

About This Report

For the first annual State of Revenue Marketing Report, Heinz Marketing surveyed over 200 B2B marketing leaders in the United States. The insights into the progression of marketing strategy and how models are operationalized were well received, but it became clear readers wanted to know how marketing compensation is changing to fit the evolving expectations of executive leadership. CaliberMind wished to go one step further and examine how variable incentives drive marketing performance. In order to provide an update on last year's findings and an in-depth look at compensation, we extended the audience to include Marketing Operations professionals in the most recent survey.

Methodology

Data in this report is from a blind survey conducted in November 2019 collecting input from full-time marketing leaders and Marketing Operations professionals in the United States. The survey included those holding a leadership or operations role in demand, ops or marketing departments within their organization. Throughout this report, Revenue Marketers are defined as those who are accountable for 30% or more of pipeline or revenue and are moderately to highly confident in attaining their goal.

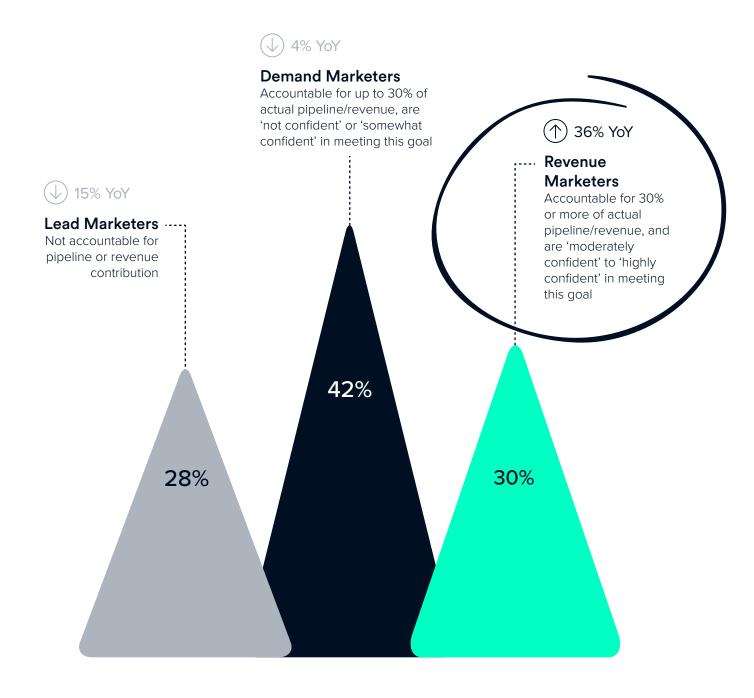
How Is This Report Different?

Last year's State of Revenue Marketing Report has been downloaded thousands of times. While marketers expressed appreciation for the insights, many communicated a need for more information on compensation. It stands to reason that a discrepancy between objectives and incentives could be what's preventing marketers from successfully reaching their targets (or aligning with sales).

BREAKDOWN OF MARKETER TYPES

Revenue Marketers Saw The Greatest YoY Jump

Revenue Marketers now represent 30% of the overall survey population.



WHAT'S IN THE 2020 REPORT

INTRODUCTION

Marketing Compensation

EXECUTIVE SUMMARY

Top 5 Takeaways

THE RESULTS

Compensation
Strategy and Alignment
Analytics Skills and Technology

NOTE FROM OUR FOUNDER

What's Next

SURVEY

Marketing Ops Compensation

A Special Nod To The Pedowitz Group

And just like last year, we'd like to thank The Pedowitz Group for their contributions to Revenue Marketing, where they've spent years advocating for and helping marketers fuel revenue for their organizations.

For those of you not familiar with The Pedowitz Group (TPG), they are a Revenue Marketing consulting firm headquartered near Atlanta, Ga. TPG believes that Marketing is the driver of customer engagement that fuels the revenue engine. Many of today's successful CMOs are operationalizing business accountability, digital transformation and the customer experience through marketing operations.

They have a number of great resources focused on Revenue Marketing. We'd recommend taking a few minutes and checking them out:

CHECK IT OUT (>)

INTRODUCTION

Moving Beyond Tactics and Strategy Into Compensation

Marketers want the same things: create more opportunities for the business to earn revenue, tell a great story, and get compensated well for their efforts. Last year's State of Revenue Marketing Report illustrated that although our aspirations are similar, strategy, tactics and skill sets matter. In our latest report, it's become even more apparent that the most successful marketers have optics into the entire funnel. Full visibility is the only way to adapt and maximize performance.

