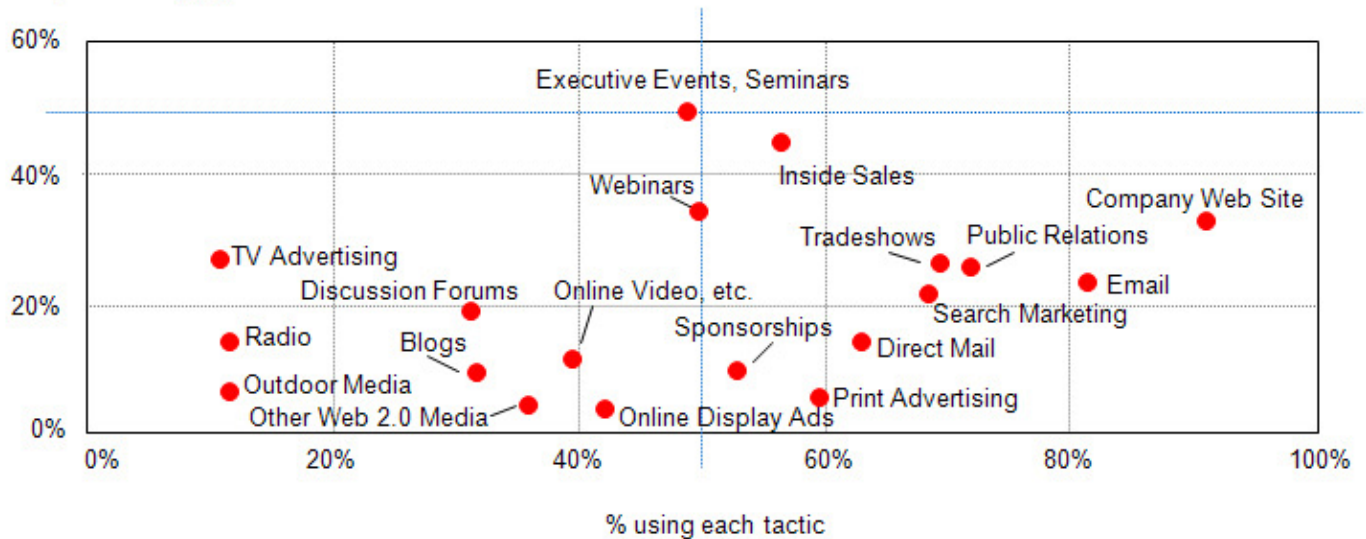
**Tactics Generating Leads**

When combining ratings for usage and effectiveness together, we're able to observe, among users of various tactics, which are most effective for lead generation.

For example, while 92% of respondents use a Company Web Site for lead generation (the horizontal axis below), only 31% of these users find that tactic to be highly effective (vertical axis) at generating leads. In contrast, Executive Events are utilized by a much smaller proportion of respondents (49%), but this tactic is rated highly effective most often (50%) for lead generation among Executive Events users. Inside Sales (47%) and Webinars (34%) are rated second and third most frequently as being highly effective for lead generation, followed by Company Web Site (31%), Tradeshows (26%), Search Marketing (26%), Email (24%), Public Relations (23%) and TV Advertising (23%). Other Web 2.0 Media, Online Display Ads, Print Advertising and Sponsorships are infrequently viewed as highly effective tactics for generating leads.

**Executive Events, Inside Sales and Webinars  
Most Effective for Lead Generation**

% claiming tactic is highly effective



Note: 2008 data weighted against 2007 data by company size.

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Trends in Strategies and Spending

