

What is Revenue Marketing?

The key to earning a seat at the revenue table.

Originally developed by Partner and Chief Strategy Officer Dr. Debbie Qaqish in 2010 (*here is her book* on the subject!), the concept of Revenue Marketing goes beyond what traditional lead generation or demand generation strategies encompass.

What Is Revenue Marketing?

Revenue marketing is a holistic approach that helps marketers prove return on marketing investment, create optimal customer experiences, and compete in the digital world. It allows marketing to be viewed as a key part of driving revenue instead of as a necessary cost center within the organization.

This happens as marketing:

- Drops sales-ready leads into the top of the funnel
- Accelerates sales opportunities through the funnel
- Measures marketing based on contribution to pipeline and revenue
- Transforms marketing from a cost center to a revenue center

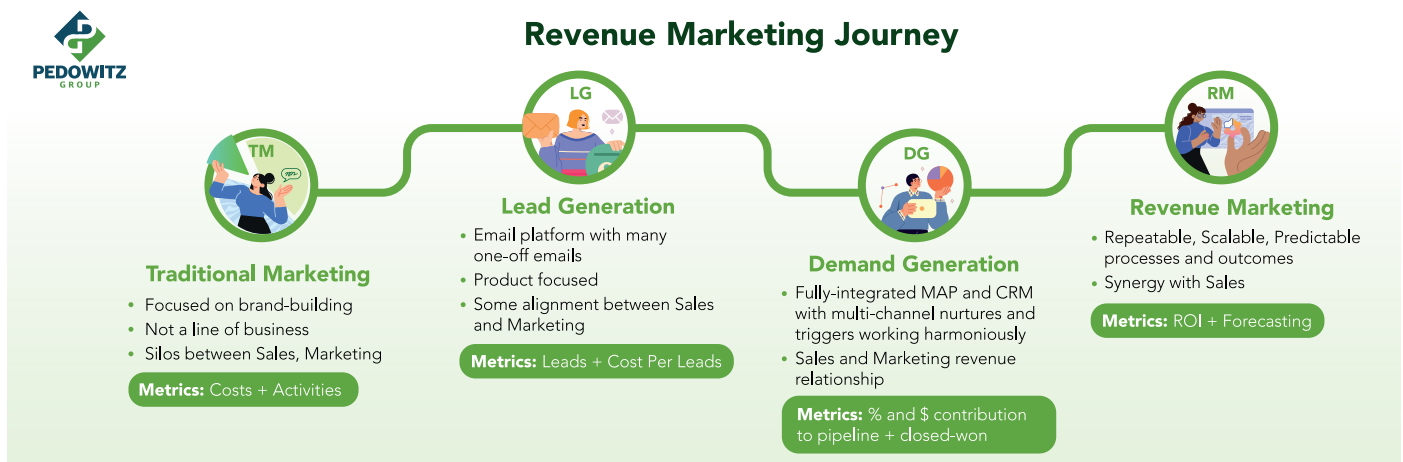
The Four Stages of the Revenue Marketing Journey

You've heard of each stage (except, perhaps, the last one!) and likely talk about it often in your own marketing:

- Traditional Marketing
- Lead Generation
- Demand Generation
- Revenue Marketing

The revenue marketing model elevates your team into a full-on revenue-crushing marketing machine. At each step of the journey, it's important to know the common challenges and solutions we've seen hundreds of companies work through.

You may find parts of different stages that resonate with where you currently are ... that's normal!



Traditional Marketing

Your team / department is still viewed as the “make it pretty” team. You’re always on the defensive with your budget and it’s next-to-impossible to increase it.

Customer experience revolves around whatever events you’re hosting, or new products are launching. Personas are usually barebones in scope and largely ignored by most of the organization.

Metrics are often tactics-based, such as “# of webinar attendees” or “# of conference leads for sales to follow-up on.”

What’s most likely missing? A strong lead management process. You’ve created leads, but then they’re out of your hands? That doesn’t add up. Working WITH sales and helping build relationships with prospects requires both sales and marketing’s efforts.

Lead Generation

In this stage, marketing thinks sales often ignores their leads. Sales thinks marketing’s leads simply aren’t worth the time and effort. And there’s a lack of visibility / accountability as to what actually happens to these leads.

