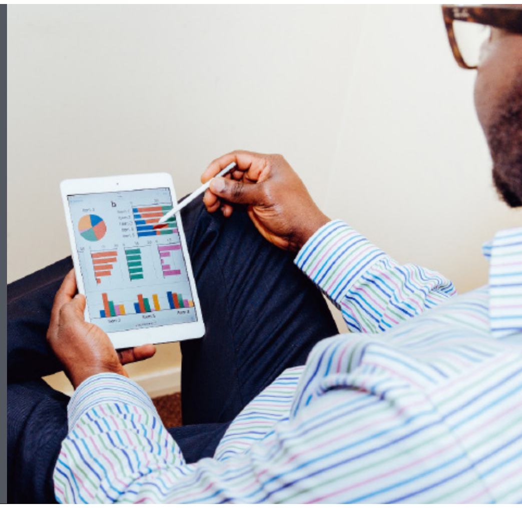


# Using an Integrated Demand Generation Strategy to Drive Business Growth

Key takeaways on bridging the sales and marketing gap to create a more efficient sales cycle

NORWEST VENTURE PARTNERS

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We recently brought marketing, demand generation and sales professionals together in the first Norwest Venture Partners Demand Generation Summit. This white paper is distilled from the lessons learned at the summit, and offers a guide for developing a robust demand generation program.

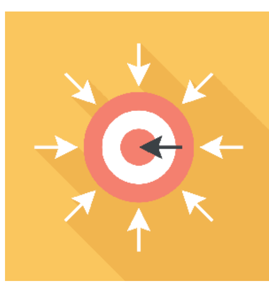
Although there is often a lack of clarity around the precise definition of demand generation and its relationship to lead generation, marketing automation leader Marketo defines it as "the function of a marketing department that creates demand for your product or service." Marketo further notes, "This is much more than lead generation, as it also includes the conversations and activities that occur prior to the Ulead being passed to sales."

Unlike marketing programs focused on acquiring a large quantity of names that were thrown over the wall to sales, with marketing's job done for the day, demand generation encompasses:

- Aligning sales and marketing objectives and definitions of success
- Using a lead scoring process to qualify and prioritize prospects
- Nurturing those leads through a variety of content and activities
- Measuring marketing's effectiveness and optimizing future activities accordingly

An effective demand generation process can help business-to-business (B2B) marketers with long buying cycles—ensuring they stay top-of-mind with potential buyers by providing the right content at the right time. Yet many marketers are struggling with successful program design despite the common point of view that demand generation is the best route for enterprise B2B marketing success. A recent Annuitas study found that almost 60 percent of respondents indicated they feel their demand generation efforts are not very effective, with less than three percent stating they are very effective.[1]

So how do you build an effective demand generation program? We've broken it down to three key activities based upon what we heard at the Norwest Demand Generation Summit:



1. Align marketing and sales
2. Create and distribute compelling content
3. Measure marketing's impact on the sales funnel

[1] Annuitas infographic http://www.business2community.com/infographics/2-8-b2b-enterprise-execs-believe-demand-generation-campaigns-achieve-goals-study-01187067.

“Marketing has to work hard to get ahead of the conversation. That’s why your content and messaging is so critical to your success.”

**Sara Varni Bright**
SVP Marketing, Sales Cloud
Salesforce

## Driving Sales and Marketing Alignment

Buyers are more connected to information than ever before. In fact, according to Sirius Decisions, 67 percent of the buyer’s journey is now done digitally, with their research showing that online searches are the first course of action for executives[2]. That means the sales team is no longer in the driver’s seat of the buying cycle. “Marketing has to work hard to get ahead of the conversation,” said Sara Varni Bright, SVP of Marketing, Sales Cloud, Salesforce. “That’s why your content and messaging is so critical to your success.”

Given the increasing importance that marketing generated content plays in the sales process, you may expect to see sales and marketing execs joined at the hip, but in too many organizations the opposite is true. Most sales and marketing teams aren’t aligned from a data or operational standpoint:

- 63% are unsatisfied with sales and marketing data alignment
- 58% say sales and marketing ops alignment is poor[3]

The impact of this misalignment? Sales teams are less productive and it’s harder for them to close deals. Additionally, when the sales team doesn’t trust the validity of the leads they’re receiving from marketing, they are less likely to follow up on them, leading to poor marketing ROI.

