



# **ANNUAL ADVERTISING AND MARKETING STUDY 2017: B2B ADVERTISING**

Market Survey Report  
June 1, 2017

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## Why This Topic

Outsell's annual 2017 Advertising and Marketing Study marks the 12th continuous year of our research providing essential spending and trend insights for B2B media executives. Outsell's research and analysis answers the critical questions of how much, on what, and where marketers and advertisers will allocate their resources this year, as well as what's working and what their key pain points are.

Combining survey data from January 2017 with 11 previous years of trending data, Outsell quantifies how marketers and advertisers will leverage their available resources in 2017 along with how they rate, use, and innovate across the advertising and marketing spectrum. Scanning the landscape for major vertical industries and marketers of all sizes, this report focuses exclusively on the B2B environment.

By systematically measuring both marketing and advertising spending, Outsell tracks and reveals the most comprehensive, segmented view of methods that B2B-focused companies use to build their brands and generate leads for new business. We measure how they rate the complex and increasingly confusing mix of available tools and tactics and how these preferences change over time. This study serves as an analysis and resource for publishers and vendors seeking to understand and cater to changing customer demands.

The results also serve as an economic barometer. B2B advertising and marketing spending in the US provides a directional indicator of overall US economic health. Annual B2B advertising and marketing growth rates sourced by Outsell move in step with US GDP in both favorable and distressed conditions, demonstrating the power of B2B advertising and marketing's pulse on the market.

## Methodology

Outsell fielded a web-based survey to 748 US marketers and advertisers in February and March 2017 across 26 spending categories. Respondents were responsible for advertising and marketing spending or for specifying budgets. Of the total respondents, 373 were B2B-focused while 375 were consumer-focused marketers. This report focuses on the 373 B2B marketing respondents and looks at five key media types and the methods or tactics within each, including:

- **Digital:** Marketing and advertising companies' own websites, companies' own social engagement, search engines, social media site marketing, e-mail marketing, trade publishers' websites, mobile marketing, vertical search, digital classified ads, webinars, sponsored content, virtual trade shows, general business websites and video advertising.
- **Print:** Magazines, custom publications, newspapers, direct mail, directories, catalogs, and newsletters.
- **In-Person Events:** Trade shows and exhibitions, conferences, and corporate marketing events.
- **TV, Radio, and Movies.**
- **Other Marketing:** PR, sales collateral, market research and out of home advertising.

Outsell uses scaling factors to convert the distribution of marketers and advertisers participating in this study into a mix (by size of the advertisers' firms) that represents the total population of US marketers and advertisers. Outsell's segmentation of total spending and preferences into B2B and consumer segments, and efforts by size of firm is unique in the industry.

The breadth and depth of this study within the business-to-business environment is unique in the industry.

## Key Takeaways

- B2B advertising and marketing continues to grow faster than GDP — reaching \$166.5 billion in 2017, 3.5% greater than 2016. Most of this growth is driven by digital marketing.
- Marketers are optimistic about 2017 and say they're planning to grow their teams faster than they're increasing spending.
- Digital marketing is 54% of all advertising and marketing spending, and it's the fastest growing category of spending. Its growth rate will decline to a still very healthy 8.8% in 2017.
- Mobile and video are the fastest-growing segments of digital marketing. Mobile is already bigger than banner and display, which will decline by 2.3% in 2017. The growth in mobile and video will come from non-digital marketing budgets.
- Banner and display advertising will decline by 2% in 2017, its first decline and the only decline in digital marketing. B2B media need to consider banner and display advertising as part of an integrated marketing offering and not a standalone product.
- Marketers are still focusing on lead generation, but account-based marketing is gaining mainstream attention.
- Events are growing steadily. Marketers are generally enthusiastic about the ROI of events and the support they receive from event producers. Millennial marketers are much more enthusiastic about events than Generation X or Baby Boomers. Smaller company marketers are less enthusiastic about the support and ROI they receive from events.
- Print's decline is accelerating. More than half of print marketing is in direct-to-customer marketing. Magazine ad spending will decline by 13.2% in 2017.
- Large companies are confident about their ABM capabilities, but most smaller company marketers don't feel that they, their staff, or their vendors are prepared for ABM.
- Large company marketers are much more troubled than small company marketers by ad optimization issues such as viewability, moving beyond the cookie, ad blocking, and ads that show up in the wrong environment.
- Direct-to-customer marketing is about half of B2B marketing, and is growing at 3.1% per year. Purchased media is growing at 4.6% per year.
- LinkedIn is still the social media platform of choice for B2B marketing, but Millennial marketers believe that Facebook, YouTube, and Twitter are more effective.
- Large company marketers expressed little preference among paid, owned, and earned media, rating all three media types highly. Smaller companies ranked owned and paid media more highly than earned.
- The marketing tools market is still fragmented, and marketers expect to add more tools to their stack in the next two years.

# 2017 B2B Advertising and Marketing: Dollars, Share, and Growth

B2B (and B2C) advertising and marketing have been growing faster than the gross domestic product for years. Much of that growth has been due to the rise of digital marketing, which is now more than half (54%) of all marketing and advertising.

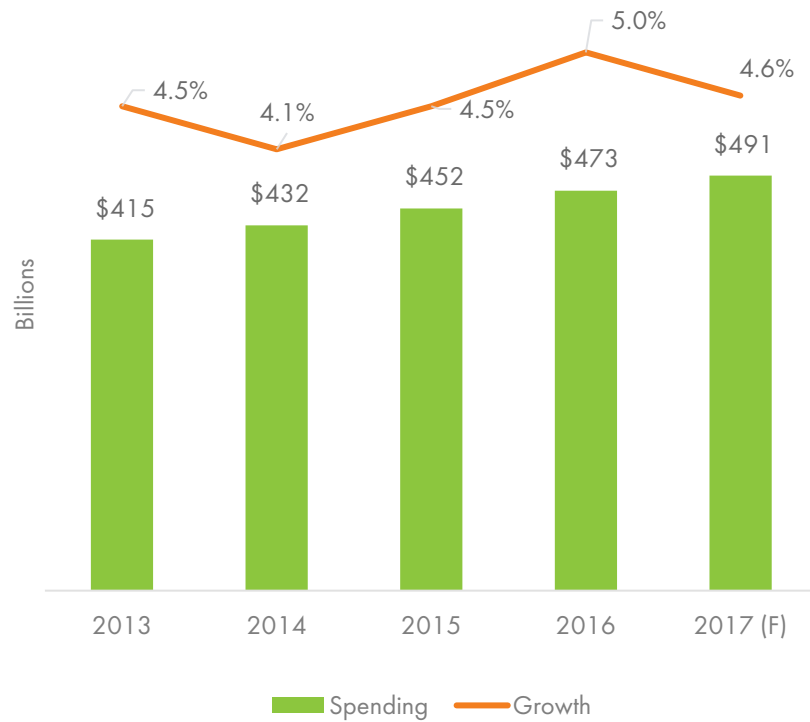
## Advertising & Marketing Spending Will Grow at 4.6%

Total advertising spending (B2C and B2B) has been growing between 4% and 5% for the last five years, faster than growth in GDP, which has been between 1.5% and 2.5 per year.

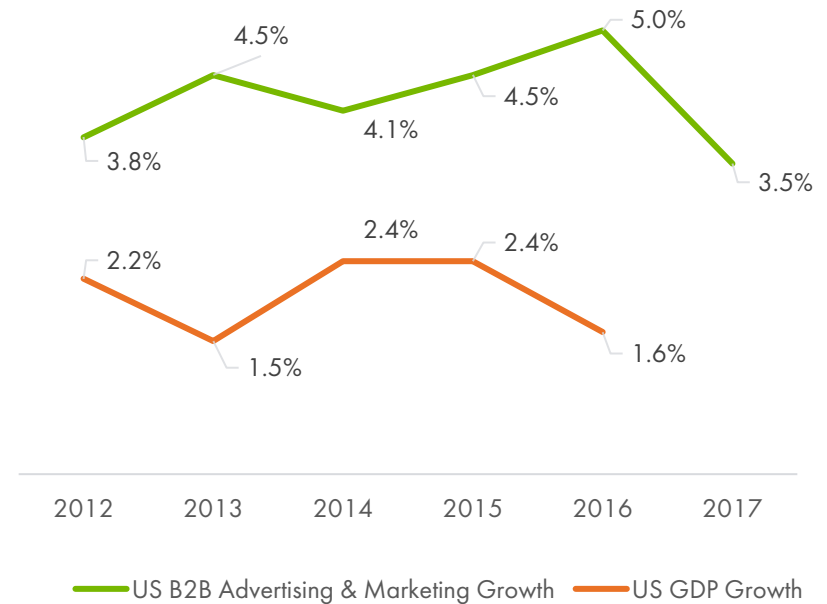
## B2B Advertising & Marketing Growth Will Continue to Outpace GDP

Total B2B advertising and marketing spending in 2017 will be \$166.5 billion, an increase of 3.5% over 2016's actual spending of \$160.8 billion.

Total Advertising & Marketing Spending and Growth



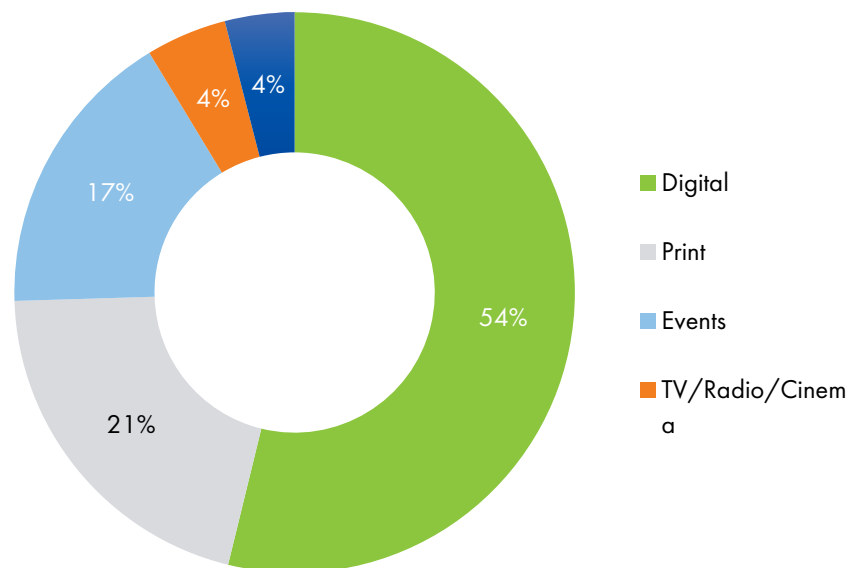
US B2B Advertising & Marketing Growth vs. US GDP Growth



## Digital Dominates Marketing and Keeps Growing

Digital continues to capture the more than half of B2B advertising and marketing spending at 54%, up from 51% in 2016. Print is the second-largest spending category, but if 2017 growth rates continue, events will eclipse print to become the second-largest spending category for B2B marketers within two years.

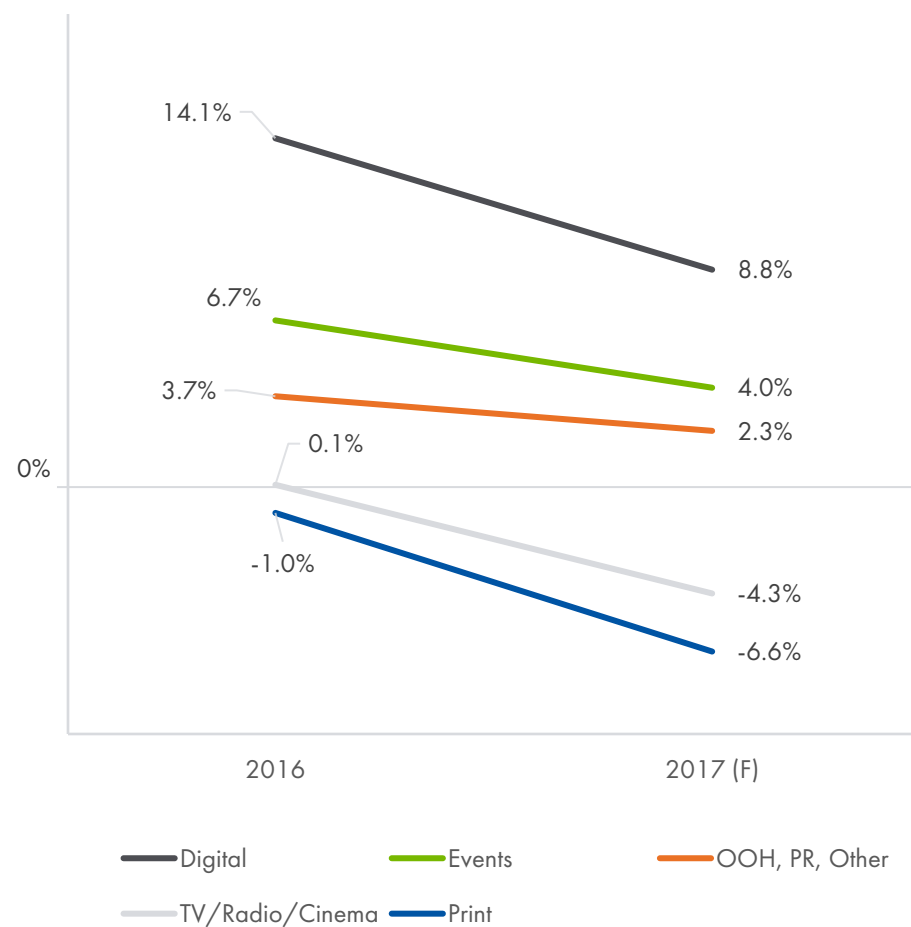
B2B Media Mix 2017 Forecast



## B2B Spending Growth is Healthy, But Slowing

Digital continues to capture the more than half of B2B advertising and marketing spending at 54%, up from 51% in 2016. Print is the second-largest spending category, but if 2017 growth rates continue, events will eclipse print to become the second-largest spending category for B2B marketers within two years.

B2B Spending Growth by Medium



## Marketers Are Optimistic about 2017

Marketers plan to add resources in 2017. Regardless of size, marketers expect to add to their headcount in the coming year, with marketers in large companies expecting to increase their personnel by 14%. Even small company marketers expect to increase their teams by 6%.

## Marketing Departments Will Grow in 2017

These estimates look optimistic. Everyone is expecting to increase the size of their marketing teams faster than they're planning to increase their marketing expenditures.

This increase suggests greater specialization and diversification in marketing teams. But it is also an indication that marketing "automation" and the efficiencies delivered by technology have not increased marketing department productivity.

