

Marketing Leadership Survey:

# Strategy, Technology, and Data-Driven Management

2017



# Executive Summary

As CMOs and other leaders continue their struggle to prove the value that marketing brings to the business, the conversation always comes back to the same theme: alignment.

Alignment is a major issue in the marketing world. People are talking about marketing and sales alignment, CMO-CIO alignment, marketing and content alignment, and alignment of marketing with the overall business. And for good reason.

Studies show that when marketing is aligned with other functional units, businesses see faster revenue growth and higher profitability. With all of this discussion and evidence, surely marketing leaders are aware of the importance of alignment as a business driver. That's why we were surprised at some of the results of this year's Marketing Leadership Survey. (Take a look at The Big Ideas below.)

For this TrackMaven survey, 217 marketers from 19 different industries shared their views on everything from the challenges they face in demonstrating marketing ROI to how they're compensating their staff. Read through The Big Ideas and Key Takeaways, and then dive into the details of the report for revelations and recommendations around issues that are most important to today's marketing leaders.



## The Big Ideas

### **MARKETING LEADERS ARE NOT ALIGNING INCENTIVES WITH GOALS AROUND DRIVING SALES.**

While marketers say their top objective is to increase sales, most don't compensate their marketing teams based on revenue or closed business.

### **MARKETING LEADERS ARE NOT ALIGNING METRICS WITH SALES GOALS.**

In another case of misalignment, although marketers strive for more sales, many are still using easy-to-measure vanity metrics like consumption over leads and sales metrics.

### **MARKETERS CONTINUE TO FACE CHALLENGES WHEN IT COMES TO PROVING MARKETING PERFORMANCE.**

Marketers say that analytics is strategically important, and are optimistic about the ability to prove ROI, but in reality, few marketers are happy with their ability to measure performance.



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## Key Takeaways

- Most marketers (47.42 percent) use data after-the-fact to find out what worked and what didn't, with a smaller percentage (27.84 percent) using testing and benchmarking to constantly adjust their strategy.
- While 60.94 percent of marketers state their top objective is to increase sales, only 22.93 percent of marketers are compensated based on revenue or closed business. Furthermore, only slightly more than half use leads and sales metrics to measure success.
- Despite the fact that 66.3 percent of marketers think it's easier or much easier to prove marketing impact, only 27.62 percent of marketers consider themselves very effective at demonstrating the value of marketing efforts internally. Most (69.06 percent) say they're only somewhat effective at demonstrating value.
- The majority of marketers (71.11 percent) say the biggest challenge in proving the ROI of their marketing efforts is attributing social and content to revenue.
- The top three metrics used to measure marketing value are: engagement metrics (90.64 percent), consumption metrics (81.87 percent), and audience growth metrics (77.78 percent).
- Marketers say the two most important components needed to measure performance are content performance measurement (65.16 percent) and social media analytics (59.74 percent).
- Marketers spend the bulk of their work week drafting and scheduling marketing content and campaigns, as well as collecting, organizing, and analyzing marketing data. They also use an average of seven different tools to measure marketing performance.
- Just over half of respondents (50.88 percent) say that the marketing team does their own analytics, while 40.94 percent have specially trained staff on board for this purpose.
- Despite the fact that industry analysts predict a rise in 2017 budgets, more marketers say their budgets stayed the same (48.75 percent), with a smaller percentage noting an increase (36.25 percent).





# MARKETING GOALS



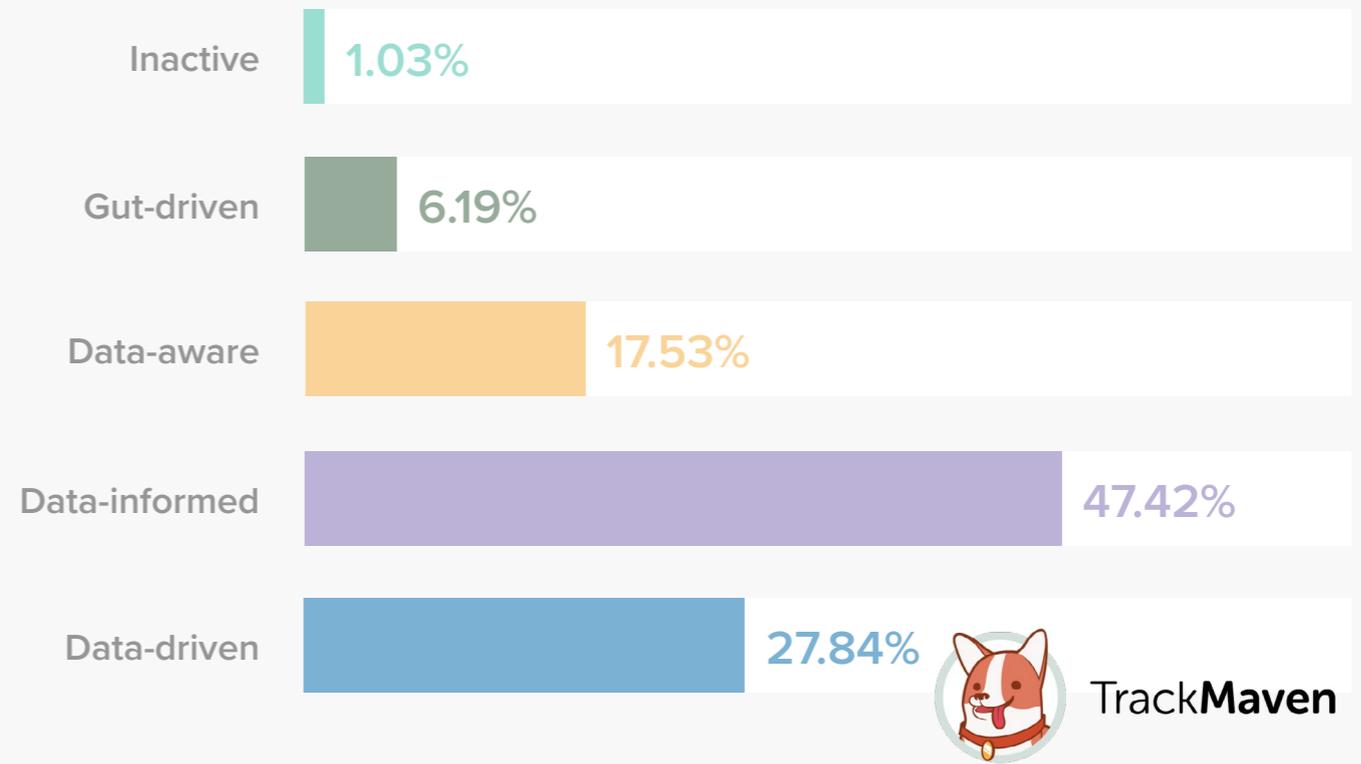
What best describes your organization's marketing efforts? 47.42% say data-informed

## How Many Organizations Are Truly Data-Driven?

With an increased emphasis on data and analytics, we would expect that more marketers would consider themselves data-driven, but survey results show this isn't the case. The largest percentage of marketers (47.42 percent) consider themselves data-informed, using data after-the-fact to find out what worked and what didn't.

Just over a quarter (27.84 percent) say they are truly data-driven, using insights regularly to change strategy and continuously monitoring, testing, and benchmarking results. A smaller percentage (17.53) consider themselves data-aware, actively marketing on digital channels with a focus on increasing social media followers, engagement, and website traffic. Another 6.2 percent are gut-driven, meaning they are marketing on digital channels without quantified goals.

### Organization's Level of Marketing Sophistication



# What Do Marketers Want to Accomplish?

We asked marketers to name their top marketing and social media marketing objectives. As you can see in the results below, sales, customer engagement, and brand awareness seem to be top-of-mind for marketers.

