

The Business Value of HubSpot Marketing Hub



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Executive Summary

HubSpot Marketing Hub is a single-source marketing platform designed to link tools, experiences, data sources, teams, and customers. The platform offers a simplified user interface that provides marketing teams with tools to tailor offers and messages to various audiences to attract quality leads and enhance inbound marketing results. Through a series of in-depth interviews with HubSpot customers, IDC conducted research that explored the value and benefits for organizations of using Marketing Hub to help them with their marketing and sales campaigns and related efforts.

Based on extensive quantitative and qualitative data derived from these interviews, IDC calculates that study participants will realize a very substantial 505% three-year return on investment (ROI) by:

- Improving the overall quality, efficiency, and speed of marketing, sales, and support operations
- Cost-effectively boosting the productivity of sales and marketing teams, leading to quicker and better-coordinated launches and more business deals won
- Achieving better business results by significantly improving the digital experiences of customers and prospects, leading to better customer satisfaction and increased sales and retention

Situation Overview

Customers expect that the best personalized experiences they have with any brand will be offered by every brand. To manage holistic, end-to-end customer experiences, modern marketing infrastructures must help marketers solve for both individual interaction contexts and continuity across them. That means the best-of-breed approach of the past is not ideal, because it typically results in a marketing infrastructure that suffers from “fragmentation by design,” needing too much DIY integration and maintenance. Instead, digital marketing infrastructure must be architected as a set of unified data and decisioning services

Business Value Highlights

Click each highlight below to navigate to related content within this document.

- ➔ **505%**
three-year ROI
- ➔ **4 months**
to payback
- ⬆️ **73%**
more effective marketing teams
- ⬆️ **68%**
quicker time to launch marketing campaigns
- ⬆️ **39%**
improved customer satisfaction
- ⬆️ **52%**
more productive sales teams
- ⬆️ **19%**
more deals won
- ⬇️ **20%**
reduction in marketing solutions cost
- ⬆️ **\$1.18 million**
total new revenue gained annually
- ⬆️ **59%**
quicker ability to coordinate global launches

that drive engagement across marketing, sales, and service. This requires a consolidated solution that can ingest data from many channel sources, personalize the messaging and journeys, and learn from each engagement to continuously optimize the value that brands deliver to customers. This approach results in an infrastructure that is far more capable of driving customer acquisition for new products or services, promoting new types of subscriptions, and managing upsell, cross-sell, and retention efforts throughout the customer's life cycle.

HubSpot Marketing Hub Overview

Marketing Hub is easy to use, customizable, and scalable and typically requires less technical support than more expensive solutions. The solution offers a wide range of tools and features, including lead scoring, customer relationship management (CRM), marketing automation, content management, email marketing, social media management, analytics, and sales enablement. HubSpot aims to provide businesses with the tools they need to create and implement effective marketing strategies and foster strong customer relationships. HubSpot's customer base is primarily small and medium-sized businesses (SMBs) with up to 2,000 employees concentrated in the following regions: United States/Canada, EMEA, and APAC.

Strengths

- **Connected customer experience tools:** HubSpot offers a comprehensive suite of marketing, sales, and customer service tools, allowing businesses to manage their entire customer journey from a single solution.
- **CRM integration:** HubSpot's CRM integrates well with other marketing and sales tools (both its own and other industry vendors'). This provides businesses with flexible options to gain a unified view of their customers.
- **Inbound marketing focus:** HubSpot is renowned for its inbound marketing methodology, and its technology is aligned in this regard. Inbound marketing emphasizes content creation, SEO, and lead-generation techniques that aim to attract and engage prospects organically.
- **User-friendly interface:** Users frequently comment on HubSpot's user-friendly interface and intuitive workflows, which make it accessible to organizations with varying levels of technical expertise.

The Business Value of HubSpot Marketing Hub

Study Firmographics

IDC conducted research that explored the value and benefits for organizations of using HubSpot Marketing Hub to help with their marketing campaigns and other marketing efforts. The project included interviews with 10 organizations that are using Marketing Hub and have experience with or knowledge about the benefits and costs of the platform. During the interviews, companies were asked a variety of quantitative and qualitative questions about the solution's impact on their IT and marketing operations, core businesses, and costs.

Table 1 presents the aggregated firmographics of the interviewed organizations. Overall, the organizations that IDC interviewed had a base of 190 employees with annual revenue of \$65.9 million and 11,600 customers, reflecting several small-to medium-sized organizations. In terms of location, the companies were based in the United States, with the remainder in the United Kingdom and Canada. The companies represented a mix of vertical markets: information technology, financial services, and professional services. (Note: All numbers cited represent averages.)

