




demandbase®

**2011 National Website
Demand Generation Study**



From May 18 to May 25, 2011 Demandbase ran a study in conjunction with Focus.com addressing B2B corporate websites as lead generation tools—specifically by assessing the common practices and challenges of measuring the demand generation performance of those websites. The following data is based on a sample of 100 B2B marketing and IT professionals, invited to participate via online promotion and e-mail with the survey administered online using a Web survey tool.

Respondents represented B2B companies of all sizes and industries, and the most obvious conclusion drawn from the data was this:

B2B corporate websites are the leading demand generation engine for new sales leads, but B2B companies are struggling to optimize site performance and analyze insights around customer behavior once they arrive. And while companies have invested heavily in the corporate website, they are doing little to optimize the Web experience for those very audiences they have worked so hard to attract.

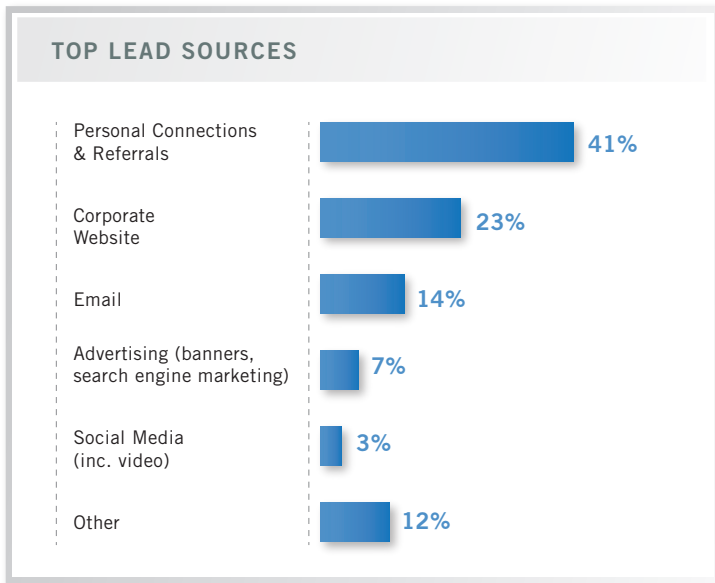
Summarized Findings Include:

- Corporate website ranks as the #1 online source of new leads for businesses, second overall only to personal referrals
- The corporate website is not performing to its maximum lead generation potential, as reported by 80 percent of overall respondents
- Businesses see the most room for improvement in tracking unidentified site visitors and generating new sales leads from the companies reviewing their website
- The single most important performance indicator for website effectiveness is the quality of the leads generated
- The major challenge in website analytics is not the data itself, but the ability to act on the data

Detailed Findings

Lead Generation Performance

Question 1: Which of the following sources provides your business with the most leads?



Corporate websites are the leading source of leads online, reported to be seven times more effective than social media.

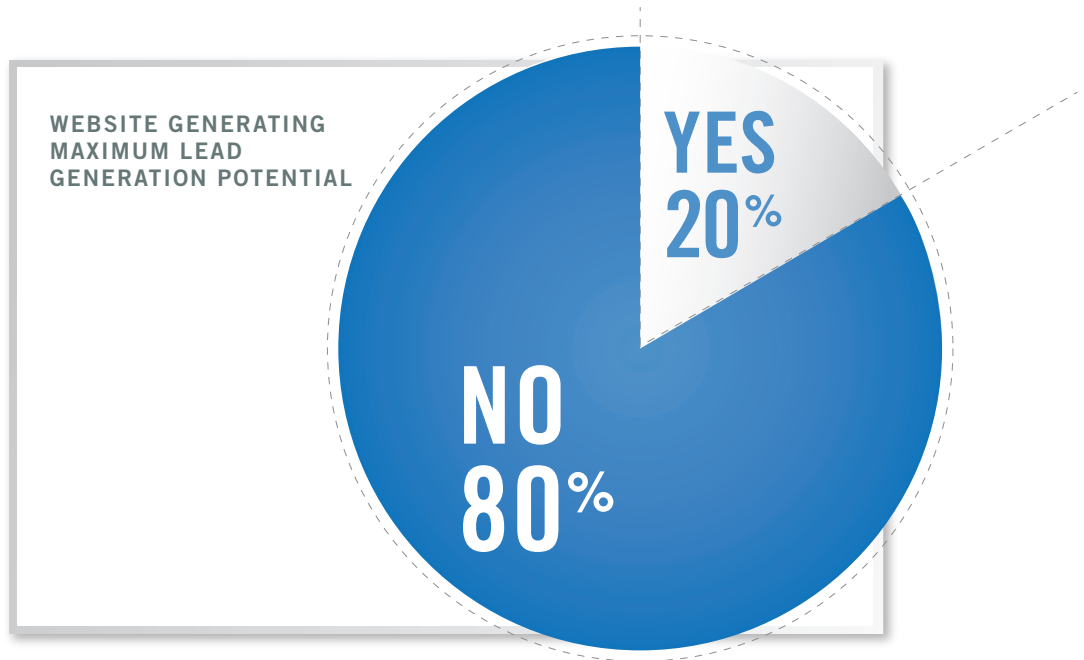
Despite the buzz around social media as a silver bullet to transform sales and marketing, data suggests it has yet to deliver the business impact of personal networks and referrals, which still provide many businesses with the most leads.