There’s often a lack of clearly-defined customer profiles for marketing to work with, nor the ability to provide really personal experiences to customers and prospects alike.

Metrics often focus around lead volume and customer engagement (such as unsubscribe or open rate). And the CMO / VP (if there’s even one dedicated to marketing) cannot quickly identify marketing’s contribution to the bottom line, making defense of its budget difficult every quarter.

The primary challenge? It’s still lead management! But in this stage, it’s less about building an effective process, and more about enforcing said process with buy-in from multiple parts of the company.

Demand Generation

The move from lead gen to demand gen involves plenty of strategy, so it’s not the easiest task!

Here, you’re focused on marketing’s contribution to revenue. However, there’s often conflict between sales and marketing regarding this very attribution.

Other common challenges here are:

- Developing a robust content operation focused on what customers are truly looking for (at any stage of the buying cycle)
- Having defined primary and secondary Ideal Customer Profile(s)
- CMO’s ability to forecast marketing’s impact moving forward based on available data

Revenue Marketing

Very few organizations would classify themselves here. If you’re reading this and the following description fits you, congratulations on reaching marketing nirvana!

Revenue generated by marketing is properly attributed, and methods (such as marketing automation, outbound nurtures, landing page development, etc.) are predictable, scalable, and repeatable across the team in the following ways:

Predictable: When your CMO or VP of Marketing walks into a senior management team meeting, she / he comes with two different reports: a report showing marketing’s revenue contribution over the past month, quarter, or year, and a forecast for the upcoming period

Scalable: Campaigns, reporting, content development, and attribution are all done similarly across any vertical, business unit, and / or product group. Anything new has a ready-made base from which to build.

Repeatable: Processes for success are documented so that any new hire could quickly pickup processes and begin contributing to the revenue machine.

Revenue Marketing Kit



[Click to download](#)

How Revenue Marketing Matters

Key areas are enhanced to provide exceptional insight:

Sales and marketing alignment

Marketing can pass all the leads possible over the sales, but if sales thinks they're crap, it doesn't matter.

Gaining necessary buy-in from multiple levels of the organization – from sales to executives, customer support to IT – are must-haves if marketing's efforts are to be best realized into revenue.

If your initial thought was "Yeah, but..." then you're not alone. In fact, this is typically the single-greatest roadblock to progress. Our post on building an effective lead management process addresses each key step needed for greater alignment.

Tying goals to revenue – not leads

A majority of marketing teams have quarterly / annual bonuses and performance tied to leads generated. A revenue marketer knows that's an empty metric on its own.

With the right alignment within the company or business unit, marketing should feel comfortable signing up for a specific revenue number that's tied to closed-won sales opportunities.

Think about it ... which is more likely to get executive buy-in and resonate with all areas of the business?

- "Marketing should drive 30 MQLs a week with a > 30% conversion rate to SQL status"
- "Marketing drives \$5M in revenue"

The first is far more common, but the second keeps focus on the one ultimate goal everyone should care about: revenue!

Customer, Not Product, Focus

Typical demand generation drives interest in a given product or service. However, this falls into common traps of a product-focused company that doesn't put the customer first.

Now, revenue marketing obviously involves driving demand ... after all, if you can't create interest in what you do, you won't last very long!

But typically, hyper-focusing on demand leads to the question: "How do we create greater demand for this product / service?"

Instead, the question should always be: "What do our customers want, and how can we deliver it so they become more willing to spend and stay with us?"

Read more on a customer vs. product centered focus to dive deeper into this topic.

Enter: The RM6 methodology

Revenue marketing is holistic, focusing on processes, people, tech, and aligning them all to the customer for results. It's a transformative initiative that brings all of the pieces of successful sales and marketing teams together into a repeatable, scalable, and predictable process that's built for short- and long-term success (and tailored to your organization). We have leveraged this method with hundreds of clients to date, and invite you to see some of the results here!



Starting Your Revenue Marketing Transformation

The increasing importance of customer experience (CX) requires us to transform marketing.

Jerry Gregoire, chief information officer at Dell, once said: "The customer experience is the next competitive battleground." The "next" is upon us, and CX is the primary battleground of today.