TABLE 1
Firmographics of Interviewed Organizations

	Average	Median	Range
Number of employees	190	47	30–1,000
Number of external customers	11,600	925	150–100,000
Revenue per year	\$65.9M	\$17.5M	\$3.0M–\$270.0M
Countries	United States (7), United Kingdom (2), Canada		
Industries	Information technology (7), financial services (2), professional services		

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Choice and Use of HubSpot Marketing Hub

The organizations interviewed by IDC described their rationale for selecting HubSpot Marketing Hub to help their organizations with marketing campaigns and efforts, including sales. Study participants noted that the platform gives their organization the ability to offer more personalization in marketing campaigns and to do so in a highly integrated fashion. Study participants appreciated the platform's ability to provide a more granular of detail on prospect and customer online transactions and communications. In addition, they noted that the platform helps them control, track, and set up marketing projects for online, social media, and paid search advertising through a single resource. They also highlighted Marketing Hub's benefits for smaller marketing teams, such as having a more user-friendly, automated, and intelligent system to rely on.

Study participants elaborated on these and other selection criteria:

Was looking for a more holistic solution:

“One was that the connection between our CRM and marketing automation systems was lacking, because without that we couldn't really personalize our marketing well. Because of Marketing Hub, now we can do that. Also, it's an all-in-one mindset, because Marketing Hub helps us streamline social, email, landing pages, website pages, SEO, and everything. Having that all in one instead of having to go through this solution or that solution or whatever it would be for marketing campaigns — we can do it all in one.”

Wanted more clarity on which parts of marketing campaigns were effective:

“One of the pain points for me was that I could tell when people were booking deals on an account or an email, but I couldn't tell what communication was going on with them, both from a service level and from a marketing level: What emails had they received from us? What content had they clicked on multiple times? What pages of our website had they been to? There was no detail on what part of our marketing was working, what people were interested in, other than what we could find in Google Analytics and what we saw when we got sign-ups at the end of an email campaign. We used HubSpot Marketing Hub to get more clarity on where people are coming from, how they're getting to us, and what we're doing that is or isn't effective.”

Desire for a solution that had multiple necessary features:

“Integrated marketing is what we wanted to get into. We wanted to be able to control, track, and set up marketing for online, social media, paid search advertising, and things like that and do it all through one resource.”

Needed something to make marketing team's life easier:

“There were lots of things I wanted to know about our performance across our database and how our emails were working, the health of our database, and all those sorts of things. It was really hard to get that out of our previous solution, so much so that you had to get a lot of the raw data out of the system and then make spreadsheets and graphs and

everything else. The journey started with my shock and horror at the previous system, going ‘Wow, this isn’t modern anymore.’ The desire came from wanting to make marketing’s life easier — building email campaigns still had to be done in code, in HTML, in the previous solution. We’re a smallish team, especially in the digital team, and the skills were limited, so we needed a more user-friendly system and something that was more intelligent, really.”

Table 2 describes the organizational usage associated with interviewed companies’ deployment of HubSpot Marketing Hub. Note that there was a substantial footprint of usage across all companies, as evidenced by 48% of all revenue being supported or associated with the platform. In addition, on average companies reported 21 brands being supported in 16 countries through the use of 11,300 individual websites and 84,064 emails sent daily. Additional metrics are presented.

TABLE 2
HubSpot Marketing Hub Environment

	Average	Median
Number of brands	21.2	1.0
Number of countries being supported	16.3	3.0
Number of languages	2.1	2.0
Number of sites	1.5	1.0
Number of web pages across all properties	11,300	80
Number of blog posts	369	43
Number of web landing pages	133	150
Number of channels	5	4
Number of emails sent daily	84,064	100
Percentage of revenue being supported	48%	41%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Business Value and Quantified Benefits

IDC's Business Value model quantifies the benefits for organizations using HubSpot Marketing Hub to support their marketing campaigns and other marketing-related efforts, including sales and product development. Interviewed companies uniformly found that the solution improved the overall quality, efficiency, and speed of their marketing, sales, and support operations. In addition, the platform cost-effectively boosted the productivity of sales and marketing teams, leading to quicker and better-coordinated launches and more business deals won. Ultimately, these improvements helped interviewed HubSpot customers achieve better business results by significantly improving the digital experiences of their customers and prospects, leading to better customer satisfaction and increased sales and retention.

In their comments to IDC, study participants described these and other benefits in detail:

Improved marketing effectiveness and single source of information:

"There are two main benefits. First is ROI: We get customer leads and they're all managed through the marketing. The secondary benefit is the single source of truth across the company. We use the marketing tools, like knowing which companies to target and the contacts within said client, which are affiliated with the knowledge center articles and how we communicate certain messaging to clients. So the operational efficiencies from the standard source of truth are a major benefit."

Allows small teams to scale up marketing efforts:

"The most significant benefit is the automation involved with everything. Before, we couldn't do these campaigns at scale. Being able to automate based on characteristics or properties the contact has, it has made us able to touch more people in a meaningful way and improved our conversion rate drastically."