### Bridging the Marketing and Sales Divide

As a first step in bridging the gap between sales and marketing teams, Bright suggests starting by asking these questions to the marketing team:

- Are you building killer content?
- Does your website talk to your core buyers?
- Do you have the right tools to bring people back to your website?

Next, ask the sales team:

- Are your sales teams enabled on marketing content?
- Do reps know which leads to focus on?
- Are reps empowered to run their own campaigns?

Opening a two-way dialogue between sales and marketing can help build the necessary partnership and shared accountability between the two teams, and can uncover small but important issues that are holding the teams back, such as marketing processes or campaign rules that are having an adverse effect on the sales team.

“The linkage between marketing and the inside sales team is very important,” says Ryan Carlson, Vice President of Marketing, Okta. “I went in and sat with our inside

[2] Sirius Decisions, Three Myths of the “67 Percent” Statistic. https://www.siriusdecisions.com/Blog/2013/Jul/Three-Myths-of-the-67-Percent-Statistic.aspx Accessed September 15, 2015.

[3] Sirius Decisions, Four Critical Areas of Sales and Marketing Operations Alignment. https://www.siriusdecisions.com/Blog/2014/Dec/Four-Critical-Areas-of-Marketing-and-Sales-Operations-Alignment.aspx Accessed September 15, 2015.

Empower your sales teams with these tactics

• Lead scoring and predictive analytics to prioritize sales rep activity

• Communication templates that allow the sales person to add a personal touch and customize the message to specific prospects

• Self-directed marketing campaigns that allow reps to tailor content to their needs, such as a regional focus

sales team to see what the experience was, and I was amazed to find that the data and systems we gave the inside sales team were inadequate.

For instance, I got on the phone and called one of our leads. The first person I got on the phone was the lead's wife. Turns out we had the lead's home phone number, and they were a journalist. They were someone who would never buy our product. Of many things I learned that week, one was how many small reasonable decisions, such as accepting Gmail addresses [in lead forms], can lead to sending a bunch of junk to the sales team."

**Sales Enablement is Key to Bridging the Divide**

Providing consistent and action-oriented sales enablement resources is a primary strategy marketing should leverage to bridge the sales and marketing divide. This starts with the marketing team identifying what the sales team should be following up on. Do you want your sales development reps (SDRs) calling everyone who stopped by your conference booth, or everyone who downloads a specific white paper? Make sure you have clearly defined expectations around which campaigns and actions merit follow-up.

If your SDRs are performing outreach in response to content consumption, it's important that you ensure that they understand the content well before they follow-up on it. A good way to do this is by creating talk tracks designed to make the conversation consultative. For example, "I saw you downloaded our latest e-book on social customer service. I'd like to set up a 30-minute meeting for you and one of our customer service experts to see how we can help you with your customer service challenges."

**Empower Reps with Tools to Drive Their Own Business**

Although marketing should be driving the bulk of the leads into the funnel, it's important that marketing doesn't become a bottleneck to sales rep activities. When you have a sales force that's motivated to work their own prospects, instead of forcing them into a prescribed marketing program, find out what you can provide to enable them to actively work their own leads as well. A few effective sales tools and tactics Bright recommended marketers deploy to empower their sales teams include:

- Lead scoring and predictive analytics to prioritize sales rep activity
- Communication templates that allow the sales person to add a personal touch and customize the message to specific prospects
- Self-directed marketing campaigns that allow reps to tailor content to their specific needs, such as a regional focus.
    - Let them pull their own reports
    - Pick regions, products they want to target
    - Let them manage the email blast

Collaborating and communicating with sales, and ensuring they have the tools and content they need from marketing to successfully close business, creates a virtuous cycle that boosts marketing ROI. "When sales trusts the quality of the leads they're getting, they'll close more deals," says Bright.

"Taco Bell has a large number of items you can order off the menu, but they consist of just six ingredients. Take the same approach with your content."

