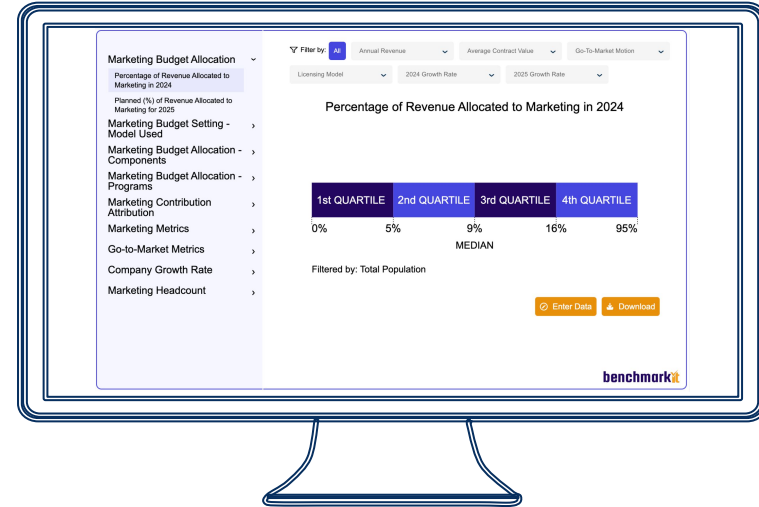# 2025

B2B Marketing Benchmarks

We wanted to see how budgets were trending
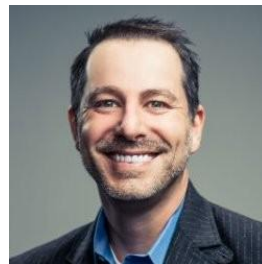
Carilu Dietrich
CEO and CMO Advisor
LinkedIn: @cariludietrich

Jon Miller
Founder, Marketo and Engagio
LinkedIn: @jonmiller

Ray Rike
Founder & CEO
Benchmarkit
LinkedIn: @rayrike

Bill Macaitis
Growth Advisor. Former CMO,
Slack, Zendesk
LinkedIn: @bmacaitis

benchmarkit

Research Overview

Throughout November and December, 2024 data was collected from 323 B2B technology companies to benchmark Marketing Budget and Productivity metrics across a wide variety of categories including: 1) Market budget as a percentage of revenue for 2024 and 2025; 2) Marketing budget allocation across people, process, technology; 3) Marketing budget broken down by the functions; 4) Marketing performance metrics measured; 5) GTM efficiency metrics measured; 6) Marketing budget setting process and; 7) Growth Rates by Marketing expenses

All benchmarks are available to view (filter) by company profile attributes including:
- Company Size
- Average Contract Value
- Pricing Model
- Go-to-Market Motion
- Growth Rate

All information was collected anonymously and aggregated across all participant contributed data. All benchmarks are available online which enables each benchmark to be filtered by the above company profile attributes. Click here for the interactive benchmarking portal.

benchmarkit

Fuel *your* Marketing with Original <u>Benchmarkit</u> Research

Original Research

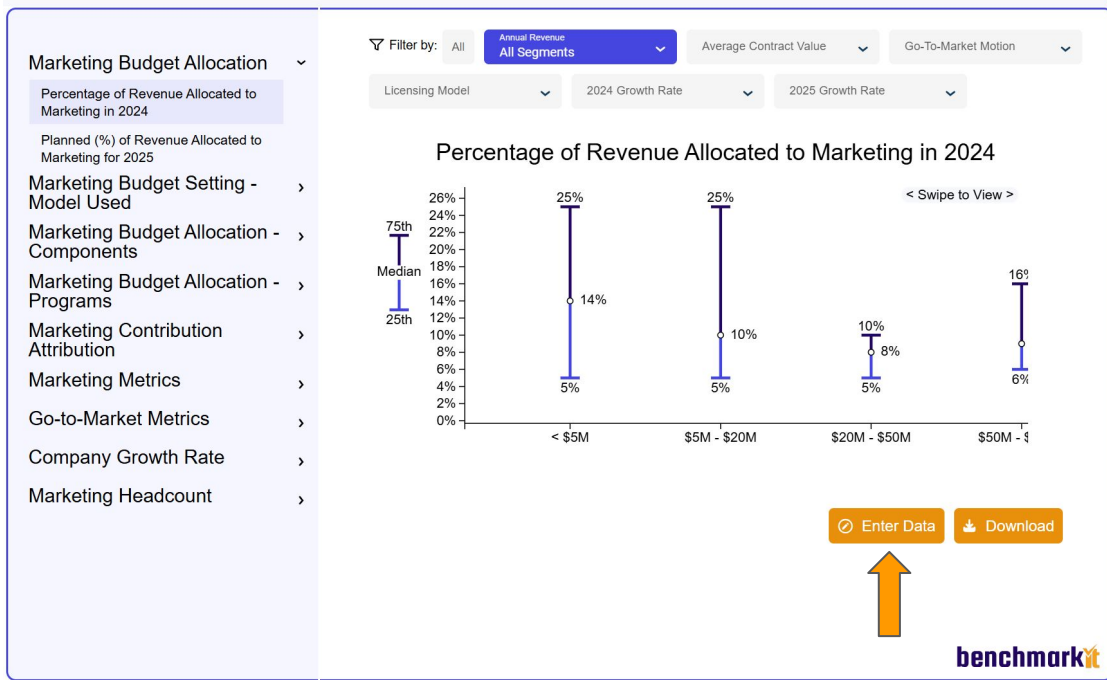**Increase thought leadership and brand awareness**

Executive Reports

Engage your executive and economic buyers

Benchmarking Platform

Capture leads on your website with with interactive benchmarking

https://www.benchmarkit.ai/partner-research

benchmarkit

Interactive Filters to See How Your Company Measures Up

benchmarkit.ai/b2b-marketing-benchmarks

Interactive Benchmarking Widget:

- Each benchmarks can be filtered by your specific company profile attribute including
  - Company Revenue
  - Average Annual Contract Value
  - Go-to-Market Motion
  - Pricing Model
  - 2024 Actual Growth Rate
  - 2025 Planned Growth Rate

- Your data can be entered confidentially to overlay your metric to see how your data compares to the benchmark using the "**Enter Data**" button

as updates are completed the interactive portal will ALWAYS have the latest and most accurate benchmarks

Top Findings

01   **Marketing Budgets** as percent of revenue are <u>increasing</u> in 2025

02   **Faster Growing** companies have larger Marketing budgets (Chicken or egg?)

03   **Will AI Take** budget from people or tech? People / Program / Tech allocations

04   **Product-Led Growth** Marketing budgets are larger – and more programs heavy

05   **Revenue Attribution** companies move toward multi-touch as they mature

06   **% of Inbound Leads** correlate most closely to average deal size

07   **GTM Efficiency Metrics (CAC, CAC RATIO)** not yet core to Marketing

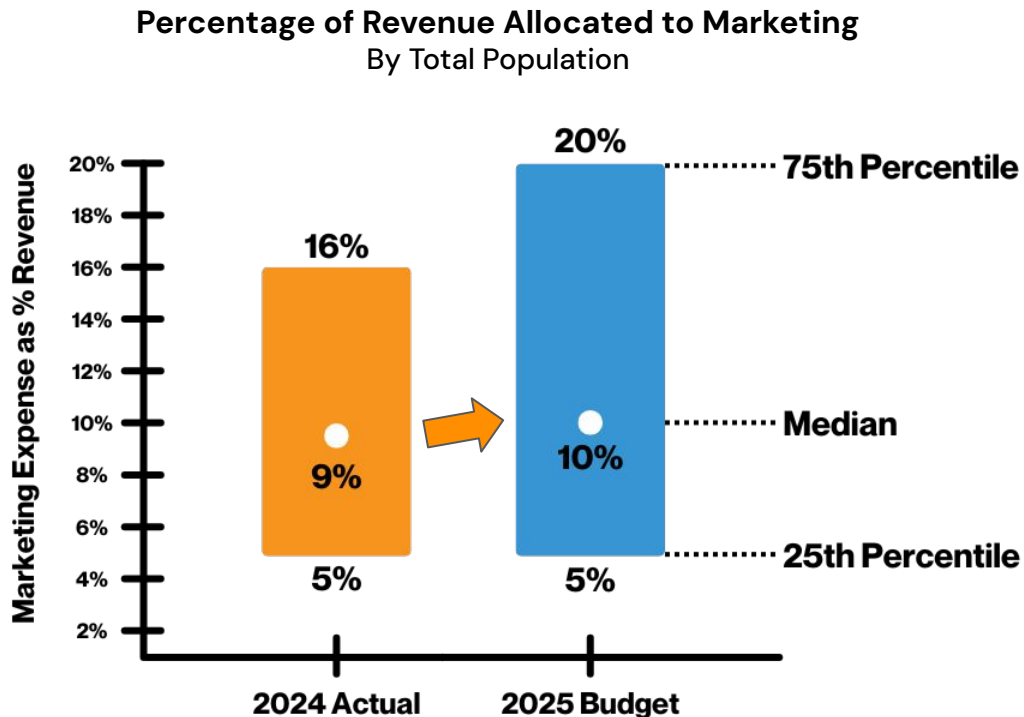**08**   **Marketing Investment per $ New ARR** decreases as companies scale

benchmark**it**

Table of Contents

benchmarkit

Marketing Budgets

01

Marketing Budgets as Percent of Revenue are Increasing in '25

Percentage of Revenue Allocated to Marketing
By Total Population

Findings

- Median marketing budgets up 9%–>10% highlights growing confidence or slight increase in the focus on growth
- 75th percentile up 16% –> 20% highlights confidence and/or the commitment to growth at top quartile companies

benchmarkit

Budget Increases Driven by <$20M and $100–$250M Segments

Marketing % of Revenue By Company Revenue

Chart legend: 75th Percentile, Median, 25th Percentile

$1M - $5M ('24 vs '25): 25%, 14%, 5% / 30%, 15%, 7%

$5M - $20M ('24 vs '25): 25%, 10%, 5% / 20%, 11%, 8%

$20M - $50M ('24 vs '25): 10%, 8%, 5% / 12%, 7%, 5%

$50M - $100M ('24 vs '25): 16%, 9%, 6% / 14%, 9%, 6%

$100M - $250M ('24 vs '25): 10%, 6%, 2% / 14%, 7%, 2%

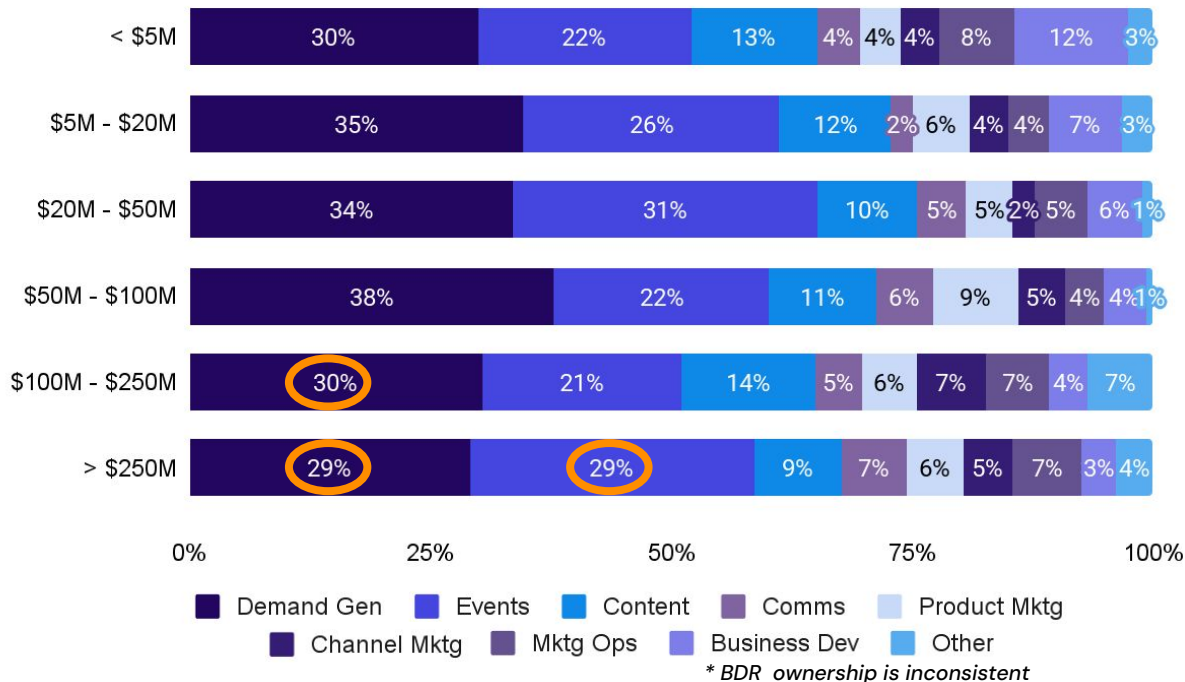**> $250M** ('24 vs '25): 8%, 4%, 2% / 8%, 4%, 2%
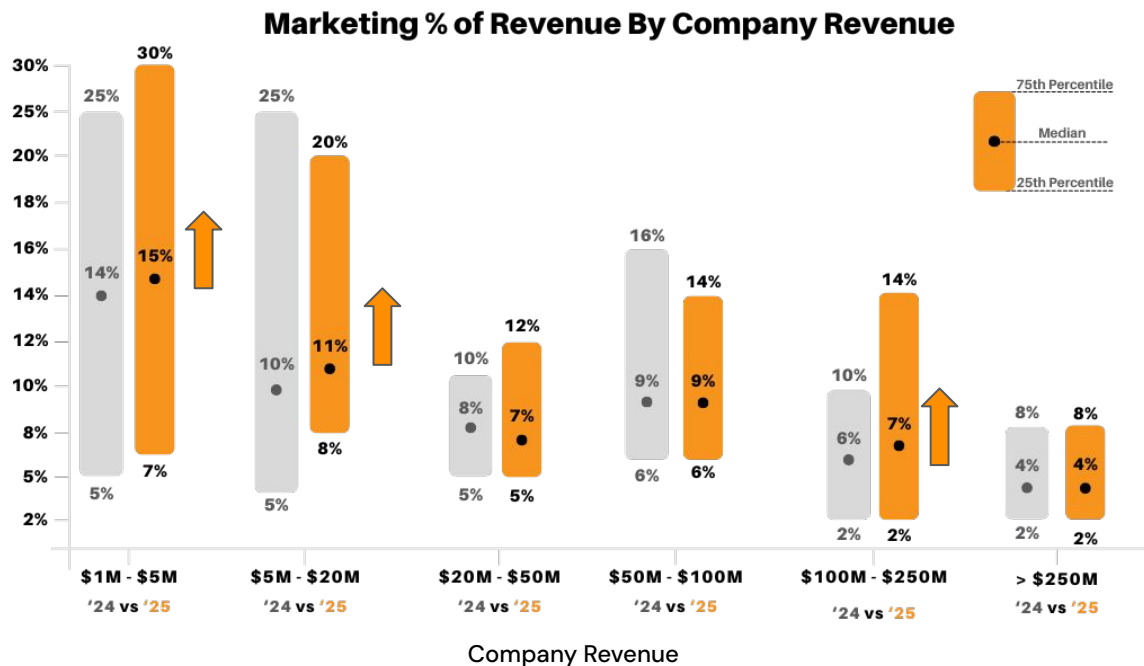
Company Revenue

Findings

- As companies scale, their Marketing budget decreases from a *median* from 14% of revenue (below $5M) to 4% at median at (over $250M)
- Ownership of a BDR/SDR organization creates wider variance in budget

N = 202

benchmarkit

Demand Gen + Events Take 50%+ of Marketing Program Budgets

Marketing Budget (%) Allocated to Programs – Mean
By Annual Revenue

Revenue	Demand Gen	Events	Content	Comms	Product Mktg	Channel Mktg	Mktg Ops	Business Dev	Other
< $5M	30%	22%	13%	4%	4%	4%	8%	12%	3%
$5M - $20M	35%	26%	12%	2%	6%	4%	4%	7%	3%
$20M - $50M	34%	31%	10%	5%	5%	2%	5%	6%	1%
$50M - $100M	38%	22%	11%	6%	9%	5%	4%	4%	1%
$100M - $250M	30%	21%	14%	5%	6%	7%	7%	4%	7%
> $250M	29%	29%	9%	7%	6%	5%	7%	3%	4%

Legend: ■ Demand Gen ■ Events ■ Content ■ Comms ■ Product Mktg ■ Channel Mktg ■ Mktg Ops ■ Business Dev ■ Other

BDR ownership is inconsistent

N = 183

Findings

- Demand Generation is the top budget category
- As companies begin to meaningfully scale (> $5M) the percentage of budget allocated to Demand Generation increases
- Once companies hit $100M in revenue they begin to decrease the budget allocation to Demand Generation (29% – 30%) and increase budget allocations to events, communications, and Marketing Operations

benchmarkit

Marketing gets 1/3rd of the Total Sales and Marketing Budget
Less at higher ACV

Marketing Budget as % Total Sales and Marketing Budget
By Average Contract Value
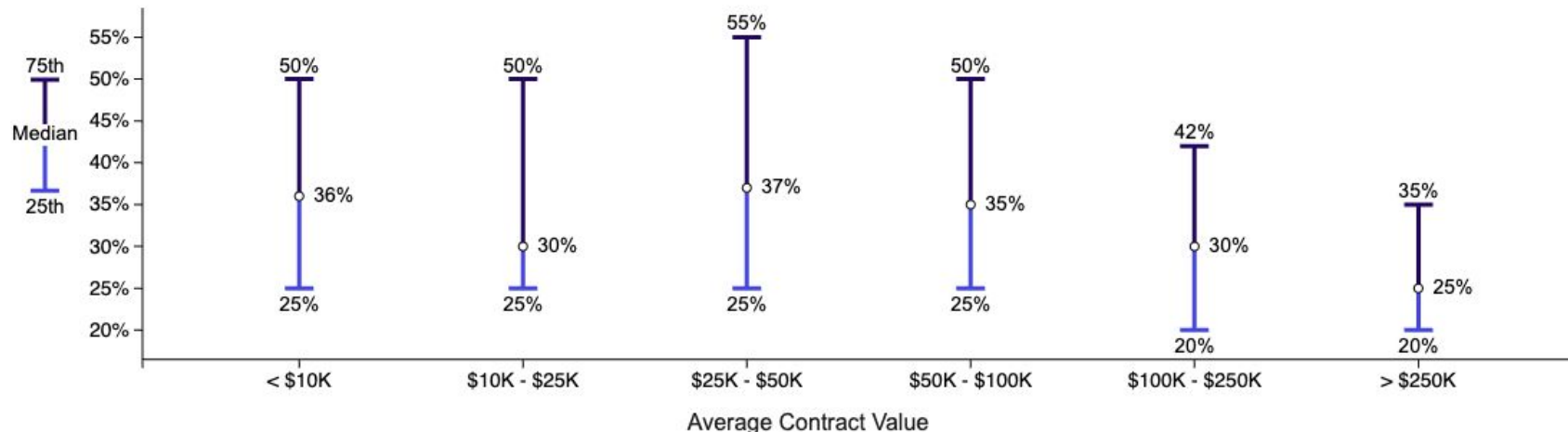
Findings

- As annual contract value increases the percentage of the total Sales and Marketing budget % for Marketing decreases
- At the $10K – $25K ACV segment the % allocation of Marketing is right at median, while companies with ACV in the $25K – $100K range are in the 35% – 37% range at median
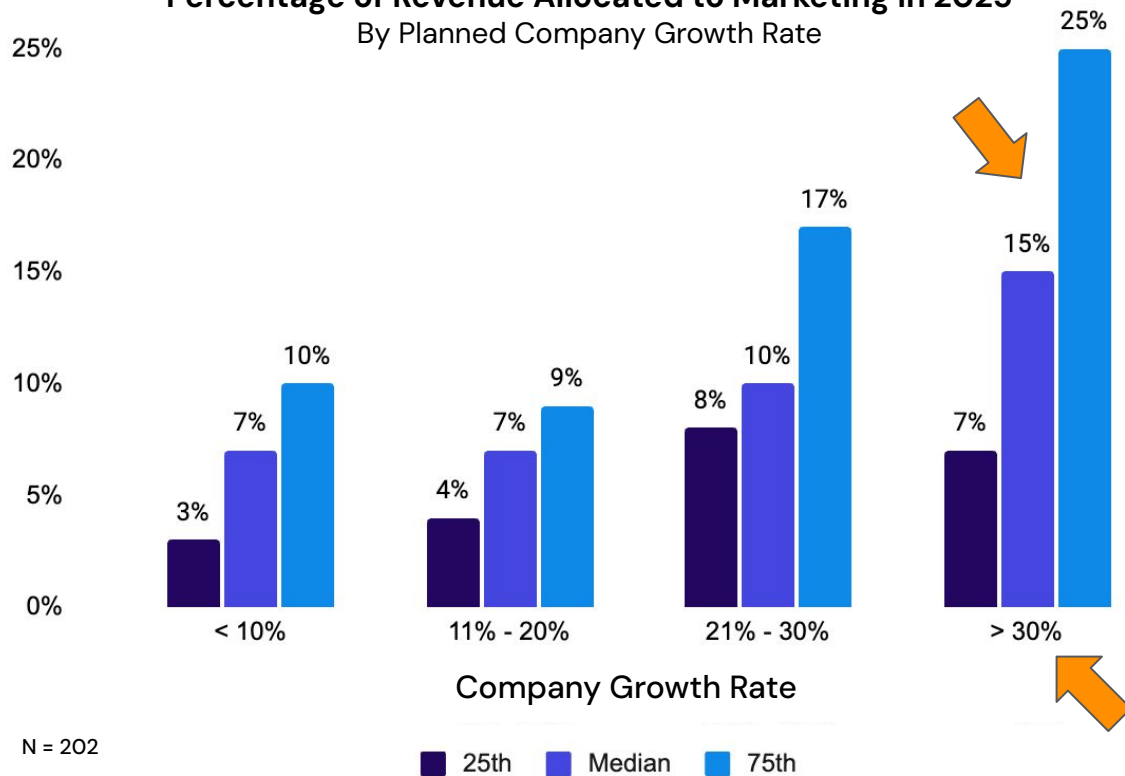
N = 172

benchmarkit

Growth Rates

02

Faster Growing Companies Have Bigger Marketing Allocations

Percentage of Revenue Allocated to Marketing in 2025
By Planned Company Growth Rate

Company Growth Rate

Legend: 25th, Median, 75th

N = 202

Findings

- There is a direct correlation between growth rates and marketing budget allocation
- The data cannot answer is which is "cause" and which is "effect"
- In the 30% and above growth rate segment top quartile allocation is much higher

benchmarkit

Faster Growing Companies Have Bigger Marketing Allocations
Adjusting for company size, trend holds at 75th percentile

Percentage of Revenue Allocated to Marketing in 2025

By Revenue (> $50M) and Growth Rate

Company Growth Rate	25th	Median	75th
< 10%	2%	6%	8%
11% - 20%	4%	8%	10%
21% - 30%	6%	9%	12%
> 30%	3%	7%	20%

N = 71
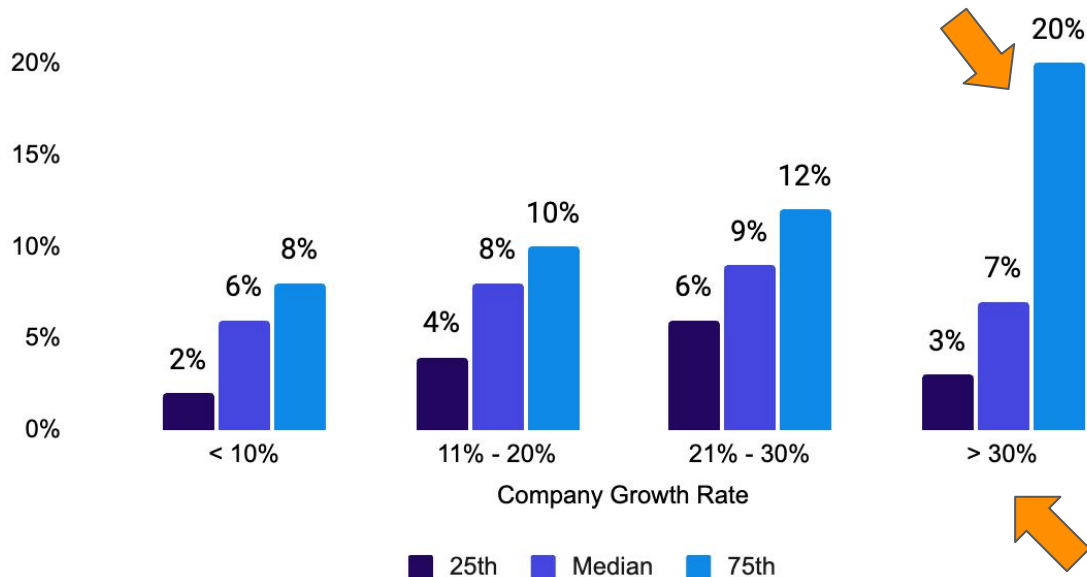
Findings

- When we eliminate smaller companies <$50M, we still see increase marketing spend as a % of revenue increase for higher growth companies.
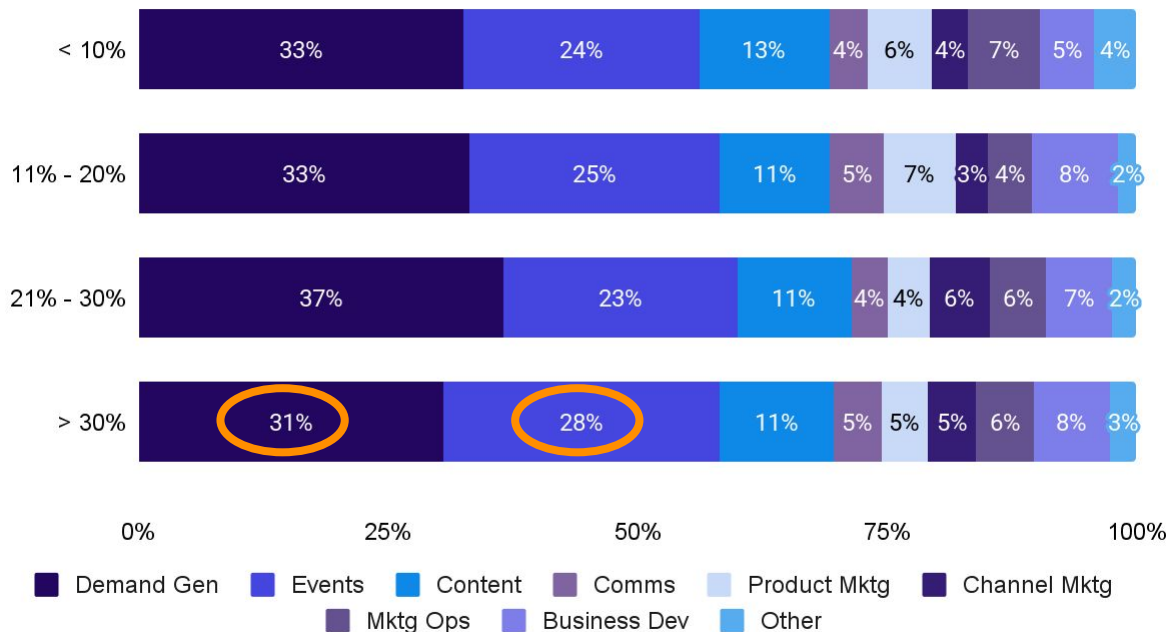- Trend especially holds true in the 75th percentile tier.

02
Growth Rates

benchmarkit

15

Marketing Budget (%) Allocated to Programs – Mean
By 2024 Actual Growth Rate

Growth Rate	Demand Gen	Events	Content	Comms	Product Mktg	Channel Mktg	Mktg Ops	Business Dev	Other
< 10%	33%	24%	13%	4%	6%	4%	7%	5%	4%
11% - 20%	33%	25%	11%	5%	7%	3%	4%	8%	2%
21% - 30%	37%	23%	11%	4%	4%	6%	6%	7%	2%
> 30%	31%	28%	11%	5%	5%	5%	6%	8%	3%

Legend: Demand Gen · Events · Content · Comms · Product Mktg · Channel Mktg · Mktg Ops · Business Dev · Other

Findings and Insights

- Companies growing in the top tier segment (> 30%) are investing more on average in events
- Companies in the 20% – 30% growth segment are investing the most in Demand Generation programs (37%)
- Companies growing greater than 30% are investing less in demand generation but more in events

N = 183

benchmarkit

People
Program
Tech
Allocation
03

benchmark it

Tech Allocations Increasing vs. Historical Norms
–› Will AI Take from People or Programs?

Marketing Budget Allocation: People, Programs, Technology (Mean)
By Annual Revenue

Revenue	People	Programs	Technology
< $5M	41%	40%	19%
$5M - $20M	46%	41%	13%
$20M - $50M	43%	46%	11%
$50M - $100M	41%	46%	13%
$100M - $250M	42%	45%	13%
> $250M	38%	50%	12%

Legend: ■ People ■ Programs ■ Technology
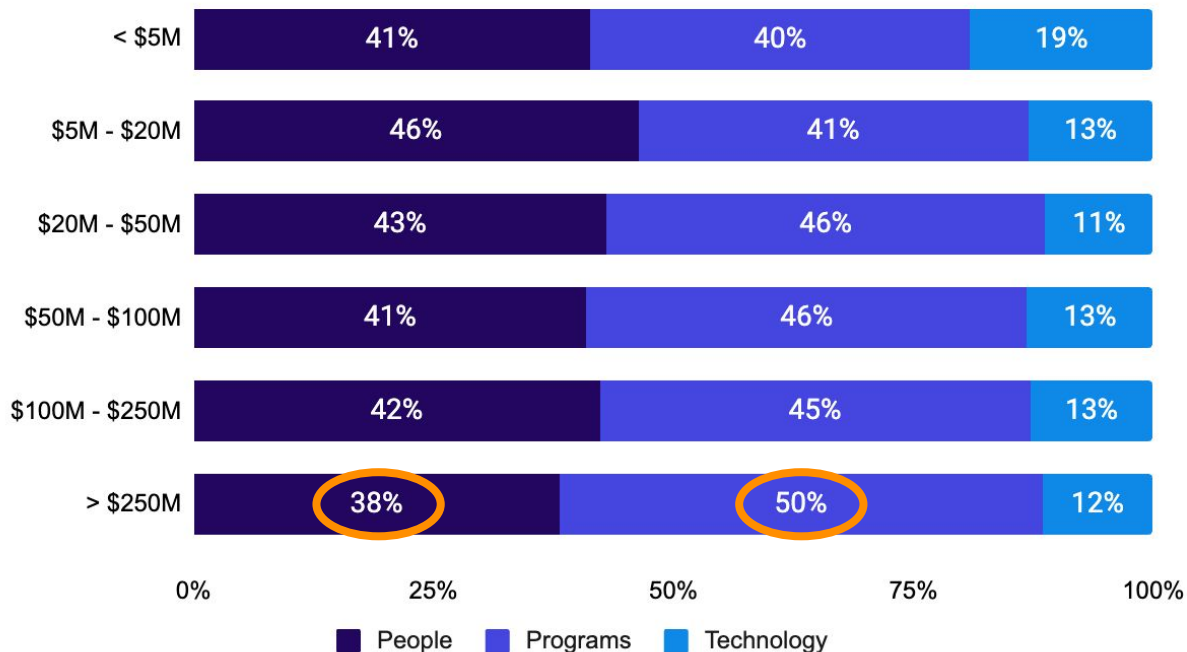
N = 198

Findings

- As companies scale beyond the first stage of growth, the percent of Marketing budget increases in programs while the investment in people and technology both decrease (as a percentage of revenue).

