

MANIFESTO

B2B MARKETING COMESOF AGE

As a career B2B marketer, with over 25 years' experience in Tech markets, I have seen significant changes in the discipline – and they seem to have accelerated in the last 10 years. The 'digital transformation' of marketing is all but complete, despite the skills gap this has created, and can be considered the true 'new normal' (I write this during Coronavirus conditions!).

B2B Marketing is different from B2Cin many ways that are dictated by the complex buying cycles of businesses – and yet, it seems to me, we have been regarded as less creative, more traditional and, frankly, dull, by agencies and the media. No more!

I hope you will find this eBook helpful as a manifesto for B2B Marketing change. The 'always on', fragmented and non-linear world of B2B buying in a digital first world, has required a radical rethink of marketing strategy, marketing operations and performance in Marketing.

It is one that has touched every aspect of the function and challenged us all to reinvent our tactical execution, but



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with a much clearer focus on the customer experience, the buyer's journey and our go-to-market strategy. Let's rise to the challenge!

I hope you will find something here to help you on your way.

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FOUNDER
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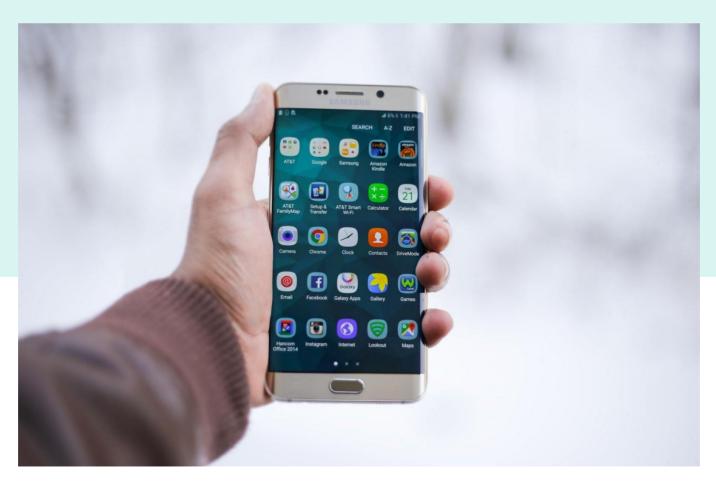
CHAPTER 1: B2B MARKETING HAS CHANGED.

A Clear Marketing Strategy is Even More Important

Marketing is the guardians of <u>customer</u> value and needs to evangelise customer-centricity within their businesses.

A customer-centric way of doing business is a way that provides a positive <u>customer experience</u> before and after the sale in order to drive repeat business, enhance customer loyalty, and improve business growth.

"Client [customer]-centricity is the most important factor in a successful business digitalisation, since client-centric companies are 60% more profitable compared to companies not focused on the customer" - Deloitte, July 2017.



But, a customer-centric company is more than a company that offers good customer service.

Both Amazon and Zappos are prime examples of brands that are customer-centric and have spent years creating a culture around the customer and their needs. Their commitment to delivering customer value is genuine. In fact, Zappos is happy to fire employees if they do not fit within their customer-centric culture!

During the last 10 years, another gamechanger took place - social media. Social media marketing (and social selling) exploded onto the scene and mobile became a major part of the customer journey. Customers can now compare products and services in real-time and across multiple devices, which has presented a huge challenge for many brands.

Buyer behaviour has changed

In the B2B sales process, the balance of power has shifted. Approaching companies for an estimate used to be one of the first stages of sourcing. Today, B2B buyers are 57% of the way through the purchasing decision before they talk to sales teams – if they do at all. 59% of B2B buyers preferred not to have to interact with salespeople at all.

Buyers today have huge amounts of information at their fingertips, wherever and whenever they choose to search. That information doesn't just come from vendors: customers voice their opinions on review sites, blogs, and social media. And depending on what field you're in, you may find government bodies, scientists, researchers, and industry associations contributing user-generated content.

Digital Channels have driven a proliferation of Marketing Technology (MarTech)

Digital media has increased the complexity of B2B marketing, by significantly increasing the number of channels across which content and messaging needs to be managed. Programmatic platforms promise to put the right message in front of the right person, but the reality is rarely that simple.

And as the number of social media channels has grown, all with a 'walled garden' approach to data, marketers are challenged to piece together the buyer's journey in an effective way to make channel optimisation decisions.



Although martech can increase productivity, B2B marketers often underestimate the implementation and training these tools require. To make the most of automation tools like Pardot or Marketo, marketers need at least one full-time data person to analyze all of the data points properly to determine campaign performance.

Effective martech integration – for example, of a marketing automation platform (MAP) with customer relationship management (CRM) - requires cross-functional organizational commitment, not just buy-in from a few select team members.

Bring B2B Campaigns Back to What Matters

B2B marketing may never be an easy discipline, but the fundamentals remain the same.

By following a few best practices, marketers can reclaim their niche and start getting more from their time, budgets, and teams.

1. Get on the same page about your brand story

A brand story is a two-way street. The story a customer hears isn't necessarily the same one a company tells. IndustrialMarketer.com <u>defines</u> a brand as "the expression of the essential truth or value of an organization, product, or service.

It communicates the characteristics, values, and attributes that clarify what the particular entity in question is and is not."

2. Establish and stick to a brand voice

Employees, customers, and prospects need a solid sense of the company's personality. If there isn't consistency within and between the content a company puts out, stakeholders start to wonder how well they really know the firm.

3. Measuring the things that matter
How marketing performance is measured
matters. Rather than present executives
with dozens of different metrics on every
stakeholder group, keep things simple by
measuring the things that matter-revenues
and orders, not clicks, and follows.