CaliberMind decided to expand our survey beyond tactics and strategy. Compensation is the best behavior motivator we know, and it was important to verify that marketers who attain their goals are compensated accordingly. We also wanted to know if goals based on the traditional top of funnel metrics could also be standing in the way of better synergy with sales.

Marketers still focused on top of funnel activity don't own a revenue-based goal, experience more cross-functional misalignment, and report lower earnings. In other words, if you're not focused on pipeline and revenue, you're missing the point and paying the price.

In order to meet the highest standards, Revenue Marketers must possess strategic vision, align with sales, master complex analytical skills and acquire the right technology. Join us as we dive into how compensation models are adapting to motivate marketers to attain the gold standard.



What We Learned This Year

O1 With Great Revenue Responsibility Comes Great Incentives

Marketers With Pipeline/Revenue Responsibility 3.3x More Likely to See Variable Compensation

In organizations where marketing is accountable for revenue generation, 65% of marketers have some portion of their compensation tied to pipeline or revenue. Of this population, 42% have a compensation plan with more than 10% variable compensation. As the trend of organizations asking marketing for pipeline and revenue accountability continues to grow, so will compensation opportunities for marketers.

O2 No Pipeline or Revenue Goal? You're Leaving Money on The Table

Marketers Without Pipeline/Revenue Goal 1.5x More Likely to Make <\$100K

In 2020 we noted a 7.5% increase in B2B marketing organizations accountable for pipeline or revenue contribution (72%) compared to the prior year. The proportion of Revenue Marketers (those sourcing 30% or more of pipeline/revenue with moderate to high levels of confidence in meeting their goal) is up 36% from our 2019 report. Marketers who don't have a pipeline or revenue goal are 1.5x more likely to earn under \$100K and 1.4x less likely to earn over \$200K regardless of their title.

Tie Compensation to Pipeline/Revenue, See Higher ROI

Marketers Incentivized for Pipeline/Revenue 50% More Likely to Report Higher Returns

When it comes to measuring ROMI (Return on Marketing Investment) 41% of marketers still admit they're not able to do it. Out of the marketers able to measure ROMI, 30% report returns of 1.5x or higher on their marketing investment. Our research also shows organizations that tie marketing compensation to marketing sourced pipeline/revenue see greater ROMI on marketing.

04 Want More Income? Define Your Funnel Stages

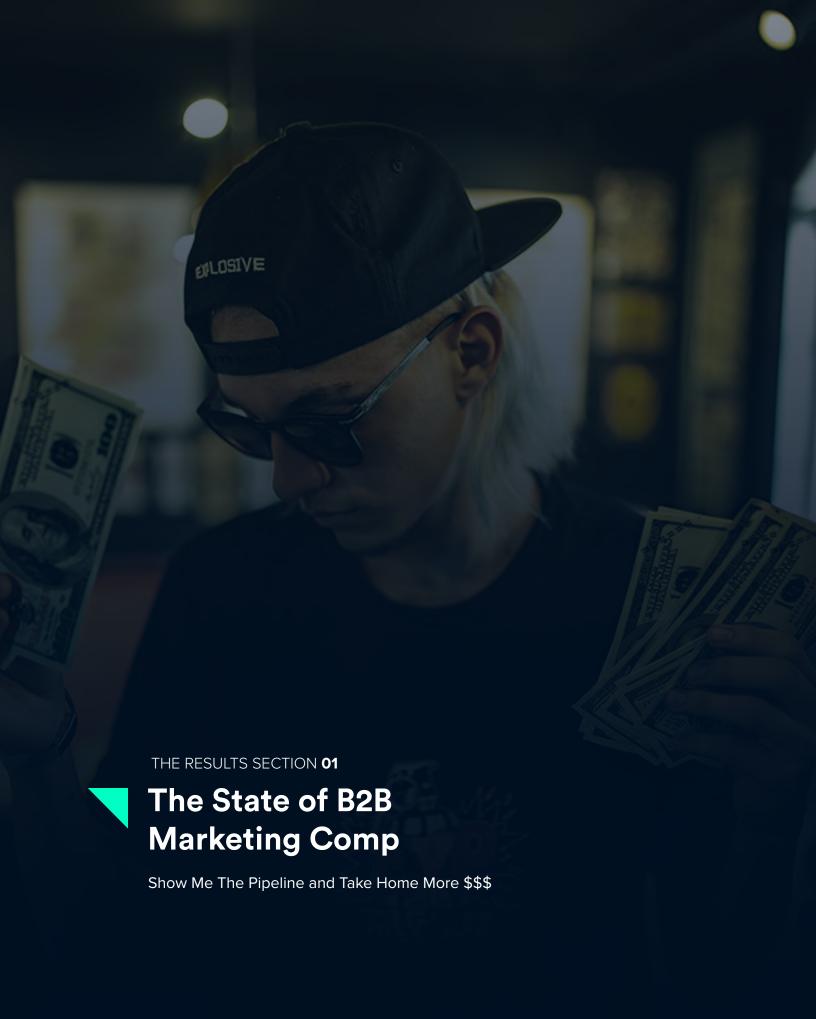
Marketers Without Defined Funnel Stages 4x less likely to make more than \$250K

