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The Marketing Spend Strategy: How B2B Tech Execs are Funding the Future to Hit 2025 KPIs

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TRENDS TAKING CENTER STAGE

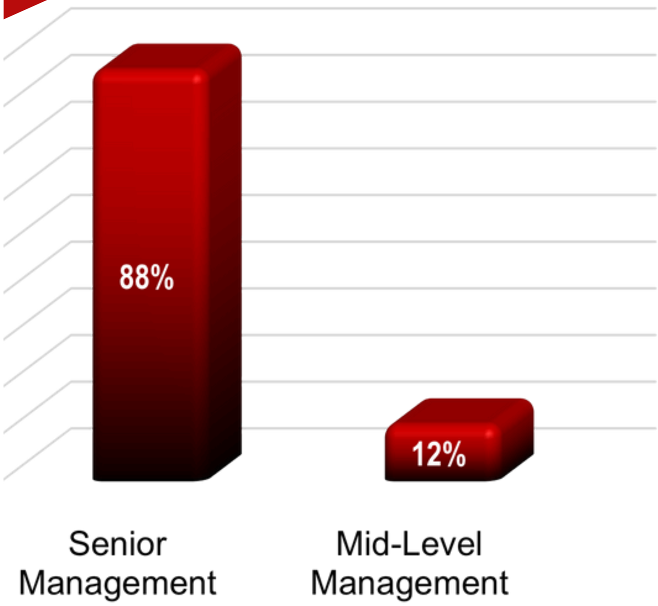
In challenging economic times, marketing teams are often tasked with reducing sales friction and creating more opportunities across every channel—especially in the B2B tech space. According to our research, that's exactly what marketing departments across Europe and North America were asked to do in 2024. Despite reports of tight budgets from market analysts and the media, most marketing execs we surveyed reported a moderate budget increase in 2024, and they're optimistic about growing them again in 2025. What's more, according to our last survey, marketers were receiving budget increases but were also signing up for significantly more aggressive key performance indicators (KPIs). But 2024 marketers tell a different story about KPIs that will not be as strenuous to meet. This report explores how these decision-makers allocated their budgets and how they performed against KPIs and what they plan to budget for in 2025.

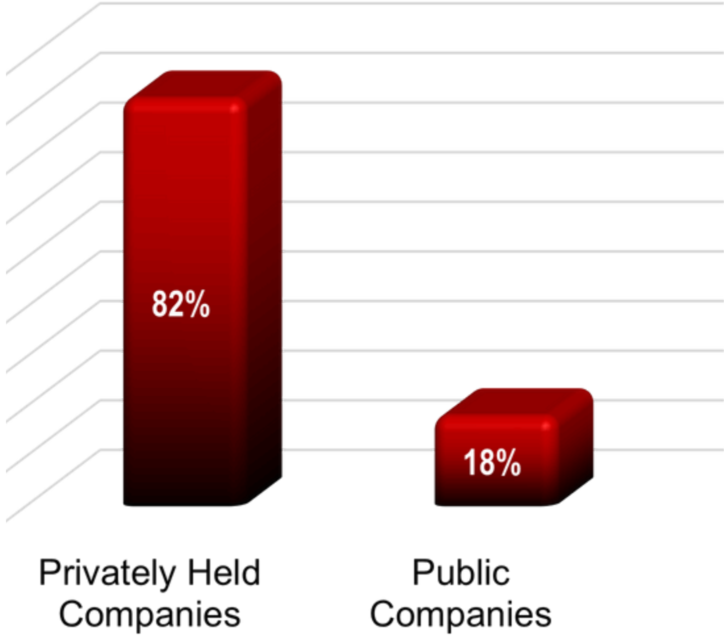
This report dives into the details to help you level up your marketing strategy. We'll discuss issues like how AI has impacted productivity, staffing and use of contractors and agencies and which marketing programs deliver the best ROI. We'll look at trends based on company size, key geographies and industry domains to help you build a strategy that is right for your organization.

RESEARCH METHODOLOGY

10Fold engaged Sapio Research to deploy an online survey to marketing executives with decision-making and budget authority within B2B or B2B and B2C technology companies in the United States, Canada, France, Germany and the United Kingdom. In all, 450 marketing executives completed the survey and the results are accurate to a +/- of 4.6% at a 95% in 100% confidence limit assuming a result of .05%.