Real-time insight into effectiveness of marketing campaigns:

"The business benefits are that we have a single pane of glass enabling us to gain the most valuable insights into the marketing efforts that we put out: the email marketing campaigns, the blogging we do, understanding the efficiencies of things like our chatbot. We've now come to grips with understanding the influence of our marketing efforts. That also includes things like the Google Ads piece — the fact that we have integration, we can integrate data into that single pane of glass, even from external tooling. It gives the business users a single view to figure out how efficient our marketing efforts are."

Can understand customers better:

"It's really about getting a much greater understanding of our customers and our prospects across the business, so that everybody can actually understand a bit more about them. Really, a database is a valuable thing, and it's a much more valuable asset to the business now than it was before HubSpot Marketing Hub."

Based on the interviews with the 10 intensive users of HubSpot Marketing Hub, IDC quantified the value that study participants will receive over three years at an annual average of 505% return on investment and a payback period of four months. More granular metrics and calculations are presented in the sections that follow.

Operational Impacts of HubSpot Marketing Hub

Business-to-business (B2B) and Business-to-consumer (B2C) businesses must deal with a new set of challenges, including inflation, macroeconomic instability, and flattening customer growth. In addition, customers are demanding greater value, more immersive digital experiences, and greater control over how they engage with enterprises. Customer-centric approaches to marketing will require enterprises to move beyond transaction-level experiences and tie business outcomes to relationship-based experiences fulfilled by delivering customer value and trusted outcomes. These initiatives will usher in an era of new customer metrics, with a greater focus on quantifying customer and business value. In this context, maintaining the human element in the customer experience will assume even more importance.

HubSpot Marketing Hub is designed to help companies meet these challenges as a single-source marketing platform that links tools, experiences, data sources, teams, and customers with automated functionality. The platform offers a simplified user interface that provides marketing teams with integrated tools to tailor offers and messages to various audiences, thereby attracting quality leads and enhancing inbound marketing results.

Interviewed organizations confirmed that Marketing Hub added significant value to their marketing and sales operations. In their comments to IDC, they called out the platform's ability to run emails, blogs, website, ads, campaigns, lists, companies, and contacts with a single integrated view. They also appreciated that HubSpot helped them track analytics, website activity, or 800-number leads and then easily flow marketing-qualified leads off to the business. They also cited an increase in landing page conversions from form fills and increased customer retention as the result of more personalized experiences.

Study participants elaborated on these and other benefits:

Number of functions makes it easier for marketing teams:

"The most significant benefit is one platform to do everything. The ability to run emails, blogs, website, ads, campaigns, lists, companies, contacts, from one platform, without having to go to many different places, is a huge benefit for the marketing team. The ease of use, too — it's easy to run campaigns, edit — it makes it an efficient tool for my marketing team to use."

Marketing teams can take burden off rest of the business:

"It's the singular tool to be able to tick off a load of other areas of the business. We used a lot of different SaaS [software-as-a-service] products before, from managing the blog to

managing chatbots to running email campaigns. Now, the marketing team can use the one tool to knock everything out of the park from a single place. They spend less time logging in and out of different solutions and more time building exceptional marketing campaigns.”

Automation allows marketing teams to be more efficient:

“It’s really about the marketing automation component of this, being able to execute the campaigns and track analytics, as well as being able to track the leads that come in through either our website or our 800 number and flow those marketing-qualified leads off to the business. Seeing the performance of a campaign, whether it be email or inbound, and the ability to do all the workflows and automation for notification is helpful. It has greatly increased our efficiency on the marketing team part of that.”

Increased effectiveness of marketing efforts:

“We’ve seen an increase in conversions on our landing pages, from the form fills. This is a marketing initiative, though it goes along with sales: We increased retention for our customers, because we can make personalized experiences for them on the website, which makes them feel like we know them, they’re not just a number. Also, we’ve seen an increase in ranked-one keywords on search engine result pages through our SEO efforts.”

