

The Impact of COVID-19 on B2B Marketing Organizations

Q2 2020

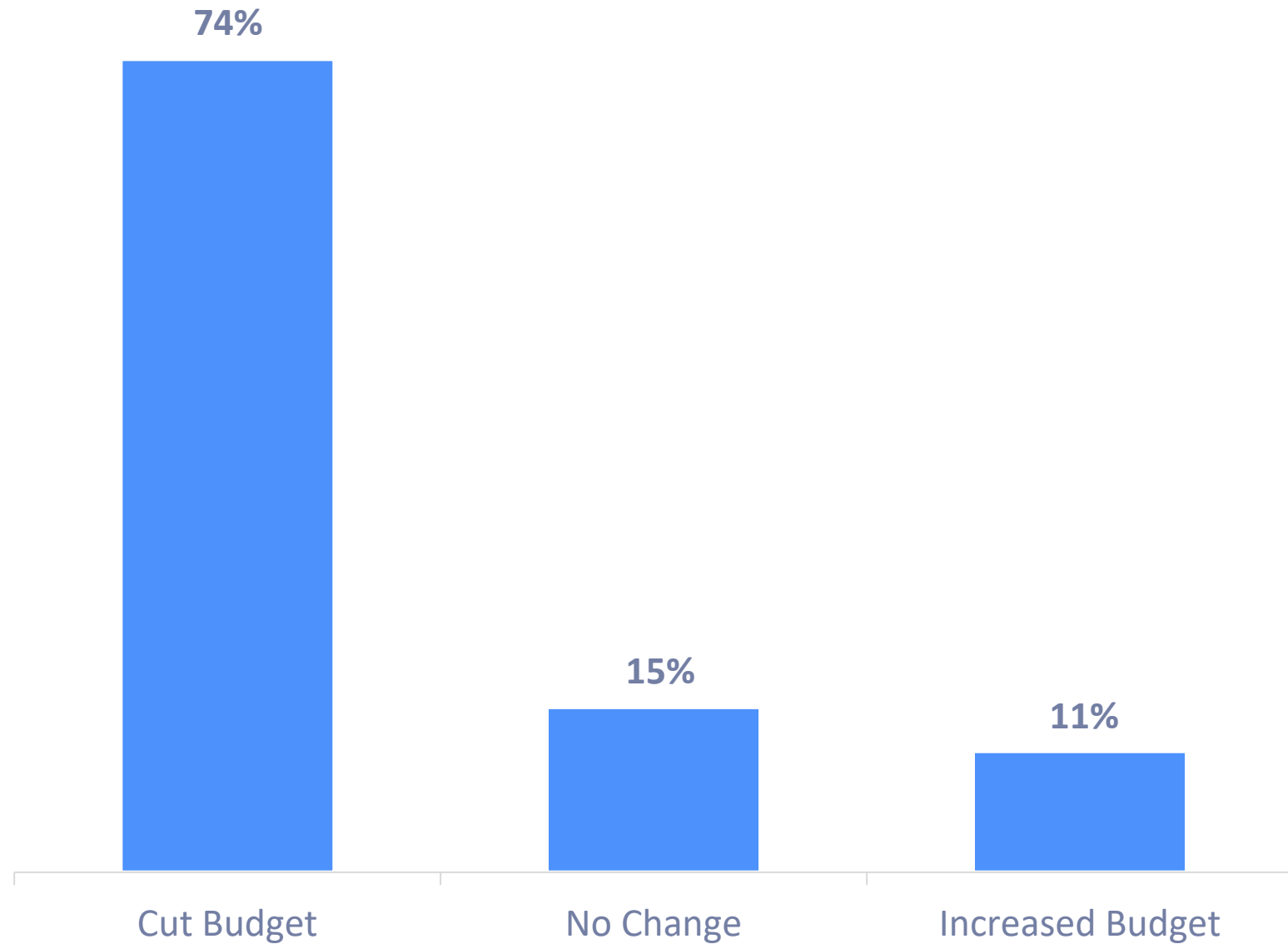


To help B2B marketing leaders cope with COVID-19 and benchmark it's, we spoke with 214 B2B marketing leaders about COVID-19 to determine:

- The impact it is having on their marketing budgets
- The impact on their performance
- Their sentiment and estimations for recovery



How has COVID-19 impacted B2B marketing budgets?