47% of B2B marketers have defined revenue cycle/funnel stages used by sales and marketing. This is a notable increase from 2019 largely driven by the shift from lead-based to account-based marketing (ABM). ABM models require better marketing and sales alignment to succeed. However, there's still room for improvement. More than half the respondents admit they have no or 'vaguely defined' revenue cycle/funnel stages.

O5 Data Silos Prevent Goal Attainment and Decrease Earnings

Marketers With 'Basic' Reporting Visibility More Likely to Earn <\$100K

Top challenges match last year's report with 'poorly defined or lack of business goals' (26%), 'poorly managed silos of marketing and sales data' (23%—a significant increase over the prior year), and 'ineffective sales and marketing alignment' (17%) listed as the top three.



Show Me The Pipeline and Take Home More \$\$\$

Organizations have known for a long time that compensation plans are an excellent way to drive behavior. Just talk to a salesperson. They'll tell you how many times their compensation plans have included accelerators to put their focus on the latest product or dropped commission rates to discourage unwanted selling behavior. They'll also tell you that as much as they hate change, it works. The best salespeople know how to maximize their earnings, and they do it by playing to their compensation plan.

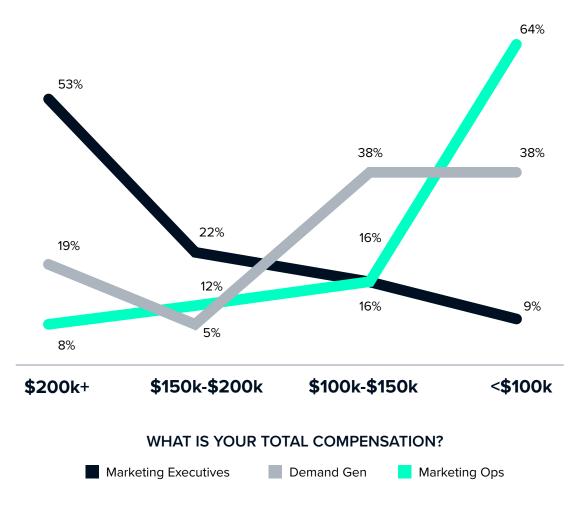
Boards are smart, and they're turning to the proven practice of variable incentives to motivate marketers to keep their eye on the ball. And our data shows the best marketers are rising to meet the challenge. Organizations that tie marketing compensation to marketing sourced pipeline and revenue see greater ROMI. Marketers who have the infrastructure and skill sets needed for advanced analytics (like Pipeline Coverage & ROMI reporting) are also more expected to earn over six figures. Revenue Marketers are being rewarded for their ability to measure their impact throughout the funnel and prove the value of their campaigns.



Overall Compensation by Title Type

Marketing Operations and Demand Generation professionals report a wide range of total compensation. A great deal of this variability can be traced back to the inconsistent array of responsibilities expected of these functions across organizations. While companies should play to their employee strengths, the emphasis placed on analytics necessitates narrower role definitions for the sake of proper execution.

Marketing Operations professionals are expected to manage department technology, perform analysis and — in some cases — even write copy for campaigns. There is a wide range of skill sets and capabilities represented by professionals in this role.