- Recent AI in Marketing research by Jasper AI highlights the following increases in AI spend
  - 23% of companies investing 16% – 20% of budget to AI in '25. Up from 11% in '24
  - 9% of companies investing >20% of Marketing budget on AI. Up from 4% in '24

benchmarkit

PLG Budgets

04

PLG Companies Have Bigger (and Growing) Marketing Allocations

Percentage of Revenue Allocated to Marketing in 2025

Go-To-Market Motion
2025 (↑3% vs 2024)
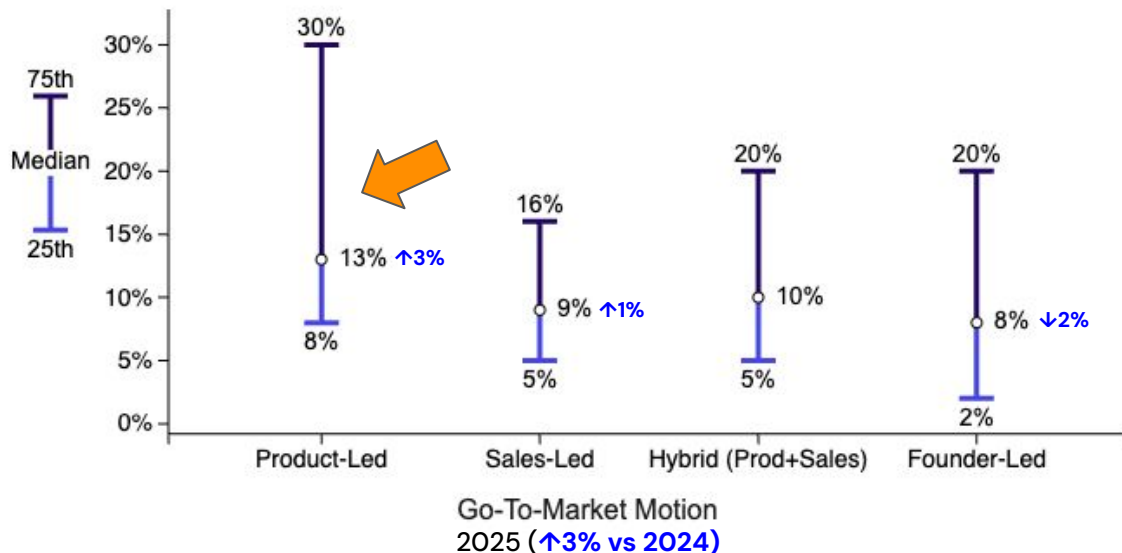
Findings

- Product-Led growth companies are investing a larger percentage of revenue in Marketing than other models (Possibly getting more of the traditional sales allocation)
- Both Product-Led and Sales-Led are increasing Marketing budgets in '25 –
- Hybrid GTM motion companies are keeping their Marketing budgets level –
- Founder-Led models are common for >$5M segment.

N = 202

PLG Companies Allocate More to Programs

Marketing Budget Allocation (Mean)

	People	Programs	Technology
Product-Led	32%	52%	16%
Sales-Led	44%	44%	13%
Hybrid	43%	43%	14%
Founder-Led	36%	33%	31%

0%   25%   50%   75%   100%

■ People ■ Programs ■ Technology

N = 198
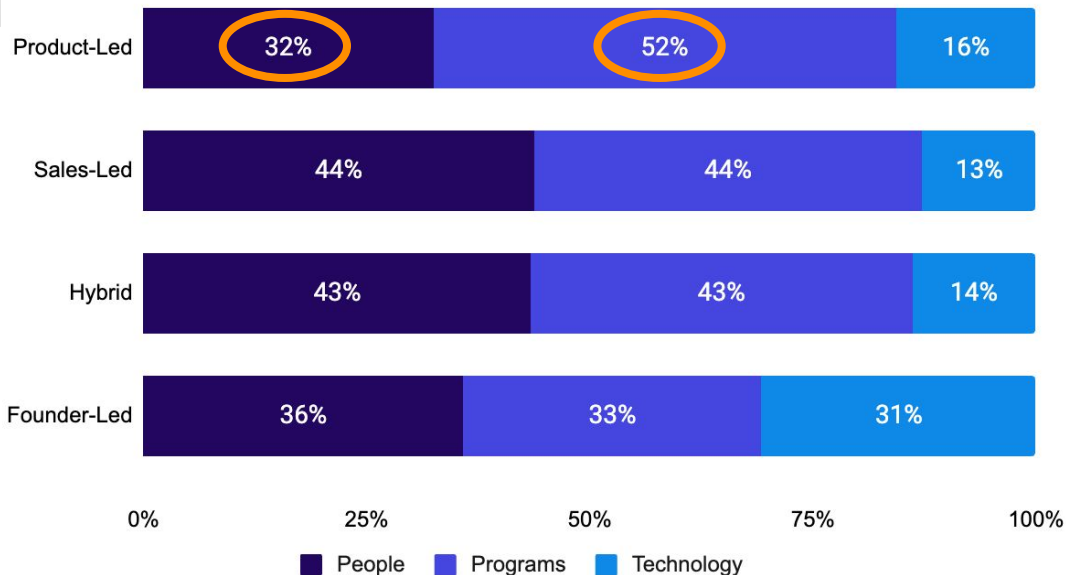
Findings

- Product–Led GTM motions spend much more on Programs (52%), a smaller % on people (32%) (Though they may have a higher total budget and thus have a similar size team for the company)
- Founder–Led Marketing has a much higher percentage of the Marketing budget allocated to technology – though this is also reflective of Founder–Led Marketing typically being a model used in companies < $1M

benchmarkit

Attribution

05

benchmarkit

Attribution Models Evolve as Companies Scale
-> Still surprisingly fractured

Attribution Model by company size

Revenue	< $5M	$5m - $20m	$20m - $50m	$50m - $100m	$100m-$250m	$250m - $1B
First Touch	29%	29%	25%	✅ **50%**	35%	33%
Last Touch	21%	25%	✅ **50%**	43%	38%	20%
Inbound	25%	✅**44%**	25%	17%	12%	7%
Multi-Touch	✅ **44%**	40%	38%	33%	✅ **42%**	✅ **73%**

*Category "other" not shown

benchmarkit

Inbound Leads

06

benchmark**it**

Inbound Leads Highest for Lower Size Deals
-› Deal size most closely correlated

2025 Target New Bookings Generated by Inbound Leads
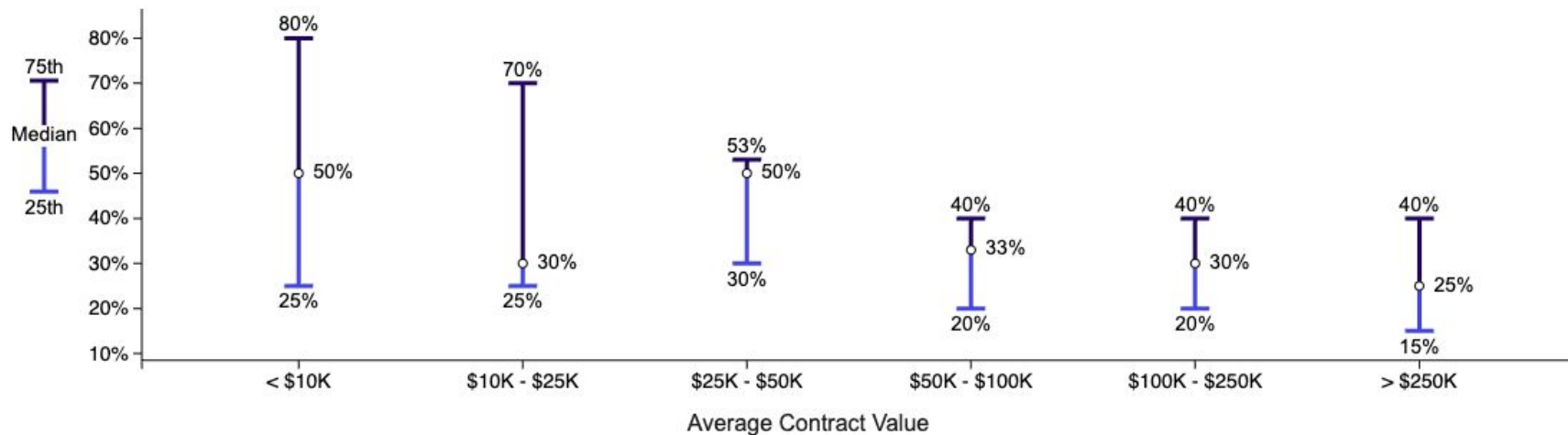
Findings

- Similar to when companies scale in size, as ACV increases >$50K the reliance upon inbound leads also decreases
- Finding ways to maintain or even increase the percentage of new bookings from inbound hand-raisers is a critical variable to decreasing customer acquisition costs and increase revenue growth efficiency

N = 190

2025 Target New Bookings Generated by Inbound Leads

By Annual Revenue
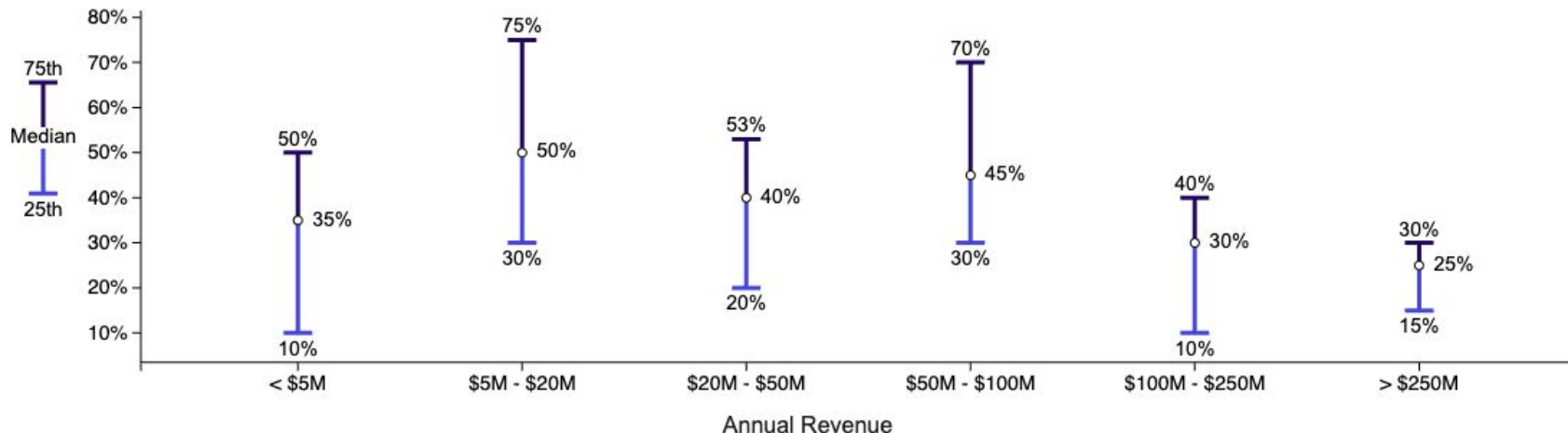
Findings and Insights

- Companies less than $20M are more confident in the percentage of New Bookings that will be generated from inbound leads
- As companies continue to scale – the expectations for the percentage of New Bookings from inbound leads continues to decrease which suggests a higher cost to acquire new ARR bookings

N = 190

2025 Target New Bookings Generated by Inbound Leads

By 2024 Actual Growth Rate
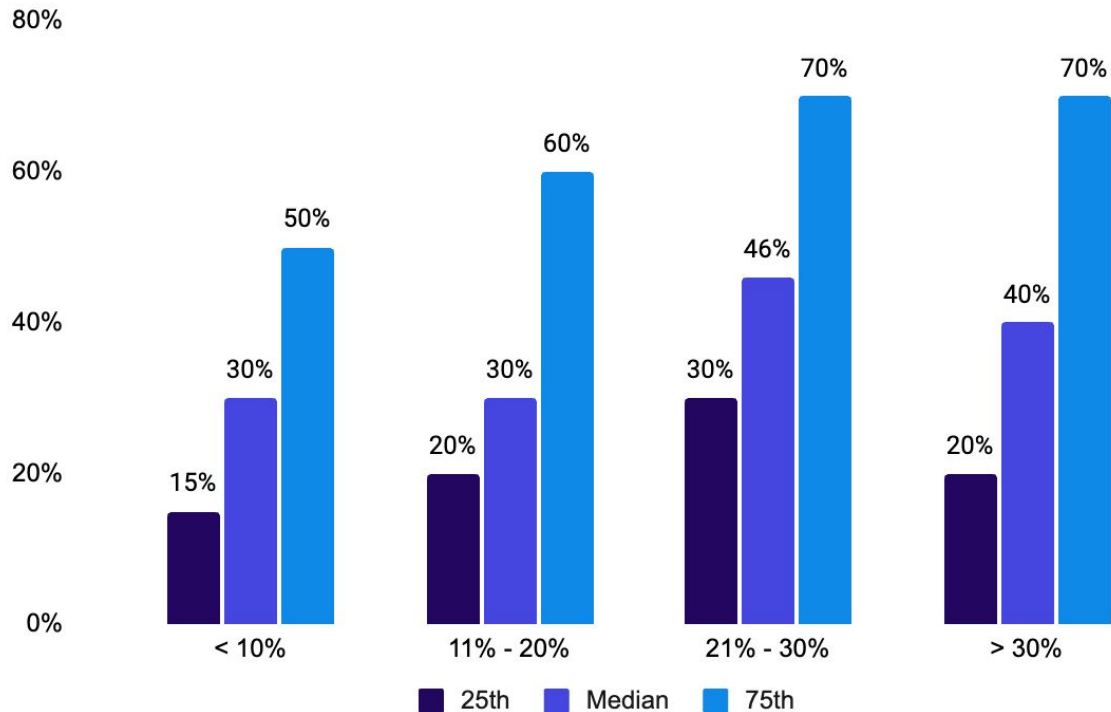
Findings and Insights

- There is interesting correlation to the companies that target a higher percentage of new bookings from inbound leads to those with higher growth rates

- 46% of bookings come from inbound leads in companies growing 20% – 30% while only 30% of new bookings come from inbound leads in companies growing < 20%

N = 190

05
Marketing Contribution – Attribution Model

benchmarkit

Marketing + GTM Efficiency Metrics

07

benchmarkit

Customer Acquisition Efficiency Not a Top Three Measurement for Marketing

-> Pipeline, ARR and MQLs Still the Focus

Top 3 Marketing Top Performance Metrics You Measure?
By Total Population

Metric	Percentage
Pipeline Gen ($)	62%
Pipeline Gen (# of Opps)	51%
New ARR bookings	36%
MQLs	34%
Cost per opportunity	18%
Marketing spend	17%
Pipeline conversion rate	16%
Web traffic	15%
Marketing CAC ratio	15%
Pipeline coverage ratio	13%
Awareness	8%

N = 179

Marketing CAC Ratio
(Marketing Expenses/New ARR)
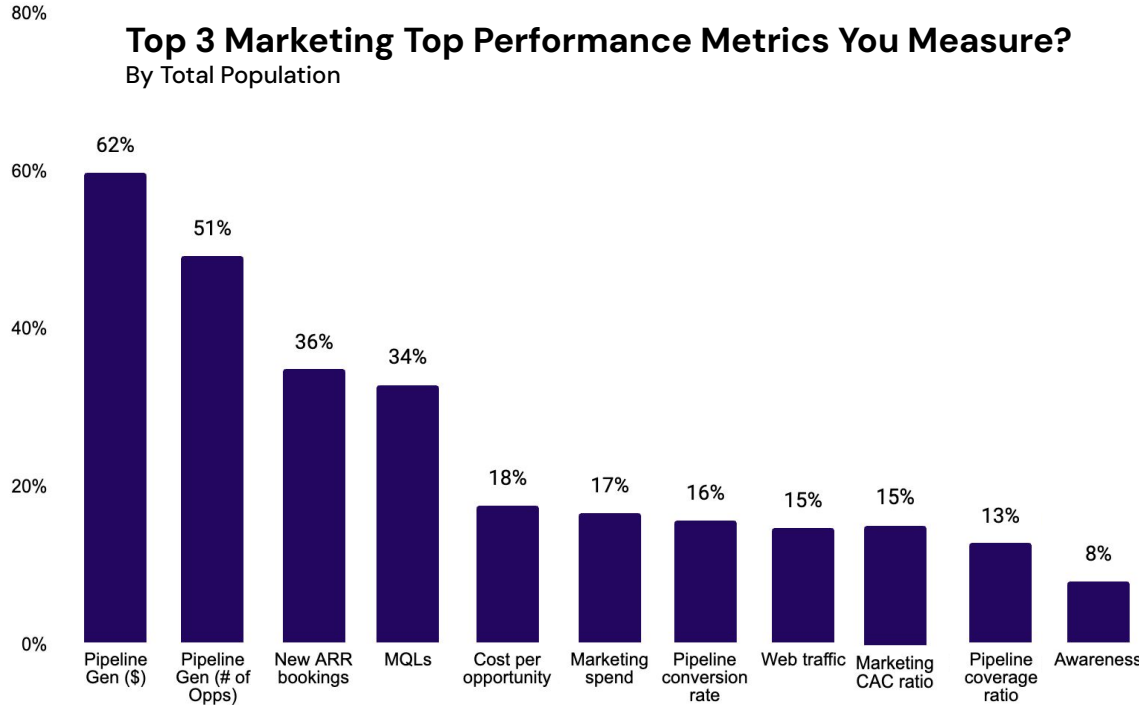
Findings

- The top three Marketing Metric reported are Pipeline Generated (62%), Opportunities Generated (51%) and New ARR Bookings (36%)
- What was surprising is how few Marketing organizations view Marketing efficiency metrics as a top three metric such as Cost per Opportunity (18%), Marketing CAC Ratio (15%) and Pipeline Conversion (16%)
- Read about Marketing CAC Ratios

Marketers Measure Costs to Pipeline More than Costs to Revenue

Marketing Efficiency Metrics You Measure?
By Total Population

Bar chart values:
- Mktg Cost per $ of Pipeline: 52%
- Mktg Cost per Opportunity: 48%
- Mktg Cost per $ of New Logo Rev/ARR: 46%
- Demand Gen Cost per Opportunity: 46%
- Mktg Cost per $ of Total New Rev/ARR: 37%
- Mktg Cost per $ of Exp. Rev/ARR: 14%
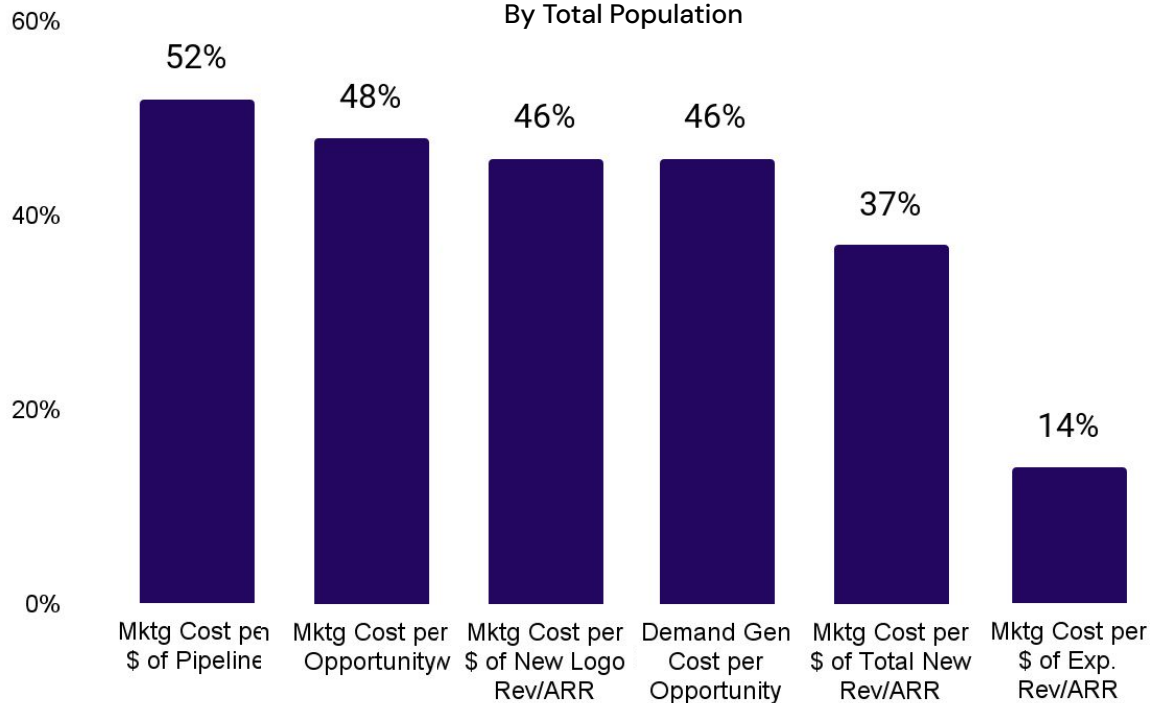
N = 147

Findings

- In an era of "efficient growth" it is surprising to see that only 52% of Marketing teams measure Marketing cost per $ pipeline and 46% as Marketing cost per dollar of new logo ARR
- Chief Marketing Officers would benefit greatly by better understanding how a dollar of Marketing investment converts into a dollar of new ARR
- How are Marketers decided how much to invest in expansion ARR?
- CFOs are more likely to approve more Marketing budget when the ROI is measured and predictable

Marketing Expenses per ($) of New Logo Revenue/ARR
By Annual Revenue
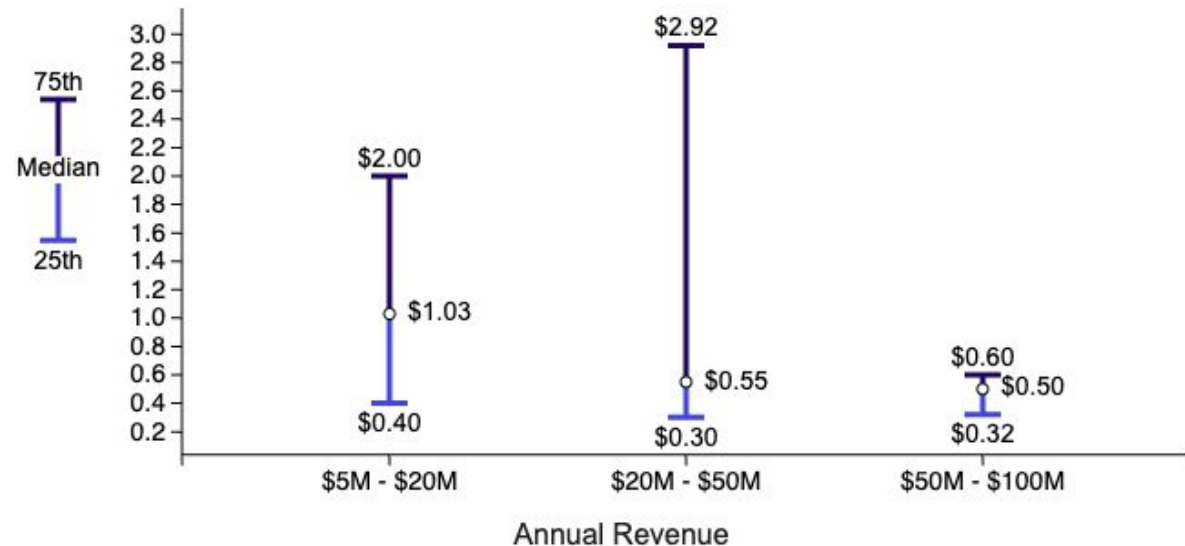
Findings and Insights

- We had to collapse the number of revenue based segments for this metric to increase statistical significance
- Though it is interesting to see that Marketing expenses per dollar of New Logo ARR does decrease as companies scale – it is concerning that <u>less than 10% of research participants were able to provide this performance metric</u>

N = 33

Summary
Tables

08

benchmarkit

Marketing Budget Benchmarks Snapshot (Median Values)
by company size

Revenue	$5m - $20m	$20m - $50m	$50m - $100m	$100m-$250m	> $250m
Marketing Budget (% Revenue)	10%	8%	9%	6%	4%
Demand Generation Budget (% Marketing Budget)	30%	30%	40%	30%	25%
Marketing Budget (% of S&M Budget)	40%	30%	30%	30%	30%
People/Program/Tech (% Budget Allocation)	People:45% Programs:40% Tech:10%	People:45% Programs:43% Tech:10%	People:43% Programs:49% Tech:10%	People:43% Programs:45% Tech:14%	People:38% Programs:50% Tech:10%

Summary Tables

benchmarkit

Marketing Budget Benchmarks Snapshot (Median Values)
by licensing model

Licensing Model	Subscription Pricing Model	Usage-Based Pricing Model	Hybrid Pricing Model
Marketing Budget (% Revenue)	10%	6%	6%
Demand Generation Budget (% Marketing Budget)	30%	19%	30%
Marketing Budget (% of S&M Budget)	35%	30%	30%
People/Program/Tech (% Budget Allocation)	People: 44% Programs:45% Technology: 10%	People: 32% Programs:50% Technology: 10%	People:50% Programs:40% Technology: 10%

benchmark it

Marketing Budget Benchmarks Snapshot (Median Values)
by growth rate '24

Metric/ '24 Growth Rate	< 10%	11% - 20%	21% - 30%	> 30%
Marketing Budget (% Revenue)	7%	8%	10%	10%
Demand Generation Budget (% Marketing Budget)	30%	30%	35%	25%
Marketing Budget (% of S&M Budget)	30%	30%	38%	33%
People/Program/Tech (% Budget Allocation)	People: 43% Programs:40% Technology: 10%	People: 40% Programs:46% Technology: 10%	People:50% Programs:40% Technology:	People: 40% Programs:40% Technology: 10%

benchmarkit

Participant Profile

09

benchmarkit

3OO+ Companies with Diverse Profiles

By Annual Revenue

> $250M
9.9%

$100M - $250M
11.1%

$50M - $100M
13.9%

$20M - $50M
18.3%

10%

11%

14%

18%

23%

24%

< $5M
23.2%

$5M - $20M
23.5%

By Annual Contract Value

> $250K
10.5%

$100K - $250K
17.6%

$50K - $100K
18.3%

11%

18%

18%

20%

15%

19%

< $10K
19.8%

$10K - $25K
14.9%

$25K - $50K
18.9%

benchmarkit
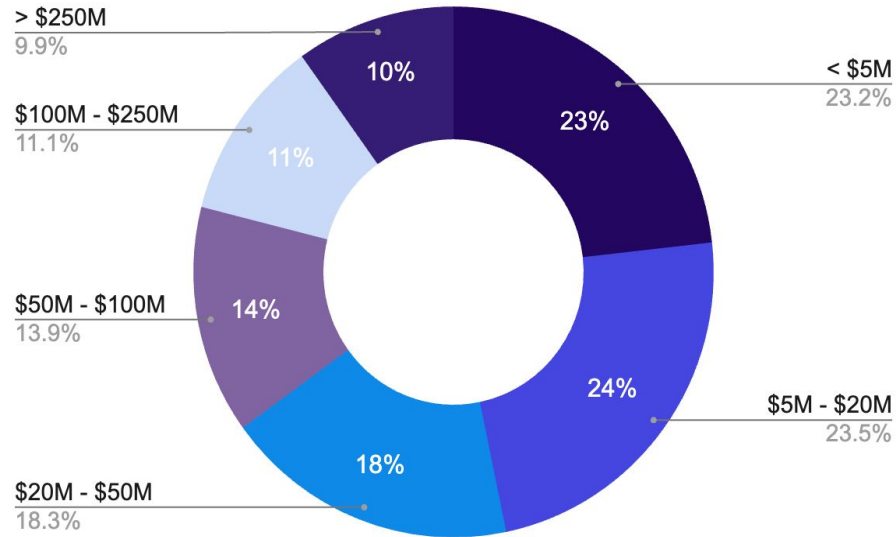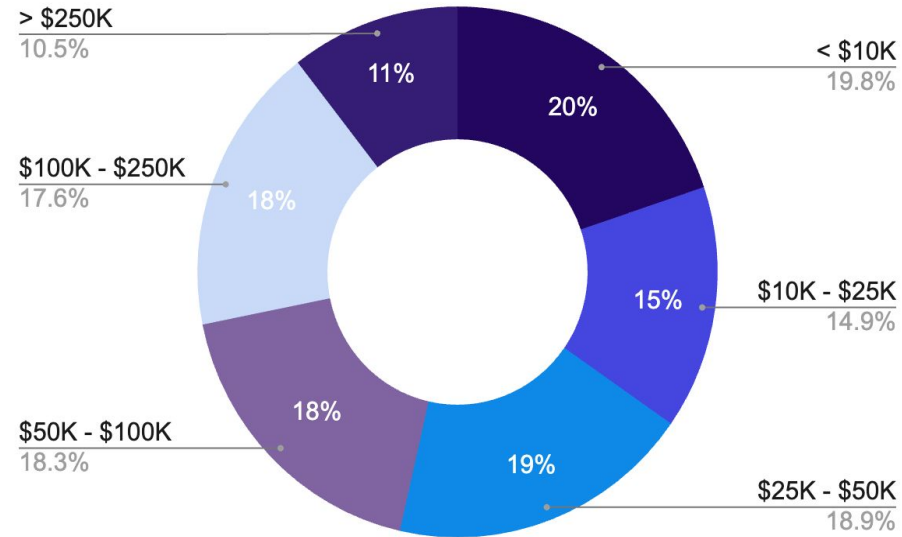
Covers 300+ Companies with Diverse Profiles

By Target Market

SMB (< $10M)
8.7%

Mid-Mkt ($10M - $100M)
19.2%

Enterprise (> $100M)
12.4%

SMB + Mid-Mkt
7.4%

Mid-Mkt + Enterprise
17.6%

All Target Markets
34.7%

9%
19%
12%
7%
18%
35%

By '24 Growth Rate

< 10%
27.6%

11% - 20%
24.1%

21% - 30%
16.7%

31% - 40%
7.4%

> 40%
24.1%

28%
24%
17%
7%
24%

N = 323
Nov–Dec 2024

benchmarkit
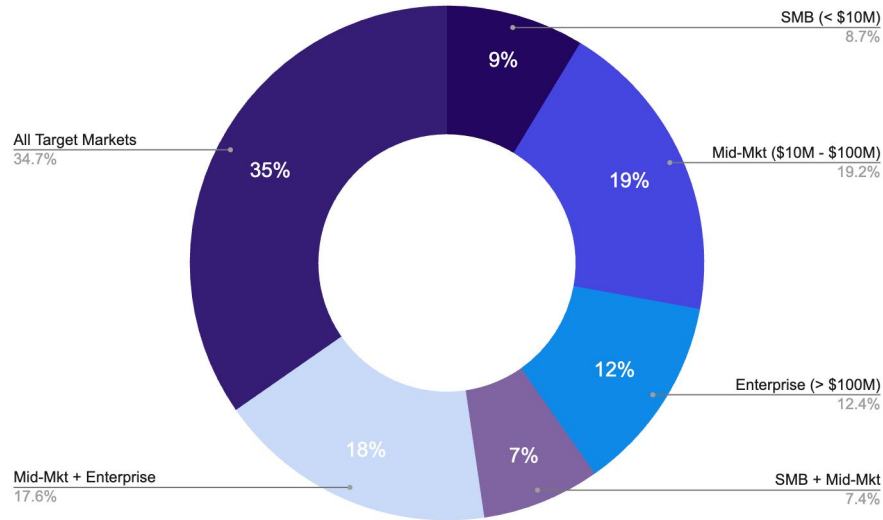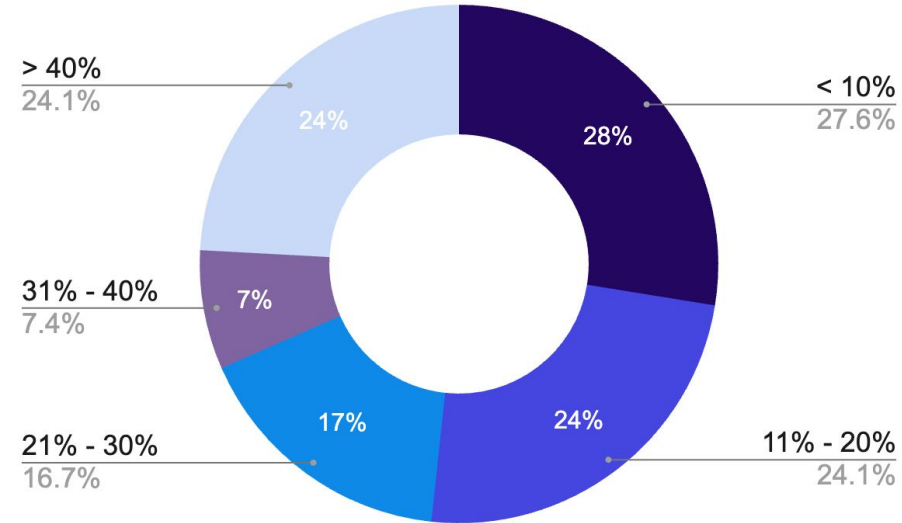
GTM Motion and Pricing Models

