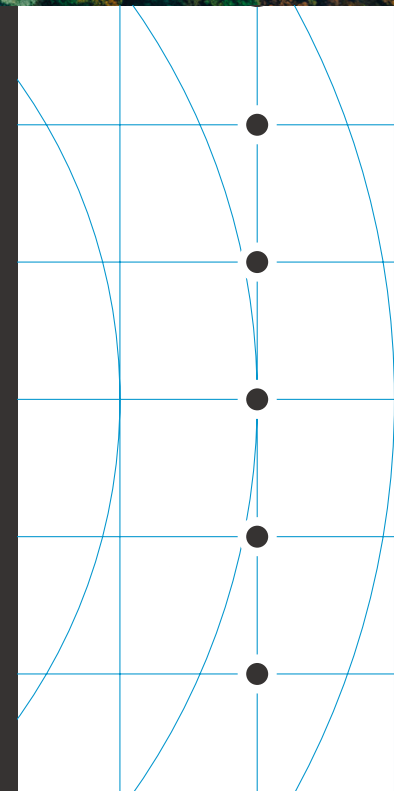




# Mapping out the optimal B2B marketing budget

**A step-by-step guide for marketers**

Learn proven budgeting strategies that align objectives, achieve results and make a long-term impact on your business.





# How much should you spend on marketing?

As an agency with 30+ years of experience managing budgets for high-profile brands, we've been asked that question at least a thousand times, if not more. It is a valid question. How much does it cost to build a high-performing B2B marketing engine? The answer is ... it depends.

When it comes to developing a marketing budget for your organization, there are some clear-cut rules to follow that we'll cover in this guide. But other factors impact your budget planning. Like the maturity of your brand. The length and complexity of your sales cycle. The state of your marketing engine. The competitiveness of your industry. All of these aspects play a role in how you determine your marketing spend.

## IT'S MORE THAN A BUDGET — IT'S A STRATEGY

In today's incredibly complex world of B2B marketing, an effective budget is not just a financial plan but a strategic tool that can align your marketing initiatives with your organization's broader business goals. In this guide, we'll help you find that alignment and provide best practices, practical tips and insights you can use to create a robust marketing budget that delivers measurable results.

In this guide, we'll cover:

- The importance of goal-setting
- Tried and true budgeting formulas
- Understanding the sales journey
- Scoping tips for websites and content
- Allocating funds for advertising
- Budgeting for technology and talent



## B2B MARKETING BUDGETS CONTINUE A SHIFT TO DIGITAL

The following statistics underscore the evolving landscape of B2B marketing budget allocation, with a notable shift toward digital strategies that are focused on content and driven by data.

- 80% of B2B marketing leaders reported that their digital marketing budgets have increased over the past year, with a significant portion allocated to social media, content marketing and SEO<sup>1</sup>.
- 91% of B2B marketers use content marketing to reach their target audience<sup>2</sup>.
- 56% of B2B marketers plan to increase their content marketing budgets in 2024<sup>2</sup>.

<sup>1</sup> Gartner    <sup>2</sup> Content Marketing Institute

# 01 | Goal Setting

## YOUR BUDGETING JOURNEY STARTS HERE

Imagine embarking on a journey without a destination in mind. Sure, you might stumble upon interesting sights along the way, but without a clear goal you'll risk wandering aimlessly. The same principle applies to marketing budget allocation. Before you begin to build your budget, you must first define your goals. We recommend following the SMART rule to ensure your goals are **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**imely.

## ALIGN MARKETING GOALS WITH BUSINESS OBJECTIVES

Before diving into budget planning, take the time to understand your broader business goals and how marketing can contribute to achieving them. What are the business objectives that can drive your marketing goals and subsequent budget? Here are some examples:

- If your business goal is to increase revenue, then your marketing goal should include lead-generation strategies like content marketing, targeted campaign development and lead nurturing.
- If your business objective is to increase awareness, then your marketing goal should focus on brand awareness tactics such as advertising, industry events, website optimization and other brand-related activities.
- If your business objective is to boost your customer retention efforts, your marketing goals should shift to more bottom-of-the-funnel tactics such as loyalty programs, organic social, email marketing and other activities that keep customers engaged.

By aligning marketing goals with these overarching business objectives, you ensure that every dollar spent serves a purpose and contributes to the bottom line. It's not just about spending money. It's about investing in outcomes that move the needle for your business.