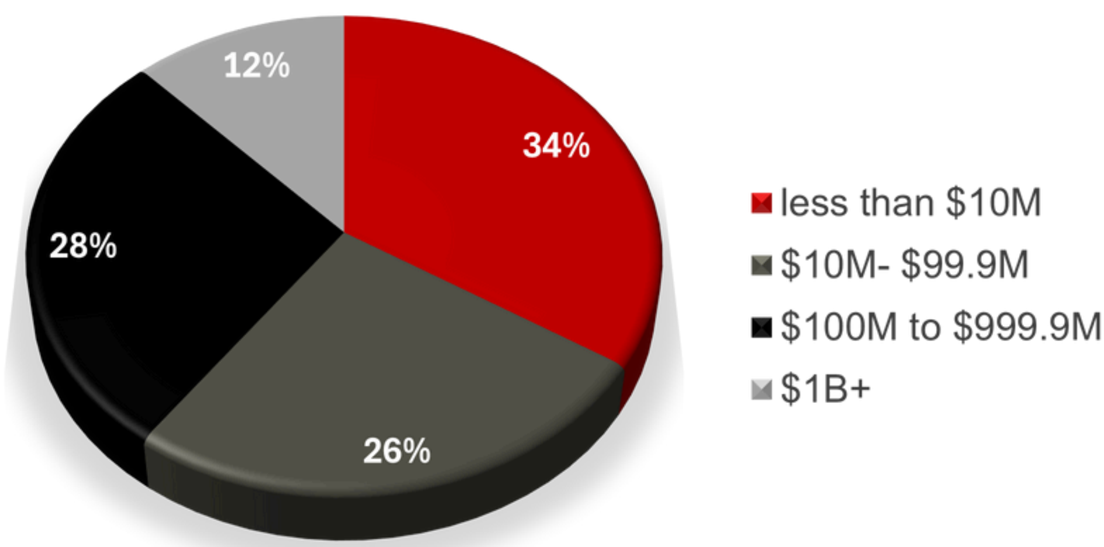
Respondent Demographics



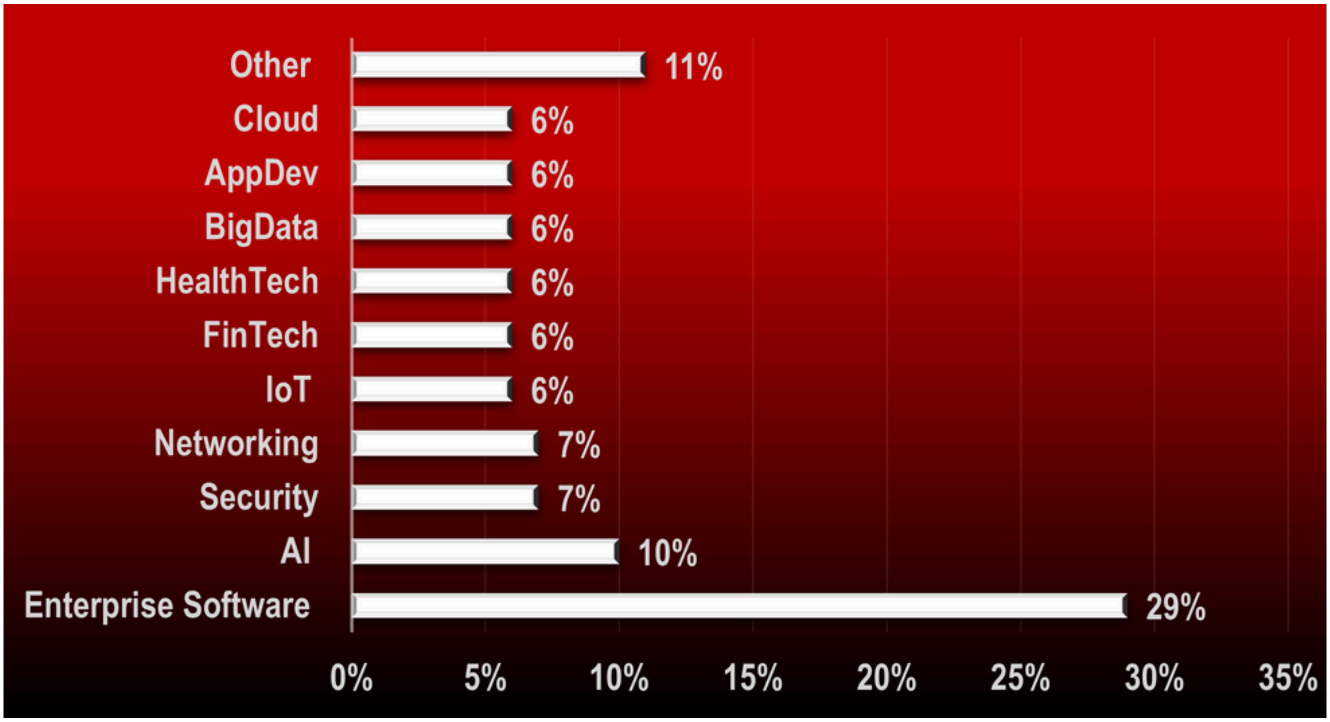


All had the authority to make purchasing and budget decisions

Revenue Breakdown



Most Significant Industries Represented Include



The intent was to understand if marketing decision makers are spending more on their marketing efforts and the reasons behind their decisions. A secondary intent was to understand if the decisions they made worked in 2024 and how they planned to adjust for 2025.

Key Findings

More money but fewer strings attached. While 90% of our respondents received funding, only 65% reported increasing marketing budgets during 2024. Still fewer (49%) adopted more ambitious KPIs and only 20% of respondents characterized the new KPIS as “a lot more ambitious” (defined as 20% or higher metrics). It seems like companies understood that the economic headwinds would make achieving KPIs more difficult.

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Pushing through the storms, expecting clear sailing ahead. A full 77% of respondents expect their companies to grow in 2024, while 8% expect their companies to be flat and only 16% expect a decline.

Automation and AI are game changers for marketers. For those reporting budget changes of any kind, over half (53%) named investment in automation or AI as the primary factor. Marketers who said AI had an impact on their strategy saw at least a moderate increase in their budget (71%) and 23% saw a significant increase in budget. There is no doubt, AI adoption is happening quickly with over half the respondents attributing budget changes to AI.

Defying downsizing: marketing execs report adding staff, agencies and contractors. The majority (54%) of marketers increased staff, though for most, these increases were small (less than 10%). Only 15% report declines in staff. The small companies expanded staff even less than the majority. The companies in the segment of $1 million to $10 million only increased staff by 34%, while most of this segment (49%) remained flat. When reporting on contractors and agency budgets, marketing leaders reported even more increases. With agency budgets and contractors, 61% of the marketing leaders reported increases, with only 13% reporting decreases. Even in the smaller companies of $1 million to $10 million, 48% of marketing leaders reported increases in agency budgets and use of contractors and only 13% in decreases. This leaves us to wonder if marketers largely escaped the tech layoffs widely reported in the US and around the world.

Proven performers: last year's top marketing categories remain the same. In 2024, the single biggest categories marketing executives chose as the most effective for lead generation include: marketing /website tools (33%), websites (30%) and digital advertising in national business publications (20%). These remain the same categories from 2023. This year, digital advertising in trade journals rose to fifth on the list (just behind social influencers) in rank order of importance.

Putting more fuel in the tank. While most marketing execs benefitted from an increase in their marketing budget in 2024 (65%); there is even more optimism about 2025, with 75% responding they expect to have larger marketing budgets.