So, why has the website become such an important lead generation tool? For most businesses today, nearly all leads hit the corporate website at some point during the selling cycle, regardless of their origin. New business buying behaviors, coined as “Buyer 2.0,” mean that buyers are researching products and services before they engage with sellers, and are inviting sellers into the process much later in the cycle. This makes for both a more informed buyer as well as (potentially) lower seller “influence” on the features and benefits that drive selection.

The Website becomes the crucial sales tool during the buyer’s research and discovery process, and buyers are educating themselves without the guidance of a salesperson. B2B marketers clearly need to adapt to this trend, and work to engage buyers through more personalized Web experiences with custom messages and landing pages in order to engage buyers every step of the way. Most importantly, B2B websites need to engage browsers with personalized content much earlier in the “educational phase,” even before they have categorized as leads, to encourage them to invite those B2B companies to participate more actively in that crucial education process.

Also interesting is the finding around social media’s role as a lead generation source. Social has become a buzzword that is now attached to every aspect of the business process—from marketing, to sales to CRM and all things in between. Yet the study suggests that social media may still be strongest as a forum to communicate with existing customers and leads in the pipeline, rather than being a key source of new sales leads.

Question 2: In terms of generating leads for sales, do you feel like your business leverages its company website to its maximum potential?



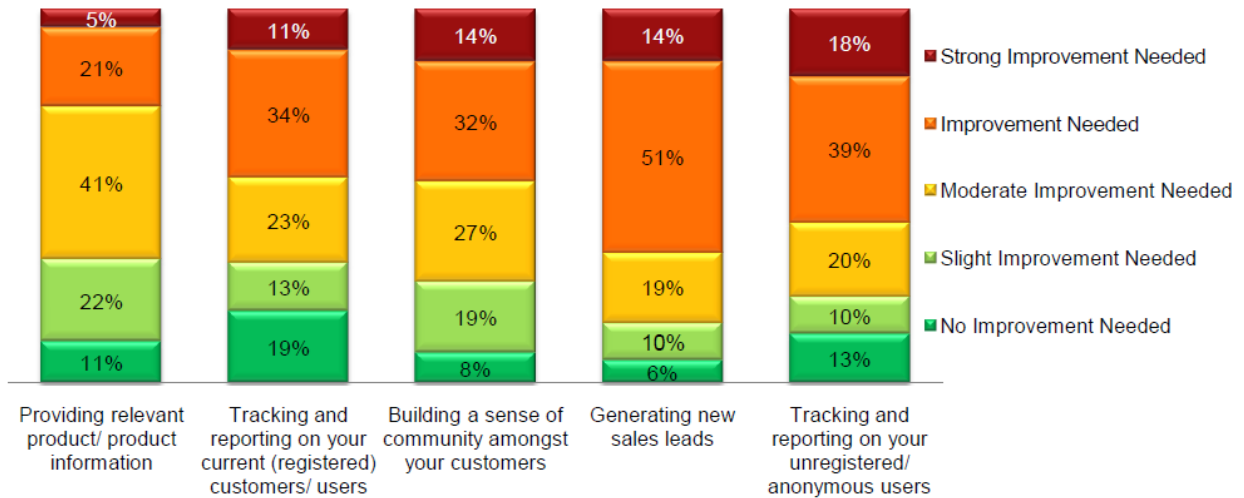
This finding demonstrates that, while B2B marketing executives believe that the website is a key lead generation tool, they also realize that it is not working to its full potential.

Website optimization strategies have become a key focus for B2B marketers, but the focus has traditionally been on landing pages as opposed to the entire site – largely because executives are currently constrained by the limited tools in the B2B toolbox (which have traditionally paled in comparison to their B2C counterparts). New tools and technologies have been introduced to optimize business website experiences and visitor conversion across the entire site, but they have not seen widespread adoption among businesses. Once implemented, companies are often too resource-constrained to use these tools to their full potential; for instance, companies may integrate analytics services to compile website data, but rarely act on that data once compiled.