**Heidi Bullock**
VP of Demand Generation
Marketo

**Agree Upon One Key Metric That Both Teams are Measured On**

The final piece of the marketing and sales alignment puzzle is ensuring both teams are driving towards the same goals. "Pick one metric your entire team tracks daily," says Bright. "I learned this the hard way. In a meeting with a former CMO, they asked 'What is the one metric you use to measure the health of the business?' Everyone blurted out different metrics because we were not aligned. Settling on one metric led to alignment."

## Creating and Distributing Compelling Content

54% of marketers say producing engaging content is a persistent challenge[4]. And a recent survey by DemandGen Report[5] reported that 77 percent of B2B buyers said they did not talk with a salesperson until after they had performed independent research, and 36 percent of buyers said they didn't engage with a sales rep until after a short list of preferred vendors was established. This shows that potential buyers know a lot about your company. Perhaps more than you want them to know, thanks to review sites where your customers share the pros and cons of purchasing your product. That means content marketing becomes a key part of today's marketing team's capabilities.

**The Taco Bell Content Strategy**

Many marketers invest significant budget in creating vast content libraries to ensure they are speaking to the needs of all their potential buyers. Not only is this approach costly, but it can also make it more difficult for your buyers to find precisely the information they need. Thus, creating more standalone content is not always the best course of action.

Heidi Bullock, VP of Demand Generation, Marketo, instead recommends what she calls the "Taco Bell Content Strategy." "Taco Bell restaurants have a large number of items you can order off the menu, but they consist of just six ingredients," she says. "Take the same approach with your content." Before creating new content from scratch, think about how you can create derivative content from your bigger assets and identify smart ways to combine existing content. For instance combine three related blog posts into a new asset like an e-book, a podcast, or an infographic. This strategic approach to content development and repurposing works best with a dedicated content team and budget to support creating meaty base content that can be leveraged for this type of approach.

**Establish Your Company as the Domain Expert**

The key to becoming known as the domain expert in your industry is to create brand agnostic, practical content that helps your buyers in their day-to-day roles. Companies like Marketo and HubSpot have done this by creating a comprehensive,

[4] Content Marketing Institute. 2015 B2B Content Marketing Benchmarks, Budgets, and Trends—North America. http://contentmarketinginstitute.com/wp-content/uploads/2014/10/2015_B2B_Research.pdf.

[5] Converse Digital, Sales Strategies To Sell To Self Educated B to B Buyers, http://www.conversedigital.com/social-selling-posts/selling-to-the-self-educated-b-to-b-buyer. Accessed September 17.

## Map content to buying stage

**EARLY STAGE**
Pre-Purchase

Thought leadership and enjoyable content to build brand, awareness, and desire

Blog, e-books, research data, funny videos, curated lists, infographics, webinars

**GATED? NO**

**MIDDLE STAGE**
Commit to Change

Tools that help buyers find you when they are looking for solutions

Buying guides, RFP templates, ROI calcuators, definitive guides, analyst reports

**GATED? YES**

**LATE STAGE**
Evaluation

Company-specific information to help evaluate and reaffirm selection

Pricing, demos, services information, 3rd party reviews, customer case studies

**GATED? MOSTLY NO**

easy-to-navigate content hub that serves up useful information, templates and tutorials that address every facet of their target buyer's evolving role. By focusing on creating high quality content that's optimized for SEO, your website can become a resource that's bookmarked and revisited by your customers and prospects alike—who will in turn share your content with their audiences, broadening your reach.

However, the focus on creating compelling content that speaks to your audience should not be limited to your blog and content hub.

"InsideSales.com is doing a great job of this," says Bright. "They send out e-books that are super practical, such as "42 LinkedIn Inside Sales Tips". Their headlines are super engaging, and their emails always come from a person."

It's important that the entire website speaks to the key pain points and needs of your core buyers. Enable this by defining buyer and influencer personas, based upon current customers and customers who ultimately decided on another solution. These personas ensure your content creators, whether they are in-house or external consultants, can build content that uniquely speaks to your ideal customer. Keep the content focus on the business value your company delivers, not product features.

Building out detailed personas will also provide the context for mapping the right customer journey and planning the content to support it. Putting a trial button everywhere isn't the best way to drive leads. Instead, sit down with prospects and current customers to ask what criteria they thought about when making their purchase decision, and map your content to that journey. Your content mix should include a variety of customer stories, videos and other content to pull prospects through the funnel and that can be used in email nurture streams. These should be customized to different stages in the funnel based upon the prospect's content consumption and engagement.