B2B Tech Received Financial Support

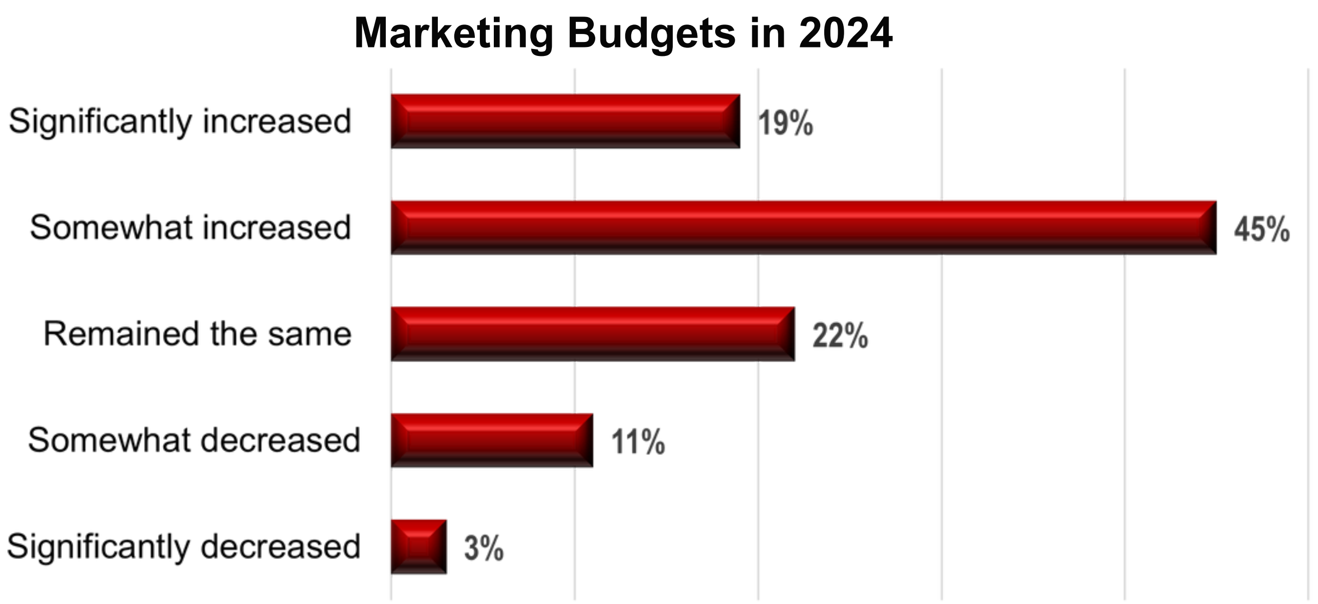
With depressed economic conditions and inflated interest rates, many in the tech industry required additional capital to achieve KPIs. Fortunately, 90% of our marketing leaders report receiving financing. Many received multiple types of funding, with the largest category of funding reported as private equity (PE) (65%) followed by strategic corporate investment (56%) in 2024. Plans for 2025 look the same from an investment perspective with 59% of marketing execs planning PE investment and 50% planning strategic corporate investment. Geographically, The US seems to have the most access to all the investment types based on the responses, other than angel investments. Angel investments are led by France. The US will keep up their funding plans into 2025, but Germany funding expectations decline by nearly 50% in 2025, based on respondent feedback.

Aiming for Steady Growth

The funding and additional budget noted by 65% of respondents clearly had an impact on company performance – as 77% of all marketing execs project company growth in 2024, only 7% forecast a flat year, leaving only 16% of companies to decline. While the majority of those expecting growth are projecting moderate growth (11-20%), 23% are expecting 21-50% growth this year. Far fewer respondents are projecting a decline in performance (12%), which suggests that the additional funding helped to fuel marketing budgets reported by 65% of the respondents – which created a positive impact on company performance.

Most marketers in each country surveyed report growth of 11 - 20% in 2024, except for Germany where those marketers report slightly more (25%) growth of less than 10% in 2024. Similarly, most companies in each size bracket reported 11-20% growth, however it is of note that 22% of the companies reporting $1 billion in revenue or more were growing 36-50% in 2024. The size of companies most likely to decline in 2024 were those companies with revenue of less than $10 million (22%). It appears that the smallest companies were most challenged to grow in these difficult times.

Marketing Budget Gains Realized with AI and Automation



It's relatively good news for tech marketers in 2024, with the majority (64%) receiving increases in their budgets. What's more, 19% of those marketers reported significant increases of 20% or more. Of the biggest gains, 27% of marketing execs in France reported significant increases in budget, followed by execs in the UK (25%) and the US (21%). The UK had the most budgets that were either significantly or somewhat increasing (72%) and Germany had the most budgets that were somewhat or significantly decreasing (33%). This stands to reason as they were also the least likely to report funding.

From an industry perspective, cybersecurity companies (78%) were most likely to get an increase in budget and health tech companies (39%) were the most likely to see decreases in budget.

AI Comes in Hot and Handy

When marketing execs were asked why the budget changes were made, there were two clear responses: to make an investment in marketing automation and AI (53%) and to fund high-performing campaigns (47%).

Perhaps most remarkably, marketers that said AI had an impact on their strategy saw at least a moderate increase in their budget (71%) and 23% saw a significant increase in budget.

KPIs Don't Necessarily Follow the Money

Despite a 64% increase in marketing budgets, only 49% of marketing execs report getting more ambitious KPIs to achieve in 2024. In fact, some were simply asked to achieve the original plan, and others had more conservative plans to achieve.

