THE STRUGGLE TO GENERATE DEMAND FROM BUYERS

IS YOUR COMPANY GENERATING DEMAND, OR JUST IDENTIFYING IT?

Marketers in 2023 need more confidence in using content marketing for demand generation. New market realities are shifting priorities for successful content marketers.

BY ROBERT ROSE

Chief Strategy Advisor, Content Marketing Institute

CONTENT MARKETING INSTITUTE™   DemandJump®

WHERE DOES YOUR CUSTOMER JOURNEY START?

B2B marketing teams face an increasingly complex challenge these days. When they ask for more money and resources for demand generation programs they often hear, "We don't have the budget for that."

"Now, wait a minute," you might say. "We have budget for demand generation. In fact, it seems like demand gen for leads is the *only* thing we have budget for these days."

This is part of the problem. Demand generation means actual *demand* generation, not mid-funnel, inbound lead gen, nurturing, or sales enablement. These are essential programs, but they are "demand identification" tactics, where marketing teams promote content to buyers already searching for solutions to their needs. The goal is to attract prospects who have realized they need change but have yet to determine the best option to facilitate that change. In a word that might sound familiar, we are trying to *nurture* their decision in our favor.

Actual demand generation is different. It happens when prospects don't realize they have a need or want. The marketing goal at this point in the customer's journey is to convince them they should embark. Marketers attempt to manufacture demand where little or none exists. When marketers talk about the "customer's journey," they must realize there is a step before customers enter their sphere of influence. Marketers must design the experience that creates the desire for customers to take the journey in the first place.

I frequently run into B2B organizations where teams can get plenty of resources or budget from senior leadership to nurture leads, get them to salespeople, and develop content that speaks to solving X, Y, or Z challenges. But they also need to improve their ability to create content and programs to generate awareness and demand for understanding what solving X, Y, or Z even means.

One B2B technology firm marketer told me, "We can't get the resources/budget to create programs to teach businesses why the challenge our solution solves even exists. They only want to spend money on people who are already Googling for products to solve it."

By providing audiences with great content marketing, we've seen that marketers can build effective and efficient demand generation programs that feed more effective demand identification and nurturing programs. One of the most significant pieces of our marketing should be to inspire and teach customers why they want to be customers.

INTRODUCTION

A PHONE, A GAME, A CAR, AND AN ALBUM WALK INTO THE MARKETPLACE

Welcome to the 2023 Content Marketing for Demand Generation research report. We're glad you're here to take this journey with us.

Let's start with a pop quiz: What do these products have in common? iPhone, Rubik's Cube, Michael Jackson's "Thriller," and Toyota Corolla.

If you guessed that they are among the all-time top-selling products, you are correct. That success came because of another commonality — they had marketing programs that *generated* demand.

Let me explain the secret. As much as people like to believe the most brilliant new products come from deep thought and research through ascertaining what potential customers need and want, the truth is that most don't. The product may be a new-and-improved version of something in the marketplace for which demand has already been established. Or it may be new, but customers have no idea it's missing in their lives. In both cases, nobody knows they need the new thing. People may perceive something as "old," so offering it as "new and improved" may attract already converted customers to "upgrade," but fail to generate demand in anyone new. Or because something is new, no one has any concept of needing it at all.

For example, Toyota built the Corolla as an incremental improvement on its Publica model. On the other hand, Rubik's Cube was something novel invented by Hungarian architecture professor Erno Rubik. Visionary Apple software engineer Jean-Marie Hullot had an exploratory idea for an iPhone, which did not initially have Steve Jobs' support.

In other words, nobody needed or was asking for a Rubik's Cube, an iPhone, or a Toyota Corolla. No one was asked what Michael Jackson's next album should be about.

The secret to success for these four bestselling products — and so many others — occurs first when someone sees something that's not there or envisions a customer experience that will be better or more compelling. Then, the marketers for that "new" product spend a significant amount of their resources creating experiences to propel new customer interest in exploring the journey they might take. They create a market where none exists.

Demand is generated where little or none exists

Most B2B professionals market products/solutions or create content for products already in the marketplace.

But, independent of how your product or service got to where it is, you must keep creating demand for it. You must involve new and existing audiences in experiences that generate new demand. If you continue to hold up your product, service, or content and only say, "Here is the answer for your known need," people won't recognize it. Or you'll run out of people who do.

In both scenarios, you end up in the worst place for marketers, where people don't care about your product or brand. You must consistently work to attract prospective customers who don't know your brand, products, or services and inspire them to want to know.

For years, the earliest part of the customer's journey stood at the heart of great content marketing. Pause for a moment and think about the bestsellers I mentioned earlier. Perhaps the first time you heard "Thriller," it seemed different (indeed, it's the highest-selling album of all time, at 70 million copies to date).