4. Focus on the right targets

Too many marketing personas can create unnecessary confusion, but the problem isn't with the personas themselves. Marketers need a clear definition of who their audience is – both the segments and the personas they serve - and what their needs are.

Digital, Martech, Content will continue to drive the B2B Marketing agenda

New tools and platforms will continue to muddy the waters of B2B marketing.

Marketing leaders need to choose carefully. By starting with their brand purpose, the value to the customer, and working from that foundation, marketers can do more with less. And that's a change employees, customers, prospects, and executives can all appreciate.

To address this, it is worth examining the fundamental building blocks of B2B marketing in this digital age, and how they are embedded in the company strategy, so that Marketing can then do what it does best, in a predictable fashion to serve the needs of customers and deliver a return to the business using the age-old marketing mantra: 'The right message, to the right person, at the right time, in the right place, to drive the right action'.

CHAPTER 2: CUTTING THROUGH THE NOISE AND HOLDING ATTENTION

Creating a B2B brand strategy that really engages

What is a brand?

For all intents and purposes, a brand is an essence of what a company (or a product/ service of that company) is all about - its values, its people, its offer to its target market: its right to exist.

So what makes a great B2B brand?

<u>Direct Line</u> is a great example of a consumer brand that has been able to compete in <u>B2B</u> with the same brand promise.

Direct Line is the brand name of a UK insurance company that has defined itself by the experience it delivers directly to its customers.





Target Diagram - Brand Essence Wheel by ConceptDraw

It was the first insurance company to go direct to consumers - initially by phone - and change the customer experience of buying insurance. You can find more examplesof B2B companies with a clear brand proposition here. We all have our own favourites (Apple, Google, etc), and the Brand Essence model- can help to workshop all of the elements needed to define the brand and create written brand guidelines for use in brand activation.

Business people are also consumers. They do not park their emotions and personality in a cardboard box when they come to work and buy products and services for their business. In fact, the way people interact with B2B brands is incredibly similar to how they engage with B2C brands. This means creativity, storytelling, and long-term brand building are just as important as a product's features and price.

Brands need a creative storytelling element because it is not enough to rely solely on rational product messaging. There has to be clear differentiation and a narrative that taps into business buyers' emotions. This is a long term investmentin building brand value.

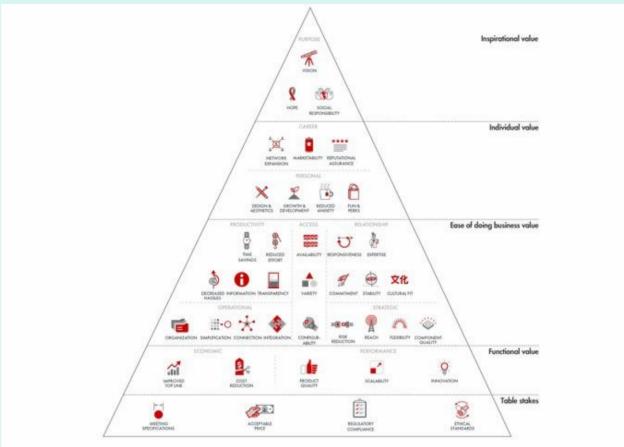
The Binet and Field research reveals that brand building in B2B should, on average, account for 46% of marketing spend and lead generation 54%. Many B2B brands spend considerably less than this proportion on the brand building but the research concludes that investment should rise as a business matures and grows. This follows research from Marketing Week and The Marketing Practice that showed that B2B brands who were identified as outperforming their competition over the last two years were twice as likely to allocate 60% or more of their budget to achieving long-term marketing goals.

Value Proposition

In reality, the differences between business- tobusiness and consumer decisions are not cut-anddried. True, B2B sellers need to optimize prices, meet specifications, comply with regulations, and follow ethical practices. Procurement teams rigorously evaluate vendors and run total cost-ofownership models to ensure that rational, quantifiable criteria around price and performance shape their analyses.

But today meeting those criteria is table stakes. As B2B offerings become ever more commoditized, the subjective, sometimes quite personal concerns that business customers bring to the purchase process are increasingly important. Indeed, research shows that with some purchases, considerations such as whether a product can enhance the buyer's reputation or reduce anxiety play a large role. Recognizing the full range of both rational and emotional factors behind business purchases—and tailoring the value proposition accordingly— is critical to avoiding the commodity trap.

This means that a clearly differentiated and articulated promise of value is important to cut through the noise and hold a buyer's attention. All of your messaging and content aimed at potential and existing customers must be rooted in your value proposition. Every purchase, whether by an individual consumer, or a buying group representing an organization, is made based on the promise of value. So it is no surprise that our **brand** and our value proposition need to be clear and have buy-in from all key stakeholders. They must be understood by everyone involved in go-to-market planning/ execution. They are not 'owned' by Marketing. They represent what the business does, why it does it, and, by defining the offer of value, why a potential purchaser should care.



The B2B Elements of Value by Bain (inspired by the Harvard Business Review)

Bain has organized the 40 distinct kinds of value that B2B offerings provide customers, into a pyramid with five levels. The most objective kinds of value are found at the base, and the higher a level is, the more subjective and personal the types of value it contains.

B2B Content Strategy

What is Content Strategy?

Content Strategy is about defining and creating the content your personas need — the right tone, the right messages in the right content types, and for the right channel. To have a strategy you need to understand what your target reader wants from your content and, in particular, what it is that you want your content to achieve. This is why your content strategy must be part of, and be driven by, your marketing strategy.

