

A VP OF MARKETING'S GUIDE TO B2B MARKETING BUDGETING IN 2021



Introduction

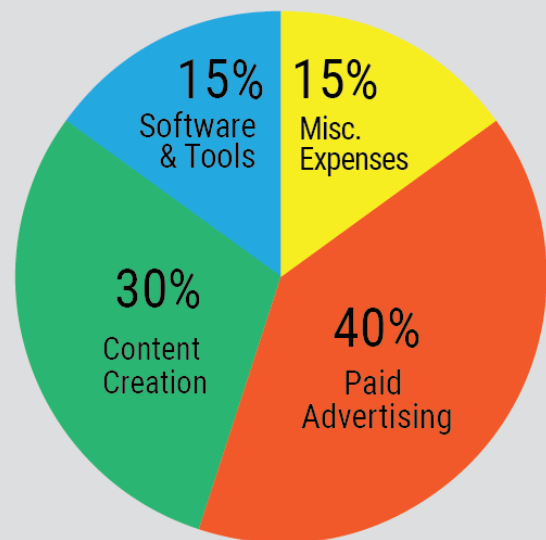
For some B2B companies, the 2021 marketing budget has increased due to the ongoing COVID-19 pandemic. Dollars usually spent on trade shows, in-person events, and travel expenses are up for grabs; the sales team is working virtually, spending less cash on entertaining potential clients. While there's some level of uncertainty, the general consensus is there's extra money that can be used on marketing, albeit in different ways than previous years.

For other marketing departments, the belt is tightened; the budget has to be tweaked, poked, and prodded to make it work with the available resources while simultaneously getting the job done. Now more than ever, marketing decisions have to be backed up with data and proven with a positive, if not impressive, return.

At the same time, B2B digital marketing has grown by **23% in 2020 alone**, a number slightly higher than the growth the industry experienced in 2019, before the coronavirus impacted the global economy. Good digital marketers are riding the wave, turning to virtual marketing events as a replacement for in-person interactions. Great digital marketers, on the other hand, are figuring out different ways to capture the same visibility and impact as pre-COVID-19 in-person events—and thus a better ROI. And it's not through webinars or Zoom meetings...

How are they doing this? It's simple: by allocating their budget (no matter how limitless or strained) wisely, and spending money only on channels and tools that meet their specific set of goals. While a CFO can advise on the exact portion of the company's funds that can be spent toward marketing, it's the responsibility of the VP of Marketing to know where and how to spend it. And in 2021, the roadmap isn't straightforward or apparent.

In the following pages, we'll walk through how best to budget your digital marketing dollars for 2021—from determining campaign planning costs to evaluating necessary expenses of software and tools.



Everybody, including marketers, needs to view marketing as an investment, not an expense.

Valerie Brown-Dufour, **WSI**, President

Before You Spend: Campaign Planning

Before any money can be spent, you have to determine your strategy, goals, and initial KPIs. What are you looking for your next marketing campaign to achieve? What is your estimated timeline? Do you want to speed up your average buying cycle? Are there certain results you must reach first?

Once you answer these questions, you can identify which larger B2B marketing strategy makes the most sense to implement for your company. Account-Based Marketing and Demand Generation are both content-heavy but highly potent tactics going into 2021. Identifying your strategy, and what kind of resources it will require, is the first step in determining where and how many dollars will be spent.

Content Creation: 30%

Content creation can be done in three ways. 1. Cost-cutting and quickly (with so-so results) 2. Costly but slowly (the results are amazing, but there's a chance your leads have since gone in a different direction) 3. Efficiently and effectively (this is the path most B2B companies should take). No matter the direction you go, your content creation strategy should be scalable and easily adjustable.

The content creation route will vary for every company, depending on what types of content creators you have access to (full-time employees vs. contract workers), and what type of content you need to execute your campaign.

Questions to ask to determine the total cost of content creation:

How many team members do you have in-house who can create content, and do they have the bandwidth for this campaign?

Do you need to hire freelance content writers and graphic designers? If so, what level of experience are you willing to pay for?