Surely, Jackson didn't start his creative process thinking, "Who are all the people who don't know they need my new album?" before he began writing the songs.

No, of course not. But I guarantee CBS Records (Jackson's record company at the time) did. They put enormous resources into the then-innovative marketing idea of highly produced music videos. They wanted to reach new audiences, so they created the most expensive and longest video of its time — it's how the marketing team generated huge new demand in the marketplace that would be filled with the music of "Thriller."

The CBS Records marketing team didn't start with a finished new album, bank on Jackson's current audience base, and sell it like previous albums with a "differentiator" tagline like "It's the newest from Michael Jackson." No. They knew that new audiences wouldn't care that it was the latest from Michael Jackson. Instead, they started with the marketing experience to reach new customers — ones who weren't aware that they wanted a new Michael Jackson record — and worked backward to see what kind of content they could create to generate demand for a new product.

They created a new marketplace.

The State of Content Marketing and Demand Generation in 2023

The world of marketing will continue to evolve in 2023. As uncertainty in economic changes abounds, and we still struggle with evolving working models coming out of the pandemic, we can see marketers moving back into familiar (and comfortable) habits.

In last year's version of this study (2022), we noted a "return to some of the demand generation priorities we've seen in the past" — where top-of-the-funnel brand awareness and actual demand generation was a priority. This year that has slipped; marketers have shifted more of their efforts to pipeline growth and lead management. Simultaneously, the number of marketers who feel successful with demand gen has dropped.
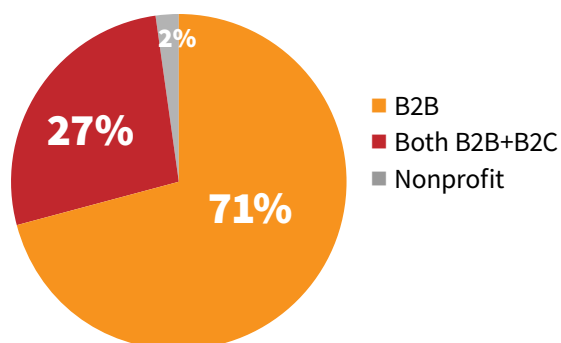
Let's explore.

METHODOLOGY

In February 2023, the CMI research team conducted a survey to learn how marketers are using content marketing for demand generation purposes.

CMI sent email invitations to a random slice of its opt-in subscriber list. A total of 174 global responses (representing 21 countries) were qualified for analysis. Qualified respondents were those who indicated their company uses content marketing to generate demand from buyers (create and/or nurture leads or potential customers) at the top, middle, and/or bottom of the buying funnel.
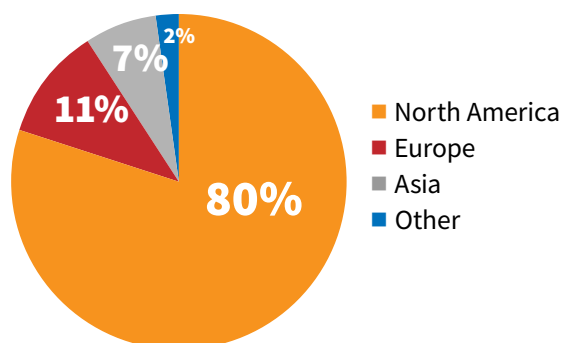
Qualified respondents represented a range of industries, functional areas, and company sizes. Most were B2B marketers in the U.S.

Charts in this year's report do not show data for 2021 because the survey was not conducted that year.
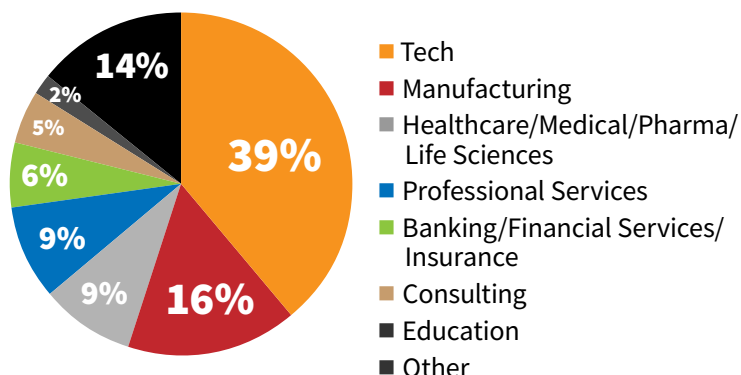
Nature of Organization