## Top Marketing Objectives

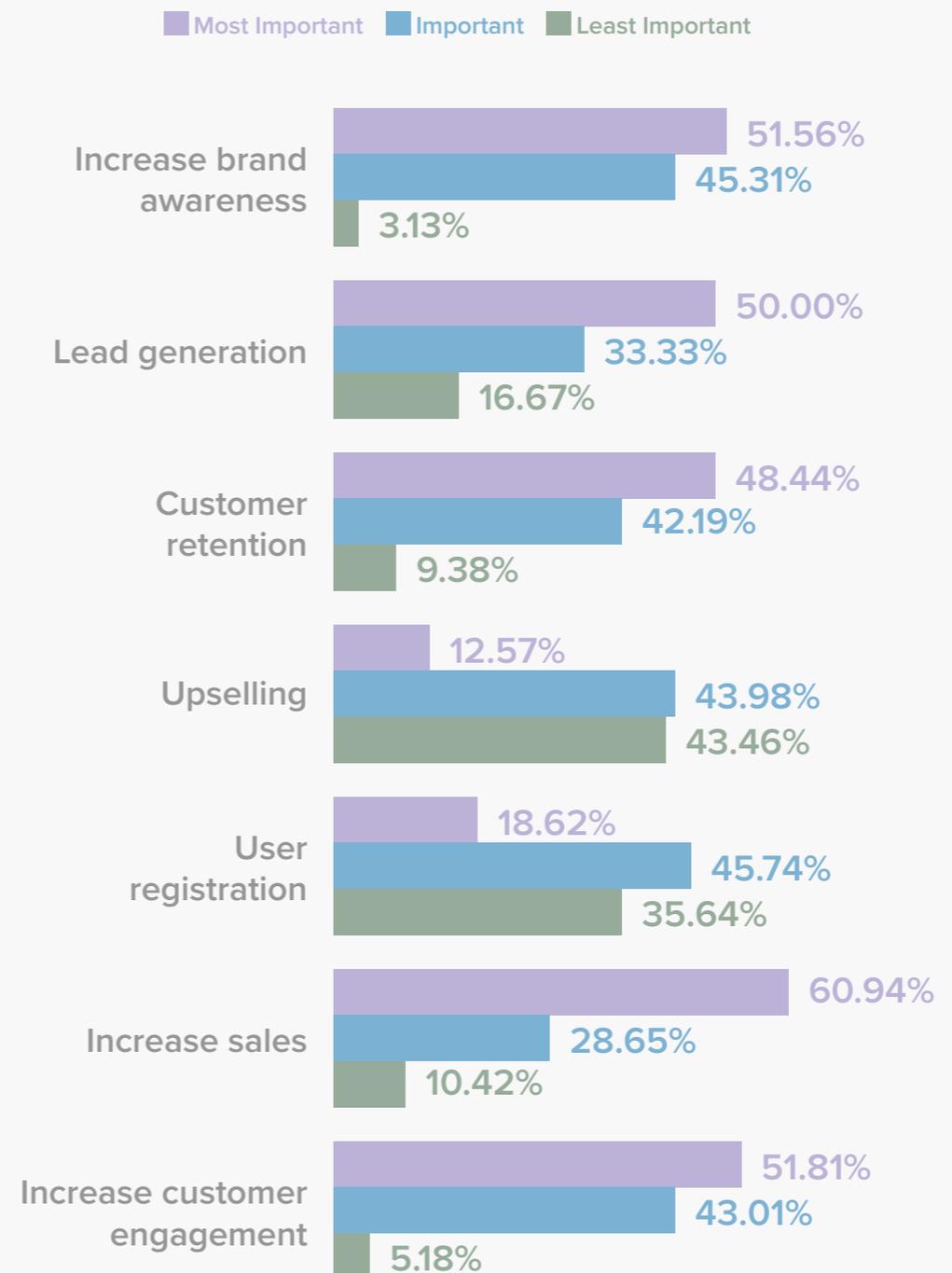


Lead generation (50 percent) and customer retention (48.44 percent) were also high on the priority list.



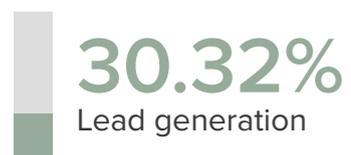
What are your top marketing objectives? 60.94% say increasing sales

## Top Marketing Objectives by Level of Importance



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## Top Social Media Marketing Objectives

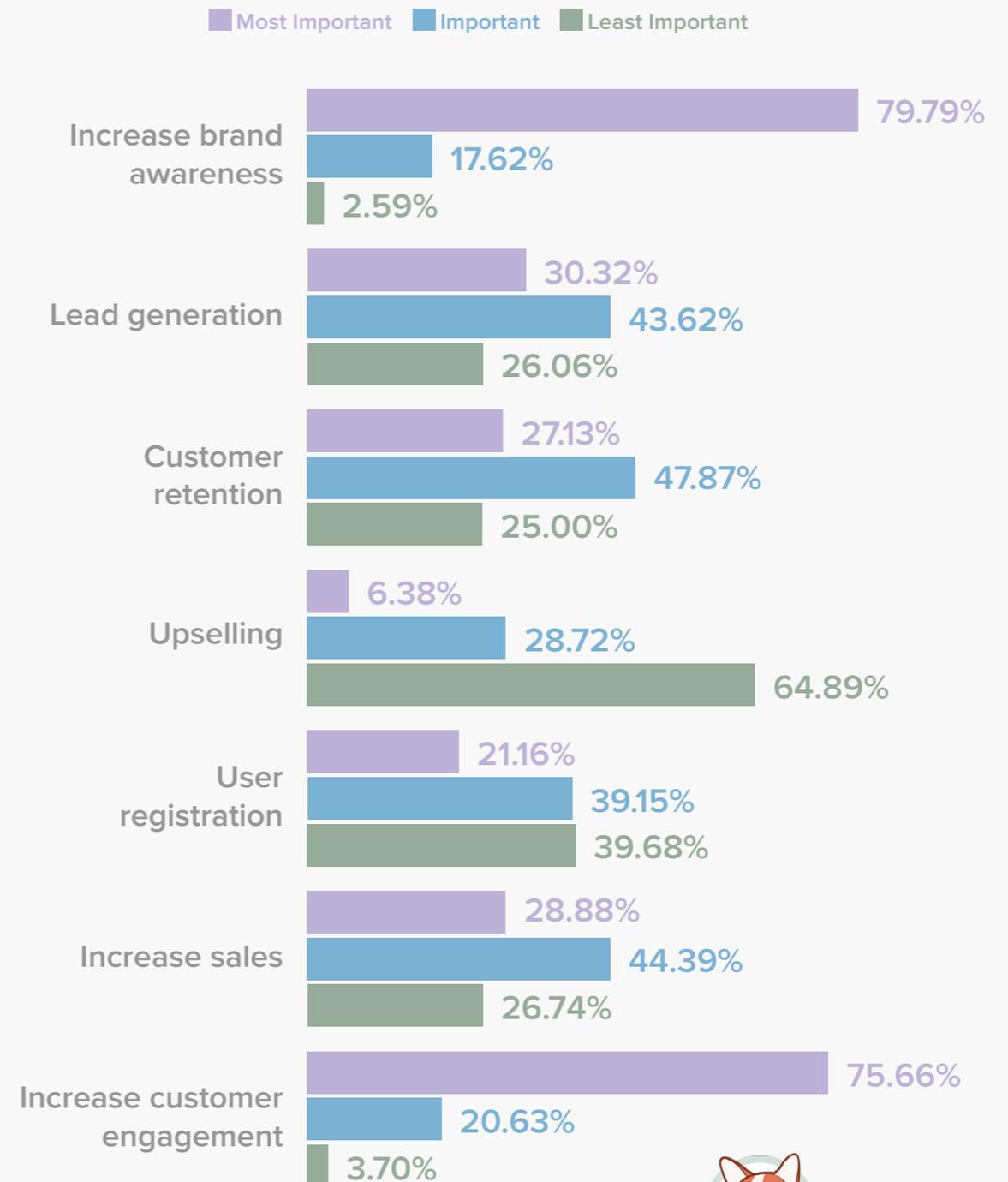


As with overall marketing objectives, marketers seek to use social media for increasing sales (28.88 percent) and customer retention (27.13 percent).



What are your top marketing objectives for social media? 79.79% say increasing brand awareness

### Top Social Media Marketing Objectives by Level of Importance



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A network diagram on a dark blue background. It consists of various sized circles (nodes) connected by thin lines. Some nodes contain a white silhouette of a person, representing individuals in a network. The nodes are scattered across the left and bottom-left portions of the image, with some larger nodes and more connections in those areas.

# ANALYTICS AND REPORTING

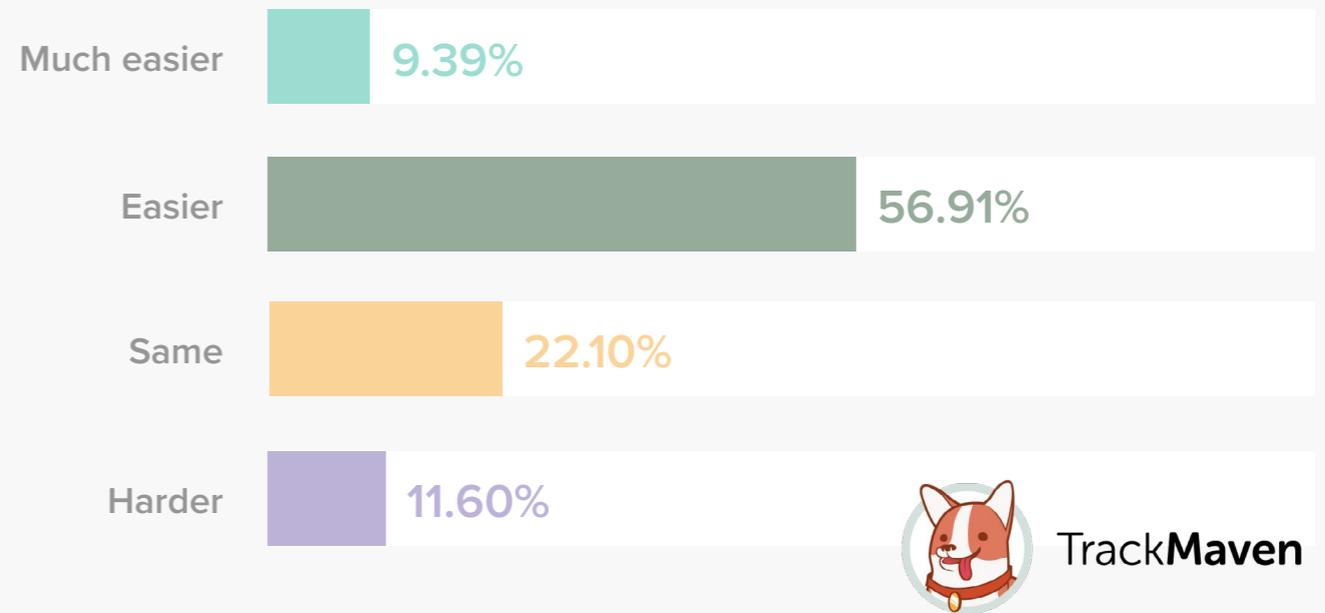
## Proving Marketing ROI

Despite the fact that 66.3% percent of marketers think it's easier or much easier to prove marketing impact, only 27.62 percent of marketers consider themselves very effective at demonstrating the value of marketing efforts internally. Most (69.06 percent) say they're only somewhat effective at demonstrating value.

