



Create, Capture, Convert

The Ultimate Guide To Modern Demand Gen

www.pharosIQ.com

Copyright © 2024 PharosIQ, All Rights Reserved

Introduction

Demand Generation has grown into a crucial cornerstone strategy for B2B marketers. Businesses can effectively drive awareness, engagement, and, ultimately, conversions by employing targeted campaigns, personalized messaging, and strategic lead generation. But times grow tough as businesses are expected to do more with less. Research from Demand Gen Report shows:

- **47% of respondents said they are expected to grow revenue by 10% or more.**
- **16% are expected to grow revenue by more than 20%.**
- **32% said they expect a decrease in their marketing budget.**
- **24% said their budget will remain the same.**

With the ever-increasing competition and evolving buying behaviors, mastering the art of demand generation is becoming increasingly vital for organizations looking to stay ahead in today's competitive marketplace.

This guide will walk you through modern demand generation, shedding light on its evolution, current best practices, and potential future developments. This comprehensive resource can help you navigate the latest changes and prepare to anticipate new ones, offering insights that remain relevant and actionable with time.

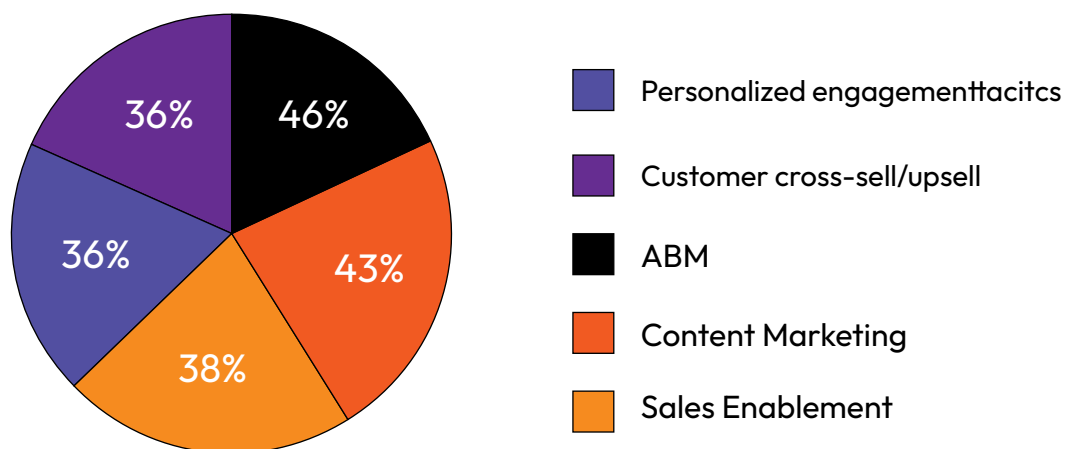
What is Demand Generation?

Demand generation, often condensed to ‘demand gen,’ is a multi-faceted strategy aimed at identifying potential customers, cultivating their interest in your products or services, and gradually guiding them down the sales funnel to closed/won business.

Unlike short-term marketing tactics focusing on immediate sales, demand gen is about building and nurturing relationships with prospects over time. It encompasses a wide array of marketing activities, such as content marketing, email marketing, search engine optimization (SEO), social media marketing, and event participation. The ultimate goal is to create a sustainable marketing pipeline that results in more SQLs and won revenue.

A clear understanding of the distinctions among these strategies—Demand Generation, Lead Generation, and Account-Based Marketing (ABM)—is essential for implementing an effective marketing plan. According to research, when asked about the areas of demand generation that will receive increased budget prioritization, companies identified:

Each strategy has its strengths and is suited to different stages of the customer journey and business objectives. More importantly, these strategies complement one another and increase potential success. The key lies in strategically integrating these approaches based on your unique business needs and goals.



Source: Demand Gen Report 2023 Demand Generation Benchmark Survey



Demand Gen: Its History and Evolution

Demand generation drives awareness and interest in your brand, products, or services. While initially—and arguably still held by some—a top-of-funnel strategy, demand gen is a comprehensive approach. It aims to create and capture demand for your offerings by educating and engaging potential customers through targeted marketing activities.