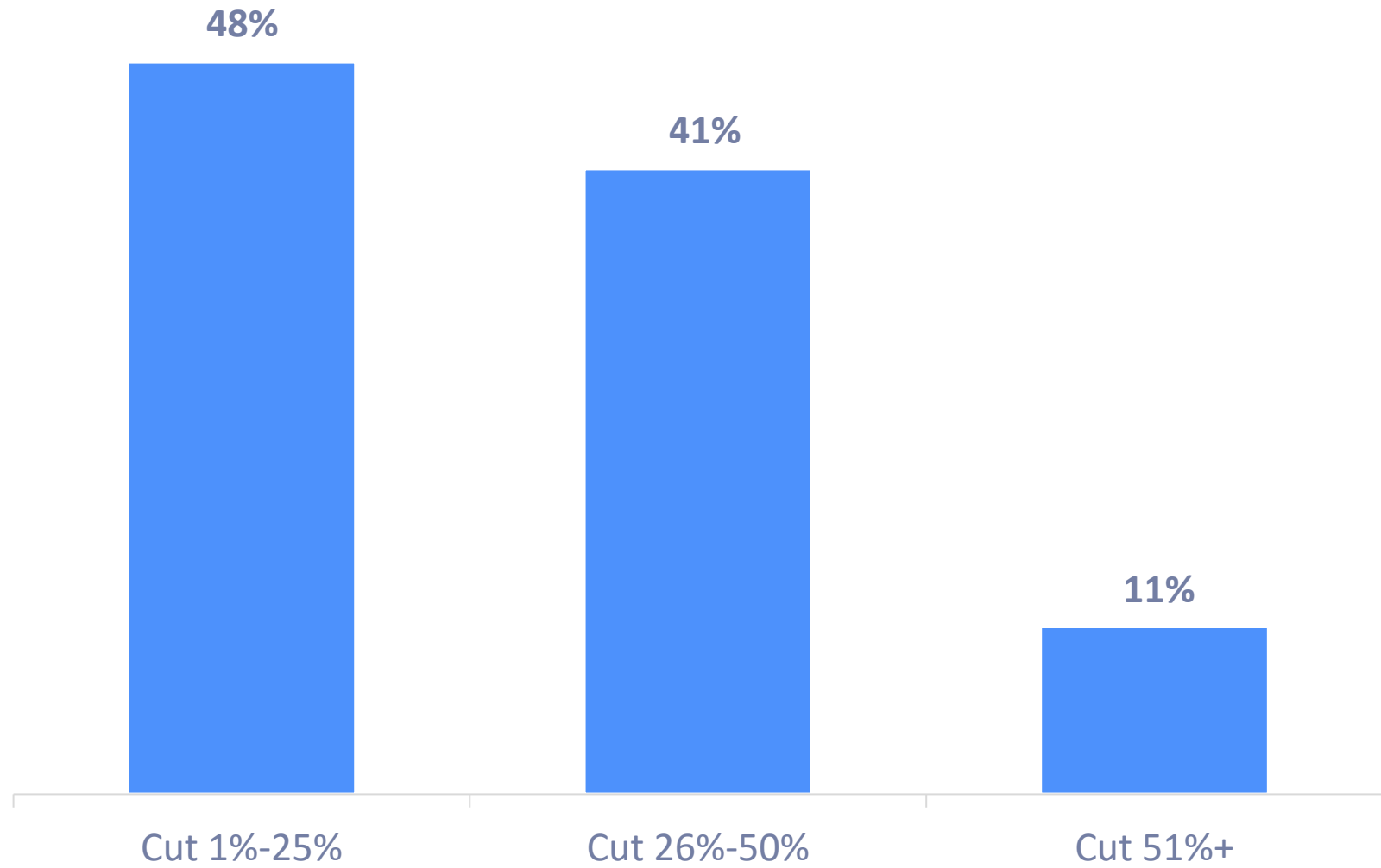




In the face of the uncertainty surrounding COVID 19, many B2B marketing organizations adopted a “play it safe” approach where they cut their marketing budgets until they could better understand the impact on their business and wait for economic conditions to improve.