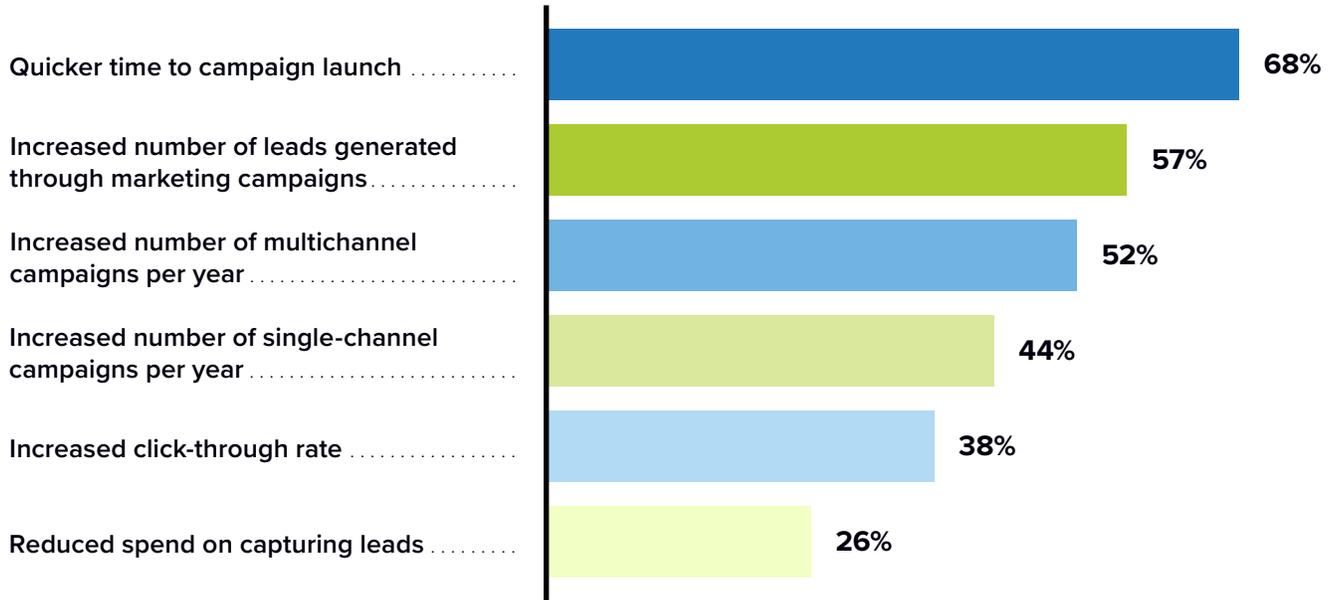
Improved conversations with potential customers:

“We now have regular communications with individuals who could potentially be doing business with us, and then tracking the two things we want to do, and then what we get from that is lead generation, lead development, lead conversion, lead tracking, and so forth.”

To develop an accurate profile of Marketing Hub impacts, IDC drilled down on how the solution improved the performance of various teams, beginning with marketing. Organizations reported that the platform helped their marketing teams launch campaigns more quickly and improved the effectiveness of lead-capture efforts. As one study participant noted: *“HubSpot Marketing Hub definitely improved the quality of leads. Our chief client officer comments on this all the time. He says, ‘Back in the day, whenever you’d get a lead from marketing, it was terrible. But now we’re getting really good-quality leads, we’re following up on them, we’re winning deals.’”*

IDC evaluated the impacts of adoption by identifying and measuring key performance indicators (KPIs). **Figure 1** (next page) shows these results, with the greatest improvements seen in time to campaign launch (68% quicker), number of leads generated through marketing campaigns (57% more), and number of multichannel campaigns per year (52% more).

FIGURE 1
Marketing KPIs
 (% improvement)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

IDC then evaluated impacts on marketing staff. Marketing Hub’s use of automation is designed to help marketing teams streamline routine tasks and increase their overall efficiency. Interviewed companies reported that the platform helped them automate a number of manual tasks that marketing teams are customarily responsible for. This has freed them up to be more strategic in their marketing efforts. As one study participant noted: *“The team now has ability to do more: more emails, more campaigns, more social, more articles, resources, website pages, revisions. It’s the ability to move at a faster pace to get more completed in the same amount of time. That’s what the difference has been: the efficiency of having everything in one place. It has allowed us to do more of the campaigns that are giving our best returns.”*

Table 3 (next page) quantifies these benefits. After adoption, interviewed companies saw a 73% improvement in team productivity, essentially adding 4.4 full-time equivalents (FTEs) to staff resources, or put differently, 5.9 FTEs on average can now do the work of 10.3 FTEs without needing to add any head count. IDC calculated that this translated into an annual business value of \$305,100 for each organization.

TABLE 3
Marketing Team Impact

	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
Marketing staff productivity impact (equivalent FTEs)	5.9	10.3	4.4	73%
Salary cost per year per organization	\$415,300	\$720,500	\$305,100	73%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Product teams must work closely with marketing teams to bring products and services to market quickly. Interviewed companies reported that these teams also experienced positive impacts because they were able to communicate with and understand their customers better. As shown in **Table 4**, after adoption of Marketing Hub, interviewed companies saw a 17% improvement in team productivity. This means that an average of 9.5 FTEs now have the productivity levels of 11.1 FTEs, translated into an annual salary savings of \$111,500 for each organization.