Search Engine Journal suggests we think about the "true value" of a product. We don't buy a product because it is innovative, or even because it is better than the competition: we buy it because of what we want it to do and how we hope it will change our lives. There is a definite place for product features, particularly in B2B, but we also need to describe how the prospect's work life or business performance will be better once they have purchased.

Thought leadership can be an extremely effective form of B2B content marketing. It builds trust and credibility with audiences and it opens up other avenues for marketing. Thought leaders are often invited to guest blog, comment on news stories, or speak at events, putting you in front of new audiences.

Thought leaders in your company position you as experts in your field and as forward-thinkers: they are intelligently considering the important issues before anyone else and influence purchase behaviour. As such, their insight is particularly valuable.

Messaging Hierarchy

A messaging hierarchy (or architecture) is an important part of a content marketing strategy as it identifies brand and solution differentiation, ensures messaging is consistent, and informs SEO.

What is a message architecture?

The CMI says it best:

'A message architecture sometimes called a messaging architecture or messaging framework is a small set of words – terms, phrases, or statements – arranged hierarchically to convey an organization's messaging priorities, its communication goals. It helps people in all departments deliver consistent messages in all types of content.

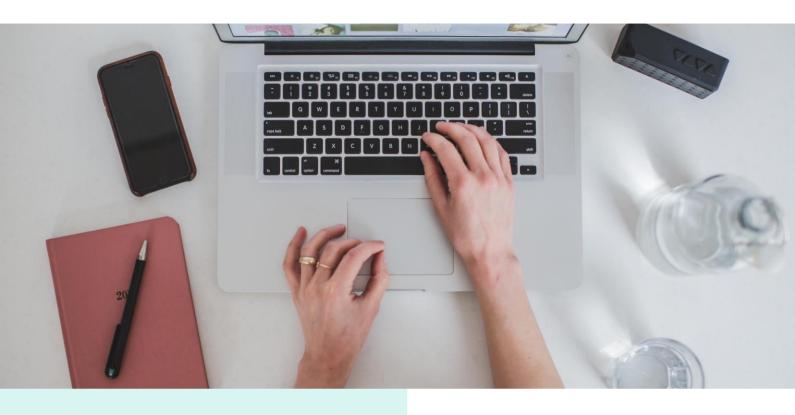
It's called an architecture because it acts as "scaffolding for your content supporting and shaping the content you actually produce," Erin Kissane says in her book, The Elements of Content Strategy.'

In a B2B technology environment, particularly where the 'offer' is intangible, like professional services or software (licensed or as a service) the messaging hierarchy connects the brand story to the solution offering in a credible and consistent way that reinforces the value proposition and company USPs. The messaging hierarchy also helps drive the thinking on how to connect value statements and differentiation to the buyer's journey and the buying personas.

Personas and Personalisation

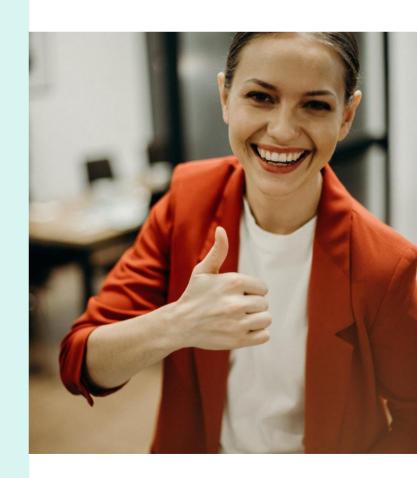
In B2B, the buyer journey often involves many different functions and levels within the organization and the individuals tasked with identifying a solution will perform a variety of buying roles, usually requiring very different needs for information.

These multiple stakeholders in the buying process are grouped into <u>buying</u> <u>personas</u> so that Marketers can think about creating content and messaging based on their role in the process. This goes hand-in-hand with the work on the buyer's journey, brand strategy, and value proposition.



Brand Definition and Activation Are More Important in a Digital World

According to Claudia Bate, Head of technology at FleishmanHillard Fishburn "Modern B2B marketing needs to appeal to both hearts and minds. The decision-makers that matter do not leave their emotions and personalities at the door when they go to work. Creative storytelling, quality content and a distinctive brand identity are hugely important tools for breaking through the noise to drive real business value".



CHAPTER 3: ENGAGING AND CONVERTING BUYERS WITH A JOINED- UP CUSTOMER EXPERIENCE

Segmentation, Personas, Channels and Campaign Performance

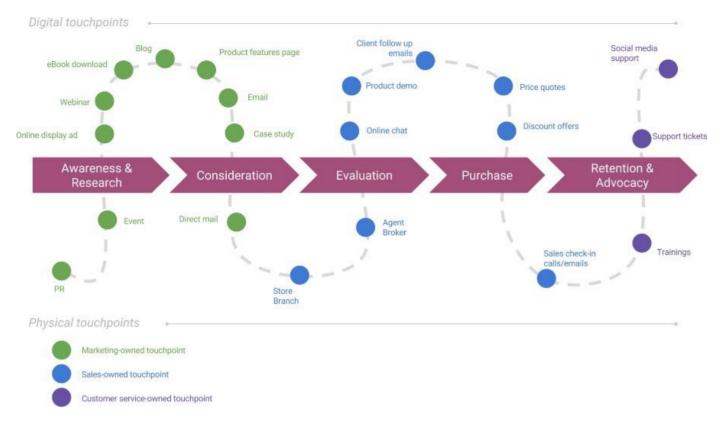
Arguably the hardest part of B2B marketing is, understanding the audience you serve.