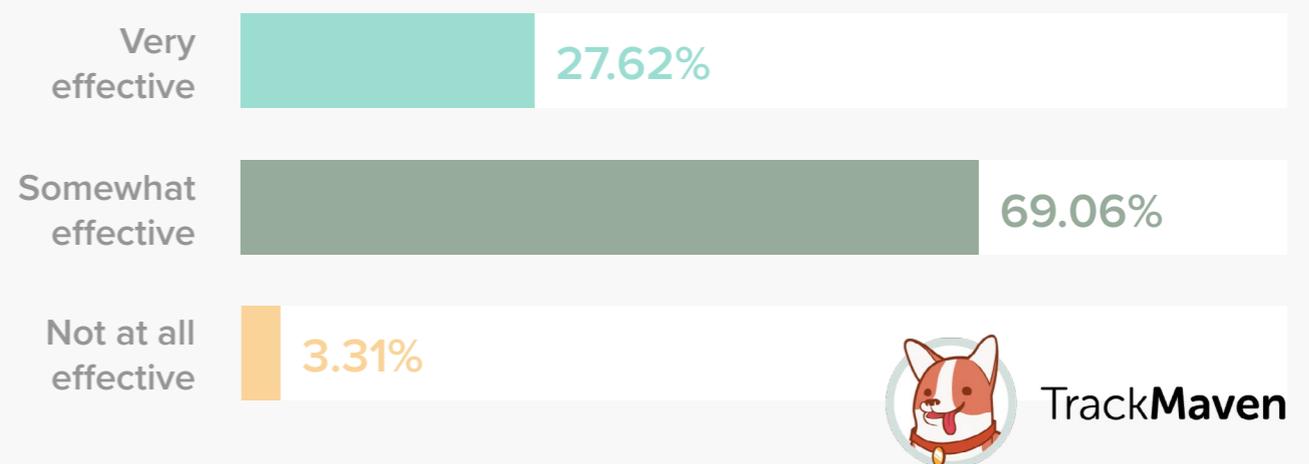


66.3% of marketers say it's easier or much easier to prove impact, but only 27.62% say they are very effective at demonstrating value internally

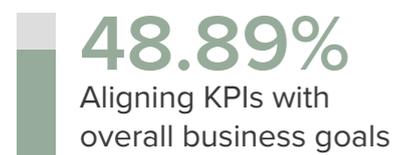
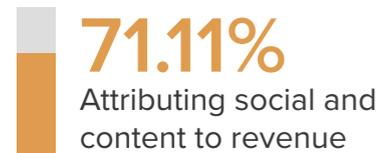
### Difficulty in Proving Marketing Impact



### Ability to Demonstrate Marketing Value Internally



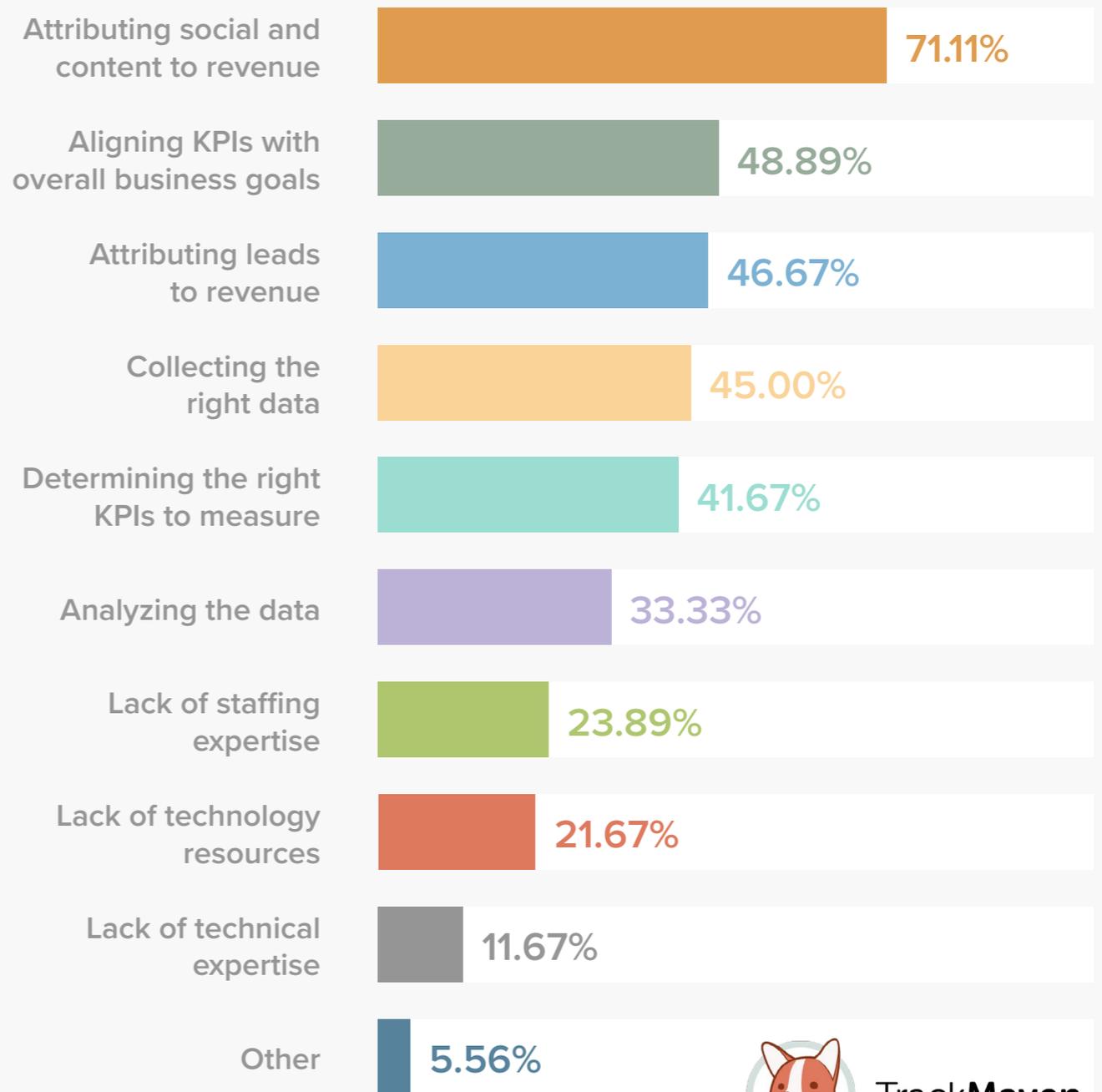
To dig a little deeper, we asked marketers to tell us what their biggest challenges are for proving marketing ROI. The highest hurdles, they say, pertain to attribution and KPIs:



Other ROI issues include collecting the right data (45 percent), determining the right KPIs (41.67 percent), and analyzing the data (33.33 percent).

 What is the biggest challenge in proving the ROI of your marketing efforts? 71.11% say attributing social and content to revenue

**Top Challenges for Proving Marketing ROI**



On the reporting side, most marketers (46.41 percent) report results to superiors on a monthly basis, and 27.62 percent on a weekly basis. A tiny percentage (2.76 percent) give daily reports to management.

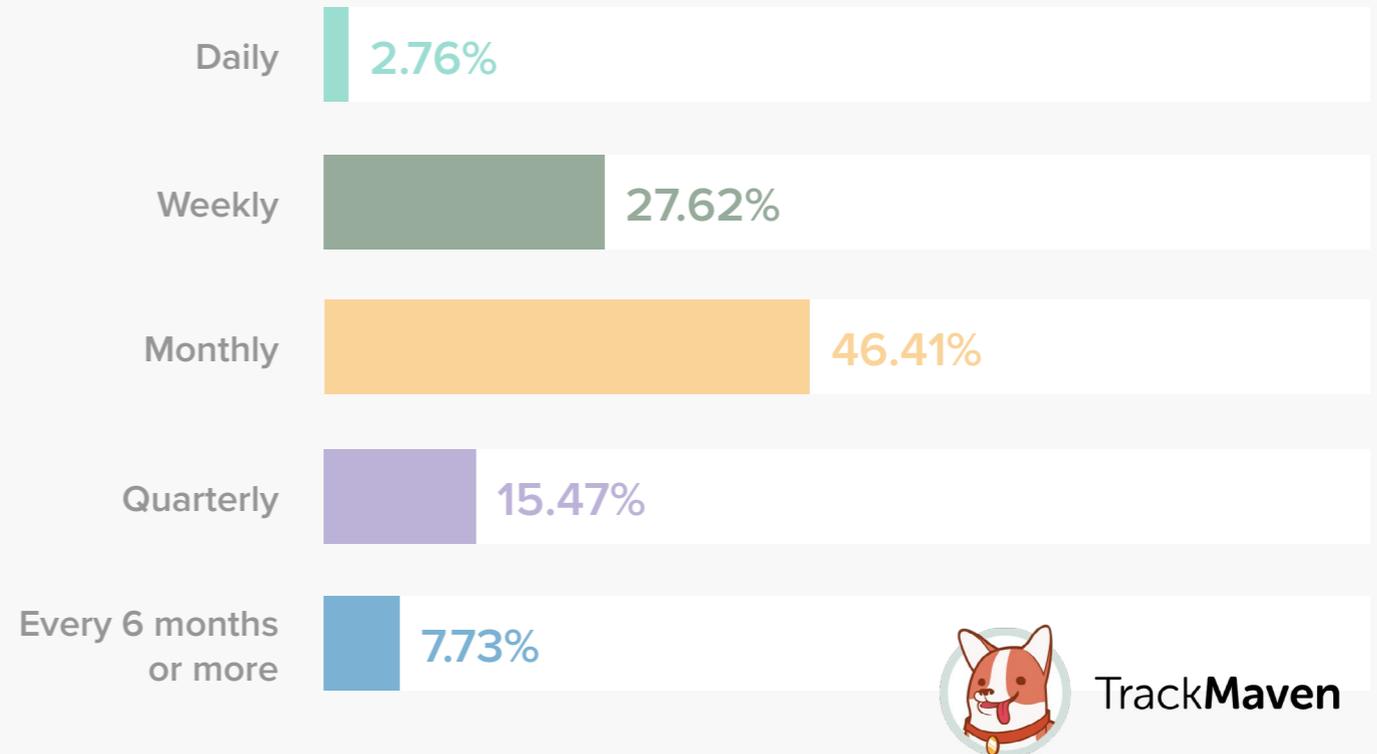
### Recommendations:

- Tie every activity back to revenue. Look for a tool that helps you determine the value of each social media post and each piece of content you create, as well as the leads associated with them.
- Let management know about successes more often. You can accomplish this with a dashboard that everyone can access at any time.
- Review KPIs and metrics used by other marketers to help you get a handle on those that make the most sense for your company.



How often do you report on marketing results to superiors? 46.41% say on a monthly basis

### Marketing Reporting Frequency



## Key Performance Indicators

For those of you who are wondering which metrics you should use to demonstrate marketing value, this section is for you. We asked marketers to tell us about the top metrics they use to show impact.