TABLE 4
Product Team Impact

	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
Product staff productivity impact (equivalent FTEs)	9.5	11.1	1.6	17%
Salary cost per year per organization	\$662,500	\$774,000	\$111,500	17%

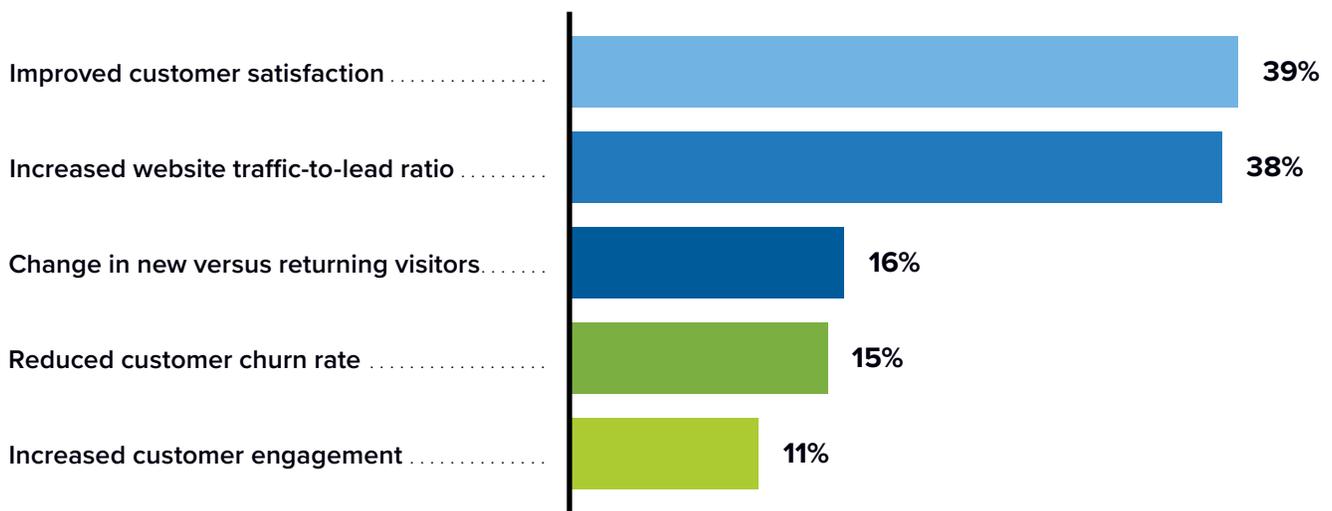
n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

IDC then applied a series of marketing and product team KPIs to drill down on these benefits with additional granularity. Because both teams were able to better utilize all of the tools at their disposal, organizations were able to improve how they understand and communicate

with customers. As one study participant commented: *“The biggest marketing benefit is being able to tailor our messaging. We didn’t do this previously – we just broadcast.”*

Figure 2 shows IDC’s analysis of marketing and product team KPIs. The greatest improvements were seen in improved customer satisfaction (39% higher) and increased website traffic-to-lead ratios (38% improvement). Additional metrics are presented.

FIGURE 2
Marketing and Product Team KPIs
(% improvement)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

In addition to product and marketing teams, sales teams derived benefits. One feature of Marketing Hub is that it easily connects to Salesforce, providing bidirectional sync with little technical work required. As mentioned previously, by improving the quality of leads, sales teams were able to better focus on market opportunities that could generate new business.

As shown in **Table 5** (next page), after adoption, interviewed companies saw a 52% improvement in team productivity, meaning an average of 7.4 sales FTEs can produce at the same level as 11.3 FTEs. IDC calculated that this translated into an annual salary benefit of \$269,700 for each organization.

TABLE 5

Sales Team Impact

	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
Sales staff productivity impact (equivalent FTEs)	7.4	11.3	3.9	52%
Salary cost per year per organization	\$518,000	\$787,700	\$269,700	52%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Figure 3 shows sales team KPIs. After adoption, sales teams benefited from the improved quality of leads, which helped them close more deals and do so faster than with previous platforms. The greatest improvements were seen in number of deals developed (29% more), percentage of deals won (19% more), and time to close a deal (16% faster). Additional metrics are presented.

FIGURE 3

Sales Team KPIs

(% improvement)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

The previous data sets show that increasing the effectiveness and productivity of product, sales, and marketing teams translated into better business results for the companies that IDC studied. Simply stated, organizations were able to capture more revenue because of more effective marketing and sales efforts with the use of HubSpot Marketing Hub.

IDC quantified revenue gains from better addressing business opportunities. **Table 6** shows significant revenue gains through business enablement, with \$1,179,000 in total additional annual revenue for each organization. IDC’s financial model applies a 15% operating margin assumption, resulting in net revenue gains of an average of \$176,900 per interviewed organization.