- B2B — 71%
- Both B2B+B2C — 27%
- Nonprofit — 2%

Locations

- North America — 80%
- Europe — 11%
- Asia — 7%
- Other — 2%

Industry

- Tech — 39%
- Manufacturing — 16%
- Healthcare/Medical/Pharma/Life Sciences — 9%
- Professional Services — 9%
- Banking/Financial Services/Insurance — 6%
- Consulting — 5%
- Education — 2%
- Other — 14%

Company Size
(By Employees)

- 1,000+ — 50%
- 100-999 — 38%
- 1-99 — 12%

CONTENT MARKETING INSTITUTE™

DemandJump®
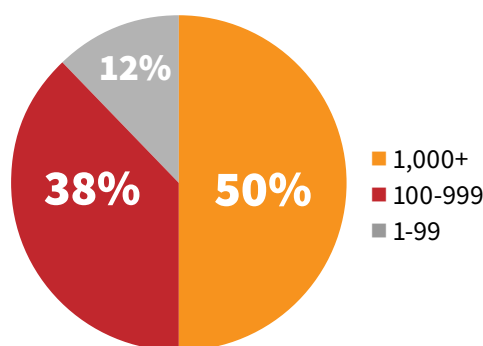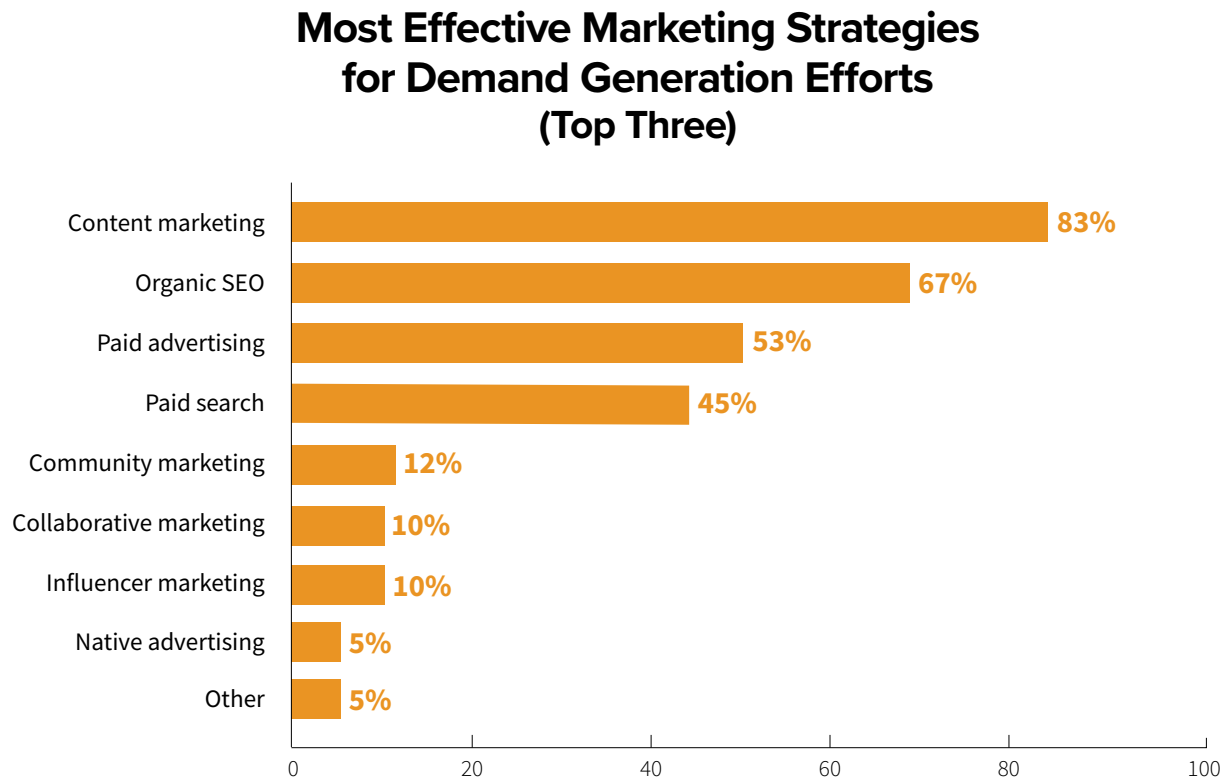
FINDINGS

Content marketing continues to be a significant driver in demand generation. When we asked marketers to select the most effective marketing strategies for their demand generation efforts across all parts of the buying journey, content marketing once again ranked, by far, at the top (83%).