In short, while companies have invested heavily in the corporate website, they are doing little to optimize the Web experience for those very audiences they have worked so hard to attract.

Question 3: Rate your company website's need for improvement in the following areas:

Top Areas of Improvement for Company Websites



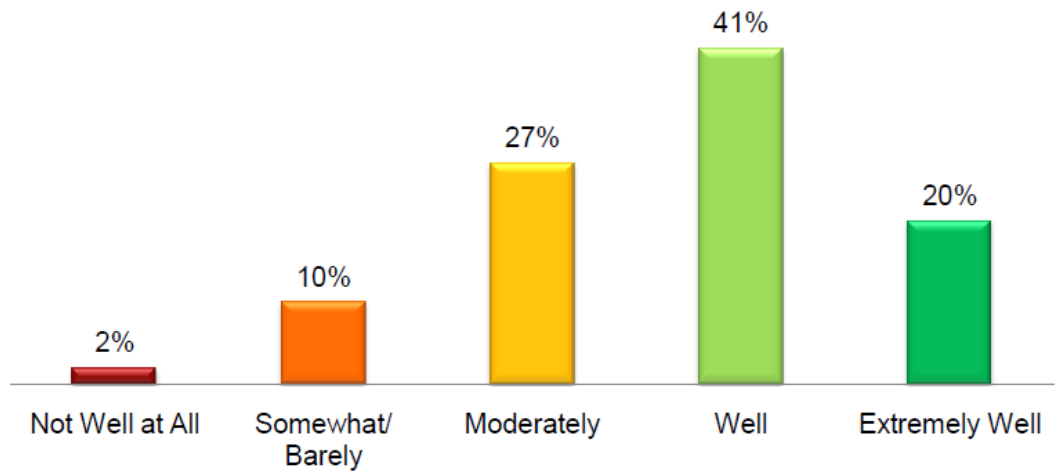
Businesses emphasize the need for improvement in identifying and generating NEW or unregistered sales prospects from their corporate Websites.

The survey indicates that Web analytics capabilities need improvement—only 19% of respondents report that no improvement is needed around tracking and reporting around registered website visitors. This again can be traced to resource constraints; while the majority of B2B marketers have implemented analytics programs on their sites, they are not leveraging this data to improve website performance to better convert visitors.

With only 13% of respondents reporting that no improvement is needed in tracking and reporting around unregistered/anonymous visitors on their sites, we find that B2B players are finally beginning to realize how much traffic flows through the website without being identified, serviced or converted from anonymous visitors to legitimate prospects with revenue potential.

Most B2B marketers have fallen into a “one size fits all” approach to website development, relying on visitors to self-navigate to relevant content. In the future, businesses can generate more new sales from their websites by better understanding traffic and tailoring Web experiences to each visitor.

Question 4: How well does your business know/ understand the prospects it is selling to?



Businesses report understanding their prospects well but, as the study has shown, identifying prospects in the first place remains a challenge.

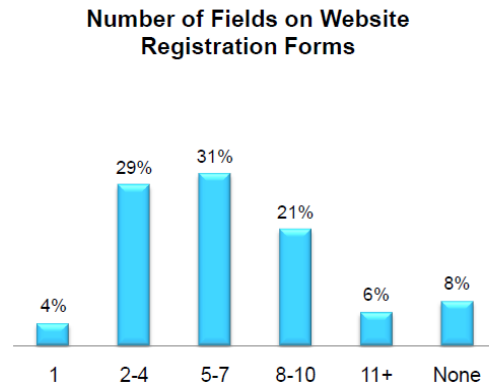
There is a growing interest in creating “buyer personas” to help B2B marketers better tailor marketing strategies to the individuals that comprise the committees tasked with purchasing their products. But in B2B marketing, personas are useless if you don’t know who the visitor is that is hitting your site right now. B2B marketers are not selling to individuals, they are selling to companies, and by targeting prospects by company, industry and size, rather than by individual buyer behavior they have a better chance at converting more website visitors.

It is also important to remember that most Web marketing tools are still borne from B2C marketing, which continues to be focused on demographics, rather than firmographics and individual behavior rather than selling to a company or account. Fitting ‘round’ B2C marketing strategies through the ‘square’ hole of B2B will prove unsuccessful.

