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# **2024 Marketing Budget Benchmark for B2B Manufacturing**

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# 2024 Marketing Budget Benchmark for B2B Manufacturing

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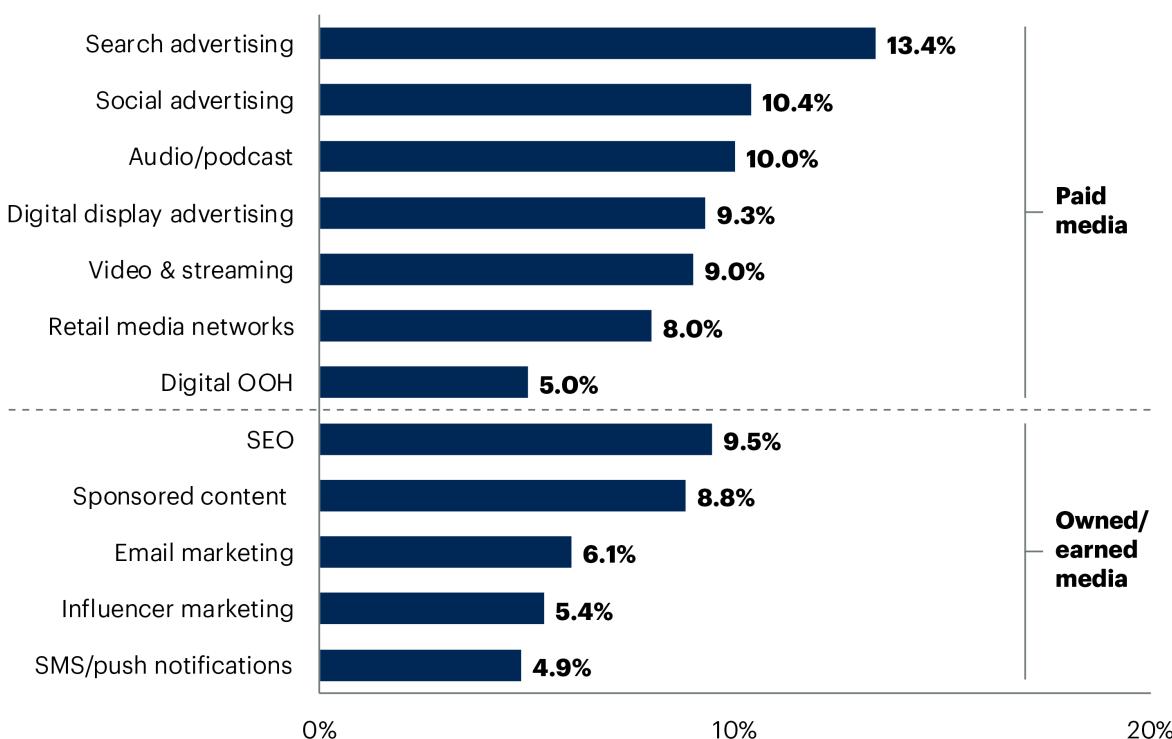
B2B manufacturing CMOs face pressure to prove the value of marketing amid consecutive years of a decline in marketing budgets as a percentage of company revenue. Use this research to understand B2B manufacturing budget and strategy trends to guide marketing planning and investments.

## Data Snapshot

Figure 1: Marketing Budget Allocation Across Digital Channels – B2B Manufacturing

### Digital Channel Investment Allocations

Mean percentage of digital channel budget shown



n = 44 manufacturing CMOs with B2B or hybrid business models allocating budget to digital channels

Q: How is your 2024 total marketing expense budget allocation for digital channels being allocated to or spent on each of the following digital channels?

