TEN MARKETING PREDICTIONS FOR 2020

demandspring

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Siloed finally gets kicked to the curb.

prediction
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The MarTech landscape came to a screeching halt last year and will continue to move slowly. And no one is talking about it.

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Nº01

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Organizations have been writing about breaking down the silos for at least a decade. Enough already. Here's why silos are facing their ultimate demise:

- Listening is becoming a coveted skill. Look at the New York Times top 10 business books for 2019. Number 9 explicitly is about listening. We would argue the others are about "softer" skills that involve components of listening.

- The newest members of our workforce (aka our hired, earn-their-paycheck colleagues) do not have the same tolerance for order, structure, and boundaries as their predecessors. They ask bold questions--faster. They expect more. They are not afraid to move on. They want experience — and therefore failure. Boundaries do not apply to this group.

- What once were structured roles are now being blurred by the access to data, new technology, and curiosity. The responsibilities of a marketing team cannot belong solely to marketing anymore. This is also exacerbated by questions around where the customer experience, data science, professional development, and business analytics fall within an organization.

- Marketing doesn't own the whole story anymore. Coveted advertising can still have *Mad Men* appeal, but it has to account for values, social responsibility, and ethics. If you're not promoting a semblance of these components, you can market until the cows come home. Just hope the cows bring their wallets because no one else will be buying.

Bring on the beautiful chaos that comes with blurred lines. The strongest will survive.

prediction

Nº02

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For four years, the MarTech landscape increased by 1500 applications per year. But not last year. Last year it only increased by a measly 240. So, what gives? Here are three top reasons the Martech landscape is slowing its pace and will continue to do so:

- In the last 12 months we've seen a significant number of MarTech acquisitions and mergers, including some giants like SalesForce's $15.7 billion acquisition of Tableau, Google acquiring Looker for $2.6 Billion, Reachforce acquiring Leadspace, and DiscoveryOrg acquiring Zoominfo for more than $500 million.

- VC money has been steadily decreasing since 2017. MarTech is simply not considered an emerging technology at this point in time, and venture capital investments are going elsewhere.

- GDPR and new privacy regulations are slowing down the MarTech world in a very real way. According to Marketing Tech News, 80% of marketers are worried their MarTech vendors will expose them to GDPR legal risks[1].

What does this mean? You may actually have a moment to look up and start to make sense of these 7000+ technologies in market. It's time to figure out what moves the revenue needle without adding noise.

As more mergers and acquisitions take place, you will notice marketers buy more full service providers rather than individual products. This is good news for organizations such as Adobe, Google, Oracle, and Salesforce.

[1] *MarketingTech*. https://www.marketingtechnews.net/news/2018/aug/02/80-marketers-dont-trust-their-martech-vendors-gdpr-compliance/

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Nº03

Virtual work and shared workspaces give companies the edge in winning the battle for top talent.

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This is the year top talent rebukes the commute.

Repeat after me, "the Gig economy is real. And it is a threat to my steadfast rule that I have to see you in order for your work to count." Painful? Uh-oh. Take a deep breath (grab a brown bag if you need to), and read on. It's going to be ok. Here are four reasons to help change your mind about virtual work and the talent this environment attracts:

- You can make a living, a bonafide six-figure living, being a nomad. Digital nomads command a high salary making more than $100,000 per year[2] (and yes, that includes saving for retirement and health insurance).