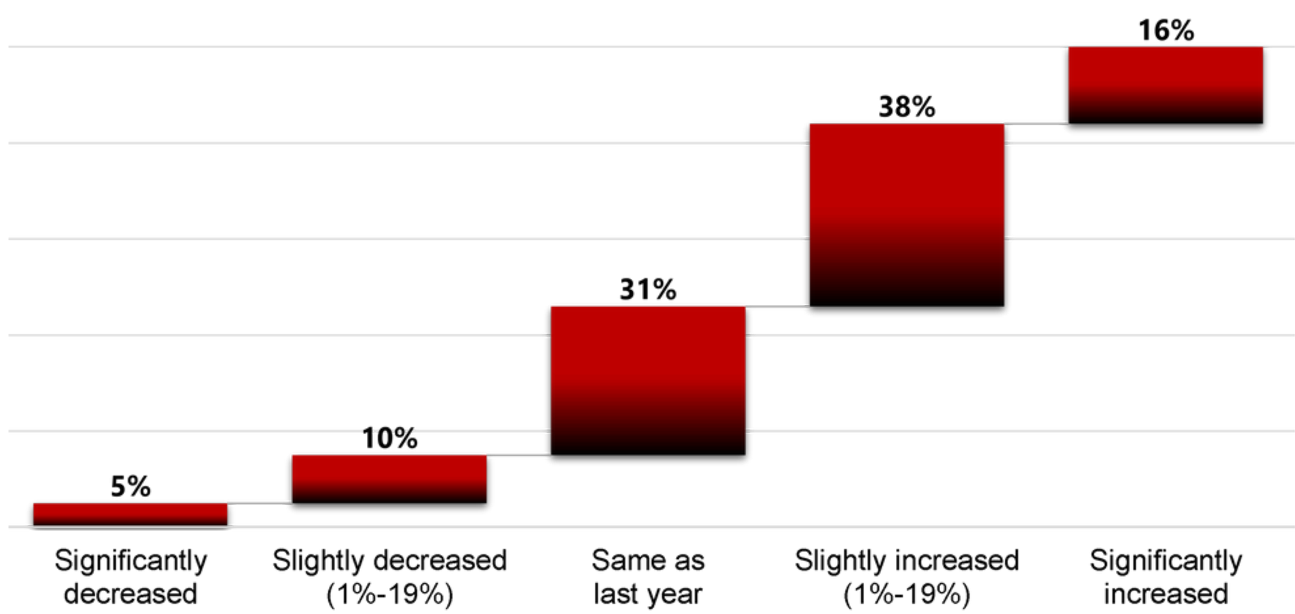
Although Germany was the country most likely to see a decline in their marketing budget, they also were the country (55%) to receive more ambitious KPIs, followed by the much better budgeted UK (50%). From a size perspective, companies that were less than $10 million were the most likely to have their original KPIs intact, while the larger companies signed up for more ambitious goals.

When asked about the difficulty in meeting the original, and in some cases, adjusted KPIs, an almost equal number of respondents felt it was easier (39%) compared to 38% that said it made no difference and 23% that said it was more difficult. From an industry perspective, AI companies were split about whether it was easier or more difficult to meet the KPIs (35% each), while the majority (41%) of big data companies reported it to be more difficult to meet KPIs. The fintech industry largely agreed (55%) that it was easier to meet KPIs original or new KPIs.

The War for Talent: Companies Ramped up Staffing, Contractors, and Agencies

Most respondents (54%) increased the number of staff, inside contractors and outside agencies, with 16% reporting significant increases (20% or more). Only 15% of marketers reported decreasing their resources and staff, with only 5% making significant downward adjustments of 20% or more.