“Marketing leaders must align their budget with business goals and demonstrate how marketing activities drive those objectives. This alignment helps secure necessary funds and executive team support.”

**ANTONIO LUCIO,  
FORMER CMO OF FACEBOOK**

## BUDGETING FOR BRAND WORK

Brand assignments can take on a life of their own — and typically require an entirely different approach to budget planning. We often compare brand projects to an accordion. They can be compact or expansive depending on your needs, timeline and budget. Most brand projects require up-front discovery (interviews, audits, competitive research) followed by a variety of deliverables that can include:

- Naming and logo development
- Purpose, vision, mission and values
- Positioning statement
- Brand narrative and elevator pitch
- Tone of voice and brand experience
- Brand expression: graphic elements, colors, typography, etc.
- Brand guidelines

Need to take a deeper dive into how best to scope your branding project? Learn more about the steps it takes to build a B2B brand. Then set up a call with one of our [branding experts](#).

## 02 | Budgeting Formulas

### IDENTIFYING THE RIGHT FORMULA FOR YOUR ORGANIZATION

There are multiple ways to determine your marketing budget, with the most common of those being a percentage of projected revenue. Experts recommend a marketing budget that's anywhere from 5-20% of your revenue. That 15-point spread can fluctuate based on a number of factors. Generally, 5-10% is enough to sustain revenue, but you'll need to increase that percentage if you want to grow your business.

### ADJUST YOUR BUDGET BASED ON YOUR BRAND MATURITY

Are you a well-established brand with a hard-working website and a comprehensive marketing engine in place? Or a startup that needs to build a marketing plan from the ground up? Your answer will drive how much you need to invest in your brand fundamentals. If you're a startup with little brand awareness and a long marketing to-do list, your budget can be as high as 20% of projected revenue.

### OTHER FACTORS TO CONSIDER

As you determine your marketing budget, here are additional questions to ask.

- Do you need to build a new website or update an existing one?
- Are you adding new products or services to your portfolio that require a launch strategy?
- Are you kickstarting a content marketing strategy that involves the development of a large number of offerings like blogs, podcasts and webinars?
- Are you increasing your participation in events and trade shows?
- Do you need to set aside funds for media spend — both digital and traditional?
- Are you going to manage it all in-house or rely on outside resources (like ad agencies and web developers) to build your marketing engine?

If you answered yes to any of the above questions, you should consider adjusting your budget and earmarking dollars for your top marketing priorities.



### CMO TRENDS: BUDGETS HOVER AROUND 8.4% OF REVENUE

Every year, Gartner asks CMOs how much they allocate for marketing. In a recent survey, that number was 8.4% for B2B marketers — which falls right in that 5-20% range.



Source: 2024 Gartner CMO Spend Survey

## 03 The Sales Journey

### ALLOCATE BUDGETS BASED ON YOUR SALES CYCLE

If you're like most B2B marketers, your sales cycle is long — anywhere from several months to a year or more. While a longer sales cycle doesn't necessarily demand a bigger budget, it does require more content to nurture leads through various stages — so plan accordingly.

To inform your budgeting process, it's important that you understand your buyer and their sales cycle. Do they conduct in-depth research before making decisions? Where do they gather information? Are they active on social channels? Do they attend trade shows and events? The more you know about your buyer — and how, when and where they buy — the better you can create a marketing campaign that connects with them and moves them efficiently through the B2B sales cycle.

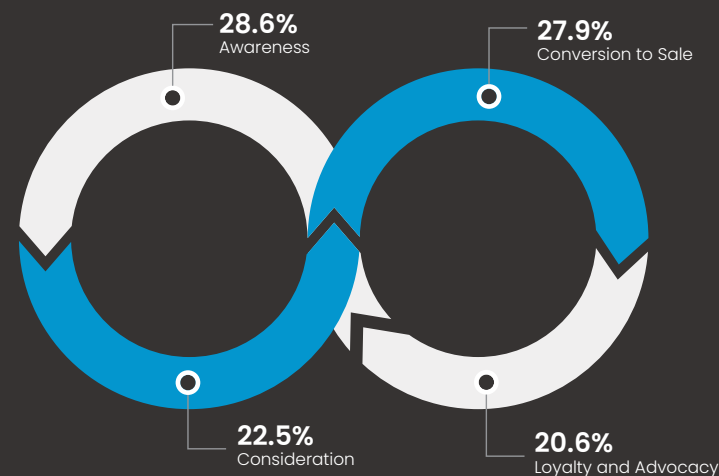
Other factors to consider that may impact your budget:

- **Product strategy.** Are you introducing a new product or service next year? If so, carve out a budget for launch campaigns and accompanying sales materials and content.
- **Seasonality.** Does your product or service have a buying season? Then adjust your budget and increase spending during peak months.
- **Competitive landscape.** Are you in an ultra-competitive environment in which you are fighting for market share? Chances are, you'll need to increase your budget to stay top of mind and ahead of your competition.
- **Geography.** Does your sales territory include areas with higher population densities? Those areas typically have higher advertising costs since there are more potential customers to reach. Adjust accordingly.

### SPREADING YOUR BUDGET ACROSS THE B2B SALES JOURNEY

Creating a marketing budget that aligns with your sales process is one challenge. Determining how to best allocate that budget across the sales journey is another. During budget planning, it's important to consider the four phases of the modern B2B sales journey: acquisition, consideration, conversion and loyalty. On average, you should allocate roughly 25% of your spend across phases, with a slight increase in the awareness phase and a slight decrease in the loyalty phase, as shown in the chart below.

### BUDGET BALANCED ACROSS THE JOURNEY



Source: Gartner 2024 CMO Spend Survey



## 04 | Website Budgeting

### PLANNING FOR YOUR MOST IMPORTANT MARKETING ASSET: YOUR WEBSITE

In today's digital-first sales environment, your website is likely the first touchpoint prospects have with your brand. For B2B marketers that rely heavily on content, it's also the main storytelling platform and a hub for content — including case studies, blog posts, explainer videos and any other marketing assets you use to educate and nurture prospects. Investing in the design, optimization and maintenance of your website is essential for driving success and staying competitive in today's digital landscape.

### WEBSITE BUDGET SCOPING TIPS

As you might expect, websites and their accompanying costs can vary wildly — from a simple brochureware site to a complex online marketing engine. To help you establish a budget for your website build, it's important to know the steps it takes to design, write and develop a high-performing website.

Here are the 12 phases of a standard website build, along with simple definitions.

- **Web discovery** — Define goals, objectives and project scope.
- **Site requirements** — Establish technical specifications and a recommended tech stack.
- **Sitemap** — Develop a visual outline of the website's structure and navigation.
- **Wireframes** — Create low-fidelity sketches of the website layout and user interface.
- **Keyword research** — Identify and analyze relevant keywords to target for SEO.
- **Content creation** — Develop engaging content that is SEO-optimized.
- **Web design** — Develop high-fidelity mockups that incorporate brand elements, content and imagery.
- **Development** — Translate designs into a functional website using coding and necessary tools.
- **Testing and QA** — Perform thorough testing for functionality, usability and performance.
- **Pre-launch prep** — Set up analytics and finalize content.
- **Site launch** — Migrate to a live server and execute launch strategies.
- **Post-launch** — Monitor analytics, gather feedback and implement ongoing updates.

For more information on website scope and a deeper dive into the difference between a web rebuild versus a refresh, [check our blog post](#).



# 90%

of B2B buyers research between two to seven different websites before making a purchase decision, making it essential for your website to stand out and provide valuable, easily accessible information<sup>3</sup>.

# 94%

of first impressions are related to your website's design, underscoring the importance of a professional, user-friendly site to establish credibility with B2B prospects<sup>4</sup>.

# 88%

of online consumers are unlikely to return to a website after a bad experience. Ensuring your website is user-friendly and engaging is essential to retaining visitors and converting them into customers<sup>5</sup>.

<sup>3</sup> Invoca.com <sup>4</sup> WebFX.com <sup>5</sup> SWEOR.com



## BUILDING A MODERN B2B MARKETING ENGINE

Today's B2B marketing engine is a multifaceted system that integrates various components to attract, engage and convert prospects into customers. As with cars, there are multiple types of marketing engines that vary in scope and size to meet the needs of your business. For most B2B brands, your marketing engine will be focused around your website and the content housed within it. According to a recent report, 95% of B2B buyers engage in some form of content marketing. If you are not creating content, chances are you are losing leads and missing out on business.