While, in FMCG (fast-moving consumer goods) marketing, companies will differentiate target customers using geo-demographic and psychographic segmentation approaches, it is not uncommon for tech companies in B2B to focus more on their product/

solution characteristics than on the unique fit between their offering and a clear set of target customer needs.

This poor definition of the companies that can reap the most value from a product or service is further complicated for marketers by the complex buying groups involved in most purchases, the members of which change throughout the buying process.





Customer Journey Touchpoints by GroHawk

Often the ultimate user of the product is not the purchaser and is just one voice amongst many - something which differentiates B2B from B2C marketing.

Segmenting the Addressable Market

Understanding your ideal customer profile

A focused approach to defining the target market, based on clear segmentation, provides a strategic focus for business investment and provides a rallying point for cross-functional collaboration. This in turn ensures that the messages Marketing is putting out, are the same ones that customers hear from Sales, and that what is sold is eventually

successfully delivered by Professional Services and Engineering. Too often it is this internal lack of focus on the needs of target segments that undermines the end-to-end customer experience.

Identifying target segments means understanding your 'ideal customer profile' Your ideal customer profile, as the name suggests, identifies the characteristics of a best fit customer – characteristics that can be determined from historical first party and third party data sources.

Typical segmentation criteria in B2B include:

- Company size (revenue/employee numbers)
- Industry (SIC or other broader categories)
- Location (postcode, region, country)

These are also <u>referred to as firmographics</u>, since they relate to the target company, to differentiate them from demographics, relating to an individual. Individual characteristics are only relevant in relation to the buying group for your product and are part of developing buyer personas.

In addition to firmographics, 'intent' data is now being used to identify when a target company may be in a buying cycle for your product. This data can be owned (1st party) like order intake data in your CRM, bought (2nd party) from a provider of company data, or determined from a range of digital behaviour (3rd party) demonstrated by the company and its employees. This is not strictly segmentation, as it is dynamic, but it adds a layer of insight about the companies in your target segment(s) if you can connect the data 'dots'.

Targeting Potential Buyers Using Personas

Personas and Personalisation

So, a tipping point is reached, or a business change happens – think: change of executive leader, poor results, a directive from corporate, digital transformation – that drives action. This awareness that something needs to be done leads to an exploration of ways in which the problem/ challenge can be addressed – the start of a buyers' journey.

In B2B, this journey often involves many different functions and levels within the organization, and the individuals tasked with identifying a solution will perform different roles, usually requiring very different needs for information. The multiple stakeholders in the buying process are grouped into representative buying personas – that could in reality reflect the buying behaviour of multiple people/ functions— for Marketers to think about creating content and messaging based on their role in the process (see Chapter 2).

Thinking additionally about the buyer's journey and how it moves through different stages – such as education, solution discovery, supplier selection-multiple people need to be engaged with your company messaging and content at different times, according to their role and influence in the buying process.

The complexity of identifying, targeting, influencing, and engaging with the multiple personas that are involved in the typical B2B buying decision is apparent.

In this inbound-led world, the ability to engage in close to real-time with the range of unknown individuals who may be actively educating themselves and/or searching for a solution to their problem of the type you offer is critical.

The chance that they will make themselves known to you by completing a form, is a function of how well you understand the information needs of the buyer personas they belong to and have created compelling content that they are happy to consume. Persona development strategies combine with both your content strategy and your technology platforms strategy (see Chapter 6) to serve the right content at the right time based on how those personas are engaging.

Optimising Digital Channels for Conversion in B2B

Reaching Tech buyers with omnichannel marketing

In business to business markets, it is not that long ago that Sales held the power of information on what products were available and buyers would dutifully attend tradeshows, industry events, and endless sales meetings to discover how these products were the answer to all their problems!

The differences between selling to business and to consumers were often quite profound, due to the complexity of the products purchased and the number of people involved.



This all changed with digital. The democratisation of business information brought about by digital content, accessed through multiple channels, curated by tech aggregators (such as G2) and multiple industry-specific analysts or other influencers (e.g. Gartner/ Forrester, social contributors) have transferred power to buyers and challenged marketers to find ways of reaching very fragmented groups of buyers wherever they happen to be.

Shifting customer behaviour drives changes in B2B Marketing

'Standard channels for B2B marketers, to reach buyers today typically include both digital and offline channels, with the company website and content often serving up information sufficient to take buyers 70% of the way through their buying journey.

A number of these channels figure highly in planned B2B marketing tactics for 2020 according to <u>Smart Insights</u> - although it is of course difficult to determine how Covid-19 may eventually impact this mix.

Content and channel have thus become inseparable in a digital-first buyer landscape, particularly since the content needs of each platform, their audience reach, and how they are used, is different. But the content strategy is a very different thing from channel strategy, however

closely they may need to combine in execution. The performance of the channel and the performance of the content in driving engagement and conversion can only be determined by testing.

The marketing strategy needs to be clear on how different channels are used to drive different outcomes in the buyers' journey.

Channel strategy in a digital world

There is complexity in the B2B marketing execution, given the long buying cycles involved and the fragmentation of the decision-making unit. Acquiring contacts through digital marketing channels and nurturing them, in this digitally fragmented world is a significant challenge.

Using digital channels for contact acquisition and conversion

Digital is often used to acquire net new contacts at a predictable CPA for lead generation purposes. If we look at what is needed to run this process in just one channel - search, the complexity from a marketing perspective and the range of skills and experience needed to service the requirement becomes clear. And the dependency on generating data, testing, and drawing insights, before scaling and investing in new channels.

