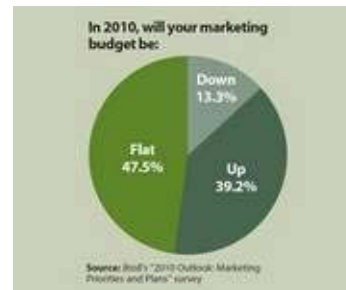


Nearly 40% of marketers plan to boost budgets

Marketing Priorities and Plans 2010

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As the economy slowly shows signs of recovery, almost 40% of b-to-b marketers say they plan to boost their marketing budgets next year, according to *BtoB's* "2010 Outlook: Marketing Priorities and Plans" survey.

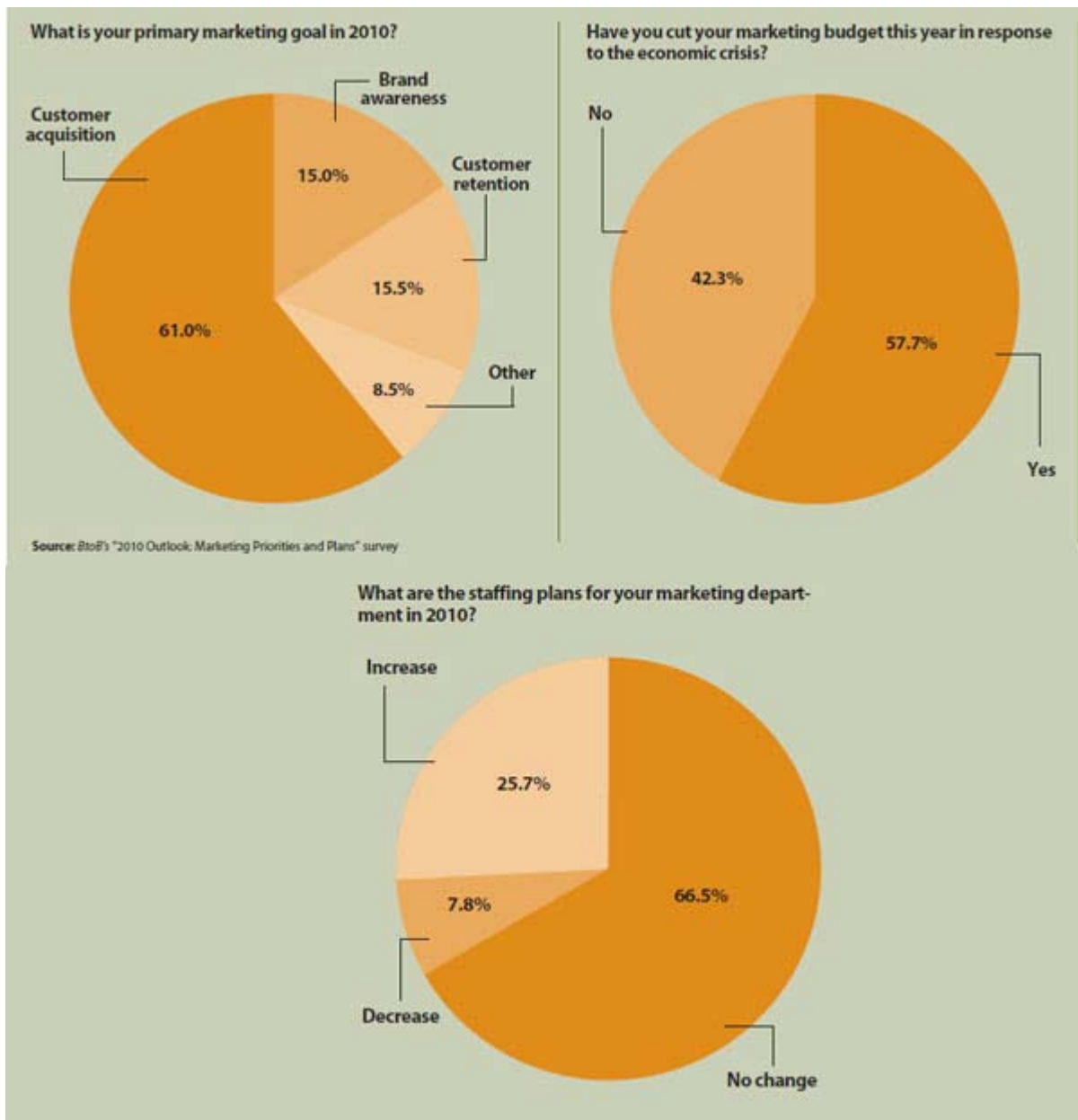
The online survey of 376 b-to-b marketers was conducted during the last week of October and the first week of November. It found that 39.2% plan to increase their marketing budgets next year; 47.5% plan to keep them flat; and 13.3% plan to decrease them.

This is a significant improvement from this year, when 57.7% of marketers cut their budgets in response to the recession, according to the survey.