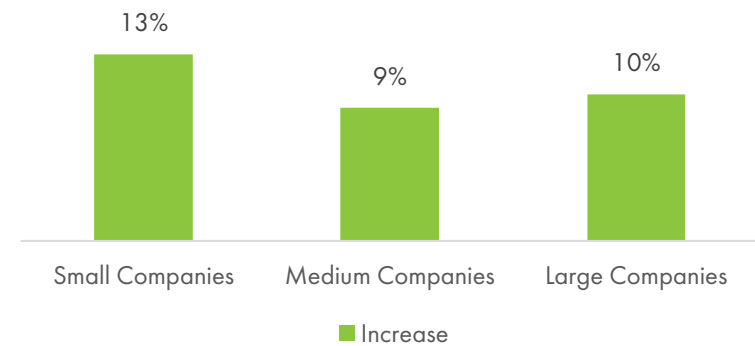
## Marketers Want Solutions and Proof

Marketers may be optimists by nature, but they do anticipate problems in 2017. The number one problem for large company marketers is that vendors continue to push products instead of solutions. This has been near the top of the list for several years. Along with the lack of solutions, the other top problem for small company marketers is engaging with the right prospect at the right time. Some of the next set of top problems continue from earlier years: agencies that push services and not solutions, and their staff's analytical experience.

Large company marketers are much more troubled than small company marketers by ad optimization issues, such as ad viewability, moving beyond the cookie, the complexity of their advertising and marketing stacks, too many ad and marketing priorities, ad blocking, and ads that show up in the wrong environment.

Large and small company marketers agreed that reducing the complexity of their marketing stack is not an issue. Indeed, both large and small companies expect to increase the number tools in their marketing stacks in the next two years. (See Section "The Number of Tools in The Marketing Stack Will Grow"). This does not rule out simplifying their stack by choosing tools from a single source, rather than best-of-breed solutions. This would increase the trend to consolidation in the marketing tools business. It could also lead to simplification of advertising buys, with fewer media and marketing services firms included in the buy.

Forecast Marketing Headcount Growth 2017



Problems/Drawbacks/Barriers seen by Marketers in 2017

BARRIERS/CONCERNS	B2C RANK	B2B RANK
Vendors push products instead of solutions	46%	55%
Engaging with the right prospects at the right time	46%	51%
Gaining a single view of the customer	37%	51%
Agencies push services instead of solutions	39%	50%
Moving beyond the cookie	23%	46%
Integrating internal/external datasets	28%	43%
Ad viewability	30%	43%
Measuring ROI/ROAS/effectiveness	32%	43%
Resolving conflicts between branding and lead gen	26%	43%
Too many advertising and marketing priorities	29%	42%
Data onboarding	26%	42%
Staff's cross/multi-channel marketing experience	33%	42%
Ad blocking	30%	41%
Creating compelling content	46%	40%
Interpreting analytics	28%	40%
Staff's advanced analytics experience	37%	39%
Ads showing up in places that could be negative	18%	36%
Reducing our marketing stack's tool complexity	21%	35%

## Digital Spending Continues to Gain Share of Marketing Dollars

Digital spending will continue to grow faster than the rest of advertising and marketing spending but at a slower rate than 2016.

### Mobile and Video Will Be the Growth Stars

Mobile and company's social engagement (social media activity by a company's employees and contractors) will lose the most momentum. But mobile and video will continue to be the fastest-growing categories of B2B digital advertising.

Social media advertising is growing its share of B2B advertising and marketing budgets.

### Large Companies are Maturing, Small Companies Focus on Basics

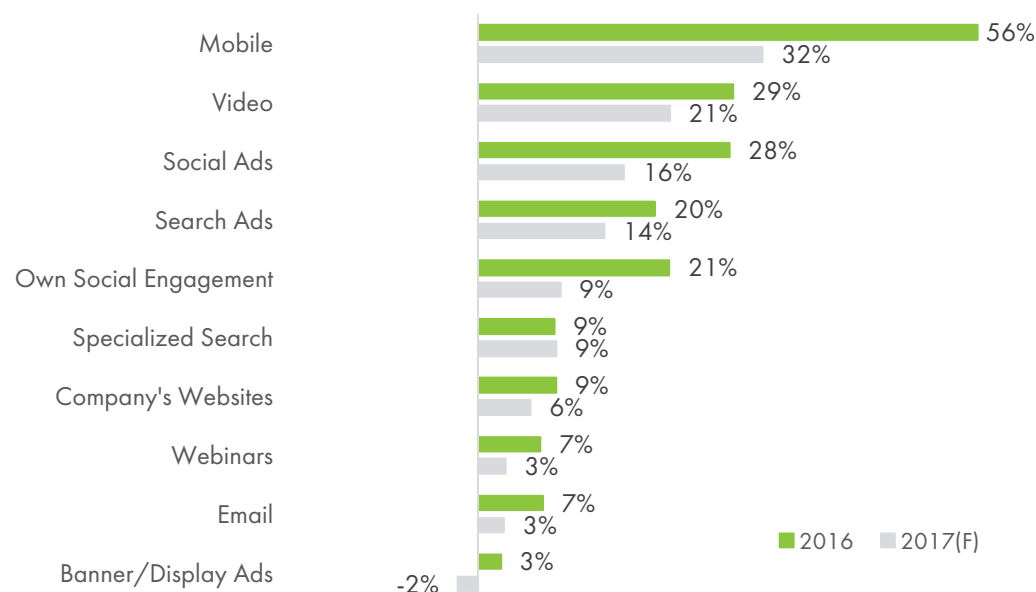
Larger companies and small companies alike are interested in reaching new customer segments and increasing lead volumes. Increasing brand awareness follows closely. (See Section "Lead Generation Still Overshadows Branding")

For smaller companies, improving customer retention and increasing website traffic loom much larger than it does for larger companies.

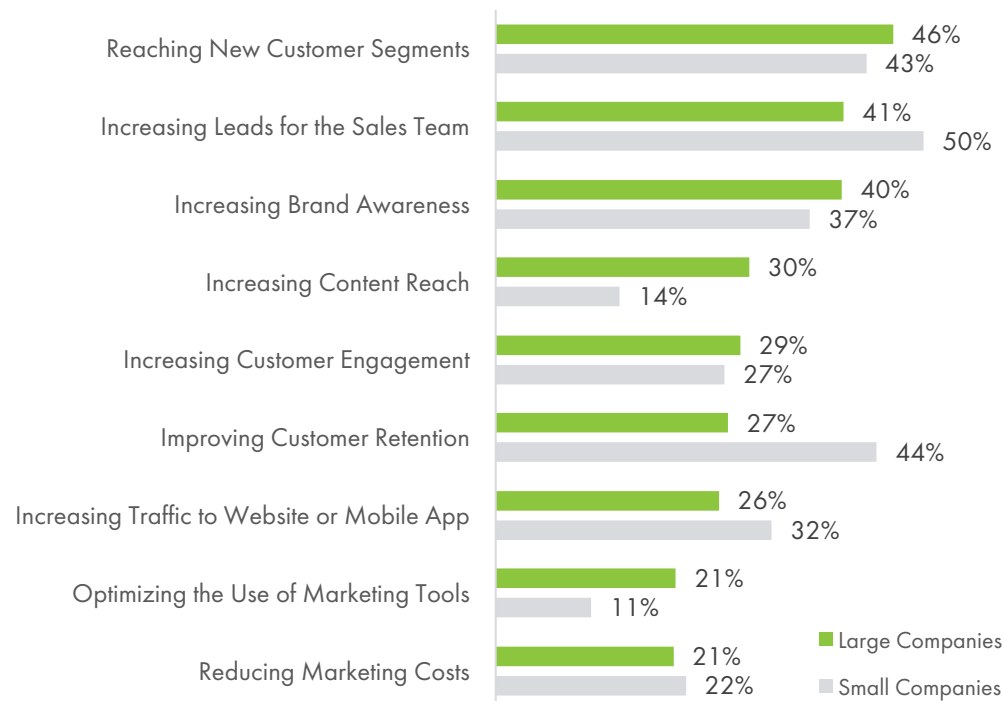
Marketers at smaller companies are especially interested in increasing the number of sales leads they deliver. Their far lower interest in account-based marketing also reflects a desired increase in delivered sales leads.

Marketers are far less interested in reducing costs or optimizing the use of their marketing tools, so appeals to efficiency and cost per lead will be less engaging than sheer volume of leads delivered.

Digital Spending Growth Rates



Top Digital Objectives





## Mobile and Video Are Big Growth Opportunities

Mobile and video marketing are relatively small (both under 10% of total spending), but are the fastest-growing advertising types.

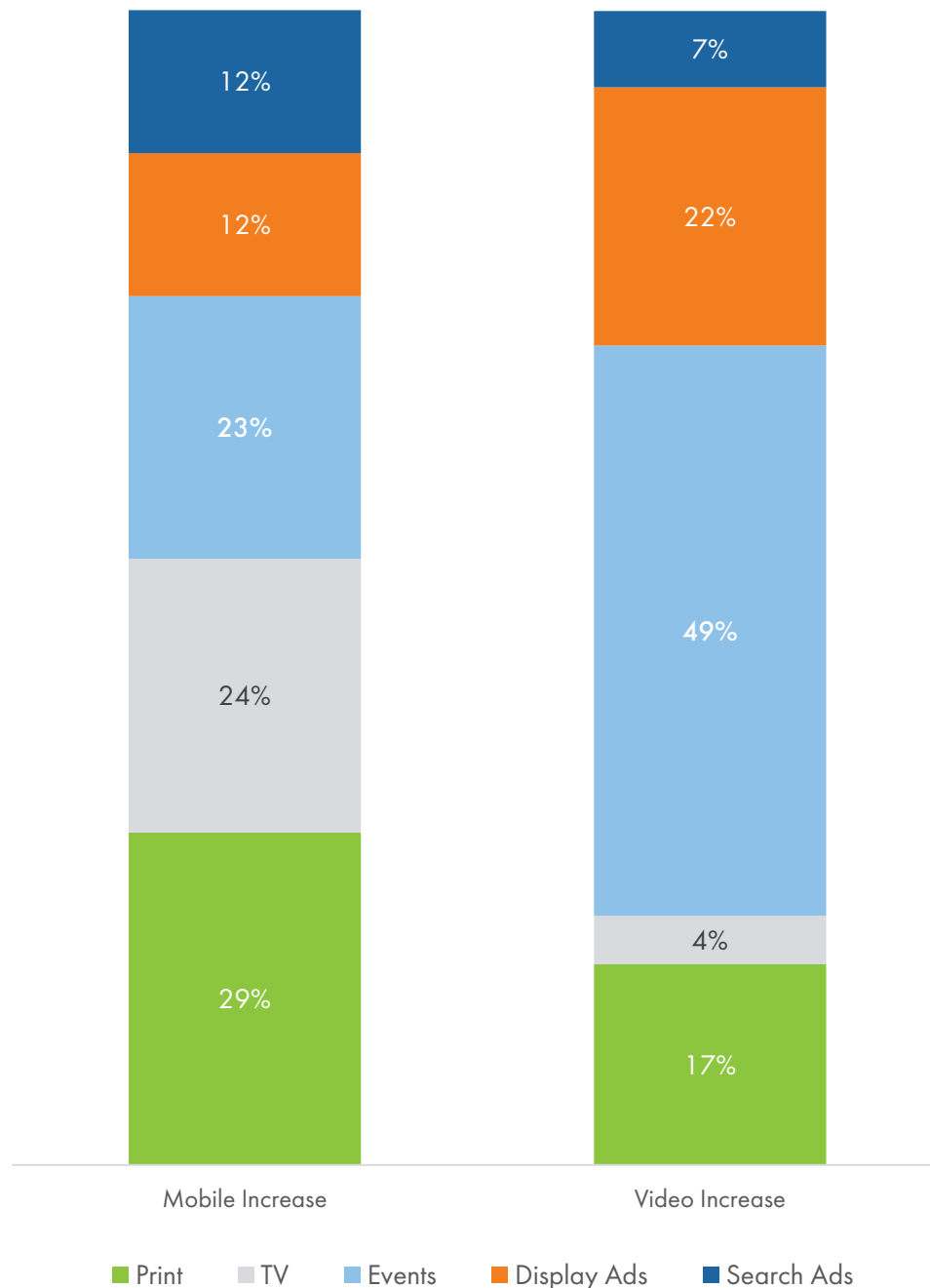
### Mobile, Video Budget Will Come from Non-Digital Sources

Most of the spending for increases in video and mobile will come from non-digital sources: TV, print, and events.

Marketers reported that about half (49%) of their increased spending for video will come from events and another 17% of their spending was coming from print. Only 29% will come from digital sources.

Nearly a third (29%) of spending for mobile will come from print and another 24% will come from TV. Only 23% will come from digital sources.

Sources of Spending Increase for Mobile, Video



# Mobile and Video Growth Outpaces the Market

Mobile and video, two relatively small digital media categories, were the stars of 2016, and will continue their growth in 2017. These two categories, plus specialized search, are the most promising growth areas for B2B media.