Higher Expectations, Better Incentives

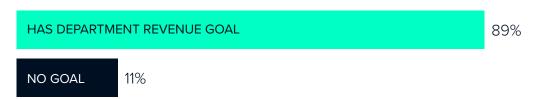
With 72% of marketing departments responsible for pipeline/revenue contribution, we expect the number of marketers with a revenue-based incentive in their compensation plan to climb in the future.

Pipeline/revenue contribution expectations should increase in the future as well. Of the 49% of marketers with variable compensation tied to a pipeline or revenue metric, nearly half were in organizations that have a >30% marketing sourced pipeline/revenue goal.

IS YOUR COMPENSATION PLAN TIED TO A PIPELINE OR REVENUE METRIC?



MARKETERS WITH COMP TIED TO PIPELINE AND/OR REVENUE METRIC

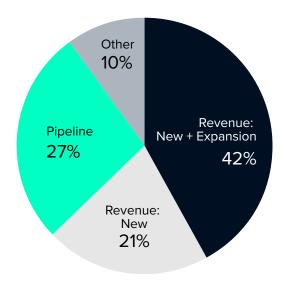


Remember: Revenue **Growth is the Point**

Demand Generation reported incentives across pipeline, new account revenue and total revenue metrics. Marketing leadership and Marketing Operations titles were far more likely to have their variable compensation tied to whether or not the company met its total revenue goal.

In the future, reporting capabilities will become more sophisticated to meet executive expectations. This will result in a higher proportion of marketers responsible for metrics later in the funnel to encourage better synergy with sales.

WHAT IS THE PRIMARY METRIC YOUR **COMPENSATION IS TIED TO?**



Organizations that tie comp to pipeline and revenue are

50% more probable to see a ROMI greater than 1.5x

Want ROMI? Tie Compensation to Pipeline/Revenue

Our research shows that organizations tying marketing compensation to marketing sourced pipeline or revenue see greater revenue ROI from marketing spend. Respondents from such companies were 50% more probable to see an ROMI greater than 1.5x than respondents from companies that do not tie compensation to marketing performance.

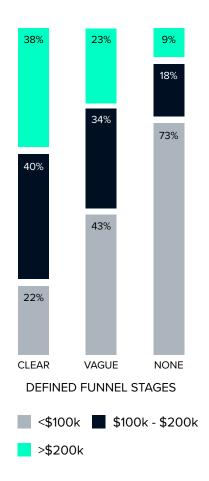
Better Analytics, Better Pay

70% of marketers who said they can currently measure ROI from their marketing budget make at least \$100,000. Marketers who reported 'basic - we can report on past performance' reporting skills were more apt to make less than \$100K than marketers with department reporting skills of intermediate or higher.

Want More Income? Align With Sales

Marketers who are 'Tightly Aligned' with sales are 1.9x more likely to make >\$100K. It should also be noted that compensation capped below \$250K across all title types (including executives) in organizations where they are 'Not Aligned' with sales.

Marketers who have no defined revenue cycle/funnel stages are 3.3x more likely to earn under \$100K and 4x less likely to make more than \$250K than marketers with 'clearly' defined stages.



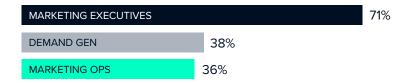
Marketers who are 'Tightly Aligned' with sales are 1.9x more likely to make >\$100K

With Great Revenue Responsibility Comes Great Incentives

Titles with a VP or higher level are >2x more likely to have their compensation plan tied to a pipeline/revenue metric. This isn't surprising. Marketing leaders live and die by their ability to prove their department's contribution to the organization. CMOs, CROs and VPs who can't deliver measurable results have some of the highest turnover rates in the C-suite.

More Marketing Operations and Demand Generation professionals should expect incentive-based compensation in the near future. Incentives are an effective means of driving behavior. The expectation of proving results will naturally cascade from marketing leadership to the people responsible for infrastructure and analysis.

% OF TITLE TYPE WITH VARIABLE COMP TIED TO PIPELINE OR REVENUE



The Higher the Title, the Higher the Risk

When people move up the chain of command, they assume more variable compensation benefits and risks associated with pipeline/revenue performance. Missing the number impacts the marketing leadership team the hardest. For now.