Demand gen highlights problems and presents solutions for a seamless transition through each funnel stage, encompassing awareness, nurture, and capture.

Lead Generation (Lead Gen):

- A subset of demand gen focused on identifying and capturing contact information of leads who express interest in your products or services.
- Lead gen has matured over the years, evolving into a functional result of demand gen.
- An effective demand strategy is required to deliver qualified leads.

(ABM) Account Based Marketing

- A focused strategy targeting specific accounts or companies rather than individual leads.
- Involves personalized messaging to engage key decision-makers within target organizations.
- ABM increasingly collaborates with demand gen marketers for mutual success.

Demand Creation and Demand Capture: Is Lead Gen 'Dead'?

One of the most significant changes in modern demand gen is the shift from isolated top-of-funnel activities to a holistic approach combining demand creation and capture.

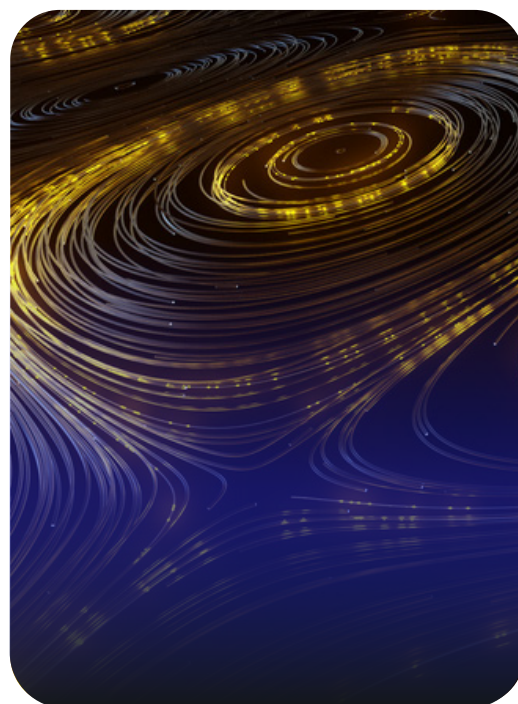
Demand Creation:

Building awareness and generating interest with broader audiences using tactics such as content marketing, display ads, social media, events, and SEO

Demand Capture:

Engaging pre-aware prospects and guiding them further in their buyer journey using paid search, retargeting, personalized web experiences, and email campaigns.

Rather than "dying," lead gen has become an integral component of demand gen—converting demand created and captured into actionable opportunities.



	Demand Creation	Demand Capture
PURPOSE	Create awareness and need to a broader audience	Engage with pre-aware prospects and guide their buyer journey
STRATEGIES	Content Marketing, Display, Social, Events, SEO	Paid Search, Retargeting, Personalized Web Experiences, Email Programs

Account Intelligence and its Role in Demand Gen

Account Intelligence Includes:

Gathering and analyzing data and signals (e.g., intent data) to identify ideal prospective customers.

Enhancing lead quality (49%), improving customer experiences (39%), and increasing campaign ROI (36%).

Leveraging Technology:

To gain actionable account intelligence, businesses should use multidimensional sources and technologies to digest and act upon data more effectively. Personalization becomes easier when insights are precise and trigger-specific.