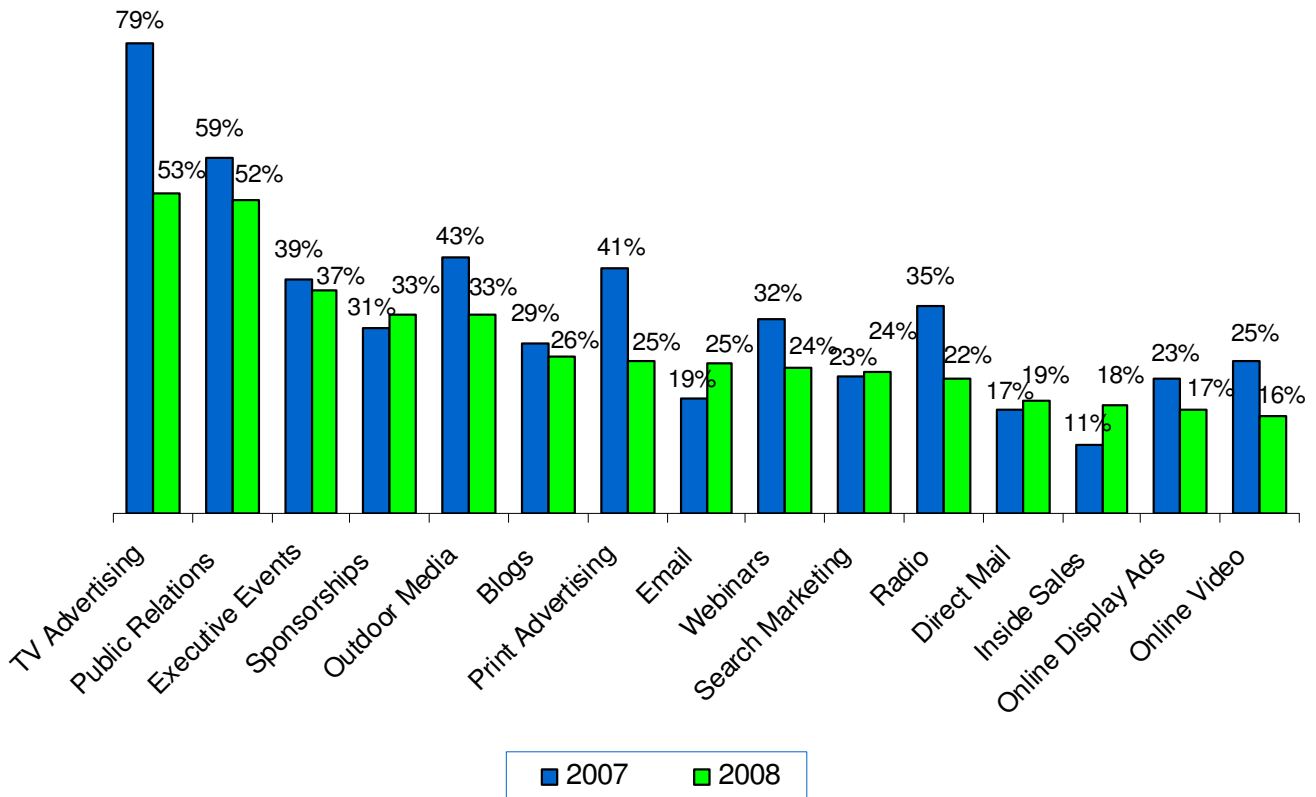
Attitude and Behavioral Analysis

Tactics Generating Brand Awareness: 2007 vs. 2008

Many tactics, both traditional and digital, have suffered declines in efficacy for driving brand awareness over the past year among specific tactic users. While still being judged most often as a highly effective tactic, the effectiveness rating for TV Advertising has slipped markedly, from 79% in 2007 to 53% in 2008. Similar declines are observed for other traditional tactics such as Public Relations, Print Advertising, Outdoor Media, Executive Events, and Radio, although effectiveness ratings for Inside Sales, Direct Mail, and Sponsorships indicate some improvement.

Effectiveness ratings for digital tactics such as Online Video, Blogs, Online Display Ads, and Webinars have all dropped among users of these tactics, while those for Search Marketing and Email indicate that respondents have found greater success with them recently than in the past.

Many Tactics Perceived as Less Effective for Driving Brand Awareness in 2008 Than in 2007



Note: 2008 data weighted against 2007 data by company size.

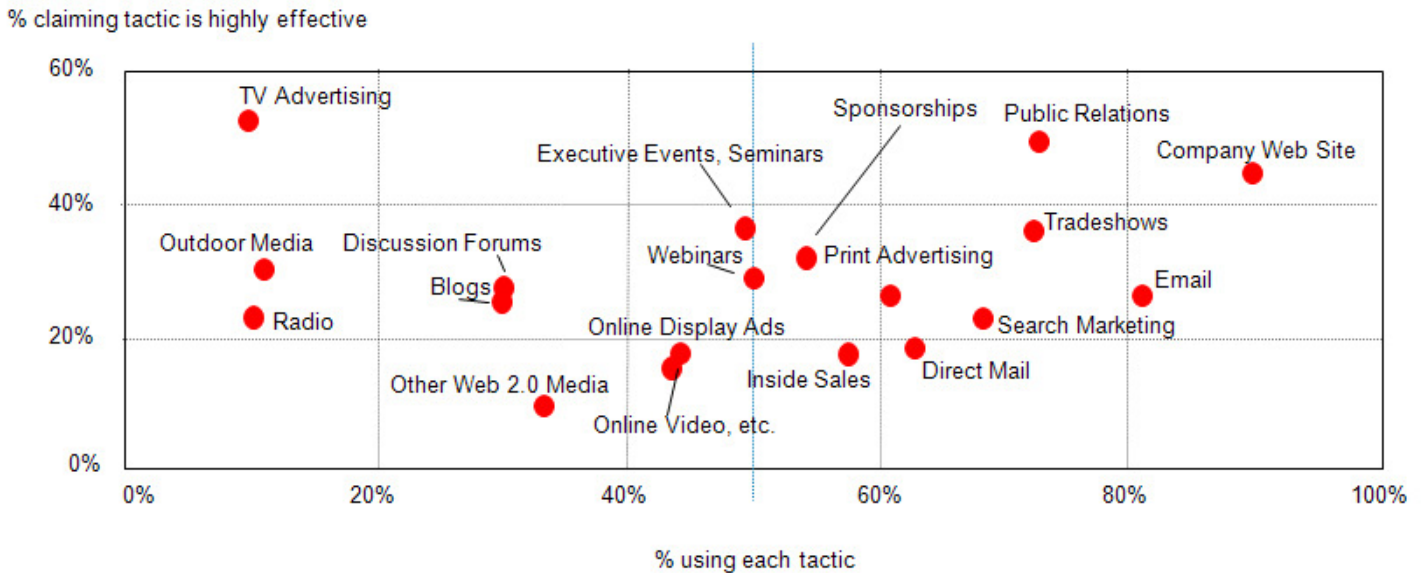
**Attitude and Behavioral Analysis**

**Tactics Generating Brand Awareness**

When it comes to driving brand awareness, more than half of respondents believe that TV Advertising (53%) is a highly effective tactic (vertical axis), although it is used by relatively few (12% – horizontal axis). A proportion nearly as large believes Public Relations (52%) and Company Web Site (44%) have been highly effective at driving brand awareness, both of which are used far more often than TV Advertising.