Overwhelmingly, marketers (90.64 percent) named engagement metrics like social media interactions, time on site, and bounce rate, as their number one way to measure success, followed by consumption metrics (81.87 percent) like page views, downloads, and clicks.

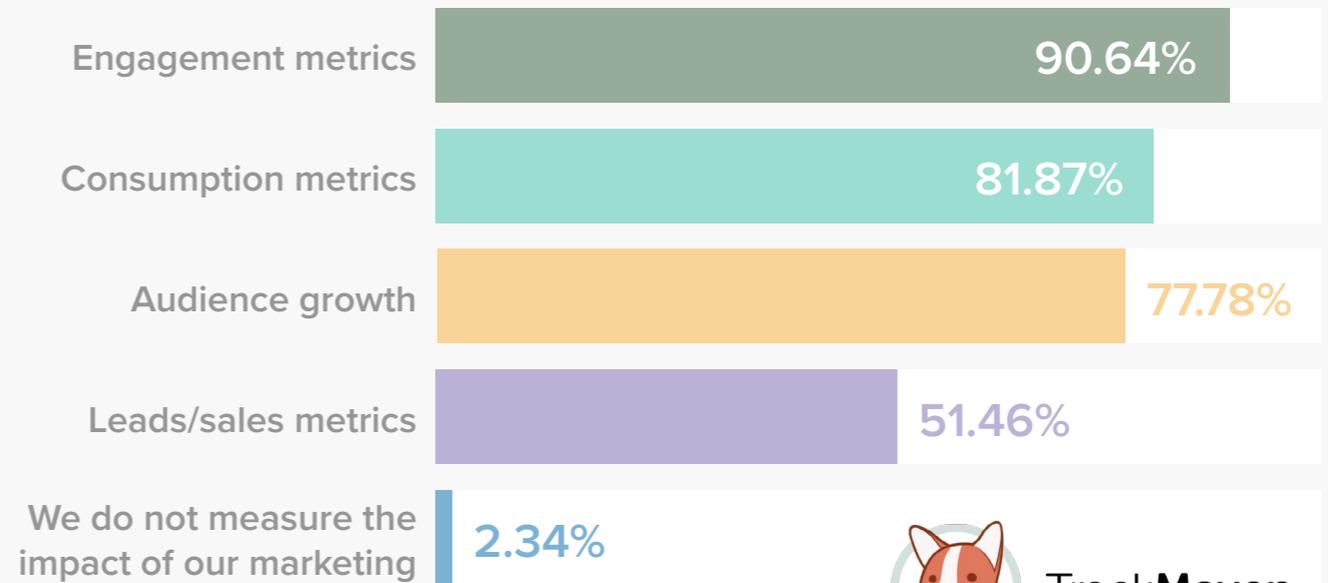
Audience growth metrics (77.78 percent), including social media followers, newsletter subscribers, and website visitors followed close behind, with leads and sales metrics (51.46 percent) such as leads, sales, retention, and customer lifetime value bringing up the rear.

While this is valuable information, we found something even more significant when we compared these metrics to the marketing objectives of our participants. While 60.94 percent of marketers say their top marketing objective is to increase sales, only slightly more than half use leads and sales metrics to measure success. This misalignment is likely costing companies valuable revenue opportunities.



Which metrics do you use to evaluate the impact of your marketing? 90.64% say engagement

### KPIs Used by Marketers to Evaluate Impact



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### Recommendations:

- Align metrics with your marketing and business objectives to ensure that you're allocating resources and measuring success in the areas that matter most.
- CEOs and CFOs want to know how marketing is moving the business forward, and how it contributes to revenue. Shift your focus away from easy-to-measure vanity metrics like consumption, to those focused on revenue so you can be ready with the numbers those executives really want to see.

## Data Analysis and Strategy

Not surprisingly, analytics plays a major role in strategy, as 86.63 percent of respondents note analytics is important or very important to their overall digital marketing strategy.

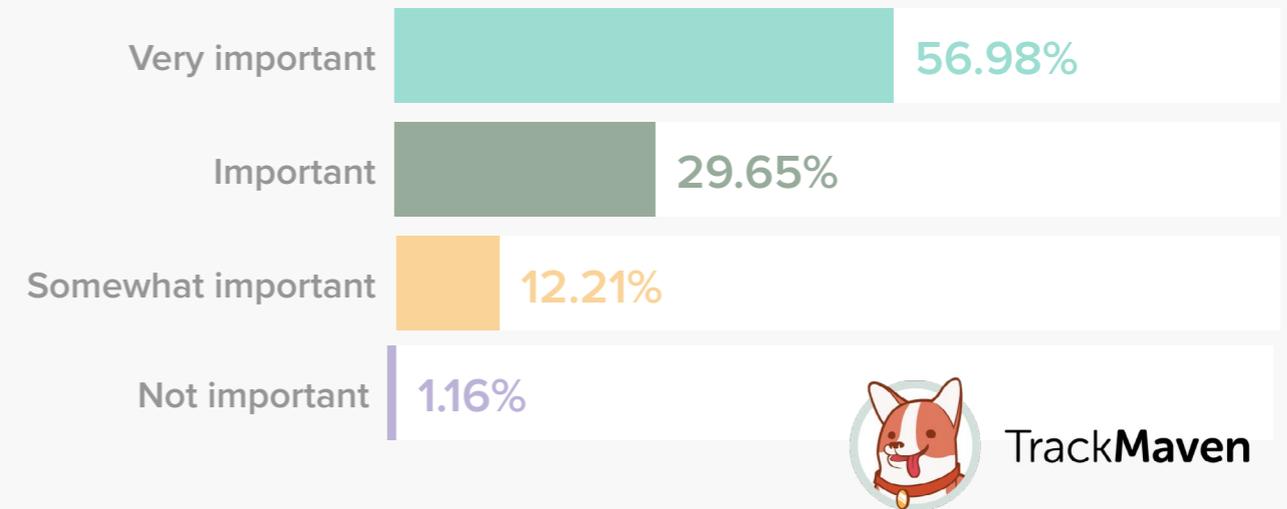
When it comes to who is doing the analysis, the responses get interesting. Just over half of respondents (50.88 percent) say that the marketing team does their own analytics, without the help of any special staff. This suggests that today's self-service analytics tools have made it much easier for those without specialized knowledge or skills to gather insights about marketing performance.

However, there are still plenty of companies (40.94 percent) that have specially trained staff on board to analyze and communicate data trends. A small percentage (7.02 percent) use external consultants for this purpose, while a tiny percentage (1.17 percent) say they don't collect and use data to inform their digital strategy.



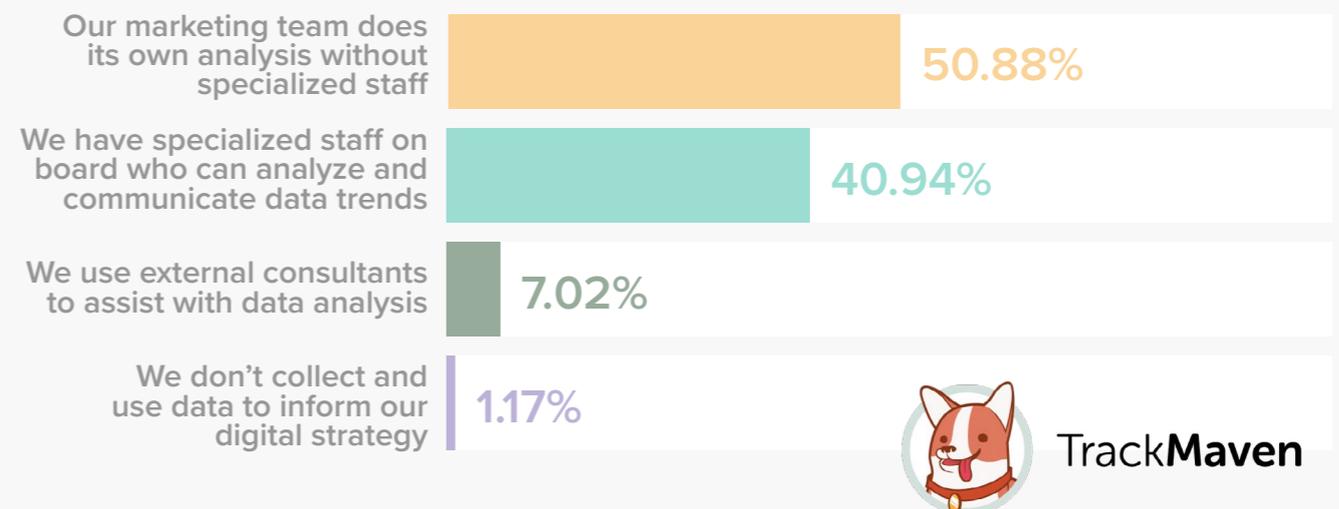
How important are analytics to your overall digital marketing strategy? 86.63 say important or very important

### Importance of Analytics to Digital Marketing

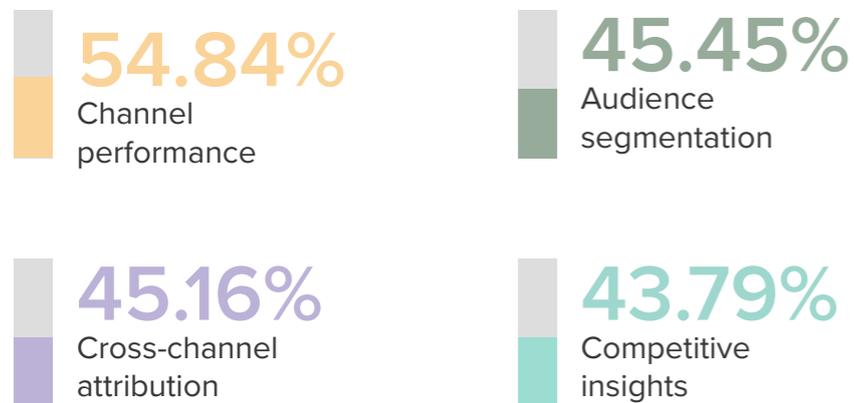


How do you engage in data analysis? 40.94% say they have specially trained staff to analyze data trends