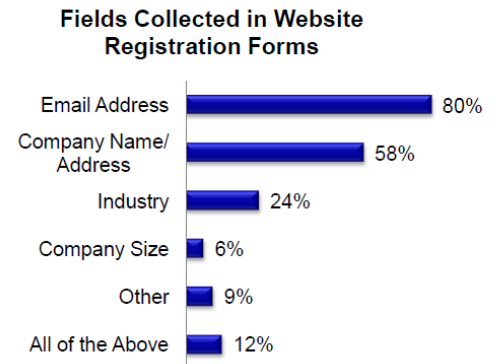
A mere 13% of the survey respondents indicated they were doing a good job tracking and reporting on unknown site visitors. Unlike B2C where return visitors can often make up a majority of traffic, in B2B it is suggested that up to 80% of visitors can be “anonymous.” Businesses need to implement strategies that better market to both known (registered visitors) and unknown visitors so they are able to better engage and convert website visitors.

Marketers must carefully create Web content, and first determine where it belongs in the business buyer’s purchase cycle. Every decision maker in the process should be considered, and campaigns and content must be relevant to each stakeholder’s interest. They should also consider tailoring educational, early stage content to fit the firmographics (i.e. demographics of the company) of their prospects as these are the pieces that can most easily be personalized to the (formerly) anonymous visitor.

Question 5: How many fields do your website's registration forms contain and which fields do you collect?



Q. How many fields does a typical webform on your website contain?



Q. Which of the following information fields do you collect on your webform/ registration page?

Jon Miller, VP of marketing at marketing automation provider Marketo, recently published an interesting case study based on the results of the company's own lead generation campaigns. In writing on the company's Modern B2B Marketing blog, Miller described how the company had created three different forms: "short form" with five fields, "medium form" with seven fields, and "long form" with nine fields, and used these on three different versions of a landing page. Marketo's experiment showed the following results:

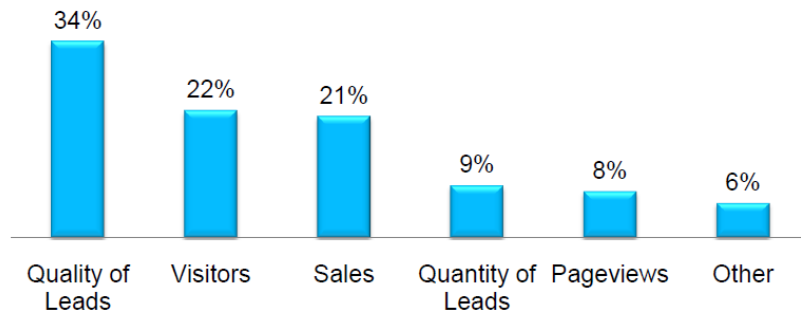
- Short Form: Conversion rate 13.4%, cost per conversion \$31.24
- Medium Form: Conversion rate 12.0%, cost per conversion \$34.94
- Long Form: Conversion rate 10.0%, cost per conversion \$41.90

The impact of long forms on conversion rates has become well known among business marketers—and best practices call for Web forms to have the absolute minimum number of input fields (usually 5 or 6)—but 68% of respondents still have five or more fields on website registration forms. Marketers understand that the best way to tailor sales strategies is to understand their customer but this approach of information retrieval is affecting their bottom line(s). If shorter forms are best, marketers must collect only crucial data that cannot be gleaned by other website optimization tools (company name, location, industry and size can be easily obtained by third parties). In addition, B2B marketers should leverage data appending services to augment missing fields or re-populate inaccurate data rather than route every lead to sales, regardless of quality.

Measuring Website Performance

Question 6: Which is the most important KPI for measuring the effectiveness of your business' website?

Most Important Key Performance Indicators for Measuring Website Effectiveness



Most businesses assess the overall effectiveness of their company's website by the quality of the leads it yields.

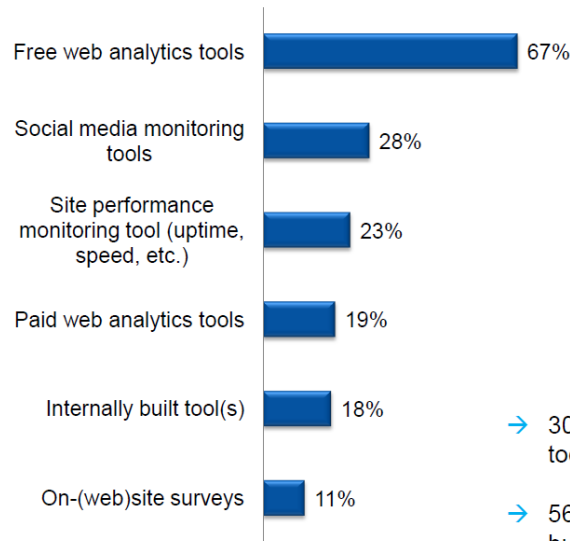
"It's all very well and good being able to report a range of KPI's, but they still need to be understood, actionable and properly managed. That's our challenge."—survey respondent

This quote sums up the challenges of B2B marketing; it's great to have tools at our fingertips, but they don't mean anything if we don't use them to create actionable results.

