

BEST PRACTICE REPORT

# Recurring Revenue Marketing Demands Customer Obsession And A Seamless Operating Model

Go-To-Market Stakeholders Must Embrace New  
Market Dynamics And Collaborate To Grow And  
Retain Customer Relationships

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## Summary

B2B organizations seeking to move toward a recurring revenue model often fall short of their aspirations, with growth either coming too slowly or sometimes not at all. Rather than taking time to assess and optimize the fitness of their end-to-end marketing operating model for a recurring revenue business, organizations often double down on existing approaches grounded in onetime revenue marketing practices. In this report, we identify what differentiates marketing in a recurring revenue business and offer guidance on how B2B companies should adapt their approach to drive stakeholder alignment, customer engagement, and business growth.

# The Revenue Model Has Changed, But Has Marketing Changed?

B2B businesses are moving increasingly to recurring revenue models, driven by shifting [buyer behavior](#), as well as an internal desire for more predictable, repeatable revenue streams. In response, CMOs must shift their team's focus to support a recurring revenue business model. However, B2B marketing leaders often make the mistake of applying legacy onetime revenue marketing practices to the new set of requirements and challenges that recurring revenue models present. Although marketing capabilities (e.g., programs for reputation building and demand generation) do not go away, these capabilities must adapt while others must be amplified (e.g., customer engagement programs, customer intelligence). Thus, a deliberate assessment and optimization of capabilities, competencies, and skills is necessary along with a greater focus on [customer obsession](#) and a realignment of marketing's orchestration operating model with key stakeholders across sales, marketing, and product.

Many B2B organizations struggle to shift to this new way of working. They either do not recognize the need for fundamental operational adjustments or, in the rush to execute and deliver near-term results, they fail to define, communicate, and implement the key changes required. This results in haphazard and piecemeal execution across customer touchpoints, delivering a disconnected and underwhelming experience to customers — which runs counter to the need for greater customer obsession in a recurring revenue model. It is little wonder, therefore, that [many B2B organizations don't realize the marketing results](#) they desire.

## Five Key Factors Make Recurring Revenue Marketing Different

When CMOs and other B2B leaders make the strategic business decision to drive growth through recurring revenue streams, they must ensure their teams and business stakeholders understand what exactly is different from how they have worked in the past. Forrester has identified five key factors where marketing leaders must drive change in their team's capabilities and in the end-to-end orchestration of go-to-market activities (see Figure 1).

**Figure 1**

**The Forrester Recurring Revenue Marketing Propeller**



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## The Buyer Is Different

When a company sources products or services through a subscription or series of recurring payments, this changes how the purchase is made and how marketing engages with buyers and customers. Rather than continuing to use existing buyer profiles and insights, marketing must reexamine and specifically document purchase drivers, buying group composition, and the buying journey for recurring revenue solutions. These insights help stakeholders across the business understand the different buyer dynamics and behaviors, allowing for more impactful buyer and customer interactions. Key changes can include:

- **Why the purchase is made.** No buying organization will change to a subscription-based solution without seeking to achieve specific new benefits, address new needs, or mitigate pain points that exist with the current solution.

- **Who is involved in making the purchase.** New reasons for buying can change the composition of the [buying group](#), and the respective roles, engagement, and authority of buying group members throughout the buying process.
- **How the purchase is made.** In addition to a different cadence of selling, the [buyer and customer journey](#) for subscription products and services can look starkly different to one-off purchases in terms of the duration, decision drivers, deal size, and structure.