2024 Changes in Staff, Contractors, and Agencies

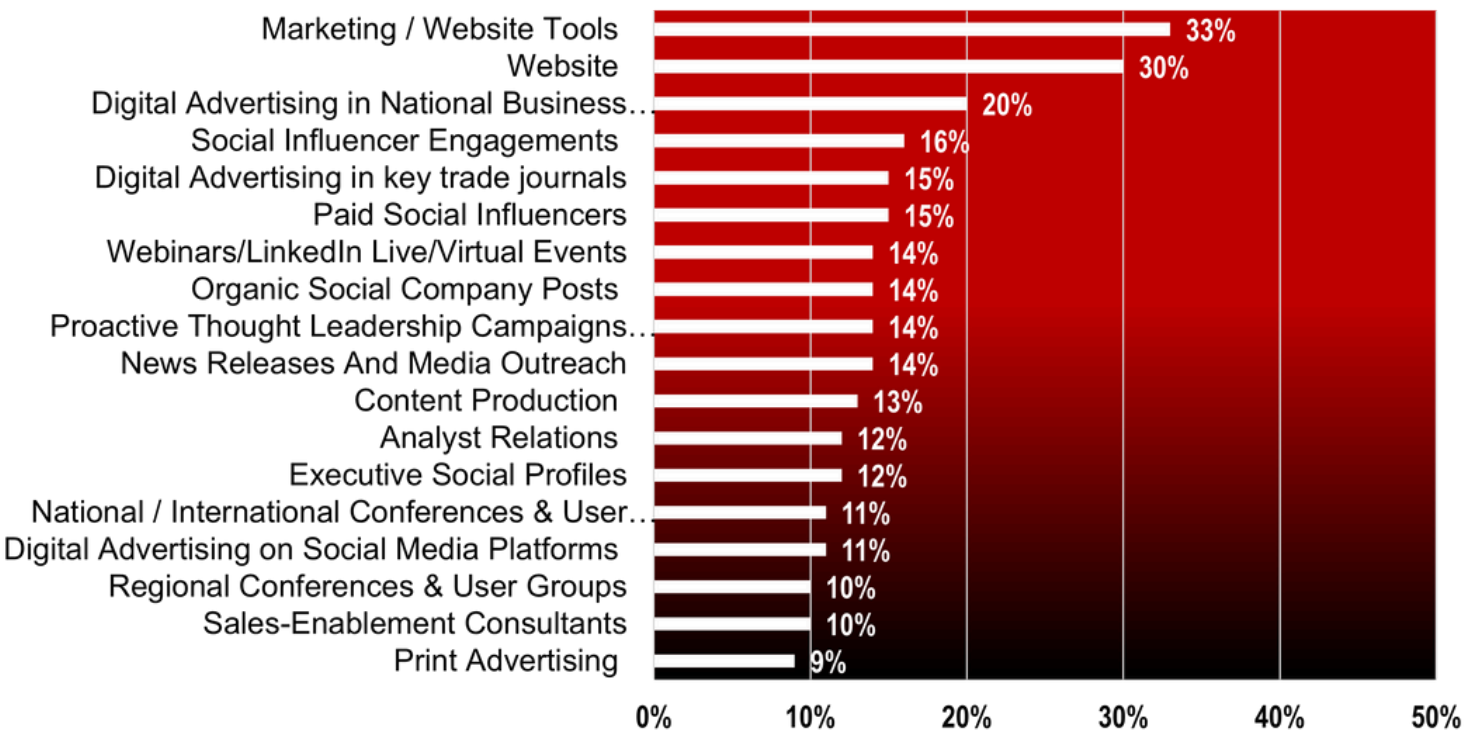


German marketing execs (27%) were most likely to decrease staffing, contractors and / or agency budgets, while the UK execs (61%) were most likely to increase their talent pool options. From a revenue perspective, companies with $1 billion or more in revenue were most likely (69%) to increase marketing talent and least likely (7%) to decrease talent. The companies in the $10 -$99.9 million category (22%) were the most likely to decrease staffing, contractors, and agency budgets.

Marketing's Power Plays in 2024: Solutions and Programs That Got the Green Light

When it comes to lead generation, the top channels for effectiveness were marketing and website tools (33%), followed closely by company websites (30%) and digital ads in national business publications (20%). Interestingly, digital advertising in trade journals ranked fifth (just behind social influencers) in order of importance. These follow the exact priorities our 2023 marketing budgets survey also revealed.

2024 Priorities for Marketing Spend



This year, however, there is a clear shift toward digital platforms, with social media, especially LinkedIn, standing out. Nearly 42% of respondents plan to leverage organic social programs, including company posts, executive engagement, and social influence campaigns, while 15% plan to invest in paid social influencer partnerships. Coincidentally, X (57%) leads LinkedIn (41%) in preference by these marketing executives.

Media outreach — such as thought leadership, news releases, and direct media outreach — was selected by 28% of respondents as an important strategy deserving of budget.