Therefore, having a strategy for which channels to use to reach the target customer and how to drive a business outcome is paramount. This helps to determine where to invest, both in the short term to drive immediate sales opportunity, and for sustainable growth, with its more predictable returns. Without this, Marketing can get hung up on vanity metrics, reflecting what the different platforms can easily measure: follows, tweets, shares, clicks, and the like. None of this is meaningful unless a clear strategy exists that identifies how they contribute to the measurement of the progress towards creating sales funnel generating real value.

Maximising the benefits of the new ways in which we can reach potential buyers, therefore, requires nothing less than a digital transformation in marketing execution. These new digital channels combine:

- 1. The need for technical knowledge of each media platform
- 2. Content creation
- 3. Coordination of messaging and content across the buyers' journey
- 4. Tracking and combining touchpoints
- 5. Performance testing for optimisation, and
- 6. Attribution of all of this to business KPIs.

Tracking and Attributing Marketing to Business Outcomes

While the role of Sales in closing deals has evolved, Marketing and Sales together are still primarily focused on getting buyers to take action. The idea of a 'lead' is that it is the sign of interest and therefore a potential buyer. A lot of the conflict historically between Sales and Marketing is over what behaviour - what actions - constitutes the definition of a 'lead' - and this definition is fundamental. Marketing should always be moving buyers towards the point of commitment and placing an order.

If a buyer is not moving forwards, towards a purchase decision, then interest is stagnating, and this has a major impact on conversion metrics.

According to an article in Harvard Business Review in 2017, 'Clearly, much of what makes the [buying] process so hard has nothing at all to do with suppliers and everything to do with customers themselves.' Their solution: make buying from you easy. In other words, you need to keep buyers engaged and give them reasons to prioritise you and overcome a natural propensity to the status quo.

This idea that 'we want to be the kind of company that is easy to buy from' has become a bit of a mantra. But what does it actually take? And how is Marketing translating this into measurable execution?

Campaign Design, Setup & Performance Testing

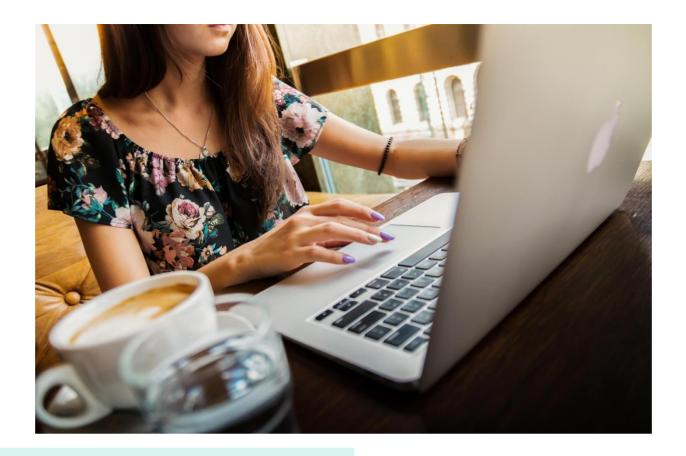
Calls-to-Action (CTAs)

Marketing tactics are aimed at getting the right target audience to take the planned action. The CTA is a staple of direct marketing and core to the design of Web UX. The point being, that in a world where we all compete for attention (average attention span being 8 seconds) marketers are responsible for very quickly providing compelling reasons for visitors to engage - to take the next step.

In Web UX, this means minimising the <u>number of clicks</u> to get to content; in form design, it is about minimising the number of fields on a <u>form</u> and prefilling and/or <u>progressive profiling</u>.

However, visitors are most likely to take 'the next step' when it is clear that you have <u>personalized</u> their buying journey to their needs. This means they are seeing a particular offer on a particular channel at the current moment because it is the right next step for them.

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They will then engage with that offer because it makes sense to them - making it very easy for them to take action is then the sweetener that ensures they do not get distracted.

Setup and Testing

If a campaign design needs to be built around the customer journey and to provide a genuine and measurable step forward in the buying/ sales process, how are marketers setting it up for success?

The detailed answer to this is dependent on your MarTech stack, of course, but in general terms there needs to be a way of uniquely tracking:

- Posts (e.g. paid ads)
- Channels (e.g. Ad on Facebook)
- Post designs (e.g. <u>A vs B addesign</u> on Facebook)
- <u>Offers</u> (e.g. eBook download, webinar registration)
- Clicks, Visits, Form Submits (dependent on offer and how / whether gated)
- Campaigns (e.g. a series of ToF messages to a particular <u>persona</u> offering a particular eBook)
- Leads generated (actions that mean contact engagement meets <u>an agreed</u> <u>'lead' threshold</u>
- MQLs, SQLs, Pipeline value/ volume, Won deal value/ volume
- Other measures of value contribution.

<u>UTM codes</u> are used to track web URLs, which can be uniquely created for a single post in a single channel. Together these unique snippets of code - data - can be collected in Google Analytics (or other similar platforms) and marketing <u>automation</u> platforms, <u>like HubSpot or Zymplify</u>, amongst others, where they can be scored, combined into agreed campaign hierarchies and passed through to Sales as a marketing qualified lead (MQL) in the CRM system (e.g. Salesforce, MS Dynamics).

The logic of how data is collected, processed, interpreted, and used to drive automated actions requires a clear taxonomy and agreed strategy. This is all part of marketing operations (more on this in Chapter 6) and the enablement required to execute effective, measurable demand generation tactics.

Marketing-influenced Vs marketingsourced demand

Encouraging your target customers to take - and then measuring - the 'right action' is predicated on there being data on how engagement with marketing activity is predictive of the level of readiness to make a purchase. This cause-and-effect relationship between marketing activity and revenue is hard to prove.