## The Product Is Different

After the buyer navigates to a different buying journey, marketers must also consider the changes that affect the buyer's relationship with the company once they become a paying customer, including how to manage the relationship with the provider and the support model for the purchased product. Marketing must [partner closely with product teams](#) to help the organization orient around key user audiences and deliver a valuable experience that strengthens the relationship and lays the foundation for adoption and future growth. In the same way that organizations must refresh their view of the buying journey, marketing leaders must also ensure stakeholders make a positive contribution at identified key moments throughout the entire customer lifecycle (e.g., upgrade, renewal, expansion). Key changes can include:

- **How the product is provisioned and supported.** Even if the new offering offers similar features and functionality, it will be delivered, supported, and maintained in a different way — with potentially different [drivers of value](#) perception for the customer.
- **How the provider relationship is managed and by whom.** Recurring revenue products and services require ongoing customer success management to ensure value realization and reduce renewal risk. Accordingly, the relationship management between customer and provider often includes an assigned customer success manager as well as an account manager. This expands the ecosystem of roles that marketing must work with and provides another means of capturing valuable customer insights.
- **How the product changes over time.** In recurring revenue businesses, the product will likely change during the customer's lifecycle with the provider. This can include both minor updates and major upgrades as a key part of the ongoing customer and user experience.

## The Selling Is Different

One of the biggest challenges we observe among B2B companies shifting to a recurring revenue model is the need to adapt to a new way of selling, often requiring different (or at least updated) processes and enablement. Go-to-market teams must develop new buyer profiles and insights to adapt to a [buyer-aligned selling journey](#), drive greater alignment and coordination of marketing and sales touches, and enable go-to-market stakeholders on their role in delivering a compelling buyer and customer experience. Key changes can include:

- **How sellers engage buyers and customers.** Sellers must reflect the new buying motion and engagement models across the customer lifecycle [in their daily routine](#). This requires putting customer value at the forefront and for marketing and sales to adopt new ways of engaging buying group members on the buyers' and customers' terms (e.g., preferred content, preferred channels) to make an informed purchase decision.
- **What sellers need from marketing.** For sellers to successfully adopt these new ways of working, they need specific [enablement](#) on the unique buyer and customer insights, differences in messaging, new content, and tools (e.g., ROI calculators change from onetime to recurring revenue purchases).
- **How sellers define success.** The nature, size, and scope of recurring revenue opportunities is markedly different, requiring not only sellers, but all ecosystem stakeholders to reevaluate and align on success factors, goals, and metrics (e.g., customer lifetime value takes on greater importance than initial transaction value).

## Revenue Operations Is Different

The go-to-market activity required to build and maintain relationships with recurring revenue customers will differ from prior approaches. Leaders must implement a new range of operational processes and capabilities to enable opportunity management, data analytics, and customer experience delivery. To achieve their performance goals in a recurring revenue business, marketing and sales teams must be empowered with tools, processes, and skills that provide more real-time access to buyer and customer status and engagement information so they can quickly leverage insights to make decisions that deliver valuable customer experiences. Key changes can include:

- **How opportunities are qualified and progressed.** Managing different opportunity types and sizes while engaging different groups of buyers means that opportunity qualification and advancement changes (i.e., at a different velocity, parameters, and criteria than with one-time revenue businesses) must be defined and

governed at scale.

- **What data and insights are captured, analyzed, and exploited.** Aligning to the new buyer journey and customer lifecycle will require gathering [different data](#) from different sources at different points of the lifecycle. This data should then be used in various ways to elicit different insights and actions.
- **What infrastructure is required to support the buyer, customer, and user experience.** The new ways of working in a recurring revenue business, both with customers and internally, can require new or updated processes, technology, and governance, to enable contributors across the business to apply these new practices consistently and at scale.