Most Effective Marketing Strategies for Demand Generation Efforts (Top Three)

Strategy	Percentage
Content marketing	83%
Organic SEO	67%
Paid advertising	53%
Paid search	45%
Community marketing	12%
Collaborative marketing	10%
Influencer marketing	10%
Native advertising	5%
Other	5%

Base: Marketers who use content marketing to generate demand from buyers. Aided list; maximum of three responses permitted
Source: Content Marketing Institute, February 2023

The good news for demand generation is that 45% of the content that marketers create is for the earliest stages of the buying journey. Fifty-two percent of those surveyed also said the early stage is where their organizations receive the most value from content marketing used for demand generation.

Estimated Percentage of Total Content That Organizations Will Create for Each Stage of the Buyer's Journey in 2023

21%

45%

34%

■ Early stage (generating awareness/interest)
■ Middle stage (consideration/intent)
■ Late stage (evaluation/purchase)

Base: Marketers who use content marketing to generate demand from buyers; aided list.
Responses were required to equal 100%.
Source: Content Marketing Institute, February 2023
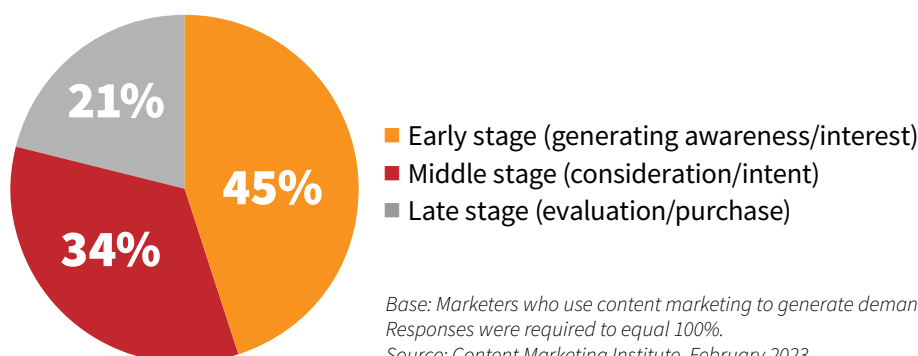
Stage in Buyer's Journey Where Organizations Receive Most Value From Content Marketing Used for Demand Generation
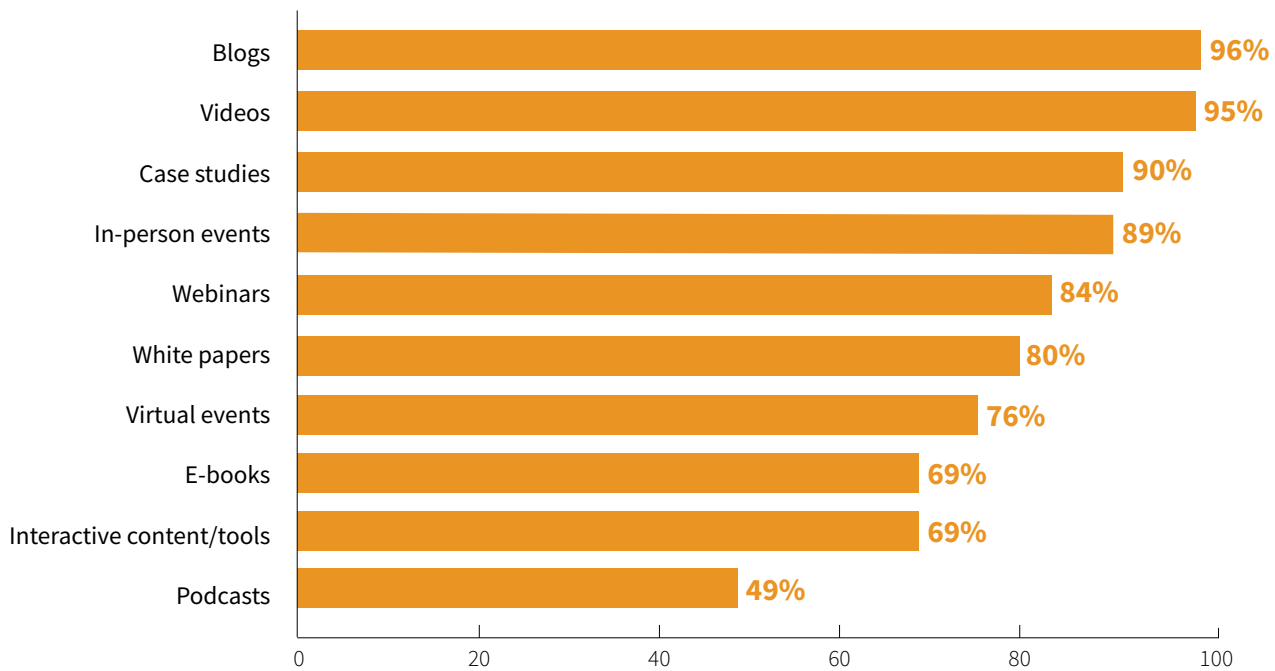
	2023	2022	2020
Early stage (generating awareness/interest)	52%	56%	54%
Middle stage (consideration/intent)	37%	24%	30%
Late stage (evaluation/purchase)	6%	8%	4%
Other stages	6%	12%	12%

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

Then, we asked marketers to specify the content types they use for demand generation and which are most valuable for the various stages of the buyer's journey.