## IN B2B CIRCLES, CONTENT IS STILL KING

In modern B2B marketing circles, content is essential for establishing your brand as a trusted authority in your industry — helping to nurture relationships and drive engagement throughout the buyer's journey. By consistently delivering valuable and relevant content, you can attract, educate and ultimately convert leads into loyal customers — driving long-term business growth.

B2B content can come to life in many forms: blogs, guides, podcasts, videos and infographics. These all are important components to include in your content strategy and budget allocations. If you're new to content marketing, you should set aside an additional budget to get your programs and platforms up and running. Add extra budget for more complex deliverables, like videos, infographics, webinars and podcasts.

Want to learn more about the fundamentals of a modern B2B content marketing strategy? Download our guide: [Creating B2B Content That Converts](#).

## THE TOP 5 B2B MARKETING PROGRAMS RECEIVING BUDGET ALLOCATION IN 2024.

- 1 Demand generation **(10.0%)**
- 2 Marketing operations **(9.0%)**
- 3 Website **(8.6%)**
- 4 Sales enablement **(8.3%)**
- 5 Campaign creation and management **(8.0%)**

Source: Gartner 2024 CMO Spend Survey



## USING ADVERTISING TO BUILD AWARENESS, DRIVE TRAFFIC AND GROW LEADS

Advertising is essential for B2B marketers that want to increase brand visibility, generate leads and drive sales by reaching their target audience with tailored messages and offers. There are multiple ways to enact B2B advertising strategies. But where do you start?

Since most B2B sales journeys occur online, today's advertising options typically involve digital channels. At AvreaFoster, we develop custom advertising strategies that vary by client. But for educational purposes, a common media strategy might include:

- Paid search to drive high-intent traffic and leads
- Social media advertising for targeted lead generation
- Display advertising for brand awareness
- Native advertising to promote ungated content
- Retargeting ads to move prospects down the funnel

To learn more about digital channels available to B2B marketers, read our [blog post](#).

## IDENTIFYING THE COSTS OF ADVERTISING CAMPAIGNS

A question we always get when we meet with prospects is, "How much does a typical advertising campaign cost to build and launch?" Like everything within the marketing world, it depends on a variety of factors: your target audience, media channels, marketing and sales goals, among others.

The most efficient way to establish an effective advertising budget is to partner with an agency that has targeted experience managing B2B marketing campaigns. Together, you can outline your marketing goals, assess your needs and arrive at a budget that helps you achieve your objectives. Interested in starting a conversation with one of our marketing experts? [Let's talk](#).

## OTHER COMPONENTS OF YOUR MARKETING ENGINE

While the big three (website, content and advertising) can make up the lion's share of your B2B marketing budget, there are other marketing tools to consider.

- Email marketing can be layered on top of your current advertising strategy as a way to nurture leads, deliver relevant content and drive engagement.
- If your sales process includes trade shows and events, be sure to allocate marketing dollars for booths, sales materials and giveaways.
- In some verticals, influencer marketing can be an effective way to partner with thought leaders to boost awareness and credibility.
- Don't forget sales materials — including brochures, sales sheets, product demos and pitch decks — which are extremely effective in the deal-closing phase.

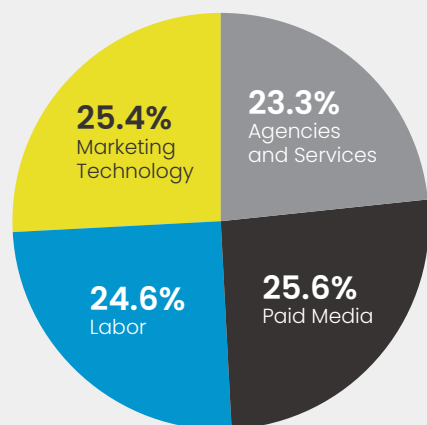


## 07 Marketing Technology

### SETTING ASIDE FUNDS FOR TECHNOLOGY

So far, our budget recommendations have focused on tactical marketing deliverables — websites, content, advertising and all the other outputs that make up the B2B marketing ecosystem. But there are other components you need to address when building your marketing budget: the technology that runs your marketing and the talent who bring it to life. According to a recent Gartner survey, roughly a quarter of your marketing budget should be allocated to each — technology, staffing and agency fees — as the chart below shows.