Other Web 2.0 Media (10%), Online Video (16%), Online Display Ads (17%), Inside Sales (18%), or Direct Mail (19%) are far less likely to be rated highly effective for driving brand awareness by users of these tactics. Several tactics, such as Sponsorships (33%), Outdoor Media (33%), Discussion Forums (26%), Webinars (24%), Email (25%), and Radio (22%) occupy the middle ground, relative to other tactics, in terms of being regarded as highly effective for driving brand awareness.

**TV Advertising, Public Relations and Company Web Site Most Effective for Driving Brand Awareness**



Note: 2008 data weighted against 2007 data by company size.



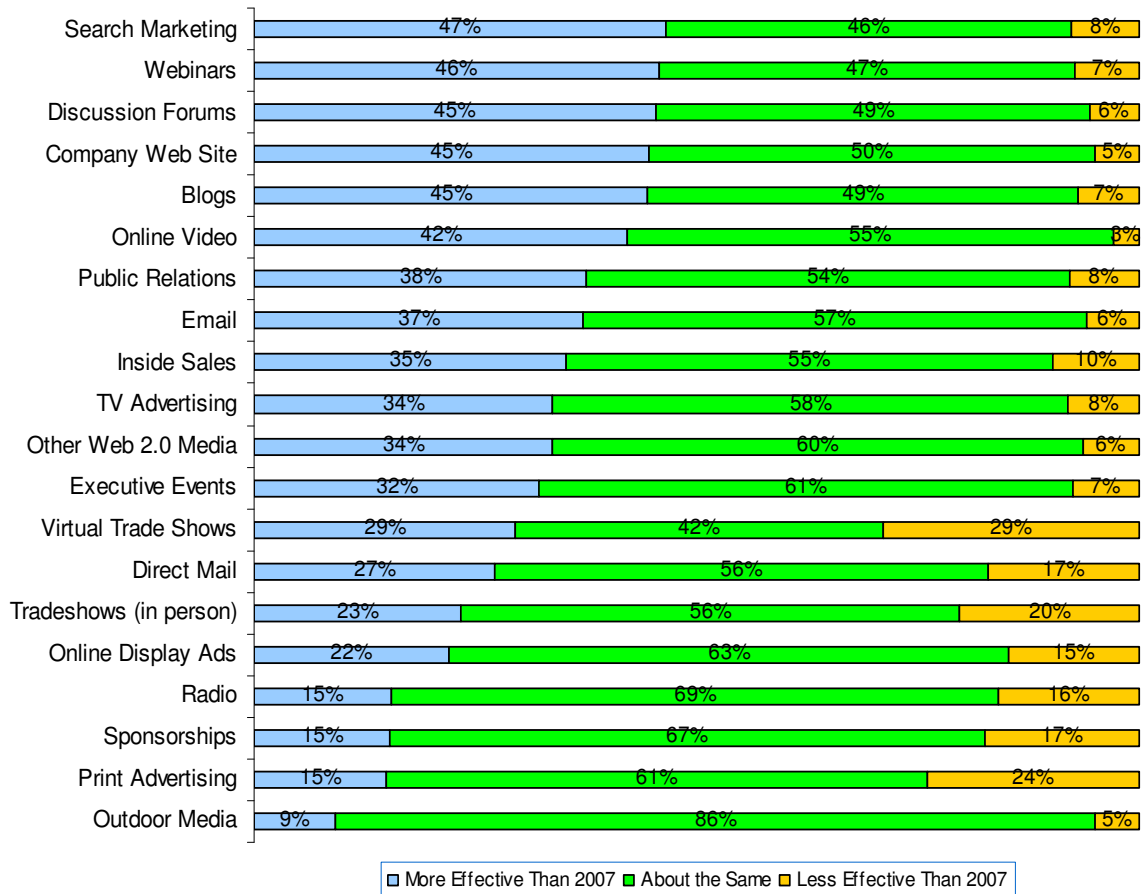
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Trends in Strategies and Spending**

**Attitude and Behavioral Analysis**

**Changes in Marketing Tactic Effectiveness**

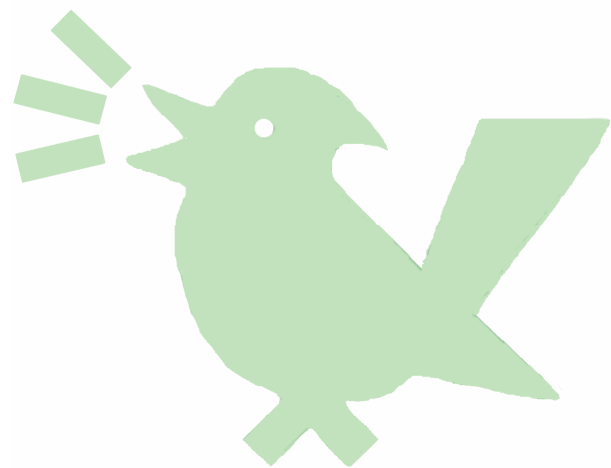
Respondents evaluated the overall effectiveness of specific tactics currently used, versus the effectiveness of those tactics a year earlier. A substantial proportion indicate increased effectiveness ratings over the past year, most often on digital tactics, including Search Marketing (47%), Webinars (46%), Discussion Forums (45%), Company Web Site (45%), Blogs (45%), Online Video (42%) Public Relations (38% - the only traditional tactic among the top 8 for increased effectiveness), and Email (37%).