As we saw in the previous year, blogs, videos, and case studies are used most frequently. Interestingly, podcasts ranked at the bottom of this list (even though marketers rated them as highly effective in the early stage of the buyer's journey).

Which of the Following Content Types Does Your Organization Use for Demand Generation Purposes?

Content Type	Percentage
Blogs	96%
Videos	95%
Case studies	90%
In-person events	89%
Webinars	84%
White papers	80%
Virtual events	76%
E-books	69%
Interactive content/tools	69%
Podcasts	49%

Base: Marketers who use content marketing to generate demand from buyers. Aided list; multiple responses permitted.
Source: Content Marketing Institute, February 2023

There was little difference in effectiveness in the middle stage from the previous year. The marketers surveyed noted that webinars (53%) and e-books (53%) are the most effective in the middle stage, followed by case studies (52%) and virtual events (50%). Interestingly, blogs and videos were on the lower end of most effective in the middle stage.

When we look at the upper stages of the demand generation process (the early stage), we see that the most effective content types more closely align with those that marketers use most frequently, for example, blog posts (70%) and videos (62%).

These findings suggest that marketers know the importance of using specific content types at specific parts of the journey.

CONTENT MARKETING INSTITUTE™   DemandJump®

In Which Stage of the Buyer's Journey Is Each Content Type Most Effective* When Used for Demand Generation Purposes?

	Early Stage (awareness/interest)	Middle Stage (consideration/intent)	Late Stage (evaluation/purchase)
Blog posts	70%	28%	2%
Case studies	8%	52%	40%
E-books	38%	53%	9%
In-person events	32%	40%	28%
Interactive content	28%	47%	25%
Podcasts	74%	20%	5%
Videos	62%	29%	9%
Virtual events	31%	50%	19%
Webinars	30%	53%	17%
White papers	33%	44%	23%

Base: Marketers who use each type of content listed. Nonusers of each type were removed from counts.

*Effective was defined as succeeding at moving leads/potential customers to the next stage (e.g., generating an initial inquiry, nurturing a lead through the process, or convincing/persuading someone to make a purchase) based on your organization's specific objectives.

Source: Content Marketing Institute, February 2023

TECHNOLOGY UTILIZED

We then looked at the content and marketing technologies today's content marketers use for demand generation.

As expected, the top technologies here remain (as they have for the last four years): analytics (87%), social media publishing/analytics (89%), and email marketing software (85%).

The biggest shift was in the percentage of respondents using data from CRM software for demand generation (70% this year vs. 62% the previous year). Here again, we see a shift toward creating more targeted content in the middle and late stages of the buying journey, where lead nurturing is critically essential.

Technologies Organizations Use to Aid Content Marketing Efforts to Create Leads and Nurture Potential Customers

	2023	2022	2020
Analytics (e.g., web analytics, dashboards)	87%	89%	86%
Social media publishing/analytics	89%	89%	87%
Email marketing software	85%	84%	83%
Customer relationship management (CRM) software	70%	62%	63%
Content management system (CMS)	55%	63%	57%
Content optimization	45%	43%	35%
Account-based management	45%	41%	28%
Content performance/recommendation analytics	43%	38%	27%
Marketing automation system (MAS)	41%	46%	38%
Content distribution platform	26%	34%	23%
Customer data platform	17%	–	–
Artificial intelligence tools	15%	–	–

Base: Marketers who use content marketing to generate demand from buyers. Aided list; multiple responses permitted.
Source: Content Marketing Institute, February 2023

How Would You Rate Your Organization's Use of Technology to Get Meaningful Insights Into the Customer Journey?