Source: 2024 Gartner CMO Spend Survey

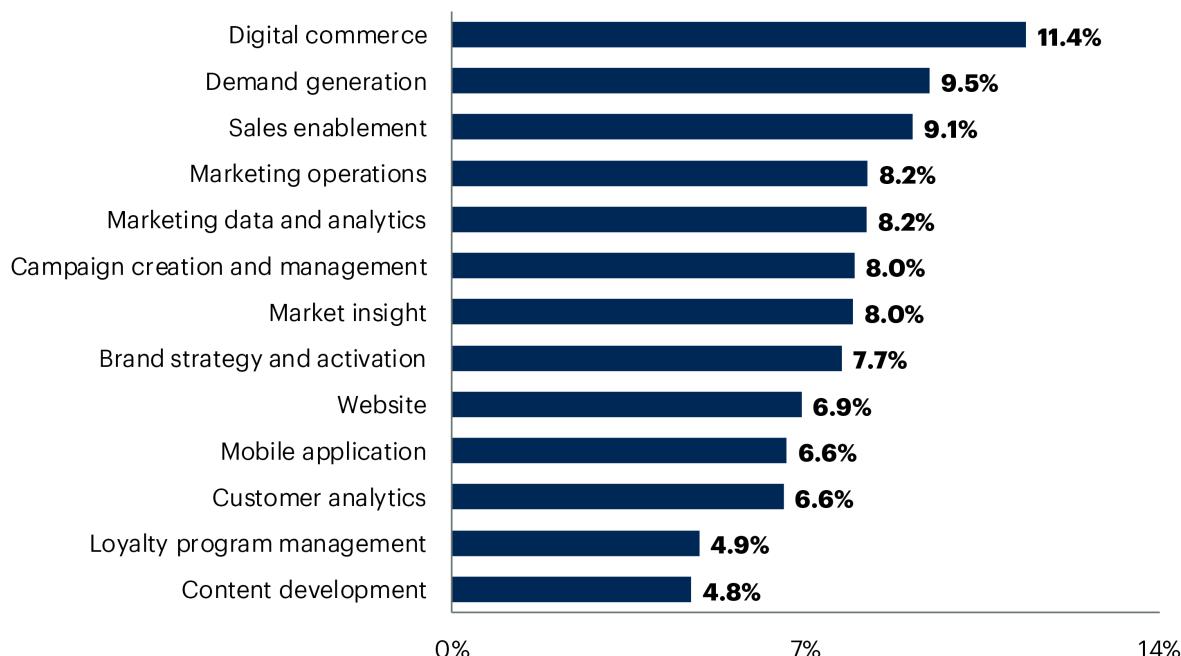
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- **Marketing budgets have declined (again).** B2B manufacturing marketing budgets make up only 6.3% of company revenue in 2024, while cross-industry marketing teams are allocating 7.7% of company revenue toward marketing.<sup>1</sup> This represents the second year in a row B2B manufacturing CMOs have experienced a year-over-year decline in marketing budgets as a percentage of company revenue. Last year, B2B manufacturing budgets made up 7.9% of company revenue.<sup>2</sup> This decrease is occurring despite 93% of B2B manufacturing CMOs saying their company met or exceeded revenue growth objectives in 2023.<sup>1</sup>
- **Industry CMOs seek new ways of working.** In the face of budgetary pressure, B2B manufacturing CMOs are in search of opportunities to maximize functional efficiency. Seventy-five percent of industry CMOs say their marketing organization must make significant changes to how it works to achieve sustainable results. In response, industry CMOs appear less concerned with eliminating waste and are instead more focused on optimizing the resources already at their disposal. B2B manufacturing CMOs cite “increasing the performance of key marketing assets” as a key objective for driving greater returns and efficiency from marketing investments in 2024.
- **Search advertising leads digital media spend.** B2B manufacturing CMOs are allocating 25.9% of their budget on major resources toward paid media, edging out labor, marketing technology and agencies in terms of total spend. Search advertising looks to play a prominent role in industry marketing plans, as it is the channel receiving the highest portion of digital marketing channel budgets (see Figure 1). Industry CMOs allocate the third-largest portion of spend to digital audio advertising, which includes advertising on podcasts.
- **Digital display advertising earns multidimensional success.** B2B manufacturing CMOs rank digital display advertising – which takes up 9.3% of their total digital marketing channel budget – as their most effective channel for supporting the following objectives: brand awareness (38%); driving consideration (47%); and customer loyalty and advocacy (42%). This speaks to the multidimensional nature of the channel, in that it is no longer used solely for the purposes of building awareness.
- **Industry CMOs remain bullish on digital commerce.** B2B manufacturing CMOs are allocating more of their marketing budgets toward digital commerce than any other program or operational area (see Figure 2). Digital commerce accounted for 34% of total sales for B2B manufacturing organizations in 2023, and CMOs target that number to increase to 43% in 2024.<sup>1,2</sup>