*How many pieces of content will be needed along the way, and how much of that can be **repurposed**?*

Do you want to create different kinds of multimedia, including video or podcasts?

While the actual cost of content creation will differ by industry, company size, and scale of the marketing campaign, it will usually come in at around 30% of your total marketing budget. Although that number may seem high, remember that content is the foundation of your campaign. Without quality, informative, highly tailored content, the campaign cannot progress or reach valuable targets.

Digital Marketing Channels: 40%

The largest chunk of your marketing budget should be spent on the actual promotion and execution of your campaign. Luckily, digital marketing channels result in the most direct ROI in terms of conversions or revenue—just make sure your reporting is set up

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properly. Which brings us to the key to spending marketing dollars on these channels: The person allocating the funds must know what they're doing—otherwise, you're just throwing your budget into the wind, hoping it will stick. The exact channels used will depend on your campaign's goals and where the audience is, but most B2B marketers gravitate toward the Big Five:

SEO: While SEO is technically organic, it will still cost you to improve your search engine ranking—whether you hire an outside agency to lead the strategy or use an internal employee to run an audit and adjust your website content accordingly. Expect to pay around \$4000-10,000 per month for an SEO firm that does on-site and off-site SEO in-house.

Content Marketing: Most content marketing works with a pay-per-lead cost structure; the better your content is, the more accounts will engage, the higher your ROI. This is where you will (or won't) reap the benefits of a strategic content creation process.

PPC/Paid Search: Your PPC spending will be relative to the goal of your campaign: general brand awareness, customer acquisition dependent on ROI, or custom acquisition at whatever cost necessary. From there, you will need to research CPC (cost-per-click) estimates. What have

you paid in this space in the past? Take a look at your Keyword Planner in Google Ads; this will help inform estimates if you're building your PPC program from the ground up.

Programmatic: Creating a budget for programmatic isn't for the faint of heart, but it can be done in one of two ways: 1) Figure out what you can do with the amount of money set aside for programmatic advertising, or 2) Identify what you want the programmatic advertising to accomplish, then research how much that's going to set you back.

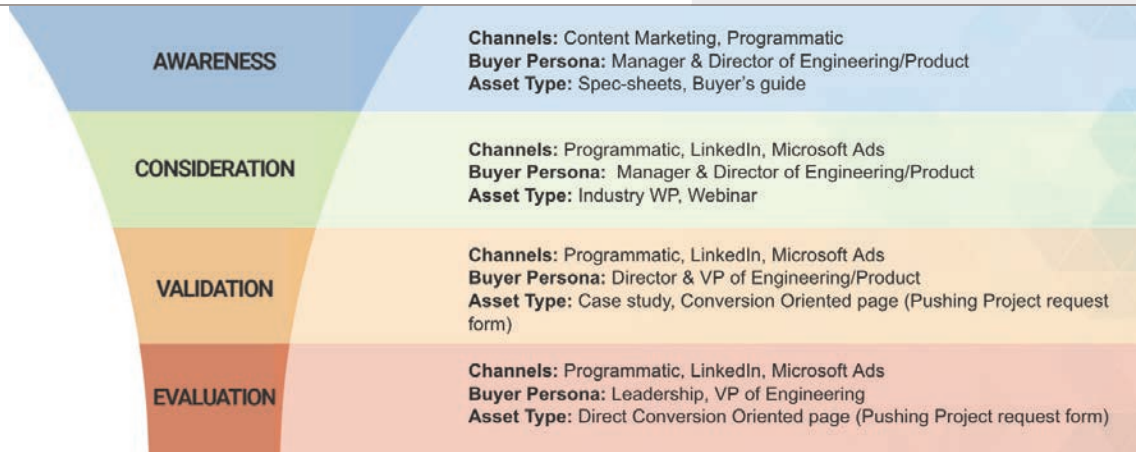
Paid Social (primarily LinkedIn, Facebook, and Instagram): There's a lot of hype behind paid social media as it's the most visible paid channel among those not in the marketing weeds. It also, on the surface, makes the most sense. If **53% of the world** uses social media platforms, then why wouldn't you spend money right where you can find them? For some businesses, particularly those focused on brand building and general awareness, paid social media is extremely successful. For others, those who see conversions as their main metric of success, it can seem futile.