**Overall Effectiveness for Most Tactics Similar To That Perceived in 2007;  
Many Digital Tactics Perceived As More Effective Most Often**



Note: 2008 data weighted against 2007 data by company size.

**APPENDIX:  
RESPONDENT PROFILE**





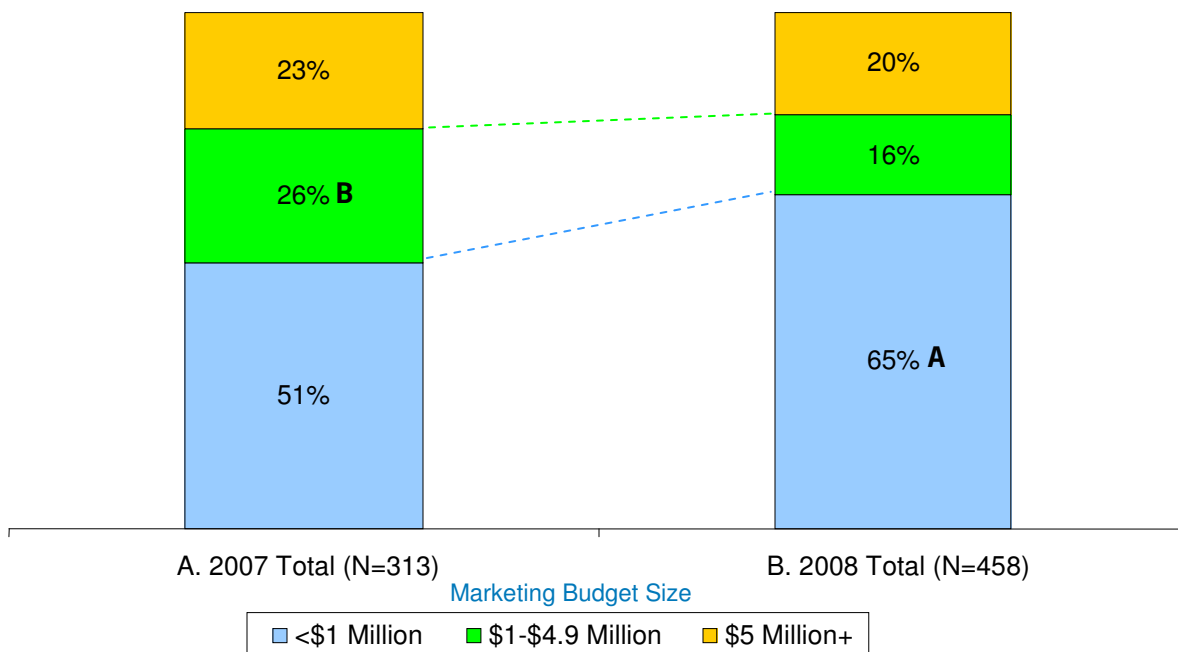
**Appendix: Respondent Profile**

**Overall Change in Marketing Budget: 2007 vs. 2008**

Companies with small marketing budgets dominate in terms of study participants, with 65% reporting a budget of under \$1 million, a significant increase from 51% last year. 16% report a budget which is slightly larger (\$1 million to \$4.9 million), a decline from 26% at the end of 2007.

The increased presence of lower budgets in the current year’s data is particularly notable, given the adjustment already made in weighting the data to account for a higher proportion of small companies.

**Respondents Report Lower Marketing Budgets in 2008 vs. 2007**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

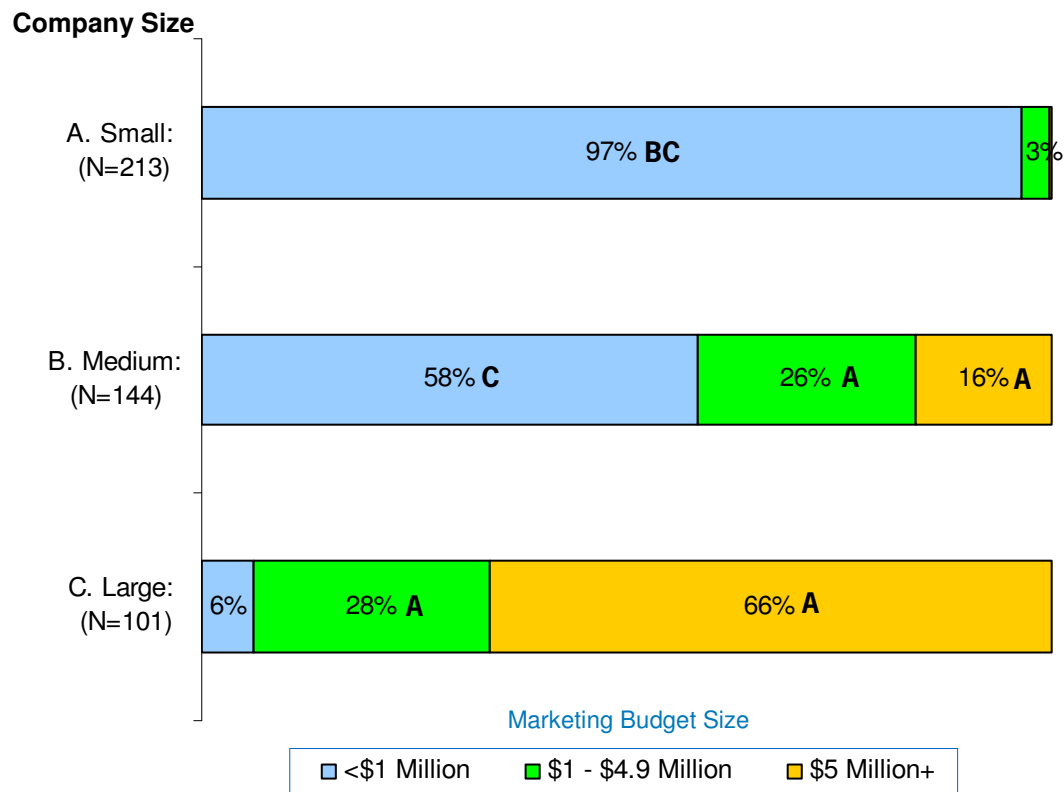
Note: 2008 data weighted against 2007 data by company size.

