

January 2021

Revenue Marketing Report 2021

How modern companies achieve revenue growth by being strategic and tactical about aligning their sales and marketing teams.

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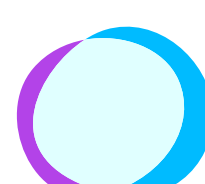
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Introduction

“Sales and marketing misalignment is extremely common, leading to trillions of dollars in lost revenue every year,” is the story that’s been rotating for decades in the B2B world. And a quick Google search will give you dozens of statistics to back this up.

However, when we took a closer look, we noticed many of these statistics are outdated or irrelevant in the context of SMBs. In a world that’s changing fast, we wouldn’t want to rely on data from 2012. And the newer statistics that are available focus mainly on larger businesses and enterprises.

So, here we are, with fresh data on the alignment of sales and marketing among SMBs, as reported by a total of 302 professionals: 151 who work in sales and 151 in marketing.

Standing on the shoulders of giants: Our thanks to Heinz Marketing, CaliberMind and The Pedowitz Group

Revenue marketing is a goal-oriented approach to marketing and sales, used by companies to drive revenue growth predictably.

When done well, revenue marketing aligns marketing and sales around this common goal by creating a continuous feedback loop between sales (data) and marketing (data).

We'd like to extend a big thanks to Heinz Marketing, CaliberMind and The Pedowitz Group for their work on Revenue Marketing. These companies have made major contributions to the industry's understanding of the role of marketing in the ever-evolving world of business.

You can find out more about their work on the topic following the links below:

<https://www.heinzmarketing.com/resources/#guides>

<https://www.calibermind.com/state-of-revenue-marketing-report-2020>

<https://revenuemarketing.pedowitzgroup.com/>

Executive Summary

B2B marketing and sales evolve with every decade, and the focus on revenue as a shared goal between the functions has been the biggest trend in recent years. The rise of ABM, revenue operations and revenue teams all go to show the importance the world of B2B places on finding ways to ensure alignment.

And so, the need for alignment between the teams has evolved from a hot topic discussed in Harvard Business Review to a fundamental piece of running a B2B company.

In this report, we take a close look at the state of sales and marketing alignment among SMBs, so that we can understand where revenue marketing stands in 2021. We'll look at what well-aligned teams are doing differently and how it reflects in their results. We also look at the perceptions of salespeople and marketers separately, and the role that technology plays in alignment.

And of course, it's impossible to talk about the state of sales and marketing alignment in 2021 without recognizing the COVID-19 pandemic that turned the world upside down in 2020. So, we share a glimpse of what the year 2020 meant for the world of B2B, and for sales and marketing alignment.

Key Findings

1

Nearly half of sales and marketing professionals still don't feel they are well aligned. 46% of respondents rate the quality of communication between the teams as 'Poor,' 'Fair' or 'Good,' and 45% rate their alignment of goals with the same low-to-average terms. Company size plays a role here, with the SMBs that have 51-100 employees being least confident about alignment compared to smaller and larger subgroups.

2

Sales and marketing teams' attitudes towards each other reveal disagreement regarding each other's contributions. Nearly half (46%) of marketers think that their sales team doesn't understand what's important to the marketing team. Sales are more confident: just 31% of salespeople think that their marketing team doesn't understand what's important to the sales team. 58% of salespeople strongly agree that their marketing and sales teams cooperate effectively, as compared to just 43% of marketers.

3

Companies with well-aligned sales and marketing teams see more revenue growth. Revenue growth is 73% more common among companies where sales and marketing cooperate effectively. In this, being both strategic and tactical about sales and marketing alignment is critical: there are clear correlations between executive buy-in, regular joint meetings and shared KPIs between sales and marketing, and revenue growth.

4

More than one third of respondents are dissatisfied with the tech available for aligning sales and marketing teams. 36% of respondents rate the usefulness of sales tech and martech tools as poor or average. Nearly half of all respondents (47%) agree that these tools would be more useful if they could be easily integrated, and 40% agree they'd be more useful if they would be more affordable.

5

More than half of B2B companies report that the COVID-19 pandemic had a negative impact on their revenues, and on aligning sales and marketing. 51% of the respondents reported that COVID-19 had a somewhat negative or strong negative impact on their company's revenues. 53% of respondents agreed that the pandemic has made it more difficult to align sales and marketing goals.