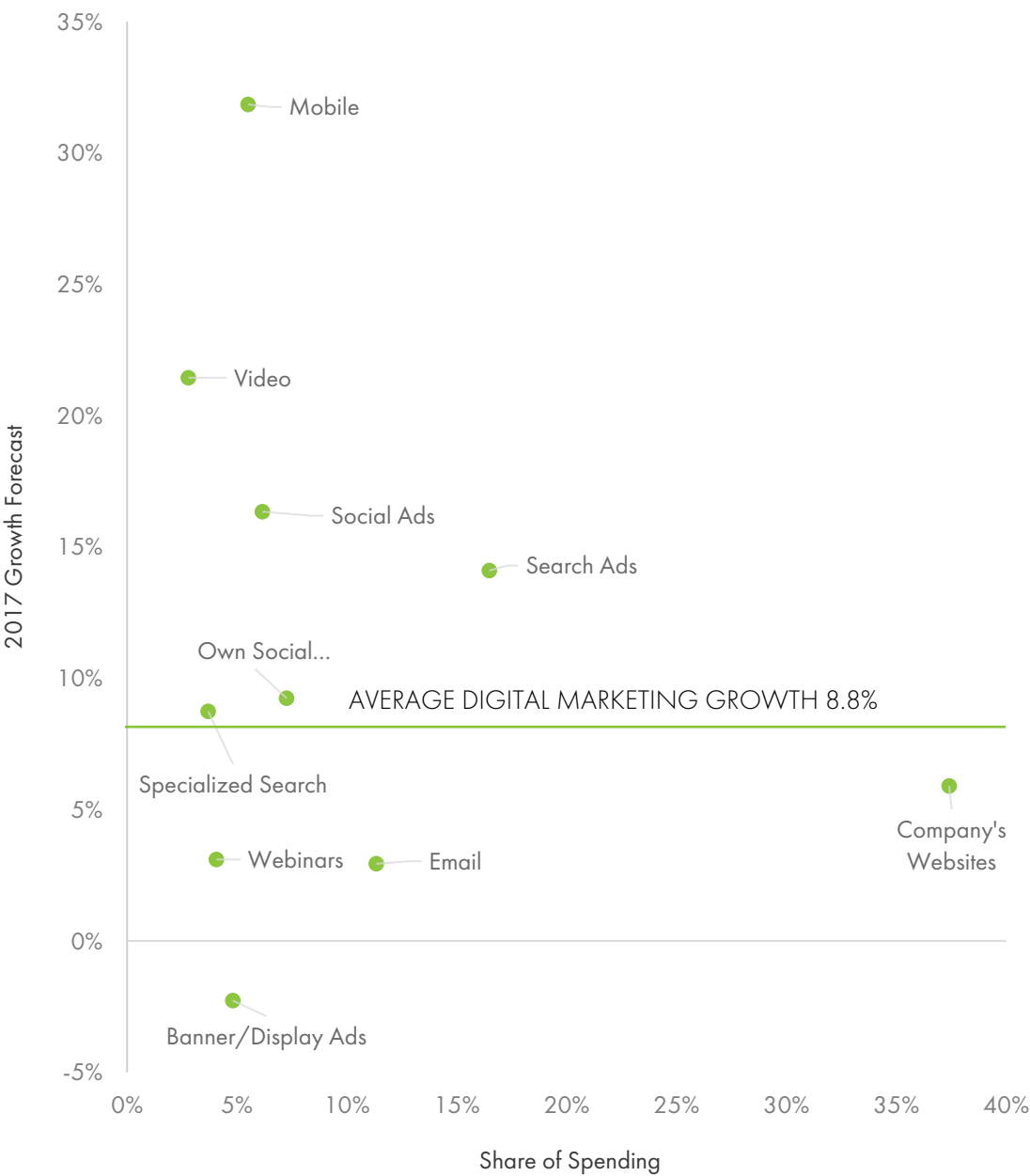
Social media, both advertising and a company's social engagement by B2B marketers, will grow especially fast, driven by interest among B2B marketers in Facebook advertising. [See Section "Younger B2B Marketers Shift Away From LinkedIn") In 2016, Facebook was recognized as the second player, after Google, in the emerging digital advertising duopoly.

Search advertising, the second-largest chunk of the digital marketing budget, will continue to grow quickly.

Marketers' own websites are eating up more of their budgets. Traditionally the largest category of digital marketing, company's websites grew somewhat more slowly than digital marketing as a category, but will continue to grow more quickly (at 5.9%) than advertising and marketing spending overall.

Banner and display advertising will decline for the first time in years, although not as fast as B2C banner and display. The category was troubled ad blocking, viewability issues, declining prices, growing concerns about the suitability of surrounding content. (See Section "Marketers Are Optimistic about 2017")

Digital Marketing Media Spending Growth and Share



Source: Outsell Advertising and Marketing Study 2017

## Print's Decline Accelerates

Print will be a \$34 billion media spending category in 2017, but it is in decline. Print's rate of decline is increasing, and there is no reason to believe that the trend will reverse.

But it's still a \$34 billion business and must be managed for decline. Most print spending is moving to digital, and some of it is moving to events. Print media have been building and managing those businesses for more than a decade.

## All Print Media Are Now in Decline

Spending will decline for all categories of print in 2017, including direct mail and newsletters, which grew in 2016.

Magazines will be the fastest-falling category of print spending in 2017, declining at 13.2% from 2016.

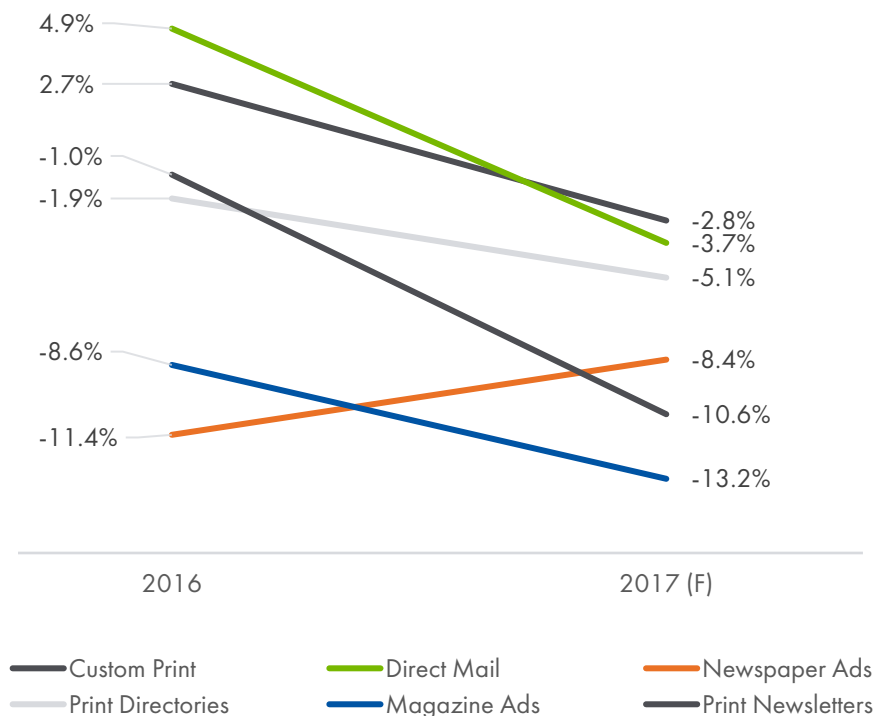
B2B newspaper advertising will decline at a somewhat slower rate than 2016, but given long-term trends in the newspaper business, it is unlikely to grow again.

## Custom and Direct Mail Are More than Half of Print Spending

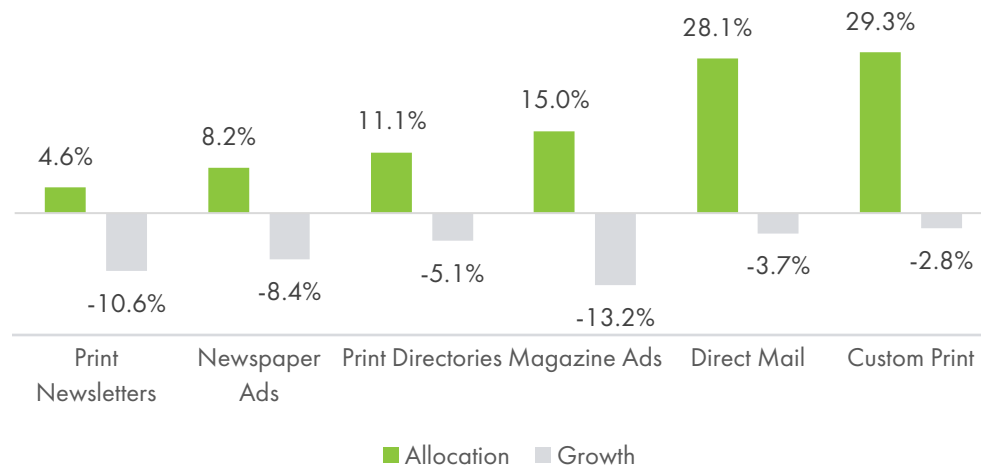
Most print spending by marketers is going toward direct to owned media — custom print and direct mail are 57.4% of print marketing spending. Owned media is also the category of print that is declining the slowest. Magazines are the largest category of print that is not owned by the marketer, and it is the fastest-declining category of print.

Print directories are still a \$3.8 billion business, but much of this spending is likely to move to the fast-growing digital category of specialized search.

Print Growth Rate Trend



Print Allocation and Growth



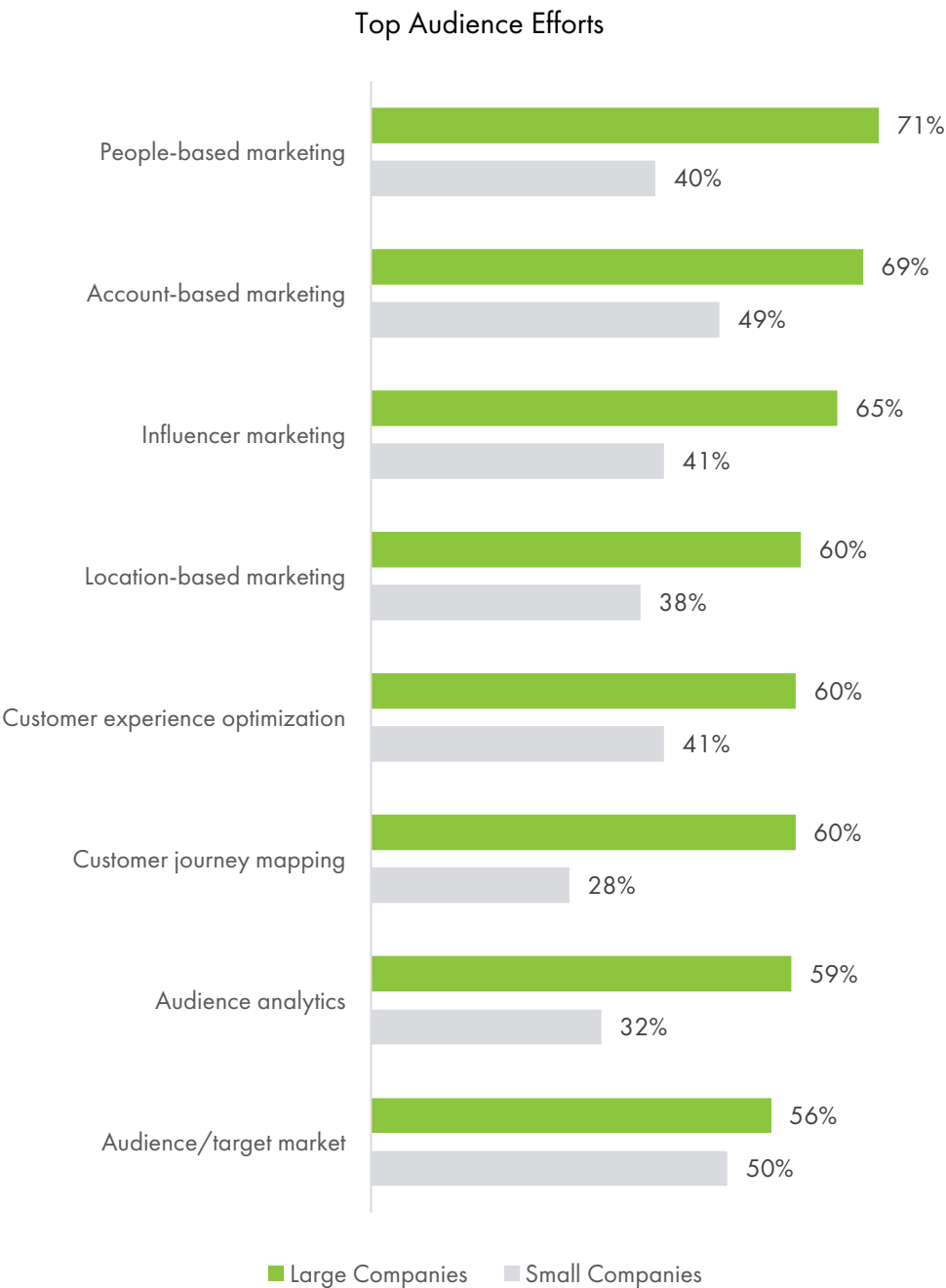
# Account-Based Marketing Comes into Its Own as a Marketing Strategy

Generally, large marketers plan to increase their account-based marketing and people-based marketing efforts in 2017. Small company marketers plan to increase spending on account-based marketing and audience/target market efforts in 2017.

Account-based marketing (ABM) is the most important effort for large-company marketers by a five-percentage point margin, with 72% of marketers saying they planned to increase ABM efforts in 2017. This is a clear indication that this relatively new marketing strategy has quickly attained mindshare among marketing executives. Despite its reputation as a big company strategy, it's also tied for first place among small-company marketers.

## People-Based and ABM Top Large Company Marketing Efforts

Marketers at large companies have more priorities than those at smaller companies. They are much more concerned about ABM, people-based marketing, influencer marketing, and local marketing. These marketers can be expected to have multiple competing priorities, but plenty of staff to explore new techniques.



Source: Outsell Advertising and Marketing Study 2017

# Small Companies Don't Feel Ready for ABM

More than two thirds of large company marketers believe they and their vendors are ready for ABM.

Despite small company marketers' plans to increase their account-based marketing efforts, they are far less prepared for account-based marketing than their large-company counterparts. Fewer than 40% feel they or their staff is ready for account-based marketing. They also don't believe their marketing automation or CRM vendors are "ready for ABM."

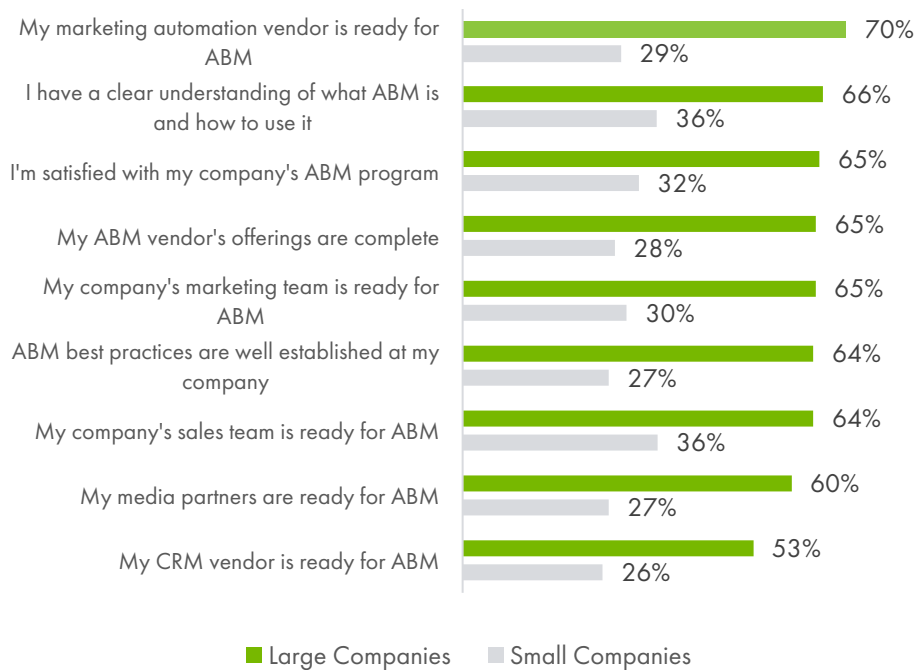
In working with marketers, expect marketers at large companies to have a clear idea of what they want from account-based marketing. Expect marketers at small companies to lack confidence in their efforts and to need more support from their media partners. This is an opportunity for media to provide solutions to their clients.