### How Marketing Teams Engage in Data Analysis



As for tools, marketers note that the two most important components needed to measure performance are those that include content performance measurement (65.16 percent), and social media analytics (59.74 percent). Other important components named are:



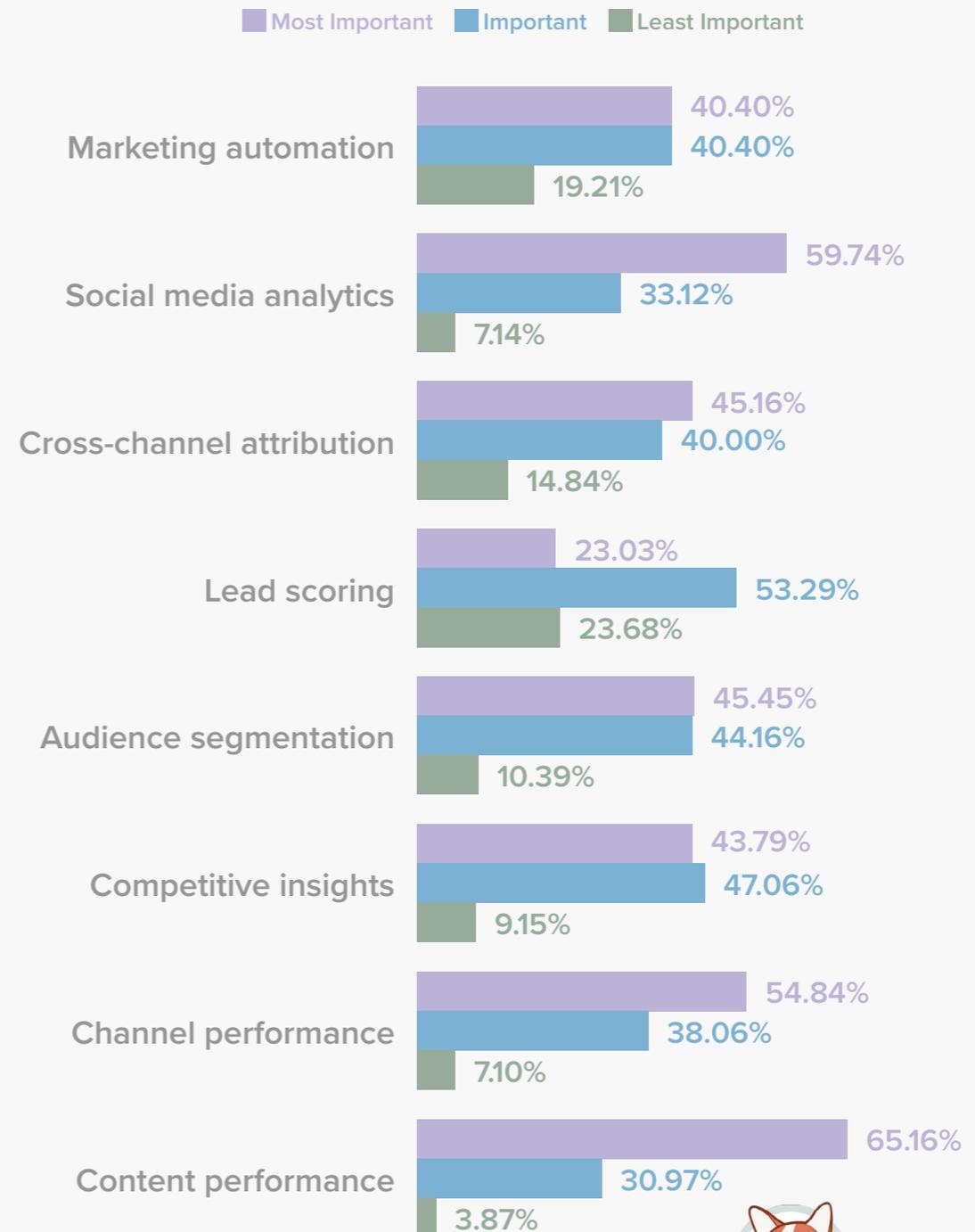
### Recommendations:

- Because analytics plays such an important role in digital marketing strategy, finding the right tool to help manage those analytics is a must. Your tool of choice should at least incorporate all of the components named above so you and your team can easily access real-time insights in one place — and act on them accordingly.
- Look for tools that simplify reporting to make it easier for your marketing team to gain insights themselves and share those insights across the organization.



Which digital components and features are most important to help you measure marketing performance? 65.16% say content performance measurement

### Marketing Tool Components by Level of Importance for Performance Measurement



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# TEAM STRUCTURE AND ALIGNMENT

## How Do Marketers Spend Their Time?

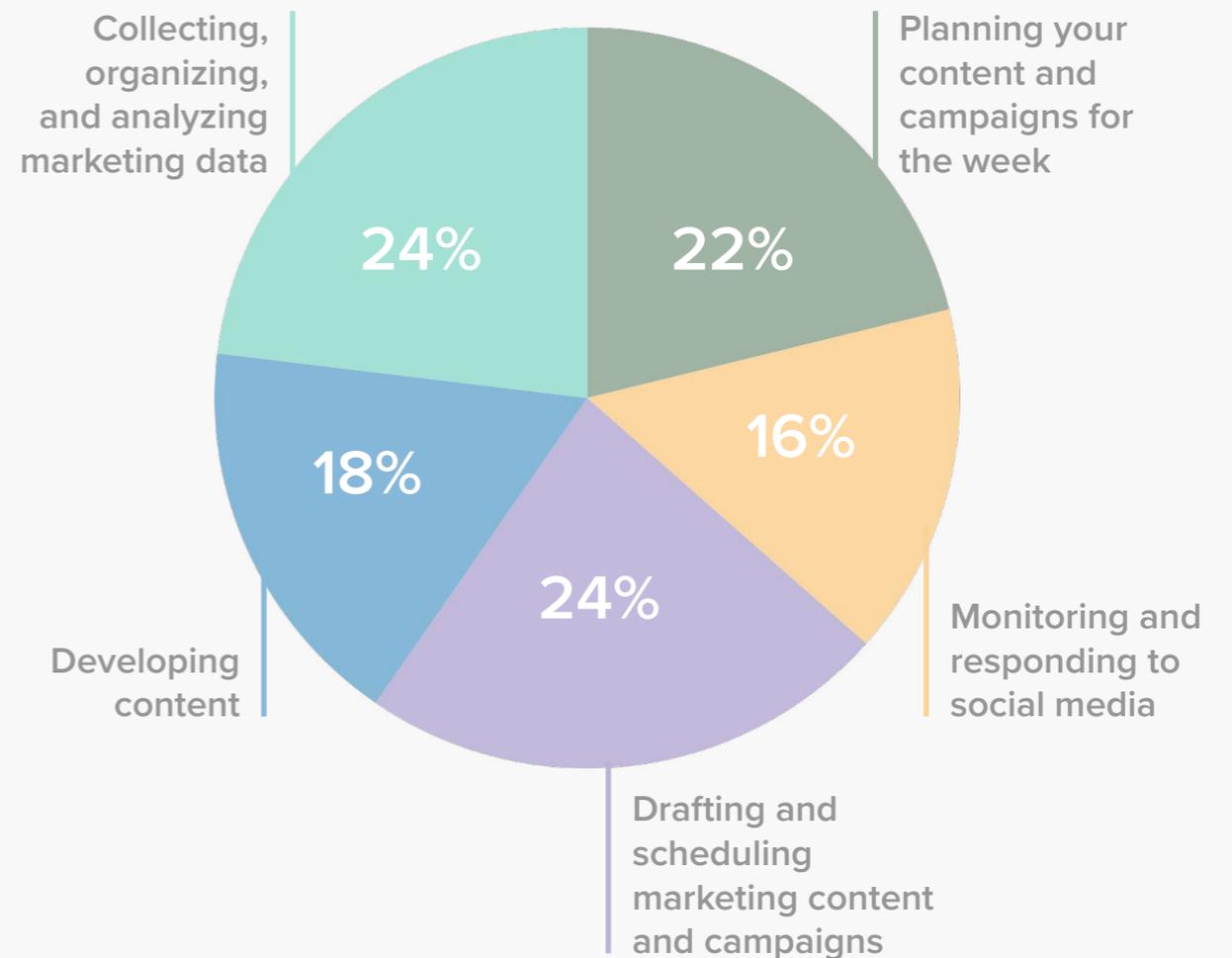
Marketers spend the bulk of their work week drafting and scheduling marketing content and campaigns, as well as collecting, organizing, and analyzing marketing data. Following these activities, the rest of the time is spent on:

- Planning content and campaigns for the week
- Developing content
- Monitoring and responding to social media



What percentage of the work week do you spend on marketing activities? Marketers spend 24% of their time analyzing marketing data, and another 24% developing content

Division of Time Spent on Marketing Activities



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On average, marketers use seven different tools to measure marketing performance. This could explain why so much time is spent on managing marketing data. One participant's write-in answer demonstrated frustration over lack of time to make sense of all the data.

“

*I almost have too many tools. All these analytics and metrics dashboards that can prove ROI require time, and my marketing duties are multifold. I'm not analytics exclusively, so the more complex the tools get, the more analytics they produce — which is great — but the more time they take to install, setup, run, and analyze.”*



How many different tools do you use to measure your marketing performance?

Marketers  
use an average  
of 7 tools

#### Recommendations:

- Consolidate tools and channels so your team can work more efficiently and free up more time for strategic activities.
- Determine how much value each activity provides so you can ensure you're directing resources to areas where you're more likely to see a positive return.

# Agency Relations

Outsourcing is still alive and well in the marketing world, especially when it comes to public relations (PR) and video production. A majority of marketers (50.68 percent) say they use agencies for PR, while 48.63 percent work with agencies to produce video.