TABLE 6
Business Operations and User Impact

	Per Organization
Business impact – Revenue from better addressing business opportunities	
Total additional revenue per year	\$1.2M
Assumed operating margin	15%
Total recognized revenue per year — IDC model*	\$176,900

*The IDC model assumes a 15% operating margin for all additional revenue.
n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Another team performance analysis that IDC evaluated pertained to graphics and web design teams. Interviewed companies reported that these teams were able to complete more marketing-related projects while accelerating completion times. This gave marketing teams the ability to develop and run their campaigns faster. After deployment, graphics and web design teams experienced a very significant productivity boost (80%), or put differently, 2.3 graphics and web design FTEs can work at the same level as 4.1 FTEs without needing to add any head count (see **Table 7**, next page).

TABLE 7

Graphics and Web Design Team Impact

	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
Graphics and web design staff productivity impact (equivalent FTEs)	2.3	4.1	1.8	80%
Salary cost per year per organization	\$157,500	\$283,900	\$126,400	80%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

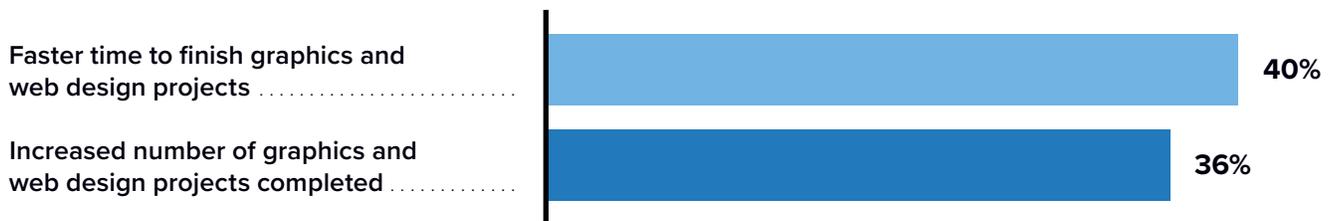
HubSpot Marketing Hub has tools to allow graphic and web designers to help churn through more marketing-related graphics and design projects. The final team performance that IDC evaluated was that of graphics and web design teams. Interviewed companies reported that these teams were able to complete more marketing-related projects faster, thereby giving marketing teams the ability to develop and run their campaigns faster.

Figure 4 shows the KPIs that IDC evaluated. As shown, after adoption, these teams were able finish graphics and web design projects 40% faster, and they increased the number of graphics and web design projects completed by 36%.

FIGURE 4

Graphics and Web Design Team KPIs

(% improvement)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Business Improvements and Impacts

Interviewed companies told IDC that after implementing HubSpot Marketing Hub, they experienced benefits for their business operations. In their comments, companies noted that better visibility into customer experiences and needs has translated into improved targeted marketing outreach. They appreciated that the built-in visibility the solution provides across the entire spectrum of related business activities helps them build very detailed dashboards and metrics. They noted that landing pages are a lot more user-friendly with the use of enhanced editing functions.

Study participants elaborated on these benefits:

Better visibility means improved targeting for marketing:

“It’s really changing our nurture campaigns for when somebody signs up for a free trial. Now, we have the information passed over from our site, so we can see when they signed up, they signed up as a restaurant or a retail store, we can feed them different emails and different one-on-one outreach and sequencing based on their industry. We’ve also started to serve different ones based on company size. If [a major airline] comes in, for instance, they’ll be receiving different messaging and faster follow-up from a dedicated rep, as opposed to what a mom-and-pop pizza shop would get.”

Multiple teams have better visibility:

“First benefit is the ease of use for everybody, because it’s not a headache getting people into the platform. Visibility is next because it’s the ease [with which] we can build these very detailed dashboards, metrics, and visibility across the whole business. Sales can go in and see what they care about, and marketing can go in and see what they care about — the ease that everybody can come in and get that view of the world.”

Ease of use for any line-of-business (LOB) user:

“Our landing pages are a lot more user-friendly now, having the easy editor. Not just one person has to do it — anyone can go in and do it quite quickly. The same on the email side — before, we had people coding emails and sorting data lists in Excel. Now, we can go in quickly, do different segmentation, do things like dynamic content and personalization — it means we can speed things up. Where we’ve seen really good conversion is with some of our smaller ecommerce products. But the bigger deals are not as affected. HubSpot Marketing Hub has helped a lot with our ecommerce stuff, and we’ve doubled ecommerce income in the past three years.”

IDC quantified these anecdotal observations in several key areas, including impacts on line-of-business teams. Interviewed companies reported that these teams benefited from being able to garner higher-quality information about their customers and their potential needs.

Table 8 quantifies these impacts, showing that interviewed companies saw a 65% improvement in LOB team productivity and effectiveness after adoption. An average of 6.1 FTEs can effectively match the levels of an additional 3.8 FTEs without needing to hire additional head count.