By Licensing Model

Outcome-Based
8.0%

Hybrid
18.6%

Usage-Based
9.0%

8%

19%

9%

64%

Subscription
64.4%

By Go-to-Market Motion

Founder-Led
6.2%

Hybrid
17.6%

Product-Led
6.5%

6%

7%

18%

70%

Sales-Led
69.7%

benchmarkit
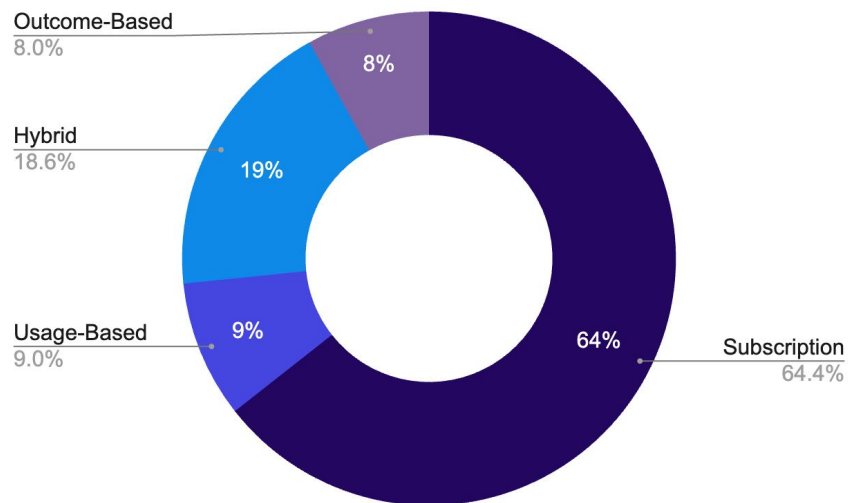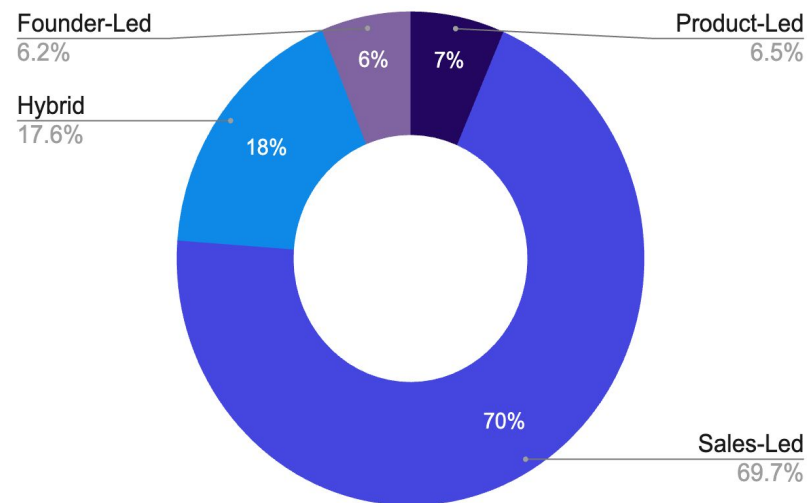
Next Time

1. **Brand vs. Demand** **How are budgets changing?**

2. **SEO / SEM Budgets** **How will AI impact our spend allocation**

3. **BDRs** **What % of Marketing Teams manage BDRs? Budgets?**

4. **AI Tech Investments** **How are they trending?**

5. **2026 Planning** **Updates for end-of year budgeting**
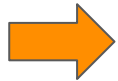
What else would you like to know?
Join our research members list: bit.ly/mktg-benchmarks
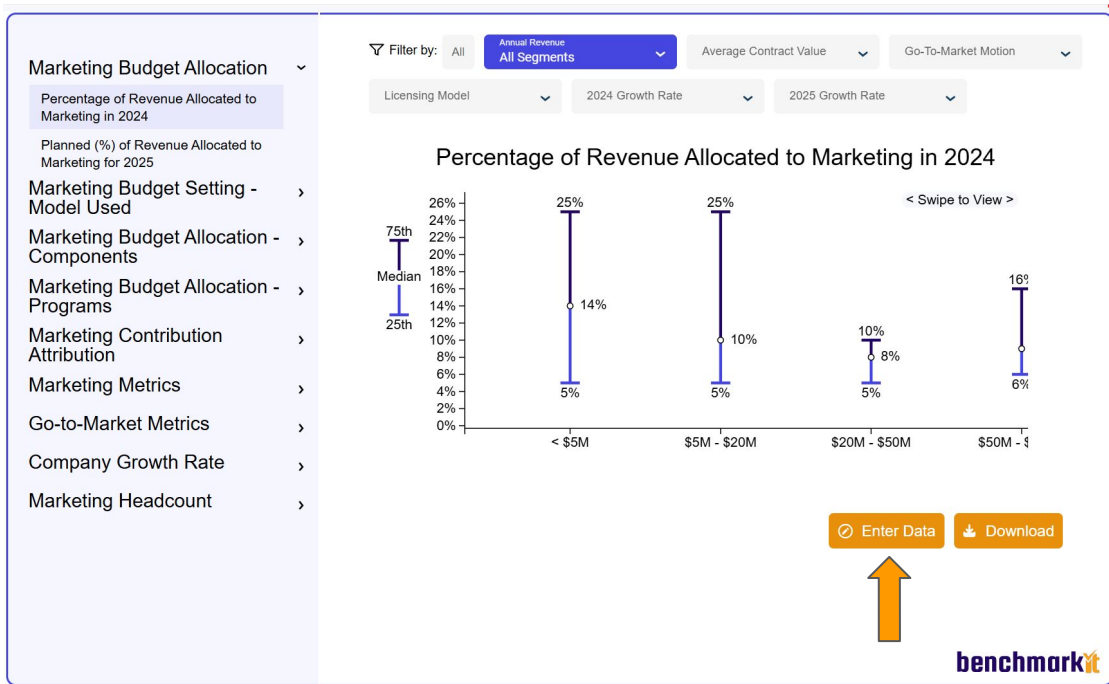
benchmarkit

Interactive Filters to See How Your Company Measures Up

Interactive Benchmarking Widget:

- Each benchmarks can be filtered by your specific company profile attribute including
  - Company Revenue
  - Average Annual Contract Value
  - Go-to-Market Motion
  - Pricing Model
  - 2024 Actual Growth Rate
  - 2025 Planned Growth Rate

- Your data can be entered confidentially to overlay your metric to see how your data compares to the benchmark using the "**Enter Data**" button

benchmarkit.ai/b2b-marketing-benchmarks

as updates are completed the interactive portal will ALWAYS have the latest and most accurate benchmarks

Fuel *your* Marketing with Original <u>Benchmarkit</u> Research

Survey Research

Increase thought leadership and brand awareness

Executive Reports

Engage your executive and economic buyers

Benchmarking Platform

Capture leads on your website with with interactive benchmarking

benchmark*it*

2025
B2B Marketing Benchmarks

benchmark**it**

Appendix

10

benchmarkit
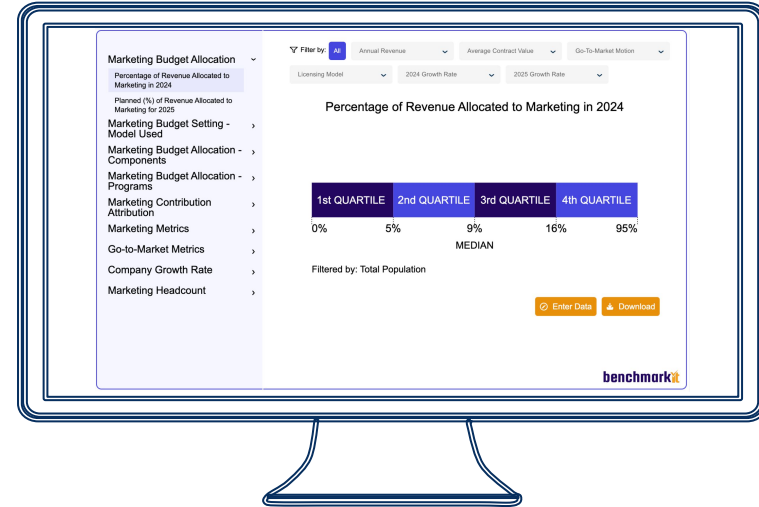
Appendix: Table of Contents

01 Marketing Budget Allocation

02 Marketing Budget Setting – Model Used

03 Marketing Budget Allocation – Components

04 Marketing Budget Allocation – by Function

05 Marketing Contribution – Attribution

06 Marketing + GTM Metrics

07 Growth Rates & Marketing

08 Marketing Headcount

09 Participant Profile

benchmarkit

Marketing Budget Allocation

01

benchmark**it**

Percentage of Revenue Allocated to Marketing in 2024

By 2024 Actual Growth Rate
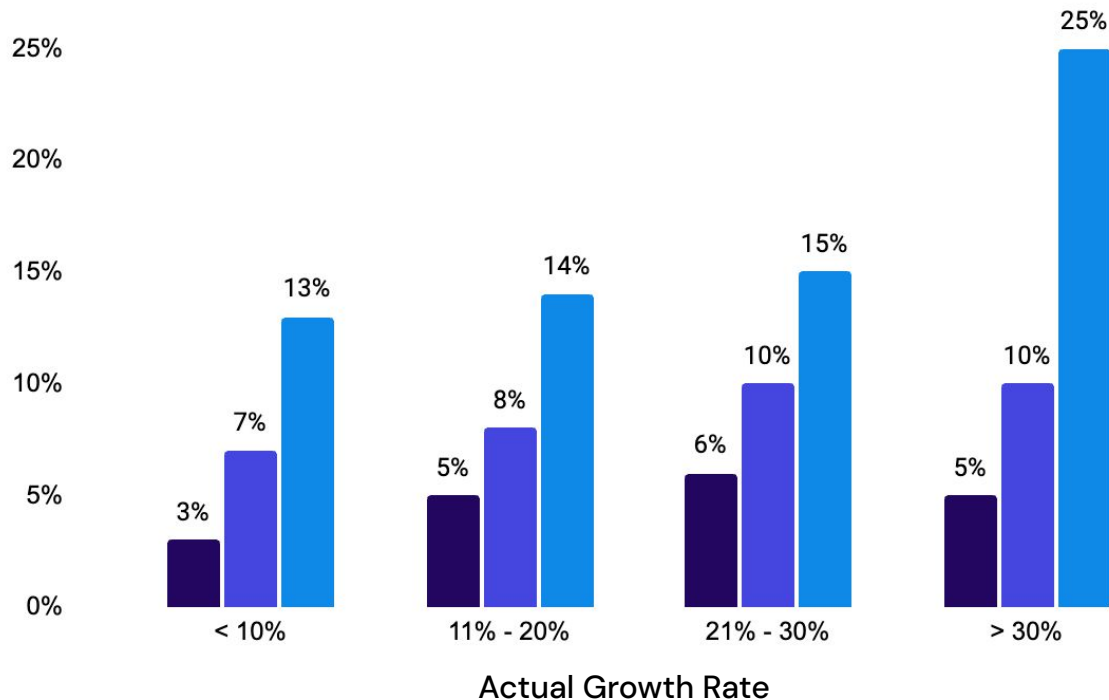
Findings and Insights

- Marketing budget as a percentage of revenue is correlated to growth rates – especially in the top quartile
- Though Marketing budget at median remains stable in companies with growth rates over 20% – it does increase at the 75th percentile as company growth rates increase
- Those companies with lower Marketing budgets as a % of revenue have the lowest growth rates with those growing less than 10% have a median Marketing budget at 7% of revenue

Chart values:

Actual Growth Rate	25th	Median	75th
< 10%	3%	7%	13%
11% - 20%	5%	8%	14%
21% - 30%	6%	10%	15%
> 30%	5%	10%	25%

Actual Growth Rate

N = 202

25th   Median   75th

benchmarkit

Percentage of Revenue Allocated to Marketing in 2024 vs 2025

By Annual Revenue

Chart: Median Revenue to Marketing by Annual Revenue segment

- < $5M: 14% (2024), 15% (2025)
- $5M - $20M: 10% (2024), 11% (2025)
- $20M - $50M: 8% (2024), 7% (2025)
- $50M - $100M: 9% (2024), 9% (2025)
- $100M - $250M: 6% (2024), 7% (2025)
- > $250M: 4% (2024), 4% (2025)

Legend: ■ 2024 Median Revenue to Marketing ■ 2025 Median Revenue to Marketing

N = 202
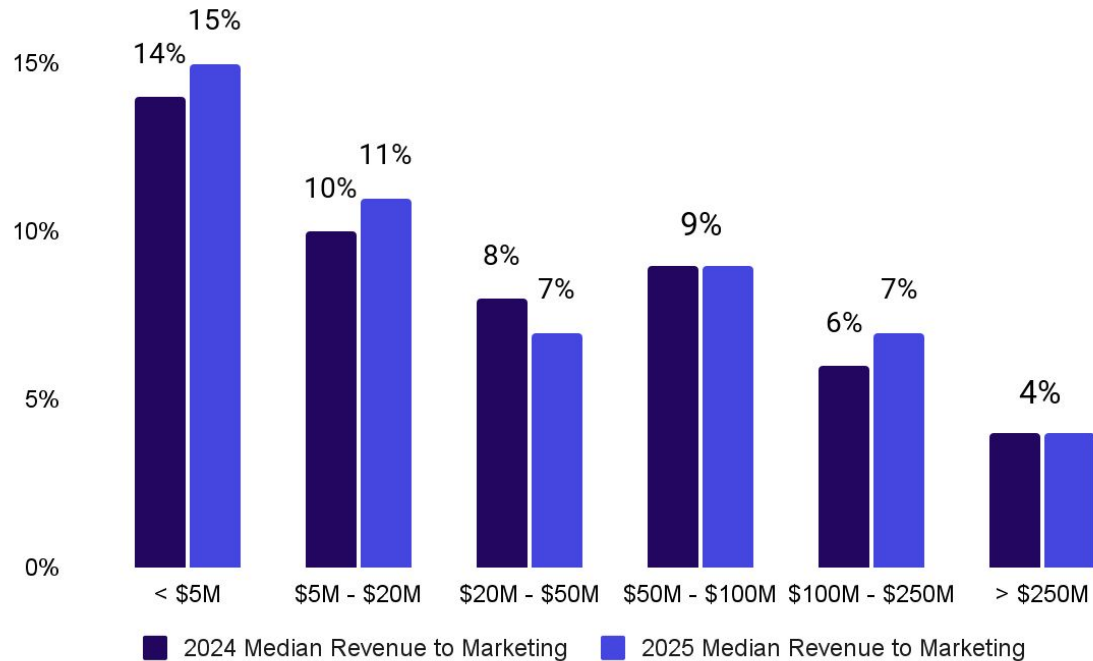
Findings and Insights

- This chart provides an easy way to see the median percentage of Marketing budget to revenue by company size segmentation
- Companies in the majority of segments are maintaining or increasing the percentage of revenue allocated to Marketing budgets in 2025 with the notable exception of the $20M – $50M segment
- The next page highlights this same data including 25th and 75th percentile

Percentage of Revenue Allocated to Marketing in 2024 vs 2025

By Annual Revenue

2024 Actuals

2025 Budget
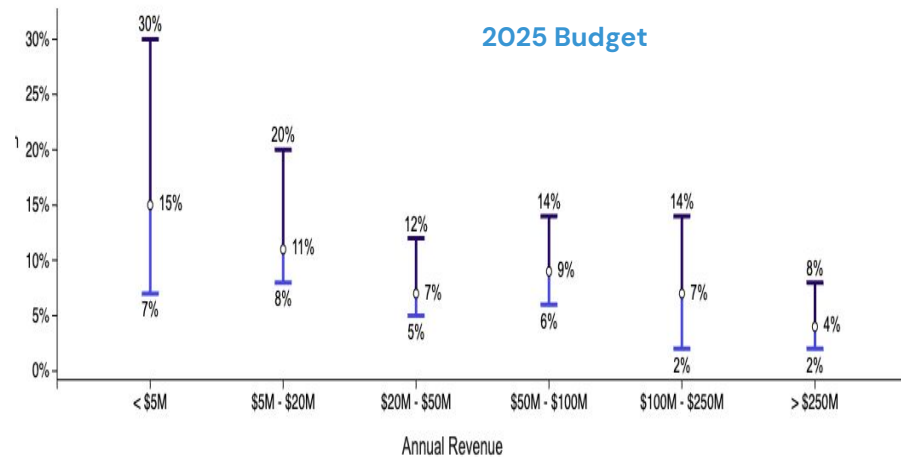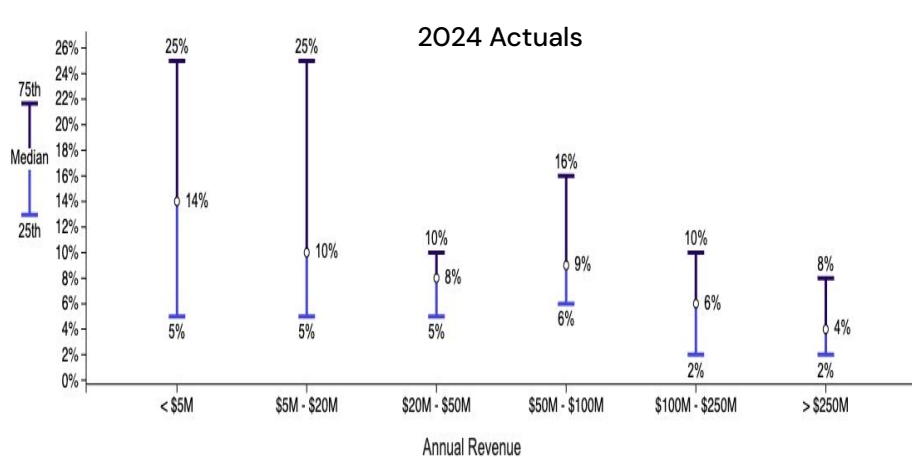
Findings and Insights

- Marketing budgets as a percentage of revenue decrease as companies scale with companies less than $5M having a median of 14% of revenue spent on Marketing expenses which decreases to 4% in companies greater than $250M
- Majority of segments as measured by company size will be increase Marketing budgets by 1% with the exception of the $20M – $50M and greater than $250M segments. The $20M – $50M segment is traditionally faced with the most difficult growth challenges as they face the need to balance expanding their target addressable market(s) while simultaneously making progress towards operating profitability

N = 202

benchmarkit

Percentage of Revenue Allocated to Marketing in 2024 vs 2025

By Go-to-Market Motion

2024 Actuals

2025 Budget
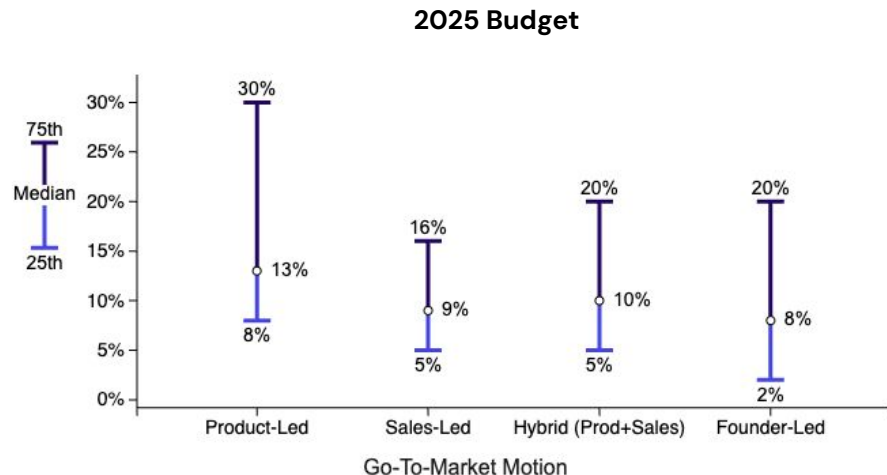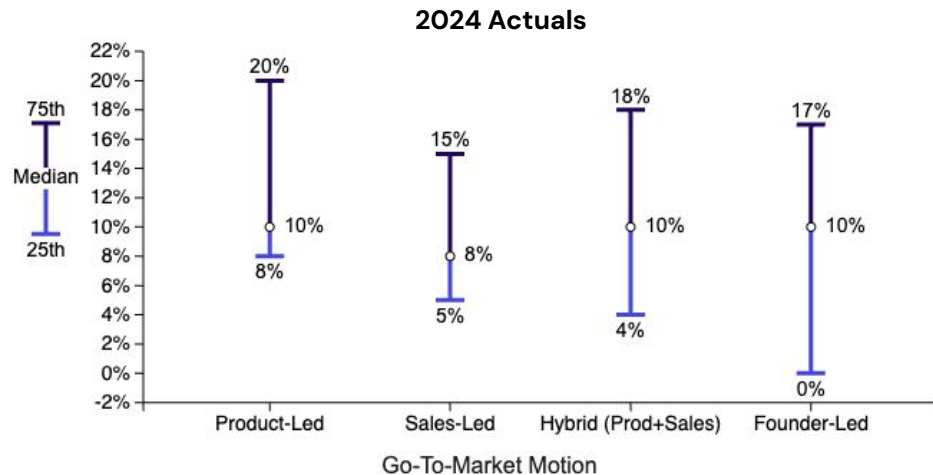
Findings and Insights

- Product–Led Growth companies are investing a larger percentage of revenue to Marketing than Sales–Led companies with a median of 10% in product led in '24 versus 8%. Though both Product–Led and Sales–Led are increasing Marketing budgets in '25 – Product Led growth companies are increasing budgets to 13% of revenue versus 10% for Sales–Led companies

- Hybrid GTM motion companies are keeping their Marketing budgets level in '25 vs '24 at 10% at median

N = 202

benchmarkit

Percentage of Revenue Allocated to Marketing in 2024 vs 2025

By Licensing Model

2024 Actuals
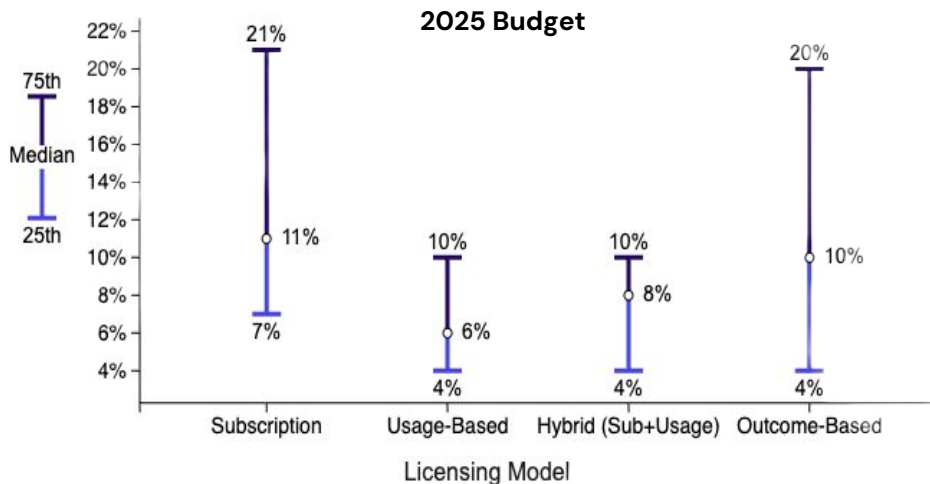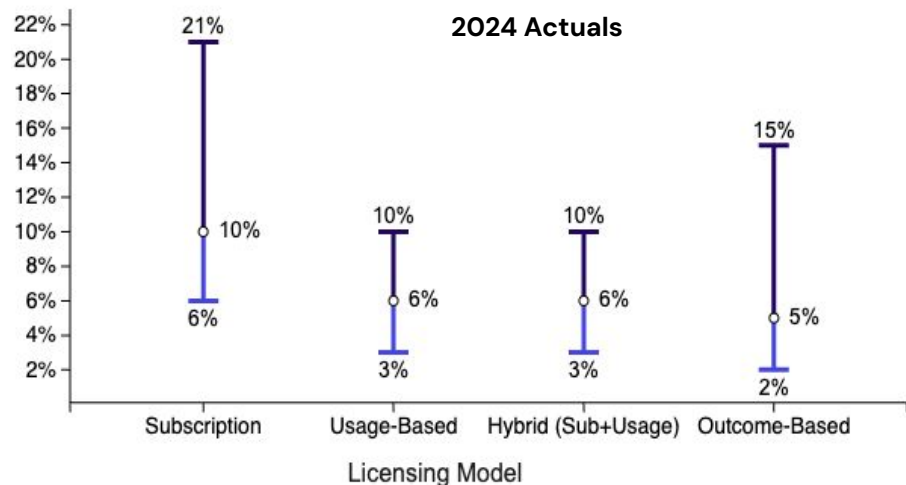
2025 Budget

Findings and Insights

- Interesting to note that traditional subscription pricing companies had a higher Marketing expense allocation at 10% versus Usage–Based pricing companies at 6% at median in '24 and that continues with the '25 budget

- Hybrid models were equivalent in '24 but are seeing an increase in Marketing budgets in '25

- Outcome–based pricing models are seeing a material increase in Marketing budgets as a % of revenue increasing to 10% of revenue in '25 versus 5% in '24…this may be due to the increased investments in AI native companies who are more likely to use outcome–based pricing

N = 202

O1
Marketing Budget Allocation

benchmarkit

Sales and Marketing Budget – % Allocated to Marketing

By Annual Revenue
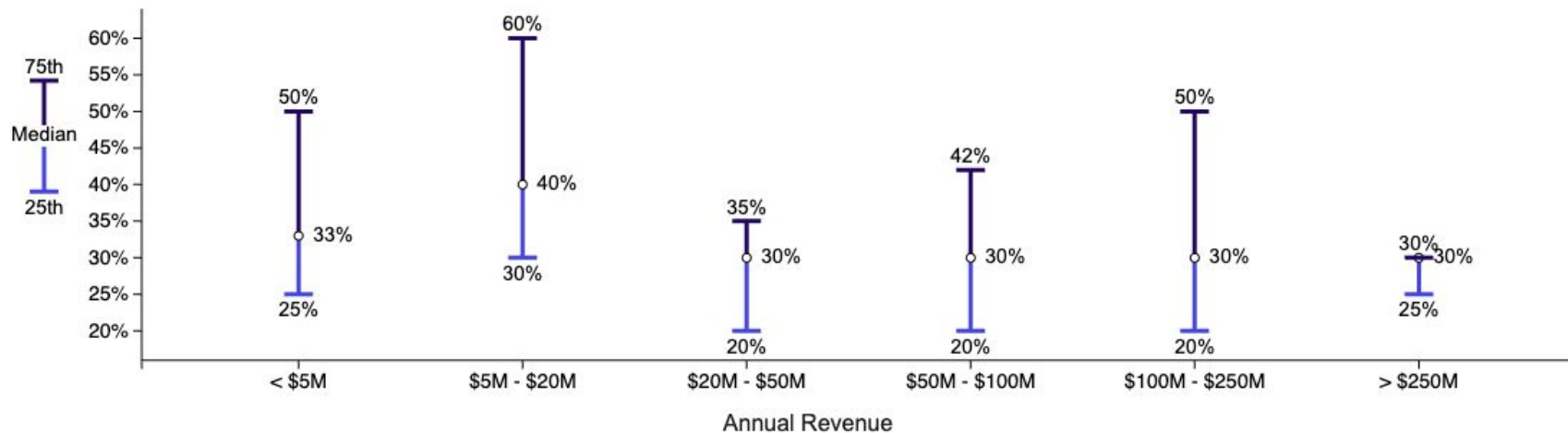
Findings and Insights

- Once a company reaches $20M revenue and above the Marketing expenses as a percent of total Sales and Marketing remains very consistent at 30%
- A more interesting way to view this benchmark is by ACV which is highlight on the next chart (page)

N = 172

benchmark**it**

Sales and Marketing Budget – % Allocated to Marketing
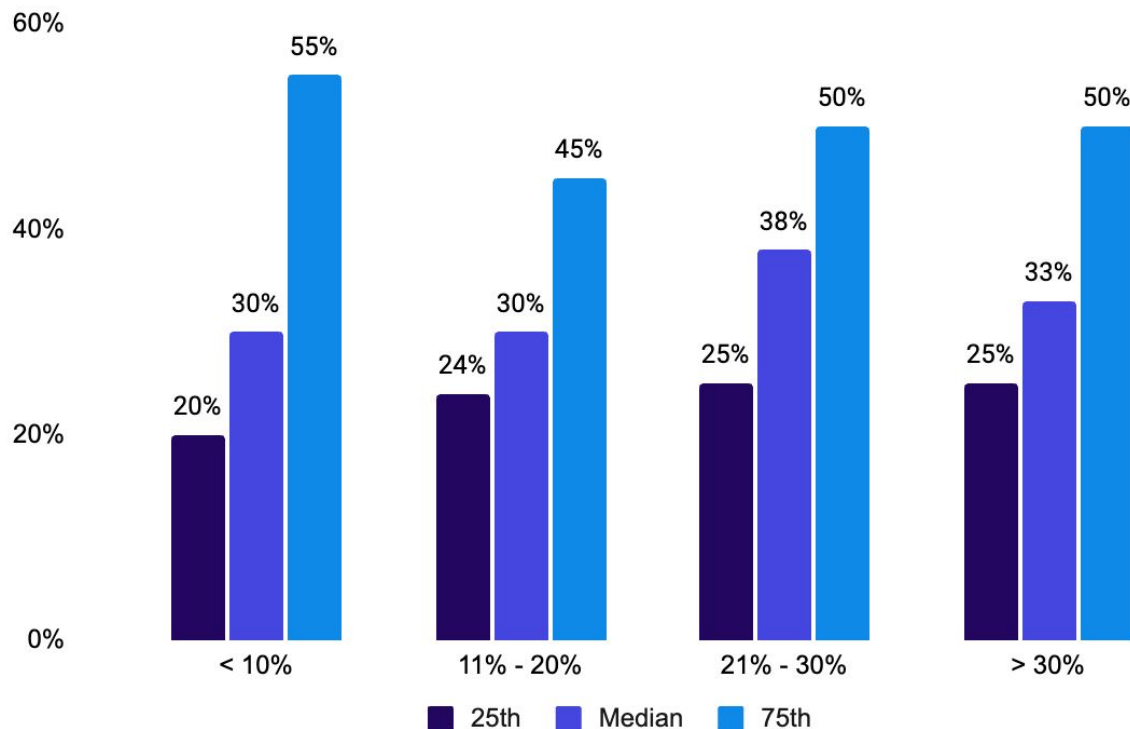
By Average Contract Value
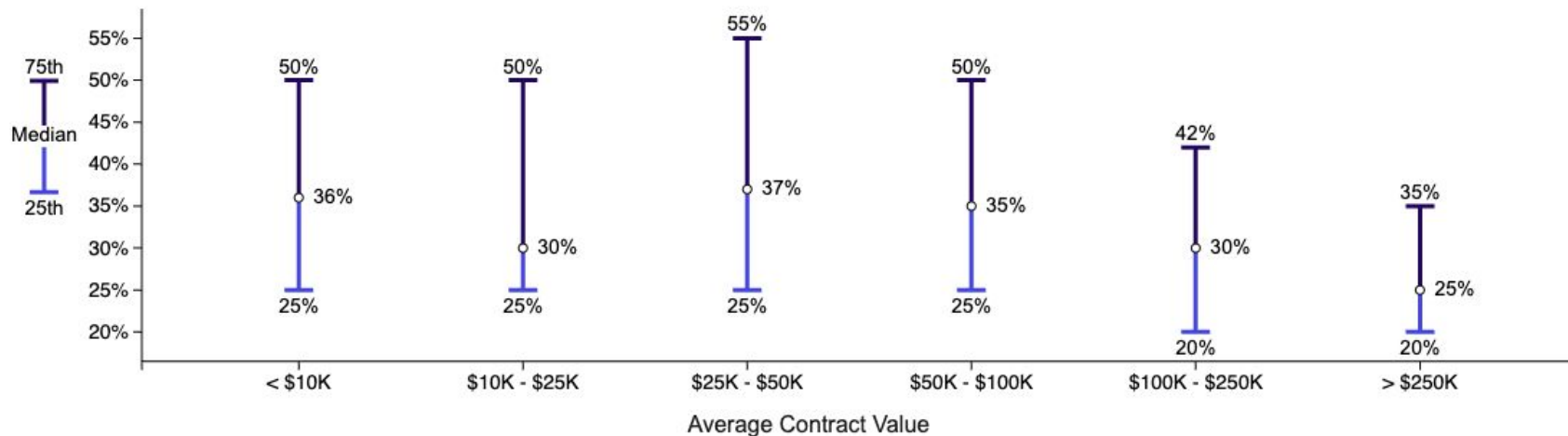
Findings and Insights