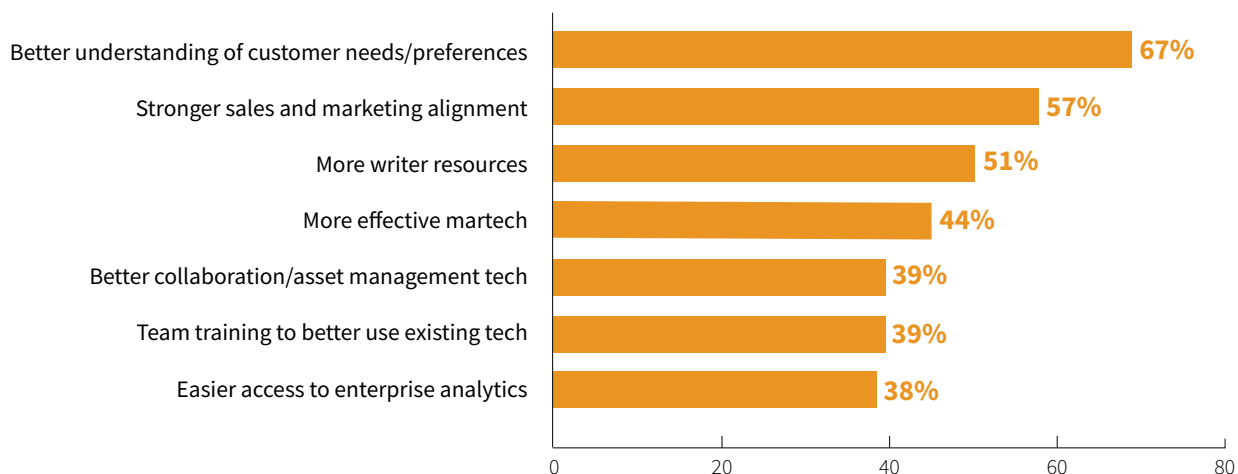|	2023	2022
Excellent	2%	9%
Good	32%	34%
Average	41%	39%
Fair	16%	13%
Poor	9%	6%

Base: Marketers who use content marketing to generate demand from buyers. Aided list. New question in 2022.
Source: Content Marketing Institute, February 2023

Next, we asked marketers about their organization's use of technology to get meaningful insights into the customer journey. Like last year, most felt their success levels were middling (41% rated their use of technology as average). However, those rating their success as excellent or good decreased by nine percentage points.

This year, we introduced two new questions to our survey to start to ascertain where there may be gaps in technology usage for demand generation. First, we asked which tools or resources marketers needed to meet demand generation goals.

Here we can see the more distinctive shift to the middle of the journey that marketers need to solve for. The top two answers were a "better understanding of customer needs and preferences" (67%) and "stronger sales and marketing alignment" (57%).

Which Tools/Resources Do You Feel Your Team Needs to Add to Better Meet Your Organization's Demand Generation Goals?

Better understanding of customer needs/preferences	67%
Stronger sales and marketing alignment	57%
More writer resources	51%
More effective martech	44%
Better collaboration/asset management tech	39%
Team training to better use existing tech	39%
Easier access to enterprise analytics	38%

Base: Marketers who use content marketing to generate demand from buyers. Aided list; multiple responses permitted.
Source: Content Marketing Institute, February 2023

CONTENT MARKETING INSTITUTE™   DemandJump®

Next, we asked how these marketers would rate their current ability to accurately target content to desired audiences. The overarching feeling was that they were struggling at it. Fifty-eight percent of respondents rated their ability to accurately target content to desired audiences as average, fair, or poor.

Organization's Ability to Accurately Target Content to Desired Audiences
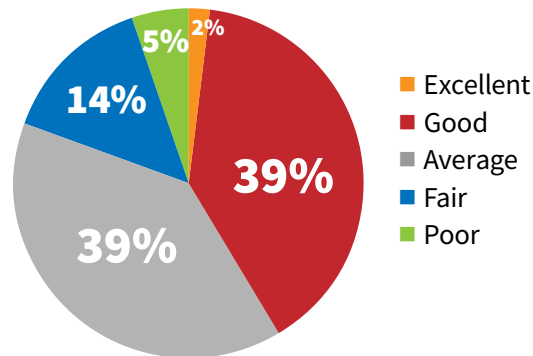
- Excellent
- Good
- Average
- Fair
- Poor

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

These results align well with what we see in our consulting and advisory practice. Today, there is intense pressure for content marketing to deliver relevant "how-to" guides, "demonstration guides," and low-touch self-service materials to get interested buyers to use (or experience) the product as they go through the selection process. The key is getting those materials into the hands of the right customers at the right time. And now, despite the new growth in using CRM data, targeting and personalizing content for this middle-funnel audience is a huge challenge.

THE SUCCESS OF CONTENT MARKETING IN DEMAND GENERATION

We then turned our attention to looking at success.

We first asked marketers how their organization views the importance of content as part of its demand generation efforts.

While content is still deemed extraordinarily important, the data suggests that organizations may have lost some faith. This year 73% of marketers said their organization views content as extremely or very important |vs. 80% last year.

How Does Your Organization View the Importance of Content as Part of Its Demand Generation Efforts?

	2023	2022	2020
Extremely important	38%	35%	33%
Very important	35%	45%	43%
Moderately important	22%	17%	21%
Minimally important	4%	2%	4%
Not at all important	0%	1%	0%

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

As we've learned over the years, the demand for content has sometimes been one of the linchpins of the success of content marketing. High demands on resource-challenged teams mean the glut of resulting content may be of average or inferior quality — certainly not content that helps move the needle regarding demand generation.