**Appendix: Respondent Profile**

**Current Marketing Budget by Company Size**

Nearly every Small company included in the 2008 study has a marketing budget of less than \$1 million, and 58% of Mid-sized companies also have a budget of under \$1 million. In contrast, 66% of Large companies have a marketing budget of \$5 million or more.<sup>2</sup>

**Marketing Budget Increases with Company Size**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the corresponding percentage in the other bar(s) is/are significantly different.

<sup>2</sup> Note that budgets are self-reported, and may vary among companies participating as to specifically what is included.

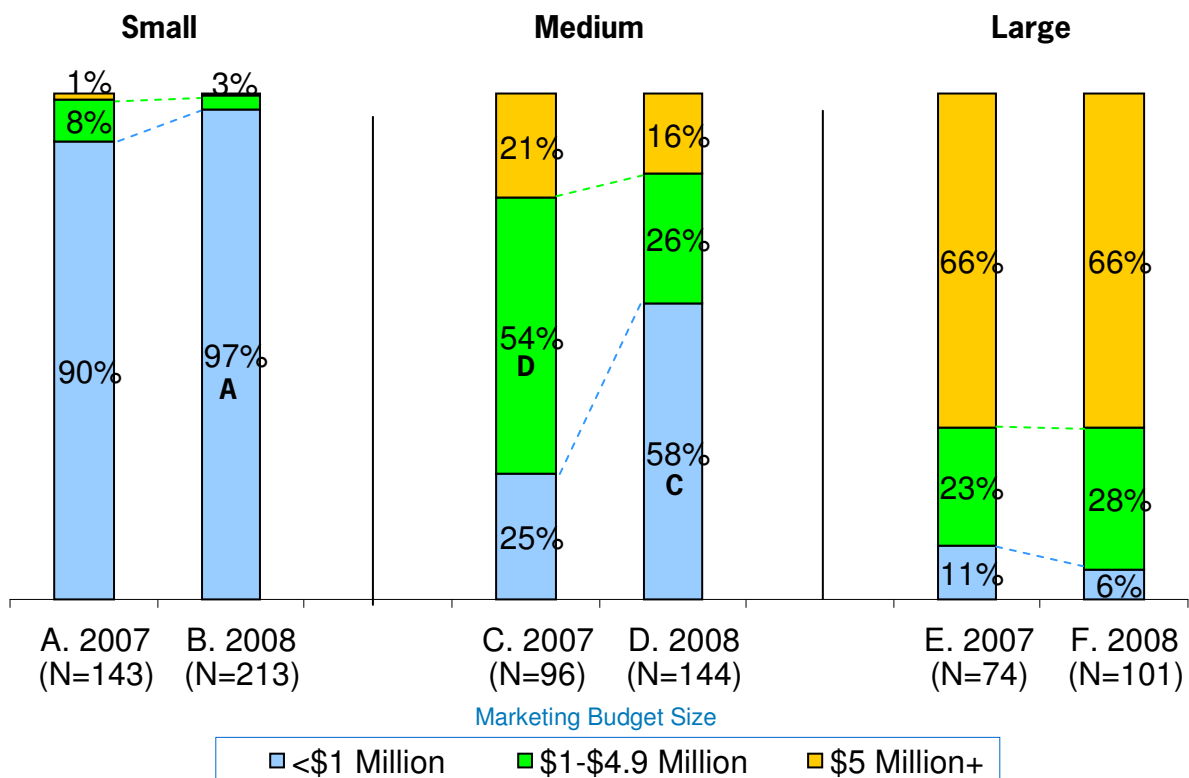
Note: 2008 data weighted against 2007 data by company size.

**Appendix: Respondent Profile**

**Marketing Budget by Company Size: 2007 vs. 2008**

Among sample respondents, marketing budgets dropped most notably among Medium-sized companies in 2008, when compared with 2007. Specifically, 58% of Medium-sized companies were operating with a marketing budget of less than \$1 million in 2008, up from 25% in 2007. During the same time, the proportion of Medium-sized companies with marketing budgets ranging from \$1 million to \$4.9 million dropped from 54% in the 2007 study to 26% in 2008.

**Medium-Sized Companies More Likely to Report Small Marketing Budgets in 2008**



The percentages in the bars above were tested against each other (A vs. B, C vs. D, E vs. F) for the determination of statistically significant differences. The letter next to the percentage (A, B, C, D, E, or F) indicates that the corresponding percentage in the other bar is significantly different.”