According to **CMO Survey** data, the marketing spend for the above channels is usually broken down into the following percentages: PPC (27.7%), programmatic (16.4%), paid social (14%), other (38%).

How Sales Funnel Position Affects Digital Marketing Performance & Cost

Your marketing campaign execution on each of the above digital marketing channels will differ by stage of the sales funnel—from awareness through evaluation. In order to utilize your marketing dollars efficiently throughout the campaign (which could be up to several months in length, depending on your typical buyer's journey), it's crucial to know where each channel works best. For example, if you spend all of your programmatic budget in the awareness and consideration stages, you're left with nothing to effectively engage the prospect once they reach the evaluation stage.

Example of how the channels fit within sales funnel:



SEO: The importance of SEO goes far beyond the awareness stage of the sales funnel, although that's typically where a buyer's journey begins. As a target enters the consideration or validation phase, they'll be searching for optimization around the product or service your company offers. The final stage, evaluation, is where the target will be comparing brands or competitors; your message and rank must be as strong here as it was at the very beginning.

Content Marketing: Content marketing drives a large number of leads into other channels (e.g. programmatic), and the necessary assets will vary by stage. White papers and buyer's guides work

well in the awareness stage, while case studies are effective in the validation stage, and product brochures are necessary for evaluation. Budgeting for these different pieces of content can be tricky, but dollars can be saved if the content can be repurposed further down the funnel.

PPC/Paid Search: Knowing when and how to use PPC tactics will save you thousands of dollars, depending on your initial budget. While PPC functions similarly to SEO, it can be cost-prohibitive at the consideration and validation stages as the bids for keywords can skyrocket; take advantage of lower costs in the awareness and validation phases.

Programmatic: Similar to content marketing and SEO, programmatic strategies work throughout the sales funnel, but with varying tactics. Since programmatic ads can be targeted by organization, company, or even job title, you can conserve budget by only engaging those buyer personas who are already interested or are more likely to engage or convert.

Paid Social: If organic social media channels are used for brand awareness, the paid side is a complementing strategy. In the consideration through evaluation phases, you already have enough information about the buying committee—organizations, names, job titles—to serve your targets content via paid social media (primarily LinkedIn). You know they're somewhat interested in your product or service, so it makes financial sense to target as they engage with the platform organically.

Software and Tools: 15%

The beauty of digital marketing is the fact that most of it (outside of the content creation process) can be automated, thus making the lives of both the marketing and sales teams a lot easier. While it's easy to shake off a demo request for another pricey platform, choosing the right technologies can increase your campaign return exponentially. Take full advantage of free demos and product representatives; ask each and every question you might have about a tool's capabilities. Doing your homework thoroughly can often result in a reduction in costs for services you don't use or a discounted rate on a function you want to add on to your current services.

Below, a few tools that will enhance your next account-based marketing or demand generation campaign:

CRM: A customer relationship management tool is absolutely essential to execute an end-to-end marketing campaign. Here, you can create your ideal buyer persona, set up automated posts, syndicate content, and generate automated workflows for your internal team. [Example: Hubspot](#)

Intent Data: The only way to successfully run a B2B marketing campaign is through the use of intent data, as it allows you to see if and when a target account is considering purchasing what your company offers. [Example: Bombora](#)

Reporting: Only 36% of marketers say they have the right tools for demonstrating the impact of marketing spend on company performance ([CMO Survey](#)). Invest in a tool that allows full reporting transparency for both the marketing and sales teams. [Example: DOMO](#)