State of Sales and Marketing Alignment in 2021: Nearly Half Still Not Well Aligned

For the majority of the last few decades, cooperation between sales and marketing has been pretty straightforward. Traditionally, marketing has ownership of the top of the funnel, building brand awareness and driving leads, and sales is responsible for closing the deals.

As the buyer's journey has become increasingly self-directed, the linear deal progression with a handoff from marketing to sales, is increasingly outdated. To adapt, sales and marketing teams have to break off their silos and work in a more integrated way, throughout the customer lifecycle.

This requires great communication and well aligned goals between the two teams. Where do sales and marketing teams stand on this in 2021?

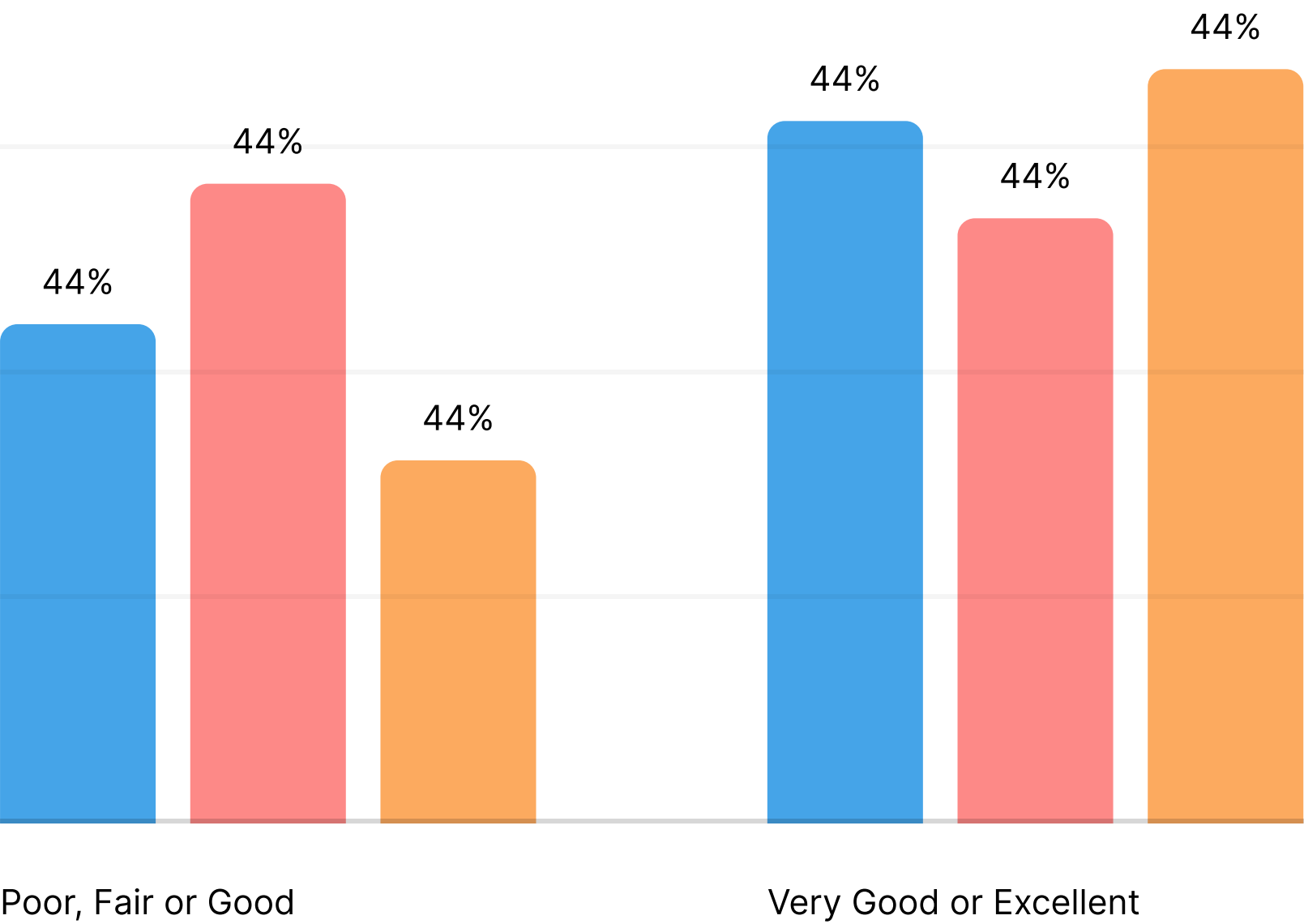
Nearly half (46%) of respondents rate the quality of communication between the teams as 'Poor,' 'Fair' or 'Good'. On a 5-point scale, the average rating is 3.6.