- As annual contract value increases the percentage of the total Sales and Marketing budget allocated to Marketing decreases (i.e Sales is used more relative to marketing on higher ACV deals)
- It is interesting to note that in the $10K – $25K ACV segment the % allocation of Marketing is right at median, while companies with ACV in the $25K – $100K range are in the 35% – 37% range at median

N = 172

Sales and Marketing Budget – % Allocated to Marketing
By 2024 Actual Growth Rate

Chart data:

Growth Rate	25th	Median	75th
< 10%	20%	30%	55%
11% - 20%	24%	30%	45%
21% - 30%	25%	38%	50%
> 30%	25%	33%	50%

Legend: 25th · Median · 75th

N = 172

Findings and Insights

- Thirty percent (30%) has been the historical benchmark for the percentage of the total Sales and Marketing budget is consumed by Marketing
- A better way to view this benchmark is by both ACV and by company size

Sales and Marketing Budget – % Allocated to Marketing

By 2025 Planned Growth Rate
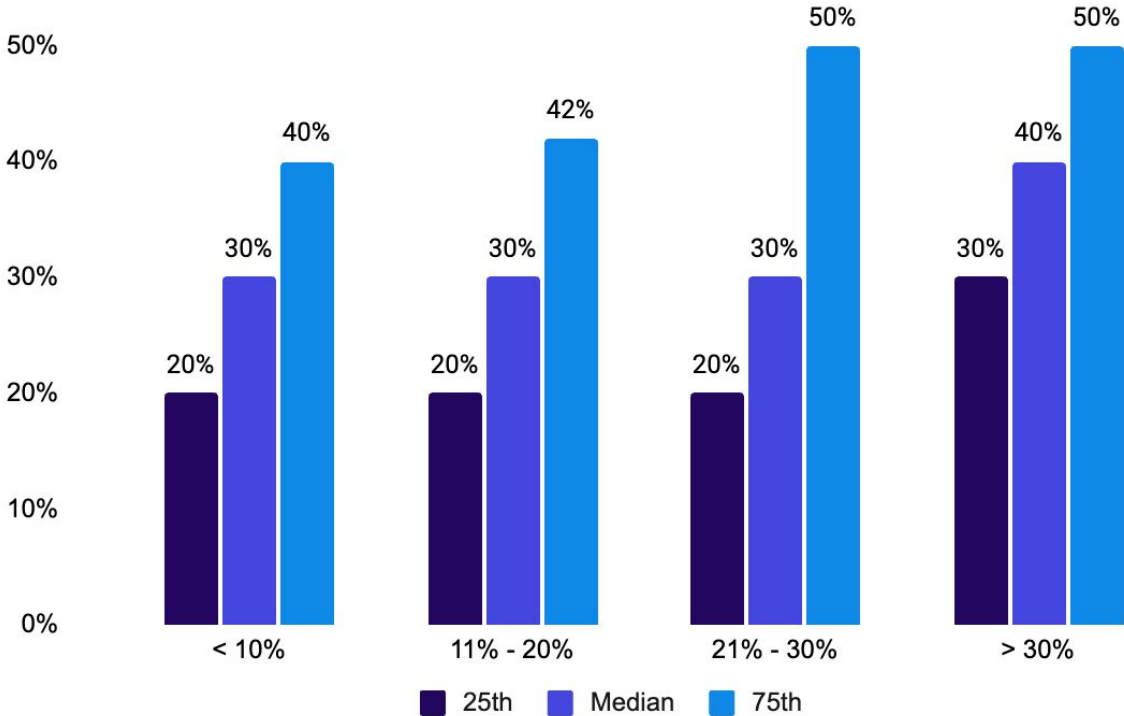
Findings and Insights

- Thirty percent (30%) has been the historical benchmark for the percentage of the total Sales and Marketing budget is consumed by Marketing
- A better way to view this benchmark is by both ACV and by company size

N = 172

01
Marketing Budget Allocation

benchmarkit

Marketing Budget Setting

– Model Used

02

benchmarkit

How Annual Marketing Budget Target is Set

By Total Population

50% ─

44%

40% ─   39%

30% ─   27%

20% ─

10% ─   9%

0% ─

Last year's expense trends | (%) of Next Year's Total Revenue Goal | (%) of Last Year's Total Revenue | (%) of Next Year's New Bookings Goal
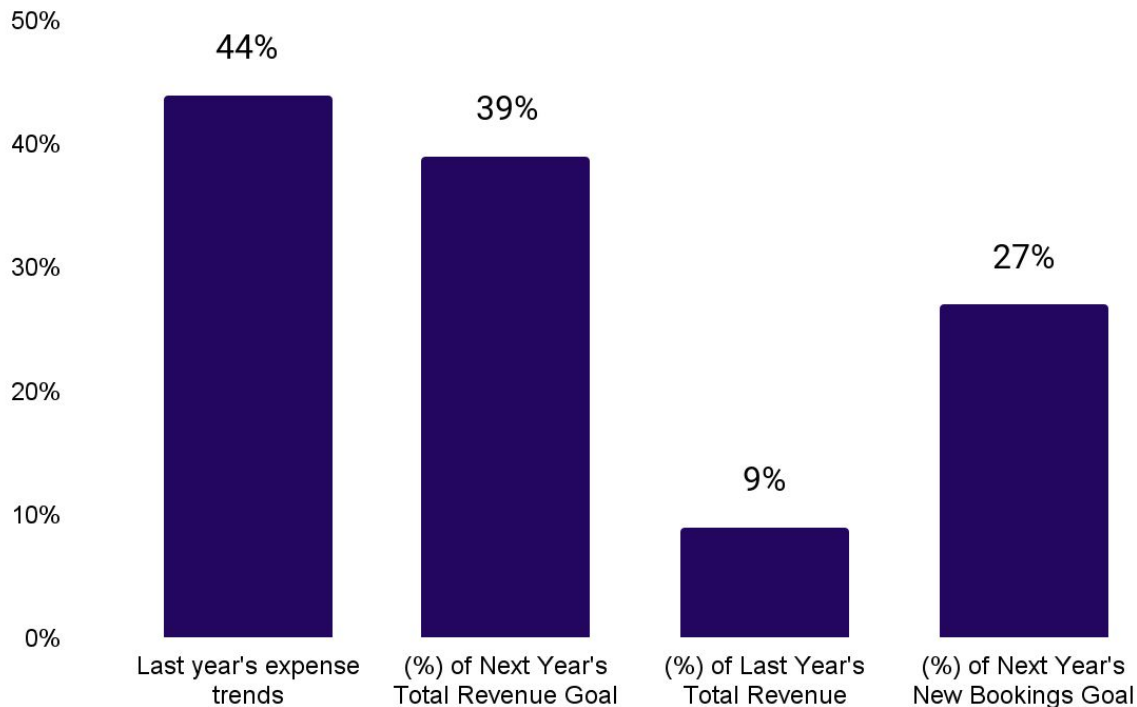
N = 204

Findings and Insights

- Last year's expense trends are the most popular input variable to building the next year's budget

- There could be some questions on the low use of next year's booking goal as an input into developing the budget – as efficiency metrics should be using the input variable(s) required to deliver the outcomes

How Annual Marketing Budget Target is Set

By Annual Revenue
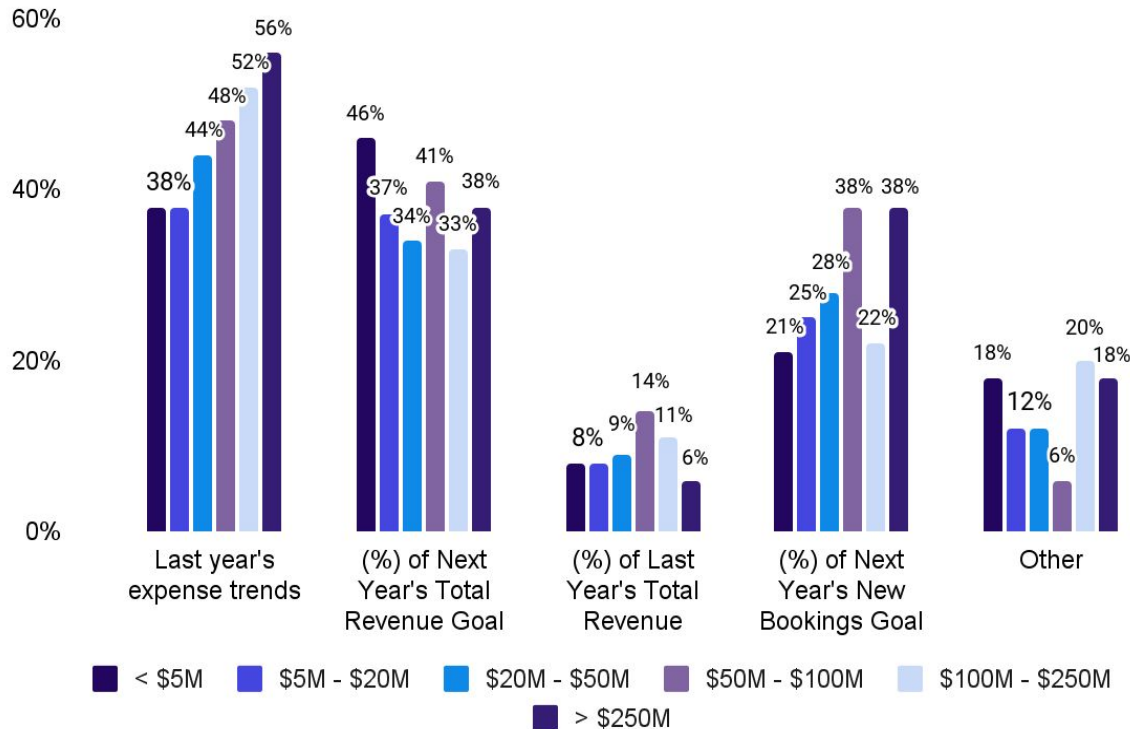
Findings and Insights

- As companies scale they begin to make better use of next year's new bookings goal as an input to the Marketing budget
- It is also interesting to note the last year's Marketing expense trends serve as a primary input variable to the following year's budget

Chart legend:
- < $5M
- $5M - $20M
- $20M - $50M
- $50M - $100M
- $100M - $250M
- > $250M

Categories: Last year's expense trends; (%) of Next Year's Total Revenue Goal; (%) of Last Year's Total Revenue; (%) of Next Year's New Bookings Goal; Other

Values — Last year's expense trends: 38%, 38%, 44%, 48%, 52%, 56%
(%) of Next Year's Total Revenue Goal: 46%, 37%, 34%, 41%, 33%, 38%
(%) of Last Year's Total Revenue: 8%, 9%, 14%, 11%, 6%
(%) of Next Year's New Bookings Goal: 21%, 25%, 28%, 38%, 22%, 38%
Other: 18%, 12%, 6%, 20%, 18%

N = 204

Marketing Budget Allocation

– Components

03

benchmark**it**

Marketing Budget Allocation – Average (Mean)

By Total Population
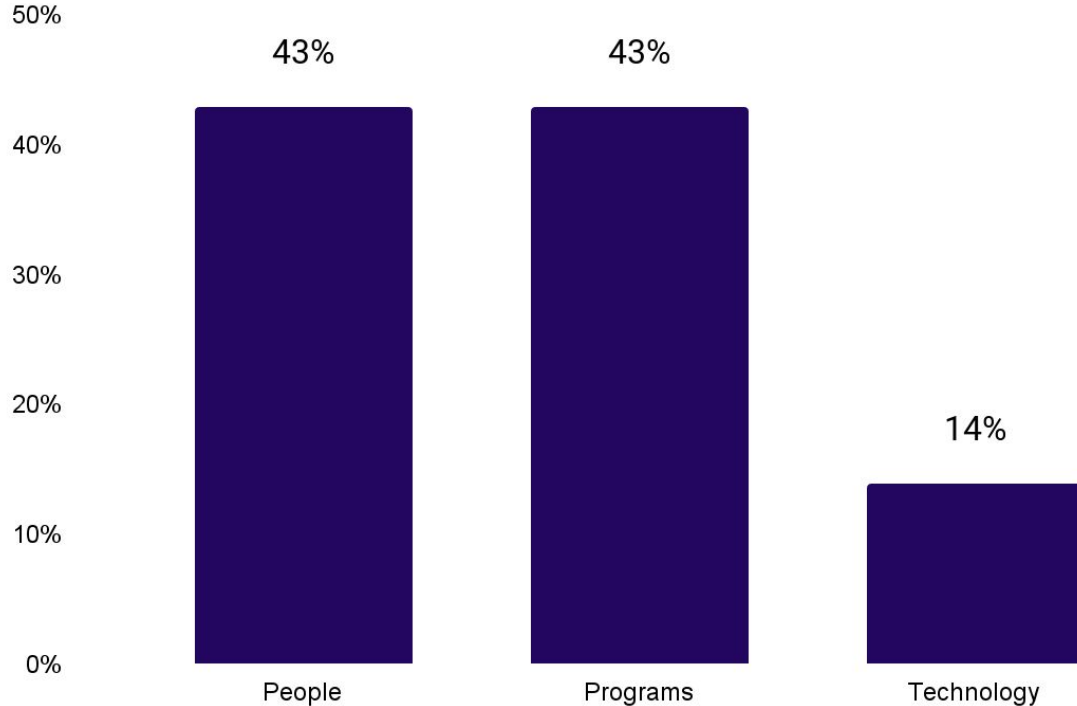
N = 198

Findings and Insights

- One interesting finding is that 14% of the Marketing budget is allocated to technology which is at the higher end of the historic 5% – 15% range
- As with most benchmarks it is best to review and evaluate benchmarks to company specific attributes, including Company Size, Average Contract Value. GTM Motion and Pricing Models

Marketing Budget Allocation – Average (Mean)

By Annual Revenue
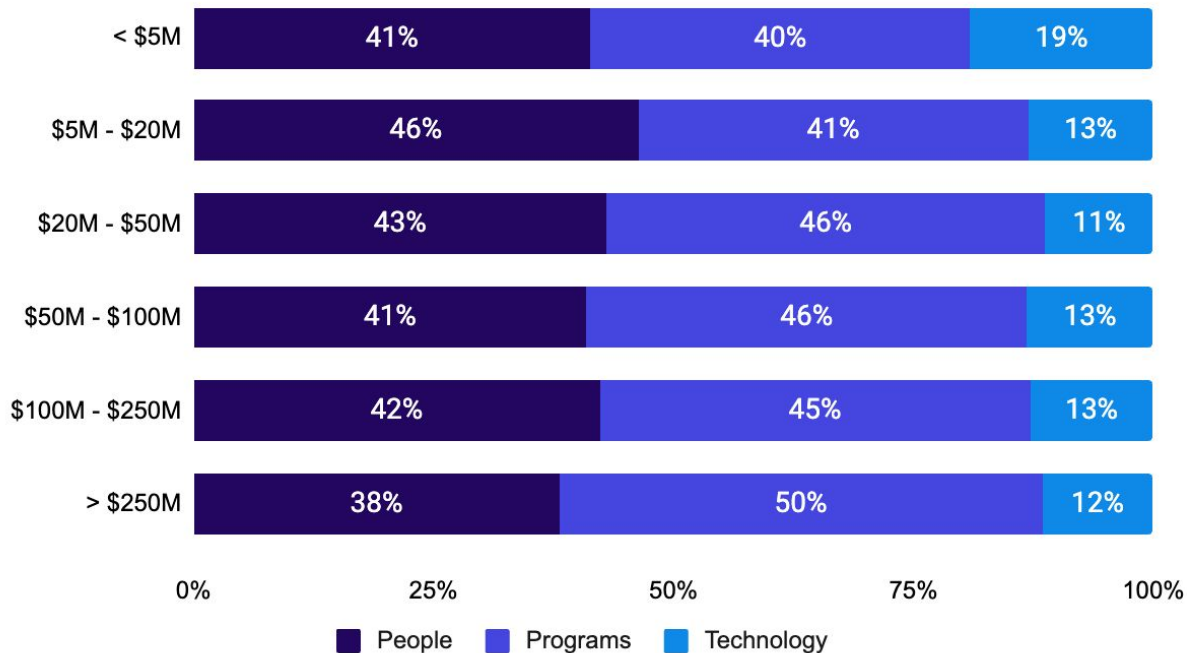
Revenue	People	Programs	Technology
< $5M	41%	40%	19%
$5M - $20M	46%	41%	13%
$20M - $50M	43%	46%	11%
$50M - $100M	41%	46%	13%
$100M - $250M	42%	45%	13%
> $250M	38%	50%	12%

Legend: ■ People ■ Programs ■ Technology

Findings and Insights

- As companies scale beyond the first stage of growth, the percent of Marketing budget increases in programs while the investment in people and technology both decrease…as a percentage of revenue

N = 198

benchmark it

Marketing Budget Allocation – Average (Mean)

By Go-to-Market Motion

Chart: Marketing Budget Allocation by company revenue, showing People, Programs, and Technology percentages.

Go-to-Market Motion	People	Programs	Technology
< $5M	41%	40%	19%
$5M - $20M	46%	40%	13%
$20M - $50M	43%	46%	11%
$50M - $100M	41%	46%	13%
$100M - $250M	42%	45%	13%
> $250M	38%	50%	12%

Legend: People, Programs, Technology
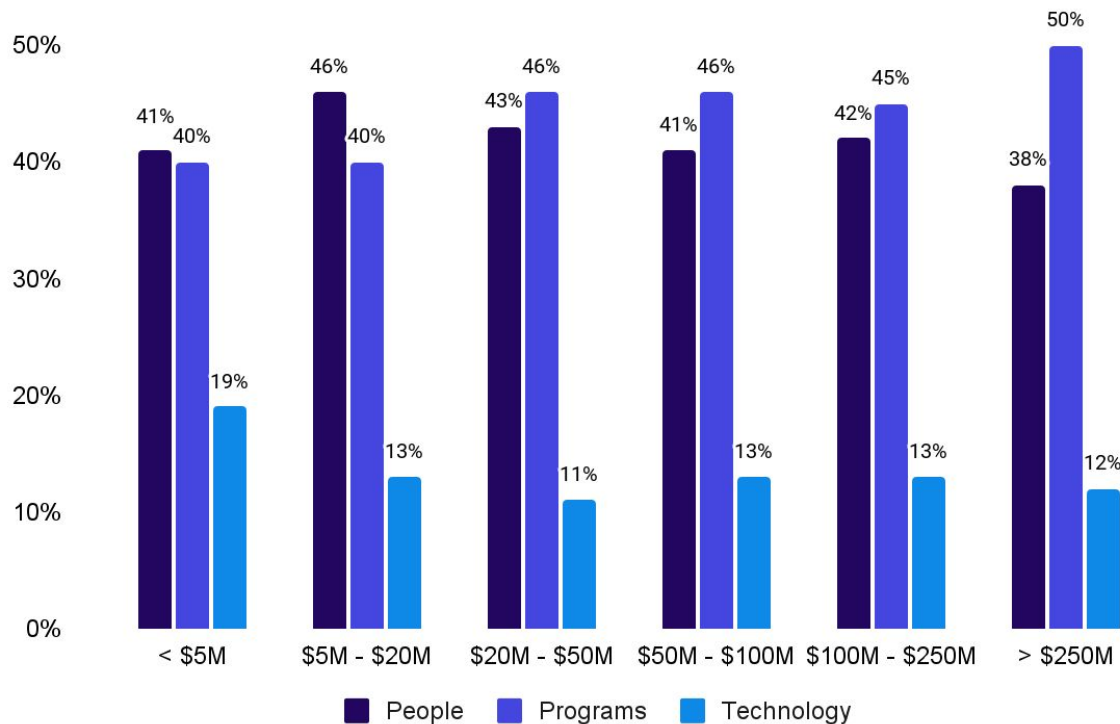
N = 198

Findings and Insights

- As companies scale, the allocation of Marketing budget to people declines. While the allocation to programs grows
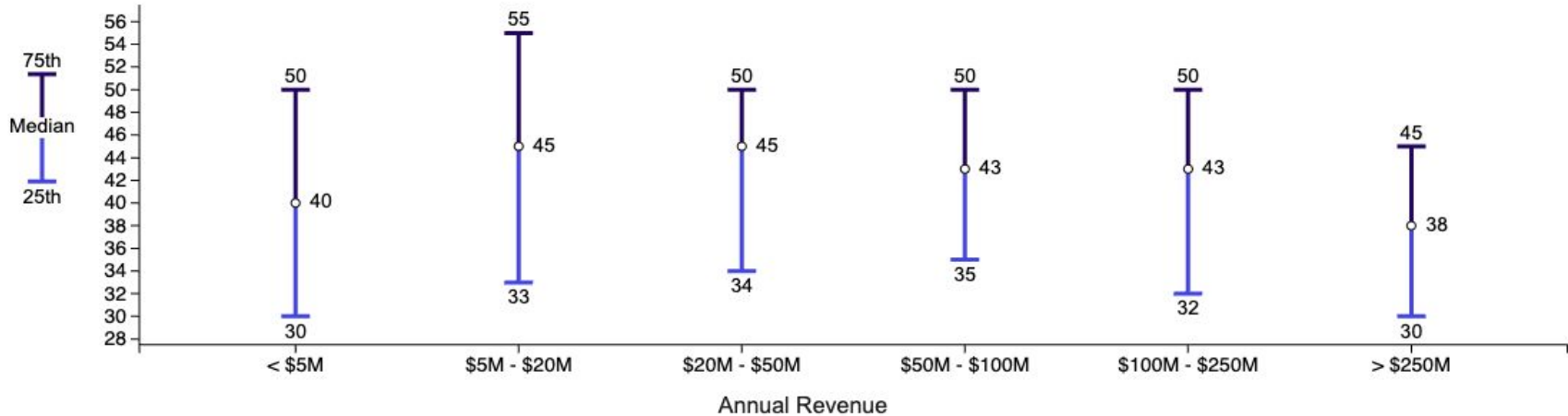
- As companies initially scale the percentage of budget allocated to people is higher (~ 43% – 45%) and as companies reach $250M and larger, the percentage of the Marketing budget allocated to people reduces and to programs increases
- It will be very interesting to see how companies that invest in AI Agents across multiple Marketing departments and processes will see this allocation decrease even more – It is very interesting to consider the possibilities of being able to deploy the potential savings in people costs to program investments

N = 198

Marketing Budget (%) Allocated to Programs

By Annual Revenue
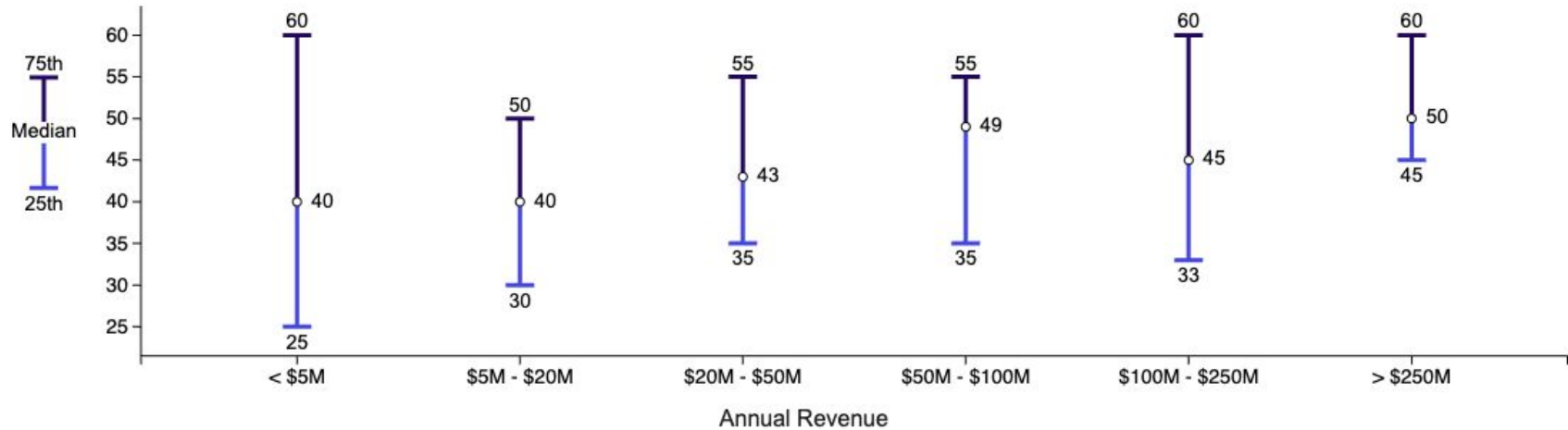
Findings and Insights

- As companies scale, the allocation of Marketing budget continues to increase for programs
- The % of the Marketing budget allocated to programs is very consistent in companies up to $20M – once companies scale beyond $20M the allocation to programs increase up to 50% at median in companies greater than $250M in revenue

N = 198

Marketing Budget Allocated to Technology (%)

By Annual Revenue
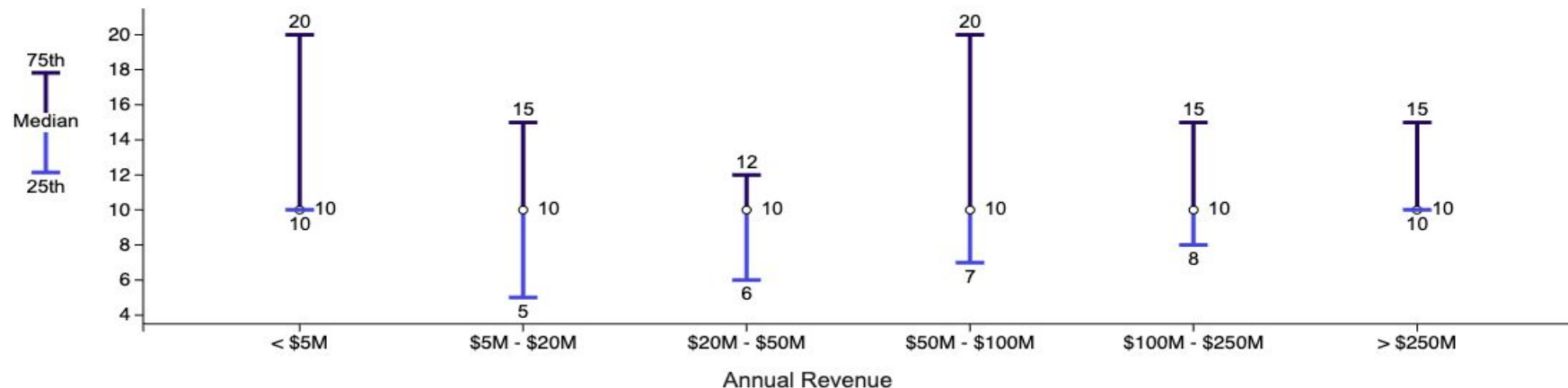
Findings and Insights

- The median budget allocation to technology is remarkably level – though ranges of that investment are much greater in companies in the $50M – $250M range
- It will be interesting to review this allocation by growth rate

N = 198

benchmarkit

Marketing Budget (%) Allocated to People

By Go-to-Market Motion

N = 198
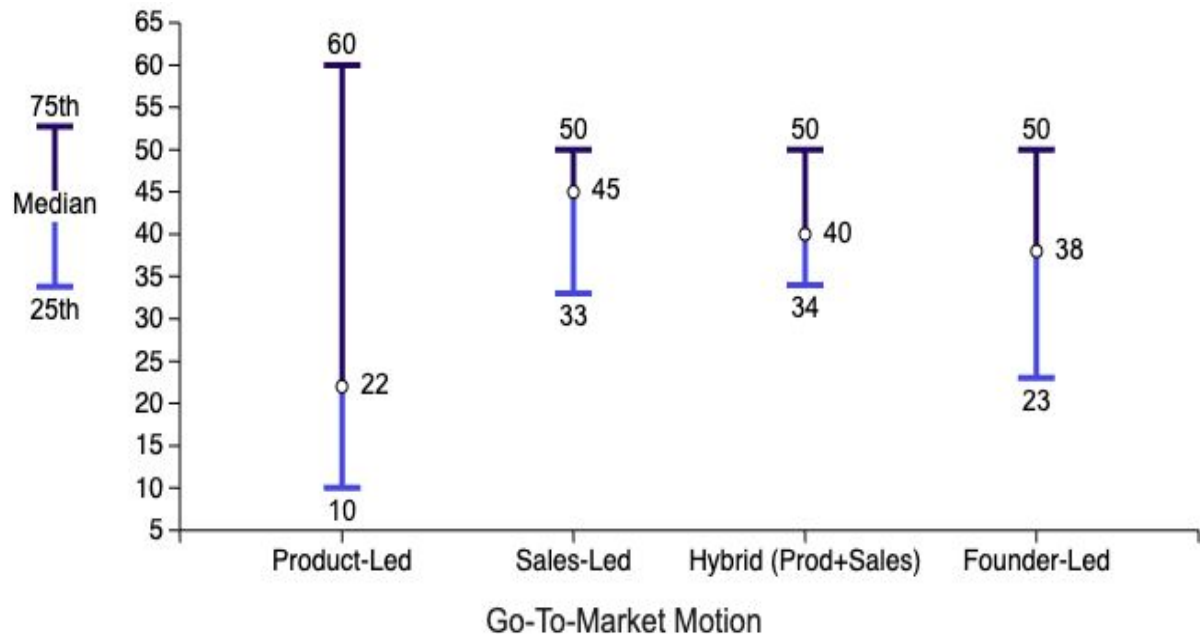
Findings and Insights

- Surprising the see the large delta in the percentage of the Marketing budget is allocated to people in Product-Led companies versus Sales-Led companies

- Analyzing this side-by-side with the same view on program budget tells the rest of the story...spoiler alert PLG companies invest ~20% more in programs

Marketing Budget (%) Allocated to Programs

By Go-to-Market Motion
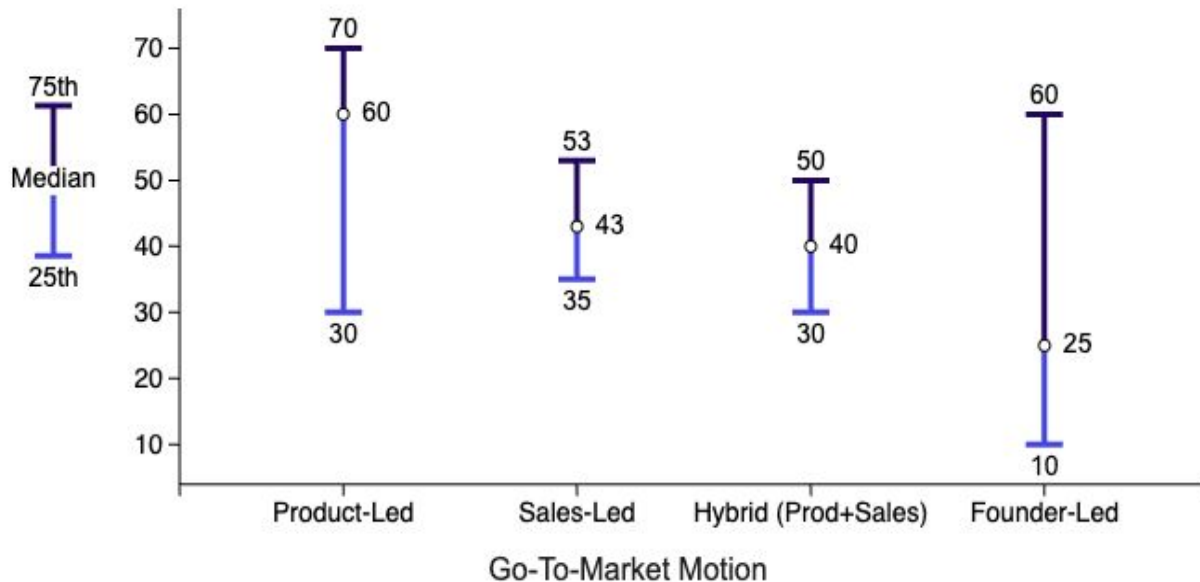
Findings and Insights

- Product-Led companies represented the highest allocation of their Marketing budgets to programs
- At the same time, PLG companies spend ~ 20% less on people as a % of total Marketing budget
- This material difference could be explained by the higher dependency on both SEO and Paid Media in PLG