On the lower end of the spectrum, print advertising (10%) and regional conferences (10%) were the least favored, with industry analyst investments (12%) slightly outperforming those categories. Notably, social influencers (21%) have significantly outpaced these more traditional tactics.

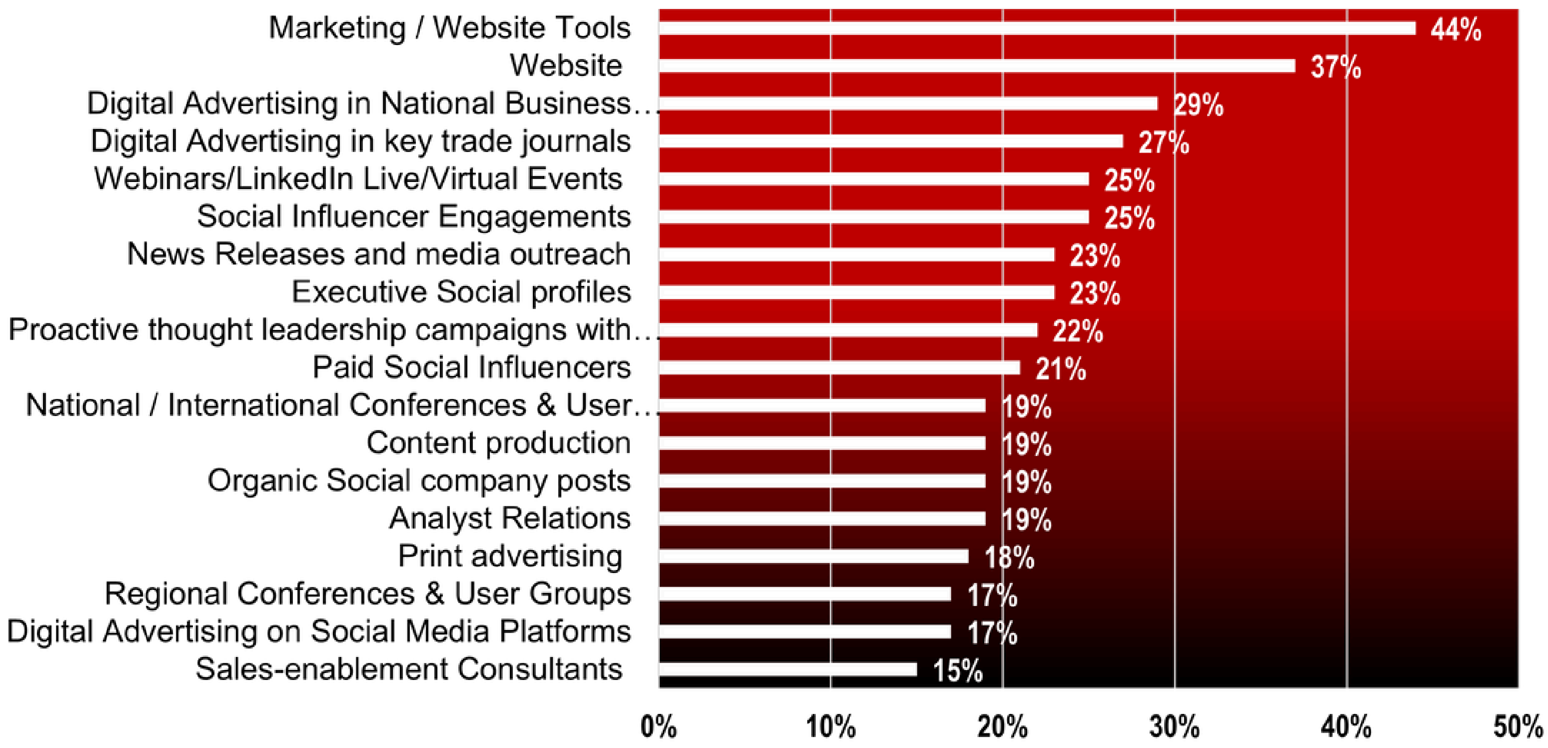
The countries align with most respondents, except for German marketers who report websites as their number one spending priority. Companies with $10-$99.9 million revenue report allocating spending to media outreach and thought leadership categories more than companies of other sizes.