"This year, we dramatically decreased our marketing budget—we cut across the board," said Jon Atterbury, senior manager-marketing communications at Cypress Semiconductor Corp. The company eliminated its print advertising completely and also made cuts to online, direct mail and events.

Cypress was not alone. Of those marketers that cut budgets this year, 63.4% decreased event spending, 63.0% decreased print advertising and 40.4% cut direct mail.

Online was one bright spot during an otherwise bleak year for advertising. Of those marketers that increased budgets, 80% boosted online spending, 24.3% increased direct mail spending and 20.9% increased events spending.



Next year, b-to-b marketers intend to cautiously raise spending. Among those that plan to increase budgets, 11.1% plan to raise them by more than 30%; 18.8% plan to increase them between 20% and 29%; 31.1% plan increases between 10% and 19%; and 39.0% plan to increase budgets less than 10%.

Among those planning to cut budgets next year, 11.7% plan to decrease them by more than 30%; 15.0% plan to cut between 20% and 29%; 41.7% plan to cut budgets between 10% and 19%; and 31.6% plan to cut budgets less than 10%.

TOP GOAL: CUSTOMER ACQUISITION

The top marketing goal for b-to-b marketers next year is customer acquisition, cited by 61.0% of respondents. Also cited were: customer retention (15.5%), brand awareness (15.0%) and other objectives (8.5%).

As to where they will spend marketing dollars next year, 73.4% plan to increase their online spending; 38.0% plan to increase direct mail; 35.7% plan to boost events; and 19.8% say they will increase print advertising. Marketers could select more than one response.

"Our marketing budget will be up slightly," said Mark Wilson, VP-corporate marketing at software company Sybase. "The increases will be around demand-generation programs. We will be putting more into that area relative to awareness."

Sybase will invest in Web site development, content creation, online advertising and direct response, Wilson said.

“We are doing a lot more content creation, and our direct response marketing will go up significantly,” he said. “We are looking at internally building a much stronger, bigger content engine.” The company is hiring key content development staff and will outsource some content creation, he added.

BtoB's survey found that within online marketing, the top areas that will see spending increases include Web site development (70.7% plan increases), e-mail marketing (68.6%), search marketing (62.3%), social media (60.3%), video (50.7%) and webcasts (46.0%).

Other marketers say they will focus their marketing efforts next year on targeted programs using database marketing, direct mail, e-mail and other direct techniques.

“We will focus on our top revenue-driving accounts,” said Cypress' Atterbury. “We are looking at targeting those companies specifically with direct marketing, events at customer sites, e-mail and contextual banners.”

For example, Cypress buys contextual banner ads on EETimes.com that contain keywords from editorial content on the site. “When there is relevant editorial content, we are seeing more value,” Atterbury said.

Christian Erickson, North America marketing manager at Tekla, which provides software for the building and construction industry, said his company will use much more targeted marketing programs next year, including online and offline.

Erickson said Tekla has been working on building up its database over the last few years and will do much more targeted marketing next year. “We will go back to direct mail,” he said. “As we digitally segment our database, we can be much more focused on targeting the people who receive direct mail.”

Tekla has also begun using webinars to reach its target audience of general contractors, steel fabricators and structural engineers, and it will use more search-engine marketing to promote its webinars next year.

“We market the webinars with dates and additional information about the webinar. We have used both Google and Yahoo for this marketing and will explore Bing during Q1 2010. It's the call to action I believe that drives people to the ad—seeing a date in the text certainly helps the ad stand out in a list of similar-looking ads,” Erickson said.

SOCIAL MEDIA USE GROWING

Another growing platform for b-to-b marketers is social media. More than half (53.5%) of marketers surveyed said they currently use social media as part of their marketing strategy. This is up from last year, when 45.0% of marketers said they used social media for marketing.

Of those who currently use social media, the top applications are thought leadership (59.8%), lead generation (48.9%), customer feedback (45.7%) and advertising on sites (34.7%).

“This whole movement around social media has been a big change—how we participate in it, how we are reaching and building communities, and how we develop an authentic voice to participate in these communities,” Sybase's Wilson said. “There are also some dramatic shifts in how publications are getting into social media and offering products that we can purchase.”

When asked to rate their trade media partners in terms of willingness and capacity to tailor programs to fit marketing goals, 17.1% of marketers said “excellent”; 71.3% said “OK”; 9.5% said “poor”; and 2.1% said “unacceptable.”

When asked to rate their ad agency partners in terms of willingness and capacity to tailor programs to fit marketing goals, 27.9% said “excellent”; 61.4% said “OK”; 7.8% said “poor”; and 2.9% said “unacceptable.”

The survey also found that 60.0% of marketers plan to launch new ad campaigns next year, and 25.7% plan to increase staffing. Only 7.8% plan to cut staff, while 66.5% plan no changes in their staffing levels.