

Budget Planning Guide 2025: B2B Marketing Executives

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Summary

B2B marketing budgets are stagnating (after accounting for inflation). Achieving growth objectives in 2025 will require B2B marketing executives to increase their ROI through collective strategies, collaboration, cross-functional partnerships, and teamwork. In this budget planning guide for 2025, we share our advice for the most important investment, divestment, and experimentation options B2B marketing executives should consider to navigate their organizations through this challenging environment and drive growth.

Budget Increases Will Feel Tiny If Teamwork Isn't Part Of Your Plan

Roughly four out of five (82%) global B2B marketing decision-makers are feeling bullish and expect to see increased marketing investment in the next 12 months according to Forrester's Budget Planning Survey, 2024. However, these anticipated budget increases will likely feel like stagnation when accounting for current global inflation rates. Piling on to the predicament is the significant risk associated with current global geopolitical and economic uncertainty. Savvy marketing leaders should plan for potential budget cuts while remaining hopeful for modest increases. Plan with focus on developing greater synergy within marketing and with other departments: One plus one will need to equal three or more to achieve marketing's growth objectives. Collective strategies, collaboration, cross-functional partnerships, and teamwork will be the best paths to incremental return on your budget allocation over the next year.

Benchmark Your Current Spending

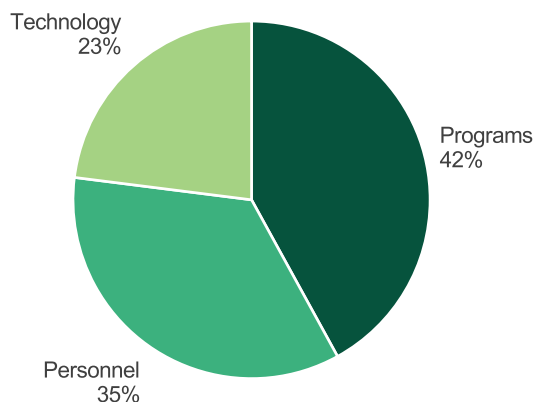
For some years now, B2B marketers have worked to do more with less, at least when it comes to emphasizing increased program investments while limiting new technology and personnel. Case in point: Forrester's Marketing Budgets Survey, 2024, finds that global B2B marketing decision-makers invest more in programs than either personnel or technology (see Figure 1). However, planned increases in 2025 are likely to be minimal. Nearly half (47%) of global B2B marketing decision-makers say they are expecting between 1% and 4% growth in their marketing investment, and accounting for inflation that's essentially a net zero gain (see Figure 2). Only about a third, 35%, anticipate an increase of 5% or more. The good news? Just 9% are anticipating a decrease. When planning for 2025, B2B marketing executives must allocate budgets with an eye on synergy across:

- **Programs.** Spending on marketing programs — 42% of the average marketing budget — is set for another year of emphasis with 35% of global B2B marketing decision-makers planning an increase of 5% or more. However, that's a decline from last year's Forrester's Budget Planning Survey, 2023, when 54% of US-specific respondents expected such an increase. Given this data and inflation headwinds, program budget increases will feel they are losing momentum for many. We recommend marketing executives push for additional efficiency gains and set aside 20% (or more) of program budget increases to fund collaborative initiatives that improve revenue process flows, insights and analytics, and content capabilities.
- **Personnel.** Expect personnel budgets to be under more scrutiny and be prepared to defend any increases. Personnel is the second biggest spend category (35%) of the marketing budget. Survey respondents report expected equitable increases across marketing, which may indicate prioritizing cost-of-living increases to retain staff (see Figure 3). Look to AI and automation technologies to drive more productivity with fewer people. Ensure you have a strong argument for new headcount by explaining how they will leverage technology cross-functionally and be more effective as a result.

- **Technology.** B2B marketing is increasingly technology-enabled with 23% of the average marketing budget earmarked for technology. According to Forrester's Marketing Survey, 2024, more than a third (36%) of B2B marketing decision-makers say marketing technology initiatives are primarily supported by a combination of resources from marketing and IT, and 20% say they are primarily supported by IT teams dedicated to marketing. Marketing leaders should consider an open and direct budget partnership with IT. By partnering with IT, marketing executives can contribute to initiatives, such as AI, that will benefit all functions, not just theirs, and seek reciprocal commitments for marketing priorities to bolster their budgets.