Similarly, 45% of respondents rate the alignment of goals with either 'Poor,' 'Fair' or 'Good,' altogether coming to an average 3.6 rating on a 5-point scale.

Further, sales and marketing alignment is not even across the board. According to our data, the 51–100 employees subgroup feels least alignment, as compared to the smaller and larger SMBs.

Overall, how would you rate the alignment of goals between sales and marketing in your company?

10–50 employees 51–100 employees 101–150 employees



And perhaps this is not too surprising. After all, even the strategies, tactics and tools available for aligning sales and marketing are not created equal.

On the one hand, ABM, revenue operations and dedicated revenue teams may be on the rise among larger firms, but they are out of reach for the smaller SMBs. On the other hand, the teams in smaller companies do not need formalized processes or much effort to stay aligned—if you have just a few people on your sales and marketing teams, alignment is arguably easier to achieve.

The middle subgroup is thus falling behind—with decent-sized teams, but without many tools available to help align sales and marketing teams.

Salespeople and Marketers Are Not Quite Done With Finger Pointing

A closer look at the responses reveals more discord in salespeople's & marketers' attitudes towards one another. When asked about the other side's perception of their work, marketers reveal just how misunderstood they feel.

Nearly half (46%) of marketers think that their sales team doesn't understand what's important to the marketing team.

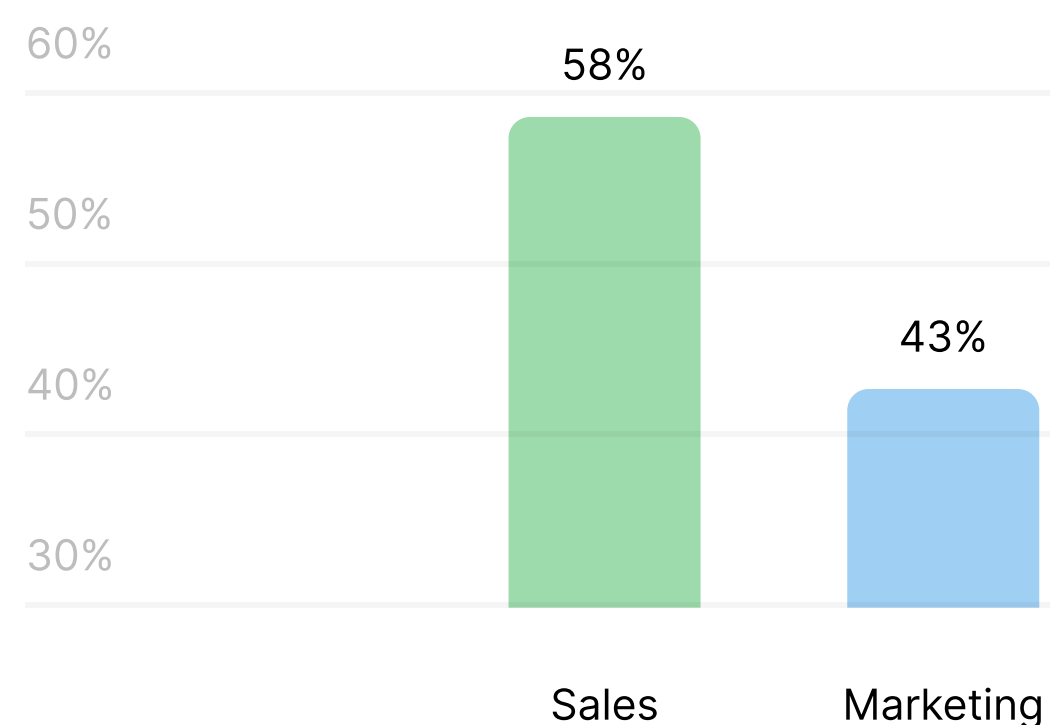
At the same time, salespeople are more self-assured in the other side's attitudes towards their work.