How much have marketing budgets been cut during COVID-19?





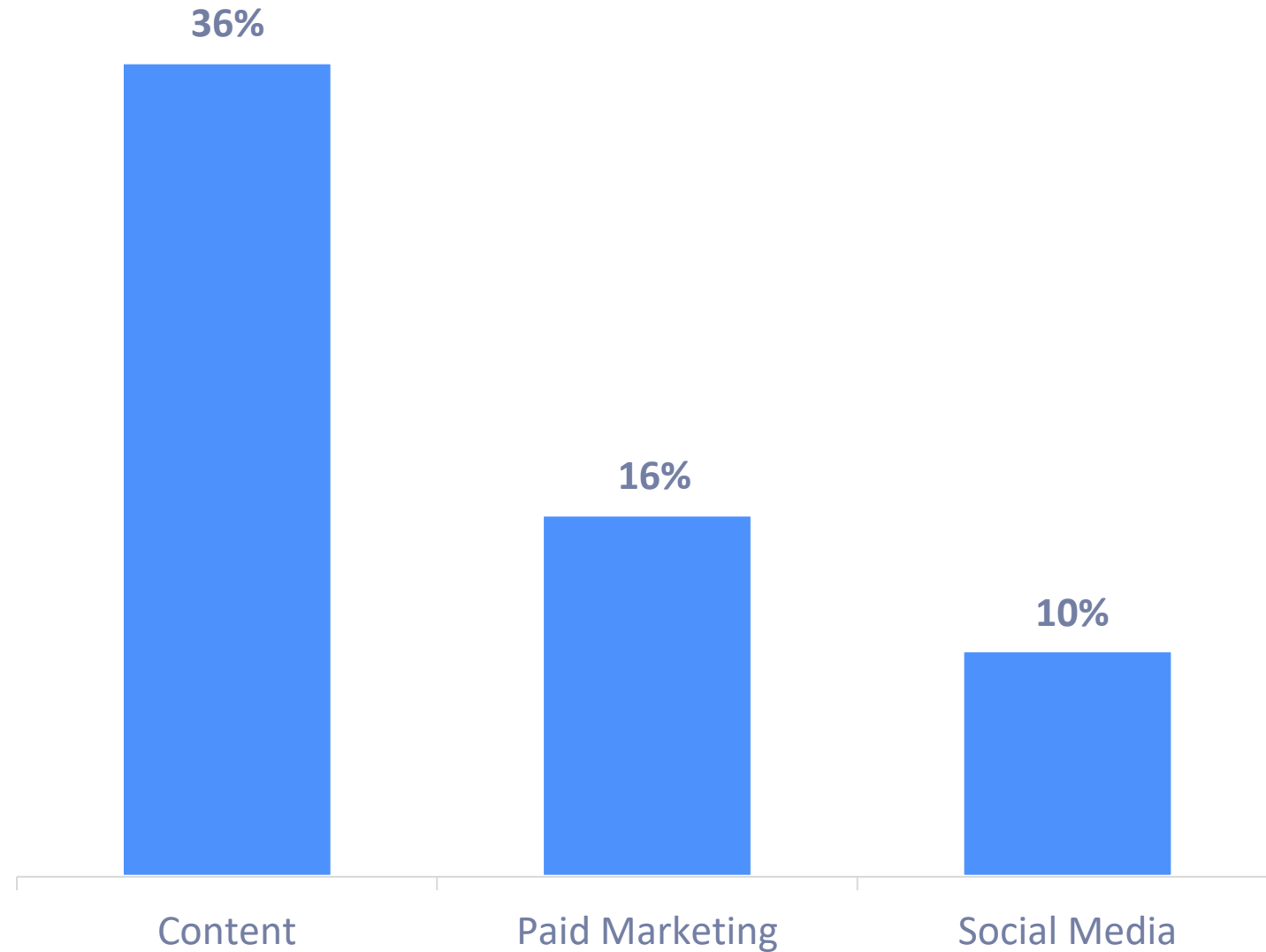
There were significant cuts to B2B marketing budgets, but we saw a level of caution in the data.