Marketers also say agencies help them with:

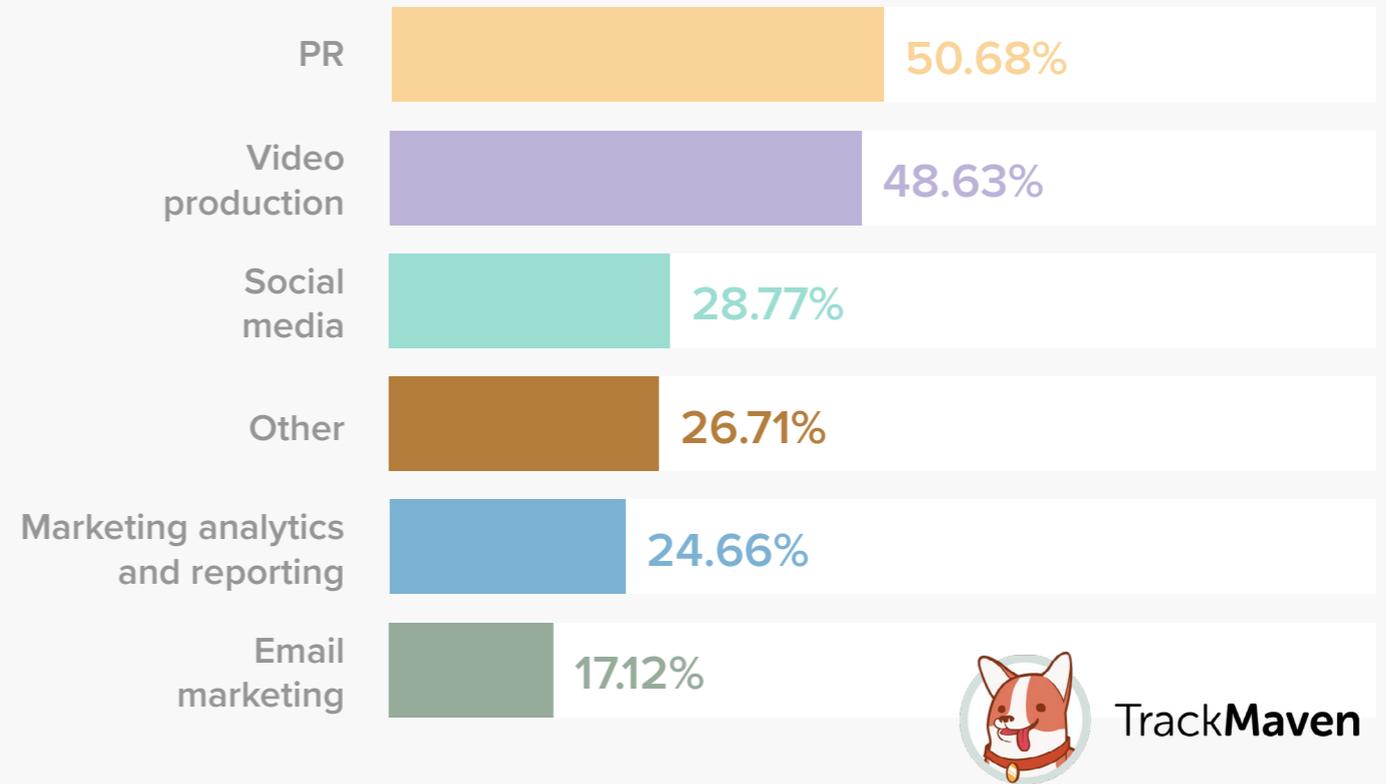


A handful wrote in that they use agencies for search engine optimization (SEO), as well as digital advertising, including search engine marketing (SEM), social media, and display and retargeting advertising. Some marketers are also working with agencies on offline campaigns, including direct mail.



## What does your organization use agencies for? 50.68% say PR

### Marketing Activities Outsourced to Agencies



#### Recommendations:

- No matter what kind of work your agency is doing, it's important to keep the lines of communication open. Be sure your agencies are up to date on the latest tools that allow you to easily collaborate, and share content for approval or scheduling.
- Ask your agency to provide you with regular reports around how your content is performing. Shared dashboards updated in real time are ideal for spotting trends or issues that need immediate attention.



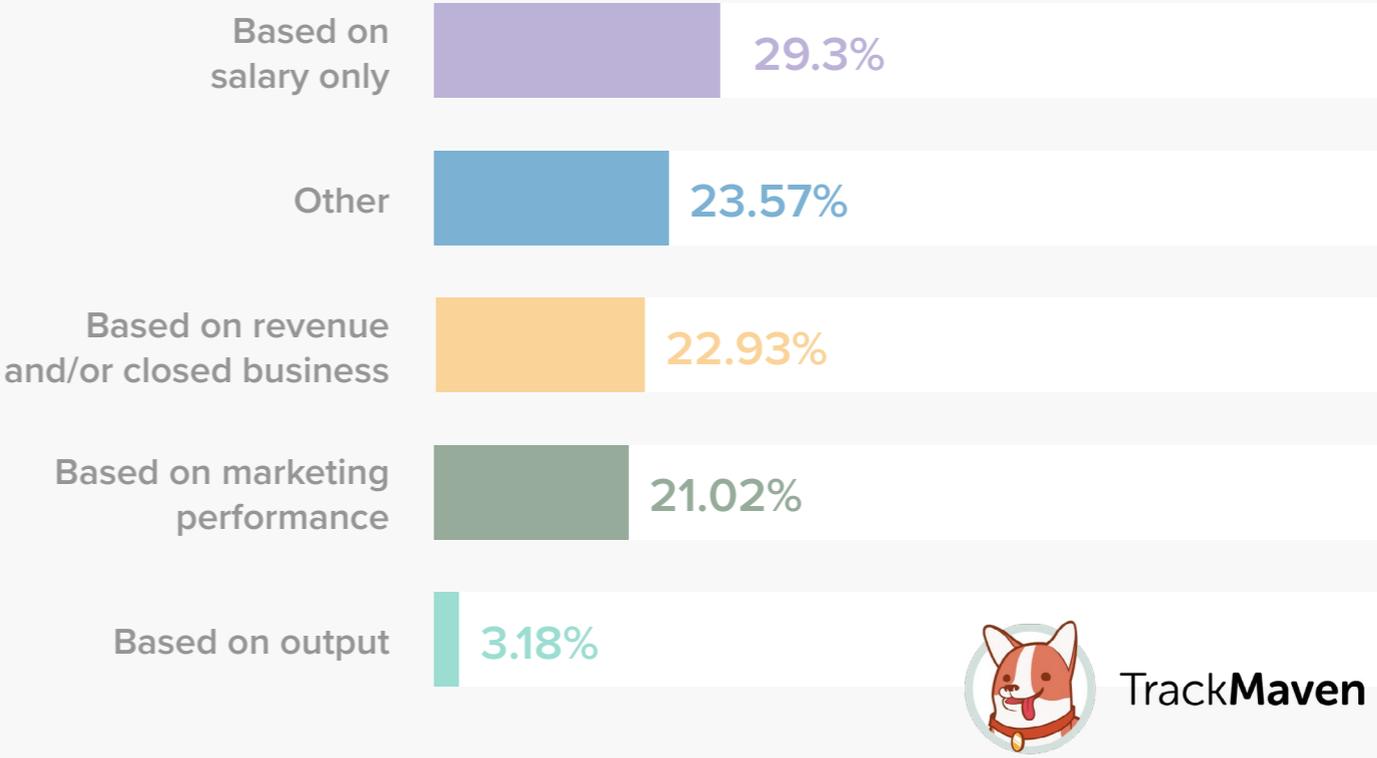
How do you compensate members of your marketing team? 29.3% say based on salary only

# Compensation

When we looked at the data around how marketers are compensated, we found a major disconnect between incentives and marketing objectives. Earlier in the report we noted that the top marketing objective is to increase sales. However, according to survey participants, only 22.93 percent of marketers are compensated based on revenue or closed business.

A significant percentage of marketers (29.3 percent) don't receive any additional compensation outside of their salary, while others (21.02 percent) are incentivized for marketing performance, such as social media metrics, website traffic and conversions, and lead generation. A very small percentage (3.18 percent) are given incentives around output, like number of blog posts published or number of events conducted.

### How Marketers Are Compensated



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Based on write-in answers, marketers are struggling to understand how a revenue-based compensation structure might work. One participant wrote:

“

*Employment/salary is not directly tied to metrics. There are too many variables in the market that we cannot control for this to be a fair idea. Performance is expected, but not directly tied to compensation.”*

Another company provides bonuses based on “*feeling of success,*” while yet another company’s compensation is “*very adhoc, based on one’s performance in the mind of the manager.*”

### Recommendations:

- Don’t use your gut to reward employees for performance. Always tie rewards to metrics.
- If you want to achieve your marketing objectives, compensate marketers based on those objectives. Want higher sales? Compensate based on revenue. Better engagement? Compensate based on engagement metrics.

## Budgeting

Analysts report that marketing budgets continue to rise, and while 36.25 percent of marketers noted that their budgets increased, a higher percentage (48.75 percent) stated their budgets stayed the same, while 15 percent saw a decrease in budget over last year.

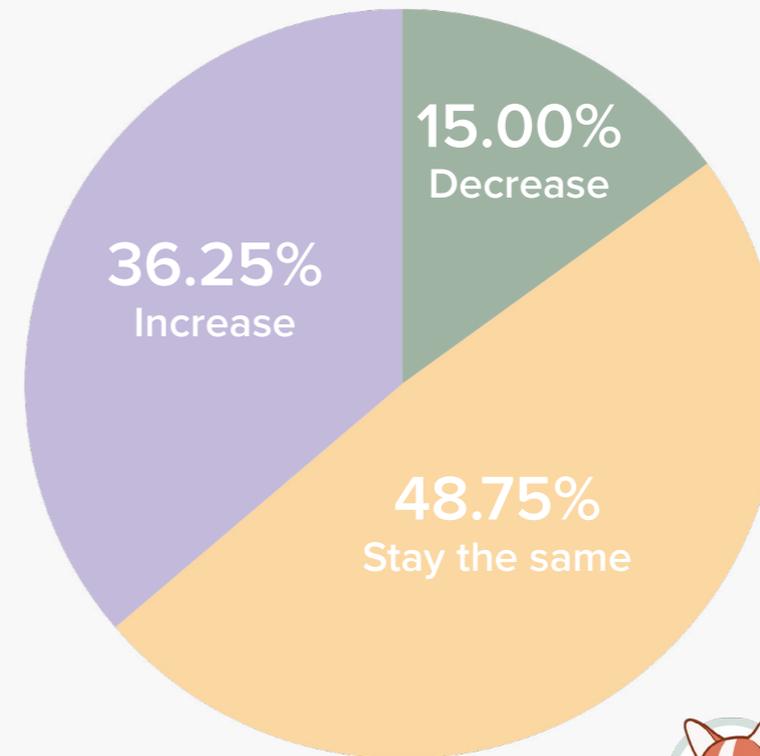
These numbers could tie back with difficulties marketers expressed in demonstrating the value of their efforts. It's likely that more marketers would see budgets rise once they're better able to prove marketing impact.