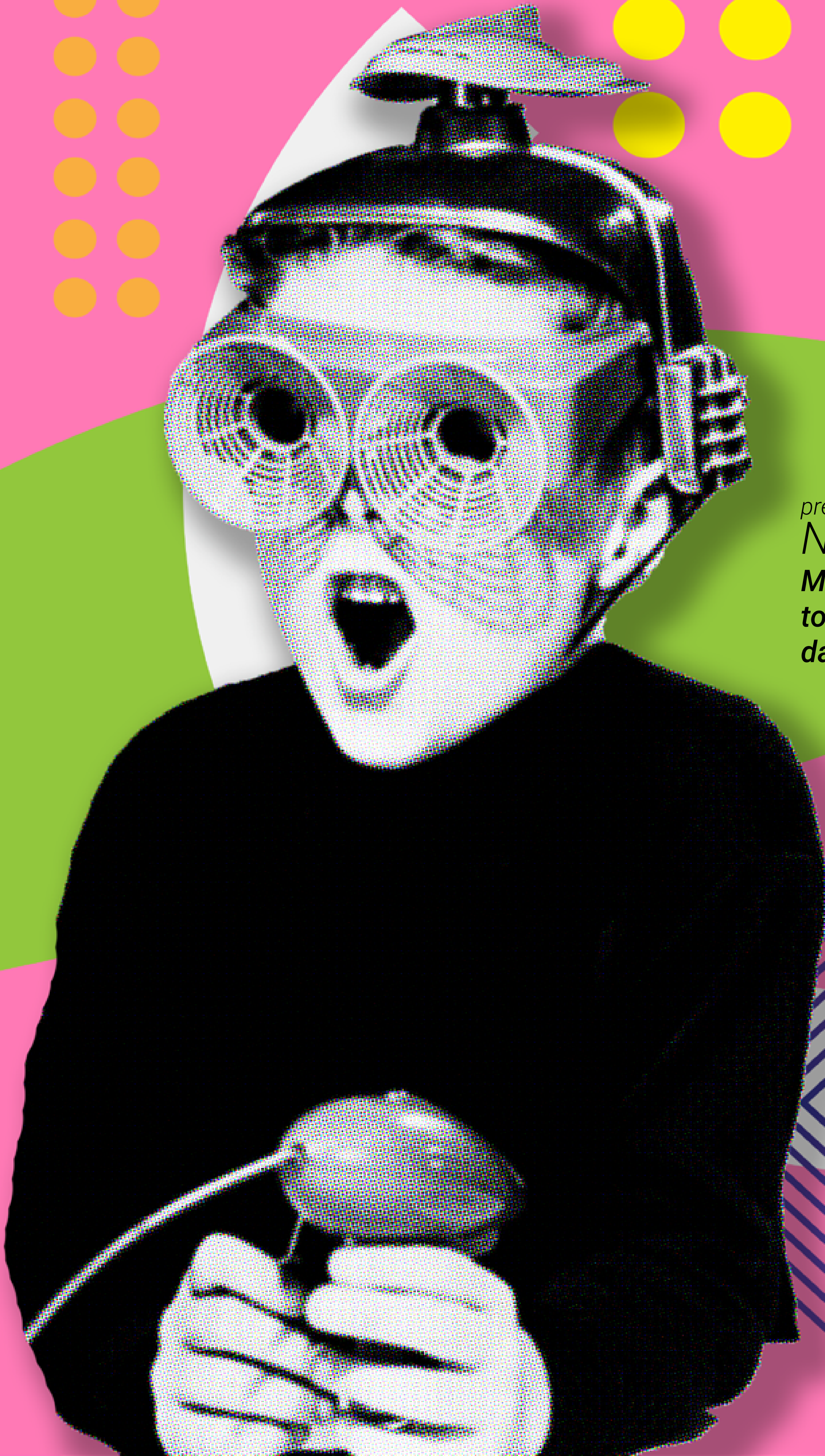
- Harvard Business Review recently published a study on employee engagement where they surveyed over 19,000 workers across the globe. They found that only 16% of workers overall are fully engaged. The study also found that engagement is not dependent on a worker's proximity to other team members, and in fact, the opposite is true. The research showed that employees who work from home at least four out of five days in a typical week are almost twice as engaged as those who do so less than one day a week[3]. There's now data to back up working virtually. Organizations can't deny that virtual work leads to more engaged, balanced, happy employees.

- Another survey indicates that 73% of employees believe the challenges that may come with virtual teams are overshadowed by the benefits[4]. Perceptions of virtual work are changing, especially as more companies create positions that are completely virtual or remote.

- Hiring talent remains the number one concern of CEOs in the most recent Conference Board Annual Survey; it's also the top concern of the entire executive suite. PwC's 2017 CEO survey reports that chief executives view the unavailability of talent and skills as the biggest threat to their business. Employers also spend an enormous amount on hiring—an average of $4,129 per job in the United States[5].

Employers today have to acknowledge that remote work is a thing. And now that it is a thing, more and more employees will be seeking opportunities that honor and support a virtual work environment.

[2] *TechRepublic*. https://www.techrepublic.com/article/one-in-five-digital-nomads-make-more-than-100k-per-year-working-remotely/
[3] *Harvard Business Review*. https://hbr.org/2019/05/engagement-around-the-world-charted
[4] *Entrepreneur*. https://www.entrepreneur.com/article/289316
[5] *Harvard Business Review*. https://hbr.org/2019/05/recruiting



prediction

Nº04

Marketers continue to struggle to become data centric.