Take Our B2B Marketing Ops Compensation Survey

If you're curious to see how you fit among your peers when it comes to pipeline/revenue measurement and marketing compensation, we invite you to use our online self-assessment tool.

This tool will help you identify if your team is focused on the right goals to drive growth in your organization, and whether or not you're being compensated appropriately for hitting those goals.

We've used the data from this report to create an easy-to-use resource to help drive change in your organization, if needed.











THE RESULTS SECTION 02

Strategy and Alignment

You Can't Win Without Them

Strategy and Alignment: You Can't Win Without 'Em

More marketers are responsible for contributing pipeline and revenue, and the number will inevitably climb.

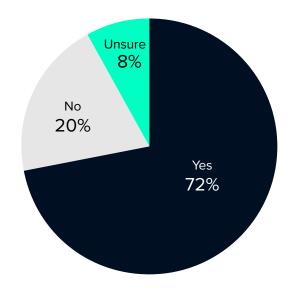
Companies see the value of establishing marketing objectives throughout the buying cycle and customer journey, and they're willing to build compensation models to match. While the shift away from traditional top of funnel marketing and the adoption of revenue driven models is a welcome change, we see a variety of indicators that concern us.

Confidence in achieving goals among marketers is lower than anticipated, and sales alignment continues to be a top concern. Goals are meant to be challenging, but objective misalignment can make them nearly impossible to attain. Marketers who focus on pipeline and revenue attainment find ways to navigate the terrain and prove value. Don't let your strategy get in the way of your organization's bottom line.



Not Responsible for Pipeline or Revenue? Not for Long.

Marketer pipeline/revenue accountability grew 7.5% year-over-year.



IS MARKETING ACCOUNTABLE FOR PIPELINE OR REVENUE CONTRIBUTION?

Having a Goal Doesn't Mean Meeting the Goal

Marketers with a pipeline/revenue goal are largely expected to contribute over 30% of the pipeline/revenue number. What is concerning is that 22% of marketers with responsibility for pipeline/revenue weren't sure of their goal. This suggests either a misalignment between marketing and the rest of the organization or confusion within the department.

WHAT IS YOUR REVENUE GOAL?



Marketers Lack Confidence

Only 30% of organizations report a high level of confidence in attaining their pipeline/revenue target. With data silos and analytical skills still being cited as major obstacles, we suspect the increasing complexity of the B2B marketing environment is a large factor.



New Year, Same Objectives

Revenue Marketer objectives changed slightly over the prior year with 'improve existing marketing campaigns' trading places with 'measure and report on marketing ROI.' Marketers are still obsessed with proving their value when they could be using insights to improve their performance and contribution.

TOP 3 REVENUE MARKETING OBJECTIVES

- **01** Prove Marketing Contribution to Revenue
- **02** Improve Existing Marketing Campaigns
- **03** Measure and Report On Marketing ROI

60% of marketers can't measure or are unsure of their ROMI

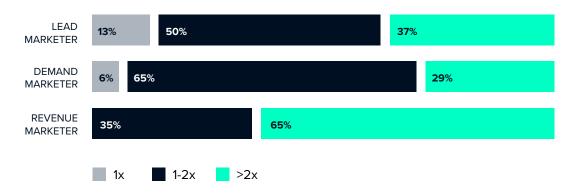
Complex Tech Stacks Obscure ROMI

Knowing ROMI allows for accurate fiscal planning by proving whether portions of the marketing budget yield a return. However, the marketing technology landscape continues to grow more complicated.

The value of knowing ROMI doesn't stop at budget planning. Seeing input versus output allows marketers to identify what is or isn't working quickly.

Revenue Marketers appear to be more adept at adjusting tactics judging from their being 2x more likely to report an ROI of more than 2x their marketing spend.

WHAT IS YOUR CURRENT REVENUE ROI FROM MARKETING BUDGET?



A Key to Benchmarking Is Still M.I.A.

Overall, the number of organizations with 'clearly' defined and documented revenue cycle/funnel stages increased to 47%. However, Revenue Marketers and Demand Marketers experienced a decline in 'clearly' defined and documented revenue cycle/funnel stages over the prior year, suggesting businesses may be advancing marketing strategies before their infrastructure is fully in place. This is particularly unfortunate when we factor in compensation implications.