Almost half of the organizations we spoke with cut between 1%-25% of their marketing budgets, which is significant but isn't as deep as might have been expected.

In Q1, the majority of B2B marketing organizations reported cuts of 26%+ to their budgets but some budget has been restored, resulting in lower overall cuts due to COVID-19.



Which marketing channels experienced the largest budget increases during COVID-19?





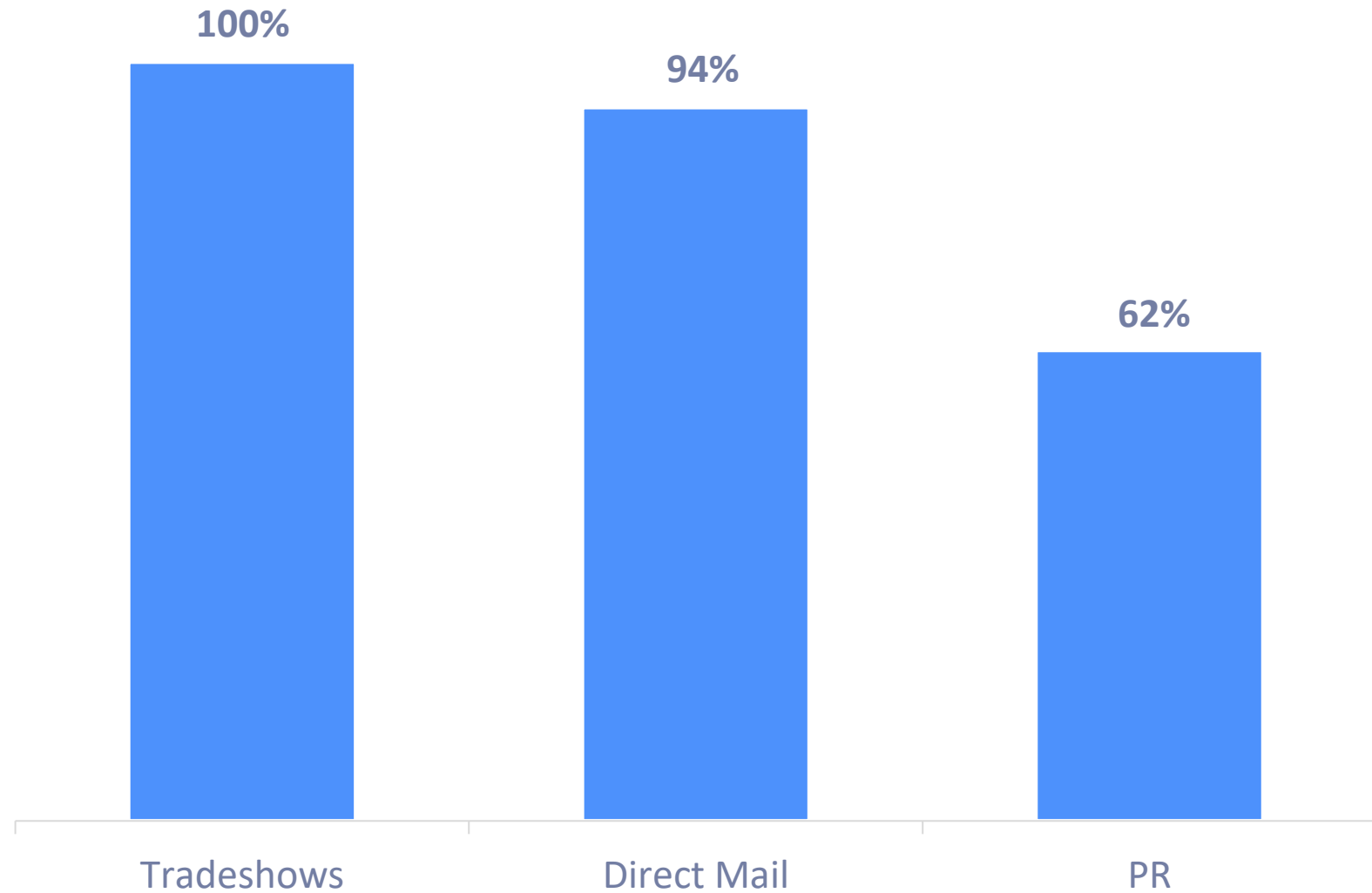
Content was the channel that received the biggest budget increase during the COVID-19 pandemic. B2B marketing organizations invested heavily in content formats that help build relationships, despite lockdowns and social distancing. As a result, video content, virtual events, and webinars became popular content types and got significant budget increases.