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Most organizations struggle with their analytics and data because marketers have spent their time focusing on attribution tools (many of which have failed), rather than understanding the metrics that matter most and how to operationalize them.

A recent report from IAB stated that 90.1% of marketers are "intensely focused on achieving 'data-centricity' across their organizations." Just 1.3% said they were "extremely confident" their organizations have the right expertise, experience, and skills to get the most value out of their data[6].

Marketers have invested in hiring data analysts rather than training their teams on how to use data to optimize campaign performance across channels, so they report results but they don't know what to do with the data. They have also failed to train their leadership team on what metrics they will report on and when.

The 25% of organizations that have succeeded with becoming data centric have built measurement environments that:

- Have clearly defined metrics at both the Executive level and Operational level.
- Have identified the minimum amount of metrics that matter.
- Each metric is understood and provides insights that drive action.
- There is a clear cadence of when metrics are delivered — usually on a dashboard.
- Invest deeply in training teams on how to operationalize the metrics.

These are the organizations that are able to make data driven decisions that drive efficiency and results.

[6] *IAB.* https://www.iab.com/insights/data-centric-organization-study/

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CMOs and CHROs/ CPOs come together to win the war on talent.

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Marketing executives have spent years forging productive partnerships with their head of sales and increasingly with their CIOs and CFOs. In 2020, savvy CMOs will expand their attention beyond these tried partnerships to form a valuable bond with CHRO's (Chief Human Resource Officers) and CPOs (Chief People Officer).

In this era of the "Glassdoor Effect" on the corporate brand, there is a direct correlation between the reputation of the company and the reputation of its employees. Apple. Google. Amazon. Even Netflix. They all equate to a type of employee, not just product and services. This is true for enterprise, mid-sized, small business, and start-ups alike. If CHRO's and CPOs can't compellingly communicate the value of why and for whom a company exists, then the skills, talent, and passion your organization needs to sustain what you're trying to do will be compromised.

This "Glassdoor Effect" on employer branding will certainly hurt CMOs the most. CMOs are the people who need to recruit, engage, and retain empowered brand champions. They need to build the team who personifies the organization's "WHY" — the people who show up everyday inspired to be their best selves at work and drive results. If the CHRO/CPO isn't owning this employer-driven value proposition, then the CMO needs to take on the HR organization as a critical internal client and then partner with them to create and deliver a best-in-class employer brand.

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Nº06

Data and privacy regulations make demand generation programs 25% less effective.

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Deutsche Wohen was fined 14.5 million Euros in November 2019 for failing to comply with GDPR. Data woes just hit the fan.

GDPR compliance will keep marketing leaders up at night, as the challenge of data compliance runs straight into the sacred cows of outdated data collection and data validation processes still rampant inside organizations today. Moving into 2020, GDPR and CCPA will prove to be the biggest distraction to marketers. They will find themselves shifting focus from “doing marketing” to ensuring they are compliant. The cost? Demand gen efforts will be 25% less effective next year.

As if that wasn’t enough, at the same time marketers are scrambling to be deemed compliant, they face the growing challenge of attracting new prospects and customers. Perhaps this is why our latest revenue marketing survey[7] reveals that creating the right content and improving the ability to measure marketing impact are number one priorities for Revenue Marketers in 2020.

The time spent grappling with legacy data coupled with the time spent forging compliant paths to quality leads will decrease marketing demand gen results. This alone will significantly contribute to the 25% decrease in your overall demand gen efforts. Other contributing factors will include the time spent training and creating sustainable processes for the oh-so-coveted future state of marketing.