# Marketing Research Tops Marketing Operations Priorities

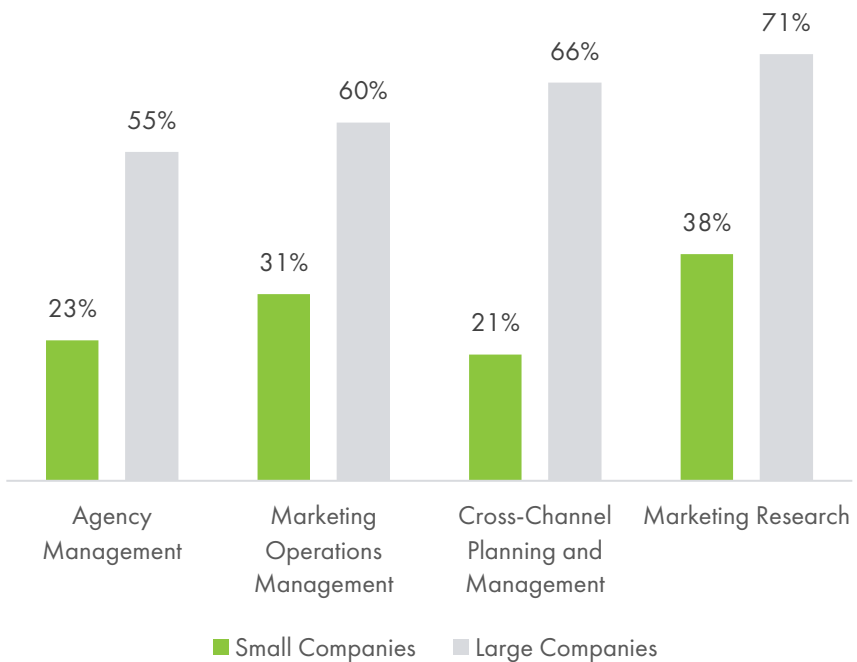
Marketing operations is where the differences between large and small company marketers are especially evident. Large company marketers focus far more on marketing operations than those in small companies.

Smaller companies have fewer resources for overall planning, and management of their marketing operations and this creates an opportunity for B2B media to assist their clients with research and taking on as much of the work of managing their clients marketing programs as they are comfortable with.

Attitudes Toward Account-Based Marketing



Marketing Operations Priorities





# Lead Gen Still Overshadows Branding

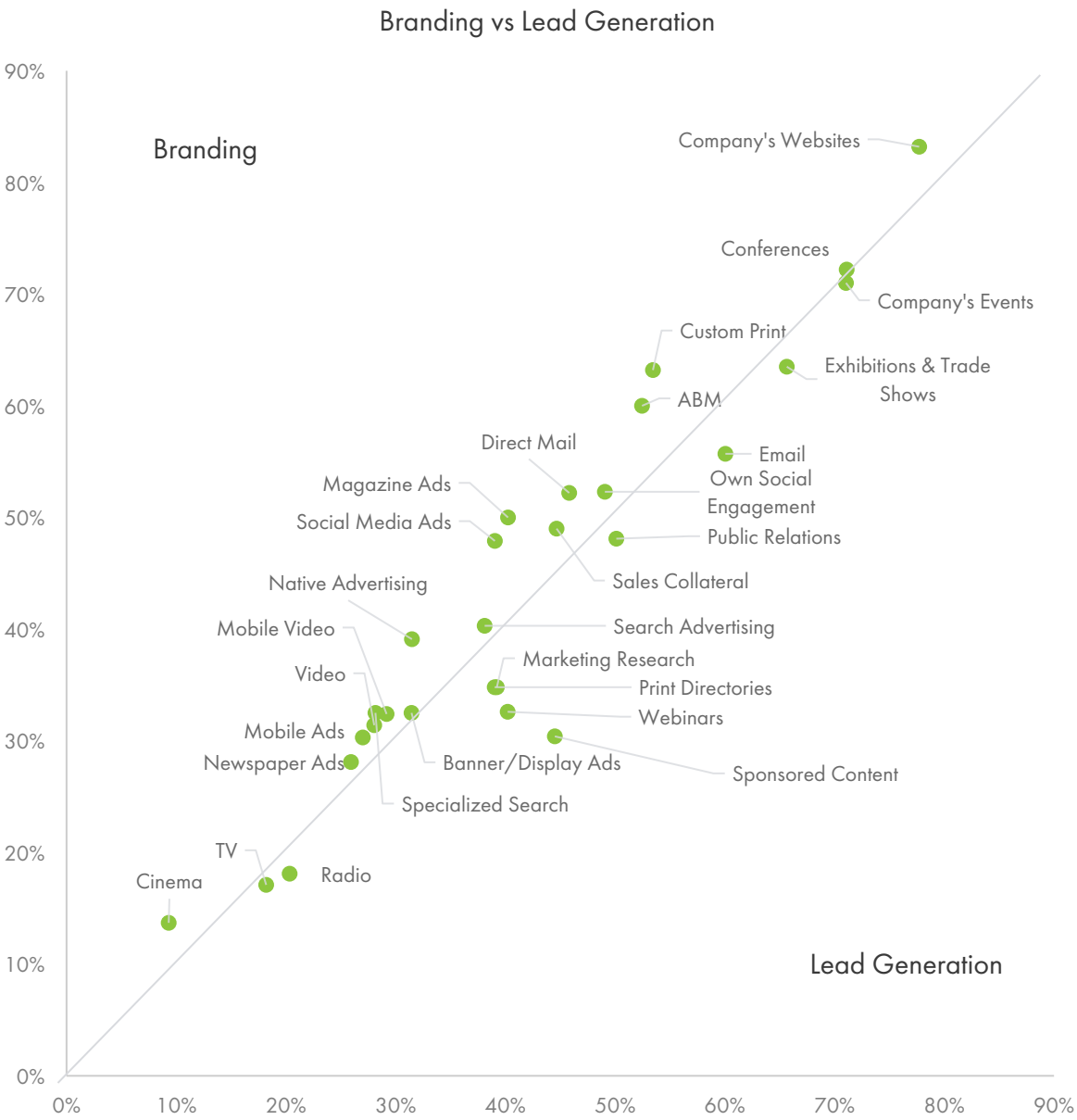
B2B marketers view their media primarily as lead generation devices. But many have a surprisingly ambivalent view of most tools filling both roles.

## Marketing Media Straddle the Branding/Lead Gen Divide

In this chart, the horizontal axis shows the degree to which B2B marketers at large companies regard a medium as effective for lead generation. The vertical axis shows the degree they regard it as effective for branding.

B2B marketers think of the media in the top right of the chart as highly effective in both roles. Note that many direct-to-customer media (company's websites, company's events, company's social engagement) appear in this upper right region. (See Section "Direct to Customer is a Critical Marketing Tactic").

B2B marketers think of the media in the lower left (cinema, out of home, television, newspapers, radio) as less effective in either role.



Source: Outsell Advertising and Marketing Study 2017

# Large Companies Have More Options

Larger companies tend to view all media as more effective for branding than do smaller companies. In the following scatter chart, those tactics that are closest to the diagonal line (company's websites, company's events, account-based marketing, email marketing, direct mail) are nearly equally regarded as effective by large companies and small.

Those in the top left (e.g., radio, TV, mobile, search advertising) are much more highly regarded by larger companies. No marketing tactics received higher scores from smaller marketers than from larger marketers.

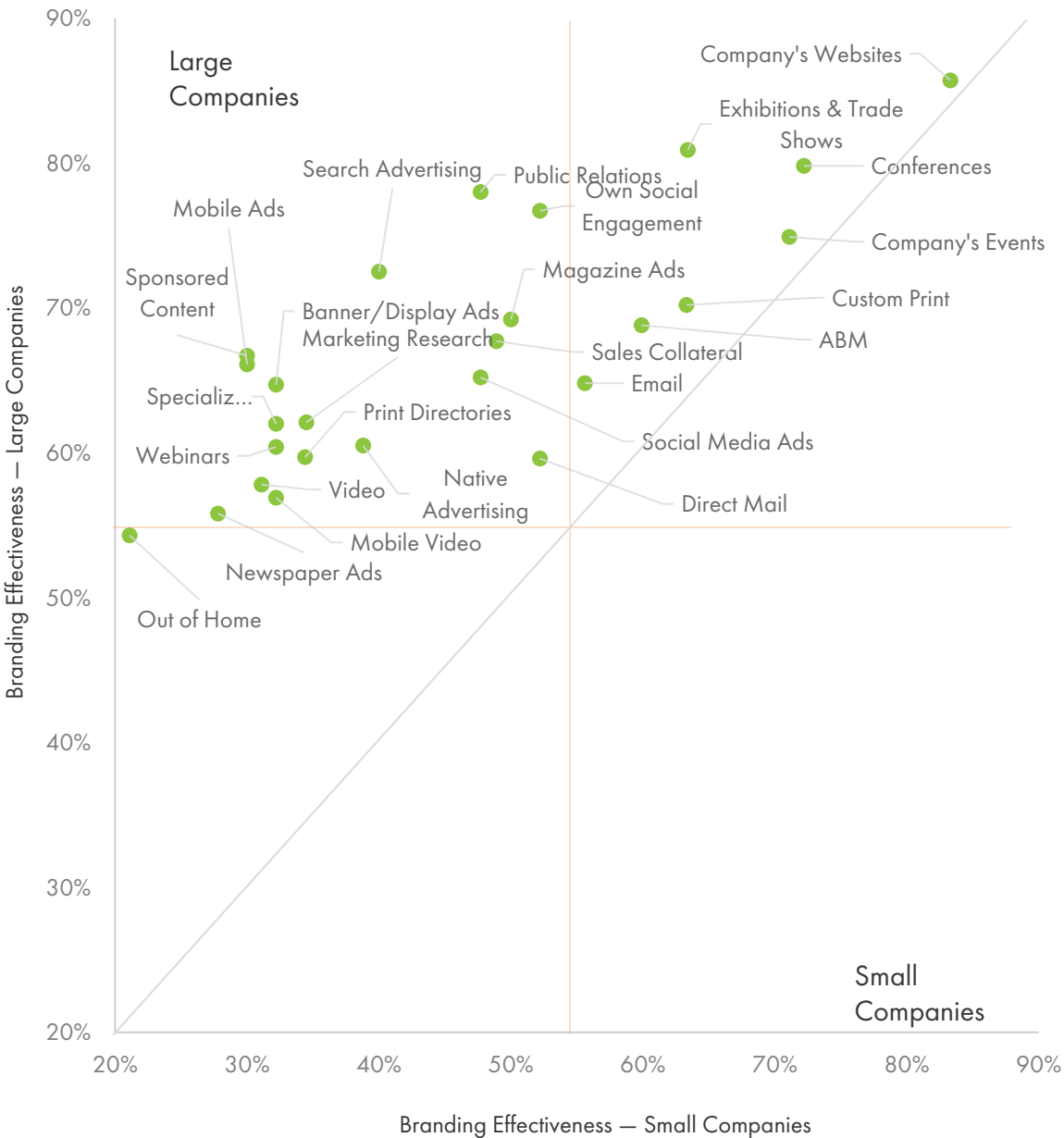
## Large Companies Use More of Everything

Large company marketers rank all media higher for branding than do small companies. Generally, small and large companies alike rate their own websites and events highly for branding. Custom print and account-based marketing also transcend marketing budget.

More traditional media (TV, radio, out of home, and newspapers) were much more highly valued by large company marketers.

Among digital media, specialized search, mobile video, video, and webinars are rated more highly by large company marketers than small.

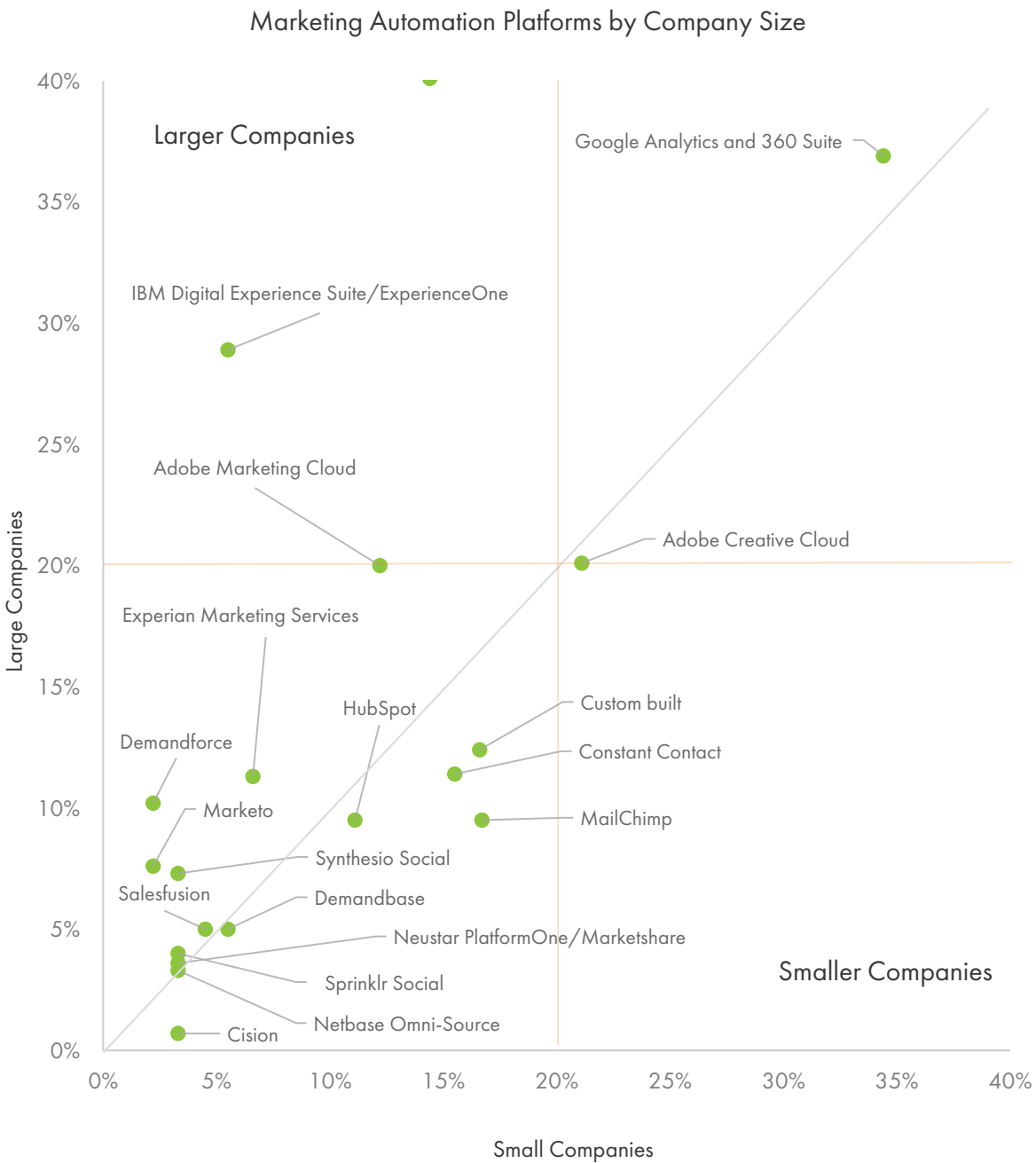
Branding by Medium — Large vs. Small Companies



Source: Outsell Advertising and Marketing Study 2017

# Marketing Automation Tools Market Is Fragmented

Marketing automation tools are still a fragmented market, so only two tools (Google Analytics and 360 Suite and Adobe Creative Cloud) were used by more than 20% of the large and small companies in our survey. Two others (Salesforce Marketing Automation and IBM Digital Experience Suite) were used by more than 20% of larger companies.