However, marketers feel as satisfied as they've been in years (37%) with having enough content to meet their demand generation goals.

CONTENT MARKETING INSTITUTE™

DemandJump®

Do You Feel Your Organization Has Enough Content to Meet Its Current Demand Generation Goals?

	2023	2022	2020
Yes, enough	37%	35%	41%
Yes, too much	7%	11%	5%
No, not enough	56%	54%	54%

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

Further, this satisfaction was as high as ever when we asked marketers how they would rate the overall quality of the content the organization produces to meet demand generation needs. Sixty-six percent of marketers rated their content as excellent or good.

How Would You Rate the Overall Quality of the Content Your Organization Has Available to Meet Its Current Demand Generation Goals?

	2023	2022	2020
Excellent	14%	14%	10%
Good	52%	51%	32%
Average	24%	24%	42%
Fair	8%	8%	14%
Poor	2%	2%	2%

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

Finally, we asked marketers how they would rate the overall success of their organization's content marketing approach for demand generation.

We saw a notable drop here from last year. Those who rated their organizations as extremely or very successful decreased to 20% from 30% the previous year. In fact, no one ranked their organization as extremely successful this year.

CONTENT MARKETING INSTITUTE™

DemandJump®

Success of Organizations' Current Overall Content Marketing Approach for Demand Generation

	2023	2022	2020
Extremely successful	0%	4%	2%
Very successful	20%	26%	24%
Moderately successful	59%	57%	55%
Minimally successful	20%	13%	18%
Not at all successful	1%	1%	1%

Base: Marketers who use content marketing to generate demand from buyers. Aided list.
Source: Content Marketing Institute, February 2023

So — if it's not dissatisfaction with content quality or quantity — what is causing the drop in confidence and the feeling of success when it comes to content marketing?

Well, we then asked these marketers which metrics provide their team with the most meaningful insights on the impact of content marketing on demand generation. Here, we can see where there is a cause of angst in success and confidence.

As it has been for years, the number one response was conversions. And, the most considerable growth noted was in pipeline growth, which grew to 51% from 40% last year. These responses indicate a shift to the middle of the funnel and suggest that marketers are feeling pressured to move their focus to short-term demand identification — converting leads, feeding sales, and focusing on quality leads that will increase the value of their sales pipeline.

Which of the Following Metrics Provide Your Team With the Most Meaningful Insights on the Impact of Content Marketing on Demand Generation?

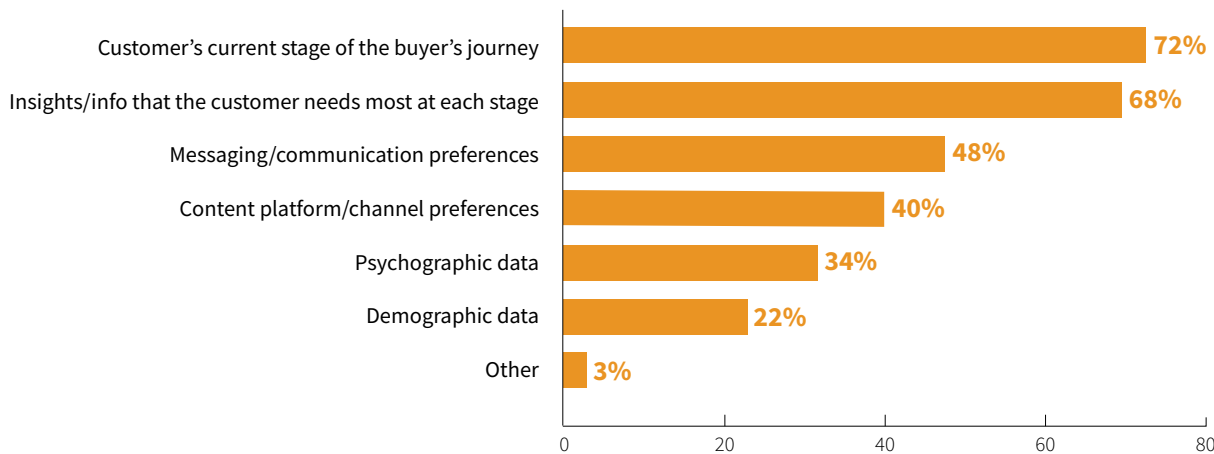|	2023	2022	2020
Conversions (e.g., traffic to subscribers, leads to sales)	83%	84%	75%
Website traffic	70%	69%	74%
Quality of leads	66%	62%	56%
Audience engagement	59%	55%	64%
Pipeline growth	51%	40%	44%
Revenue growth	45%	46%	47%
Quantity of leads	43%	45%	53%
Cost per lead	29%	31%	39%
PR mentions/media coverage	25%	27%	29%
Market research data	19%	27%	19%
Other	2%	4%	4%

Base: Marketers who use content marketing to generate demand from buyers. Aided list; multiple responses permitted.
Source: Content Marketing Institute, February 2023

Another follow-up question asked marketers how they felt about their measurements of success. We asked what types of data their teams struggle to track, gather, or analyze effectively for better demand generation.