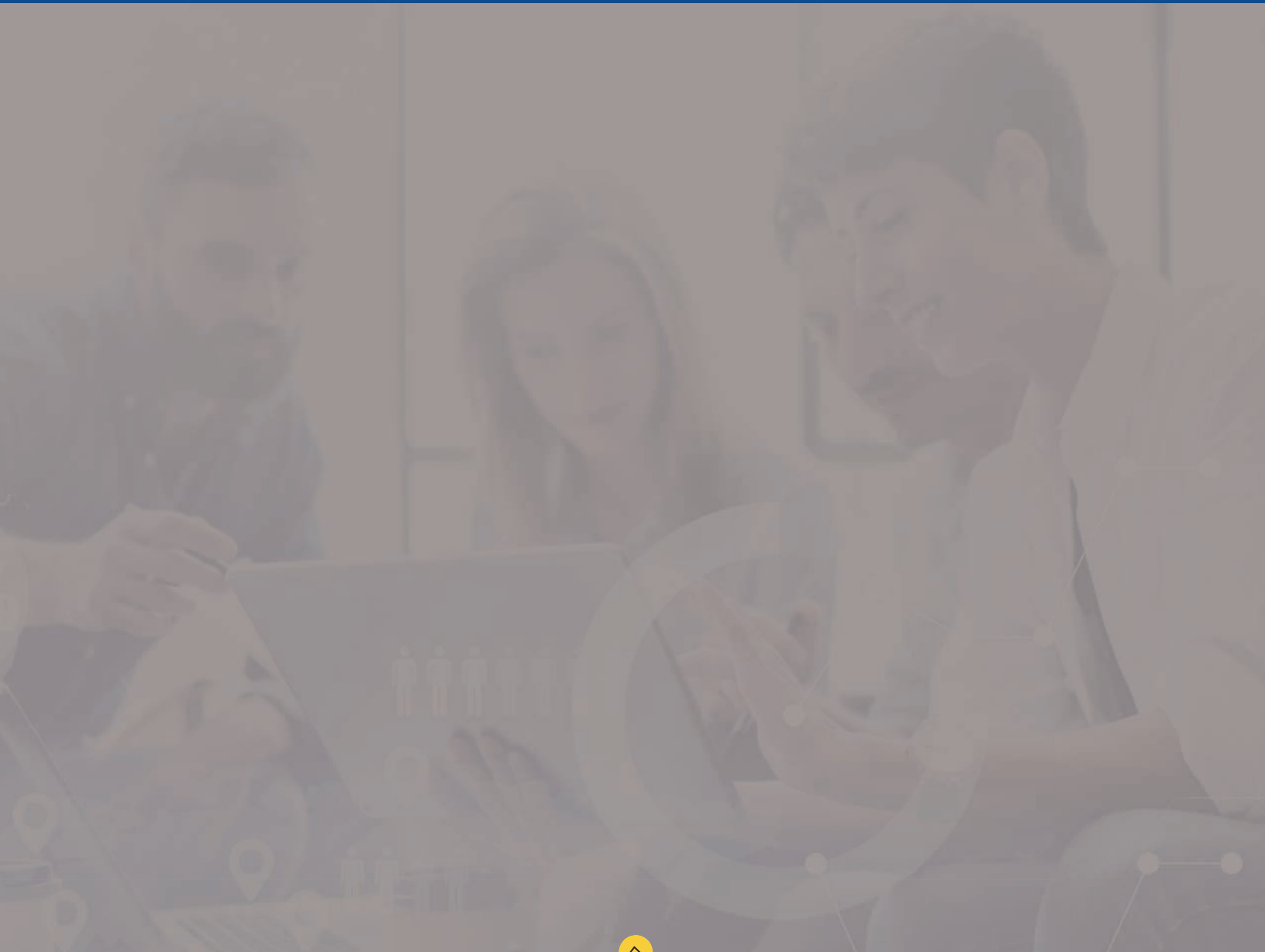
Unexpected Costs: 15%

If 2020 taught us anything, it's that nothing is set in stone. Overspends can happen with the click (or lack thereof) of a button; there could be a miscommunication about a freelancer's rate. In order to maintain a safety net, set aside roughly 15% of your annual marketing budget for last-minute needs. If you scraped by without a marketing hiccup during the year, the dollars can easily be fed to upgrading software or expanding in a paid channel.



Do you need help determining how best to spend your marketing dollars in 2021?

Let's talk.



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