Historically, justification of investment in marketing to generate demand has been a bit of a blunt weapon: tracking how a 'marketing sourced lead' has become a customer order.

Typically the <u>attribution</u> of the lead source is the original campaign activity, or the one immediately prior to a lead being created for Sales- although the order may come maybe 3 -12 months later. Since Marketing usually continues to communicate with contacts related to open opportunities until they reach a late stage of qualification there is now a tendency for marketing to consider all of the touch-points with the target account (with all contacts), as a measure of marketing's influence. This is particularly the case in ABM when there are far fewer targets to reach but much greater customer lifetime value in converting each target to a customer.

However, the ease with which these touchpoints can be accounted for and measured in a way that shows a contribution to revenue is not diminished. For marketers charged with optimising campaign spend - digital advertising spends, for example - the metrics for success still need to be clear and agreed.

By moving beyond the number of leads as the sole metric and by improving your effectiveness and efficiency - by looking at pipeline contribution, pipeline movement, and pipeline value - you can actually improve Marketing's contribution, impact and value. Ideally, over time, by monitoring results and analysing the data, Marketing can begin to create more predictable results in terms of contribution, conversion, and value.

CHAPTER 4: SALES & MARKETING ALIGNMENT: THE HOLY GRAIL OF B 2 B FUNNEL MANAGEMENT

The Business Value of Alignment

If we take an outside-in view of your organisation, it is clear that a customer or potential customer shouldn't need to know if you work for Sales, Marketing, or Customer Services - they just want what they want, when they want it. When you call your bank or visit your Broadband provider's website, just like your customers, you have a reason and an expected outcome - as well as an expectation of the level of service you should receive.

So Sales and Marketing are part of the same logical purpose for the customer: 'to help me make an appropriate buying decision'. If you get it right, then the stats show that:

- · Businesses that respond first get <u>35-50% of sales</u>.
- Aligned organizations save <u>30% on</u> their customer acquisition cost.



Getting it wrong means:

- Misalignment of sales and marketing costs companies an average of <u>10% of</u> revenue per year.
- · Teams waste <u>50% of their sales effort</u> and lead generation budget on leads that won't be contacted.

However, without a clear definition of the end-to-end buyer's journey, reflected in internal processes and measurement and shared financial goals, the different timescales that Sales and Marketing teams often work in can lead to finger-pointing and a culture of blame. After all, when Sales are focused on closing this quarter why should they be worried about following up Marketingsourced leads, which may not deliver anything - and if they do, it will likely take 6 months! A balanced scorecard is required for both Sales and Marketing to avoid this. Similarly, is Marketing spending the majority of itstime on acquiring new contacts at the TOF, with insufficient focus on supporting MOF and BOF sales engagement?

SLA: Agreement on the Fundamentals Helps a Relationship

So where to start?

Experience shows that Sales and Marketing have only a limited understanding of what each other does. And that their perception is often

negatively influenced by individual experience. Like Mother-in-Law jokes. the proliferation of stereotypes about how sales and marketing view each other is often based on some historical truth Added to this historical conflict is the huge shift in the balance of power between the two functions in B2B. The oft-quoted research that 67% of the buyer's journey is conducted online, without involving a Sales representative until shortlisting, reflects how much 'Marketing-owned' buying influences, like brand definition, awareness creation through social, search and advertising, persona targeting, etc are now relied on to generate engagement, when once this was the preserve of Sales.

In this environment, it is really important that each team knows what they can rely on from the other. For the business these are investment decisions: when does it make sense to invest in another salesperson? Should that person be Inside or Field Sales? Or does it make more sense to invest in a lead qualifier in Marketing; or in more search advertising spend?

Without being clear what KPIs these decisions effect and what outcomes the business needs to drive, it is impossible to make these investment decisions meaningful. We need answers to some fundamental questions to have the confidence of a clear ROI.

Questions like: what is a 'lead'? Is a lead the same in ABM? What is a qualified lead? When should a lead be passed to Sales? When is a lead qualified by Sales and when should a value be allocated to it for forecasting purposes? Can we measure the disposition of every opportunity in our pipeline with repeatable, quantifiable data?

To do all of the above requires much discussion, definitions of the ideal customer profile, customer lifetime value, the buyer's journey, and the criteria that represent qualification for your company at each stage. Typically this is the domain of Sales & Marketing Operations. The documentation of this becomes a Service Level Agreement (SLA) which defines who does what, when, how, its measurement, and governance. As this represents a Playbook on how sales and marketing are intended to function in the company, it is important that it is given due attention and time - and is informed by as much real experience as is available. It will be a living document that will evolve as more is learned.

Timely Engagement with Buyers Drives Sales Funnel Conversion

The business challenge of focusing scarce sales and marketing resources on the opportunities most likely to result in profitable sales has always been there. Frameworks like the <u>demand waterfall</u>, along with segmentation and buyer profiling (See **Chapter 3**) are useful models for thinking about how

business targets, usually expressed as sales revenue targets, turn into operational goals for Sales and Marketing. These in turn drive the right tactics to deliver measurable outcomes.

To manage business performance effectively in a fast-moving, global economy it is more important than ever to understand the dynamics of your marketplace, react quickly to changing market circumstances, as they affect your business and understand the levers to pull to drive a fast and predictable return on sales and marketing investments.

As buyers self-educate and beginto start exploring solutions to their business challenges, they begin to engage on and off-line. This is where their buying journey collides with your sales funnel. By understanding what kind of companies and behaviours you are looking for and what content and messaging are appropriate for different stages and different buyers, you can drive the right actions to accelerate the buying journey to a successful close (see Chapter 2). This requires the operational use of a demand funnel model so that it captures data points in real-time and takes real-time action.