Source: Outsell Advertising and Marketing Study 2017

# Direct to Customer Is a Critical Marketing Tactic

Direct to customer media represents about a third (36%) of B2B marketing spending, and it will grow at 2.9% per year. However, it includes some of the most highly regarded marketing tactics. It's likely that direct to consumer has reached the limits of its ability to deliver leads cost effectively. However, for reasons of effectiveness and control, marketers are likely to prefer direct to customer tactics when they have the option. This is one big reason for the growth of companies' social engagement and companies' websites as tactics.

## Direct to Customer Marketing Is Driven by Tools Vendors

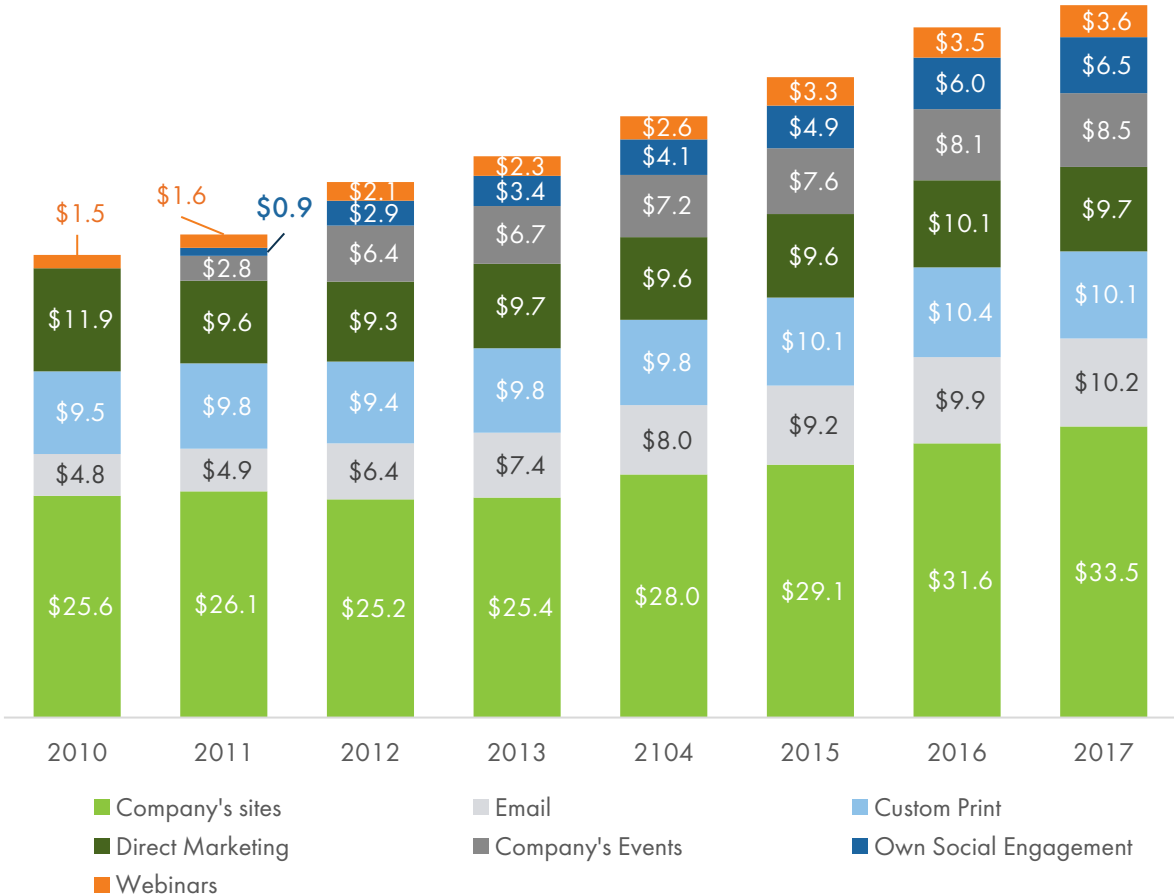
Most of the growth in Direct To Customer Marketing has been driven by company's websites, email marketing, company's events, and company's social engagement.

Direct to customer marketing typically requires the use of third-party software and services (marketing automation, CRM, social engagement, webinars), which compete with media in companies marketing budgets.

Direct to Customer and Purchased Media Spending and Growth

	2016 Spending \$M	2017 Spending \$M	Share	Growth	2016
Direct to Customer	\$108.5	\$111.7	36%	2.9%	\$108.5
Purchased Media	\$194.5	\$202.2	64%	4.0%	\$194.5

US B2B Direct to Customer Spending (\$M)



Source: Outsell Advertising and Marketing Study 2017

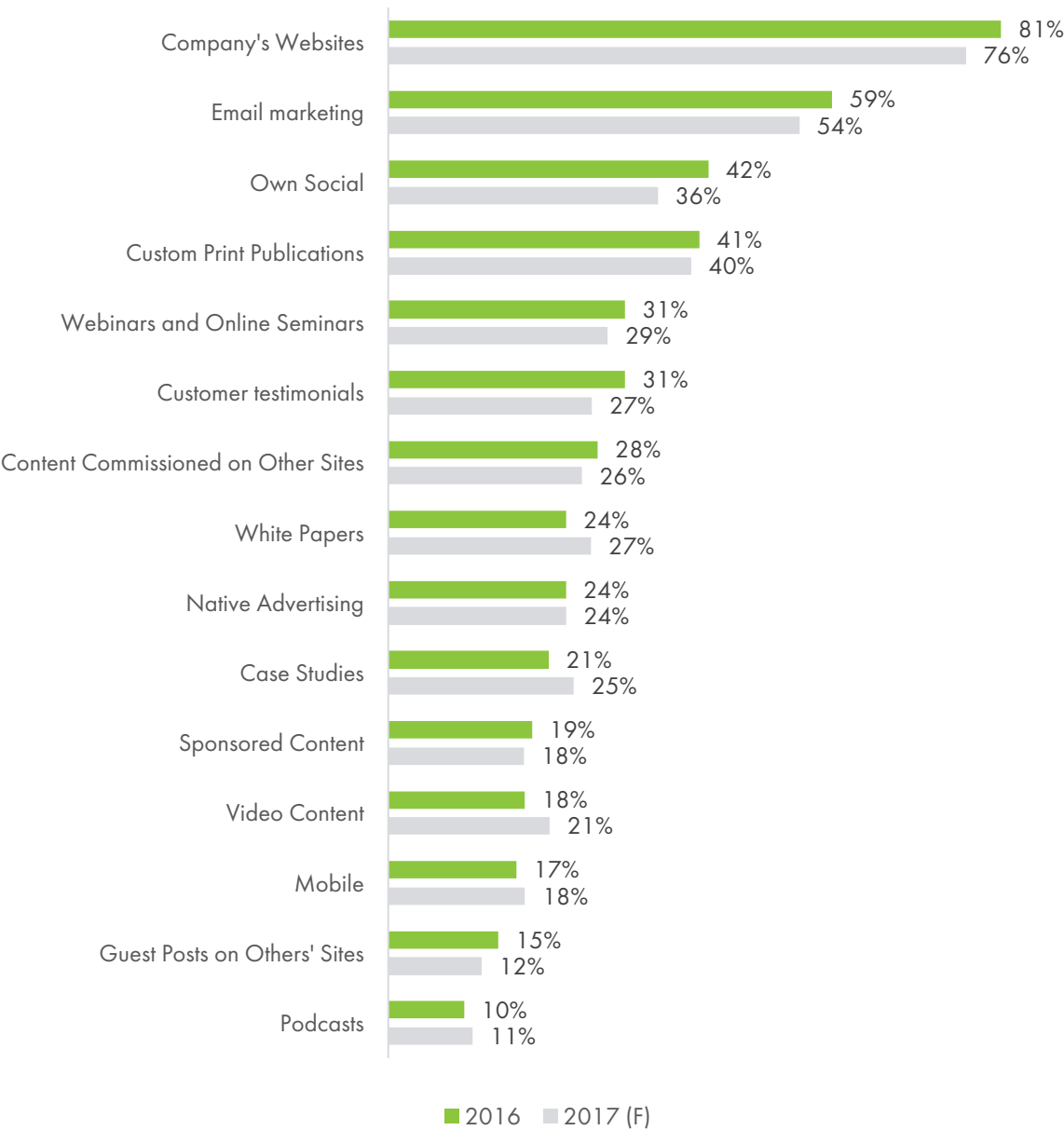
# The Content Marketing Mix Remains Steady

Marketers are keeping the amount of content marketing they do relatively steady (shifting from 4.2 tactics/company in 2016 to 4.3 in 2017), but they are changing their mix of tactics somewhat. Marketers report shifting their priorities from their own websites and social engagement to video and mobile. But these shifts are generally small.

## The Content Marketing Mix Remains Stable

Generally, marketers are not planning to greatly shift the types of content marketing they're planning to use in 2017. The six most-used types continue to be direct to customer — company's websites, email marketing, own social engagement, custom print, customer testimonials, and video content. The most-used non-direct types are native advertising, mobile, and content commissioned on other sites.

Content Marketing Types Used



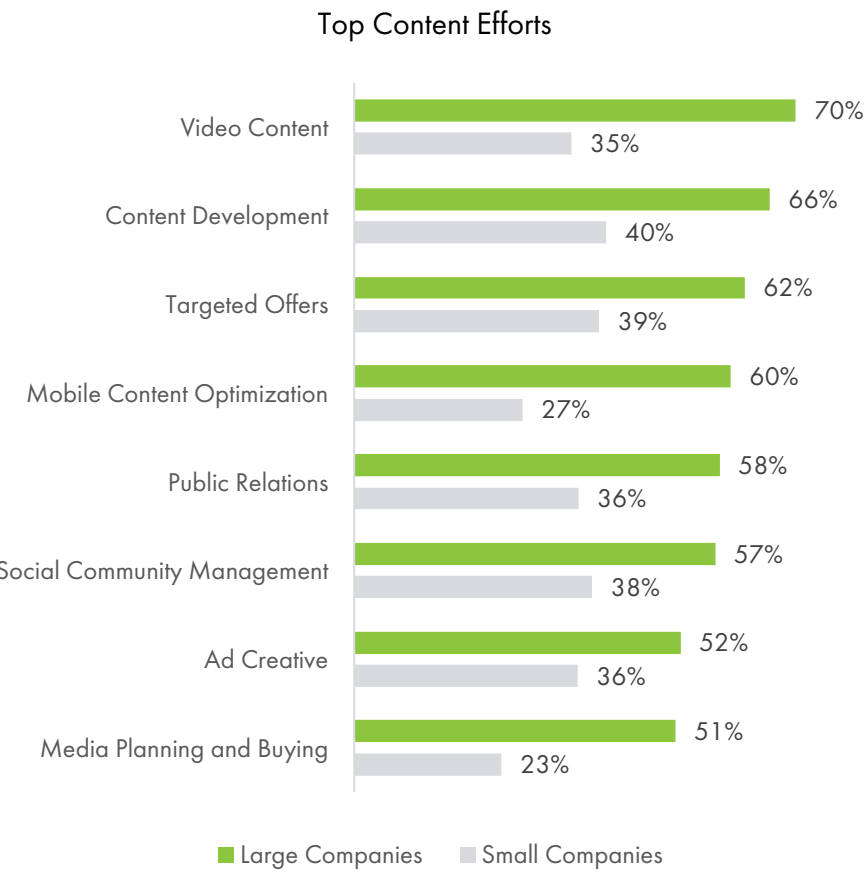
Source: Outsell Advertising and Marketing Study 2017



# Video Is Large Companies' Top Content Effort

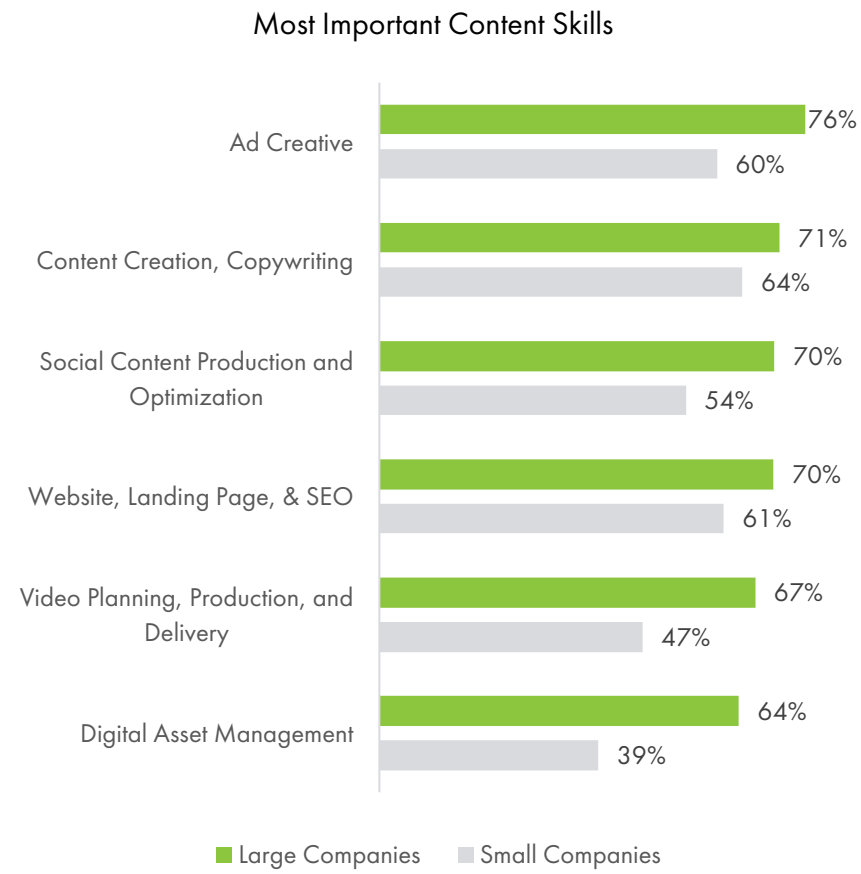
Large company marketers in 2017 are focusing on video and small company marketers are focusing on content development and targeted offers. Smaller companies were least likely to focus on mobile content creation.