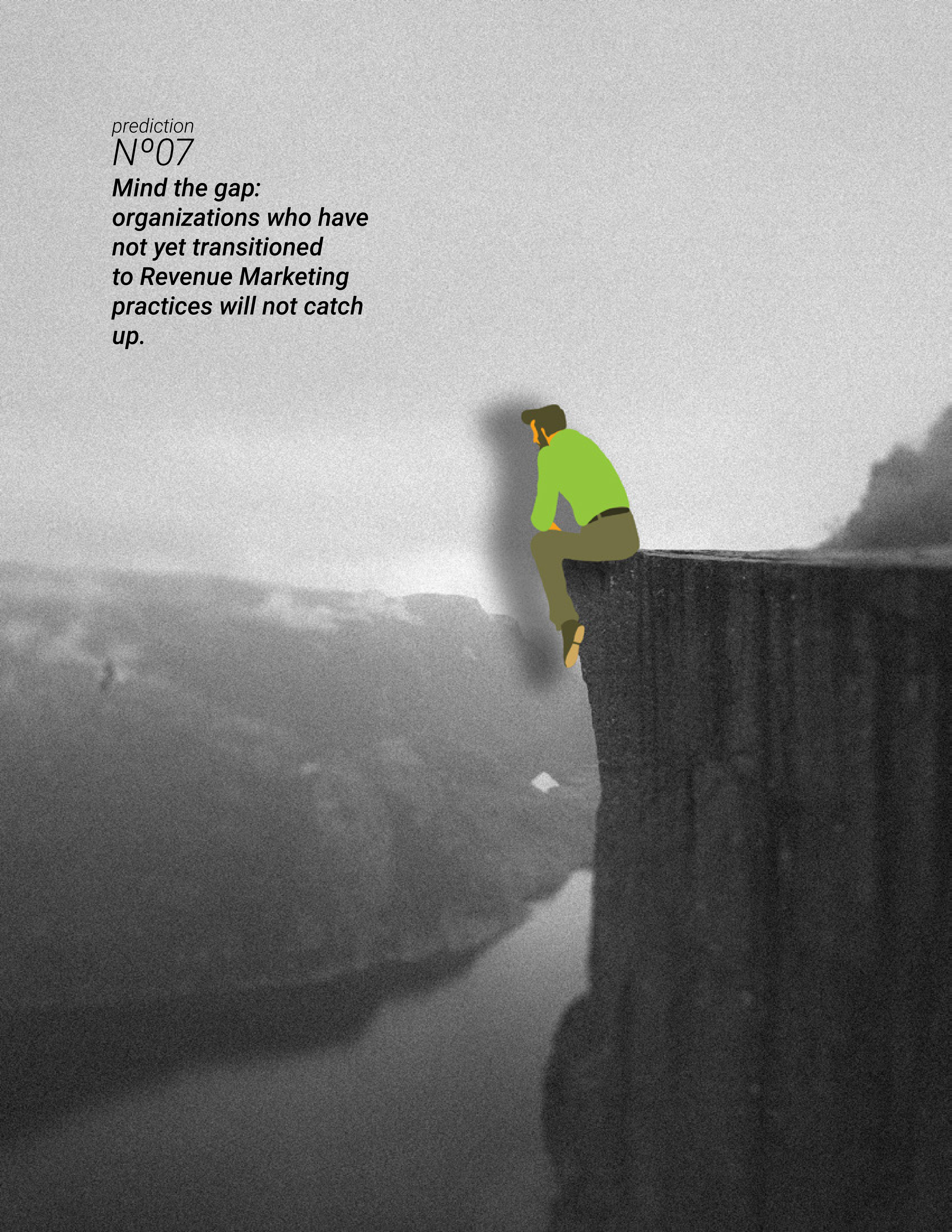
Not too many can afford a 14.5 million Euro fine. But I bet we all wish our database was big enough to warrant one.

[7] *Demand Spring*. https://landingpage.demandspring.com/B2B-Marketing-Benchmark-Report-2020.html

prediction

Nº07

Mind the gap: organizations who have not yet transitioned to Revenue Marketing practices will not catch up.



prediction
Nº07

Mind the gap: organizations who have not yet transitioned to Revenue Marketing practices will not catch up.

The gap between traditional B2B marketing organizations and modern revenue marketing organizations widens. 2020 marks the turning point, where traditional marketing organizations can no longer catch up.

Over the last decade, the role of marketing teams within B2B organizations has gone through an immense and necessary change. What started out as a beck and call sales support role is now an independent role with measurable, impactful contributions to the organization's financials.

Many marketing organizations have made this transition and are now contributing up to 50%+ to the company's pipeline and revenue. Both young and mature marketing organizations have successfully made the transition by investing heavily in technology and talent. The key to success has been pragmatic and intentional transformation. The multitude of organizations still trying to make this transition are failing because they see this shift as a mass transformation, with no real beginning and no measurable milestones. There are two fundamental issues we see when it comes to organizations struggling with this change:

- Organizations focused on mass transformation try to change too much all at once, where as their successful counterparts use a more agile approach, breaking down the needed change into smaller, more frequent and measurable changes.