N = 198

benchmarkit

Marketing Budget (%) Allocated to Technology

By Go-to-Market Motion
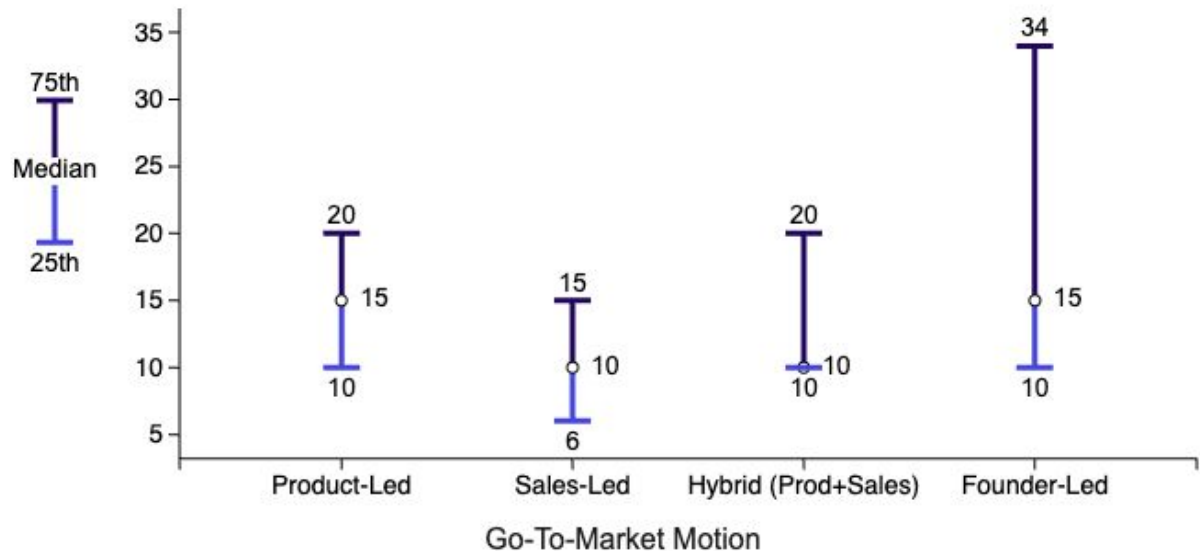
N = 198

Findings and Insights

- PLG companies allocate 50% more of their Marketing budget to technology – at 15% median versus 10% for Sales-Led Growth
- This 5% higher investment in technology is coupled with a ~20% higher budget allocation to programs

benchmarkit

Marketing Budget Allocation

– by Function

04

Marketing Budget (%) Allocated to Demand Generation / Advertising / Paid Media
By Annual Revenue

Marketing Budget (%) Allocated to Demand Generation / Advertising / Paid Media
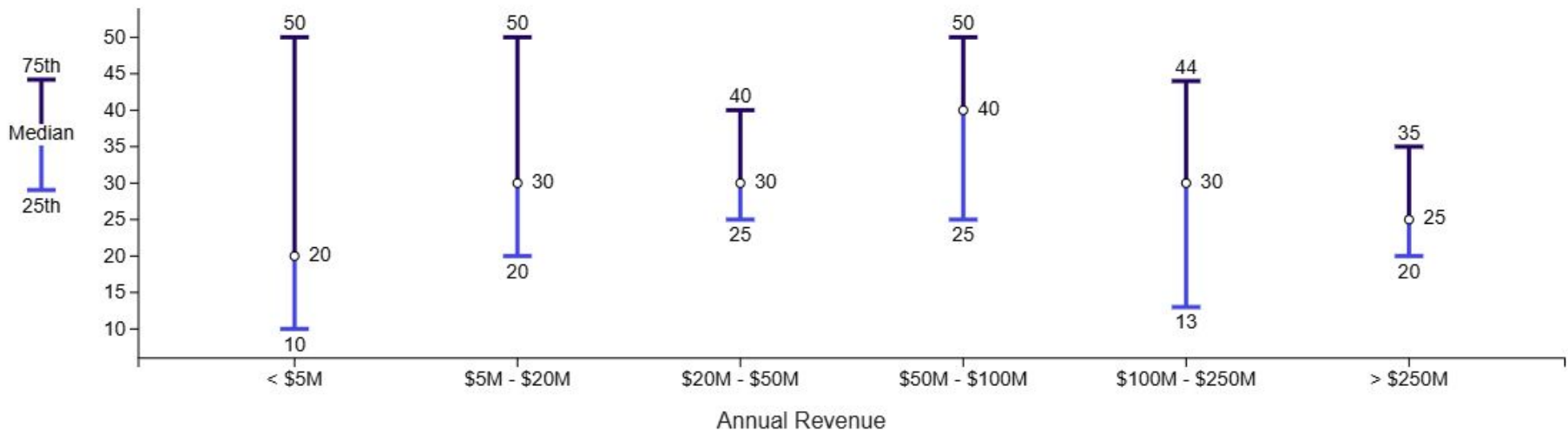
N = 183

By Annual Revenue

Marketing Budget (%) Allocated to Field Marketing / Events
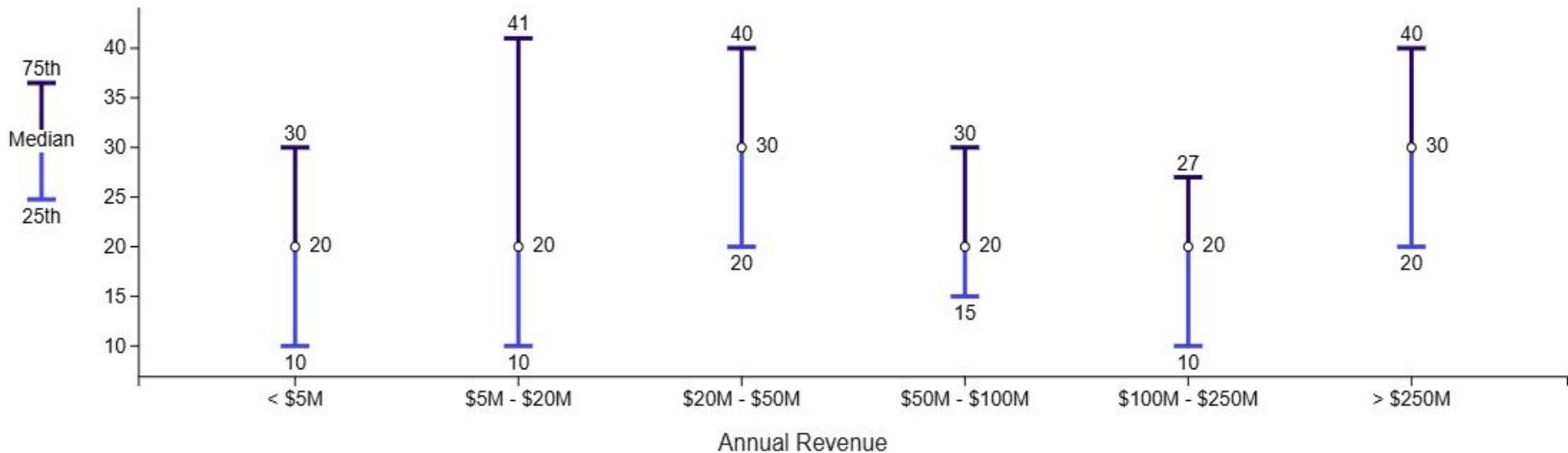
N = 183

Marketing Budget (%) Allocated to Content Marketing / Web Site
By Annual Revenue
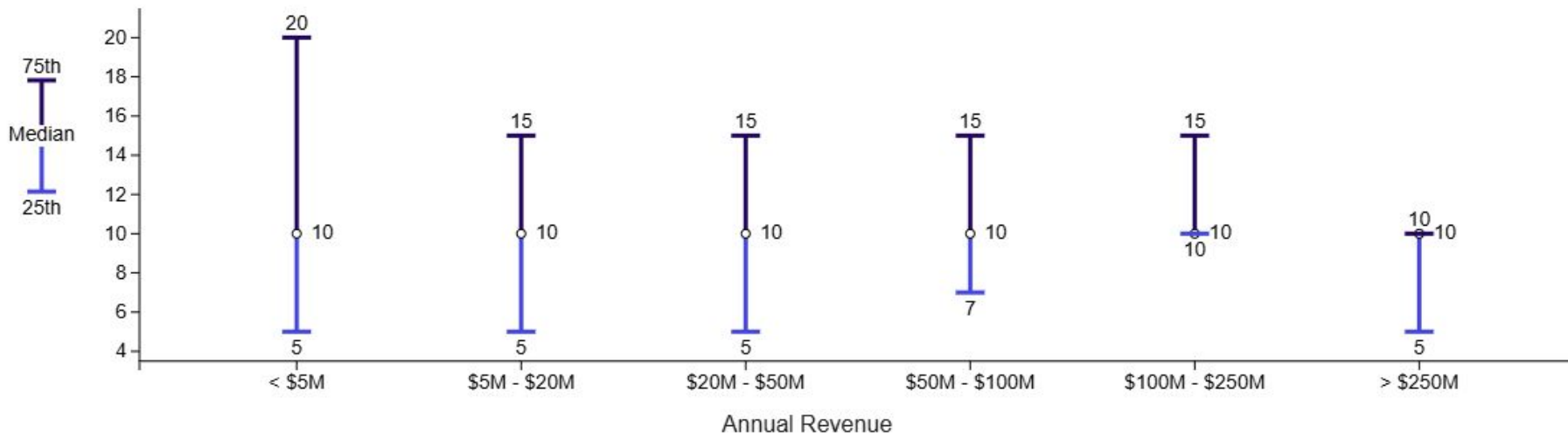
N = 183

Marketing Budget Allocation – Programs

benchmarkit

Marketing Budget (%) Allocated to Corporate Communications
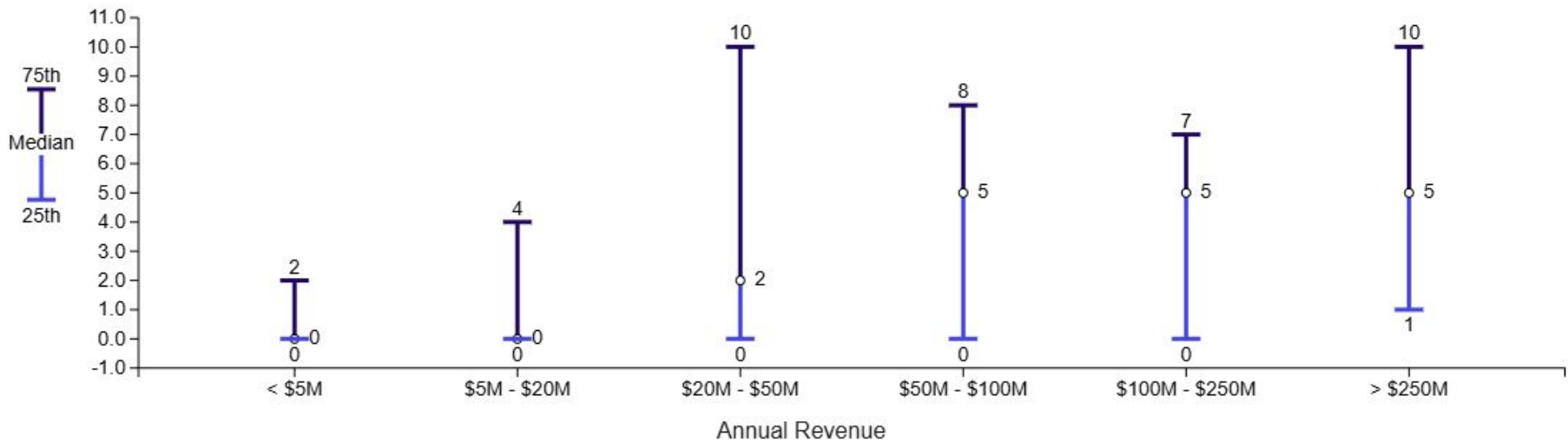
N = 183

Marketing Budget (%) Allocated to Product Marketing
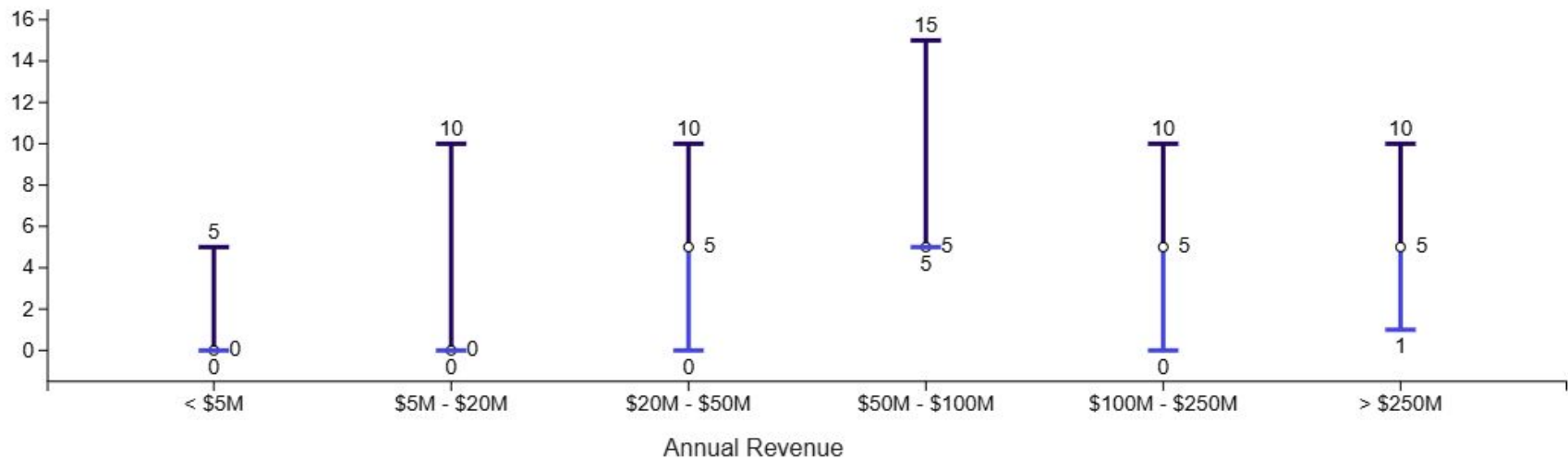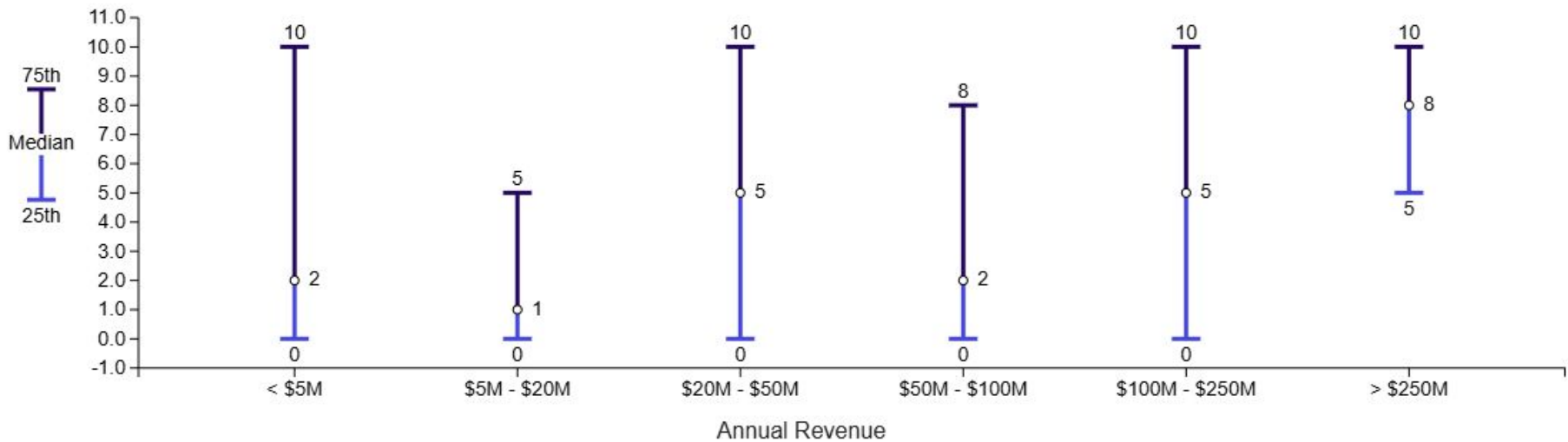
N = 183

Marketing Budget (%) Allocated to Marketing Operations

By Annual Revenue

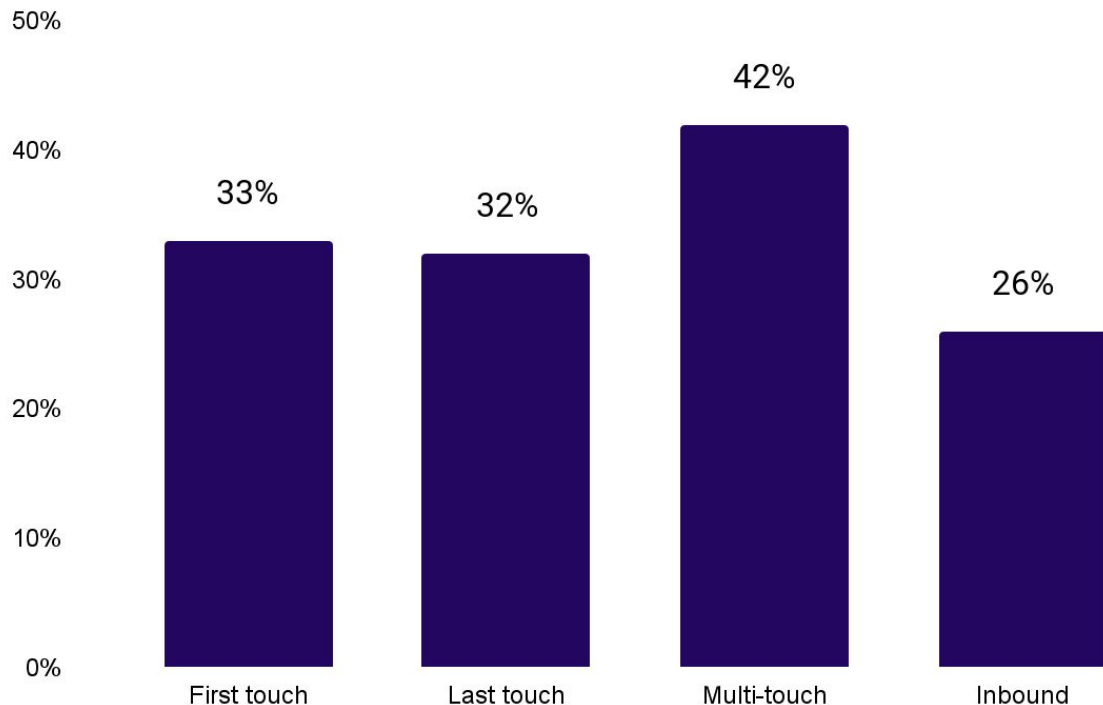Marketing Budget (%) Allocated to Marketing Operations

N = 183

benchmark**it**

Marketing
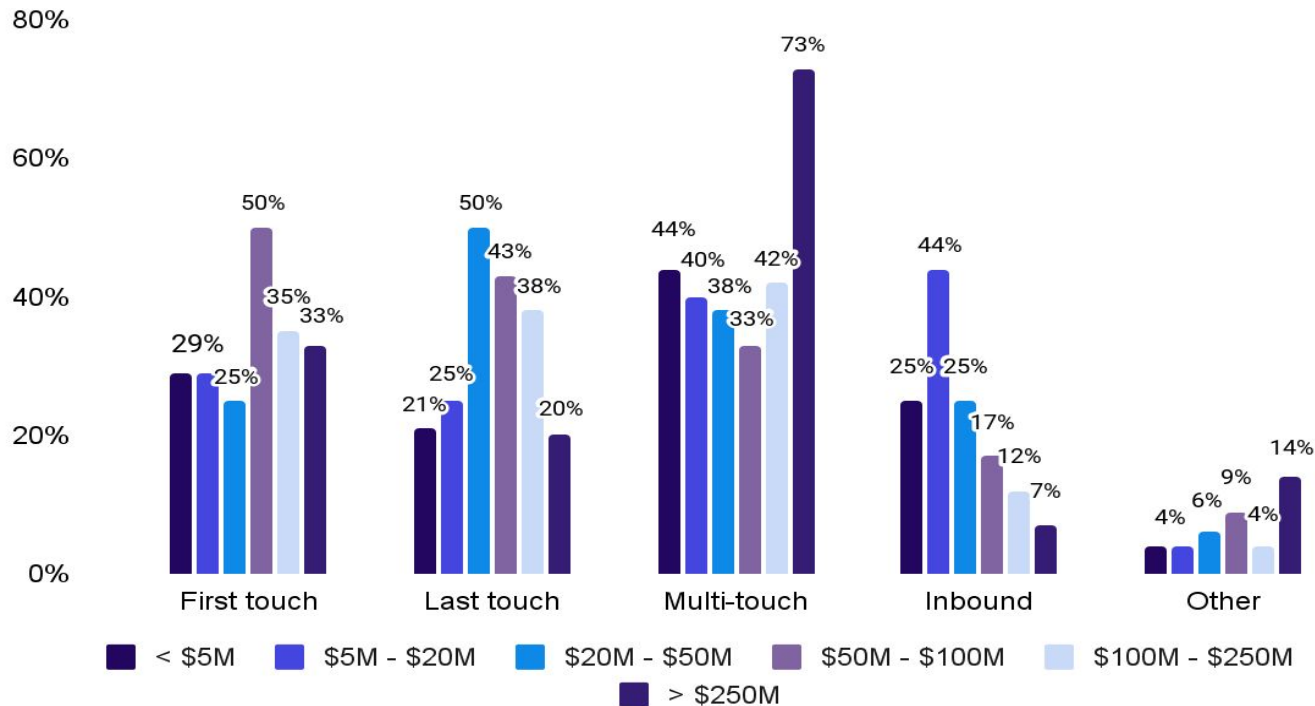# Contribution
Attribution
05

Revenue Contribution Attribution Model

By Total Population

Findings and Insights

- It is obvious that companies are using more than one attribution model which in itself may be problematic or at least highlight the level of focus on attribution
- Multi-touch is the most popular attribution model, though both first and last touch are equally used
- Surprising that only 26% of companies are attributing lead source to "inbound" and thus may be missing out on the efficiency metrics associated with inbound hand-raisers
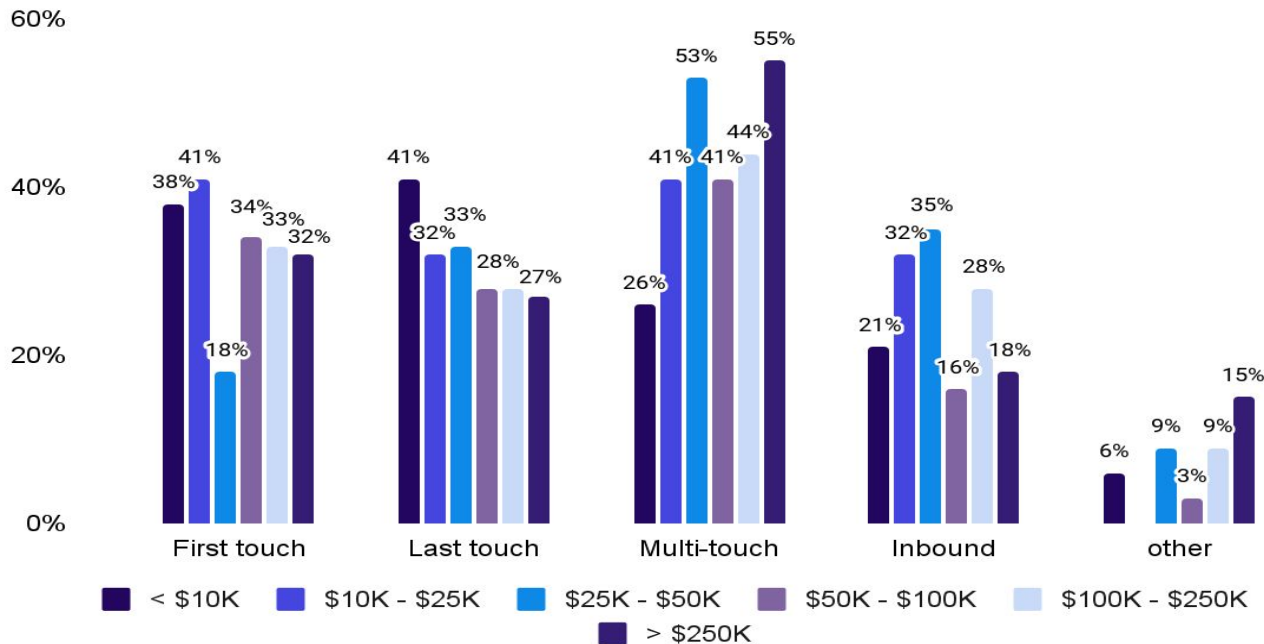
N = 203

benchmarkit

Revenue Contribution Attribution Model
By Annual Revenue

Legend:
- < $5M
- $5M – $20M
- $20M – $50M
- $50M – $100M
- $100M – $250M
- > $250M

First touch: 29%, 29%, 25%, 50%, 35%, 33%

Last touch: 21%, 25%, 50%, 43%, 38%, 20%

Multi-touch: 44%, 40%, 38%, 33%, 42%, 73%

Inbound: 25%, 44%, 25%, 17%, 12%, 7%

Other: 4%, 4%, 6%, 9%, 4%, 14%

Revenue Contribution Attribution Model
By Average Contract Value

Chart: Revenue Contribution Attribution Model by Average Contract Value

First touch: < $10K 38%, $10K – $25K 41%, $25K – $50K 18%, $50K – $100K 34%, $100K – $250K 33%, > $250K 32%

Last touch: < $10K 41%, $10K – $25K 32%, $25K – $50K 33%, $50K – $100K 28%, $100K – $250K 28%, > $250K 27%

Multi-touch: < $10K 26%, $10K – $25K 41%, $25K – $50K 53%, $50K – $100K 41%, $100K – $250K 44%, > $250K 55%

Inbound: < $10K 21%, $10K – $25K 32%, $25K – $50K 35%, $50K – $100K 16%, $100K – $250K 28%, > $250K 18%

other: < $10K 6%, $10K – $25K 9%, $25K – $50K 3%, $100K – $250K 9%, > $250K 15%

Legend: ■ < $10K ■ $10K – $25K ■ $25K – $50K ■ $50K – $100K ■ $100K – $250K ■ > $250K

2025 Target New Bookings Generated by Inbound Leads

By Total Population
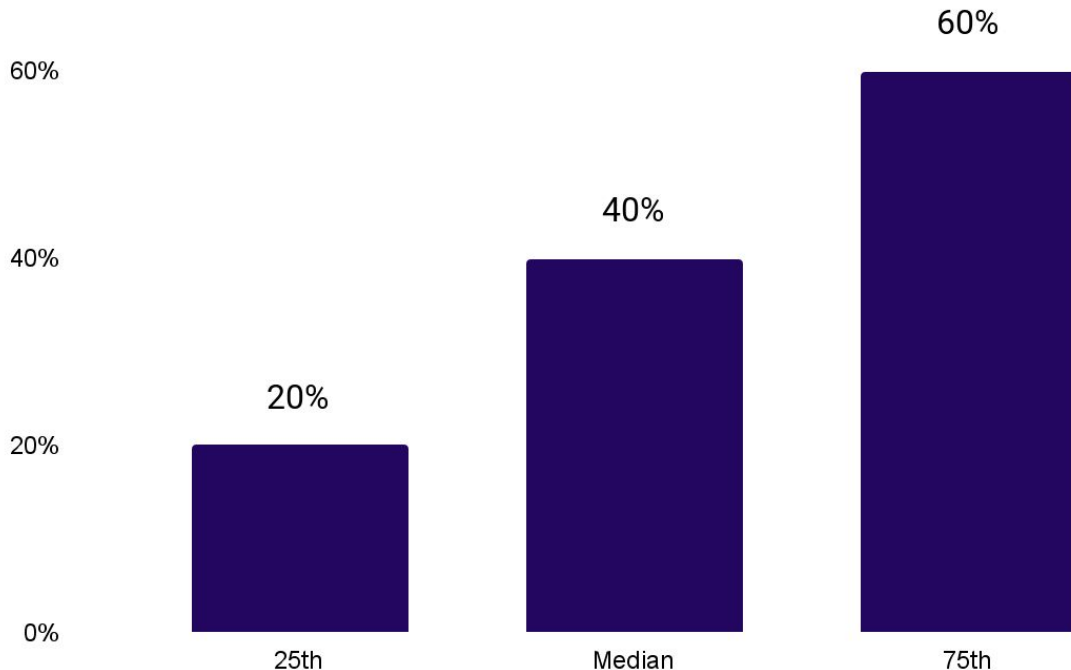
Findings and Insights

- Projecting that at median 40% of new bookings will come from inbound leads is very aggressive
- Will be interesting to see how the actuals trend over the next 1/2/3 years
- inbound leads – defined as hand-raisers who ask for a meeting with Sales typically close at a higher rate, have shorter sales cycles and higher average ACV
- Positive sign that 40% (median) of new bookings are being targeted from inbound leads

N = 190

05
Marketing Contribution – Attribution Model

benchmarkit
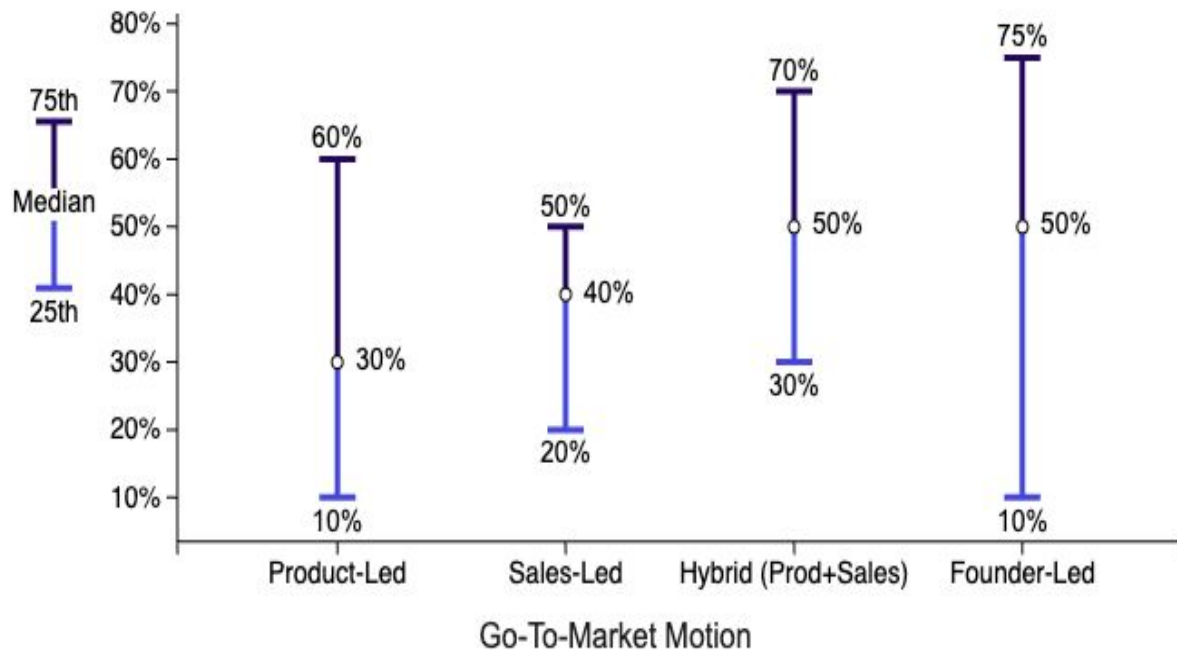
Findings and Insights

- Hard to understand why Product-Led growth leads to a lower percentage of New Bookings from inbound leads versus in a Sales-Led motion?

