

WHITE PAPER: IS MARKETING WORTH THE INVESTMENT? (RESEARCH SAYS YES.)

For mid-sized B2B companies, a deal can't be closed without a salesperson. Given that fundamental truth, would a business be better served investing in building a larger sales program or would it make more sense to invest in a marketing infrastructure?

Many business leaders fail to see the value of marketing; they believe their bottom line will be better served by investing their money, resources, and effort in the front lines of sales. According to a recent study, 55% of small and medium-size businesses say they spend less than 5% of their annual revenue on marketing. More than half say they spend five or fewer hours per week on marketing, while 85% say they'd rather spend their time on non-marketing business activities, like operations and helping customers solve problems.¹

In reality, nothing could be further from the truth—particularly for B2B businesses with complex sales where the customer and the business are navigating an extended buying experience. Sales and marketing play equally important, but complementary, roles in attracting, informing, and retaining customers. When sales and marketing teams work together, they generate 32% higher revenue, retain 36% more customers, and achieve a 38% higher win rate.² Conversely, sales teams that operate without an aligned marketing function experience a 4% decline in revenue.³

This paper delves into the true value of marketing and explores the role it plays in the complex sales cycle to support business growth, scalability, and sustained sales success.

WHAT IS MARKETING AND DO YOU REALLY NEED IT?

For many, the idea of marketing conjures up images of a TV ad, a flyer, or a promotional email. But the marketing function embodies infinitely more. The overall purpose of marketing is to demonstrate value to prospects and consumers to strengthen brand loyalty and drive sales. Marketing sits at the intersection of the business and the customer; it's where the conversation starts.

Marketing gives your business a voice—a way to reach people and connect with them through a well-defined approach, a clear and compelling message, and an intrinsic understanding of your audience—who they are, what they need, and what they expect of your brand. Encompassing strategy, tactics, and execution through people, technology, data, and support material, marketing has been shown to expand reach, support sales productivity, engage audiences, and build brand credibility.

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Yet—some are hesitant to make the leap. Many cite a lack of time, resources, and funds to dedicate to a marketing program, while others would rather rely on referrals and customer advocacy as a more affordable way to get the word out about their brand. Some business leaders view marketing as nothing more than a tactical function that can be handled by a single internal resource, such as an administrative assistant, and others simply don't understand the value of marketing—the role it plays or how it supports business success. In many cases, business leaders would rather invest in hiring additional salespeople in pursuit of more immediate and direct ROI.

Given the spectrum of viewpoints, is marketing worth the investment?

THE BUSINESS IMPACT OF MARKETING

Effective marketing drives traffic, produces qualified leads, and optimizes sales performance to boost business growth. According to Bain & Company and Google's Measurement Maturity Survey, the top 100 businesses with the most mature marketing programs are four times more likely to exceed business goals, increase market share, and boost revenue than the 100 least mature marketers.⁴ Marketing helps bring more of the right people through the door, resulting in more closed deals, a shorter sales cycle, and a lower cost per sale.

In a complex sales environment, education and explanation are essential. It's a long game that begins before it reaches the salesperson. When the sales team starts with a warm lead who already understands your brand, what you have to offer, and how you can help, they can spend less time closing more deals. According to research by CEB Marketing Leadership Council, B2B buyers are typically 57% on the way to a buying decision before they actively engage with sales.⁵ In other words, prospects that convert to sales will have been exposed to the brand multiple times before a salesperson even gets involved.

On average, it takes nine to 13 audience engagements (touches) to make a lasting impact on a consumer. Where, how, and by whom those touches occur can mean the difference between a highly productive sales team that exceeds sales goals and one that's spinning its wheels just to keep up. Let's say, for example, your salesperson has capacity for 100 meetings per month. To close a deal, they need roughly 10 engagements with each prospect, which means they can only meet with 10 people that month—at most. But, if eight of those touches were to come from marketing activities and automation, that same salesperson could meet with 50 people two times to close 50 deals.

The benefits ripple out from there. When your sales team talks to the right people with the right message, the customer is more likely to have a positive experience, resulting in repeat business and referrals. And with a self-sufficient sales staff that's meeting their goals, senior leaders spend less time overseeing day-to-day sales activities and more time building the business and innovating. Put simply, a well-defined marketing infrastructure assures funding, time, and effort are each allocated in a way that optimizes ROI to support bottom-line growth.

BRAND EXPOSURE THROUGH MARKETING:

- SHORTENS SALES CYCLES
- INCREASES CONVERSIONS
- LOWERS COST PER SALE





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THOUGHT LEADERSHIP BUILDS CREDIBILITY

Marketing also helps establish your brand as a thought leader in the industry to build credibility and brand awareness. Research shows that content marketing bolsters a brand’s reputation, which naturally leads to growth and increased revenue for your business. According to the 2020 B2B Thought Leadership Impact Study, 89% of decision-makers believe that thought leadership content can help change their perception of an organization, while 42% say they’re willing to pay a premium to companies that produce content vs. those that don’t.⁶ And nine out of 10 B2B buyers say online content has a moderate to major effect on purchasing decisions.⁷

When you plan, create, and share content with your target audience, you generate awareness and convince customers to take action, which ultimately translates to revenue. In fact, brands that leverage content marketing have a 6x higher conversion rate than those that don’t.⁸ And brands that blog, which is the most basic and easily attainable form of content marketing, generate 67% more leads.⁹

**BLOGGING
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MARKETING DATA INFORMS BUSINESS DECISIONS

The most effective marketing infrastructures are those that leverage marketing automation to turn data into insight. Marketing automation can radically enhance sales and marketing strategies, improve data analysis, and support profitable decision-making that allows businesses to scale faster. In other words, marketing automation captures, slices, and dices your sales and marketing data to help you make decisions that optimize your selling systems over time.

Companies that use marketing automation report faster growth than non-marketing automation users. In fact, most adopters generate a return on their investment within the first year,¹⁰ while 63% outperform their competitors.¹¹

MARKETING IS NOT A NICE-TO-HAVE; IT’S ESSENTIAL TO BUSINESS SUCCESS (IF DONE RIGHT)

The business value of marketing is not up for debate. Investing in a marketing function is one of the most profitable decisions a business can make. But for the investment to pay off, the right infrastructure needs to be put in place—one that brings people, process, and technology together in a cohesive, sustainable structure that integrates with sales to drive revenue. Only then will a business be able to scale to that next level of growth.

ABOUT THE AUTHOR

Paradigm is a full-service marketing, design, and workflow solutions agency. Together with their clients, the Paradigm team is focused on one objective: creating impactful initiatives that help drive long-term growth. With a commitment to excellence, Paradigm’s cross-functional team partners with clients to deliver marketing infrastructure support with wraparound services that integrate purpose-driven marketing strategies designed to power sustainable success.



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PARADIGM.
STRATEGIZE. CREATE. INNOVATE.

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