TABLE 8
Line-of-Business User Impact

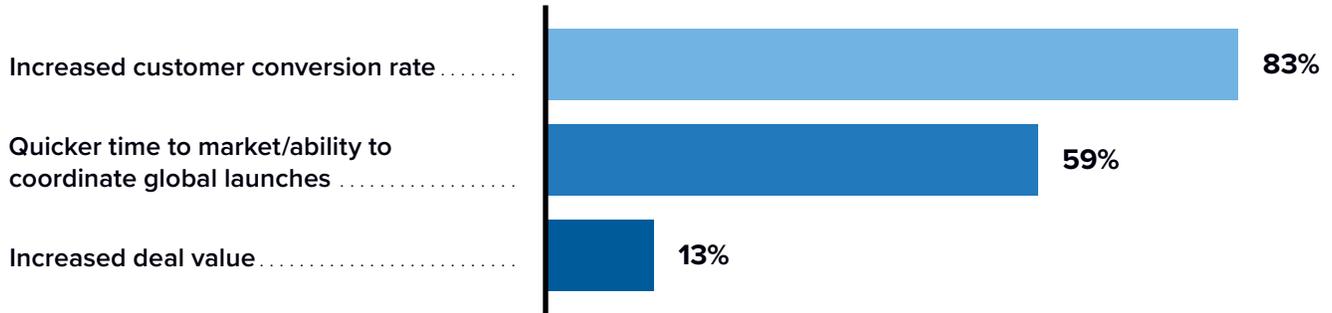
	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
LOB team productivity impact (equivalent FTEs)	6.1	9.7	3.8	65%
Salary cost per year per organization	\$411,300	\$677,000	\$265,800	65%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

IDC then applied another series of KPIs to drill down on LOB processes to identify where significant improvements took place. Generally speaking, the data showed that study participants were able to capitalize on their ability to scale up their marketing efforts on a global basis.

Figure 5 (next page) quantifies these business process KPIs. Customer conversion rates were improved significantly (83%). In addition, global launches (always complicated because of multiparty involvement) were coordinated 59% faster. Additional metrics are presented.

FIGURE 5
Business Process KPIs
 (% improvement)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

An ancillary but still important benefit of HubSpot Marketing Hub is related to IT management teams. These teams are tasked with providing and supporting compute and applications-related resources to line-of-business users engaged in marketing activities. Study participants reported that these IT teams found HubSpot Marketing Hub easier to manage on a day-to-day basis compared with previous or alternative solutions. **Table 9** quantifies these impacts, showing that interviewed companies saw a 24% improvement in team efficiency after adoption. This translated to an annual salary savings of \$46,000 for each organization.