Driving and scoring engagement with buyers

Many organizations often place so much emphasis on generating leads, they neglect the processes of following



up, but lead nurturing fills that gap. It helps move them through the buyer's journey towards becoming a customer.

First, you need to get your marketing and sales teams in agreement on your definition of a lead. Leads are generated in two ways - by marketing and by sales (direct and indirect). Marketing leads are often derived from an engagement at the top of the funnel and Sales leads are often nearer the bottom of the funnel. After leads are nurtured and qualified as 'Sales ready' by marketing (as defined in the SLA), they are passed on to the sales team in the CRM. The goal of lead nurturing is to build up a relationship with a lead before involving sales resources. It's important to note that these leads are still looking into information

and doing research.

One of the most crucial steps in closing the sales cycle is educating your prospects and giving them the information they need in their current state of the buyer's journey. An optimal lead nurturing email schedule not only keeps your company in the mind of your prospect but gives them time to digest the information at their own pace.

In addition to your Top of Funnel (ToF) nurture, you need to re-engage contacts as necessary. If you find that contacts aren't opening your emails as often or aren't responding to your sales <u>calls try re-engaging them with email marketing</u>. Make it about them: ask your subscribers for their feedback. Add an incentive: offer your contacts something

that they find highly valuable. In addition, create a sense of urgency.

Your lead nurturing campaigns will not run effectively if they are not integrated with other parts of your marketing campaign. Your lead nurturing campaigns should be closely tied with other pieces of your conversion path such as your landing pages, social media, and even email marketing.

This combination of evaluating an engagement for the customer and the sales funnel - and, more important, taking action on both of these things in real-time - usually leads to automated <u>lead nurturing</u> and <u>lead scoring</u> strategies.

If B2B marketers want to increase customer lifetime value and cultivate future investments, they need to stay in touch with buyers to help them justify their recent investments, build brand loyalty and ensure proper adoption of the solution.



CHAPTER 5:

ACCOUNT BASED MARKETING (ABM): PROVING AN EFFECTIVE ROI

What's So New About ABM?

Account-Based Marketing (ABM) has received a significant amount of attention from B2B companies in the last 7-8 years, with most people using the term to signify a switch away from a focus on the generation of individual leads (enquiries) to a focus on Accounts – or companies.

But how new is the idea of marketing and selling to an individual, or a small number of target accounts? How is this different from what has also been referred to as a 'named account' or 'Key Account' strategy. Most important for Marketing, what do you need to know to execute a successful ABM strategy and how much resource and effort in demand generation should be focused on ABM rather than on broader market segments?

1:1 Marketing, KAM, ABM and Named Accounts – Confused?

ABM seems to mean different things to different people – even marketers who talk about different use cases covering advertising, data (<u>CDP</u>) and content. So is ABM more than cookies, first/



n the #FlipMyFunnel model for ABM by Sangram Vajre



second/third-party data, 'intent' and reverse IP?

There seems to be general agreement that the term 'ABM' was first introduced by ITSMA in 2004. But in this blog by Bev Burgess in 2016, she acknowledges that its origins lie with the book by Don Peppers and Martha Rogers, as far back as 1993 – 'The One to One Future'. ABM is defined in this reading as:

".. a highly targeted approach that emphasizes relationship development by treating an individual account as a market in its own right. Among other things, ABM improves relationships, improves lead generation, and increases profitability with key accounts."

However, there is a recognition on the organisation's homepage, that ABM can refer to 1:1 marketing, 1 to few, or indeed, 'Programmatic ABM' which is where most platform vendors seem to be focused.

McKinsey draws a direct relationship between ABM and Key Account strategies in a 2019 article, in which they describe the impact that digital has had on Key Account Management (KAM) strategies and the role of ABM: 'ABM engages a target set of accounts with personalized content through web pages, email, and digital ads, as well as through professional social platforms such as LinkedIn. Key accounts are prime targets for ABM, given the volume of their business and the depth of knowledge about the accounts,



which make it easier to truly tailor marketing content....ABM differs from traditional content and digital marketing in both the degree of targeting—a narrow set of accounts rather than casting a wide net—and the degree of *personalization*.'

They explicitly outline 4 Steps to successful ABM and position ABM itself as just one, albeit an important, element of a Key Account Strategy, which they see as a 'whole business' proposition – not just owned within sales and with marketing playing a supporting role. This is echoed by a 2012 Harvard Business Review (HBR) article in which their main recommendations are: support from the Executive is important; start small, and recognise the sales offers to these accounts, and how they are made, will be very different to those offered to the broader market.

We have established that ABM is not new, that it is a bedfellow of KAM, targets a small number of selected companies and that it comes in more than one flavour. So, what should you answer when asked what is Marketing's 'ABM strategy'?

Customer Accounts, Prospects and the Sales-Marketing Divide

If ABM is a means of selling more to a small number of accounts this raises some questions that are not dissimilar to the ones Marketing should always be asking when designing programmes:

- 1. What is the objective and how do we measure results?
- 2. How are the targets being selected what is it we know that suggests targeting these accounts particularly?
- 3. What is Marketing's role in the ABM process and how is it different from lead/funnel-driven responsibilities?
- 4. Who are the target personas within the selected accounts and how do we determine sales and marketing responsibilities for reaching them?
- 5. How do we manage the interpretation of account, contact and opportunity data in our current systems to assess performance of our ABM strategy?