The top two answers by far involved intent: 72% said insight into the customer's current buying stage, and 68% said insights into what kind of content the customer needs most at each stage.

In our experience, these two challenges directly result from a pullback — or lack of concerted effort — on actual demand generation. When we don't understand the needs of people unaware of our solution, it becomes much more difficult to understand the needs of those who are aware of it.

Which of the Following Types of Data Does Your Team Struggle to Track/Gather/Analyze Effectively for Your Demand Generation Efforts?

Customer's current stage of the buyer's journey	72%
Insights/info that the customer needs most at each stage	68%
Messaging/communication preferences	48%
Content platform/channel preferences	40%
Psychographic data	34%
Demographic data	22%
Other	3%

Base: Marketers who use content marketing to generate demand from buyers. Aided list; multiple responses permitted.
Source: Content Marketing Institute, February 2023

CONCLUSION

GENERATING DEMAND IS AT THE CORE OF BETTER DEMAND GENERATION

Some say authentic demand generation programs are underfunded because senior leadership worries about "leaving money on the table" if they don't wholly fund existing lead generation and sales enablement programs. They want to avoid the risk of siphoning money to build awareness when marketing doesn't produce enough leads to fuel sales enablement.

In the short term, these people may have a point. But in the long term, that thinking poses a considerably greater risk. Senior leadership needs to understand that fueling sales enablement with enough leads isn't just a matter of converting known prospects into interested prospects. It also involves converting unknown prospects to known prospects. As this year's research shows, when you cut off awareness building, you often inadvertently start to cut down on who you can nurture.

Many marketers can unexpectedly fall into this short-term thinking challenge. Think about it. Your team goes to produce a unique content marketing project to serve the business. You do it in alignment with the company's current revenue-building mission and objectives. You get so wrapped up in your brand or product and what you're selling that you limit the ideas to the thing you're trying to sell.

Is it any wonder that many companies' blogs, social media channels, and online resource centers are just glorified brochures discussing the product and how it solves everything you might need? It's like being on a date with someone who stops talking incessantly for a moment and says, "Enough about me. What do you think about me?"

Generating genuine demand is a crucial part of your ongoing marketing strategy. But you must understand that it goes beyond the short-term efforts of simply nurturing existing leads or targeting "buyers" who understand they have a need that your solution will solve.

This year's research was a great reminder of something that has taken me years to learn: If you tell someone something about yourself, they'll probably forget. If you teach someone something about you, they may remember. But if you inspire someone enough for them to want to be part of your journey, they will always learn.

● ● ● ● ● ● ● ● ●

Robert Rose is the founder and chief strategy officer of The Content Advisory, the education and consulting group for the Content Marketing Institute. Robert has worked with more than 500 companies, including 15 of the Fortune 100. He's provided content marketing and strategy advice for global brands such as Capital One, NASA, Dell, McCormick Spices, Hewlett-Packard, Microsoft, and the Bill & Melinda Gates Foundation. Follow him on Twitter @Robert_Rose.

About Content Marketing Institute

Content Marketing Institute (CMI) exists to do one thing: advance the practice of content marketing through online education and in-person and digital events. We create and curate content experiences that teach marketers and creators from technology brands, small businesses, and agencies how to attract and retain customers through compelling, multichannel storytelling. Global brands turn to CMI for strategic consultation, training, and research. Organizations from around the world send teams to Content Marketing World, the largest content marketing-focused event, ContentTECH Summit, and CMI virtual events. Our community of 215,000+ content marketers shares camaraderie and conversation. CMI is organized by Informa Connect. To learn more, visit www.contentmarketinginstitute.com.

About Informa Connect

Informa Connect is a specialist in content-driven events and digital communities that allow professionals to meet, connect, learn, and share knowledge. We operate major branded events in Marketing, Global Finance, Life Sciences and Pharma, Construction and Real Estate, and in a number of other specialist markets and connect communities online year-round.

About DemandJump

DemandJump is the leading Pillar-Based Marketing solution that leverages the power of networked search behavior to drive efficient organic content strategies that win more Page One search rankings faster. Learn more at demandjump.com.