Less than one third (31%) of salespeople think that their marketing team doesn't understand what's important to the sales team.

Further, splitting the responses about sales and marketing alignment by role revealed that salespeople are a lot more confident about alignment than marketers. 58% of salespeople strongly agree that their marketing and sales teams cooperate effectively, as compared to just 43% of marketers.

How much, if at all, do you agree with the following statement: "Our marketing and sales teams cooperate effectively."

% that "Strongly agree"



Want Revenue Growth? Make Sure You Have Sales & Marketing Alignment

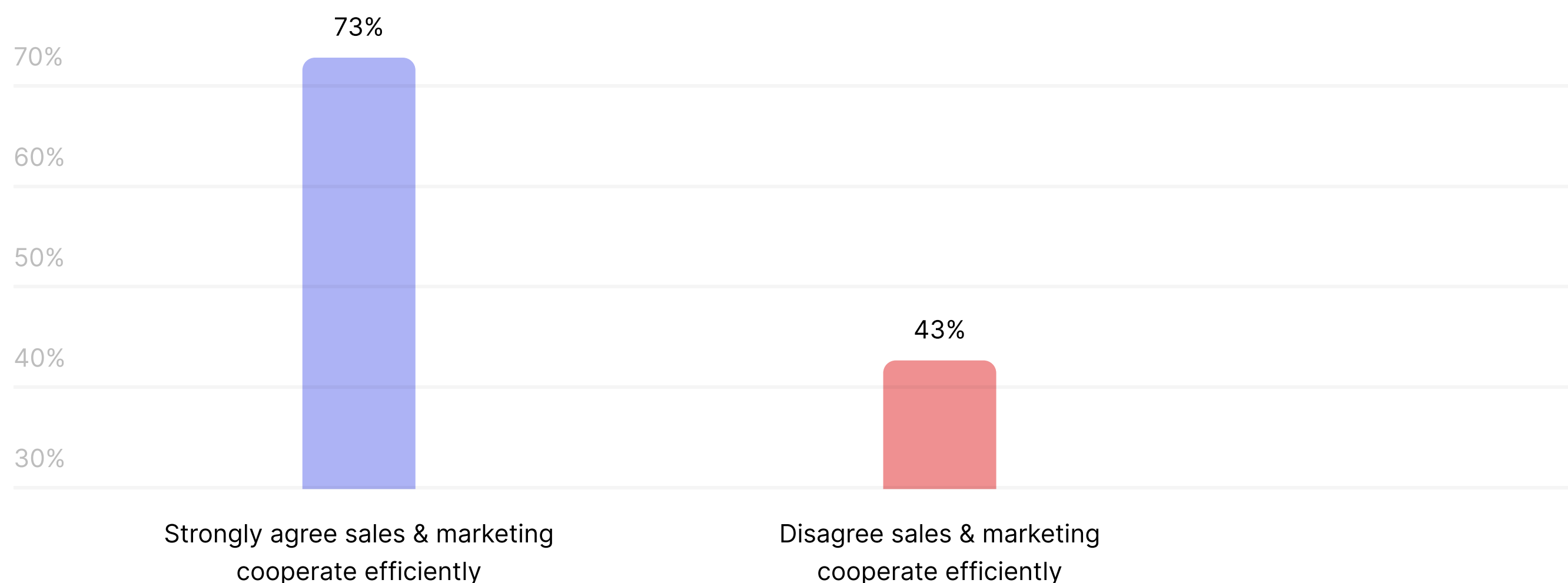
The companies that have found ways to align their sales and marketing teams have been rewarded. Our data shows that well aligned sales and marketing teams that are more likely to see revenues increase year over year.

Revenue growth is 70% more common among companies where sales and marketing cooperate effectively.

Among those who strongly agree that their sales and marketing teams cooperate effectively, 73% saw revenues increase year over year.

How much, if at all, do you agree with the following statement: “Our marketing and sales teams cooperate effectively.”