- Organizations failing to make the necessary investments in technology that would give them the foundation to make the change a reality. Instead, they are crippled by tech debt and conflict with their IT departments, so they focus on strategy decks with no execution, organizational changes and they plug the holes with the technology they have.

2020 is the year where we see the gap dramatically increase between traditional and modern marketing organizations. This could well be the tipping point for traditional teams who will find it hard, if not impossible, to catch up with modern Revenue Marketing organizations. The biggest threat to traditional organizations will be the failure to attract top talent and an inability to move away from their mass transformation efforts, which will create a cycle of gloom and doom. Revenue Marketing organizations who embrace new technologies (like intent data, deep personalization, AI, and more) will continue to make small agile changes AND attract top talent which will continue to propel them forward. No spinning wheel of death for these trail blazers.

prediction

Nº08

The honeymoon is over. Marketers need to show ROI.

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The grace period has ended. ROI or bust.

According to the latest Demand Spring Revenue Marketing Benchmark Survey the average B2B marketing organization is now being asked to deliver 25-50% of the company's pipeline. Thirty-six percent of marketing organizations are being asked to deliver 50%+. These are no longer the small percentages of yesteryear. If marketing fails, the company fails.

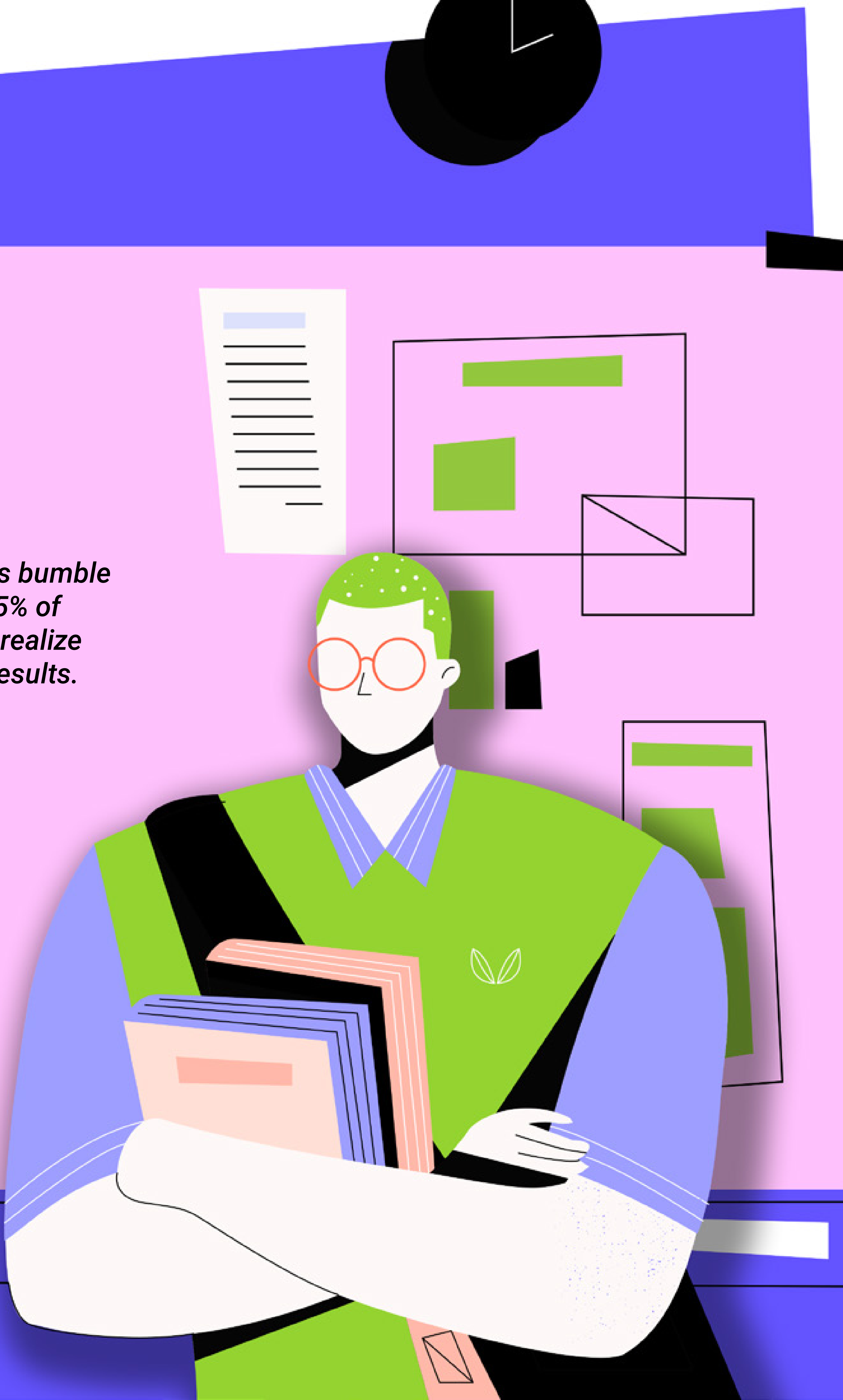
Over the last three years we have seen more and more marketing leaders being called on to report weekly marketing pipeline and revenue numbers to executives, along with facing the same scrutiny as their sales counterparts in board meetings. Marketers reporting vanity metrics rather than revenue metrics (and what marketing is doing to fill pipeline gaps) will find it extremely hard to survive 2020.