In 2017, ad creative and media planning were among the advertising-driven efforts companies were least likely to focus on.



# Creative Dominates Content Skills

Although marketers are least likely to increase spending on advertising creative, it remains the bedrock of content skills, along with copywriting, social media, and other writing skills. Although video will be a key advertising medium in 2017, video production and digital asset management skills are still the least valued by both large and small company marketing executives.



# Younger B2B Marketers Shift Away From LinkedIn

Own social engagement and social media advertising together represent 13.5% of B2B digital marketing in 2017.

## LinkedIn and Facebook Are the Top B2B Social Media Platforms

Marketers at both large and small companies considered LinkedIn and Facebook the most effective social media. YouTube and Twitter occupied the second tier. Fewer than half of large company marketers and a quarter to a third of small company marketers listed third tier social media platforms Instagram, Pinterest, and Snapchat.

However, the picture changes significantly when social media platform preferences of each generation of marketer is considered.

## Millennials Prefer Facebook, YouTube, and Twitter to LinkedIn

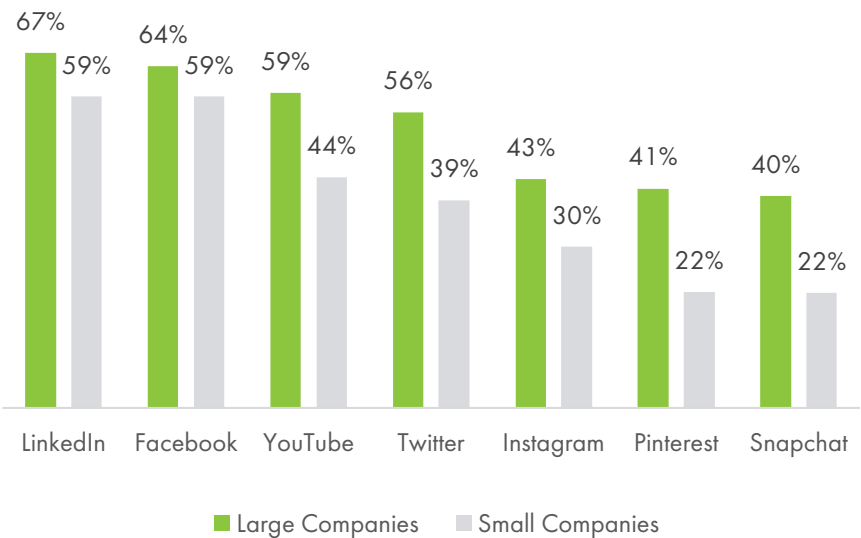
Millennial B2B marketers believe that Facebook, YouTube, and Twitter are more effective B2B marketing platforms than LinkedIn — though LinkedIn tops the list for Gen X and Baby Boomer marketers. LinkedIn and Instagram tie for number four among millennials.

This is a potential risk for LinkedIn. The company's offerings for marketers have been confused over the past few years, and it hasn't escaped the notice of millennials, who rated LinkedIn at the top for lead generation and branding in last year's survey.

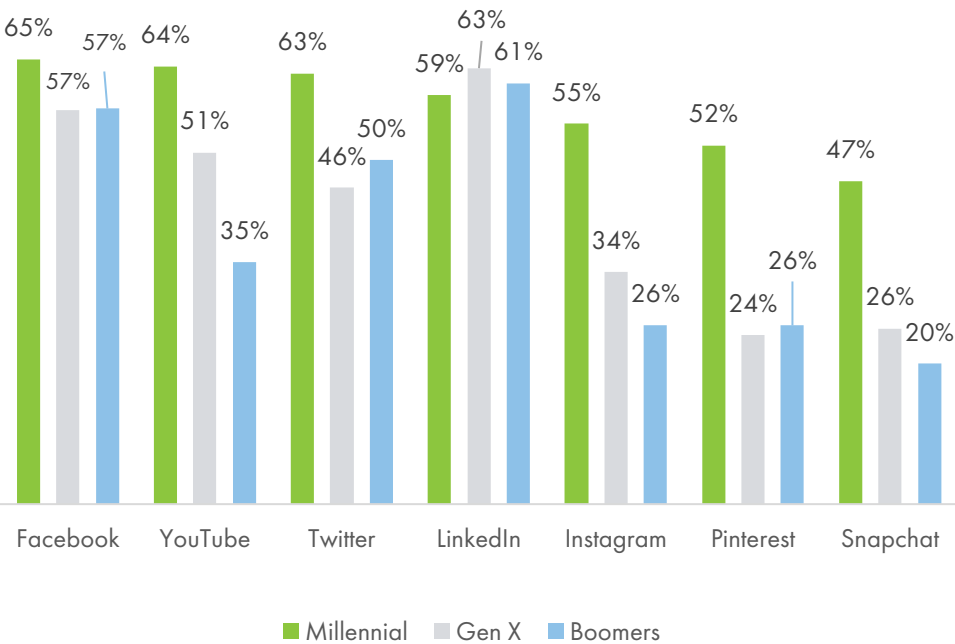
Older marketers bring up the average, so that LinkedIn is still the top choice of B2B marketers as a group, but it's clear that Facebook, YouTube, and Twitter have displaced the former undisputed champion of B2B social networks among millennials, and potentially by older marketers as well.

For B2B marketers and media, it is time to pay more attention to Facebook, YouTube, and Twitter as part of the marketing mix. Recruiters who focus exclusively on LinkedIn may be missing opportunities to reach younger, more diverse talent. Marketers may miss an opportunity to reach customers whose brand preferences are more fluid. Media should consider using content on these three platforms to drive traffic to their properties.

Most Effective Social Media



Effectiveness of Social Platforms by Generation



Source: Outsell Advertising and Marketing Study 2017

# Marketers Don't Always Prefer Earned to Paid Media

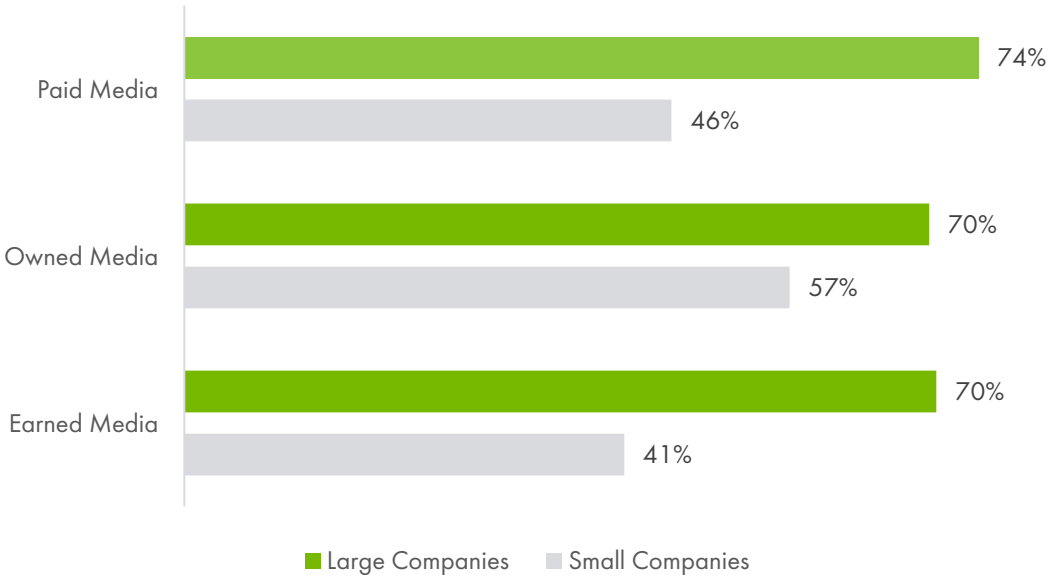
Large company marketers expressed little preference among paid, owned, and earned media, rating all three media types highly.

Smaller companies ranked owned and paid media more highly than earned, suggesting that they're getting better results, or at least more coverage, from media than that control. It can be difficult for smaller companies to get sustained coverage for media, so they must depend on media they control for coverage.

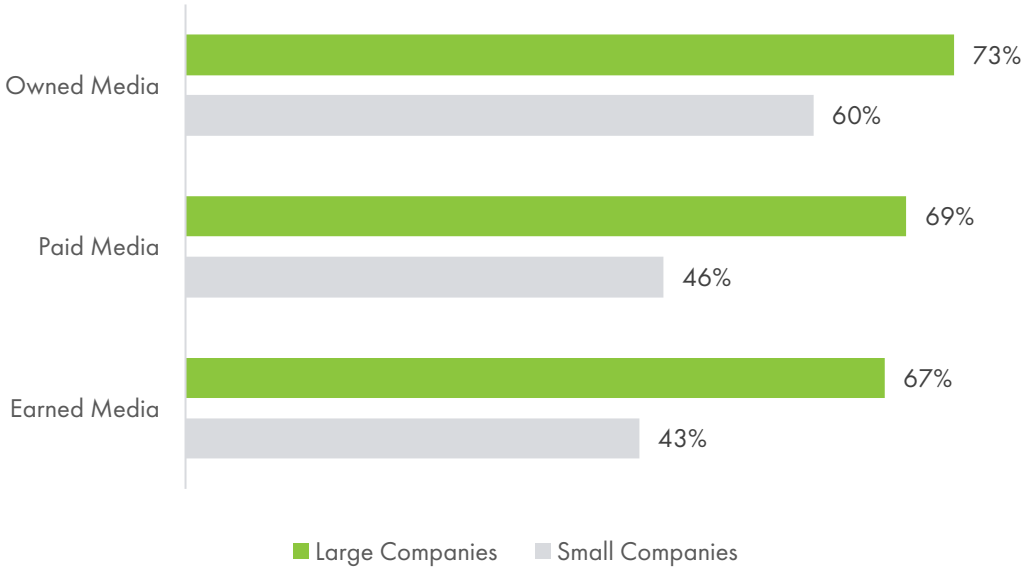
The pattern persisted for both branding and lead generation. Small marketers' preference for owned and paid media could result in less dependence on earned media, even when they are large or well-known enough to afford public relations or earn cover on their own.

It's important for media companies to be sensitive to smaller companies' attitudes toward editorially-driven media in the sales process.

Media Preferences for Branding



Media Preferences for Lead Generation



Source: Outsell Advertising and Marketing Study 2017

# Case Studies and Testimonials Top Earned Media Efforts

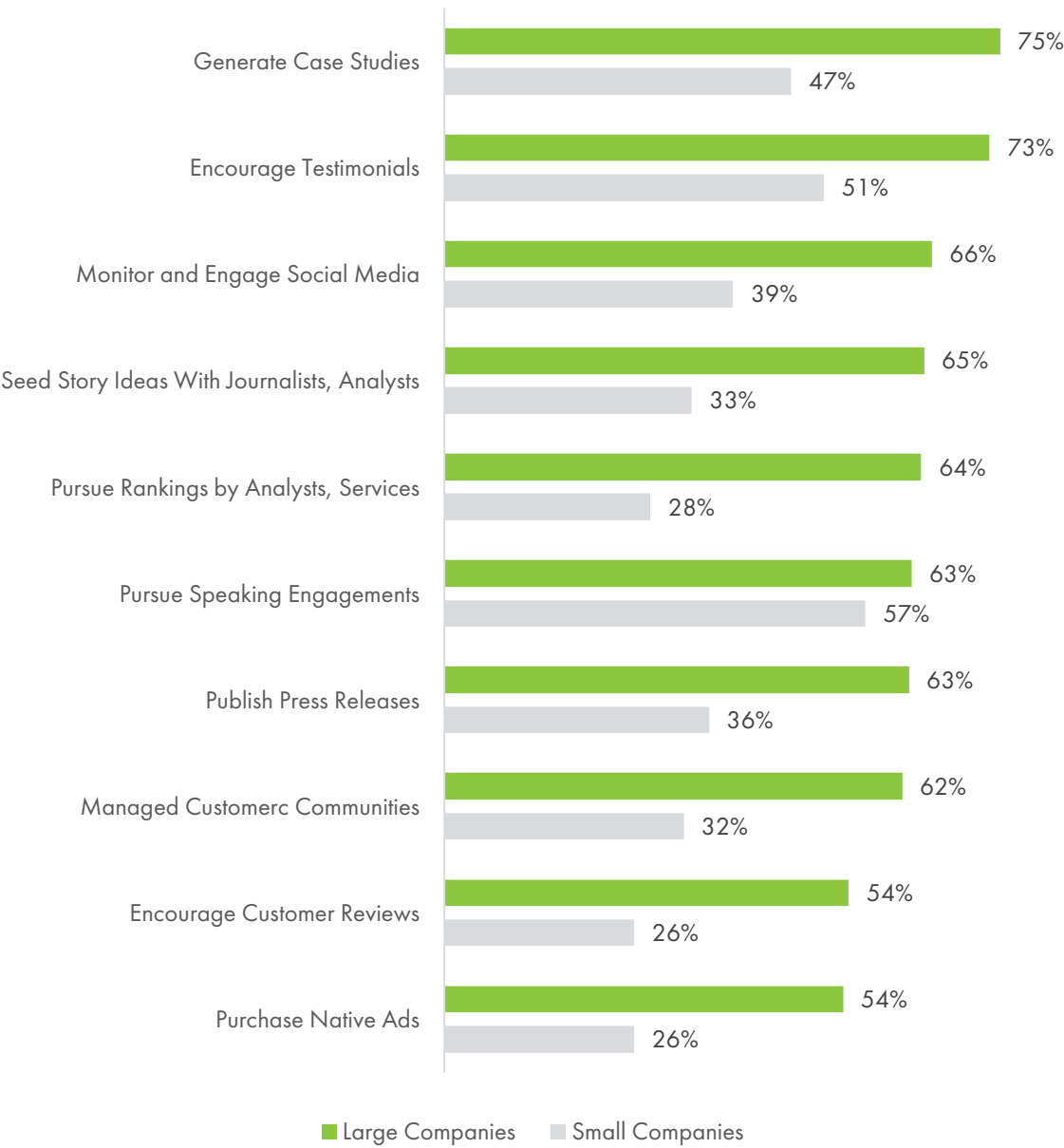
Case studies and testimonials are an opportunity for media organizations to capture the attention of vendors. They are the most important earned media elements for large companies. They're very interested in what their happiest customers say about them — and they want to share the information.

Social media, press relations, and analyst relations are at the second tier of large company earned media elements. They're working to build relationships both with the market, journalists, and analysts. These relationships can be key when it comes time to sell them marketing services.

Both small and large company marketers look to speaking engagements as a source of earned media coverage. It's the most important source for larger companies, but by far the most important source for small companies.