Paid marketing got a significant boost as well. As the channel with great scalability, it was an easy, go-to solution for marketing teams looking to reallocate their event budgets.

Social media budget increased due to the increase in content. B2B marketing organizations are utilizing personal LinkedIn posts (and Twitter) to create greater awareness of their brands and promote their increased video content output.



Which marketing channels have experienced the largest budget decreases during COVID-19?





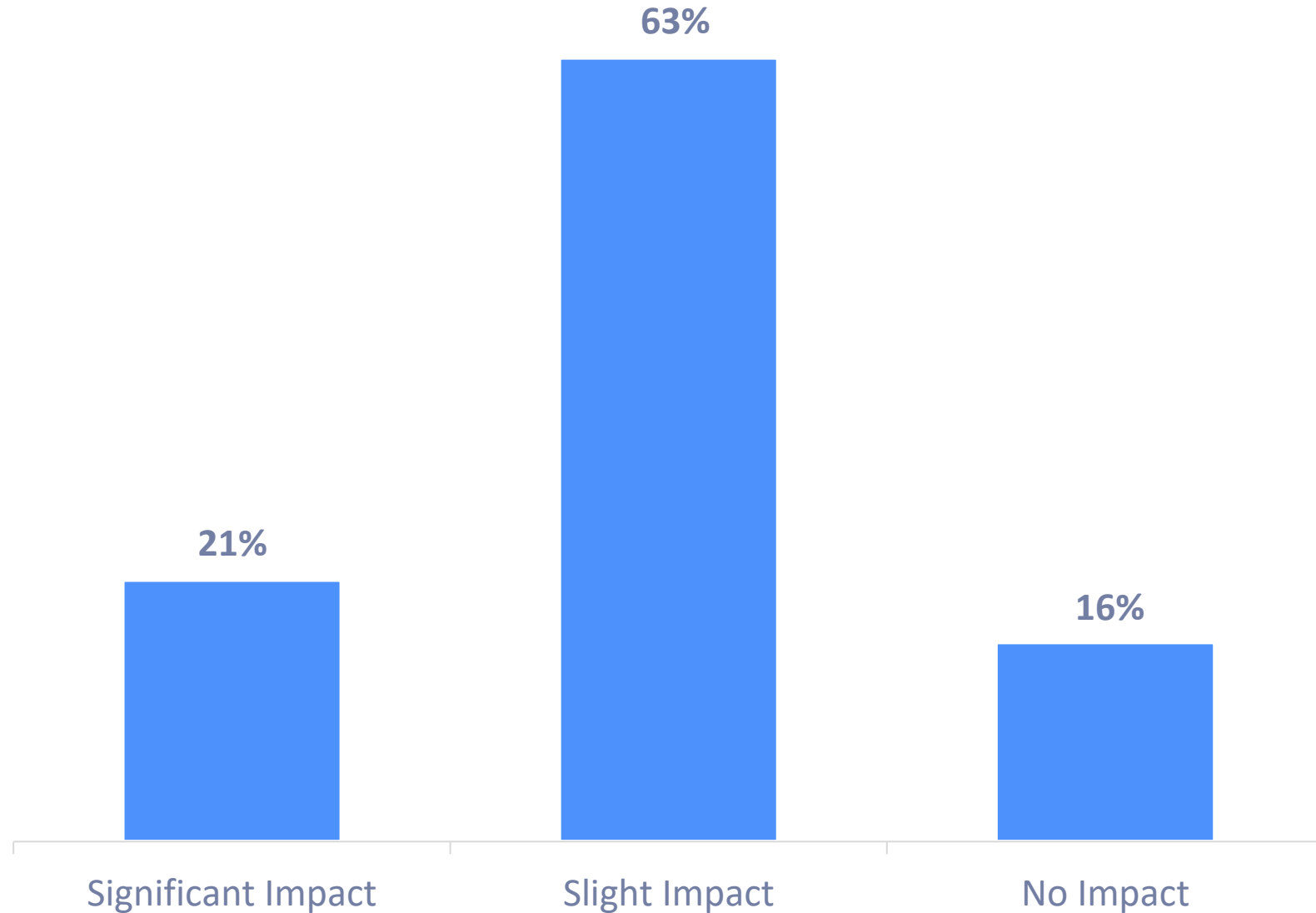
Tradeshows and meetups are obviously off the table for the foreseeable future. B2B marketers have moved most of their budgets away from events to invest in digital channels that could have a greater impact now.