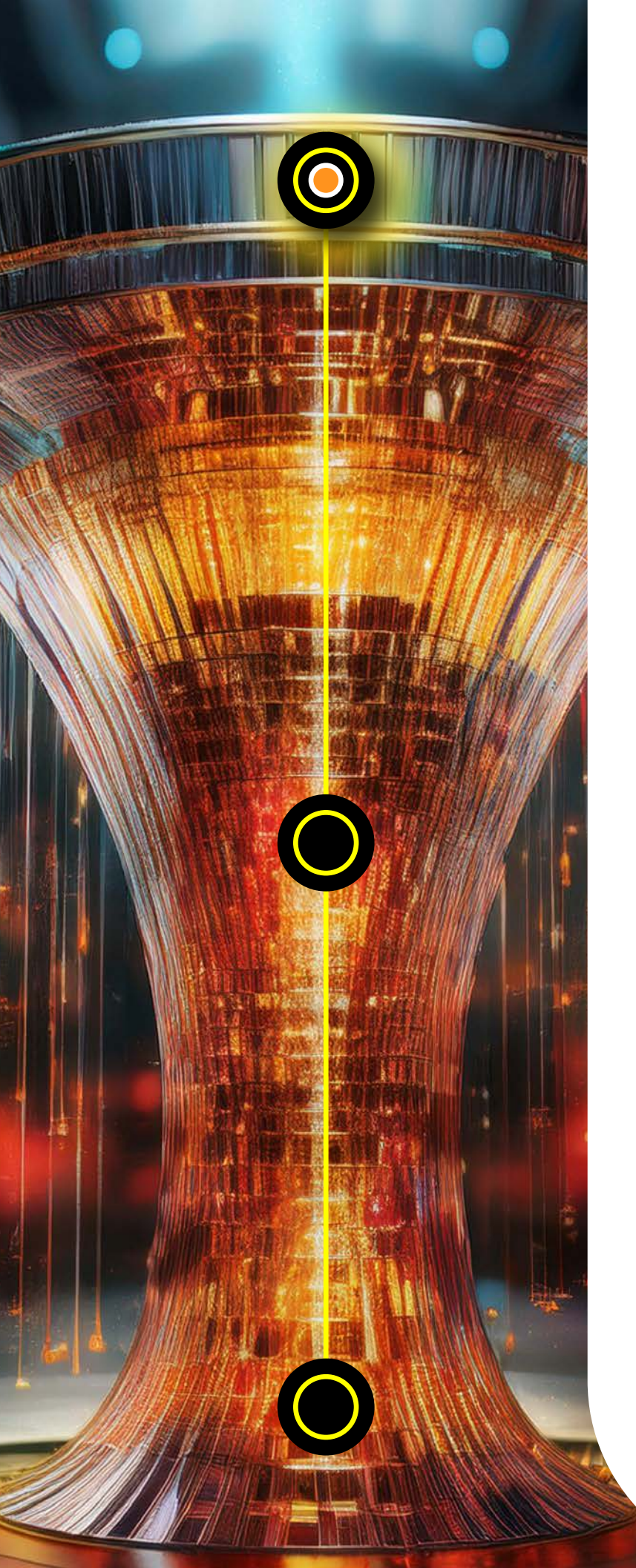
Driving Demand at Every Stage of the Buyer Journey

Although there are clear stages in the funnel, many organizations neglect seamless and strategic coordination from the top to the bottom of the funnel. Each progressive stage becomes increasingly challenging, requiring refined strategies to drive demand effectively.

**Web Pixel
MAP/CRM
Client Data Lake
Technographic
Firmographic
Digital Intent
Audiences
Verified Intent
Review Sites
Predictive Models
Case Studies**



**Account
Intelligence**



Top of Funnel (TOFU): Building Awareness

At the TOFU stage, the goal is to capture attention and generate interest in your brand or products/services.