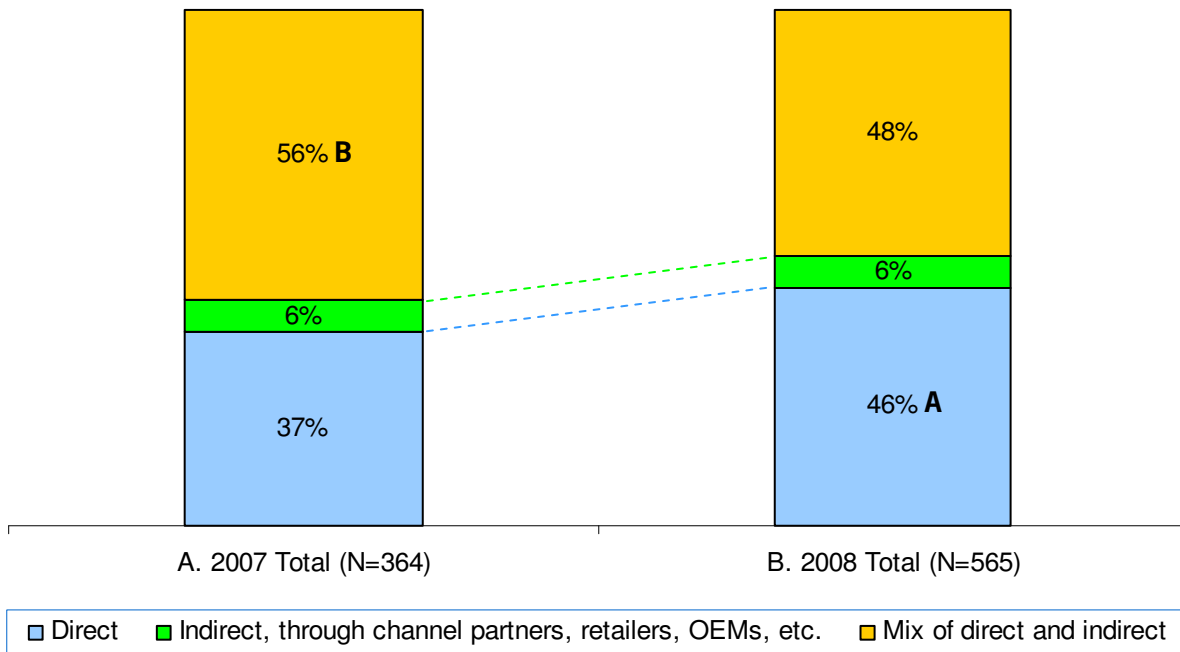
Note: 2008 data weighted against 2007 data by company size.

**Appendix: Respondent Profile**

**Distribution Profile: 2007 vs. 2008**

Organizations that distribute exclusively through direct channels (46%) and those that use a mix of direct and indirect (48%) are nearly equally represented among 2008 study respondents. Those exclusively using direct channels, though, are more heavily represented in the profile of 2008 study respondents (46%, compared to 37% in 2007). A very small proportion relies primarily upon indirect channels (6%), and this proportion is the same as that observed last year.

**Distribution Shifts toward Exclusively Direct Channels**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

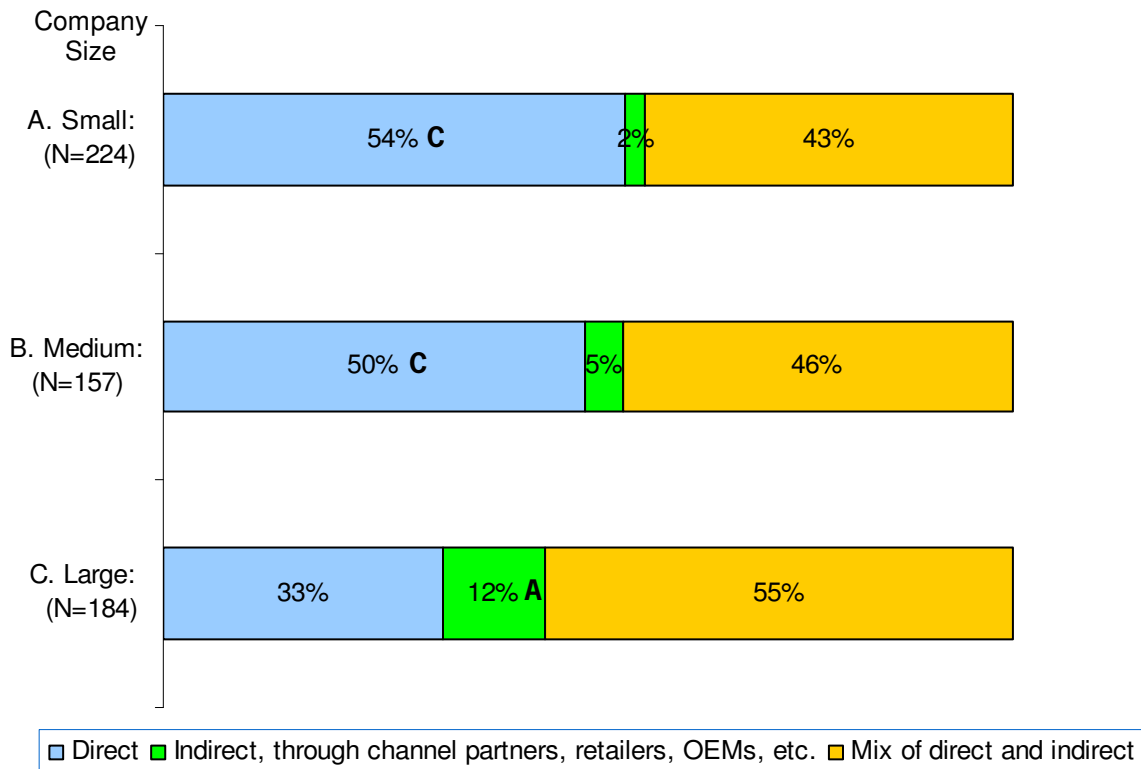
Note: 2008 data weighted against 2007 data by company size.