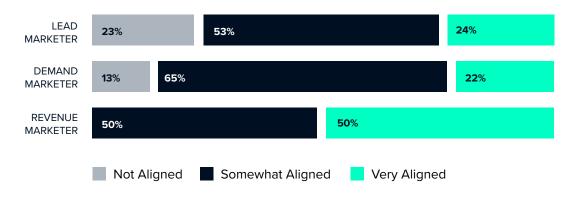
CLEARLY DEFINED REVENUE CYCLE / FUNNEL STAGES



Sales and Marketing Tension Is a Thing

Alignment with sales is heavily linked to marketer type rather than organization size with an interesting exception. Only 4% of organizations with less than 100 employees reported that they were 'Not Aligned' with sales. Organizations with more than 100 employees reported a consistent 20% 'Not Aligned' across all company size ranges.

HOW ALIGNED ARE YOU WITH SALES?



Revenue Marketers are >2x more likely to be 'very aligned' with sales

Top Threats to Goal Attainment

Marketers cite the top three obstacles to meeting their pipeline/revenue goal as 'poorly defined or lack of business goals' (26%), 'poorly managed silos of marketing and sales data' (23%—a significant increase over the prior year) and 'ineffective sales and marketing alignment' (17%).

Increasingly complex campaign structures (think ABM or multi-touch/multi-channel campaigns), suboptimal tactical know-how and a dearth of fully integrated tech stacks are creating technical and skill set issues that can no longer be ignored. More executives expect the ability to demonstrate ROI on marketing budget and metrics illustrating marketing campaign effectiveness throughout the funnel.

Prioritizing data integrity and end-to-end funnel optics are a must if you want to get paid like a Revenue Marketer.

TOP 3 CHALLENGES BY MARKETING TYPE

	Lead Marketer	Demand Marketer	Revenue Marketer
01	Poorly defined or lack of business goals	Ineffective sales and marketing alignment	Poorly defined or lack of business goals
02	Poorly defined or lack of revenue cycle	Weak marketing tech utilization	Lack of data and analytical skills
03	Poorly managed silos of marketing and sales tech and data	Poorly managed silos of marketing and sales data	Poorly managed silos of marketing and sales data



Analytics & Tech: The Keys to Better Compensation

Marketers who are able to forecast their performance and report on ROMI are compensated better than the rest. They're also more likely to report a higher contribution to pipeline and revenue. Their advanced analytical skills allow them to identify trends and adjust accordingly. Unfortunately, less than half of marketers possess the necessary skills to perform these feats.

Considering the technology stack required to keep up with today's landscape and the complexity introduced by blind spots caused by integration issues and an absence of data hygiene, we understand why the majority of marketers struggle.

However, the 40% who can report on ROMI prove the right technology and skill sets can prevail over complex ecosystems.



Who Analyzes Marketing Data?

Marketing Operations is the most likely group to be responsible for analyzing marketing data. We continue to be surprised by the number of CMOs and Marketing VPs responsible for data analysis.

However, the Marketing Operations role ultimately answers for performance. We understand the need to fill in and provide numbers when the skill set is otherwise lacking.

03

TOP 3 FUNCTIONS IN CHARGE OF ANALYZING DATA

01 02

Marketing Ops CMO / Marketing VP Demand Gen 35% 28% 12%

CMOs and Marketing VPs Delegate More as Companies Grow

Companies with less than 100 employees were 9x more likely to rely on the CMO or Marketing VP for data analysis. As the size of the marketing organization increased, so did the likelihood that Marketing Operations would be responsible for marketing analysis.

100%

Average Analytics <</p> Great

Unfortunately, marketers rank their teams a lukewarm 6 out of 10 in marketing data analysis proficiency. An overwhelming number of marketers also state they are unable to calculate metrics that are essential for yearly planning.

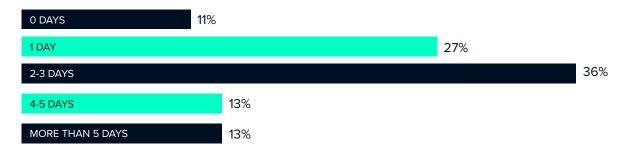
HOW PROFICIENT IS YOUR TEAM IN ANALYZING MARKETING DATA?

The Work Starts Before Analysis Begins

Reporting on B2B marketing performance is still a manual and laborious process. 62% of marketers spend >2 days every month collecting data before analysis even begins.