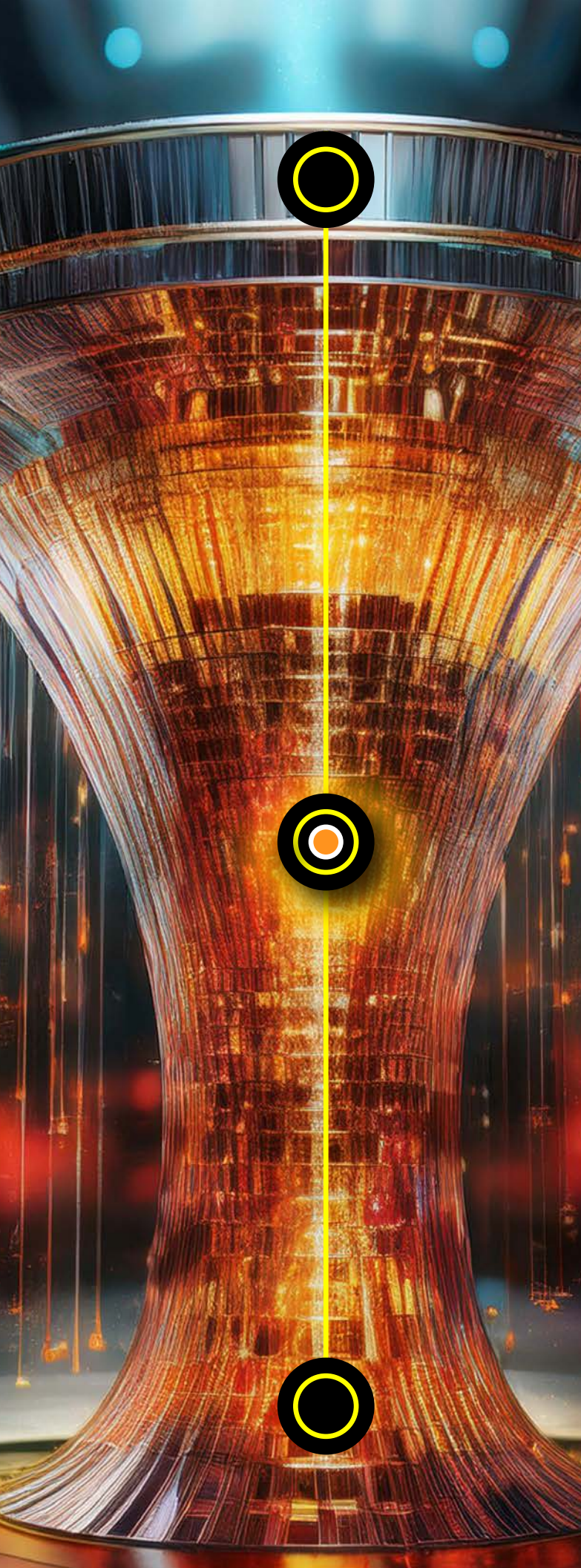
Tactics Include:

- Content marketing
- Content syndication
- Advertising
- Social media marketing
- PR/media partnerships
- SEO
- Events

Key Metrics to Monitor:

- **Website Traffic:** Indicator of visibility and reach.
- **Social Media Engagement:** Likes, shares, and comments reveal audience connection.
- **Content Engagement:** Metrics like page views, downloads, and time on page measure the impact of your resources.
- **SEO Rankings:** Search engine results for relevant keywords.
- **Event Attendance:** Number of attendees reflects interest.

The goal at this stage is awareness and interest; metrics may not translate directly to sales but provide critical indicators for demand gen efforts.



Middle of Funnel (MOFU): Nurturing Engagement

At this stage, leads are actively considering your offerings. The focus is on nurturing relationships and remaining top-of-mind.

Tactics Include:

- Content such as white papers, research reports, case studies, and product videos.
- Marketing and SDR/BDR nurtures.
- Retargeting to maintain engagement.
- Gathering intelligence to inform next steps.

Key Metrics to Track:

- **Lead Conversion Rates:** Percentage of TOFU leads converted into MOFU leads.
- **Email Engagement:** Click-through rates, sentiment, and shares.
- **Content Downloads:** Level of interest reflected by gated content interactions.
- **Time Spent on Website:** Measures engagement depth.
- **Retargeting Engagement:** Impressions, clicks, and conversions reveal retargeting effectiveness.



Bottom of Funnel (BOFU): Converting Leads

At BOFU, buyers are ready to make a purchase. The objective is to remove barriers, handle objections, and simplify the buying process.

Tactics Include:

- Personalized messaging
- Customer testimonials
- Demos
- ROI calculators
- FAQs
- Referral programs

Key Metrics Include:

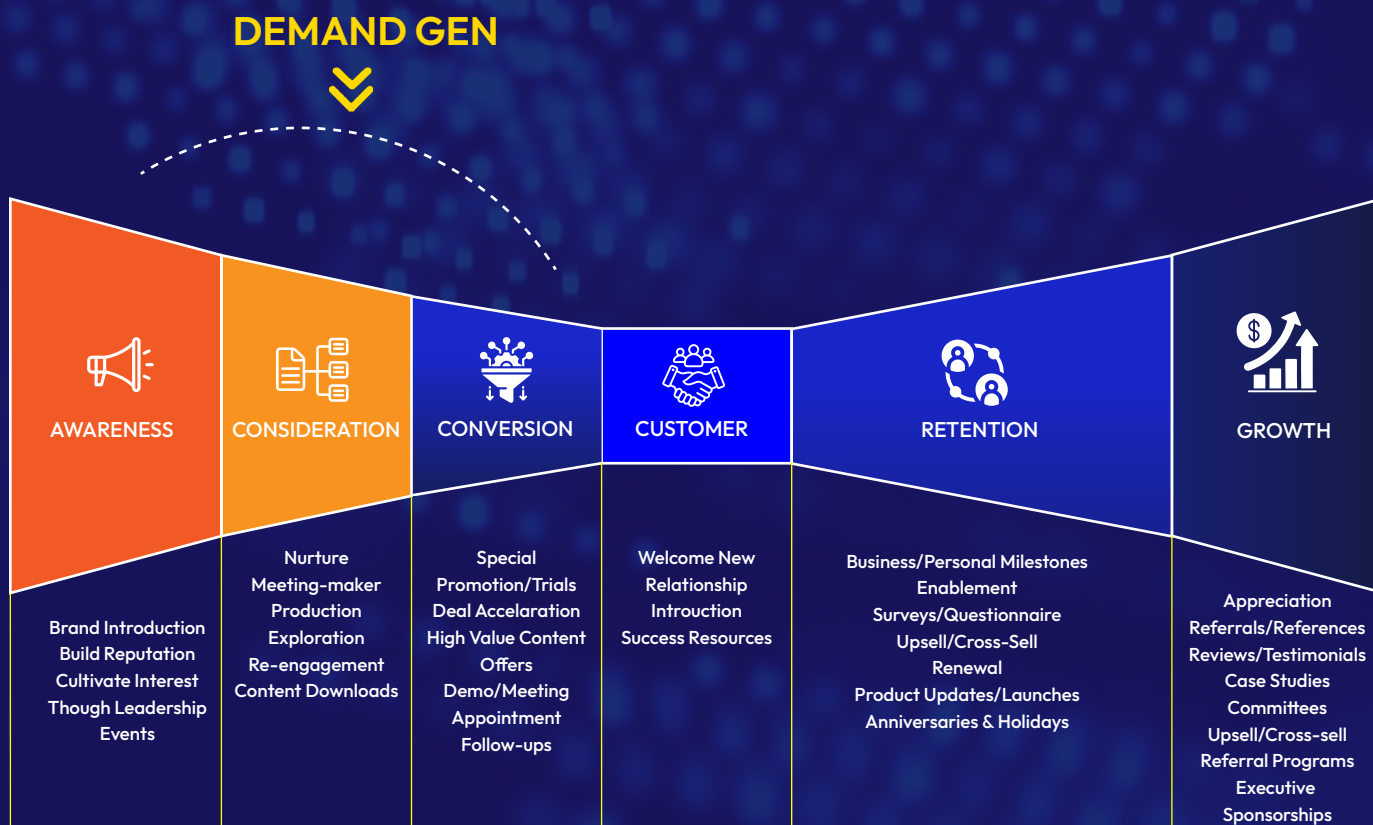
- **Conversion Rate:** Percentage of leads converted to customers.
- **Pipeline Velocity:** Speed of opportunities moving through the sales pipeline.
- **Cost Per Acquisition (CPA):** Total investment per new customer.
- **Customer Lifetime Value (CLTV):** Value a customer brings over time.
- **Customer Retention Rate:** Indicates loyalty and repeat business.
- **Referral Rate:** Reflects satisfaction and advocacy.

The ultimate goal is to convert leads into customers and build long-term relationships.



Building a Bridge from Demand Creation to Capture

A cohesive narrative is critical for transitioning prospects from TOFU (Top of Funnel) to MOFU (Middle of Funnel) and BOFU (Bottom of Funnel). Insights gained early in the journey should inform later strategies to ensure a seamless buyer experience.



Transitioning TOFU to MOFU

Transitioning from early awareness efforts to deeper engagement requires strategic use of data and multi-channel approaches.

Examples of Transition Tactics:

Conversational Marketing Data: Use chat interactions to personalize MOFU content.

Content Syndication: Guide acquired contacts into email nurture streams or recommend resonant content.

Direct Mail: Send mailers to early-stage prospects, incentivizing survey participation or meetings.