#### INVESTMENTS IN MARKETING'S MAJOR RESOURCES AREAS



Source: 2023 Gartner CMO Spend and Strategy Survey

### ALLOCATING BUDGET FOR MARKETING TECHNOLOGY

In the complex world of B2B marketing, success often hinges on the effective use of proven tools and technology to streamline processes, enhance productivity and, ultimately, drive results. While the depth and complexity of Marketing Technology varies, here are the most common components to consider when building a modern B2B marketing tech stack:

- **Customer relationship management (CRM) software**, like Salesforce or HubSpot, is essential for managing customer interactions, tracking leads and nurturing relationships.
- **Marketing automation platforms**, like Hubspot, Marketo or Pardot, allow you to automate repetitive tasks such as email marketing, lead scoring and campaign management.
- **Analytics and reporting tools** provide insights into web traffic, user behavior and campaign performance so you have the data you need to optimize performance. While there are free tools, like Google Analytics, more robust (and costly) tools offer advanced functionalities such as data collection, warehousing and dashboards.
- **Social media management platforms**, such as Hootsuite or Sprout Social, help you manage multiple social media accounts, schedule posts, engage with followers and analyze performance.
- **Email marketing tools**, like Hubspot, Mailchimp and Constant Contact, facilitate the creation, distribution and analysis of email campaigns.
- **Search engine optimization (SEO) tools**, such as Semrush and Moz, help improve your website search performance, conduct keyword research and track organic search rankings.
- **Account-based marketing (ABM) platforms**, like Demandbase and 6sense, help identify, engage and convert high-value target accounts through personalized marketing campaigns and analytics.

The costs of these tools vary depending on the extent of your marketing efforts and how many seats you require.

### **BUDGETING FOR TALENT: BOTH IN-HOUSE AND AGENCY PARTNERS**

For marketing to be successful, you need an experienced team to build and manage all of the components of a B2B marketing engine. For most B2B marketers, that includes a mix of both in-house talent (your marketing department) and outside partners (your marketing agency).

As the chart on the previous page illustrates, you should set aside roughly 24.6% for labor and 23.3% for agency fees. These numbers fluctuate based on your desire to keep your marketing projects in-house or outsource work to experienced agencies. For example, at AvreaFoster, many of our clients run a very lean marketing department and rely on us to manage the bulk of their branding and marketing Initiatives. Other clients have larger in-house teams that manage the day-to-day marketing operations and call on us for more high-profile projects like websites, campaigns and product launches.

“ Effective marketing isn’t just about having a big budget; it’s about having the right people. Prioritize talent in your budget for sustainable growth. ”

**DAVID OGILVY, ADVERTISING PIONEER**



# The advantages of working with an agency

Yes, we're a B2B branding and marketing agency, so our bias is showing. But we firmly believe that partnering with an agency to manage your branding, marketing and digital strategy offers real-world benefits.

- **Access to expertise.** An agency gives you instant access to a team with a wide range of specialized skills — diversity that you would be hard-pressed to develop without a large in-house team.
- **Fresh perspective.** An agency can provide a fresh, objective viewpoint on your marketing strategy, identifying new opportunities and innovative approaches that might be overlooked by an internal team.
- **Scalability and flexibility.** With an agency, you can more easily scale marketing efforts up or down — bringing in outside help to manage short-term projects like branding, websites or campaigns.
- **More control over costs.** Using outside resources gives you more control over marketing budgets, while avoiding the long-term overhead costs associated with in-house teams.

## LET'S CONTINUE THE CONVERSATION

Want to continue to discuss the advantages of working with an experienced B2B agency? Or maybe you need help developing a budget for your organization? [Contact AvreaFoster](#) and we'll set up a planning session.

“ Our experience with AvreaFoster has been nothing short of outstanding. Their professionalism is unparalleled and their expertise in all things digital marketing is unrivaled. We view them as a true partner. ”

ERIC SCHMELTZLE, DIRECTOR  
OF MARKETING OPERATIONS,  
TRINITYRAIL



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# The pioneering perspective in B2B marketing.

For over 30 years, businesses have trusted AvreaFoster to deliver unmatched results through digital-first brand and marketing strategies. Our experience navigating an array of unique business challenges has honed our approach and resulted in a mindset of contagious curiosity, leading to insights that unlock a B2B brand's full potential.

**BRANDING | DIGITAL MARKETING | CREATIVE | WEB DESIGN | INTERNAL COMMS**



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