**Appendix: Respondent Profile**

**2008 Distribution by Company Size**

In the 2008 sample, Small and Mid-sized companies represented in the survey respondent sample are significantly more likely than their Large counterparts to exclusively rely upon direct distribution channels.

**Large Companies Less Likely to Rely Exclusively on Direct Channels Than Medium or Small**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the corresponding percentage in the other bar(s) is/are significantly different.

Note: 2008 data weighted against 2007 data by company size.

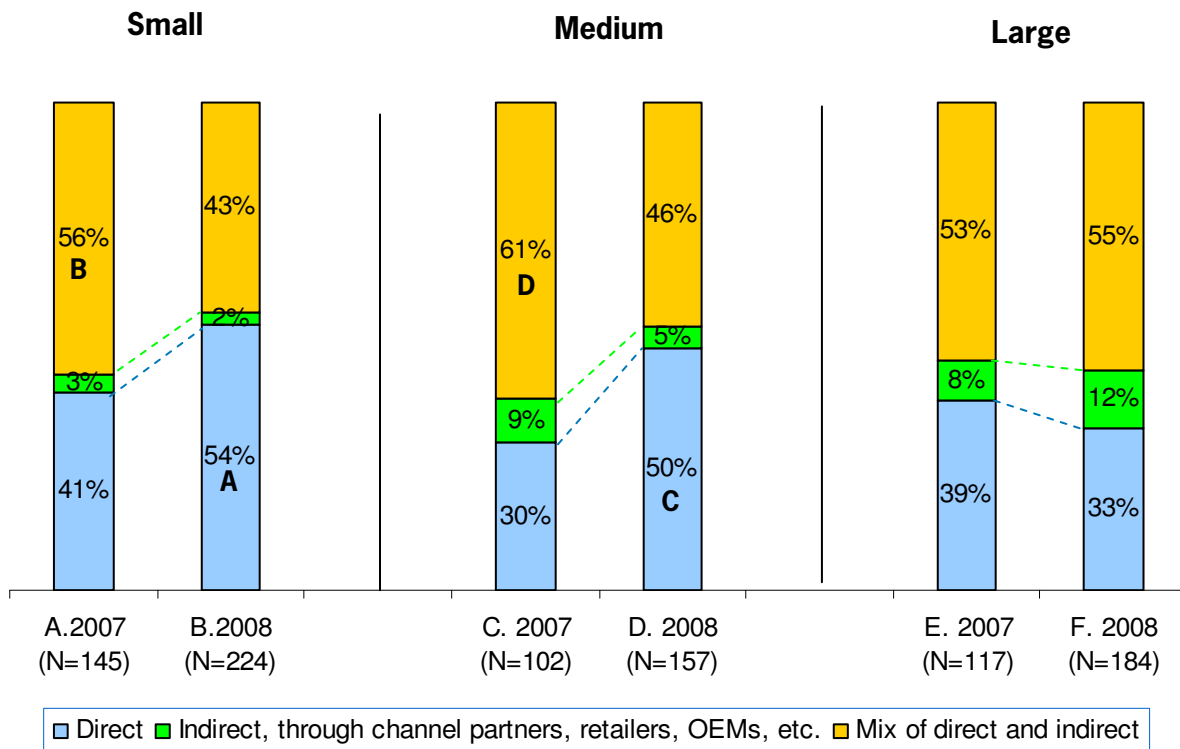


**Appendix: Respondent Profile**

**Distribution by Company Size: 2007 vs. 2008**

The data indicate that Small and Medium-sized companies represented in the survey respondent sample are relying exclusively upon direct channels to a significantly greater degree than sample respondents indicated last year. The distribution profile among Large company respondents changed slightly from 2007.

**Small and Medium-Sized Companies More Likely to Report Distribution in Exclusively Direct Channels in 2008**



The percentages in the bars above were tested against each other (A vs. B, C vs. D, E vs. F) for the determination of statistically significant differences. The letter next to the percentage (A, B, C, D, E, or F) indicates that the corresponding percentage in that lettered bar is significantly different.