% of companies whose revenues increased from 2018 to 2019



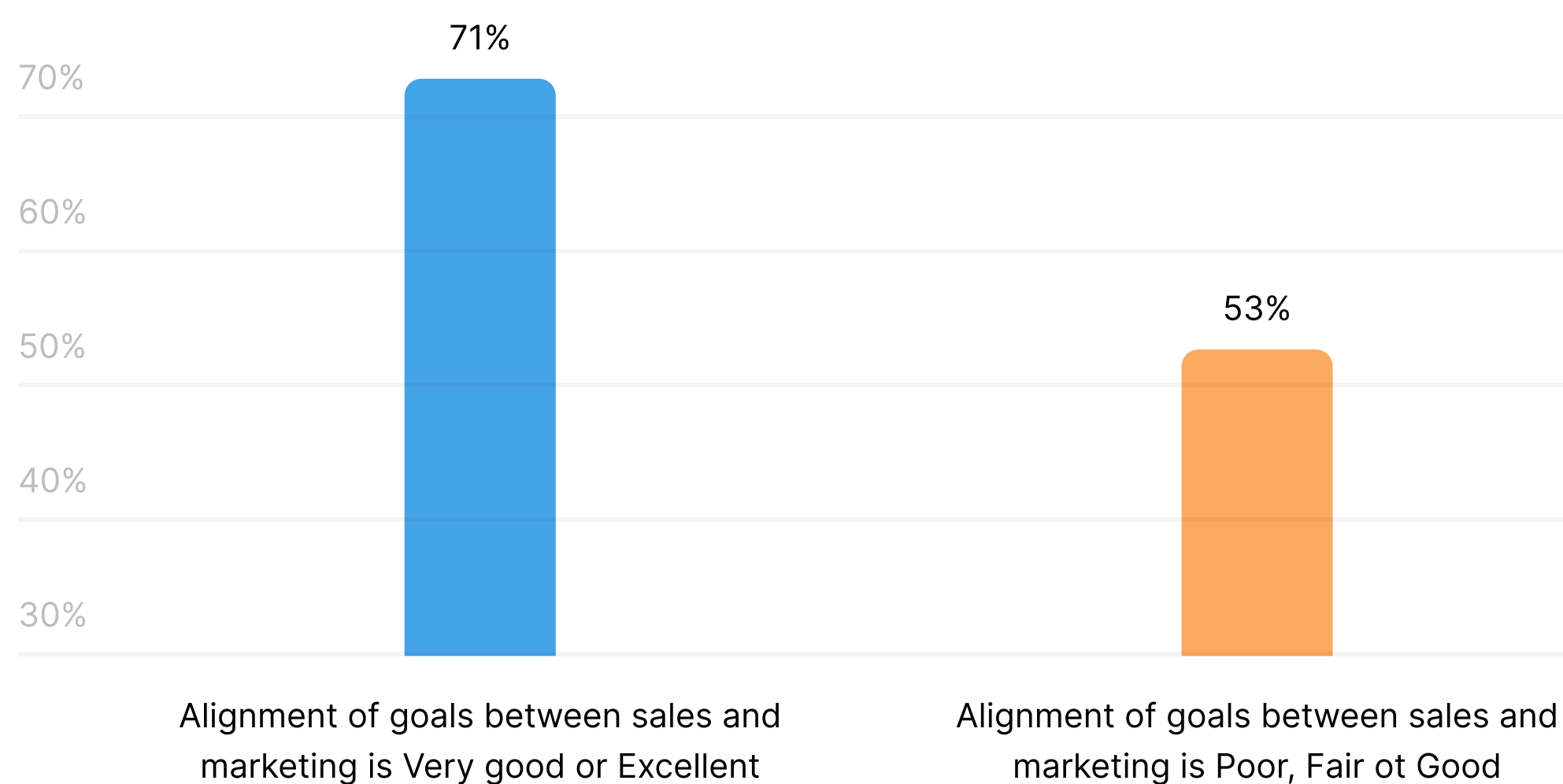
Companies where sales and marketing teams do not cooperate effectively are falling behind. Among respondents who think their teams cooperate ineffectively, only 43% saw revenues increase.

Similarly, likelihood of revenue growth goes up by one third if the goals of sales and marketing teams are well aligned.

71% of companies that rated the alignment of goals between sales and marketing as 'Very good' or 'Excellent' saw revenues increase year-on-year, while revenues increased in 53% of the companies whose goals alignment is 'Poor,' 'Fair' or 'Good'.

Overall, how would you rate the alignment of goals between sales and marketing in your company?