- One potential explanation for PLG bookings are lower for PLG motion companies is that website visitors convert into freemium customers or paying customers and never get bucketed into an "inbound lead" category
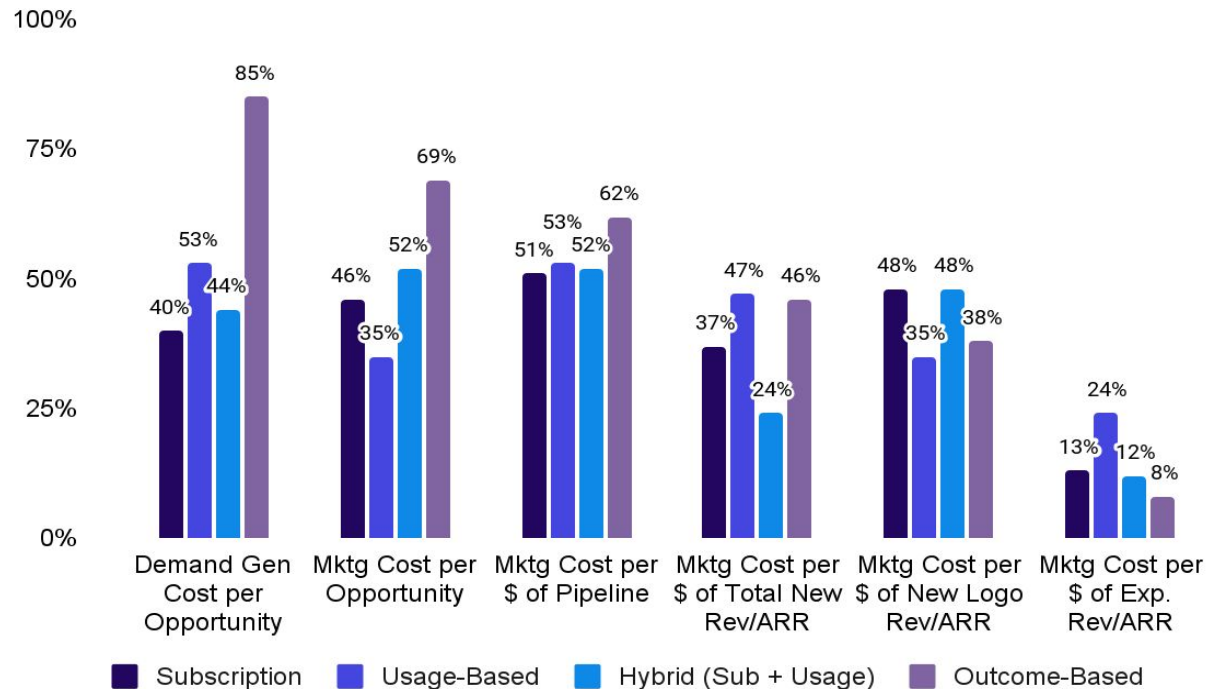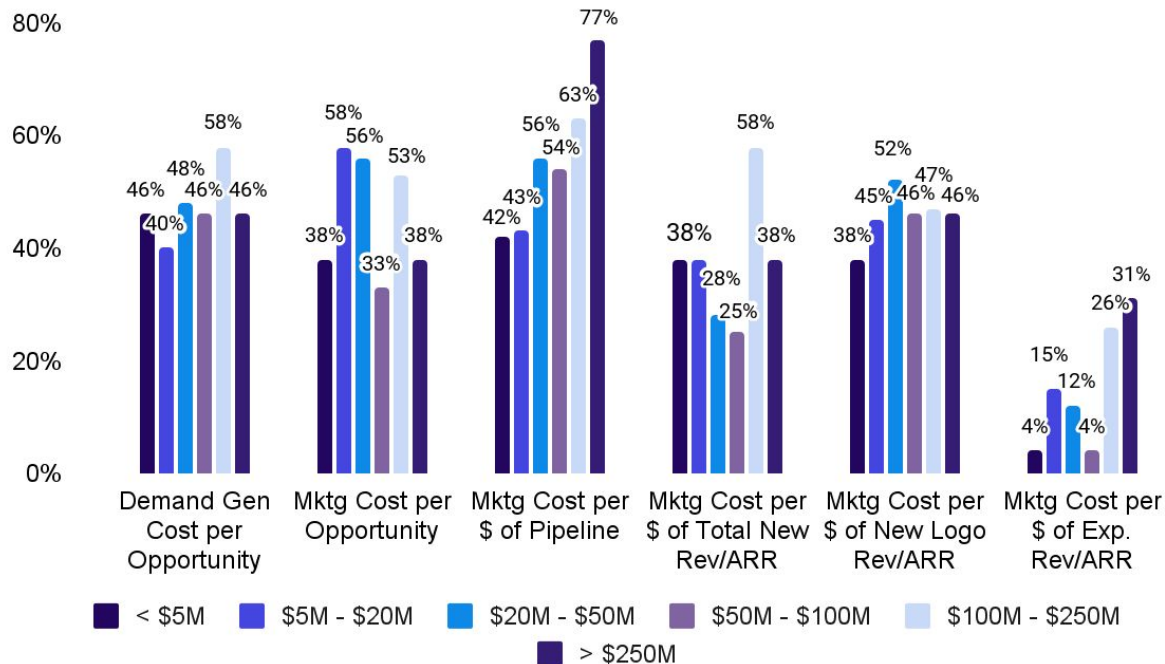
N = 190

Marketing + GTM Metrics

06

benchmark**it**

What Marketing Efficiency Metrics Do You Measure?
By Licensing Model

Chart data:

Metric	Subscription	Usage-Based	Hybrid (Sub + Usage)	Outcome-Based
Demand Gen Cost per Opportunity	40%	53%	44%	85%
Mktg Cost per Opportunity	46%	35%	52%	69%
Mktg Cost per $ of Pipeline	51%	53%	52%	62%
Mktg Cost per $ of Total New Rev/ARR	37%	47%	24%	46%
Mktg Cost per $ of New Logo Rev/ARR	48%	35%	48%	38%
Mktg Cost per $ of Exp. Rev/ARR	13%	24%	12%	8%

benchmarkit

What Marketing Efficiency Metrics Do You Measure?

By Annual Revenue

Findings and Insights

- As could be expected, as companies scale to $100M and above they are much more likely to measure Marketing costs as a percentage of pipeline, total new ARR and per opportunity
- Chief Marketing Officers who measure the $ impact of Marketing investments will find it much easier to ask for increased budgets from the CFO and/or CEO

Chart legend:
- < $5M
- $5M - $20M
- $20M - $50M
- $50M - $100M
- $100M - $250M
- > $250M

Demand Gen Cost per Opportunity: 46%, 40%, 48%, 46%, 58%, 46%

Mktg Cost per Opportunity: 38%, 58%, 56%, 33%, 53%, 38%

Mktg Cost per $ of Pipeline: 42%, 43%, 56%, 54%, 63%, 77%

Mktg Cost per $ of Total New Rev/ARR: 38%, 38%, 28%, 25%, 58%, 38%

Mktg Cost per $ of New Logo Rev/ARR: 38%, 45%, 52%, 46%, 47%, 46%

Mktg Cost per $ of Exp. Rev/ARR: 4%, 15%, 12%, 4%, 26%, 31%

N = 147

What Marketing Metrics Do You Measure?
By Licensing Model
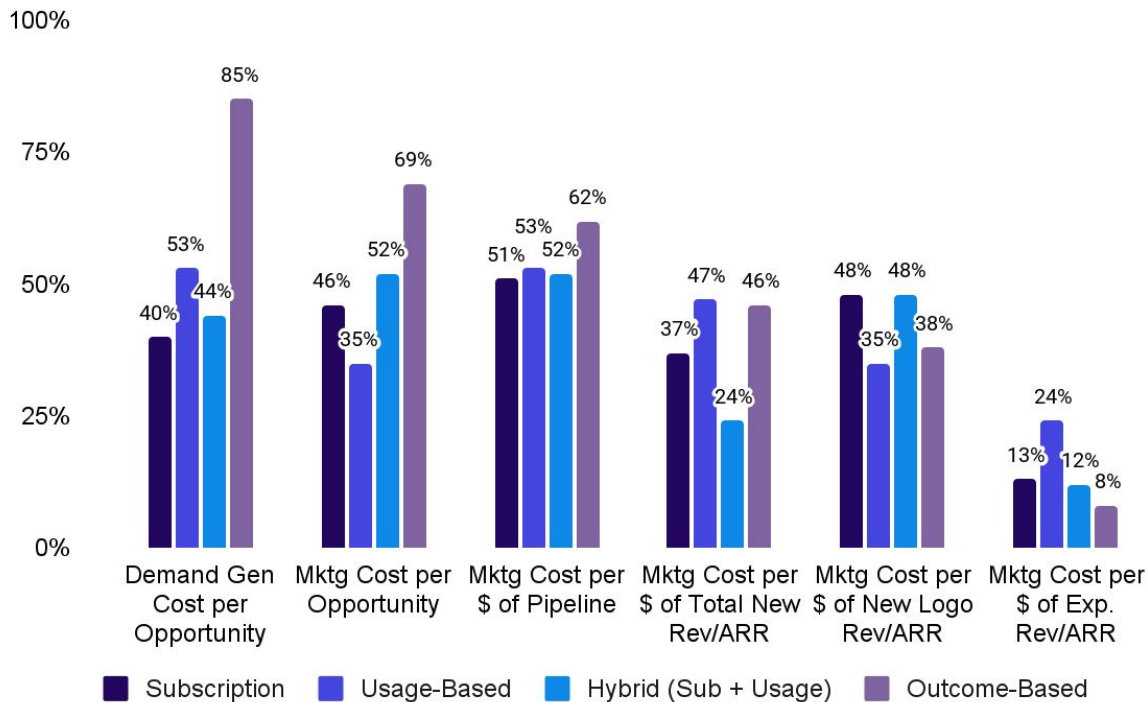
Findings and Insights

- Companies using an Outcome–Based Pricing model are much more likely to measure almost every "outcome" produced against Marketing costs
- Build a culture of "outcome numeracy" is a best practice to increase the focus on dollar based outcome (Pipeline and Revenue) against every dollar based input in Marketing expenses including people, programs and technology

Chart legend: ■ Subscription ■ Usage-Based ■ Hybrid (Sub + Usage) ■ Outcome-Based

Metric	Subscription	Usage-Based	Hybrid (Sub + Usage)	Outcome-Based
Demand Gen Cost per Opportunity	40%	53%	44%	85%
Mktg Cost per Opportunity	46%	35%	52%	69%
Mktg Cost per $ of Pipeline	51%	53%	52%	62%
Mktg Cost per $ of Total New Rev/ARR	37%	47%	24%	46%
Mktg Cost per $ of New Logo Rev/ARR	48%	35%	48%	38%
Mktg Cost per $ of Exp. Rev/ARR	13%	24%	12%	8%

N = 147

benchmarkit

What Marketing Metrics Do You Measure?
By 2024 Actual Growth Rate

% Companies Measuring the Metric

- Demand Gen Cost per Opportunity: 61%, 39%, 54%, 38%
- Mktg Cost per Opportunity: 42%, 50%, 50%, 48%
- Mktg Cost per $ of Pipeline: 48%, 50%, 54%, 56%
- Mktg Cost per $ of Total New Rev/ARR: 27%, 39%, 32%, 44%
- Mktg Cost per $ of New Logo Rev/ARR: 27%, 61%, 43%, 48%
- Mktg Cost per $ of Exp. Rev/ARR: 6%, 18%, 32%, 4%

Company Growth Rate '24

Legend: ■ < 10% ■ 11% - 20% ■ 21% - 30% ■ > 30%
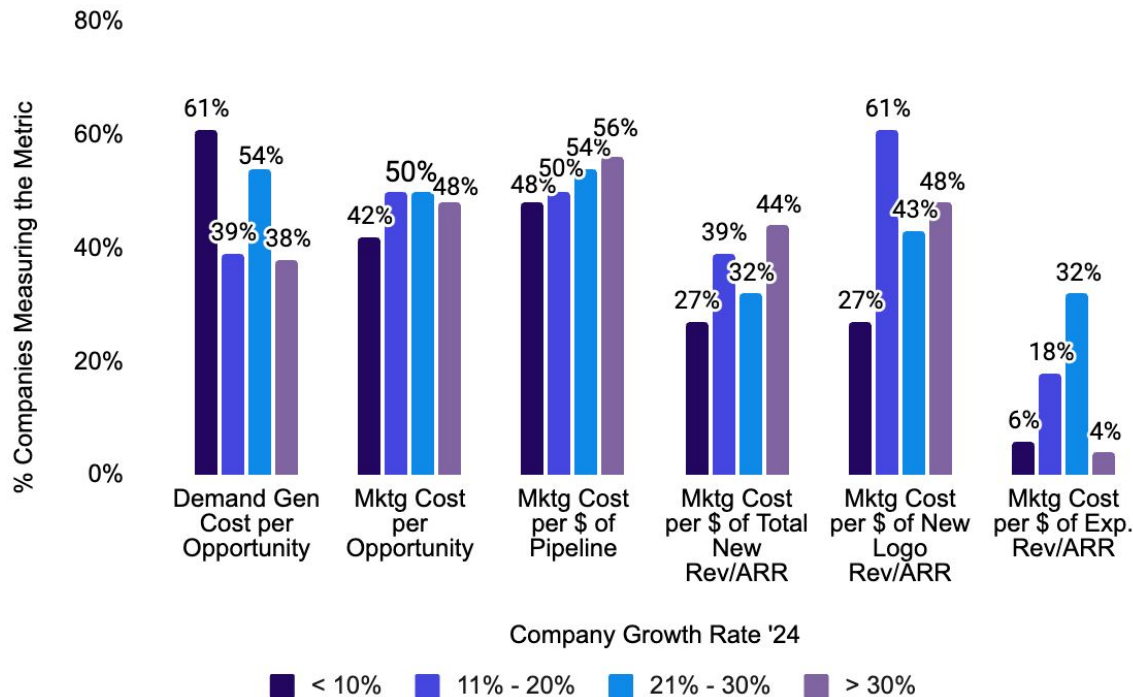
N = 147

Findings and Insights

- Measuring Marketing cost per dollar of new pipeline has a high correlation to growth rates with 56% companies growing faster than 30% using this metric
- In addition, companies growing faster than 30% are also most likely to be measuring Marketing Cost per $ of New ARR
- Focus on Metrics appear to be highlight correlated to a company's growth performance

benchmarkit

Marketing Expenses per Opportunity
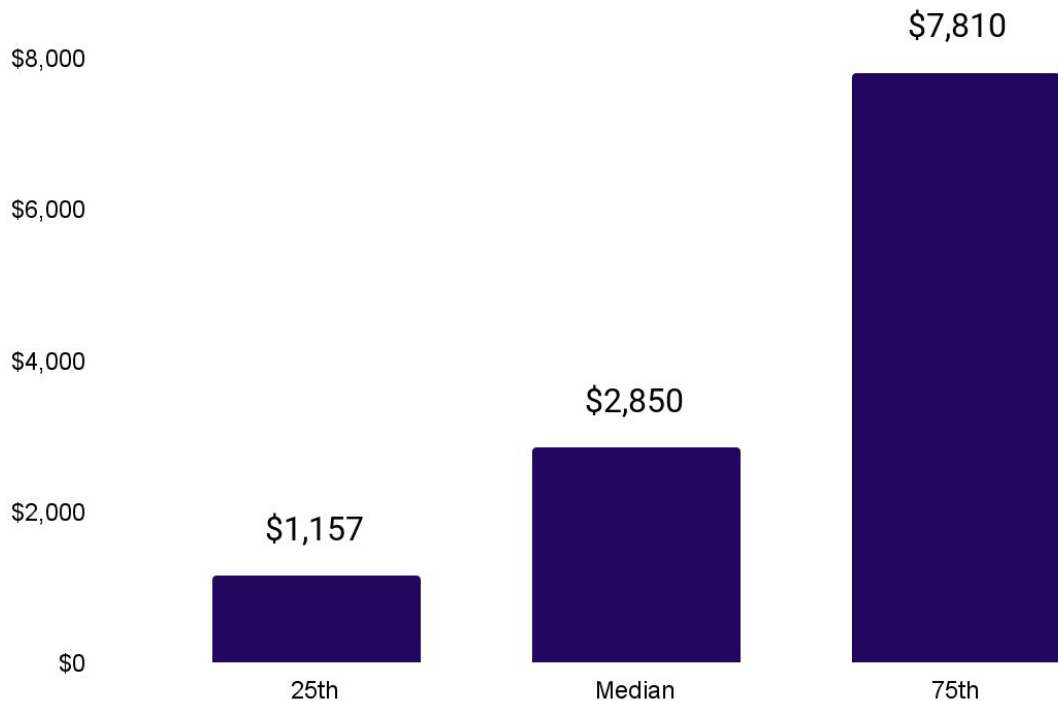
By Total Population

Findings and Insights

- This benchmark is much more valuable when viewing by ACV and company size but we wanted to at least provide the total population findings on Marketing expense per Opportunity first

N = 34

benchmarkit

Marketing Expenses per ($) of Pipeline
By Annual Revenue
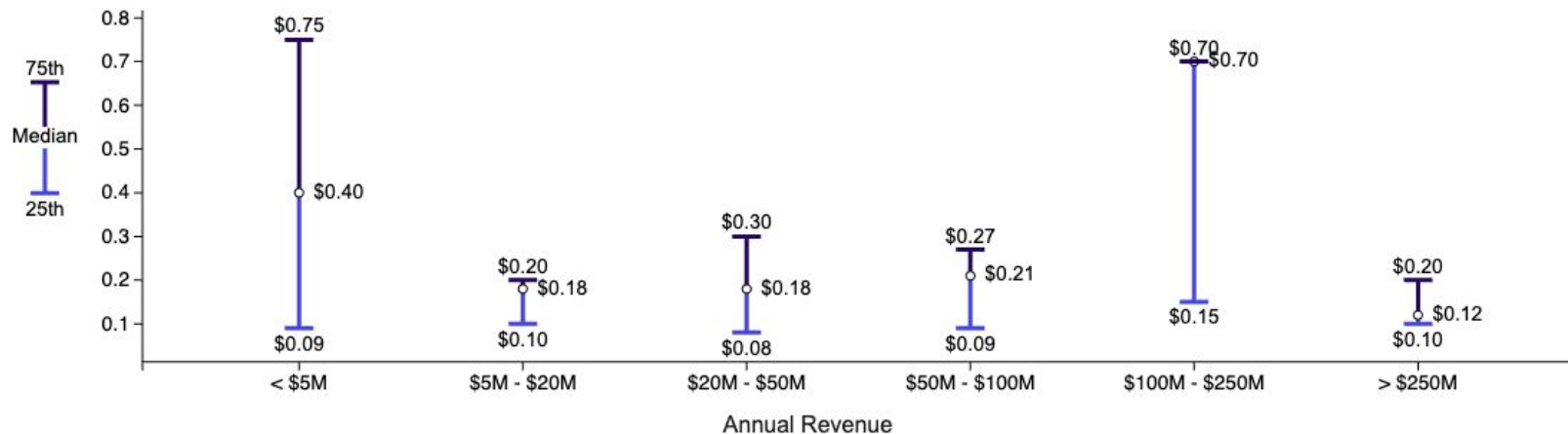
Findings and Insights

- It is interesting to see how expensive each dollar of pipeline is as measured by Marketing expenses in the early days of growth and then how it decreases once initial repeatability is achieve
- It is even more interesting to see how the efficiency of the Marketing spend as measured against pipeline generated begins to decrease at $50M and materially increases until companies hit meaningful scale at $250M and above

N = 39

benchmarkit

Marketing Expenses per ($) of Pipeline
By Average Contract Value

Findings and Insights

- Sometimes this metric can be called "Marketing CAC Ratio: Pipeline" as it measures how much fully loaded Marketing expenses are incurred to generate one dollar of qualified pipeline

- Viewing these benchmarks by average annual contract value is a best practice, as the cost per dollar of pipeline typically increase in larger ACV levels

N = 39

benchmark**it**

Marketing Expenses per Opportunity
By Annual Revenue

N = 34

Marketing and GTM Metrics
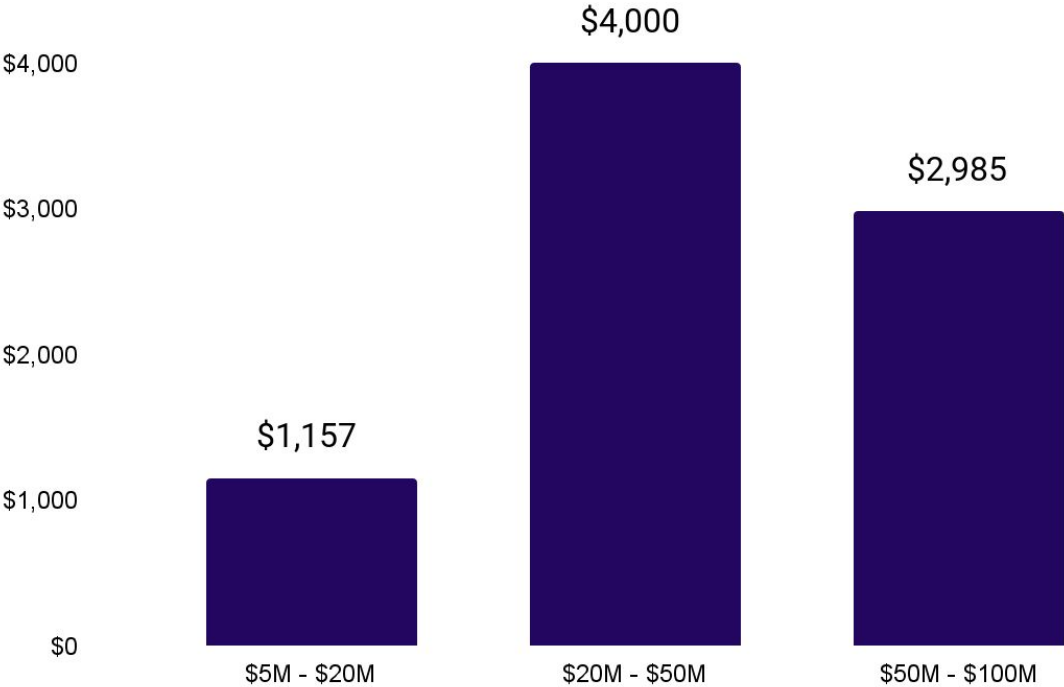
benchmark it 90

Marketing Expenses per Opportunity

By Annual Contract Value
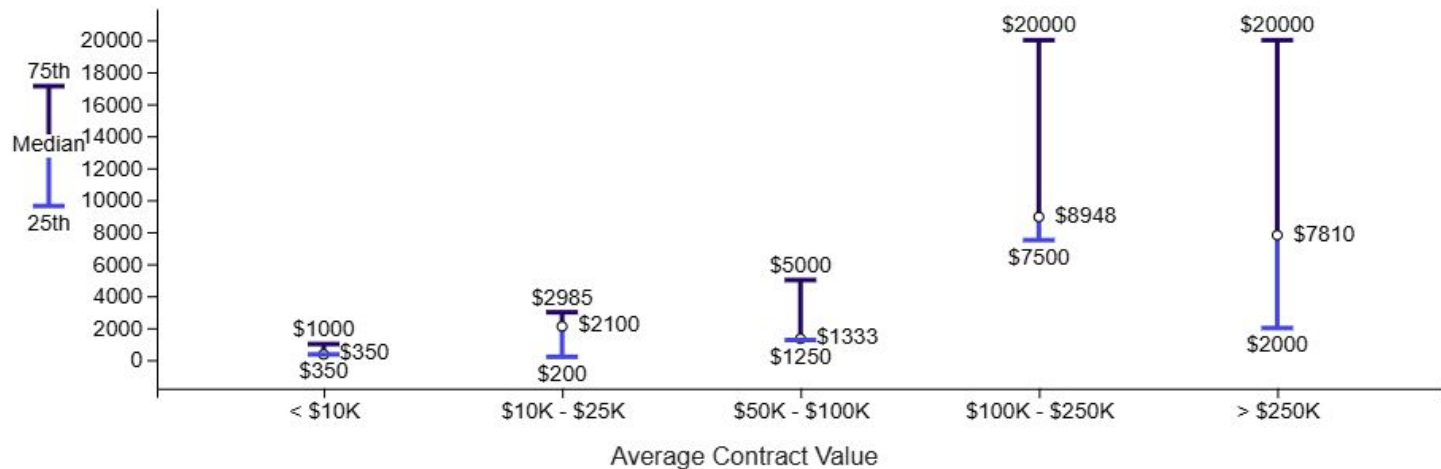
Findings and Insights

- As could be expected the Marketing expense per qualified opportunity increases as the ACV increases
- Some of these benchmarks are impacted by the low number of research participants who could provide the data in the under $10K ACV ranges

N = 34

benchmarkit

Marketing Expenses per ($) of New Logo Revenue/ARR

By Total Population
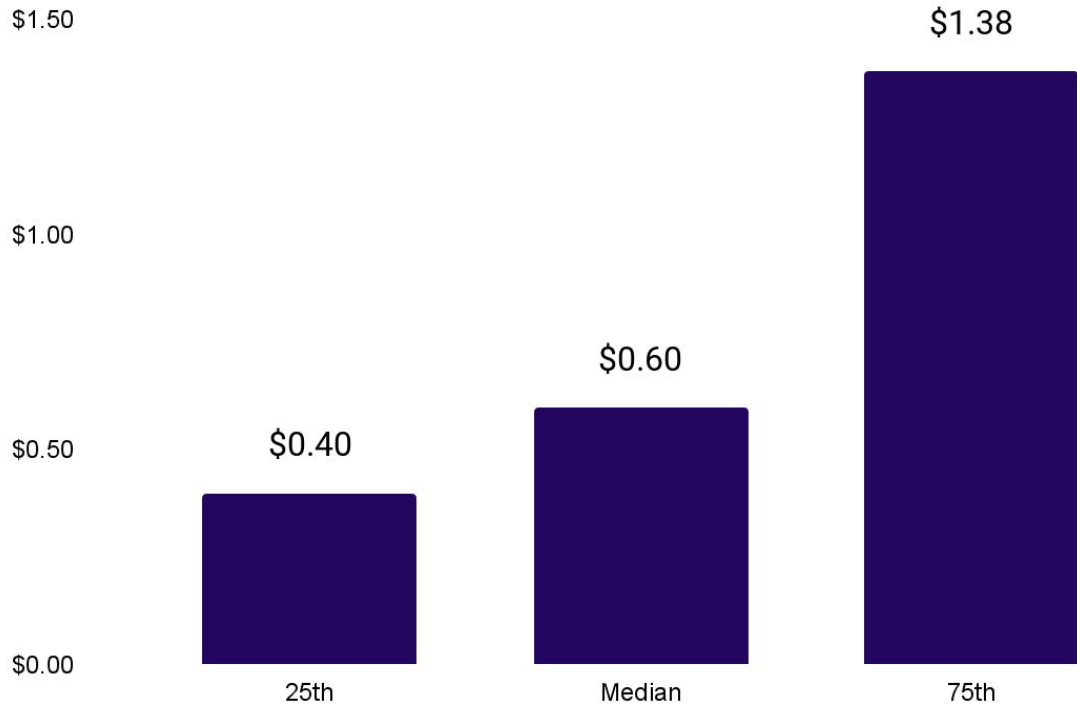
Findings and Insights

- The $.60 of Marketing expense per dollar of New Logo ARR is also known as "Marketing CAC Ratio"
- This finding is very consistent with the latest New CAC Ratio of $1.76 at median – New CAC Ratio is calculated by dividing total Sales and Marketing expenses by New ARR
- Measuring the Marketing CAC Ratio for New Logo ARR and Qualified Pipeline Generated as a powerful combination to understand the efficiency and Return on Investment of Marketing investments

N = 33

Marketing Expenses per ($) of Total New Revenue/ARR

By Total Population
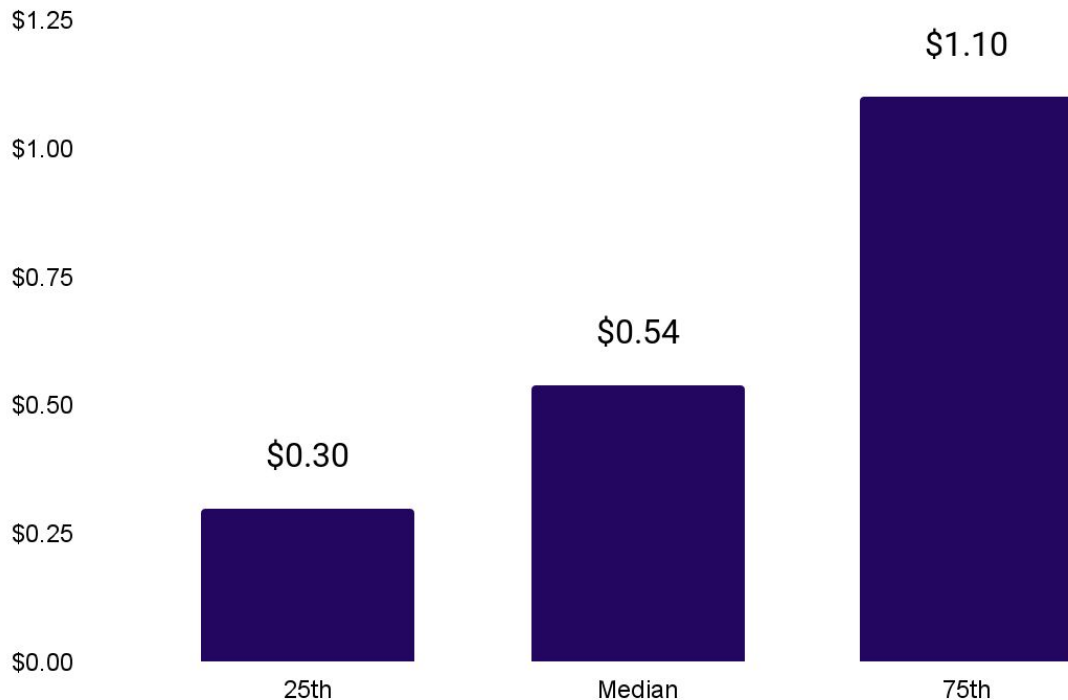
Findings and Insights

- The $.54 of Marketing expense per dollar of Total New ARR (New Logo ARR + Existing Customer Expansion ARR) is consistent with the $1.61 Blended CAC Ratio
- Measuring the Marketing CAC Ratio for Total New ARR and Total Qualified Pipeline Generated—including both new logo and expansion opportunities—provides a powerful combination to evaluate the efficiency and Return on Investment of marketing investments.