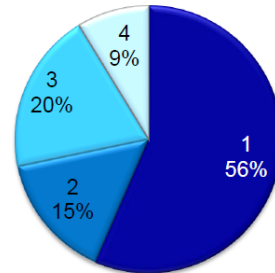
Quality versus quantity has long been a raging debate in lead generation circles. Today, more B2B marketers are placing importance on measuring quality, and tying content management with Web analytics and CRM systems to improve the quality of lead flow throughout the organization. Quantity of visitors also remains a key performance metric, and respondents from larger companies place a greater emphasis on the importance of measuring the "net new" volume of visitors. Perhaps because enterprise companies tend to leverage website marketing for branding more than their smaller counterparts, who are more focused on lead generation. With page views important to only 8% of respondents, B2B marketers are still lagging behind their B2C brethren when it comes to measuring Web visitor engagement. Page views and time on site are key indicators that visitors are finding the content that is relevant to them.

Question 7: Which of the following tools does your business currently use to measure its company website performance?

Tools Used to Measure Company Website Performance



Number of Tools In Use Simultaneously



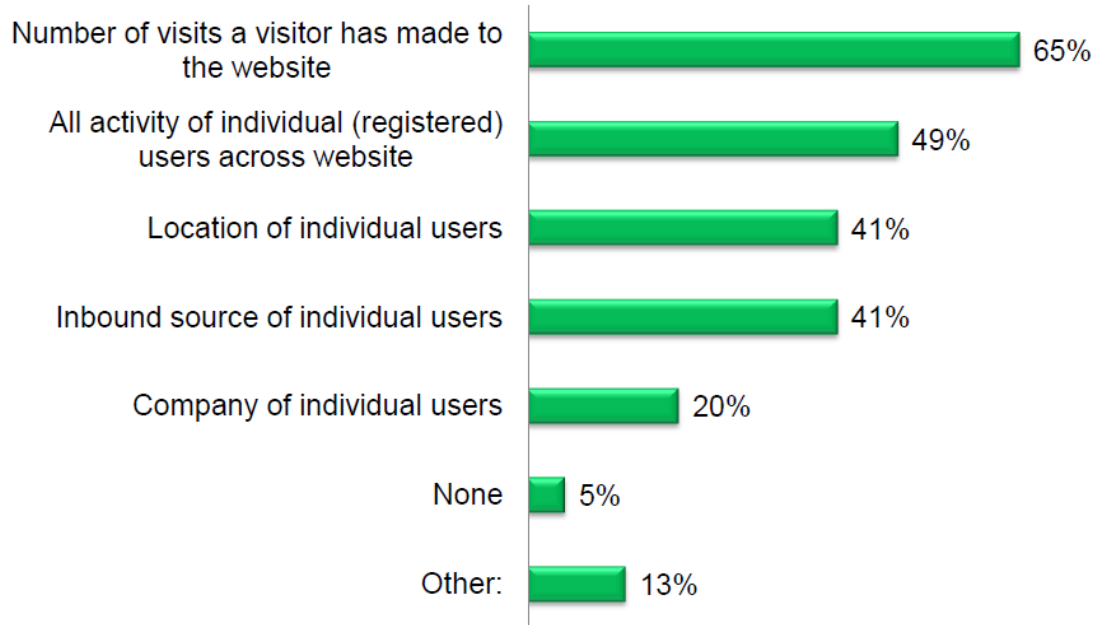
- 30% surveyed are using a Free Web Analytics tool ONLY
- 56% of larger businesses are utilizing internally built tools

The majority of companies leverage only one analytics tool, and that tool costs nothing.

This response seemingly contradicts the results of the previous survey question, which found that lead quality was the most important KPI for lead generation. Then why the low investment? Out of the box, none of the tools above—outside of the internally built tools—measure quality of Web visitor leads. This apparent contradiction may indicate a wider adoption of Web analytics tied to CRM to increase lead quality and, if this is the case, B2B marketers are taking a wide leap forward in Web conversion.

Question 8: Which of the following website metrics are you currently able to track?