Both large and small company marketers view press releases, customer reviews, and native advertising as less effective than true earned media.

Most Effective Elements for Earned Media



Source: Outsell Advertising and Marketing Study 2017

# Large Companies Care a Lot More about Data than Smaller Companies

Marketing has always been about data, but data is becoming an even bigger part of the marketing process — especially in large companies. They have many more data initiatives than smaller companies.

## Large Companies Have More Data Initiatives

Marketing has always been about data, but data is becoming an even bigger part of the marketing process — especially in large companies.

CRM and DMP integration are the most important marketing data initiatives for both large companies and small. While onboarding has been an essential part of the consumer marketing process, it's still a relatively new practice among B2B marketers. B2B marketers also list data onboarding and DMP (see Reports, Mapping the DMP Landscape, August 31, 2016) as the second-most-important data skills.

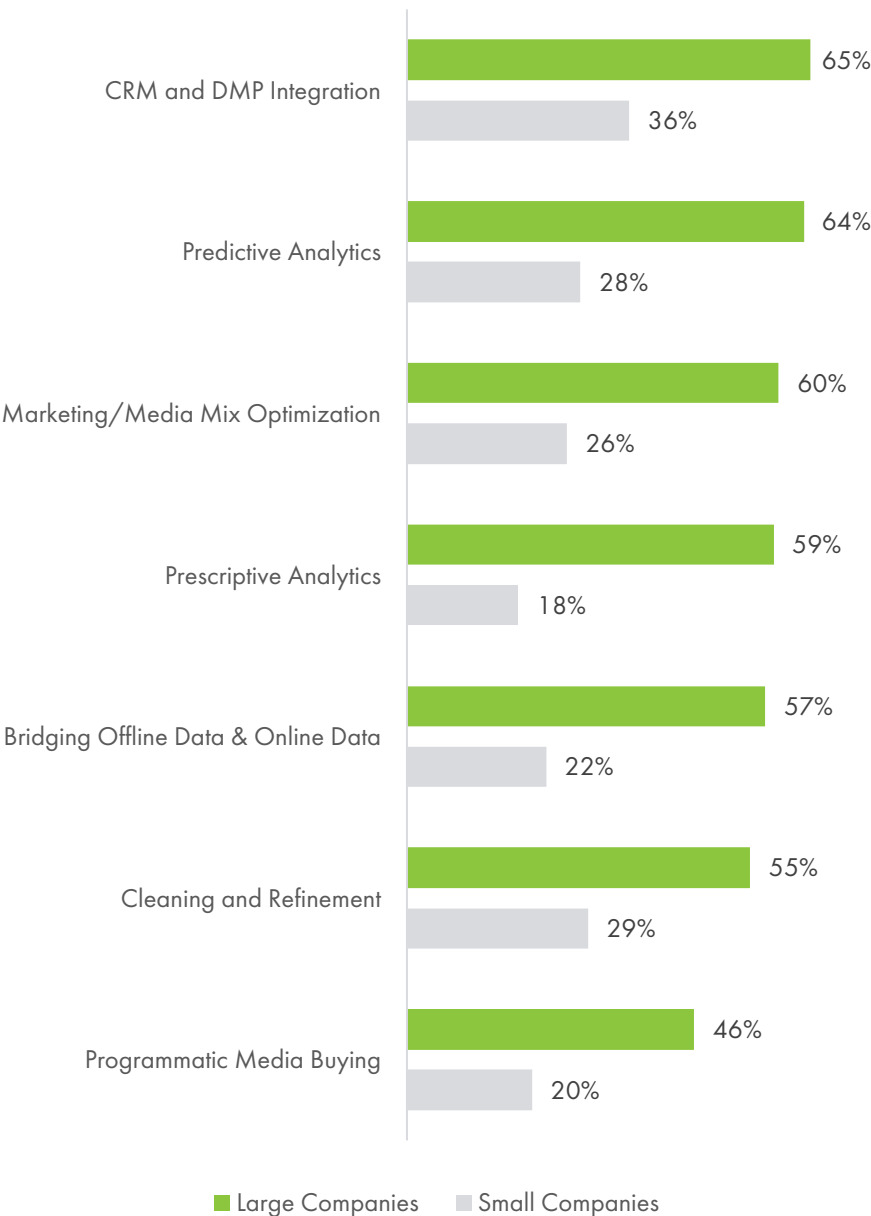
Predictive and prescriptive analytics are the second and fourth most important data initiatives among marketers and large companies. As lead generation and CRM companies improve their built-in analytical features (see Reports, Company and Contact Information — Moving up the Value Chain, April 26, 2017), Outsell expects that the priority of analytics will lower as the tools become simpler, better integrated, and more powerful.

Among small company marketing executives, prescriptive analytics is their least important data initiative.

Programmatic media buying is at the bottom of the list for B2B marketers. However, as B2B tools get better at targeting and buying ads, and more B2B media offer programmatic options, Outsell expects interest in programmatic ad buying to increase. For the foreseeable future, B2B programmatic is likely to be limited to private exchanges and direct-sold advertising.

Small company marketers are still concerned about the quality of their data. While, cleaning and refinement of data is a low priority among big company marketers, but it's still the second-highest priority for smaller marketers.

Top Data initiatives



Source: Outsell Advertising and Marketing Study 2017



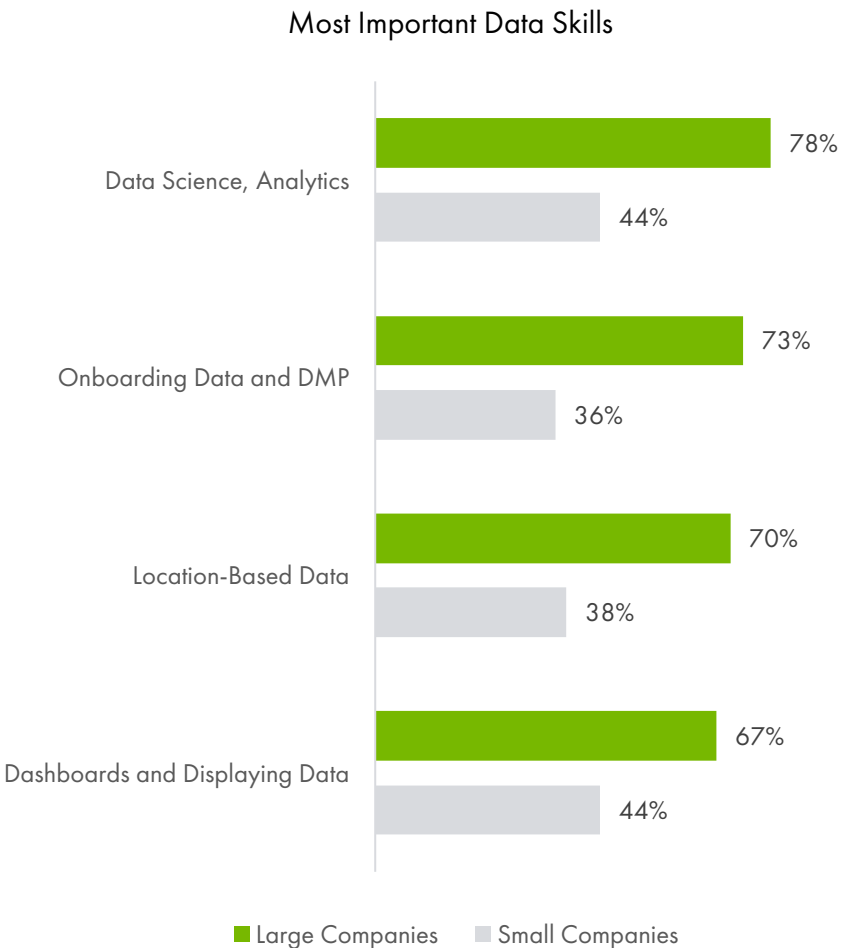
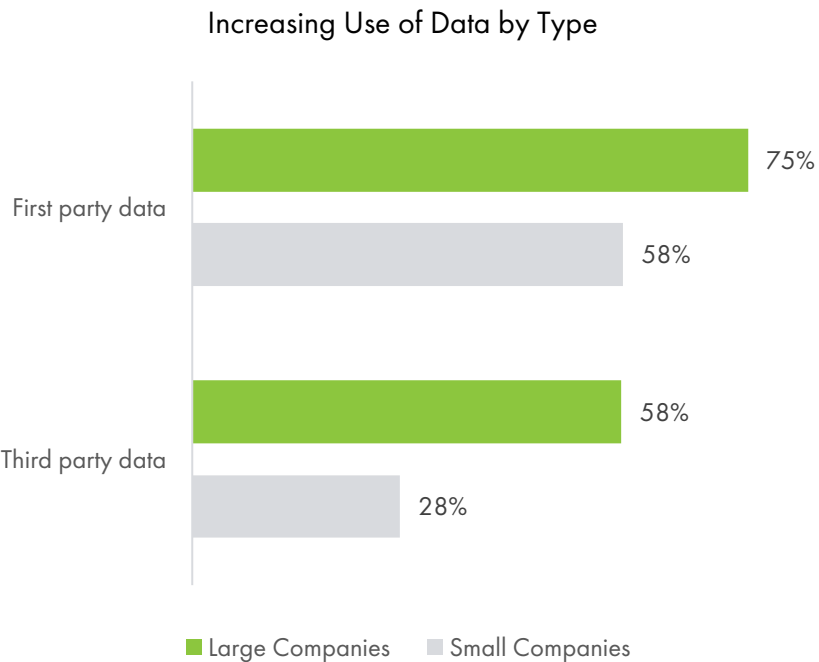
# First Party Data Is Key, But Third-Party Data Matters

Both large and small company marketers plan to increase their use of first-party data (i.e., data they own) in 2017. But big company marketers are much keener to increase their use of purchased third-party data. This is simply not a priority yet for smaller marketers.

# Large Companies Value Data Skills

Large company marketing executives are much more interested in hiring people with data skills than are small company marketers. There is about a twenty to thirty percentage point gap in their level of interest.

Smaller marketers are also still working on building out dashboards and displaying data, and it's one of the top data skills their seeking. Larger marketers are now focused on data science and analytics, as well as onboarding customers and working with DMPs.



# Leads and ABM Dominate the Services Market

When it comes to services, leads — pre-qualified and in large numbers — are what marketers seek. Account-based marketing, workflow, and programmatic ad buying are also high on their list.

## Leads Are Key to Services

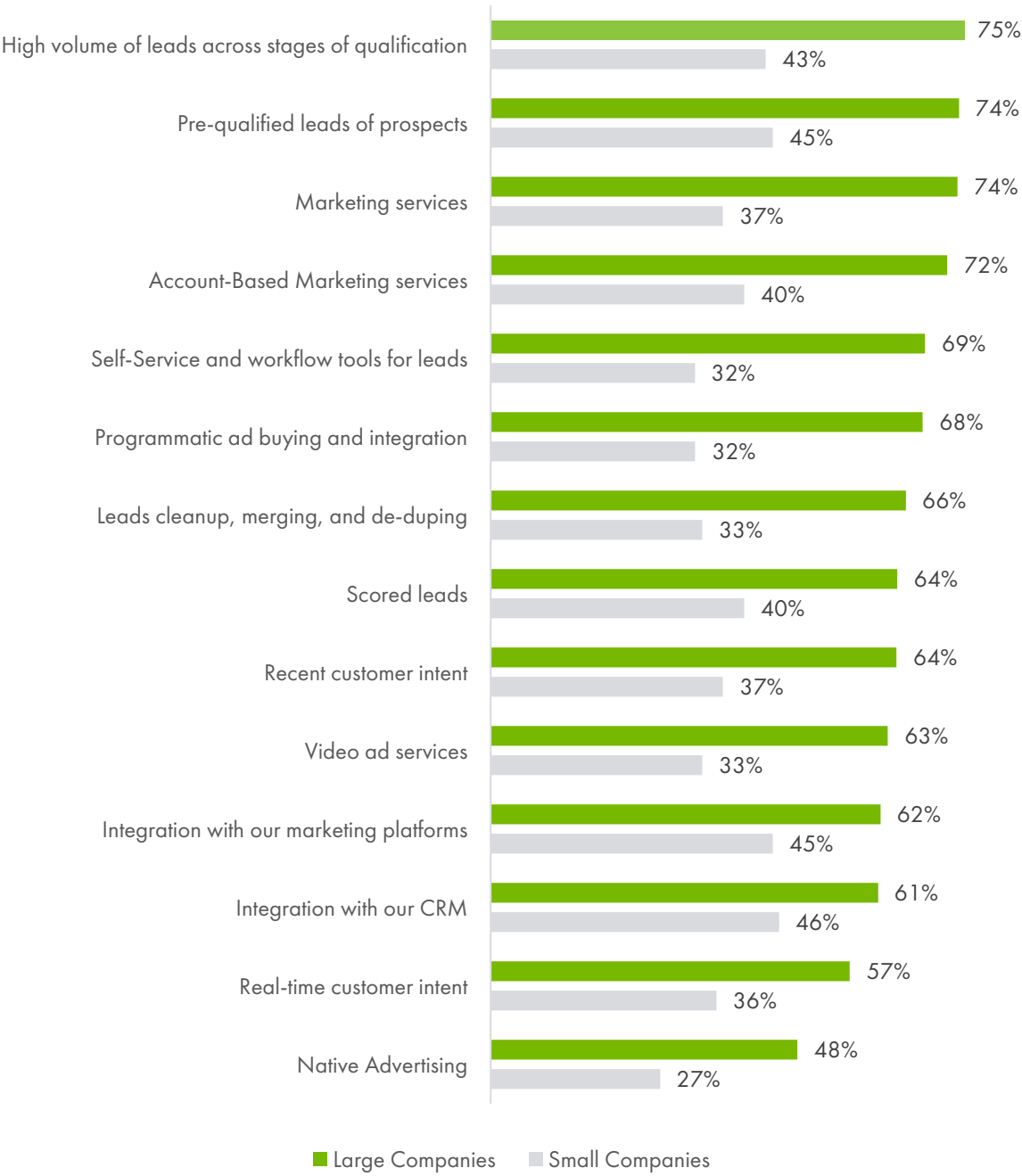
Leads, pre-qualified and in large numbers, are the key services that marketers seek.

Large marketers are also particularly interested in marketing and ABM services B2B media considering adding or expanding existing marketing services businesses for their clients will find this encouraging. Large company marketers are also interested in ABM services, self-service and workflow tools for leads, and programmatic ad buying.

Smaller marketers also prioritize lead services, but they're more interested than large companies in integrating their marketing platforms and their CRM with their internal systems. This suggests that smaller marketers are still learning to make the best use of their marketing tools. They're only moderately interested (40% and below) in account-based marketing, recent customer intent, marketing services. Less than a third (32%) assigned high importance to self-service and workflow tools for leads or programmatic ad buying.