Is the customer experience at your firm sufficient to motivate a marketing transformation? Consider these examples of customer experience driving change:

- Vinyl shifted to CDs, then to iPods and now to Spotify, Pandora and Songza. The product is the same, music, but the customer experience is much different and driving the change.
- Blockbuster and Hollywood Video are replaced by Netflix, iTunes, HBO Now, and Amazon Prime. Same product, different customer experience.
- Are you hailing a yellow cab, or scheduling an Uber or Lyft? I'll wager you have tried the latter two and possibly not at all the former!
- Have you tried using an Amazon Dash button at home to order laundry detergent?
- Have you pre-ordered and prepaid for your Starbucks beverage so you can breeze in, skip the line and be sipping in seconds?
- And how about those iPads at every table in some airport restaurants replacing the wait staff? The food is the same (sadly), but the customer experience is certainly different.

Related: Why do executives need marketing operations?

The internet changed the way people buy and how they want to engage with companies. The buyer's journey changed, too: if we adapt marketing faster than our competitors we can gain market share.

But responding to pressures from prospects isn't the only impetus to transform marketing.

Sales wants effective marketing engagement with their funnel.

There are various conflicting statistics about how much of the buying journey is over before the buyer wants to engage with sales, most of them suggesting in excess of 50%. One thing is for sure: buyers are increasingly engaging with us through marketing's digital channels when they are in the awareness, research, consideration and evaluation buying stages.

These channels include Facebook, Twitter, LinkedIn, YouTube, Google and your website. Sales knows they can benefit from knowing exactly how and when a prospect engaged. What content did they view? What ad did they respond to?

Furthermore, if a prospect is not ready for sales engagement, reps want to be able to advise marketing how to nurture that individual. Perhaps they want marketing to engage with several large strategic accounts and help the sales reps penetrate deeper and broader (a.k.a. Account Based Marketing). It's not a new concept, but we now have technology and marketing channels that make these activities much more measurable and cost effective.

Marketing teams want to know their efforts make a difference.

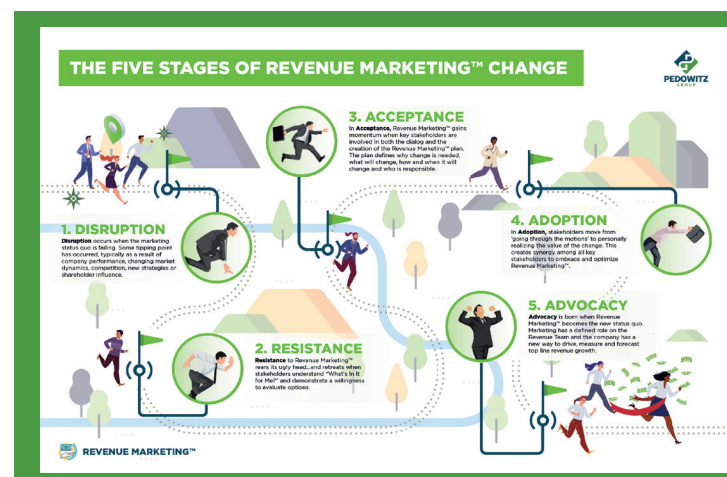
Marketers know buyer behavior shifts and evolves. They know there are new channels and technologies to help.

Marketers want to transform from lead generation and demand generation to a modern marketing approach that engages prospects and customers. They know more CEOs are insisting marketing demonstrate a strong ROI.

Most marketing management I meet understand the old marketing structures with silos will not work in a world where prospects interact through several channels for a single business transaction.

So, how do you embrace these three realities?

It starts with having the right team in place ... but it's not as easy as it sounds. So, get your revenue marketing strategy jumpstarted with a **modernized org structure** to best enable your team to succeed.



[Click to download](#)

So, What Now?

"...to learn and not to do is really not to learn. To know and not to do is really not to know."

Stephen R. Covey, *The 7 Habits Of Highly Effective People*

Now that you've been introduced to revenue marketing, it's time to do something with it and start accelerating your career, your marketing, and / or your team!

- 1 **Learn how to build** a Revenue Marketing CoE for your organization ... or get even more **in this revenue marketing kit!**
- 2 Dive more into marketing operations **with our blog** on realizing its true value

And you can always reach out with questions or to learn how we can help drive revenue-focused changes through your sales and marketing organizations!