**Figure 2: 2024 Marketing Budget Allocation Across Marketing Programs and Operational Areas**

### **2024 Marketing Budget Allocation Across Marketing Programs and Operational Areas**

Mean percentage of marketing programs budget shown



n = 45 manufacturing CMOs with B2B or hybrid business models allocating budget to marketing programs and operational areas

Q: How is your 2024 total marketing expense budget being allocated to or spent on each of the following marketing programs and operational areas?  
 Source: 2024 Gartner CMO Spend Survey  
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## **Data Insights**

An analysis of responses from 45 manufacturing CMOs with B2B or hybrid business models – referred to hereafter as “B2B” – who participated in the 2024 Gartner CMO Spend Survey produced insights into resource allocation and strategy within the industry:

## **What You Need to Do**

- **Improve the marketing of marketing.** Actively promote the value of the marketing function to change the perceptions of key stakeholders – most notably your counterparts in the sales function, who don’t view marketing’s contributions as core to the bottom line. Work to foster a relationship of mutual trust and value exchange between marketing and sales by focusing on a limited number of high-impact go-to-market activities that could benefit from increased collaboration.

- **Prioritize customer journey experience optimization over channel-specific optimization.** Organizations that maintain a holistic channel strategy are 43% more likely to exceed their revenue targets than organizations that maintain a siloed channel strategy (see The CMO's Guide to Multichannel Marketing Channel Strategy). In a holistic channel strategy, there are established customer-centric, cross-functional approaches; customer journeys are orchestrated to span multiple channels based on customer needs; and marketing effectiveness is measured holistically across channels. Prior to making marketing channel investment decisions, invest to build (or refresh) customer journey maps. Ensure you can identify if and how different channels can support different buyer needs across their purchase process (see Ignition Guide to Mapping the B2B Customer Buying Journey).
- **Assess the opportunity for digital audio in your media plan.** Individual digital audio services vary in their targeting, testing and measurement capabilities. Ask your digital marketing leader or agency partner to explore the advertising capabilities offered through different streaming audio services, such as Spotify or YouTube Music, to assess how well they lend themselves to reaching your target audience members. Develop a test plan designed to understand the incremental benefits of investing in this channel before you scale (see Sizing Up Digital Audio Audiences).
- **Balance support for online ordering with support for online learning.** Seventy-seven percent of B2B manufacturing buyers say they prefer ordering through digital commerce,<sup>3</sup> suggesting industry enthusiasm for digital commerce investments is well-founded. However, B2B buyers who purchase through self-service digital commerce are significantly more likely to experience purchase regret than those who purchase through a traditional rep-led experience (see B2B Buyer Survey: Create Value Through Integrated Digital and Human-Led Interactions). Digital commerce experiences often encourage buyers to move too fast and miss meaningful nuance in supplier offerings. CMOs must ensure they optimize their digital commerce experience to give buyers the information and support they need to confidently make the right purchase (see Optimize Websites to Support B2B Buying Journeys).