A lack of integration, enrichment and data hygiene compounds the time needed to attempt merging data from disparate sources.

HOW MUCH TIME DO YOU SPEND PREPARING MONTHLY REPORTS?



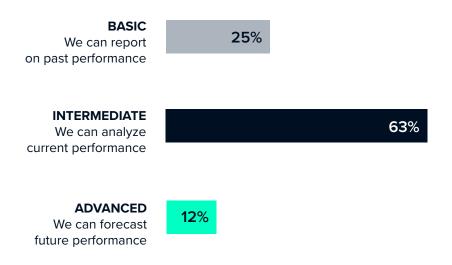
Those Are Some Expensive Reports!

The average marketer spends 2 to 3 days per month compiling reports. More than 36% of marketers still spend >4 days cobbling together data from CSVs, Excel, Google, CRMs and marketing automation tools.

Add the time needed to compile data before analysis begins, and organizations lacking automation spend nearly two weeks dedicated to analysis and prep every month. It prompts us to ask: What's happening to campaign execution and tech stack priorities in the meantime?

Revenue Marketers are 2.4x more likely to forecast future performance

HOW ADVANCED ARE YOUR MARKETING MEASUREMENT AND ANALYTICS CAPABILITIES?

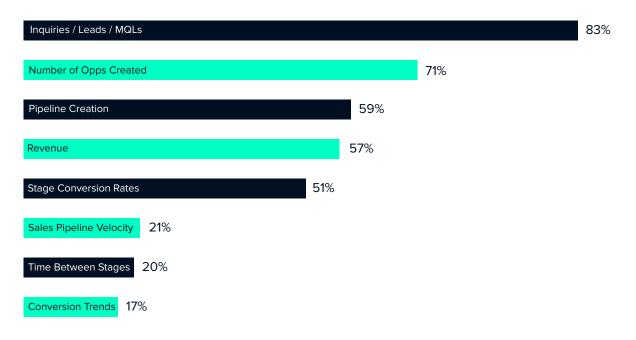


You Can't Call Yourself a Revenue Marketer Without the Right Data

The majority of marketers are able to report on activity metrics (inquiries / leads / MQLs) and the number of opportunities created. Organizations that report 'No Alignment' with sales are <50% as likely as organizations with better alignment to report on pipeline sourced metrics.

The drop off is steep for velocity metric reporting capabilities. This is unfortunate because velocity is key to determining whether there are subpar transitions between teams (Marketing to SDR to Sales) or leaky points in the funnel due to poor execution.

SELECT THE METRICS YOU TRACK TO MEASURE DEMAND GEN PROGRAMS:

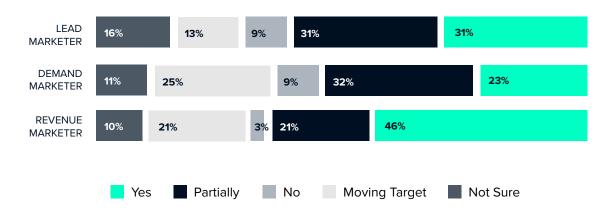


Only the Best Know How to Stick the Landing

The total number of marketers meeting expectations is barely higher than last year's number (35%). We've seen a variety of factors throughout this report contributing to the disparity between delivery and expectations. Lack of necessary skill sets, the complexity of technology and marketing programs, and insufficient department resources are all culprits.

However, there are factors beyond Marketing Operations' control at play. More than 1 in 4 companies with under 500 employees face a moving target every month. Even larger organizations that should have rhythm of the business reporting in place are not immune to changing expectations.

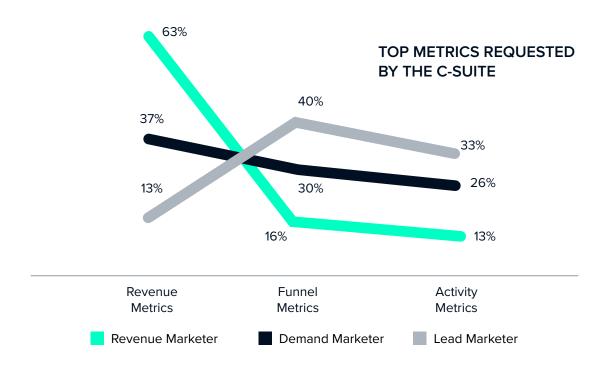
DOES YOUR CURRENT MARKETING REPORTING AND ANALYSIS PROVIDE THE INFORMATION YOUR EXECUTIVES, BOARD, AND INVESTORS EXPECT?