Direct mail, which was making a comeback in B2B due to account-based marketing, has also greatly suffered. Considered a “nice to have” among B2B marketers, it wasn’t deemed to be a practical investment in the current environment. Some brands did utilize direct mail to support their customers who were locked down at home.

PR budgets took a hit. With people concerned about their families and their health, PR about company news, new features, integrations, awards, etc. was deemed to be slightly inappropriate given the current climate so companies held off on PR until audiences could adjust. Expect PR budgets to return in Q3 and Q4.



What impact has COVID-19 had on the ability of B2B marketers to generate revenue?





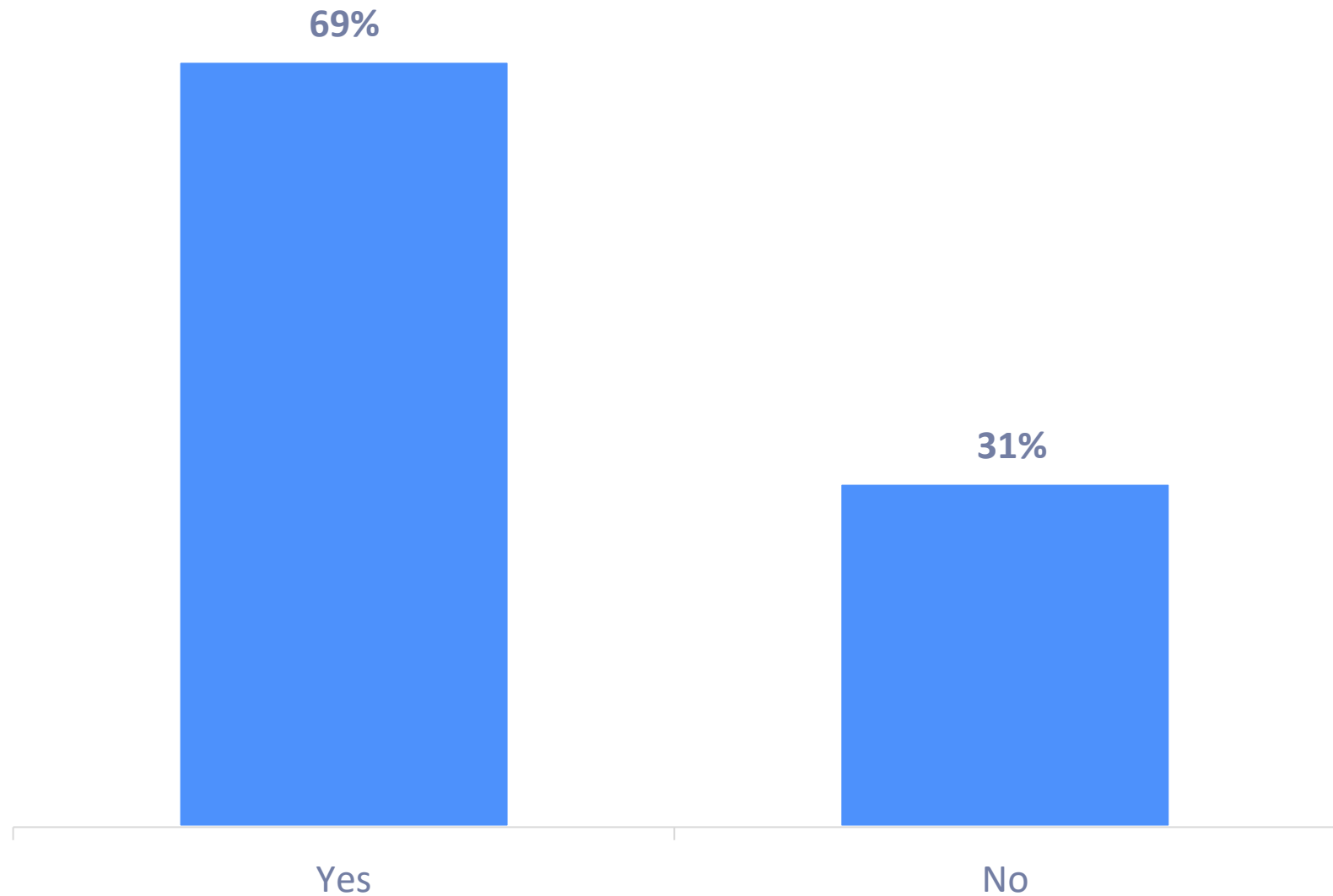
The “doom and gloom” predictions made by marketers at the beginning of the pandemic aren’t panning out.

While 84% of B2B marketers say that COVID 19 is impacting their ability to generate revenue, only 21% are saying the impact is significant.

This contrasts with Q1, when B2B marketing leaders indicated the impact of COVID-19 on their marketing organizations was significant



Are B2B marketing leaders seeing signs of market recovery?