## Employee Experience And Culture Must Be Different

The final difference is critically important and should not be overlooked. Transforming to and sustaining the new operating model requires a new collective mindset and behaviors for working and making decisions collaboratively. Marketing must play a central role in establishing this internal cultural transformation. An organization's employees cannot be expected to understand, appreciate, or adopt new ways of working without help. Marketing must partner with sales and product leaders to outline a compelling vision of the future state and then facilitate [a regular cadence of communications](#) to ensure momentum and steward the transformation. Key changes can include:

- **How internal stakeholders work together.** Pivoting successfully to a recurring revenue go-to-market model will require stakeholders across the ecosystem to align to the vision, strategy, and business objectives so they are in sync on execution.
- **How decisions are made.** Delivering the optimal experience for recurring revenue customers requires a shift in how marketing, sales, and product teams make decisions. Decisions should no longer be considered according to what is best for the provider at a point in time, but rather what is best for the buyer and customer over the long term. Teams should then balance this against the implications for the provider.
- **How employees see themselves and the company.** As a B2B company evolves into a recurring revenue business, it becomes a fundamentally different organization guided by a different perspective where ongoing delivery of value (rather than new sales) is the guidepost. This empowers a broader group of employees who can each play a role in value realization and brings a new cultural identity where success (or failure) is shared more than ever before.

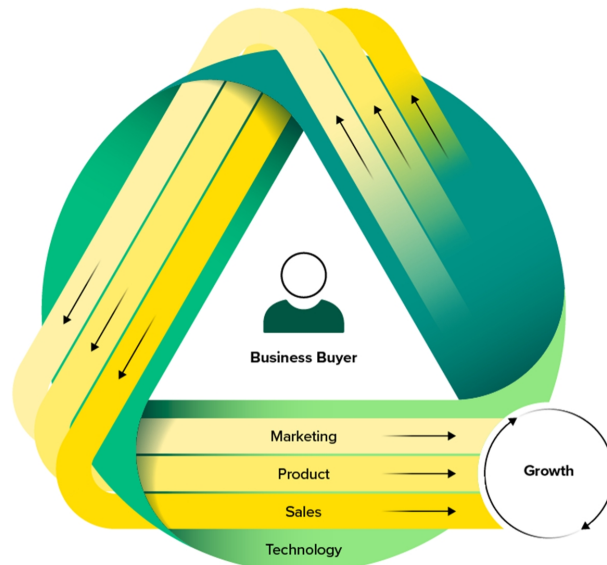
# Reimagine Marketing's Role In Orchestrating Recurring Revenue Success

Marketing's role in helping the broader organization transform to a recurring revenue operating model should not be underestimated. Given its responsibility in capturing and disseminating market and customer insights, as well as enabling sales, product, and other functions, marketing must align itself and its engagement with other parts of the [growth engine](#) around the delivery of exceptional buyer and customer experiences that deliver genuine, differentiated customer value (see Figure 2). This, in turn, drives stronger customer engagement, retention, advocacy, and growth. To make this happen, marketers should reimagine how they engage, both directly and indirectly, with buyers, customers, and stakeholders within and outside the organization (e.g., partner ecosystem members).

It is critical to start with the basis that success depends on fully assessing and reengineering many marketing capabilities, competencies, and skills as well as the orchestration of the operating model. This reengineering must reflect the needs of the new business model while putting the customer at the center of everything the organization does. Too many organizations fail to realize the full potential of their recurring revenue business because they attempt to apply inside-out legacy operational and engagement practices to this new paradigm. To avoid this pitfall, marketers should thoughtfully define a recurring revenue-specific blueprint for marketing transformation.

**Figure 2**

**Customer Obsession Puts Customers At The Center Of Leadership, Strategy, And Operations**



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## **Reset The Organization's Engagement With Buyers And Customers**

A successful recurring revenue model starts with a unified understanding of the customer and an aligned plan to drive optimal value for the relationship. With an increased emphasis on postsale engagement, value realization, and ultimately, retention and growth, marketing should initiate and lead the effort to develop a fresh, actionable understanding of its key audiences. Marketers must identify the members of the new buying group (pre-purchase) and user group (post-purchase) and codify specific business needs, reasons for buying, and drivers of value. They must visualize and socialize what the optimal experience looks like throughout the buying process and customer lifecycle. They must communicate directly with customers in ways that enhance the value of the relationship. This requires marketers to set aside their preconceived ideas of purchase drivers and buying behaviors and gain an accurate view to specific to recurring revenue audiences. This may include gathering new market intelligence, changes to audience segmentation, new or updated buyer and customer profiles, and new or updated buying journey and customer lifecycle maps. It will also require marketing to expend significant budget and resources to activities in



support of customer retention.