Only 37% of marketers provide the data and analysis that the C-suite and board expect.

The C-Suite Should Walk the Talk

We would expect metric expectations to align with marketer types, however, there are signs the C-Suite's priorities are either misaligned or they're getting their metrics from another team. Only 63% of Revenue Marketers reported revenue metrics as the C-Suite's top priority with 13% still asking for activity metrics. It's encouraging to see Activity Marketers increasingly asked for funnel and revenue metrics, suggesting their organizations may be pushing them to adopt more advanced tactics.



From Our Founder: What's Next

As more and more marketers transcend top of funnel activity and focus their efforts on contributing to pipeline and revenue, marketing technology must evolve. Last generation multi-touch attribution tools can only tell marketers what happened in the past.

Scrutinizing historical activity is no longer enough. Better analytics may increase revenue generation, but mastery of your data multiplies your paycheck.

Best in class Revenue Marketers are already using next generation Chain-Based Attribution powered by a Customer Data Platform. They see pipeline coverage in real-time and possess actionable insights to help them close any pipeline gaps and contribute more to revenue. And they're compensated better.

Chain-Based Attribution hops from one 'state' (a situation or set of values) to another, but instead of randomly assigning credits to touchpoints, it works backward from Closed-Won / Closed-Lost opportunities to analyze the complete chain of events and compute the contribution of each marketing channel to revenue.

With more marketers committing to pipeline and revenue goals, we also expect the conversation in the C-Suite and boardroom to change. Revenue-based compensation plans will become the norm for all members of the marketing team.

We hope the information in this report sets your team up for success.

Cheers.





Raviv Turner Founder and Chief Product Officer

Marketing Characteristics

	Lead Marketer 28%	Demand Marketer 42%	Revenue Marketer 30%
Accountable For	No Goal	Has Goal, Not Attaining	Has Goal, Attained Goal
GTM Strategy	Lead Generation	Demand Gen, ABM	Demand, Hybrid ABM
Team	Varies	Marketing Ops	Marketing Ops, Analysts
Measuring	Volume	Volume, Value	Volume, Value, Velocity
Reporting	Past	Past, Present	Past, Present, Future
Attribution/ROI	N/A or First/Last	Weighed, Multi-Touch, ROI > 1.5x	Algorithmic, ROI > 2x
Tech Stack & Automation	Basic, Siloed, Email Automation	CRM: MAP 1-1 Sync, Native Connectors, Point Tools	CRM, MAP, CDP, 2-Way Integrations,
Marketing & Sales Data	Silied, Spreadsheets, Multiple Dashboards	CRM, MAP Reports	CDP as Single Source of Truth with Automated Dashboards
Alignment	Got Leads?	Semi-Aligned	Fully-Aligned on Pipeline/Revenue Number

Survey Demographics

Survey respondents represented a variety of industries, company sizes and roles. Marketers who focus on enterprise, mid-market, and small business are all represented. Additionally, most respondents work in B2B Marketing Operations, Demand Generation or VP/CMO roles.

Top Industries

67% Tech 10% Professional Services 6% Manufacturing

Company Size

10% 1-25 employees 66% 26-500 employees 13% 501-2500 employees 11% over 2500 employees

Market Segment Focus

16% Small Business 31% Mid-Market 53% Enterprise

Role within Marketing

28.97% CMO / VP of Marketing 26.16% Marketing Operations 22.43% Demand Generation 2.80% C-level Executive 19.63% Other Marketing

Size of Marketing Teams

29% have 1-3 people 19% have 4-5 people 19% have 6-10 people 33% have 11 or more people



A CaliberMind Report with Survey Data from Heinz Marketing

CaliberMind

CaliberMind is a customer data platform built for B2B enterprise revenue marketers that use data, analytics, and automation to grow revenue faster, together with sales.

FHEINZ

Heinz Marketing is a B2B marketing and sales acceleration firm that delivers measurable revenue results. Every strategy, tactic and action has a specific, measured purpose. Instead of focusing on the activities, we focus on the outcomes. What really matters is sales pipeline, closing business and accelerating revenue.

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