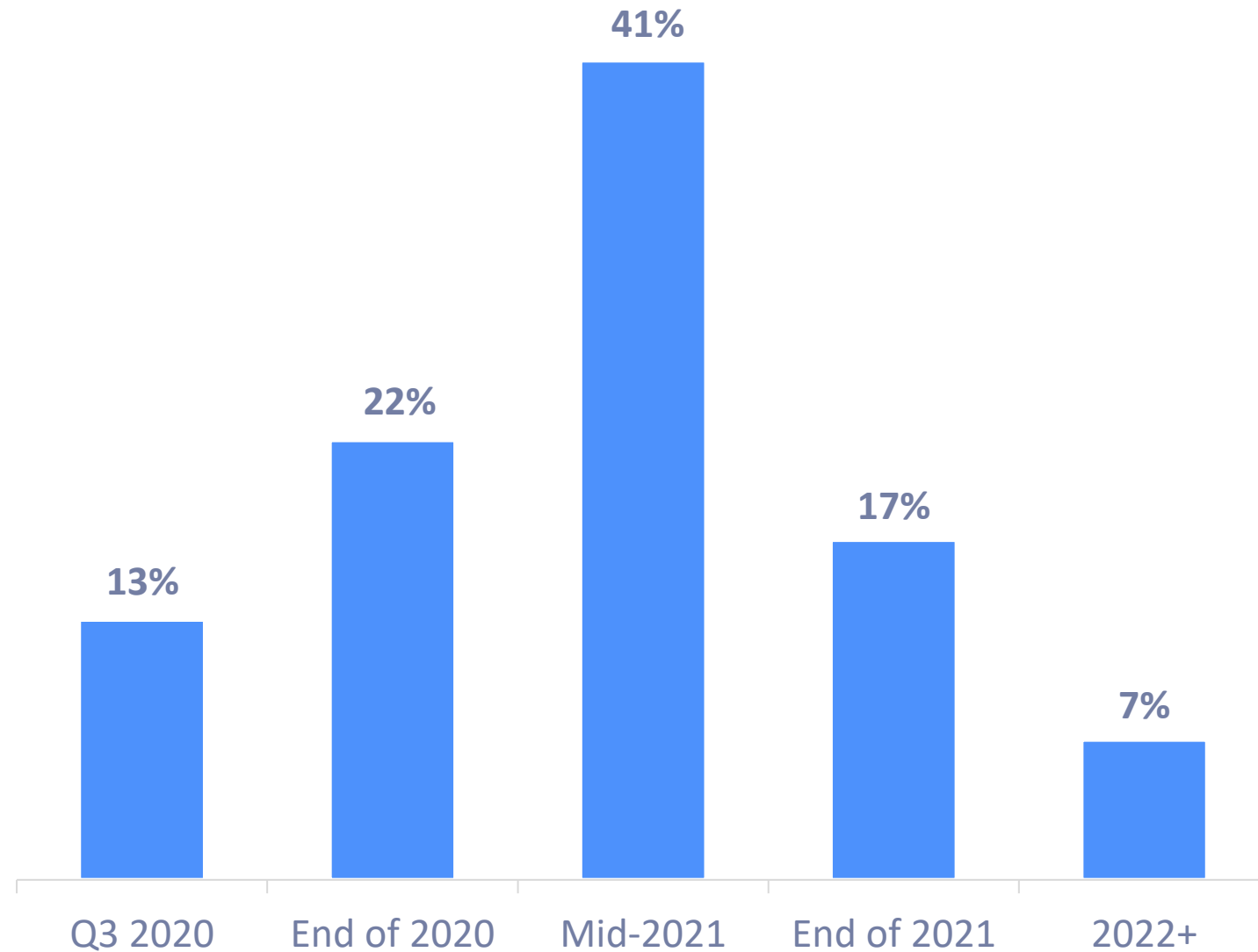




While a higher number than we anticipated, it is clear that B2B marketing organizations have adapted and are better at operating in the new, post-COVID reality. It is worth questioning if B2B marketing organizations are actually seeing real, tangible signs of recovery or if this number is a result of B2B marketing organizations becoming more optimistic after the initially grim predictions.



When do B2B marketers anticipate recovery to pre-COVID performance and budget levels?





2 of 3 B2B marketing leaders believe that budgets and performance are going to recover to pre-COVID levels within the next 6-12 months.

As lockdowns begin to lift and governments roll out their COVID economic stimulus plans, positive sentiment is gradually returning to the market.

Summary



After a thorough review of the data, COVID-19 is significantly impacting B2B marketing organizations but it seems as if the impact is not as bad as initially anticipated.

- ✓ Most B2B marketing organizations cut marketing budget in response to COVID-19
- ✓ Most budgets weren't cut by more than 25%
- ✓ Most B2B marketing leaders said COVID-19 only had a slight impact on their ability to generate revenue



Regarding market sentiment, it is advised that you get ready to take advantage of the impending recovery.

- ✓ Most B2B marketing leaders are already seeing signs of recovery at their organizations
- ✓ Most B2B marketing leaders anticipate full recovery in the next 6-12 months



Are you looking to quantify and maximize the business impact of your marketing budget?

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