Most Common Metrics Companies Track on their Websites



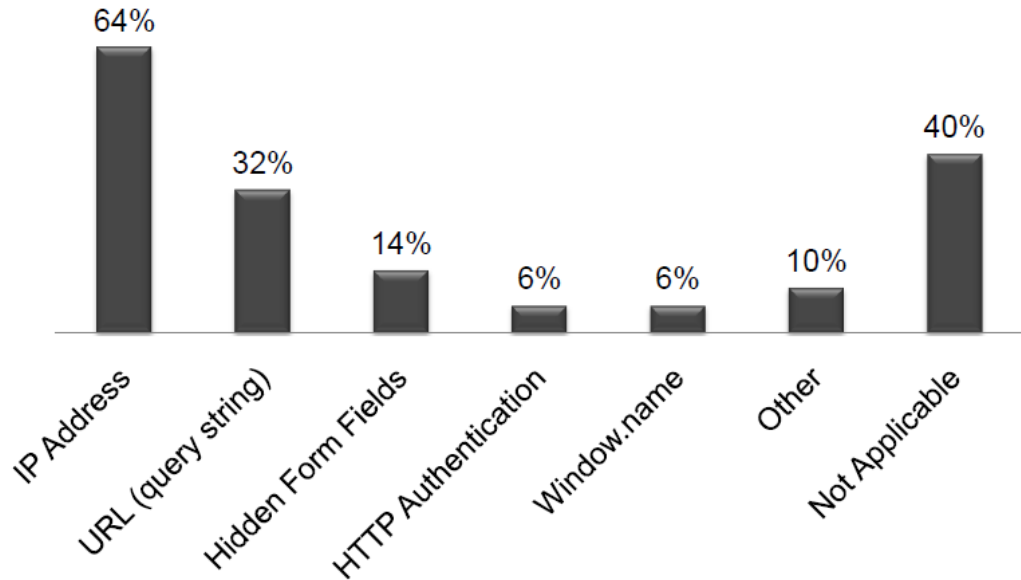
Companies count clicks.

While companies report being able to track the number of visits an individual has made to their websites, repeat visitors tend to be a smaller slice of overall traffic, not only because of the “tire-kicking” nature of B2B browsers, but also due to cookie deletion. This means that B2B marketers are spending their time tracking the behavior of a very small percentage of customers, rather than maximizing opportunities from a greater percentage of site traffic. This dilemma is further compounded when one considers that B2B marketers do not sell to individuals, they sell to accounts and, often, committees of multiple individuals. And, while strategies must be created around companies, only 20% of respondents track the company of individual website users.

Marketers also need to better track the origin of site visitors, which is an important indicator of the efficacy of various marketing campaigns. All campaigns eventually lead to the website, but is it e-mail, search, social or display advertising that is driving those leads and, what is the quality of the leads driven by each of those sources?

Question 9: Which alternatives to website cookies does your business use to track its customers?

Alternatives to Cookie Tracking



B2B Marketers “get” the value of the IP address.

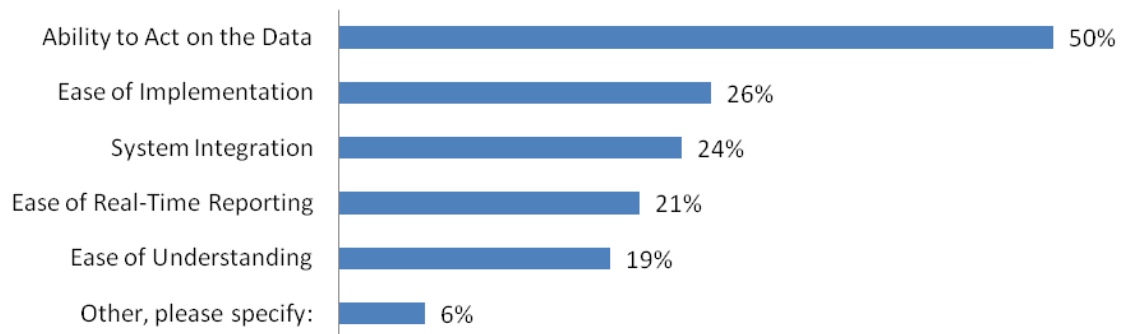
Buyer 2.0 is getting harder to track because of cookie deletion, both intentional deletion, and company-run programs that delete cookies for corporate security. ScoutMetrics reported that last year just 3% of cookies were deleted from the web browsers they are tracking with their service. That figure is now up to 7% and rising. Considering this fact, and “do not track” legislation currently under consideration in Congress, it is clear that alternatives to using cookies to track visitors will become essential sooner rather than later.