Marketers stated that on average, 16 percent of their overall budget is spent on marketing, and of that marketing budget just over 10 percent is spent on marketing analytics tools. According to [Gartner's CMO Spend Survey 2016-17](#), 57 percent of marketers expect their budgets for marketing analytics to either slightly or significantly increase for 2017, so this is one area marketers should be paying attention to.



How did your 2017 marketing budget change compared to last year? 48.75 say it stayed the same

Change in Marketing Budget From 2016 to 2017



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**16%** of company budgets are spent on marketing

**10%** of marketing budgets are spent on analytics tools

With regard to budget planning, a majority of marketers (52.53 percent) plan their budgets a year in advance, followed by 23.42 percent who plan six months ahead, and 16.46 percent who plan budgets three months out.

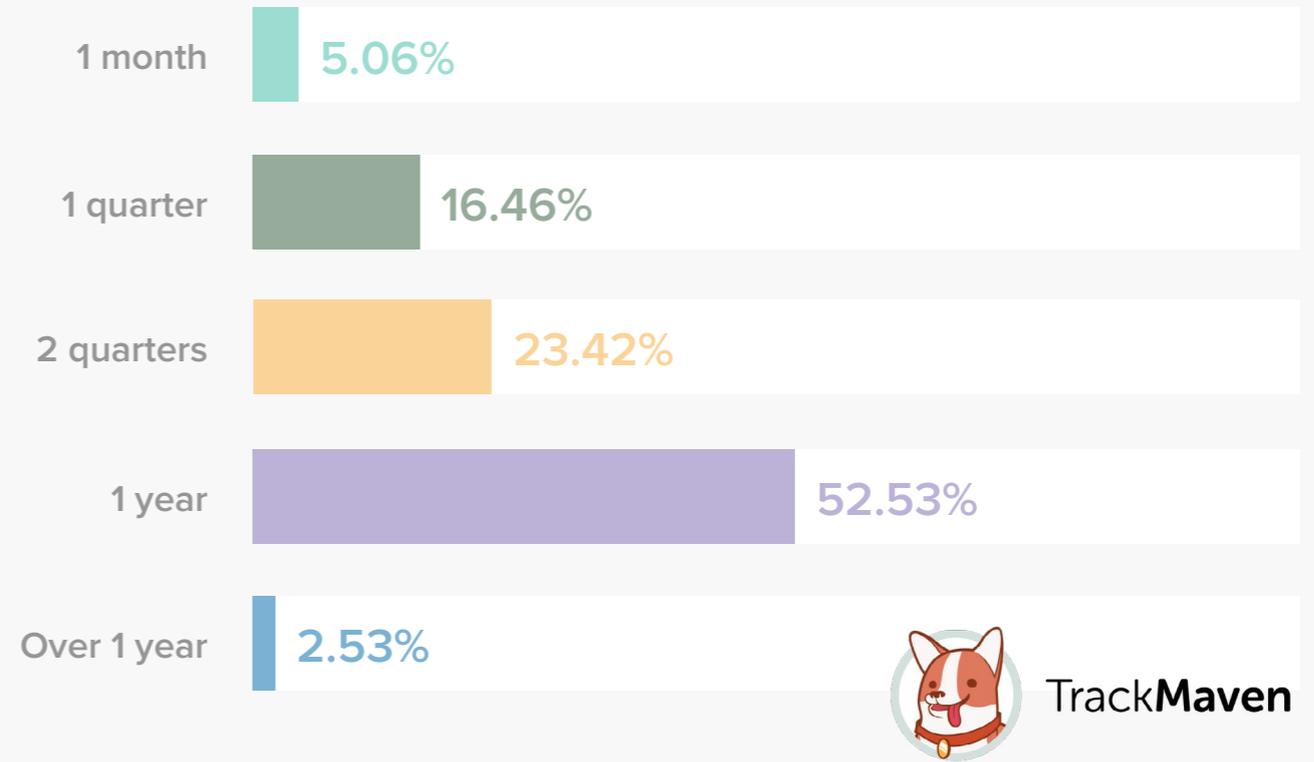
### Recommendations:

- Invest in resources that help you justify your marketing spend so you can secure higher budgets.
- Benchmark competitor spending so you can show how your numbers compare to similar companies in your industry.
- Align your KPIs so that your marketing accomplishments also fulfill overall business objectives, increasing the chances that your CEO and CFO will take notice and hand over more budget dollars based on those achievements.



How far in advance does your organization plan your marketing budget? 52.53% say a year in advance

### Budgeting for Marketing: Time in Advance



## Job Security

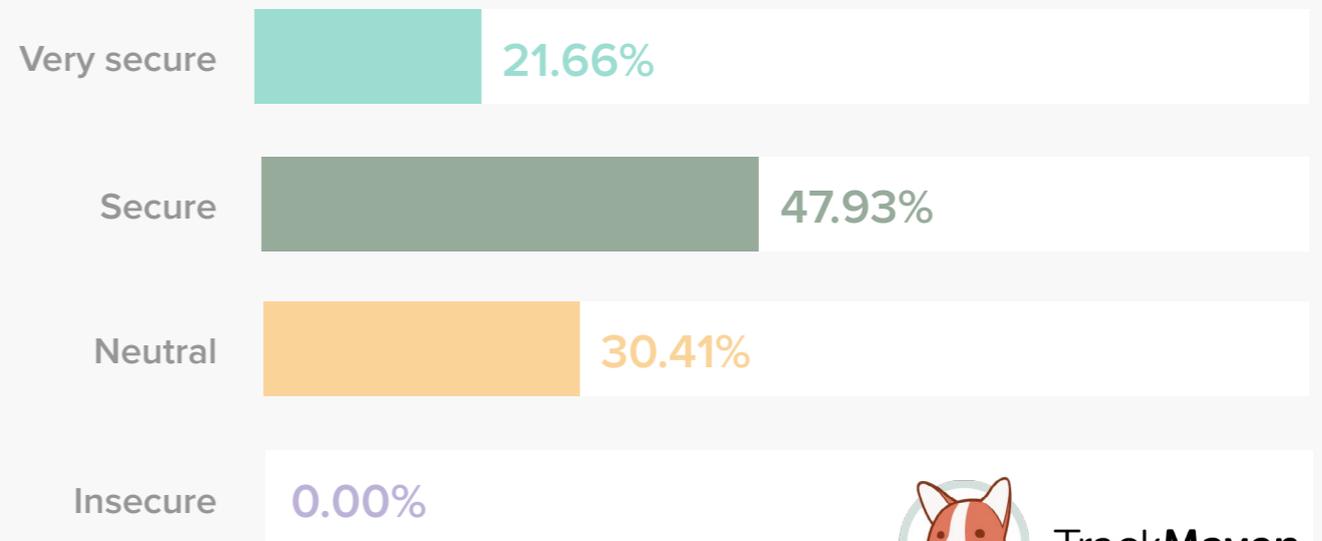
We asked marketers to tell us how they rate their job security in the marketing field, and we found that most have an optimistic outlook in this area. The largest percentage of respondents (47.93 percent) said they feel secure, while 21.66 percent feel very secure.

However, a significant percentage (30.41 percent) noted that they feel neutral, suggesting that there could be some apprehension among marketers regarding job security, although no one responded that they felt insecure.



How would you rate your level of job security in the marketing field? 47.93 say they feel secure

### Job Security for Marketers



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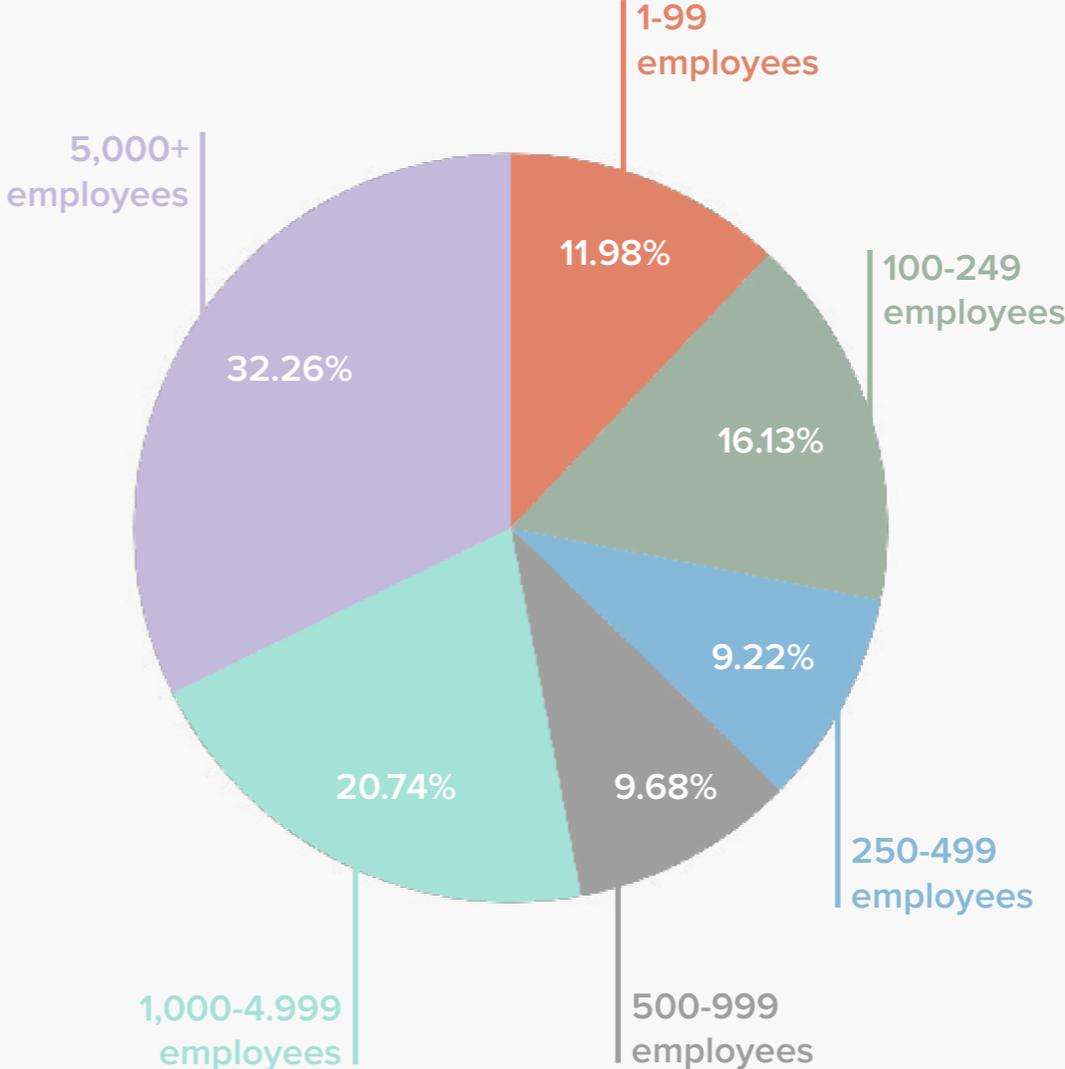
# Methodology