% of companies whose revenues increased from 2018 to 2019



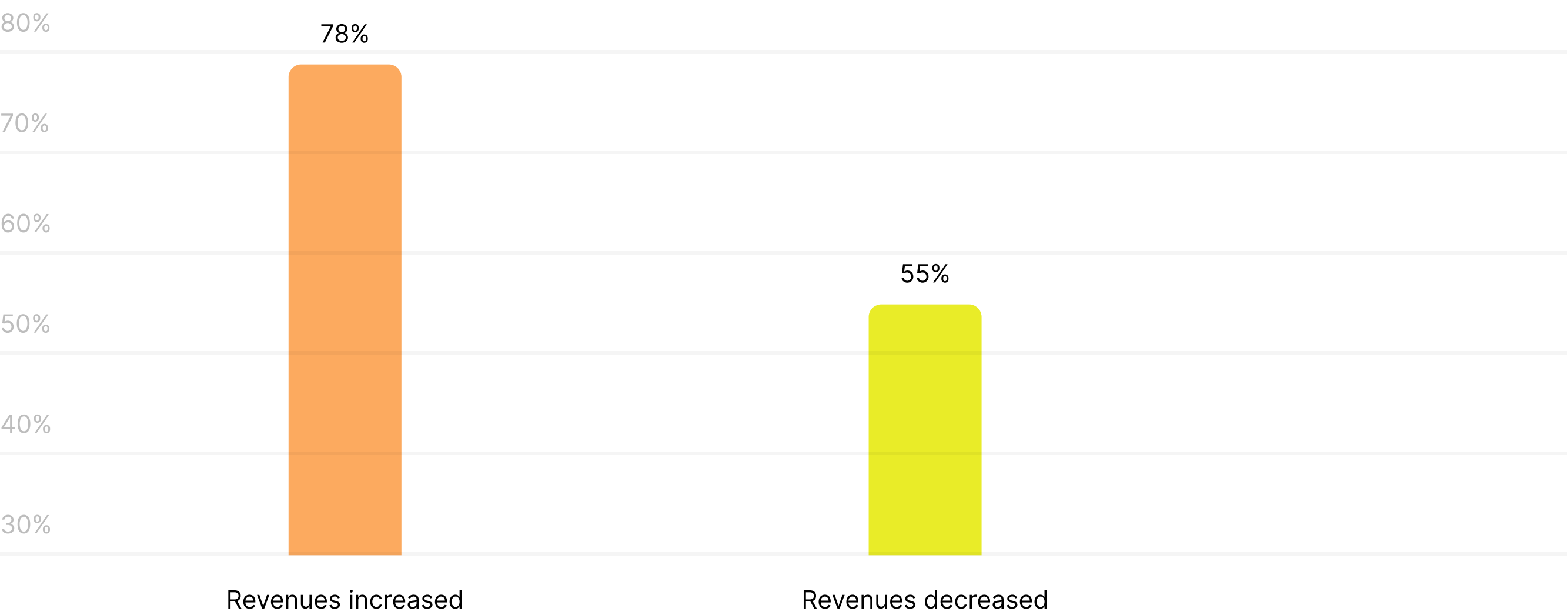
So, how is this alignment achieved? Both strategic and tactical measures matter.

Our data reveals that revenues are more likely to grow in companies where executive management encourages sales and marketing alignment.

78% of companies where revenues grew report that their executive management encourages sales and marketing alignment, as compared to 55% of those that saw revenues decrease.

How much, if at all, do you agree with the following statement: “Our executive management encourages sales and marketing alignment.”

% of respondents that “Somewhat agree” or “Strongly agree”



In terms of tactical measures, our data shows that key revenue marketing practices help companies drive revenue. If sales and marketing teams have regular joint meetings and shared KPIs, the company is more likely to see revenue growth.

68% of all respondents reported they have regular joint meetings including sales and marketing, but this percentage grew to 75% in companies that reported increased revenues, and dropped to 60% among companies with decreased revenues.

36.5% of all respondents reported they have shared KPIs between the teams, but this number increased to 40% in companies with increased revenues, and fell to 30% in companies where revenues decreased.

Which of the following do the sales and marketing teams at your company engage in together? Select all that apply.

Revenues increased Revenues decreased