This approach has driven response rates of 8-12%, with 15-30% converting into meetings, generating substantial pipeline value.



Transitioning Top of Funnel (TOFU) to Middle of Funnel (MOFU)

The focus at this stage shifts to removing friction and guiding prospects to make purchasing decisions.

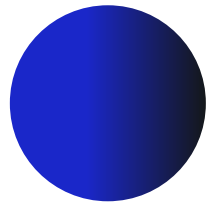
- Buyers expect highly targeted solutions to their pain points. Use:
 - **Case Studies:** Showcase proven success.
 - **Product Demonstrations:** Offer hands-on experiences.
 - **Personalized Email Campaigns:** Tailored follow-ups that reflect prior engagement.

The Role of Intelligence

Click data from email nurtures, first-party survey results, and other behavioral insights inform:

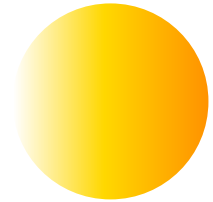
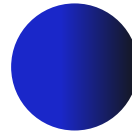
- Which CTAs (Calls to Action) to prioritize.
- Which content to serve on your website during the next visit.
- How to empower sales reps with relevant and humanized outreach.

Efficiency is essential. Streamline the process with clear, compelling CTAs and eliminate barriers. Use analytics to identify high-performing strategies.



8-12%
Response Rate

15-30%
**Convert to
Meeting**



By maintaining a cohesive narrative and leveraging the insights gathered in the TOFU stage, your brand can effectively guide prospects through the decision-making process.

This ensures that the initial interest generated at the top of the funnel is nurtured into a deeper engagement, ultimately driving demand in the market.



Transitioning MOFU to Bottom Funnel (BOFU)

In the journey from the middle of the funnel (MOFU) to the bottom (BOFU), the objective shifts from nurturing and engaging prospects to guiding them toward purchasing decisions.

At this stage, generic messaging and barriers to a frictionless conversion experience won't cut it. Buyers are looking for specific solutions to their pain points. Present them with highly targeted content and incentives that address the needs they've identified along the way. Share case studies, offer product demonstrations, and personalize email campaigns.

Products Emails	—————▶—————	Personalized Product Demos
Retargeting Ads	—————▶—————	Personal Seller Intro
Product Pages	—————▶—————	Product Comparison Emails
Meeting No-Show	—————▶—————	Limited Time Offers or Discounts
Customer Quotes Page	—————▶—————	Customer Testimonials Videos

Key to an effective transition strategy is the intelligence you proactively gather along the way. Click data from email nurture programs can inform whether you serve up a free product trial CTA or a customer testimonial video next and what on-site offers and content will be served up next time they visit your website. Collecting first-party survey data doesn't just further qualify, score and inform marketing triggers, it also empowers your Sellers to have more relevant conversations and a more human touch to first and follow up calls to prospects. The depth to which you gather and cross-leverage insights at each stage is pivotal to influencing the speed at which your prospect moves from consideration to decision. Efficiency is key. Streamline the conversion process by presenting clear and compelling calls to action (CTAs) and eliminating barriers. Employ data-driven decision making, using analytics to understand prospect behavior and identify high converting content and strategies





Balancing the Scales: Demand Creation vs. Demand Capture

DEMAND CREATION:

Pros:

Expand customer acquisition opportunities.

Establish strong brand and product awareness.

Cons:

Results will take time to manifest

The measurements are more complex due to multiple touchpoints.

DEMAND CAPTURE:

Pros:

Delivers quick wins and accelerates lead generation.

Establishes a foundation for long-term growth.

Cons:

Intense competition in a saturated market.

Limited growth targeting existing demand.



Managing Up to the C-Suite: A Key Aspect of Demand Gen Success

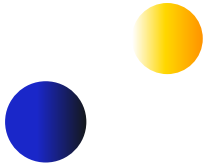
As a demand generation marketer, managing up to the C-suite is a crucial part of your role. This involves keeping top executives informed of your strategies and results, aligning goals with company-wide objectives, and demonstrating the value of demand gen.