With 92% of marketing organizations now equipped with analytic and measurement tools, there are no excuses in 2020. Marketers will be expected to understand organization financials, marketing's impact on them, and what they are doing to offset any current or future revenue shortfalls. This pressure will only be increased if we feel the expected chilly winds in the economy in 2020.

prediction

Nº09

ABM initiatives bumble along. Only 25% of organizations realize true revenue results.



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Nº09

ABM initiatives bumble along. Only 25% of organizations realize true revenue results.

In early 2019, Demand Spring predicted that 65% of B2B ABM initiatives would fail to yield their promised economic results. This was confirmed in the 2020 Revenue Marketing Benchmark report where only 25% of participants reported seeing positive ROI[7]. The reason behind this? Marketers are caught up in the ABM tech vendor hype. ABM tech vendors have introduced new concepts with little overall ABM strategic thinking. This excitement (and confusion) has caused a reverse effect for marketing teams. Organizations revert back to their comfort zones: sales support becoming sales caddies, executing random (and reactive) sales requests, producing direct mail campaigns with no nurture strategy behind them, and attributing field events requested by sales as ABM initiatives. Too harsh? Maybe. But...

Despite these lackluster ROI results, 73% of marketers plan to increase ABM spend in 2020[8]. And we aren't seeing much change in how most organizations continue to approach ABM strategies.

The silver lining? We firmly believe that 25% of organizations will see the promised ROI if they take the time to define and execute well-thought-out ABM strategies. This means clear business goals, alignment across marketing and sales, and ABM technology that survives the hype and enables results. Technology is not the answer. We are.

[7] *Demand Spring*. https://landingpage.demandspring.com/B2B-Marketing-Benchmark-Report-2020.html
[8] *MarTech Today*. https://martechtoday.com/73-of-marketers-plan-to-increase-abm-budgets-in-2020-237398

prediction

Nº10

AI technology takes over 10% of the B2B buyer journey.

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For almost a decade, the B2B Buyer's Journey has been the lens through which B2B marketers view their customers. The B2B buyer does a significant amount of research digitally and prior to engaging with sales. And by significant, we mean between 50% and 75% of the buyer journey is conducted using digital channels. We do not expect the makeup of digital versus physical interactions to change in 2020, but we do predict the type of digital interactions will change. Today when we think about how our buyers interact digitally with brands, it tends to be one-way static engagement with digital assets like webpages, emails, display advertising,and social posts.

In 2020 this will change as powerful AI chatbots and personalization tools become mainstream. We believe that a minimum of 10% of the B2B buyer's journey will be conducted in two-way conversations and experiences between AI applications and prospects, improving communication speed and the buying experiences, while reducing the cost of customer acquisition.

Savvy Revenue Marketers will be ahead of this trend with well thought out AI strategies, capitalizing on the importance of having real-time interactions with prospects. These interactions will take place across a variety of channels: bot-driven business development emails through technology like Conversica, two-way web engagement through conversational marketing platforms like Drift, personalized web experiences through tools like Adobe Target, real-time content recommendations through PathFactory, or leveraging intent data and voice.

Despite the compelling argument for using AI, most marketers are laggards in this area. In our 2020 Revenue Marketing Benchmark survey, 83% of marketers said they are not planning to utilize AI in their marketing initiatives, thus missing a huge opportunity to influence revenue and giving the advantage to their competitors.

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