TrackMaven conducted this survey between January 31 and February 27, 2017. We sent surveys via email to 4,383 potential participants. Survey responses were received from 217 participants. This response rate translates to a 95 percent confidence level, with a 6.49 percent margin of error that these results represent the opinions of our marketing audience.

## About Our Participants

This year's survey respondents come from a variety of company sizes and industries: 32.26 percent work for companies that have more than 5,000 employees, followed by 20.74 percent who are with companies that have between 1,000 and 4,999 employees. The next largest group (16.13 percent) work with companies that have between 100 and 249 employees.

Company Size



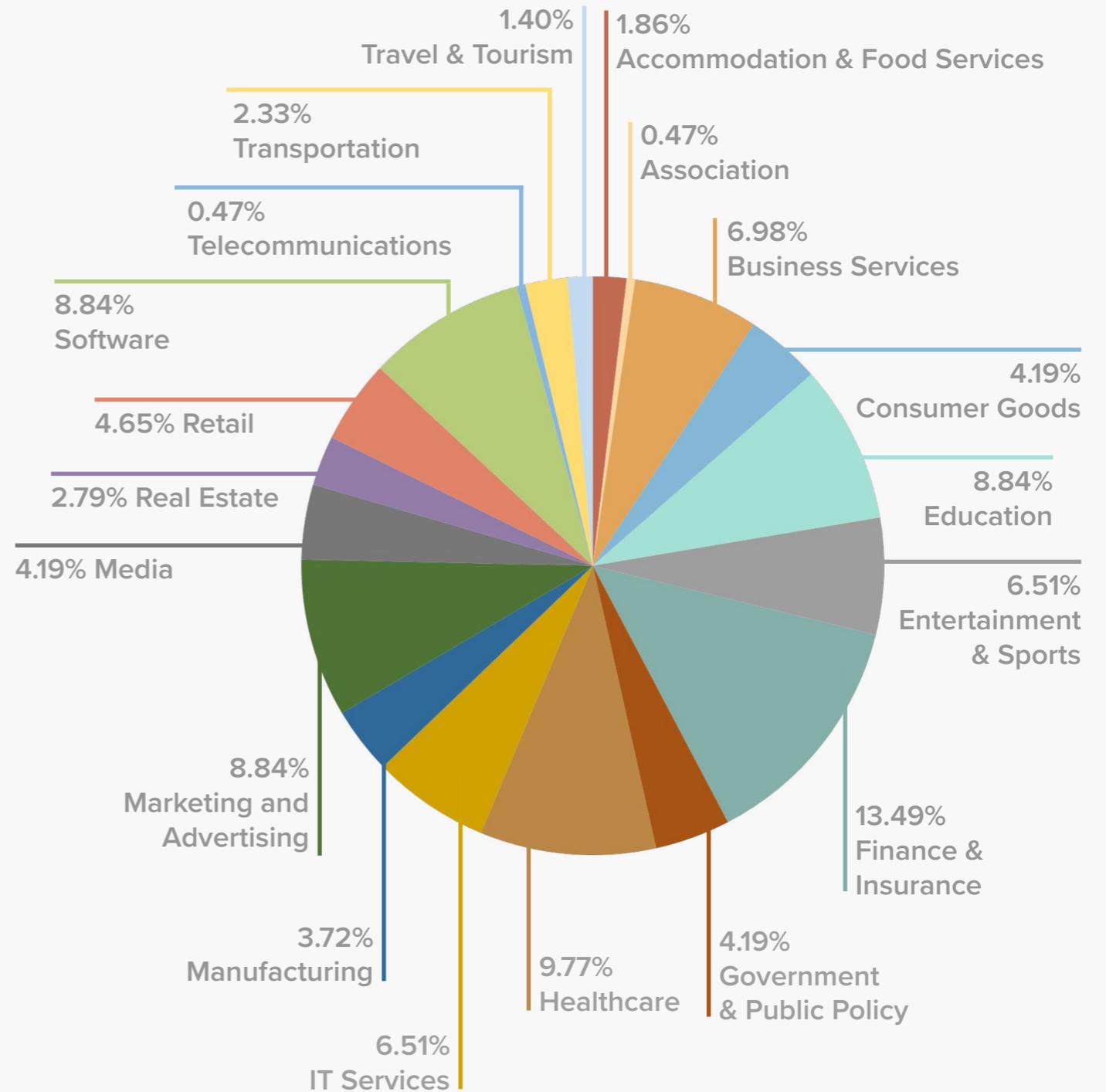
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Companies from 19 different industries were represented, including:

- Finance and Insurance (13.49 percent)
- Healthcare (9.77 percent)
- Software (8.84 percent)
- Marketing and Advertising (8.84 percent)
- Education (8.84 percent)

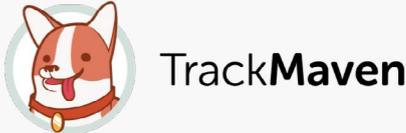
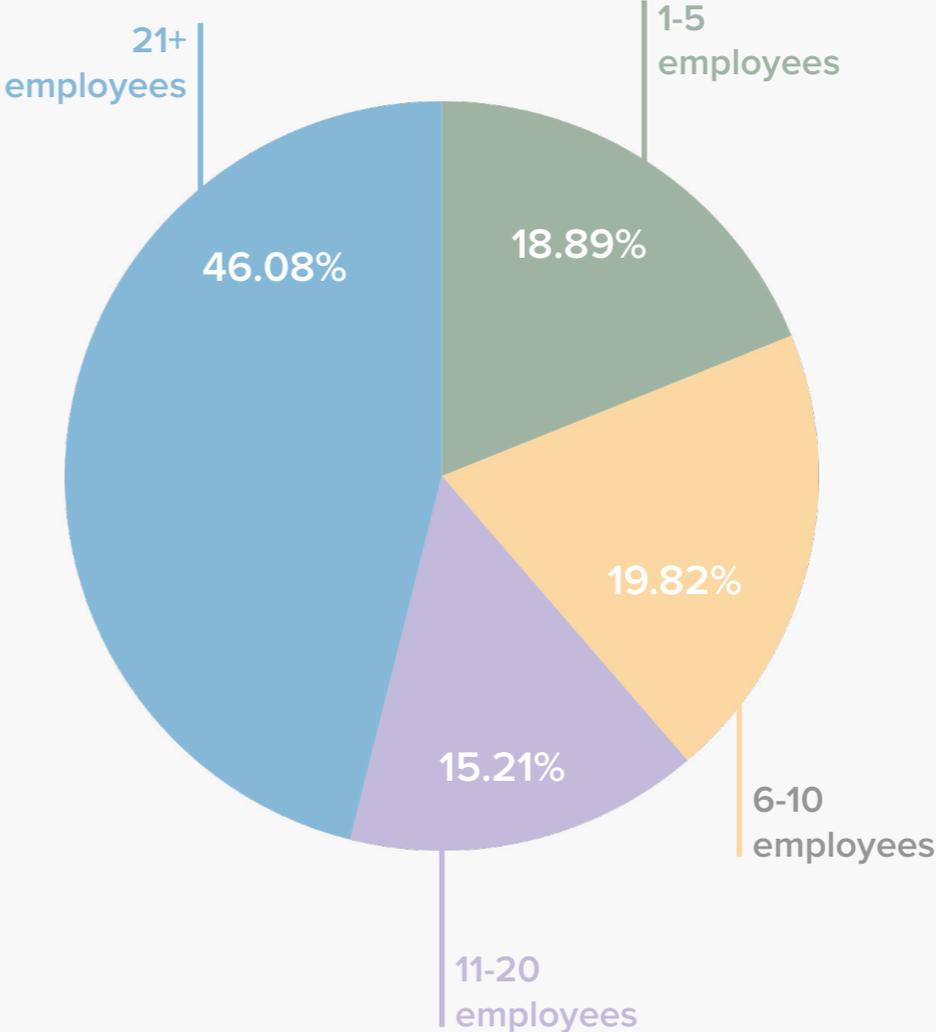
Respondents from Business Services (6.98 percent), IT Services (6.51 percent), and other industries also participated.

## Industry Demographics



Participants hail from companies that have marketing teams made up of 21 or more employees (46.08 percent) to between one and five employees (18.89 percent), and everywhere in between.

### Marketing Team Size





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