Sticking with What Works: 2025 Looks a Lot Like 2024

Marketers' spending priorities for 2025 are largely the same as 2024, with one notable difference —– marketing execs project that digital trade publication advertising will jump to their fourth highest priority for budget allocation, while spend on sales enablement consultants fall to the bottom of the priority list.

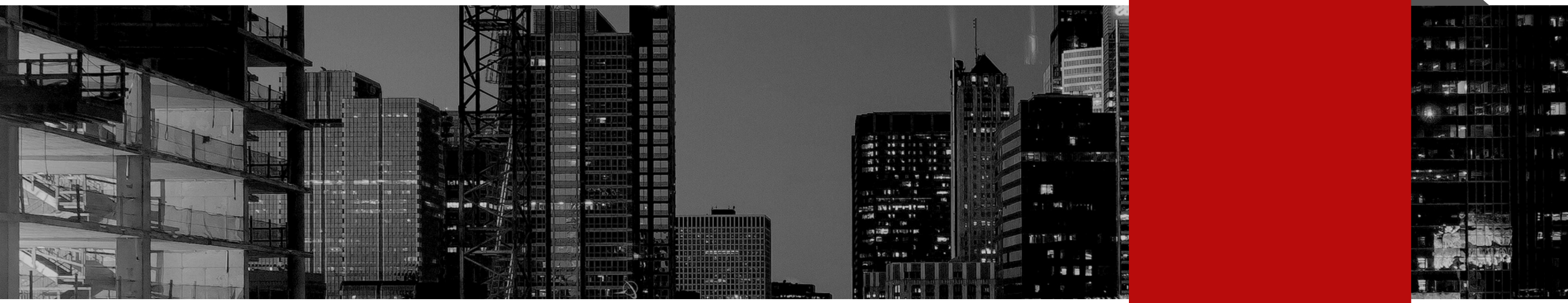
Optimism reigns for 2025, and more marketing executives suggest they will invest even more in programs than they invested in those same programs in 2024.

2025 Marketing Budget Priorities



Conclusion

In many respects, 2024 caught us all by surprise. Many economists and business analysts were forecasting a "soft landing" from what had been a rocky 2023 (from an economic perspective). However, the Challenger Report, by Gray and Christmas, Inc. reported that 2024 resulted in nearly the same overall job loss in the United States as we had experienced in 2023 in January through August (both years had companies reducing the workforce by more than 500,000 employees). Therefore, the overwhelming "good news" and optimism from the respondents in nearly all countries (except for Germany) and from nearly all sizes of companies except for the smallest ($1 million to $10 million), was the biggest surprise of the research. This group's ability to secure funding and larger marketing budgets without committing to punishing KPIs is truly remarkable.



The use of AI was not surprising, instead logical. However, what was a bit counter intuitive is hearing how those that did use AI were most likely to get budget increases. We thought that AI might replace the need for additional funding. However, when you add the second reason marketers got more budget (to fund high-performing campaigns), it made more sense. In other words, AI was likely to improve the performance of campaigns and thereby increase the likelihood that they would get more funding.

There was no real reason to explain why companies in Germany stood out as not getting funding or higher budgets and were more likely to receive more aggressive KPIs. The only real difference in their strategy was their interest in making websites their number one priority, rather than website tools (we are theorizing these would include intent tools and the like) that may support stronger sales.

After struggling through two years of a market that has been unfriendly to M&A activity and IPOs and has curtailed funding of all types, it is not a surprise that across the board, marketers are more optimistic about the future. As the presidential election draws to conclusion in the U.S., tech companies are ready to get back to business.

Based on progress they witnessed through September of this year, 77% of marketing execs project growth in 2024 and even more expect growth in 2025. In fact the optimism continues well into 2025, as the marketing execs seem to express belief they will have more budget to work with and are setting the stage for another year of growth and innovation.

About 10Fold

10Fold is a leading North American integrated communications agency designed to create thought leadership and build brand value for deep-technology companies. Among the top ten percent of all public relations agencies in the United States (IBIS Research, 2020), 10Fold has offices in Walnut Creek and San Diego, California; Austin, Texas and Boston, Massachusetts.

More than 400 complex technology companies in the application development, DevOps, big data, artificial intelligence, machine learning, cybersecurity, enterprise software, mobile, semiconductor, cloud, networking, healthcare, energy and storage industries have relied on 10Fold for integrated communications support. The agency is honored to have won more than 50 national awards. For more information, visit www.10fold.com and follow us on X and LinkedIn.

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