N = 24

benchmarkit

Marketing Expenses per ($) of Pipeline

By Total Population
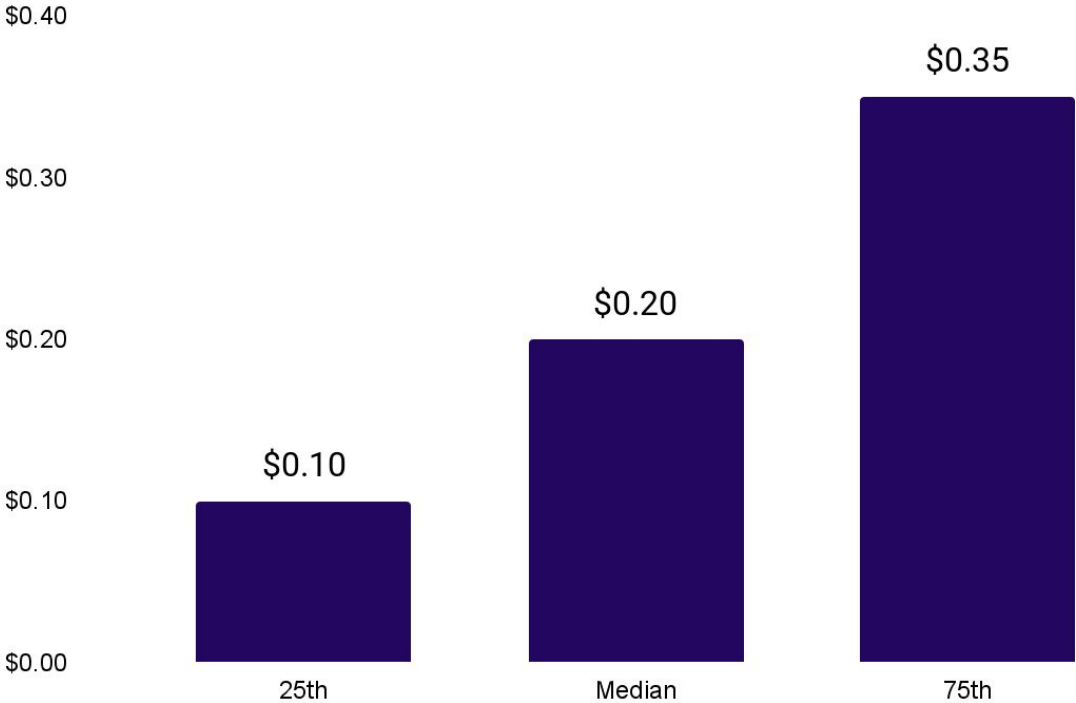
$0.40

$0.30

$0.20

$0.10

$0.00

$0.10 — 25th

$0.20 — Median

$0.35 — 75th

N = 24

Demand Generation Expenses per Opportunity

By Total Population

$5,000

$1,981

$806

$5,000	
$4,000	
$3,000	
$2,000	
$1,000	
$0	

25th   Median   75th

N = 33
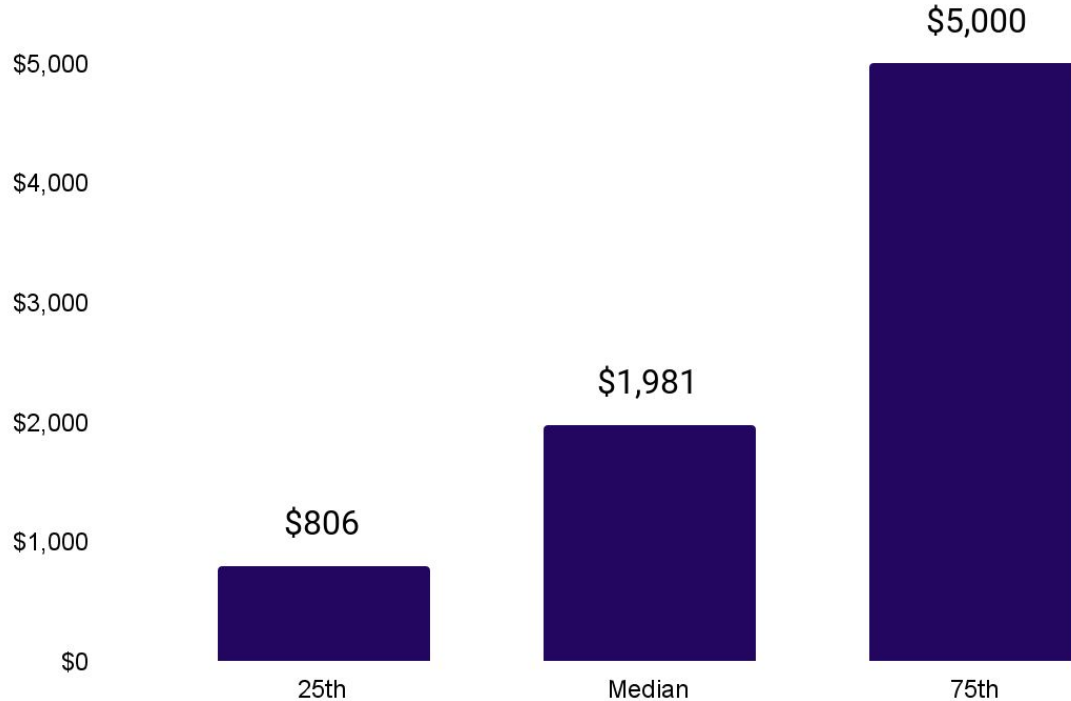
Findings and Insights

- Though we were able to collect the median cost per qualified opportunity across the entire population – this benchmark is best viewed by ACV segments

Demand Generation Expenses per Opportunity

By Go-to-Market Motion

$2,000

$2,000

$1,500

$1,500

$1,000

$500

$0

Sales-Led

Hybrid (Product-Led + Sales-Led)

N = 33
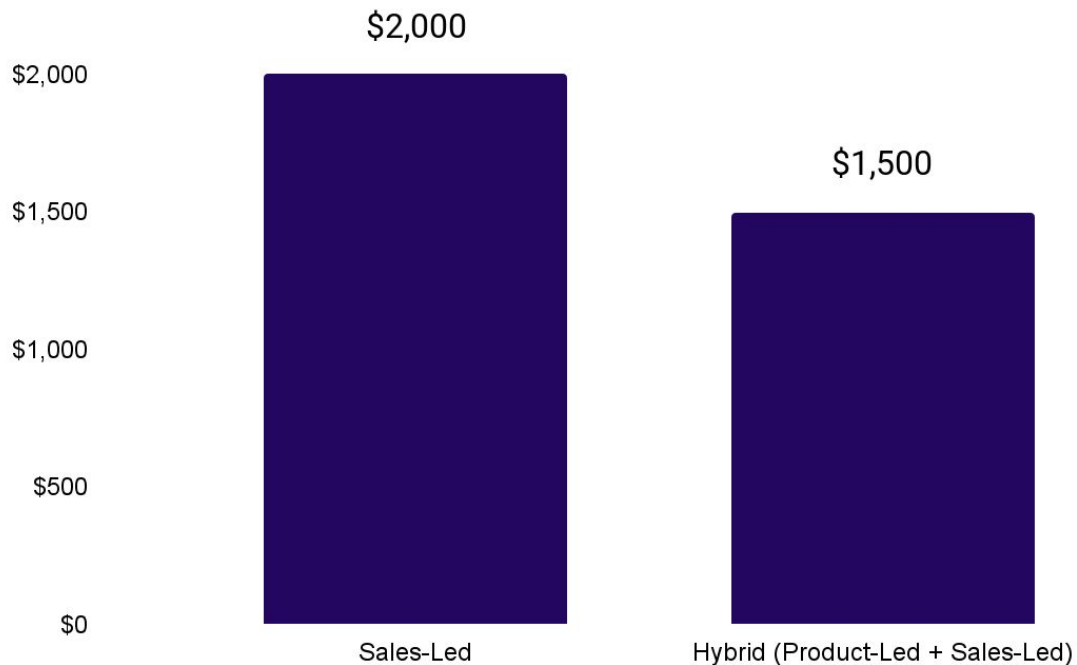
Findings and Insights

- It is interesting to see that a "hybrid" Go-to-Market motion results in a 33% lower Demand Generation cost per opportunity versus a pure Sales-Led motion

benchmarkit

What GTM Metrics Do You Measure?

By Total Population
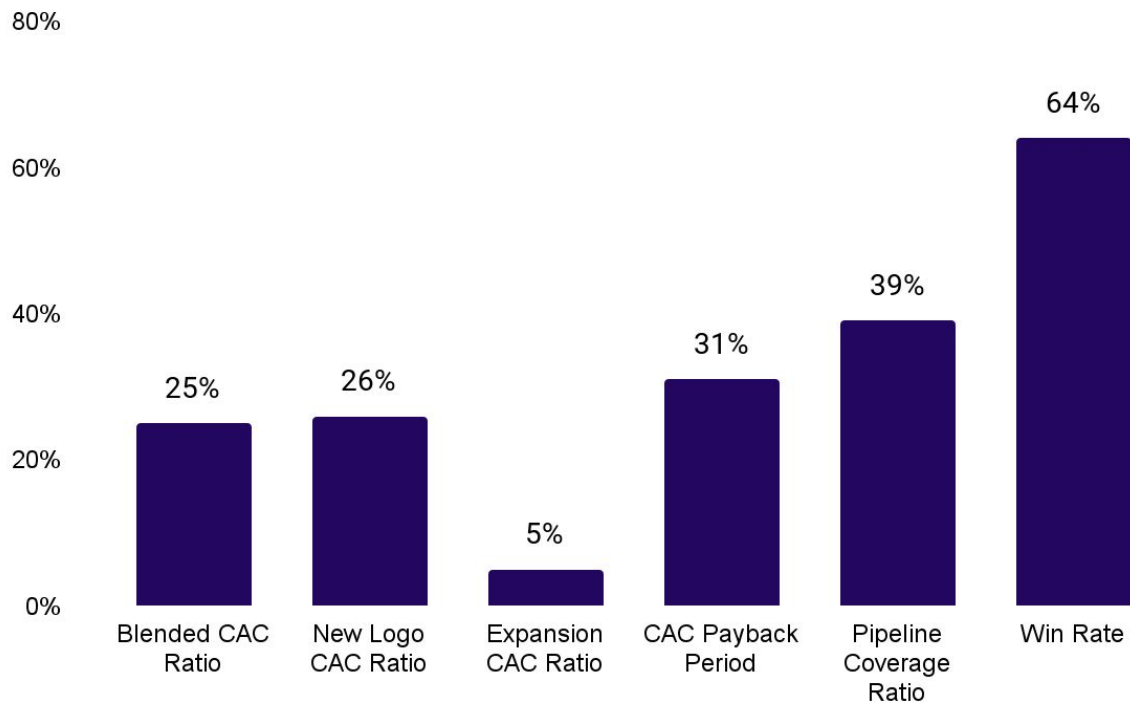
Findings and Insights

- Win Rate is really a "Sales" metric, but was included to test a hypothesis that traditional productivity metrics are more popular than efficiency metrics

- Pipeline Coverage Ratio is a key input metric to determine how much pipeline is required over a period of time to hit the financial plan – not sure how a company can determine amount of pipeline required without this metric

- With only ~ 25% of companies measuring the Sales and Marketing expenses incurred to generate $1 of new ARR it is not surprising that CAC efficiency continues to decrease

N = 161

O6
Marketing and GTM Metrics

benchmark**it**

CAC Payback Period

By Average Contract Value
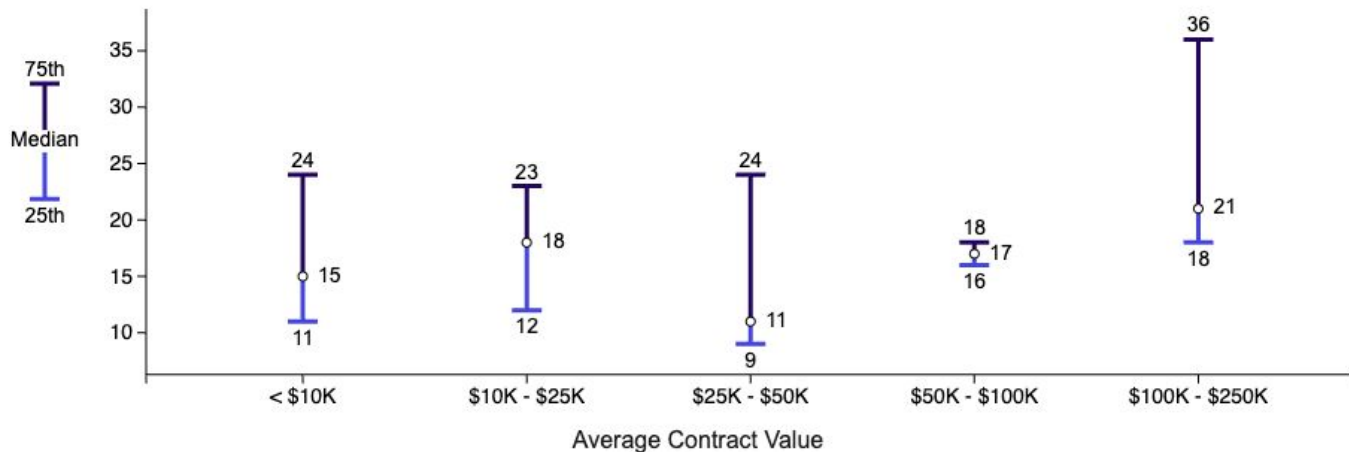
Findings and Insights

- CAC Payback Period measures the time required to pay back the Sales and Marketing expenses incurred to acquire new customers OR in larger public companies it measures how long it takes to payback Net New ARR

- Looking at CAC Payback Period by ACV is a best practice, but since the metric uses at least 4 different input variables to calculate it is less helpful to make operating decisions

- Measuring CAC Ratio, for all New ARR, New Logo ARR, and Expansion ARR is a best practice

- Measuring the Marketing CAC Ratio by dividing Fully Loaded Marketing Costs by thee New Logo ARR or New Logo + Expansion Logo ARR is a best practice

N = 39

Win Rate for New Opportunities

By Average Contract Value
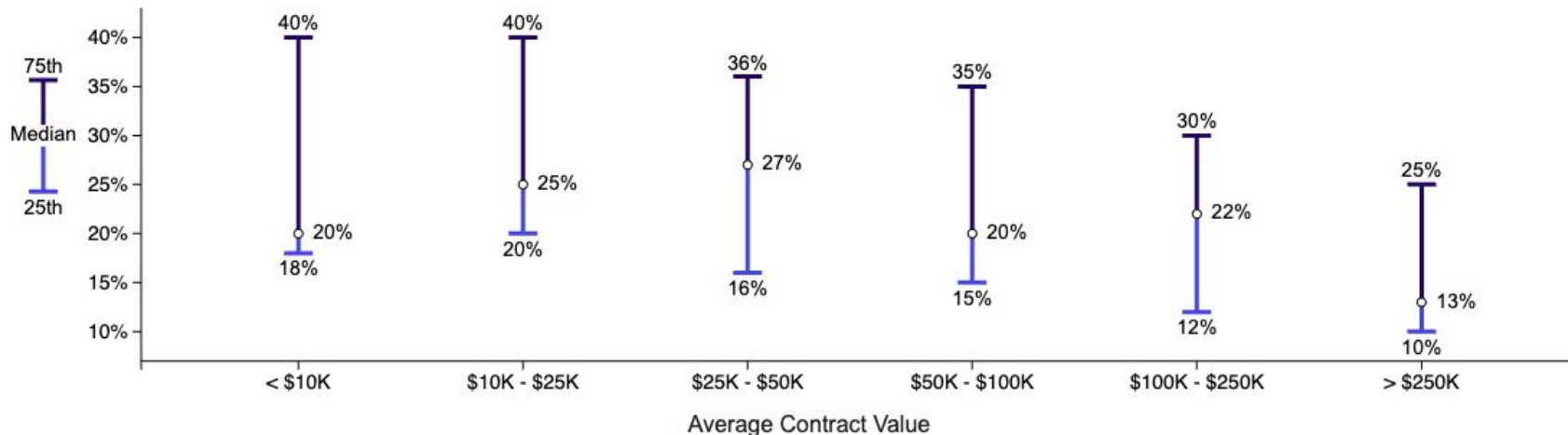
Findings and Insights

- Most surprising insight on the win rate by ACV benchmark is that win rates for ACV in the $50K – $100K range (20%) were lower at median than either $25K – $50K ACV (27%) and $100K – $250K ACV (22%).

- This finding suggests that companies with a $50K – $100K ACV should analyze the customer acquisition process to determine if additional qualification criteria may be valuable in the lead to Stage 2 qualified opportunity

N = 91

benchmarkit
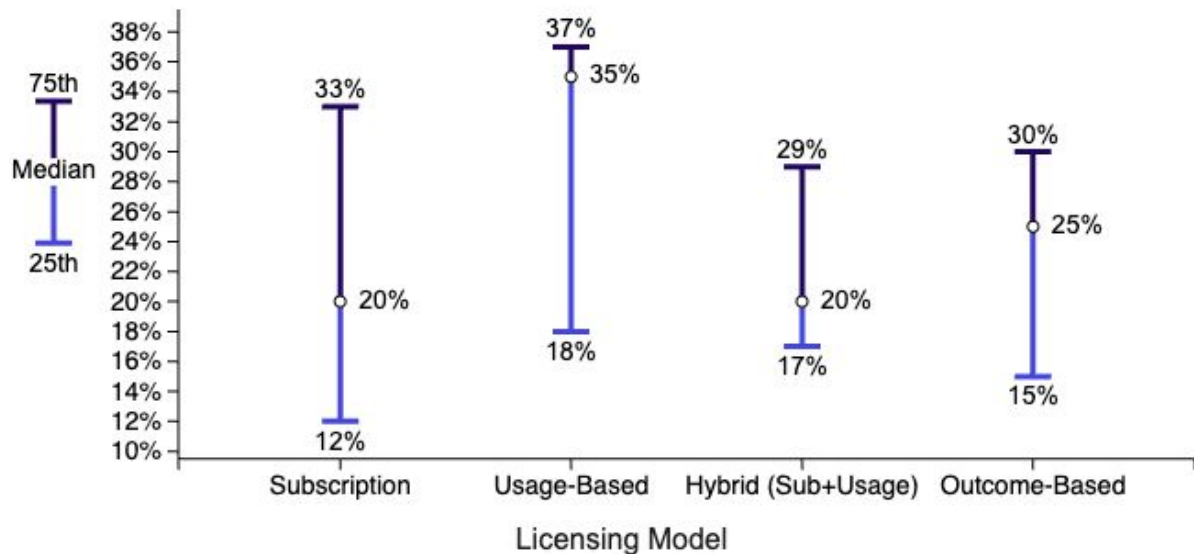
Findings and Insights

- Very interesting to see that a Usage–Based Pricing model has a much higher win rate (35% at median) versus any other pricing model

- Evaluating Win Rate in concert with ARR at the end of first year, NRR at end of first year and CAC Ratio based upon ARR at the end of first year is a best practice

N = 91

benchmarkit 100

Pipeline Coverage Ratio – Last Twelve Months

By Total Population

30%

23%

27%

20%

16%

14%

10%

9%

11%

0%

< 2.5x   2.5x - 3x   3x - 3.5x   3.5x - 4x   4x - 5x   > 5x

N = 56
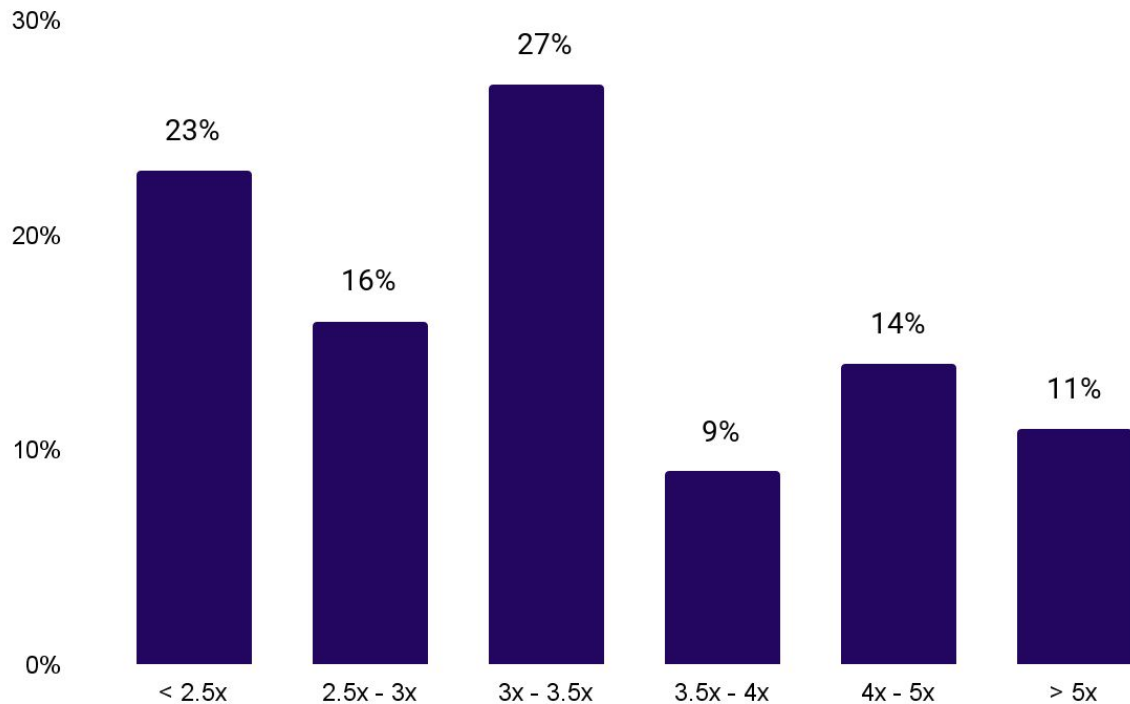
Findings and Insights

- The historic ~ 3x Pipeline Coverage Ratio is alive and well with 27% of companies reporting a 3x – 3.5x Pipeline Coverage Ratio

- At the same time – it is concerning that 25% of companies are reporting a Pipeline Coverage Ratio of more than 4x, and even 11% reporting greater than 5x – indicating they may need more pipeline to make up for lower close rates.

benchmarkit 101

Pipeline Coverage Ratio – Last Quarter

By Total Population
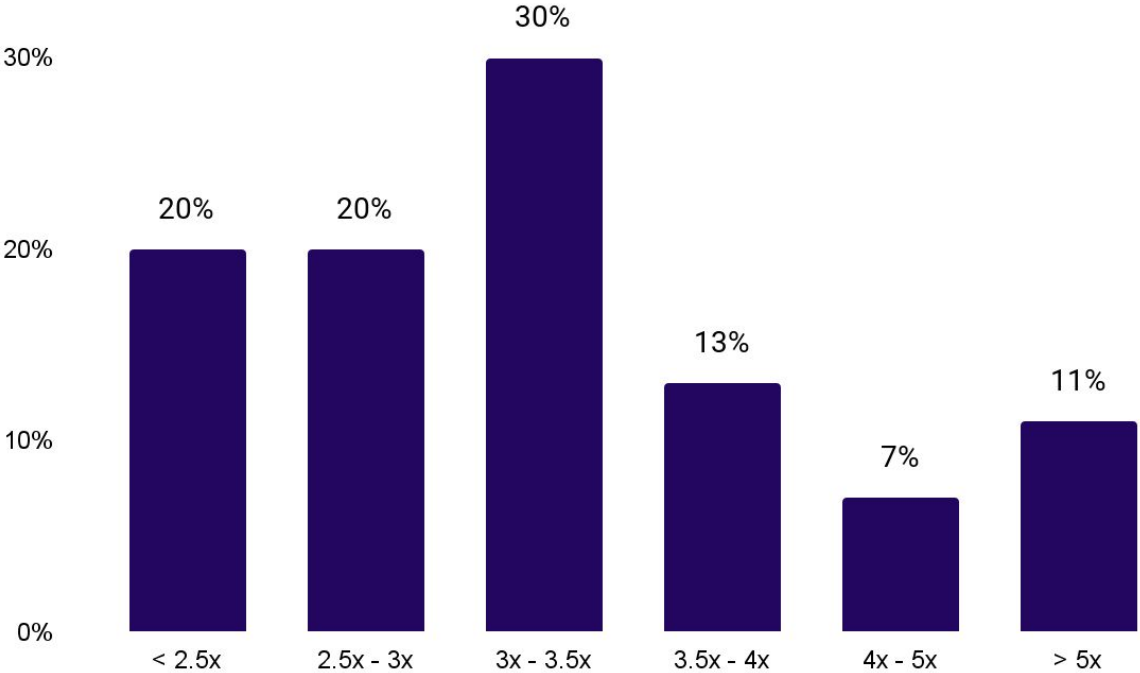
N = 56

CAC Payback Period
By Total Population

25

20

15

10

5

0

24

18

11

25th   Median   75th
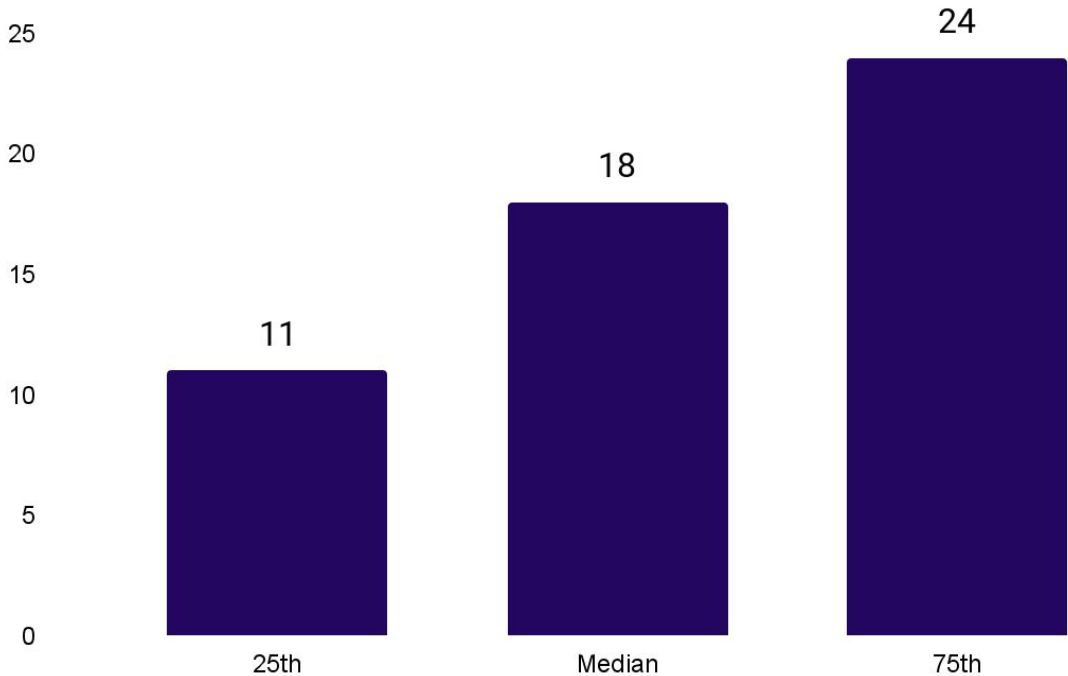
N = 56

Win Rate for New Opportunities
By Total Population

40%

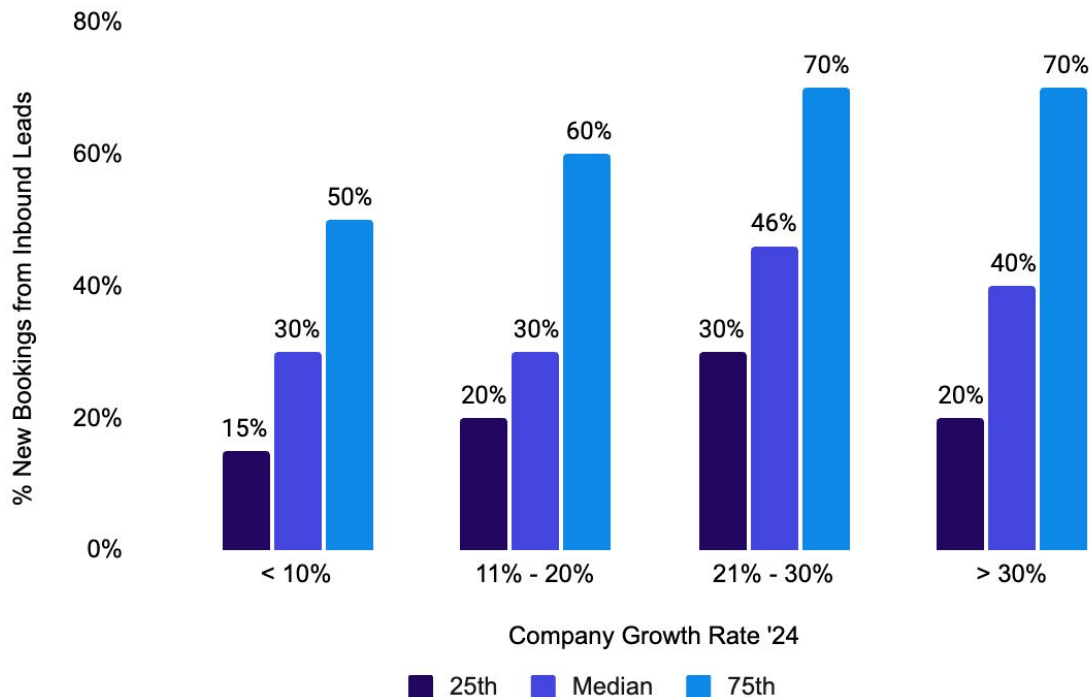35%

30%

22%

20%

15%

10%

0%

25th

Median

75th
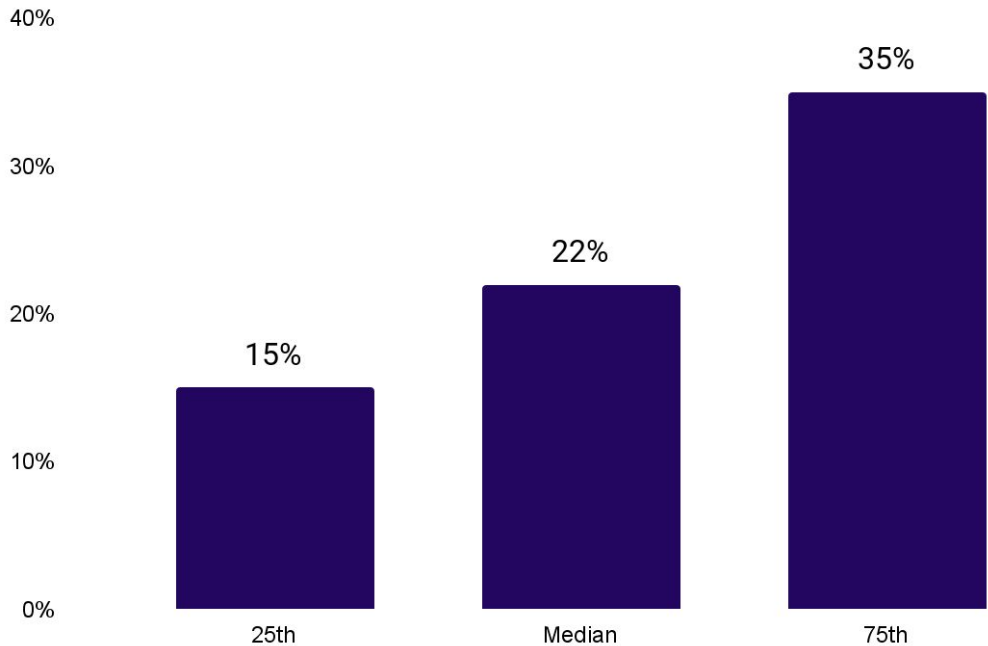
N = 91

Growth Rates & Marketing

07

Percentage of New Bookings from Inbound Leads
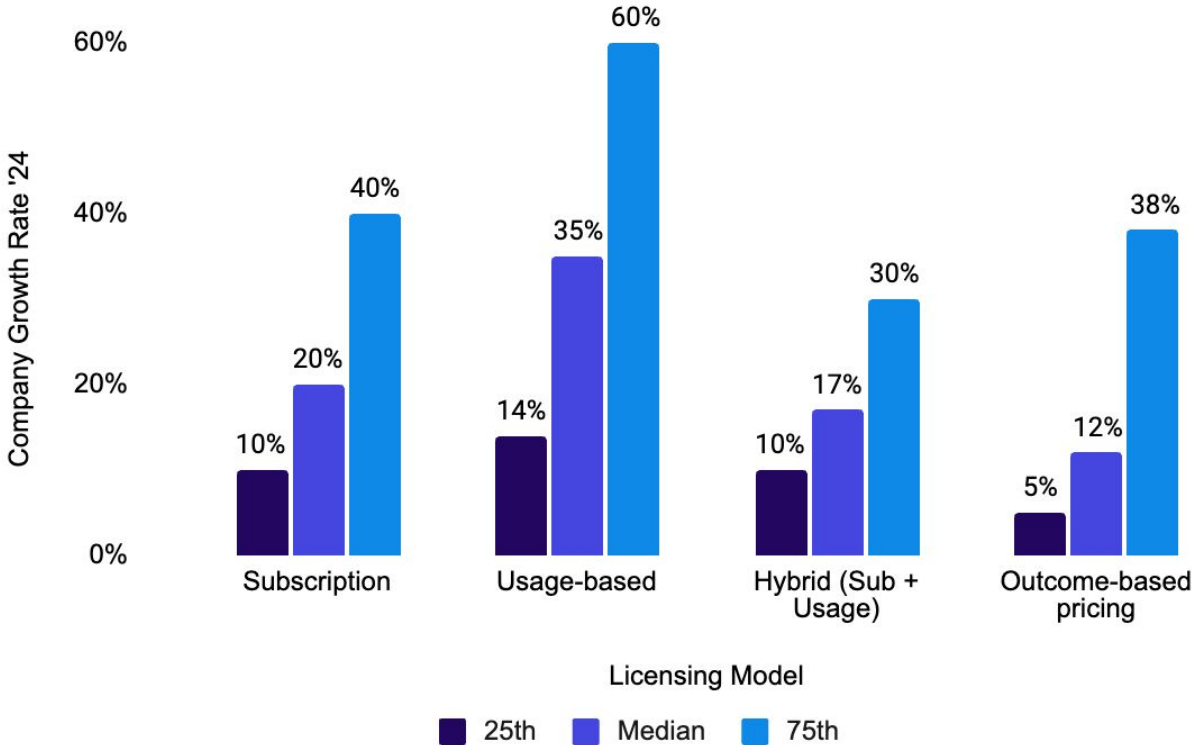
By 2024 Actual Growth Rate