## Evidence

<sup>1</sup>**2024 Gartner CMO Spend Survey:** This survey looked at top-line marketing budgets and aimed to identify how evolving customer journeys, C-suite pressures and cost challenges impact marketing's spending priorities and channel effectiveness. The research was conducted online from February through March 2024 among 395 respondents in North America (n = 200) and Europe (n = 195). Respondents were required to be involved in decisions pertaining to setting or influencing marketing strategy/planning and to aligning marketing budget/resources, and/or they were required to lead cross-functional programs and strategies with marketing. Seventy-four percent of the respondents came from organizations with \$1 billion or more in annual revenue. Respondents came from a variety of industries: financial services (n = 46), insurance (n = 35), manufacturing (n = 48), consumer products (n = 32), media (n = 35), retail (n = 38), healthcare (n = 47), pharma (n = 37), IT and business services (n = 41), and travel and hospitality (n = 36). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

<sup>2</sup>**2023 Gartner CMO Spend and Strategy Survey:** The purpose of this survey was to look at top-line marketing budgets and identify how evolving customer journeys, C-suite pressures and cost challenges impact marketing's strategies and spending priorities. The research was conducted online from March through April 2023 among 410 respondents in North America (n = 205) and Western/Northern Europe (n = 205). Respondents were required to be involved in decisions pertaining to setting or influencing marketing strategy and planning, as well as have involvement in aligning marketing budget/resources and/or lead cross-functional programs and strategies with marketing. Eighty percent of the respondents came from organizations with \$1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (n = 44), tech products (n = 39), manufacturing (n = 55), consumer products (n = 43), media (n = 41), retail (n = 45), healthcare (n = 34), pharma (n = 38), IT and business services (n = 34), and travel and hospitality (n = 37). Disclaimer: The results of this study do not represent global findings or the market as a whole, but reflect the sentiment of the respondents and companies surveyed.

<sup>3</sup>**2022 Gartner B2B Buyer Survey.** The 2022 Gartner B2B Buyer Survey was administered in November and December 2022 and includes data from 771 B2B buyers from the U.S., Canada, the U.K. and Australia. Respondents who qualified for this survey had to be employed full time at an organization with total revenue of at least \$250 million or the equivalent and had participated in a significant B2B purchase decision. A “significant B2B purchase decision” is defined here as a decision that required deliberation with at least one other person and the evaluation of more than one potential supplier or vendor. Respondents were instructed to answer questions based on their experience with this recent purchase and with the supplier that was used to complete the purchase. Respondents evaluated the quality of the purchase decision and provided insights into various stages of their recent purchase decision. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

**2023 Gartner Multichannel Marketing Survey:** This survey was conducted to determine best practices for maximizing multichannel marketing investments in response to evolving customer journeys in a fluid marketing environment. It was conducted online from November through December 2022. In total, 397 respondents were surveyed in their native languages across North America (n = 201), Western Europe (n = 161) and the Nordics (n = 35). Qualifying organizations reported enterprise-wide annual revenue for fiscal-year 2021 of at least \$100 million, with 83% of the respondents coming from organizations with \$1 billion or more in annual revenue. The respondents came from a variety of industries: financial services (n = 61), manufacturing (n = 58), consumer products (n = 46), retail (n = 45), travel and hospitality (n = 45), healthcare (n = 44), pharmaceuticals (n = 35), media (n = 33), and IT and business services (n = 30). All respondents were senior leaders who manage multiple marketing channels or were responsible for the execution of their organizations’ multichannel marketing strategies. Eighty-five percent of respondents were aligned to the marketing function, 9% to brand management, and 7% to sales or other business units. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

## Document Revision History

The State of B2B Manufacturing Marketing Budgets - 5 December 2023

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## Recommended by the Author

Insights From the 2024 CMO Spend Survey

The Manufacturing CMO's Research Guide

B2B Buyer Survey: Digital Buying Behaviors in Manufacturing

Optimize Websites to Support B2B Buying Journeys

Communicate Marketing Value and Impact to Internal Audiences

The CMO's Guide to Multichannel Marketing Channel Strategy

Case Study: Drive Adoption of Your Marketing Automation Platform

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