**Growing Your Audience Reach**

How do you kick off a content program when your company is just starting out as a publisher? One way is to partner with a company in an adjacent market that also speaks to your target audience. Toby Murdock, CEO, Kapost, did just that when his company was starting out.

"Our first piece of content was our 'How to Create a Content Marketing Machine' e-book," says Murdock. "I took it to Eloqua and co-branded it, and then versioned it and did the same with Marketo." Murdock also notes that creating content that features industry influencers is another way to increase your audience reach. "We did an e-book about the superheroes of content marketing, hired an illustrator to create comic book-like drawings of key industry influencers such as Joe Pullizzi and Todd Wheatland. When we published the piece, we made sure to share it with those who were featured, and they promoted the e-book to their audiences because by doing so they were also promoting themselves."

"70 percent of content should be 'Top-of-the-Funnel' to build your audience. If you want them back every day, you have to create content every day."

**Patricia Travaline**
Chief Marketing Officer
Skyword

**Creating the Right Mix of Content**

After determining what kind of content is needed to support the various stages of the funnel, how do you determine how much content is needed to support our demand generation efforts? "70 percent of content should be TOFU [Top-of-the-Funnel] to build that audience," says Tricia Travaline, CMO, Skyword. "You truly need a lot of it. If you want them back every day you have to create content every day. Yes, some of your most important content is at the bottom of the funnel. But I wouldn't create too much of it. You'll find that sales people won't use all of it. Work with your sales team to understand exactly what they need."

## Measuring Marketing's Impact on the Sales Funnel

The majority of marketers have difficulty demonstrating the effectiveness of their marketing efforts, with one recent survey citing 80 percent of marketers struggle with this challenge[6]. In a lengthy sales cycle, without solid measurement tools in place or with a focus on last touch only, Bullock notes that there can be the incorrect impression that "marketing didn't have much to do with that sale."

Creating a multi-touch measurement process is important to provide an accurate picture of what combined marketing sales and marketing activities actually accelerated the sale. "Don't just track first touch and attribute all the credit to that item," Bullock says. "Multi-touch is important because it shows all the other activities that moved them along, and helps you make better investment decisions in the future." Only with the full view of what activities moved the buyer through the funnel can you create a replicable buyer's journey, and understand where to best invest your demand generation resources.

Multi-touch attribution is only possible with the right technology tools in place to accurately measure marketing's impact on the funnel. While there are marketing technologies available to address myriad marketing challenges, the two primary tools that must be in place to measure demand generation efforts are a marketing automation system such as Act-on, Eloqua, HubSpot, Salesforce Pardot and Marketo, and a CRM such as Salesforce or Sugar. The marketing automation platform acts as the first filter in your sales funnel and applies your lead scoring criteria to each record. Once the prospect hits the target lead score, it's handed off to sales and then tracked in your CRM, which becomes the system of record where all the related sales and marketing data is stored.

Once the marketing automation and CRM systems are integrated into the demand generation process, the next marketing technology focus should be on your digital marketing analytics. The most popular tool in this category is Google Analytics, which can track where your website traffic is coming from, and how your website visitors are engaging with content on your site.

[6] Fournaise Group survey. April 2014. https://www.fournaisegroup.com/marketers-not-trained-in-marketing-performance-and-roi/

This information is key to fine tuning your inbound marketing strategy, and identifying which pieces of content are moving leads through your funnel.

Don't create content for content's sake. Always be testing and measuring everything you do to be sure you're on the right track.

**Conclusion**

For most companies, there are never enough qualified leads and it's increasingly difficult to drive alignment between marketing and sales. But that alignment is key for creating an effective demand generation process. Today's buyer is farther down the funnel and armed with more information about you and your competitors before they talk to you. And that's where content comes in.

"The companies who stand out from their competitors are those who build relevant content, the kind of content people will thank you for," says Robert Abbott, Partner, Norwest Venture Partners. "It's important, however, not to just create content for content's sake. Always be testing and measuring everything you do to be sure you are on the right track."

For more demand generation resources from the Summit, including session slides and the event highlights video, visit Norwest's DemandGen Summit 2015 Dropbox folder.