These results are very promising, because they show that B2B marketers are aware of alternatives to cookie tracking technology—which are widely used by B2C marketers but not as effective for their own campaigns. IP identification is gaining in popularity for Web visitor tracking, but these tools are not all one size fits all. Most tools that use IP addresses reference public registries, which often deliver low quality information, with outdated and erroneous data about the visitor company.

Challenges to Website Marketing

Question 10: Which of the following IT issues/ challenges surrounding website analytics concerns you the most?

Biggest Challenges in Website Analytics



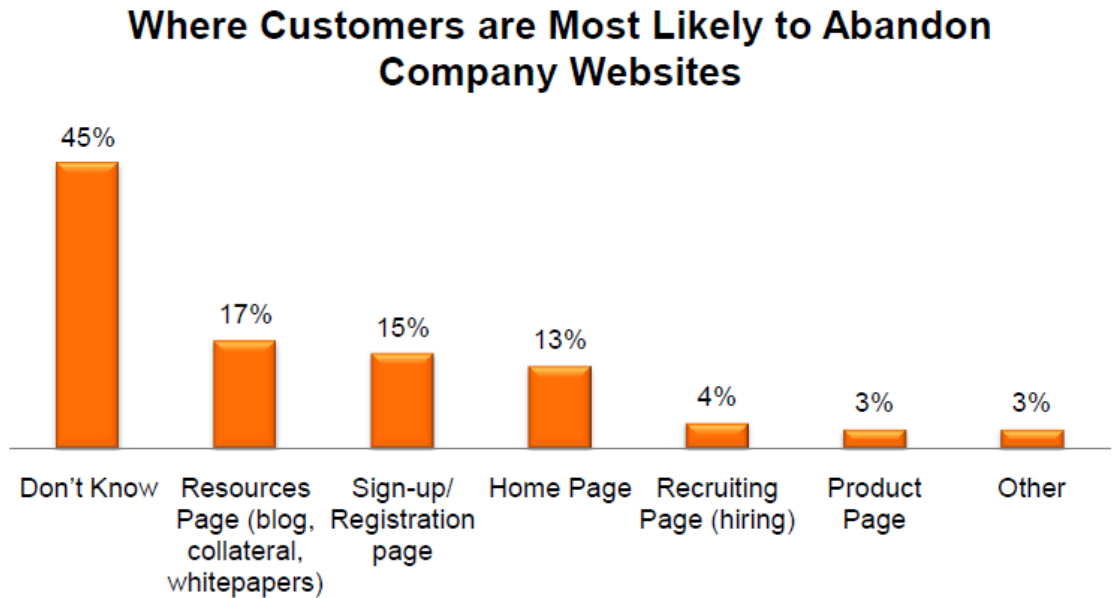
The challenge with effective website analytics lies in actionability!

“Many of our systems are not linked together, so on the data side it can be very difficult to capture full picture business intelligence.”—survey respondent

One-half of all respondents cite the ability to act on the data they gather as their biggest challenge around website analytics. More than double the number of non-technical respondents versus technical respondents cites their number one challenge as the ability to act on the data collected by Web analytics systems. Technical respondents emphasize greater concerns surrounding system implementation and integration.

Resource-constrained marketing departments often assume that automated analytics systems will do all the work for them, but the reality is that dedicated resources must be allocated to gain maximum benefit from these tools. Consistent updates are required to improve campaign performance and conversions, and reports need to be run, analyzed, and run again. Without the time investment necessary to properly use analytics, companies cannot understand how well their campaigns and websites perform, and therefore ensure that marketing strategies are focused on their most profitable customers.

Question 11: At what page or section are your customers most likely to abandon or leave your website?



Nearly HALF of those surveyed DO NOT KNOW where their users are most likely to abandon the website.

While the website continues to be a top area for marketing investment made by B2B companies, both for dollar investment as well as resources across both marketing and IT, businesses aren't paying close enough attention to what's working and what's not. Once again, better use of Web analytics tools will improve the performance of the corporate website, delivering key insight around content engagement and exit pages. By only focusing on where the visitor enters the site (be it the home page, or a specific landing page) rather than the pages they visit while they are there, or how long they spend on the site, marketers do not capture the data necessary to determine where the buyer is in the purchasing funnel.