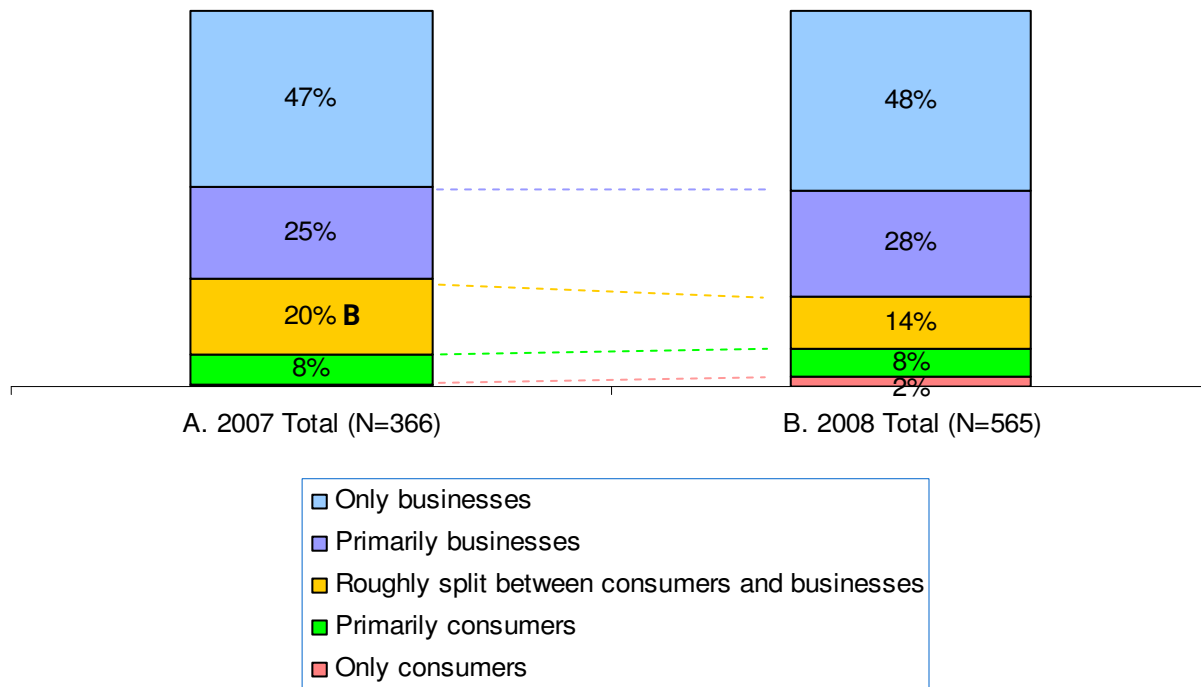
Note: 2008 data weighted against 2007 data by company size.

**Appendix: Respondent Profile**

**Customer Focus: 2007 vs. 2008**

The main target market focus for most respondents in the sample is in the business-to-business arena, with 48% focusing exclusively on businesses and an additional 28% indicating that this is their primary focus. While the overall profile is relatively similar between years, 14% of 2008 respondents sell to a mix of businesses and consumers, down significantly from 20% in 2007.

**Overall Customer Focus Profile Relatively Unchanged**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A or B) indicates that the corresponding percentage in the other bar is significantly different.

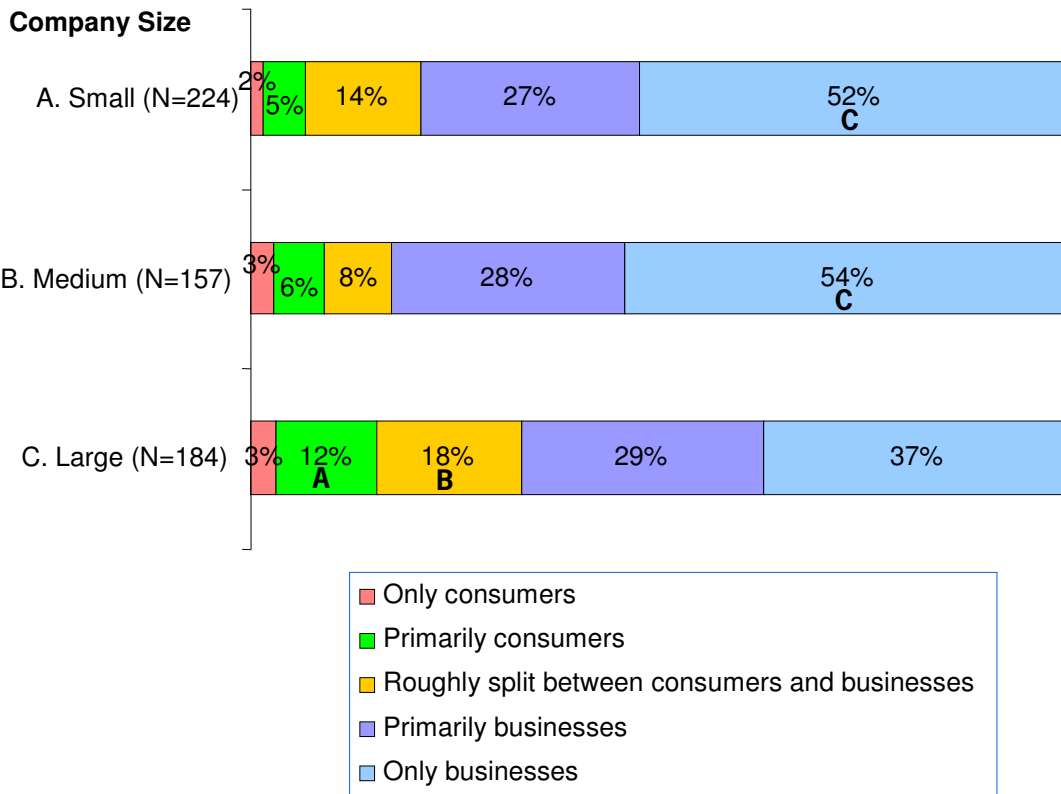
Note: 2008 data weighted against 2007 data by company size.

Appendix: Respondent Profile

## Customer Focus by Company Size

Large company respondents in this study sample are significantly more likely to report including consumers in their target audiences than Small and Medium-sized company respondents.

**Large Companies More Likely to Include Consumers in the Target Market**



The percentages in the bars above were tested against each other for the determination of statistically significant differences. The letter next to the percentage (A, B, or C) indicates that the corresponding percentage in the other bar(s) is/are significantly different.

Note: 2008 data weighted against 2007 data by company size.

## Contact Information

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