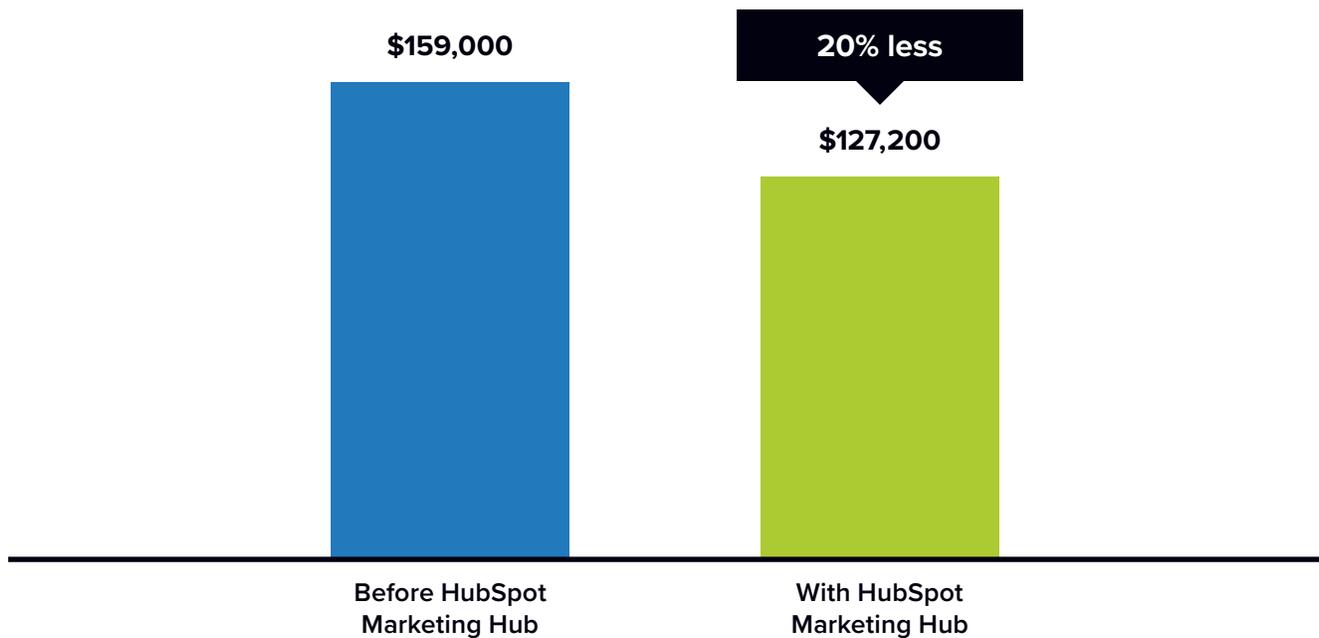
TABLE 9
IT Management Team Impact

	Before HubSpot Marketing Hub	With HubSpot Marketing Hub	Difference	Benefit
IT solution management team productivity impact (equivalent FTEs)	1.9	1.4	0.5	24%
Salary cost per year per organization	\$190,000	\$144,000	\$46,000	24%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Finally, IDC evaluated the cost-effectiveness of the HubSpot platform. Organizations told IDC that HubSpot Marketing Hub has more functionality, so they could retire other marketing software, leading to cost savings. As shown in **Figure 6**, after adoption, marketing technology costs were reduced by 20% when compared with previous or alternative solutions.

FIGURE 6
HubSpot Marketing Hub Solution Savings
(Annual \$)



n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

ROI Summary

IDC’s analysis of the financial and investment benefits related to study participants’ use of HubSpot Marketing Hub is presented in **Table 10** (next page). IDC calculates a total discounted three-year benefit of \$3.15 million based on better overall marketing and sales performance, improved team productivity, and improved business results. These benefits compare with projected total discounted investment costs of \$519,700 per organization over three years. IDC calculates that at these levels of benefits and investment costs, these organizations will achieve a three-year ROI of 505% and break even on their investment in approximately four months.

TABLE 10

Three-Year ROI Analysis

	Per Organization
Benefit (discounted)	\$3.15M
Investment (discounted)	\$519,700
Net present value (NPV)	\$2.63M
ROI (NPV/investment)	505%
Payback period	4 months
Discount factor	12%

n = 10; Source: IDC Business Value In-Depth Interviews, June 2023

Challenges/Opportunities

HubSpot is one of the leading providers of marketing technology to small and medium-sized businesses. Most of the challenges facing HubSpot relate to growing into enterprise accounts and expanding global market presence.

- **Market position:**

HubSpot has faithfully and very successfully focused almost exclusively on small and medium-sized businesses. Future growth into enterprise accounts will require more depth and breadth of the back-end infrastructure and greater ability for global brands to easily manage a wide variety of go-to-market models in different regions.

- **Partnerships:**

HubSpot has a very impressive and passionate partner ecosystem; however, it is also focused on serving SMB customers. HubSpot has made strides recently in restructuring its partner programs to attract larger partners but has more work to do to build up its share of practice with major systems integrators and agencies.

- **Lack of CDP:**

HubSpot has limited native or partner experience in integrating real-time CDP or data lake-type feeds. This may be an issue for more robust marketing organizations or high-volume B2C companies.

Conclusion

HubSpot Marketing Hub has proven to be an effective solution for small and medium-sized businesses to improve profitability, boost customer satisfaction, and compete against larger rivals. HubSpot is generally lauded for its ease of use, which reduces training time and accelerates adoption. Deploying a marketing solution that shares a common database with sales and service solutions helps align each of these functions and sustain continuously high levels of service for every point of customer interaction. HubSpot is especially attractive for growth companies, as it is relatively easy to deploy on a small scale and then expand to meet more sophisticated needs as marketing processes and teams become more complex.

As part of this study, IDC interviewed organizations that were using HubSpot Marketing Hub. They mentioned to IDC that some of the biggest benefits were centered around how Marketing Hub has enabled the entire marketing activity pipeline to help generate results for their business. Organizations have been able to create much stronger marketing campaigns more efficiently and provide better-quality leads for their sales teams to respond to. As such, these sales teams can close more deals faster and generate significant additional revenue. As a result, IDC determined that these organizations would see a 6:1 ROI on their overall investment in HubSpot Marketing Hub.

Appendix: Methodology

IDC's standard ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using HubSpot Marketing Hub.

Based on interviews with these organizations, IDC performed a three-step process to calculate the ROI and payback period:

- **Gathered quantitative benefit information during the interviews, using a before-and-after assessment of the impact of Marketing Hub.** In this study, the benefits included IT cost reductions and avoidances, staff time savings and productivity benefits, and revenue gains.
- **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using Marketing Hub and can include additional costs related to migrations, planning, consulting, and staff or user training.
- **Calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Marketing Hub over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and productivity savings. For purposes of this analysis, IDC has used assumptions of an average fully loaded salary of \$100,000 per year for IT staff members and an average fully loaded salary of \$70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.
- Further, because Marketing Hub requires a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

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