Both large and small marketers place a low priority on native advertising services, but would likely be more interested if they were made available in the context of a broader marketing services package.

Most Important Services



Source: Outsell Advertising and Marketing Study 2017

# Large Companies Increasingly Rely on Sales Acceleration and Lead Management Tools

Marketers in large and small companies continue to increase their reliance basic sales lead management and account-based marketing. They expressed an interest in sales acceleration, lead management, in-depth contact information, engagement measurement, and account-based marketing.

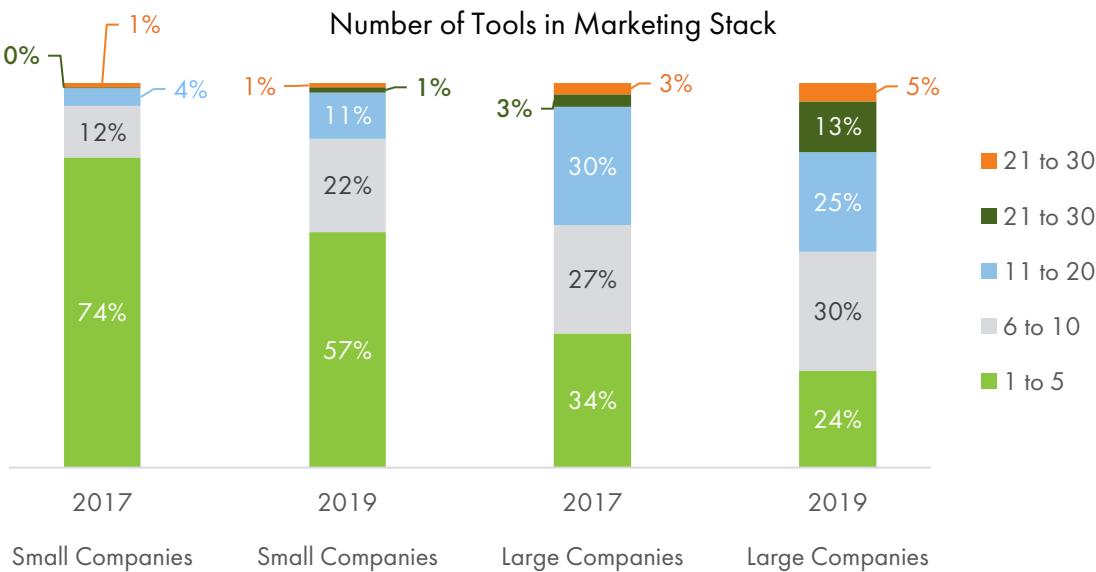
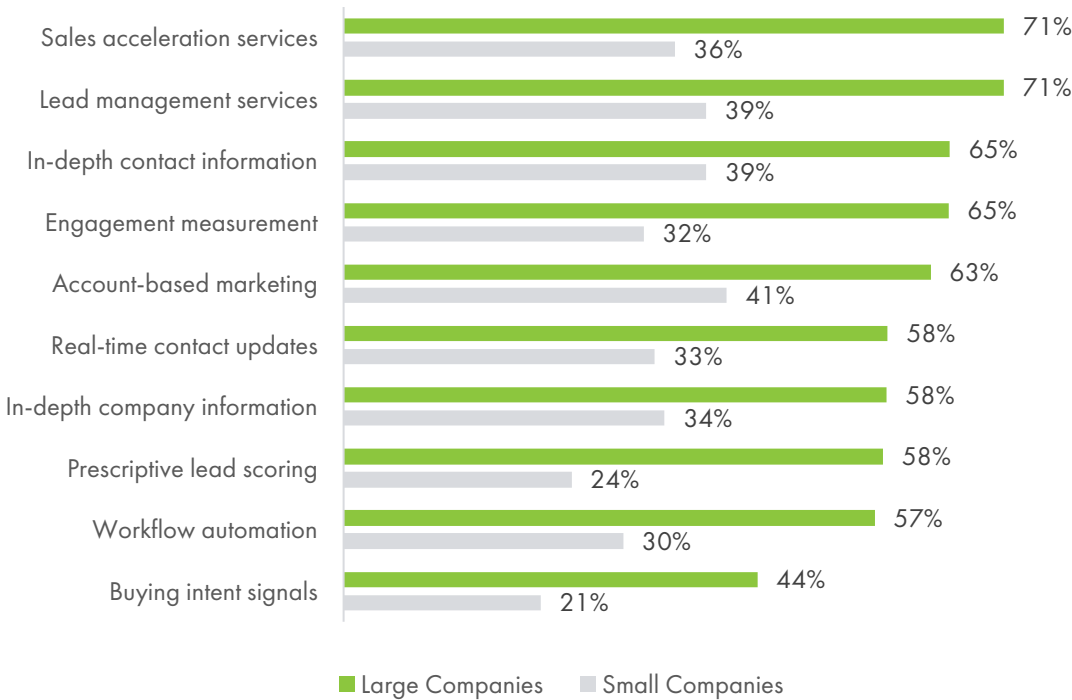
They're somewhat less interested in value-added enhancements to these services, such as prescriptive lead scoring, in-depth company information, real-time contact updates, workflow automation, and buying intent signals.

These priorities hold true for large and small company marketers alike, but large marketers are much more interested in all services by 20 to 30 percentage points.

# The Number of Tools in the Marketing Stack Will Grow

Both large and small company marketers plan to increase the number of tools in their marketing stacks in the next two years. The percentage of small B2B companies with more than five tools in their marketing stack will grow from 26% to 43%. The percentage of large B2B companies with more than five tools will grow from 66% to 76%. Among large companies, the fastest-growing segment will be companies with more than 20 tools, which will grow from 8% of large companies to 18% in the next two years.

Data Tools with Increasing Reliance



## Essential Actions

Banner and display advertising isn't going away soon, but it's on the cusp of a transformation. Forward-thinking media executives are preparing to enhance their advertising offerings and to offer new services to meet the needs of a new generation of marketers.

### ✓ **Build Mobile and Video Products**

Marketers are looking for ways to grow their mobile and video marketing, and they're looking for ideas. Offer them solutions to this problem.

### ✓ **Support Account-Based Marketing**

Marketers of all sizes are thinking about account-based marketing. Be prepared to offer them solutions that address the demands of ABM. Work with both clients' sales and marketing teams.

### ✓ **Develop Marketing Services**

Display advertising will decline in 2017. Marketers have as much faith in owned and paid media as they do in earned media. Now is the time to develop integrated marketing services for clients who are looking at ways to lower the share of display advertising in their marketing mix.

### ✓ **Focus on Advertising Operations**

Display advertising is still an important part of the mix. Ad viewability, moving beyond the cookie, ad blocking, and ads that show up in the wrong environment trouble large company marketers. Proactively address these issues, as well as page loading times and overuse of trackers and embedded JavaScript. Prepare for direct-sold programmatic advertising.

### ✓ **Go Social**

Marketers, particularly millennials, are looking to engage in Facebook, YouTube, and Twitter in addition to LinkedIn. Look for efficient, native ways to address audiences on these platforms while not losing traffic to core sites.

### ✓ **Know the Audience**

Marketing services, account-based marketing, advertising operations, and social media all begin with sound audience knowledge. Develop the infrastructure to identify audience members and deliver the content (and marketing) they're looking for.

### ✓ **Keep Events in Focus**

Events remain an important engine of B2B media revenue, but it's a volatile market. Improve on existing events with new technology and services. For first-time events, think about new models for entering the market.

# 2017 B2B US Advertising and Marketing Spending

28

	2016 Allocation	2017 Allocation	2016 US \$B	2017 (F) US \$B	2017 Growth %
Print	23.0%	20.7%	36.9	34.5	-6.6%
Digital	51.2%	53.8%	82.4	89.6	8.8%
Events	16.7%	16.8%	26.9	28.0	4.0%
TV/Radio/Cinema	5.0%	4.7%	8.1	7.8	-4.3%
OOH, PR & Other	4.1%	4.0%	6.5	6.7	2.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$160.8</b>	<b>\$166.5</b>	<b>3.5%</b>
Print					
Direct Mail	27.3%	28.1%	10.1	9.7	-3.7%
Custom Print	28.1%	29.3%	10.4	10.1	-2.8%
Magazine Advertising	16.1%	15.0%	5.9	5.2	-13.2%
Print Directories	10.9%	11.1%	4.0	3.8	-5.1%
Print Newsletters	4.8%	4.6%	1.8	1.6	-10.6%
Newspaper Advertising	8.4%	8.2%	3.1	2.8	-8.4%
Other Print	4.4%	3.7%	1.6	1.3	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$36.9</b>	<b>\$34.5</b>	<b>-6.6%</b>
Digital					
Company's Websites	38.4%	37.4%	31.6	33.5	5.9%
Search Advertising	15.7%	16.5%	12.9	14.8	14.1%
E-mail	12.0%	11.3%	9.9	10.2	2.9%
Banner and Display Advertising	5.4%	4.8%	4.4	4.3	-2.3%
Social Media Advertising	5.8%	6.2%	4.7	5.5	16.3%
Own Social Engagement	7.2%	7.3%	6.0	6.5	9.2%
Specialized Search	3.7%	3.7%	3.0	3.3	8.7%
Webinars	4.3%	4.1%	3.5	3.6	3.1%

	2016 Allocation	2017 Allocation	2016 US \$B	2017 (F) US \$B	2017 Growth %
Digital Continued					
Mobile	4.5%	5.5%	3.7	4.9	31.8%
Video (non-mobile)	2.5%	2.8%	2.1	2.5	21.4%
Other Digital	0.5%	0.5%	0.4	0.5	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$82.4</b>	<b>\$89.6</b>	<b>8.8%</b>
Events					
Exhibitions/Trade Shows	32.6%	32.6%	8.8	9.1	3.9%
Conferences	28.7%	28.6%	7.7	8.0	3.7%
Company's Events	30.1%	30.2%	8.1	8.5	4.3%
Other Events	8.6%	8.6%	2.3	2.4	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$26.9</b>	<b>\$28.0</b>	<b>4.0%</b>
TV/Radio/Cinema					
TV	65.0%	64.4%	5.3	5.0	-5.1%
Radio	15.0%	15.5%	1.2	1.2	-1.2%
Cinema	1.3%	1.3%	0.1	0.1	2.2%
Other Media	18.7%	18.7%	1.5	1.5	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$8.1</b>	<b>\$7.8</b>	<b>-4.3%</b>
OOH, PR & Other					
Sales Collateral	18.6%	18.1%	1.2	1.2	-0.3%
Public Relations	28.7%	28.7%	1.9	1.9	2.0%
Marketing Research	11.1%	11.2%	0.7	0.7	3.4%
Out of Home	21.4%	21.8%	1.4	1.5	4.0%
Other	20.2%	20.2%	1.3	1.4	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$6.5</b>	<b>\$6.7</b>	<b>2.3%</b>

Source: Outsell Advertising and Marketing Study 2017



# 2017 Total US Advertising and Marketing Spending

	2016 Allocation	2017 Allocation	2016 US \$B	2017 (F) US \$B	2017 Growth %
Print	20.3%	18.3%	96.0	89.4	-6.9%
Digital	47.1%	50.7%	222.4	247.7	11.4%
Events	9.6%	9.6%	45.4	46.7	2.8%
TV/Radio/Cinema	19.1%	17.6%	90.2	86.2	-4.4%
OOH, PR & Other	3.9%	3.8%	18.2	18.5	1.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$472.2</b>	<b>\$488.5</b>	<b>3.4%</b>
<b>Print</b>					
Direct Mail	23.4%	24.5%	22.5	21.9	-2.7%
Custom Print	21.6%	22.6%	20.8	20.2	-2.7%
Magazine Advertising	16.5%	15.3%	15.8	13.7	-13.3%
Print Directories	13.6%	13.7%	13.0	12.2	-5.9%
Print Newsletters	4.8%	4.5%	4.6	4.1	-12.3%
Newspaper Advertising	16.7%	16.4%	16.0	14.6	-8.7%
Other Print	3.4%	3.0%	3.3	2.7	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$96.0</b>	<b>\$89.4</b>	<b>-6.9%</b>
<b>Digital</b>					
Company's Websites	34.6%	32.5%	77.0	80.4	4.5%
Search Advertising	11.0%	11.2%	24.4	27.7	13.5%
E-mail	11.1%	10.4%	24.8	25.7	3.9%
Banner and Display Advertising	5.3%	4.4%	11.7	10.9	-6.4%
Social Media Advertising	7.8%	8.9%	17.4	22.0	26.9%
Own Social Engagement	9.2%	9.1%	20.6	22.4	9.1%
Specialized Search	2.2%	2.0%	4.8	5.1	5.0%
Webinars	3.2%	3.0%	7.2	7.4	2.4%

	2016 Allocation	2017 Allocation	2016 US \$B	2017 (F) US \$B	2017 Growth %
<b>Digital Continued</b>					
Mobile	11.5%	14.0%	25.6	34.6	35.1%
Video (non-mobile)	3.8%	4.4%	8.5	10.8	27.4%
Other Digital	0.3%	0.3%	0.6	0.6	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$222.4</b>	<b>\$247.7</b>	<b>11.4%</b>
<b>Events</b>					
Exhibitions/Trade Shows	31.2%	31.3%	14.2	14.6	3.0%
Conferences	26.8%	26.7%	12.2	12.5	2.6%
Company's Events	33.6%	33.5%	15.2	15.6	2.7%
Other Events	8.5%	8.5%	3.8	4.0	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$45.4</b>	<b>\$46.7</b>	<b>2.8%</b>
<b>TV/Radio/Cinema</b>					
TV	74.7%	74.1%	67.4	63.9	-5.1%
Radio	18.4%	18.9%	16.6	16.3	-1.8%
Cinema	0.9%	0.9%	0.8	0.8	3.1%
Other Media	6.0%	6.0%	5.4	5.2	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$90.2</b>	<b>\$86.2</b>	<b>-4.4%</b>
<b>OOH, PR &amp; Other</b>					
Sales Collateral	11.7%	10.7%	2.1	2.0	-7.0%
Public Relations	22.1%	22.2%	4.0	4.1	2.1%
Marketing Research	11.9%	12.1%	2.2	2.2	3.0%
Out of Home	40.2%	41.0%	7.3	7.6	3.7%
Other	14.1%	14.0%	2.6	2.6	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$18.2</b>	<b>\$18.5</b>	<b>1.6%</b>

Source: Outsell Advertising and Marketing Study 2017

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Barry Parr

Director & Lead Analyst

T. +1 650-728-7732

bparr@outsellinc.com

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www.outsellinc.com  
contact\_us@outsellinc.com

Burlingame, CA USA  
+1 650-342-6060

London, United Kingdom  
+44 (0)20 8090 6590

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