Figure 1
Programs Lead Top-Line Marketing Investment

“What percentage of your organization’s marketing budget is allocated to each of the following?”
(Mean percent)

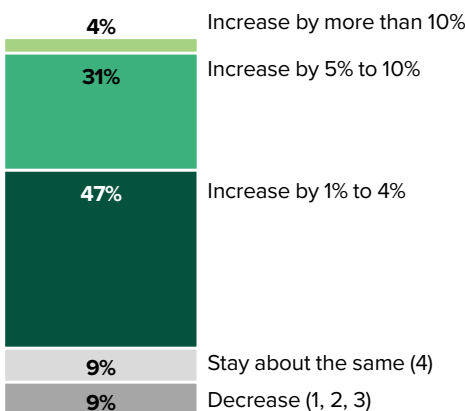


Base: 472 global B2B marketing decision-makers
Source: Forrester's Marketing Budgets Survey, 2024

Figure 2**Just 35% Of B2B Marketers Expect Investments To Increase 5% Or More**

“Which of the following describes any planned/anticipated change in your organization’s overall marketing investment in the next 12 months?”

(Responses on a scale of 1 [decrease by more than 10%] to 7 [increase by more than 10%])



Base: 289 global B2B marketing decision-makers

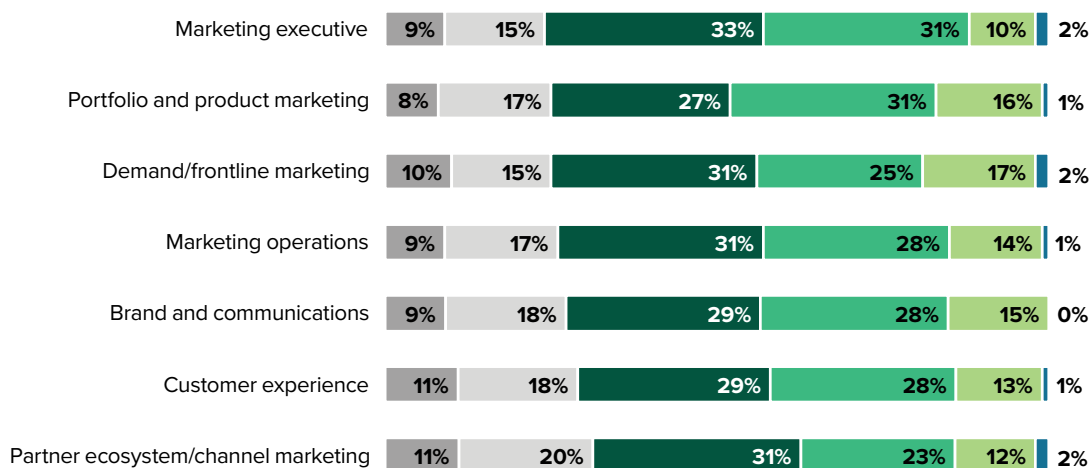
Source: Forrester’s Budget Planning Survey, 2024

Figure 3**B2B Marketers Plan To Increase Personnel Investments Equitably Across Functions**

Planned/anticipated change in organization’s marketing investment for the following personnel areas in the next 12 months

(Responses on a scale of 1 [decrease by more than 10%] to 7 [increase by more than 10%])

■ Decrease ■ Stay about the same ■ Increase by 1% to 4% ■ Increase by 5% to 10% ■ Increase by more than 10% ■ Don’t know or not applicable



Note: Percentages may not total 100 because of rounding.

Base: 289 global B2B marketing decision-makers

Source: Forrester’s Budget Planning Survey, 2024

Invest In Initiatives That Have A Synergistic Effect On Business Growth

B2B marketing leaders should aggressively invest in areas that can have an outsized impact on growth, especially through cross-functional collaboration. Don't allocate budget based on your next-level marketing leaders making a business case for their individual functions. Ask your leaders to show how their budget request will work synergistically with other functions, including outside of marketing. B2B marketing executives should invest in initiatives that:

- **Prioritize moving high-impact generative AI (genAI) use cases into production.** According to Forrester's Q2 AI Pulse Survey, 2024, 29% of genAI decision-makers in the US cite trust in AI systems as a barrier to adoption, 25% cite governance and risk, and 25% cite data privacy. But hesitation isn't an option. According to Forrester's Marketing Survey, 2024, among leading AI adopters (about a quarter of surveyed companies farthest along in adopting AI/ML), 42% already have genAI in production, compared to only 11% for other respondents. These marketers are closely aligned with their IT teams, data-driven, and focused on productivity to drive growth. Marketing executives should prioritize investment in up to five high-impact [use cases](#), such as content creation, advertising/media buying, marketing analytics, personalization, and chatbots/virtual assistants. In addition, invest budget to address enablement gaps.
- **Fortify marketing practices to weather privacy changes and your own risk tolerance.** B2B buyers are becoming more anonymous, and marketers must evolve approaches to segmentation, targeting, personalization, and measurement. Google's Chrome privacy controls remain uncertain, with [most recent plans](#) to offer cookies by choice with additional IP protection. A US federal privacy law looms, adding urgency to the [data deprecation](#) challenge. Start by working cross-functionally with your legal, privacy, sales, and product leaders to confirm marketing's position on using different types of data. When you have resolved your tolerance for risk and reward, shift technology and program budgets toward vendors and activities that support your business's point of view on privacy. For example, if risk averse, invest more in consent management, firmographic datasets, and account-based advertising. If you are risk tolerant, invest more in privacy proficiency, identity resolution, and [conversation automation](#).
- **Extend partner ecosystem program investments across the entire customer lifecycle.** [Lifecycle revenue marketing](#) (LRM) aligns marketing programs to the lifecycle of B2B revenue. According to Forrester's Marketing Survey, 2024, a top priority for global B2B marketing decision-makers over the next 12 months is to increase focus on achieving B2B revenue and growth via the partner ecosystem/channel. However, most haven't extended their LRM efforts to ecosystem partners. To scale in an environment of tight budgets, [elevate partner ecosystem marketing](#) with program investments that embrace partners' contribution across the customer lifecycle. This means evolving demand and engagement strategies and processes to support partner personas. It also mandates investment in partner engagement

programs and enablement. Growth through partners will depend on committing to these investments.

- **Amplify integrated customer engagement programs to drive retention.** Forrester's Marketing Budgets Survey, 2024, shows a staggering 85% of B2B companies retain less than 91% of their customers. Over-focusing on new logos at the expense of keeping and growing customers threatens growth in any economic climate but is even more important when economic and geopolitical uncertainty cools new spending. Ensure your [frontline marketing](#) team drives shared objectives with sales, customer success, and your partner ecosystem and invest in postsale engagement programs that foster customer adoption, advocacy, and community. Otherwise, marketing and sales will need to work progressively harder each year to meet growth objectives and close the gap from departing accounts. Customer engagement programs drive more predictable revenue and reduce the burden on new logo acquisition.

Divest From Initiatives And Activities That Slow You Down And Perpetuate Silos

It's easier to recommend what to invest in rather than what to divest from because divesting means saying "No." But with this planning cycle, marketing executives must prepare for 2025 to throw them some curveballs (or maybe some googlies if you're more of a cricket fan) depending on how geopolitical and economic conditions play out. Move budget away from initiatives that slow marketing down or perpetuate silos and get people working together. Focus on what makes your team nimbler so that you can pivot quickly in response to rapid changes or turmoil:

- **Avoid building complex marketing plans or extending prior-year plans.** Marketing planning artifacts, often a collection of activities by function, are rarely adhered to and seldom aligned to business objectives. Today's marketing environment demands [streamlined](#), responsive, and adaptive plans that can navigate market, competitor, product, and account changes. Data from Forrester's Marketing Survey, 2024, reveals that a lack of clarity and/or alignment pertaining to business goals and objectives is among the greatest challenges facing B2B marketing decision-makers. Marketing leaders should refrain from regurgitating complex planning processes or extending prior-year plans to focus on collaborative and adaptive processes that ground plans in clear business objectives and improve responsiveness to change. Adaptive planning puts more of the plan into practice and reduces effort for personnel in the planning process.
- **Stop investing in new product introductions (NPI) as the focal point for marketing cycles.** An outsized focus on launches is a symptom of a product- or services-led vs. a customer-led strategy. Marketing executives should remind their teams and colleagues that customers don't want products or services — they need to solve business problems. Marketing must use the advent of new and updated product and service offerings to demonstrate increasing appreciation for their customers' needs and the ability to address them. Work with your portfolio marketing and frontline marketing leaders to provide executive leadership support for divesting

from NPI-focused launches and weave NPIs into long-running, [buyer-needs-oriented campaigns](#), where NPIs become milestones in a continuous conversation with buyers, customers, and partners.