## **Reprogram Marketing's Engagement With The Product Organization**

At the heart of a recurring revenue business model is a different relationship between the customer and the product, which brings with it a new role for marketing.

Marketing's [role in launches](#) will change significantly, as the value communicated to buyers and customers will shift from episodic major updates to more frequent minor updates and enhancements. While this more intensive cadence places additional demands on marketing teams, it also provides opportunities for marketing to help product teams align new capabilities to the needs customers are seeking to address with greater frequency. Marketing should establish procedures to stay in more continuous communication with product management stakeholders on the timing and nature of updates and enhancements along with their value to buyers and users. Marketing should regularly inform future development by communicating product requests and feedback on behalf of customers. Marketing must also rebalance program plans and resources to support the ongoing cadence of [launch activities](#) and reshape launch efforts to address the needs of different personas (e.g., business decision-makers, users, technical implementers) within the context of an [integrated campaign framework](#).

## **Revamp Marketing's Engagement With Sales And Partners**

Moving to a recurring revenue model presents a potentially seismic shift for sales. It may involve taking on different territories and targets to engaging different buyers in a new buying process with new deal structures. Marketing should seize this opportunity to elevate its engagement with sales by capturing and synthesizing insights not only from independent market analysis, but also from sales on an ongoing basis. Marketing should complement and augment sales' customer interactions with marketing touches throughout the customer lifecycle from acquisition to retention and expansion, in line with the customer's buying and usage behavior. Marketing should work with sales and revenue operations leaders to agree on joint criteria for scoring, routing, and advancing opportunities through [the B2B Revenue Waterfall™](#). Marketers must invest in mapping buyer and customer needs to selling needs and behaviors. Both should be mapped specifically for the recurring revenue context so that marketing can establish capabilities and processes to meet the needs of the customer journey and sales.

## **Rearchitect Marketing's Engagement With Operations Functions**

The extent to which marketing can deliver, monitor, and optimize the desired experience for buyers and customers will be determined by the organization

establishing the right infrastructure of tools, processes, data and governance. Marketing should partner with business operations, revenue operations, and information technology to define, implement, and instrument the environment necessary to provide the transparency, measurability, and flexibility to adapt to market conditions and customer behaviors. Specifically, marketing should work with operations and technology teams to redesign marketing processes and governance mechanisms to align to the specific requirements of both customers' and sellers' journeys in a recurring revenue environment — including opportunity qualification criteria, customer engagement approaches, and the related interplay of go-to-market stakeholders. Marketing must drive the deployment of technologies to measure how customers are making use of the offerings they have purchased. Marketing will also need to work with operations to establish an analytics capability to extract insights throughout the buyer and customer journey.

## **Reinforce Transformation Through Employee Engagement**

The degree to which changes will be achieved, and the engagement between functions optimized, is determined by the degree to which employees adopt and sustain new ways of working. To help employees embrace, activate, and sustain these new approaches, marketing leaders must take the following steps to bring about a new corporate mindset. First, empower teams to remain aligned and accountable to each other — and the customer — by encouraging cross-team collaboration, coupled with calculated experimentation, focused on optimizing the buyer and customer experience. Leaders should then nurture an agile learning culture and emphasize the importance of adaptability to changing customer behaviors and market conditions over strict adherence to rigid processes. Finally, invest in employees, providing learning and development opportunities to adopt and activate new required working practices. By guiding the team to this new approach with engaged and consistent leadership (not micromanaging but being present to advise and support where necessary), the organization can quickly and fully adopt the recurring revenue operating model.



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