Tips for Managing Up:

- **Emphasize Measurable Business Impact:**
Focus on quantifying outcomes like pipeline impact using financial metrics such as:
 - Cost per Outcome (CPO)
 - Customer Acquisition Cost (CAC)
 - Return on Investment (ROI)
 - Customer Lifetime Value (CLTV)

Highlight Demand Capture:

Explain its tangible and relatable value to the executive suite. It demonstrates your focus on creating viable opportunities that drive results.



Demand Gen: It's Not 'Just' Marketing

Demand generation extends beyond product promotion. It builds brand awareness, nurtures leads, and fosters customer loyalty. Marketing can no longer operate in isolation—it must inform, involve, and influence various business functions.

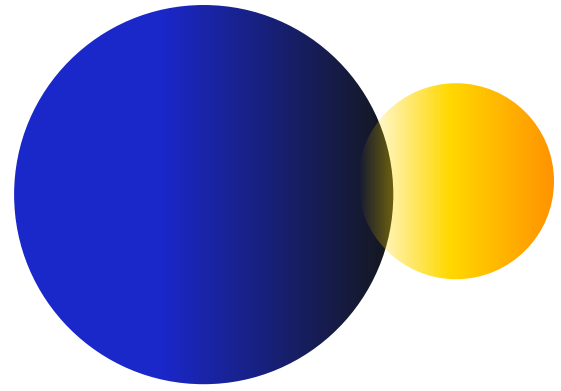
BDRs and SDRs: The Linchpin to Sales and Marketing Alignment

Aligning sales and marketing is critical for demand gen success. Collaboration with BDRs (Business Development Representatives) and SDRs (Sales Development Representatives) provides valuable insights for optimization:

BDRs Feedback: Share goals and pain points from direct customer interactions.

SDRs Insights: Reveal the success of mid-funnel nurturing tactics.

Together, these teams bridge the gap between marketing and sales for a cohesive demand gen strategy.



Measuring and Proving Success

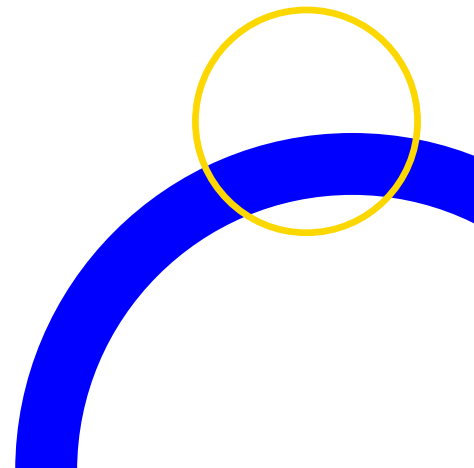
Demand gen requires a clear understanding of its impact on overall business success.

Top Challenges in Proving Success:

- Proving ROI to stakeholders.
- Justifying spend to organizational leadership.
- Ensuring sales and marketing alignment.

Key Metrics to Measure Effectiveness:

- Conversion rates.
- Lead quality.
- Customer lifetime value (CLTV).
- Customer retention rates.



Measuring & Proving Success

With so many moving parts, it's crucial to have a comprehensive understanding of how your demand gen efforts contribute to the overall success of your company. This means being able to effectively measure and communicate the impact of demand gen on revenue and growth. Research from Gartner shows that 42% of practitioners identified proving ROI with analytics as one of their top three challenges in demonstrating success as organizational leadership scrutinizes and plans for potential market impacts.

Metrics such as conversion rates, lead quality, customer lifetime value, and customer retention can all provide valuable insights into the effectiveness of your demand gen strategies. However, it's important also to tie these metrics back to revenue and ROI (return on investment). This can demonstrate the tangible results of your efforts and justify continued investment in demand-gen initiatives.