- **Move away from siloed digital channels to a channel-agnostic digital strategy.** Calling SEO, social media, or email a marketing strategy is mistaking a screwdriver for your toolbox and the blueprint you are building to. Invest in a channel-agnostic digital marketing strategy to drive a more outsized impact and an improved engagement experience. Stop being channel-centric and pivot to being strategy-led in order to accelerate digital initiatives that support the organization's marketing strategy and achieve the CMO's long-term digital vision. Optimize for cross-channel responsibilities such as the delivery of personalization, real-time intelligence and interactions, [digital experience strategy](#), and the management of external partners. This will streamline processes, maximize ROI, and eliminate the inefficiencies prevalent with the tactical focus typically seen in channel-centric digital efforts.

Experiment With New Ways Of Rallying Around The Customer

When money is tight, it can be difficult to set aside budget for experimentation. But experimentation is critical to realizing breakthrough improvements in lean times. A test-before-you-invest mindset will reward you with less experimental waste and more certainty before making bigger commitments. Use your experimentation budget to reimagine core marketing activities in ways that unite people and programs around the customer:

- **Align and execute on a shared vision to prioritize buyer and customer value.** The more B2B organizations obsess about revenue growth, the more difficult it can be to achieve. Focusing on revenue growth puts company goals above customer goals, drives activities and content that don't meet buyer expectations, and distorts incentives with a focus on internal metrics. B2B marketing leaders must sponsor a shift from revenue obsession to customer obsession, working with sales leadership to pilot [transformational revenue processes](#) that more closely align with buyer and customer processes, providing demonstrable value at every step. Start this evolution by aligning marketing, sales, and customer success leadership on a shared vision to prioritize buyer and customer value. Begin marketing to buying groups, move away from MQLs to opportunity activation, and collaborate throughout the customer lifecycle.
- **Track at least two customer value-focused KPIs.** Organizational value metrics like impact on pipeline, revenue, and brand awareness are important, but it's time to [reimagine marketing KPIs in the context of customer obsession](#). Forrester's Marketing Survey, 2023, shows CMO dashboards weight heavily toward metrics describing value for their organizations. This undermines activities that create customer value, thus limiting company value. Experiment with metrics that measure the effectiveness of the buying process from the prospect's perspective, such as the ease of finding information, and those which measure marketing's contribution to customer value creation such as community participation. By striking a better

balance of metrics, marketing will naturally increase its investment on efforts that create and foster buyer and customer value, which, in turn, drives new purchases, loyalty, and advocacy.

- **Build an action plan for marketing to improve its sustainability.** B2B is being held to higher expectations by buyers, employees, investors, and regulators. Two-thirds (66%) of global business and technology professionals view enhancing environmental sustainability as a top business priority, according to Forrester's Priorities Survey, 2024. And yet, just 26% who say improving brand/reputation is a priority for their organization say a key action they're taking is to align their brand programs to environmental, social, and governance (ESG) reporting. This shouldn't be only a branding or "reporting effort," nor hyping inflated claims that damage reputation. Instead, marketing leaders must be a voice for accurate reporting and drive their own sustainability initiative. Collaborate with your ESG leader on an action plan for marketing's sustainability, as marketing technologies and programs create a large carbon footprint.
- **Reimagine market development fund (MDF) programs for the partner ecosystem.** B2B partner market development fund programs (e.g., MDF, co-op, launch funds) and partner incentives are powerful tools for motivating and rewarding partners' efforts and delivering the holistic solutions that customers desire. Yet, they have not evolved with partner ecosystems and the mix of funding methods required to support a broader spectrum of partner types, business models, and go-to-market motions. In periods of economic uncertainty and/or involuntary budget cuts, unprotected funds may be impacted. Marketing leaders should experiment with a mix of protected contra-revenue-funded programs — including and beyond historical MDF — and supplement with incentives that support expanded go-to-market motions (e.g., co-marketing, multi-partner marketing). Experiment also with shared investments across the ecosystem.

ADDITIONAL CONTRIBUTORS

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