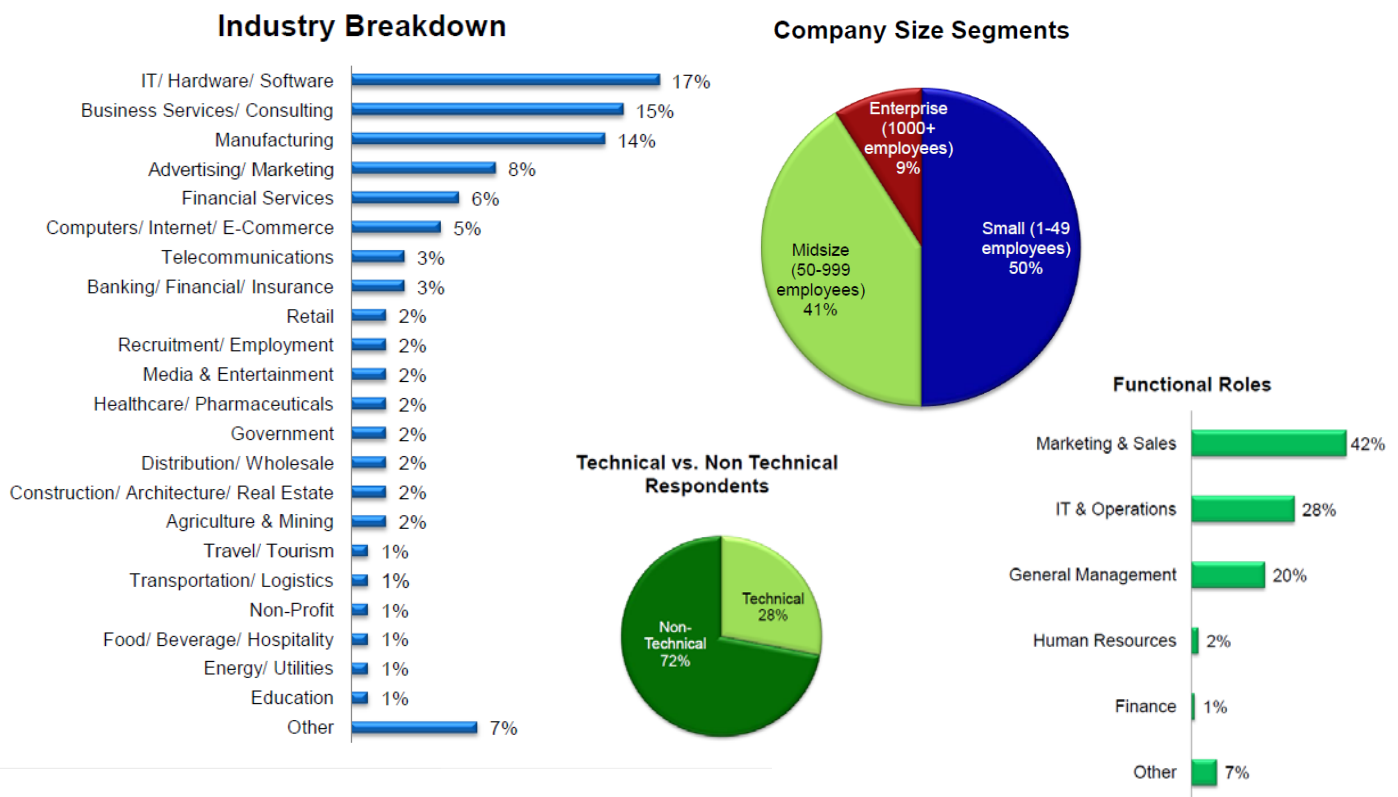
Conclusion

Sales 2.0 has arrived, tailored to helping salespeople be more efficient because they have better insights about their potential customers. Businesses are working to better understand their customers through website engagement, social media, CRM and other tracking methods. And while B2B marketers may recognize that they are lagging behind their B2C counterparts in many areas, gone are the days of one-size-fits all brochure-ware websites that treated each visitor the same.

B2B marketers must understand that Buyer 2.0 is also upon us, and it is now the corporate website's job to not only learn more about the customer, but to also help the customer learn more about us.

By taking Web experiences to the next level and providing information tailored to each prospect's key requirements, B2B marketers will be able to tell the right story to the right visitor every step of the way. But they also need to find the technologies and dedicate to the resources to interpreting what they learn so that they can improve performance.

ADDENDUM: Survey Respondent Demographics



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Demandbase is a technology company that enables B2B marketers to improve marketing conversions and turn web traffic into sales. Demandbase's SaaS solutions leverage its proprietary Business Resolution Platform, combining real-time identification of the companies visiting a web site with B2B account analytics, and an extensive master database to make marketing programs and prospect interactions more effective. Demandbase works as a standalone service or integrated with other sales and marketing technologies to give them new account based intelligence, enabling companies to align marketing and sales strategies and improve overall return on effort. Founded in 2006 and in use at more than 1,000 companies, Demandbase is headquartered in San Francisco, California.