Furthermore, regularly sharing updates and reports with key decision-makers in the C-suite can help build trust and transparency around demand gen efforts. Demand-gen marketers can solidify their role as crucial contributors to the company's success by effectively communicating the impact on business growth and revenue



The Growing Role of Generative AI in Demand Gen

As technology continues to evolve, so does the role of AI in demand gen. Generative AI, specifically, is making waves in the marketing industry by automating tasks and processes that were previously time consuming and manual. Research shows that nearly two-thirds (61%) of marketers already use AI in their operations. Some ways generative AI is being used in demand gen include:

- Automated lead scoring: Using machine learning algorithms to analyze data and prioritize leads based on their likelihood to convert.
- Personalized content creation: Utilizing AI-powered tools to generate personalized content at scale, targeting specific audiences and their unique pain points.
- Hyper-individualized messaging: Personalization is no longer relegated to internally sourced and actioned data points, increasing speed, efficiency, and relevance in prospectin
- Predictive modeling: Leveraging historical data and machine learning to predict future customer behavior and optimize marketing strategies accordingly.

With the help of generative AI, demand gen marketers can streamline processes, improve efficiency, and drive better results for their campaigns.



A Day in the Life: Success, Challenge and Opportunity

The demand gen landscape is constantly evolving, and it's crucial to stay on top of the latest trends and strategies. But with so much noise in the market, it can take time to determine what's truly working for other demand-gen marketers

Check out how some of today's leading practitioners are honing their skills and finding effective ways to drive demand:



Maddy Cross,
Director of Digital
Marketing at Paylocity



Bernice Wen,
Director of Demand
Generation,
RingCentral



Cristina Daroca,
Head of Americas
Marketing at Riverbed
Technology



Javi Cano,
Chief Marketing Officer at
NETdepot



Amber Bogie,
GTM Marketing
Leader



A Day in the Life: Success, Challenge and Opportunity

The demand gen landscape is constantly evolving, creating both opportunities and challenges for marketers

What's Working?

- **Human-to-Human Connection:** In-person events with targeted, resonant content create strong community networks and are now a core pillar of strategies.
- **Intelligent Demand:** Anticipating prospects' needs using data allows for more sophisticated buyer conversations.
- **Enhanced Targeting and Relevance:** Predictive analytics enable high-quality lead identification and personalized campaign execution.
- **Deep-Funnel Demand Gen:** Full-funnel strategies, from TOFU to advocacy, build continuous engagement that drives conversion and retention.

Ongoing Challenges:

- **Keeping Up with Change:** External factors like economic shifts and internal challenges like budget cuts require adaptability.
- **Budget Constraints:** Marketers face increased goals without proportionate budget increases, leading to pressure to optimize spending.
- **Alignment and Buy-In:** Demonstrating ROI, justifying spend, and aligning marketing and sales efforts remain critical hurdles.
- **Setting Expectations:** Balancing short-term results with long-term brand building is complex, particularly during periods of uncertainty.

New Opportunities:

- **Advancements in AI:** AI offers new avenues for automation, targeting, and efficiency in campaign execution.
- **Responsible Personalization:** The ability to leverage data responsibly for personalized marketing is growing, offering added value while maintaining consumer trust.
- **Innovative Tools and Tech:** Staying on top of new platforms and methods opens doors to better attribution, optimization, and efficiency.



Conclusion

Effective demand generation in today's marketing landscape requires a strategic approach encompassing the entire buyer journey. By incorporating advanced account intelligence, aligning sales and marketing efforts, and leveraging full-funnel strategies, businesses can drive significant growth.

Key Takeaways for Modern Demand Gen:

- **Advanced Intelligence:**
Continuously inform demand strategies with data-driven insights.
- **Sales-Marketing Alignment:**
Create synergies between sales development and marketing teams for cohesive execution.
- **Full-Funnel Focus:**
Implement tactics tailored to every stage, from awareness to advocacy.
- **Measure and Communicate Success:**
Use ROI and revenue metrics to validate efforts and secure stakeholder buy-in.
- **Leverage Generative AI:**
Streamline workflows, improve targeting, and optimize campaign efficiency.
- By staying informed, adaptable, and innovative, marketers can successfully navigate the evolving landscape and drive impactful results now and in the future.



About PharosIQ

PharosIQ, a global leader in “intent-to-purchase” lead generation, provides insights and demand for B2B sales and marketing success. With over 40 years of expertise, PharosIQ transforms intelligence into impactful engagements, enabling efficient global revenue growth.

Powered by first-party data, PharosIQ connects vendors with buyers, delivering innovative solutions that enhance strategies worldwide.

www.pharosIQ.com

Copyright © 2024 PharosIQ, All Rights Reserved