Findings and Insights

- Not surprising but important to note that companies growing the fastest also have the highest percentage of new bookings resulting from inbound leads
- Companies growing in the 21% – 30% range have the highest percentage of new bookings from inbound leads at 46% (median)

N = 190

benchmarkit

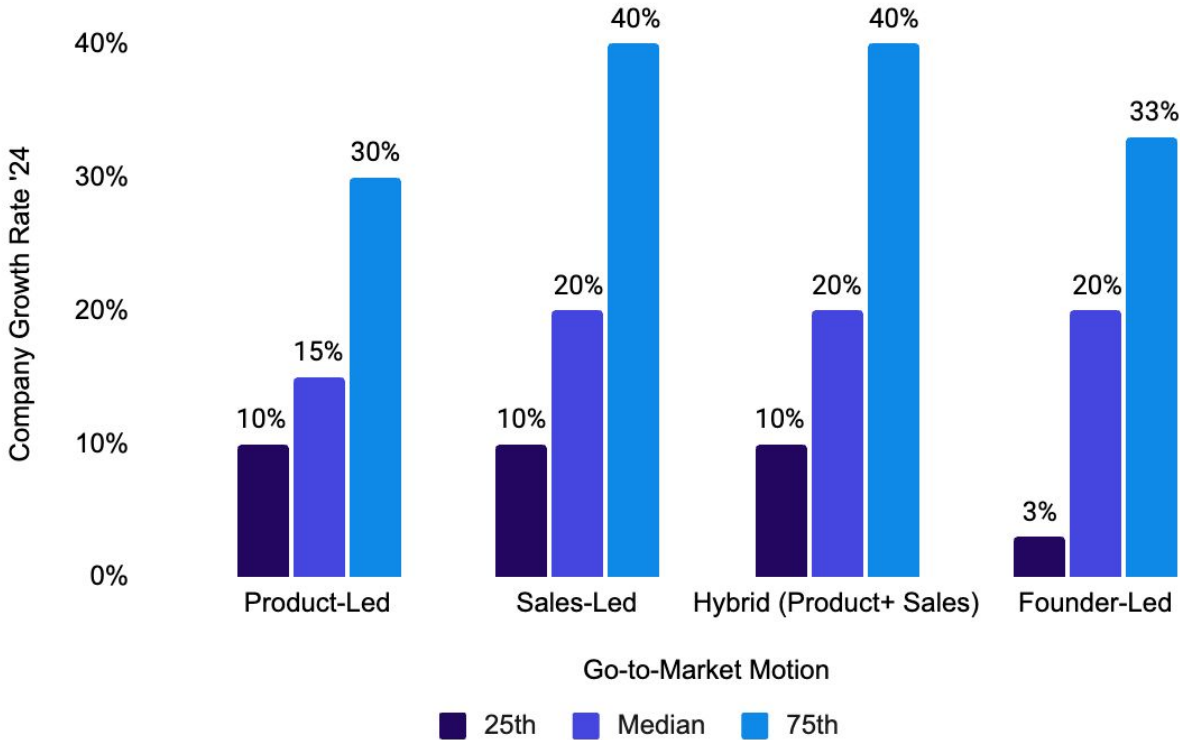# 2024 Actual Growth Rate
By Licensing Model

N = 323

benchmarkit

2024 Actual Growth Rate
By GTM Motion

N = 323

benchmarkit

108

Win Rate for New Opportunities
By 2024 Actual Growth Rate

Win Rate %

Company Growth Rate '24	25th	Median	75th
< 10%	10%	19%	25%
11% - 20%	19%	25%	40%
21% - 30%	14%	22%	27%
> 30%	16%	29%	36%

Company Growth Rate '24

■ 25th   ■ Median   ■ 75th

N = 91

07
Growth Rate and Marketing

benchmarkit 109
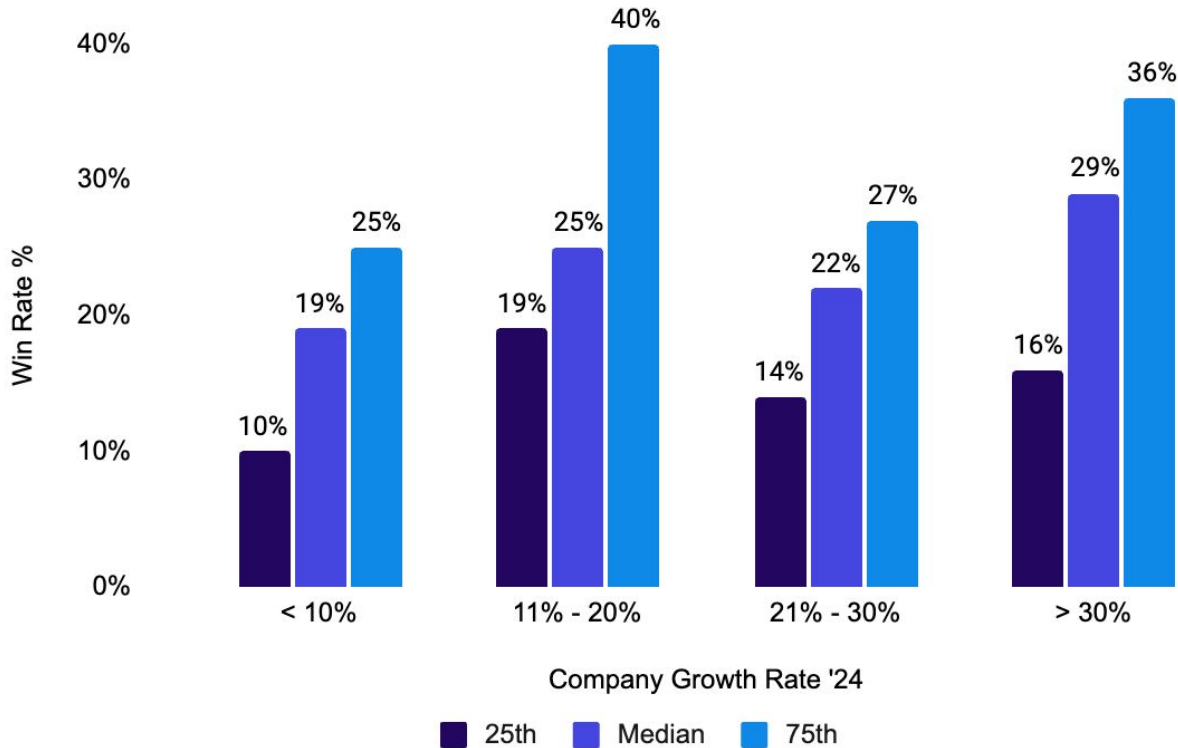
Win Rate for New Opportunities
By 2025 Planned Growth Rate

Win Rate %

Company Growth Rate '25
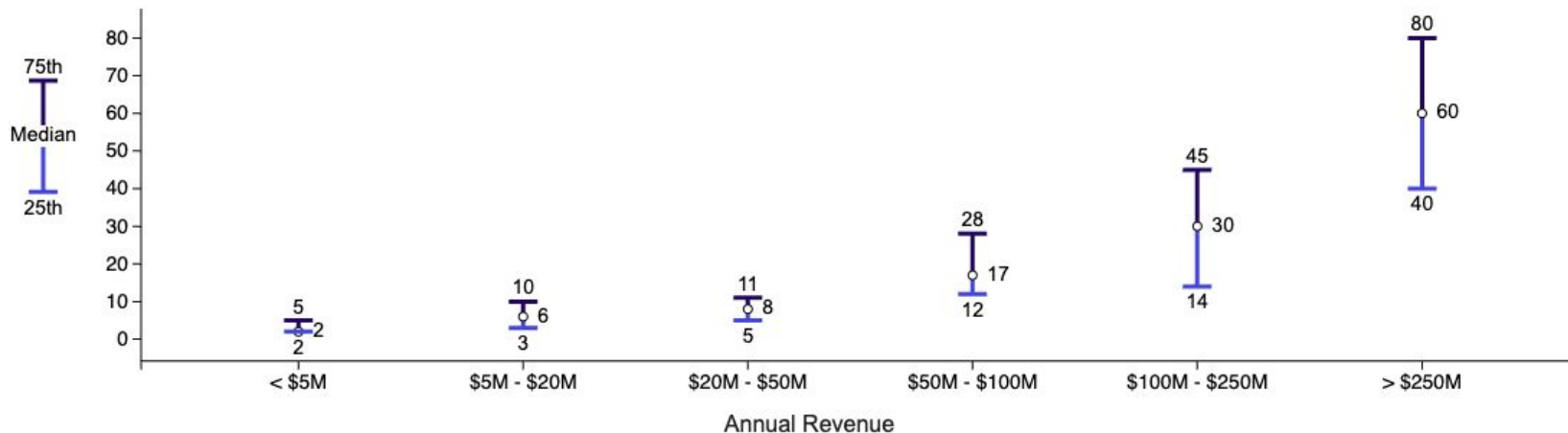
■ 25th ■ Median ■ 75th
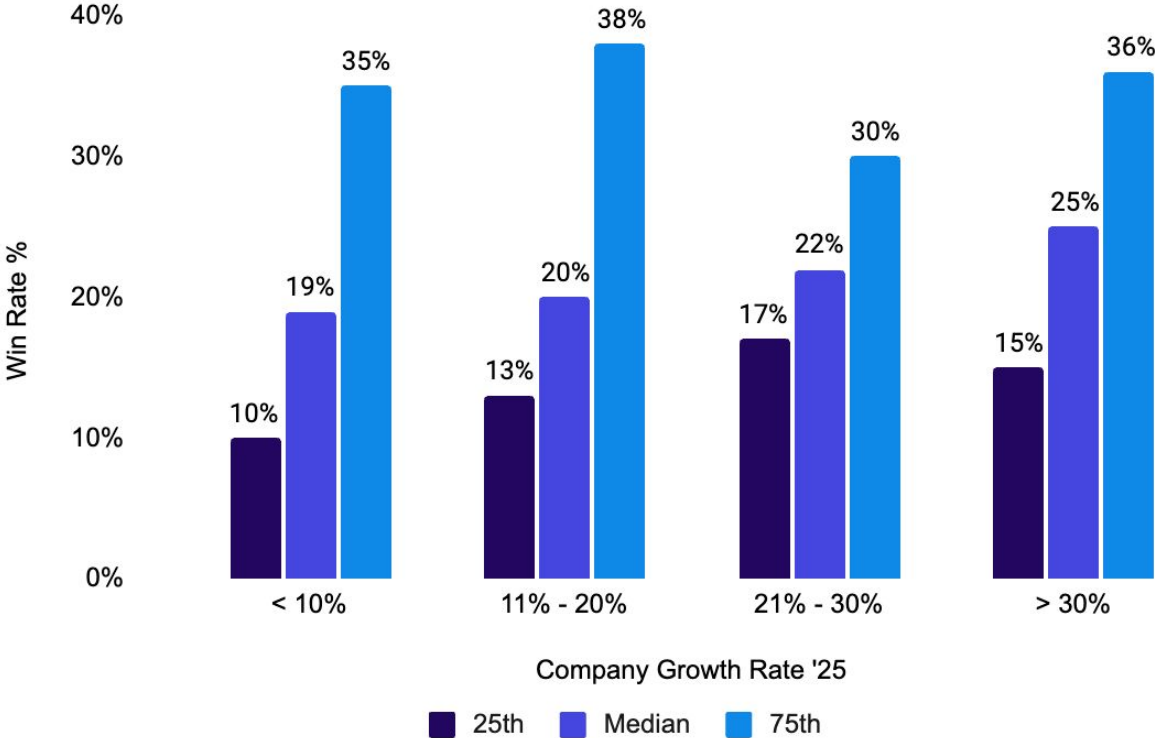
N = 91

Marketing Headcount

08

Number of Full-Time Marketing FTEs
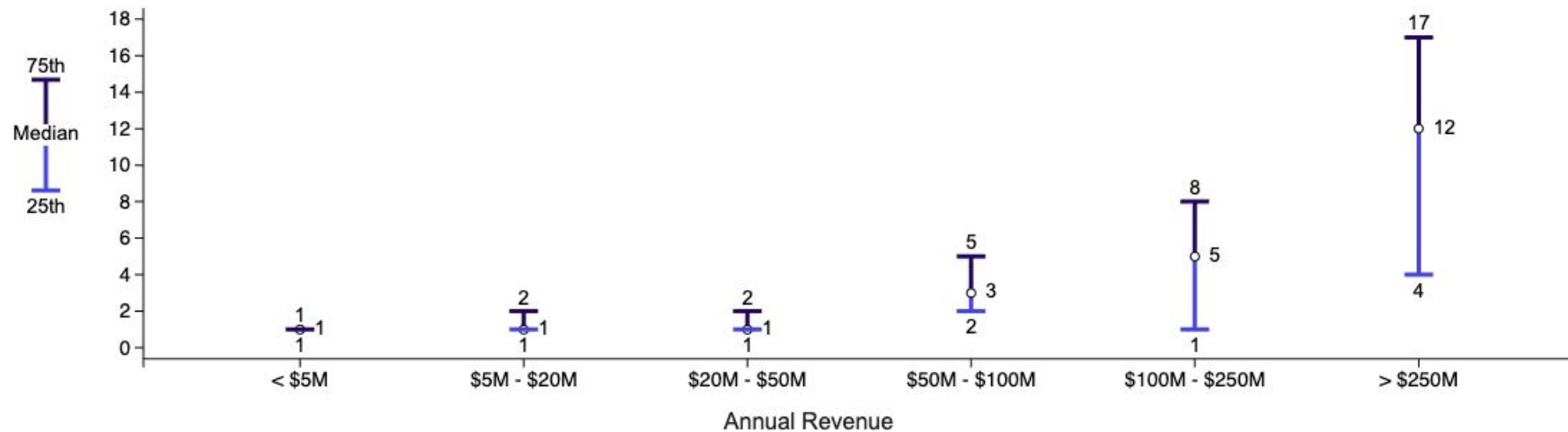
By Annual Revenue

Findings and Insights

- Overall marketing headcount spend was 9% of overall budgets in '24 and is increasing to 10% at media. This highlights growing confidence…but still cautious
- 75th percentile growing from 16% to 20% highlights the confidence is increasing at the top end of the market

N = 203

benchmarkit
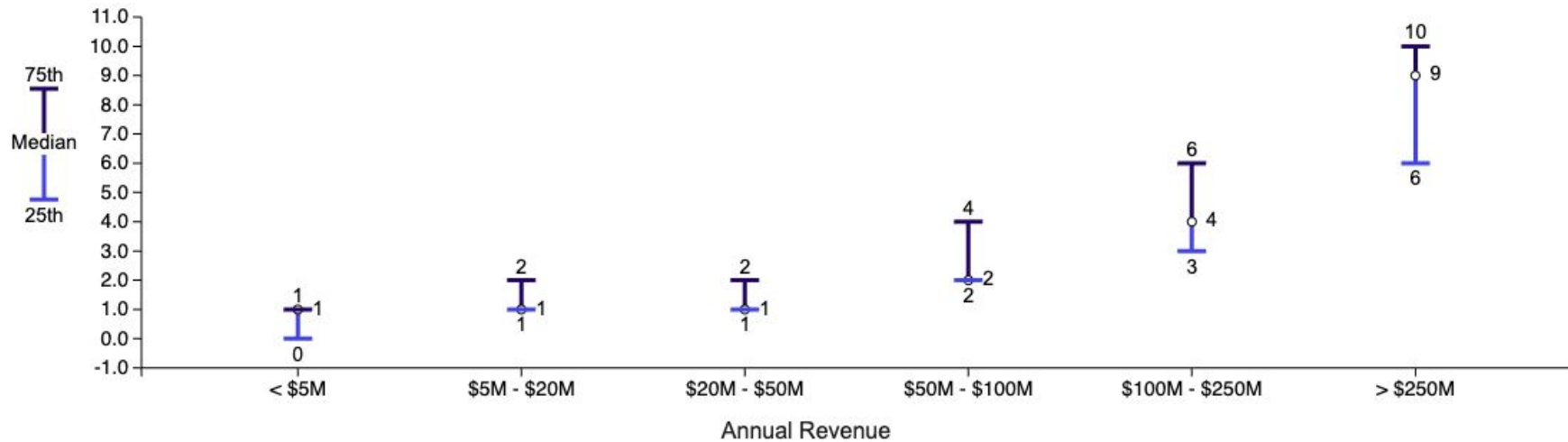
Demand Gen / Advertising / Paid Media Headcount
By Annual Revenue

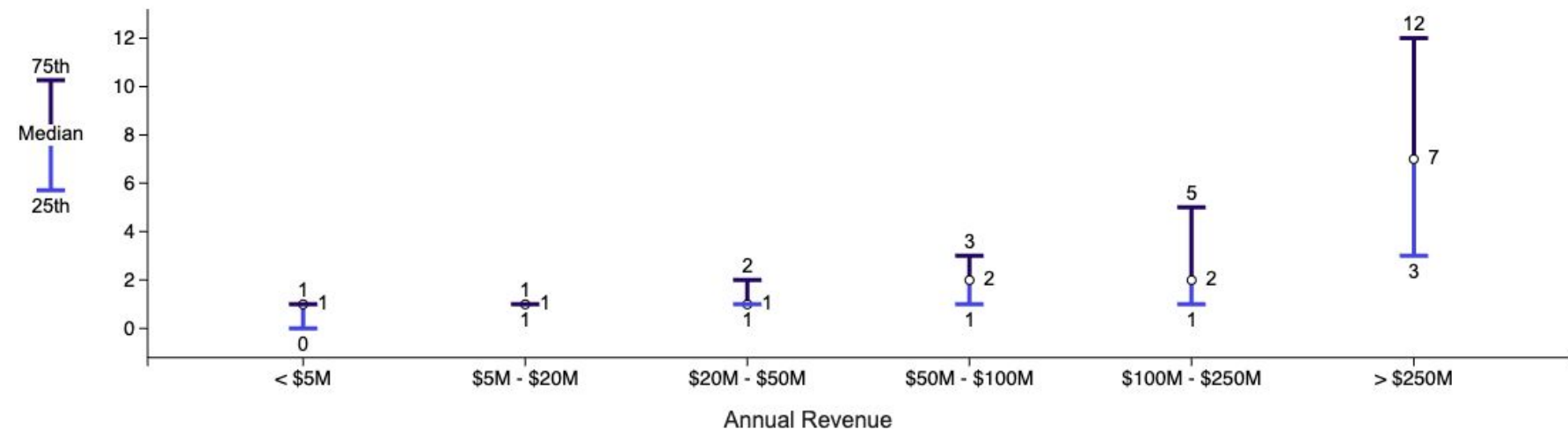N = 168

Product Marketing Headcount

By Annual Revenue

N = 146

benchmarkit

Field Marketing / Events Headcount

By Annual Revenue

N = 136

benchmark**it** 115

Median Marketing Function Headcount

By Annual Revenue

Segment Value	Demand Gen	Events	Content	Comms	Product Mktg	Channel Mktg	Growth Mktg	Mktg Ops	Business Dev
> $250M	12	9	7	6	5	3	5	2	10
$100M - $250M	5	4	2	1	4	1	2	1	6
$50M - $100M	3	2	2	1	3	1	2	1	3
$20M - $50M	1	1	1	1	1	1	1	1	2
$5M - $20M	1	1	1	1	1	1	1	0	2
< $5M	1	1	1	1	1	1	1	0	1

N = 203

Participant Profile

09

benchmarkit

Participant Profile
By Annual Revenue

> $250M
9.9%

$100M - $250M
11.1%

< $5M
23.2%

$50M - $100M
13.9%

$5M - $20M
23.5%

$20M - $50M
18.3%

10%

11%

23%

14%

24%

18%

N = 323

benchmarkit
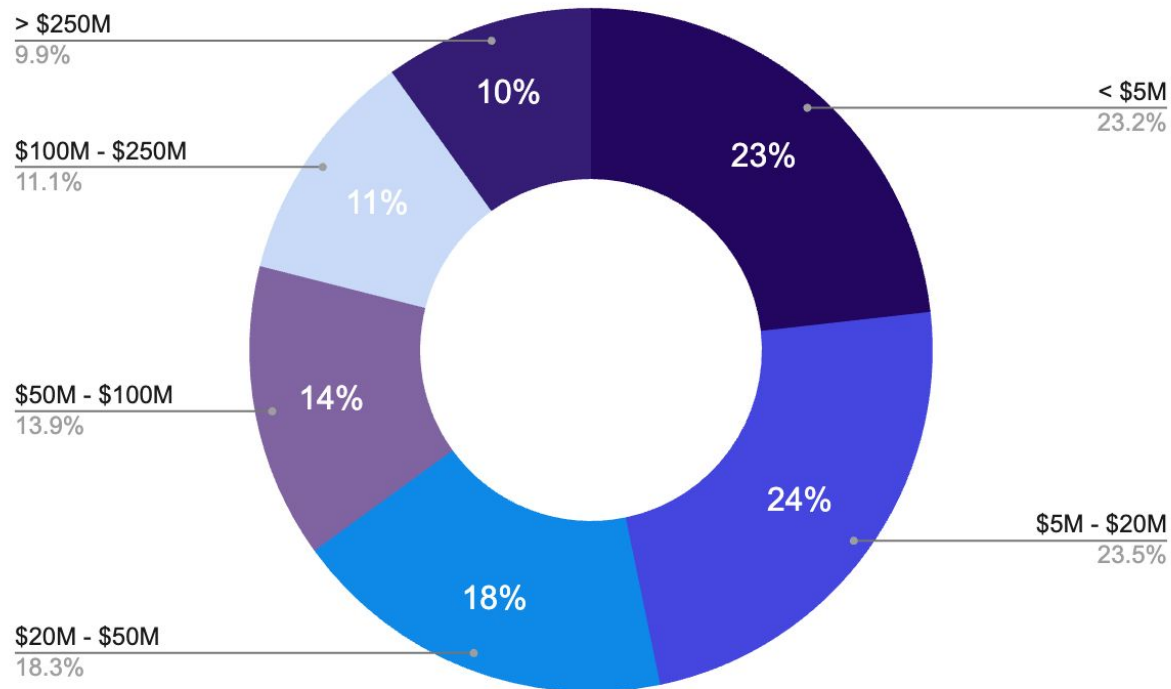
Participant Profile
By Annual Contract Value

> $250K
10.5%

11%

< $10K
19.8%

20%

$100K - $250K
17.6%

18%

$10K - $25K
14.9%

15%

$50K - $100K
18.3%

18%

$25K - $50K
18.9%

19%

N = 323

benchmarkit

119
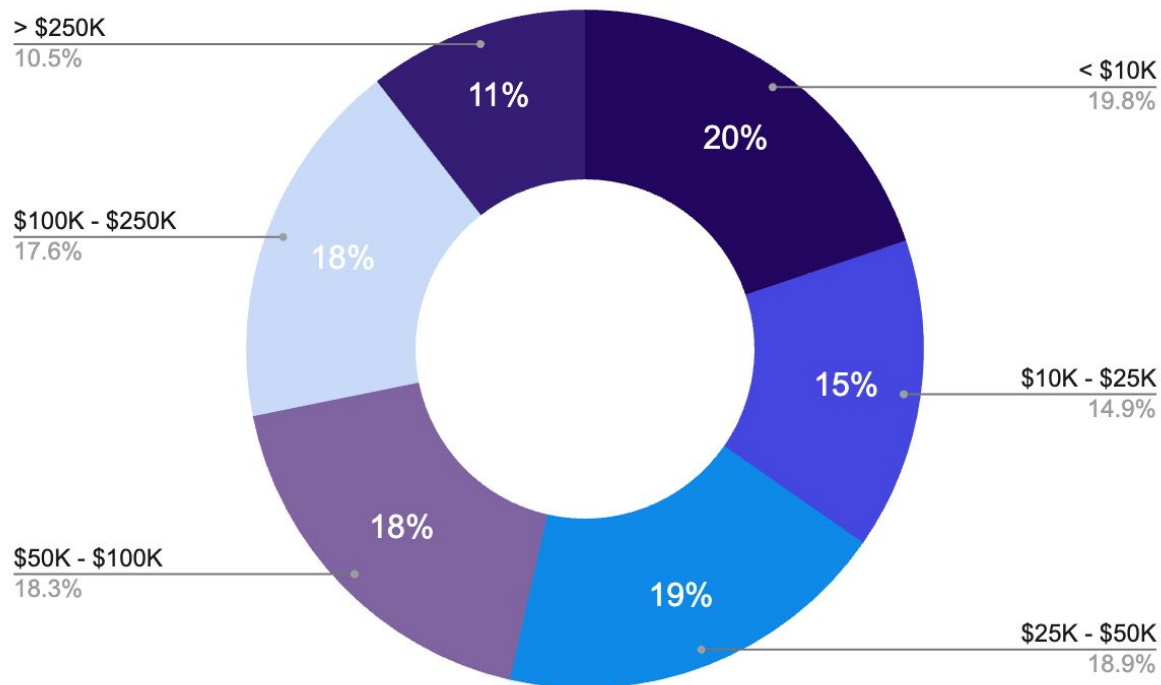
Participant Profile
By Licensing Model

Outcome-Based
8.0%

Hybrid (Sub + Usage)
18.6%

Usage-Based
9.0%

Subscription
64.4%

8%

19%

9%

64%

N = 323

benchmarkit 120
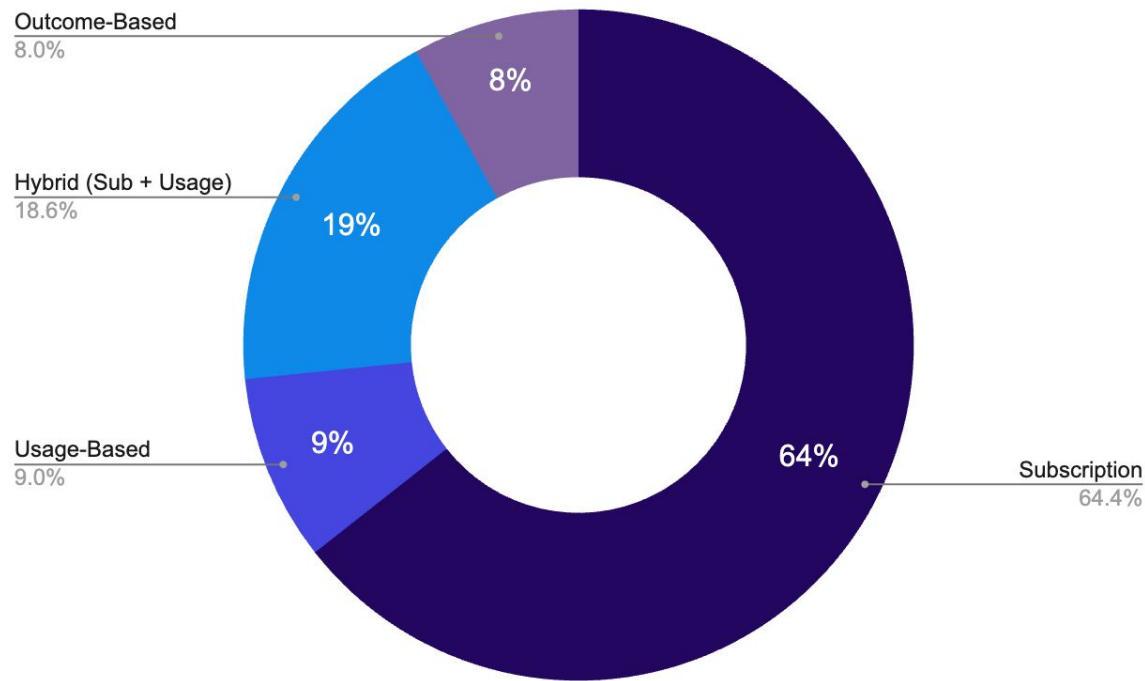
Participant Profile
By Go-to-Market Motion

Founder-Led
6.2%

Product-Led
6.5%

Hybrid
17.6%

6%

7%

18%

70%

Sales-Led
69.7%
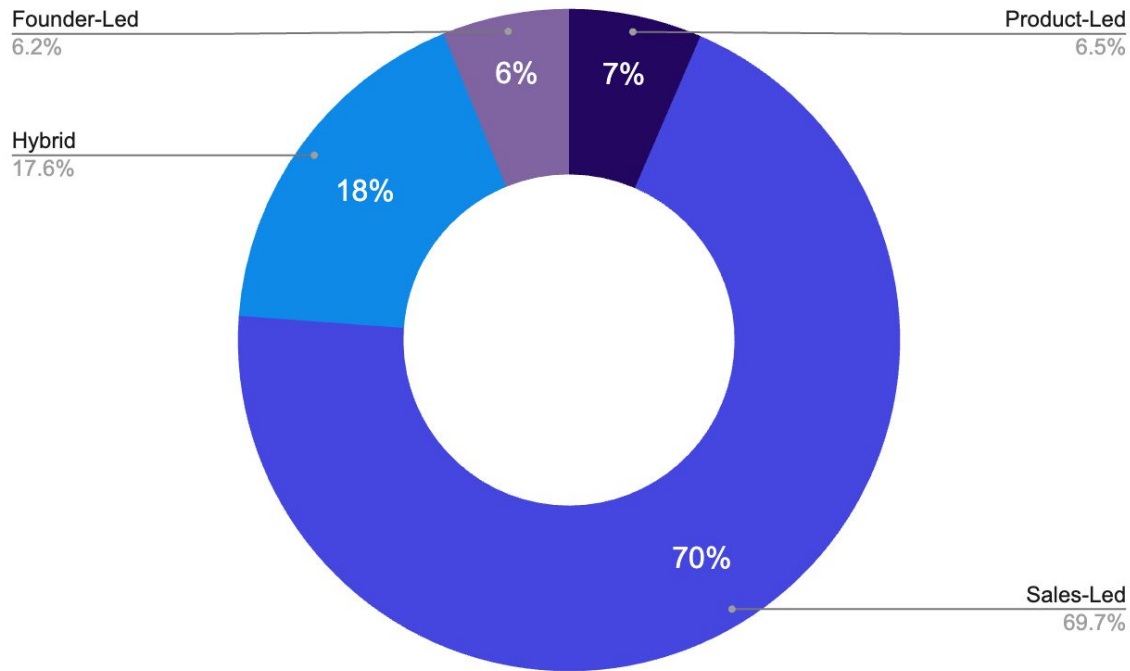
N = 323

benchmark it 121

Participant Profile
By Primary Customer Segment

SMB (< $10M)
8.7%

9%

Mid-Mkt ($10M - $100M)
19.2%

19%

All Target Markets
34.7%

35%

Enterprise (> $100M)
12.4%

12%

Mid-Mkt + Enterprise
17.6%

18%

7%

SMB + Mid-Mkt
7.4%

N = 323

benchmarkit 122

Participant Profile
By 2024 Actual Growth Rate

> 40%
24.1%

< 10%
27.6%

31% - 40%
7.4%

11% - 20%
24.1%

21% - 30%
16.7%

24%

28%

7%

24%

17%

N = 323

benchmark**it** 123

Interactive Filters to See How Your Company Measures Up

bit.ly/2025B2BMarketingBenchmarks

Interactive Benchmarking Widget:

- Each benchmarks can be filtered by your specific company profile attribute including
    - Company Revenue
    - Average Annual Contract Value
    - Go-to-Market Motion
    - Pricing Model
    - 2024 Actual Growth Rate
    - 2025 Planned Growth Rate

- Your data can be entered confidentially to overlay your metric to see how your data compares to the benchmark using the "**Enter Data**" button

as updates are completed the interactive portal will ALWAYS have the latest and most accurate benchmarks
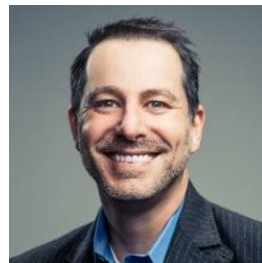
We wanted to see how budgets were trending

Carilu Dietrich
CEO and CMO Advisor
LinkedIn: @cariludietrich

Jon Miller
Founder, Marketo and Engagio
LinkedIn: @jonmiller

Ray Rike
Founder & CEO
Benchmarkit
LinkedIn: @rayrike

Bill Macaitis
Growth Advisor. Former CMO,
Slack, Zendesk
LinkedIn: @bmacaitis

benchmarkit

125

Fuel *your* Marketing with Original <u>Benchmarkit</u> Research

Survey Research

Increase thought leadership and brand awareness

Executive Reports

Engage your executive and economic buyers

Benchmarking Platform

Capture leads on your website with with interactive benchmarking

<u>https://www.benchmarkit.ai/partner-research</u>

2025
B2B Marketing Benchmarks