Advanced sales organisations have been targeting fewer accounts in more depth for some years and getting better revenue conversion. ITSMA reports (2018) that companies with successful ABM programmes (using their definition) saw a 10% improvement in ROI, with leaders achieving 45% increase in ROI.

But if ABM is a new name for a relatively old concept, what has changed that has brought Marketing onto the centre stage? The simple answer is the digital revolution and marketing technology.

The buying journey is <u>increasingly</u> <u>online</u>, involves more people and is fragmented across more channels (See **Chapter 2**).

Getting to these buyers/influencers digitally requires content and data insights from an engagement that are typically the domain of Marketing. Alignment of sales and marketing strategically becomes critical in ABM (See Chapter 4).

Which gets us back to the questions which Marketing needs to be clear on to contribute to this go-to-market strategy: what is the intelligence we have, how is it being shared across functional teams, how is it held, processed, tracked, reported on for operational and performance reporting purposes? We are now in the domain of sales & marketing operations (see Chapter 6).

So, what has primarily changed with ABM as it is defined today, is the focus on achieving **organisational and cultural readiness** for the business to plan around the targeting of a small number of accounts. Each company has to determine where to start – maybe in a handful of large, existing customers – and how sales and marketing structures need to change to work in a more collaborative wayto achieve success.

The traditional lead funnel and the new <u>flipped funnel</u> need to come together, so that demand generation,





ABM, customer expansion and customer advocacy can finally become part of a single journey – but with a recognition that there is no single approach that fits all customers and prospects, as stated in this blog: 'Now it's time for marketing to pitch in. A headlong push for advocacy will never create meaningful, measurable growth. Instead, B2B marketers should take the best elements from both approaches—ABM and traditional lead gen. Build a strategy that can address the whole buyer's journey and target key accounts but doesn't neglect lead management and the critical transaction stage.'



CHAPTER 6: SALES & MARKETING OPERATIONS

Enabling growth by bringing people, process, data, and systems together

An annual survey examining the <u>B2B</u> marketing operations landscape unearthed a growing appetite for marketing operations. In fact, a near conclusive 93% of B2B marketers said the function is important or even critical in delivering digital transformation.

In B2B, marketing operations are needed to define how marketing

works in a digital-first world. The realtime, 'always on' nature of digital requires new ways of working, new skills, and new systems in marketing to operate effectively. Processes, data, systems, and analytics are the responsibilities of sales & marketing operations, who act as a Centre of Excellence (CoE) for digital capabilities.

Marketing operations define the ways that traditional (off-line) marketing processes integrate with digital, 'always on' processes and how to use technology to capture, process, and interrogate performance data to

B2B Marketing Framework Marketing Tactics Segment Customer Lead Sales Marketing Marketing Nurturing Enablement Collect **Buyer Centric Tools & Content** Data. Set Goals Content Buyer Measure, Buying Message & Metrics Personas & Tools and **Process** Maps Report **Business Strategy** Product Business Marketing Sales Model Portfolio Strategy Strategy Market Knowledge Market Competing Market Value Segments Alternatives Needs Drivers Analyze & Optimize

© 2010 Holger Schulze | hhschulze@gmail.com B2B Marketing Framework by Holger Schulze (2010)

make better campaign execution decisions. This has to be built for scale, to operate in multiple geographies and languages via different channels, without creating people and data silos.

What Is Marketing Operations?

According to MarketingProfs,

marketing operations is:

"an emerging discipline that increases efficiency and drives consistent results in marketing-focused organizations. It builds a foundation for excellence by reinforcing marketing strategy with metrics, infrastructure, business processes, best practices, budgeting, and reporting."

Marketing operations is the act of creating and enforcing processes, regularly assessing the scope, allocating team resources, and introducing new martech tools to increase team efficiency and campaign results. It is the umbrella under which B2B marketing campaigns become more efficient and effective.

This means defining standardised ways of doing things (theprocess) but making it easy for people to follow these ways of working through templates, systems, and automated workflows that reinforce what works best.

This optimises the use of resources, defines ownership (process definition often involves the use of <u>RACI</u>), and helps to determine competency requirements to run the process.

Marketing operations are then responsible for training people on the agreed processes and systems, providing governance to ensure processes are followed; creating a culture of continuous improvement, through data insights, testing, and crossfunctional teams. This is a huge step away from what the marketing function has traditionally considered its domain knowledge – but the digital transformation has touched every business and business function: marketing is no different.

A strategy for growth and marketinggenerated demand must go hand-inhand with a strategy for marketing enablement – and in this digital world, the 'operation' of marketing requires a multi-disciplined team approach. Marketing operations have a responsibility to not only enable the marketing function but also to ensure that it operates effectively in conjunction with sales. Many of the processes in which marketing is involved, particularly those that relate to funnel management, are shared crossfunctionally with sales, so sales and marketing operations must work closely together. This may increasingly mean that they report jointly to a <u>revenue</u> operations function.

According to a study by Marketo Engage. less than two-dozen companies had formalized marketing operations functions in place in 2005; that number today is likely in the hundreds. Even smaller upstarts, such as Big Band Networks, CyperSource, Iron Key, and InsideView, have recognized the value of Marketing Operations by investing in dedicated staff. At least a halfdozen MO-related special interest groups have arrived on social media sites, such as LinkedIn, Facebook, Plaxo, and Yahoo Groups. Conferences, such as ad:tech, eMetrics Marketing Optimization Summit. and Predictive Analytics World, have added marketing operations to their agendas.

Why Do You Need Marketing Operations?

Marketing Operations Improves Clarity

As a function that is dedicated to making sure processes are defined, documented, followed, and iterated on, marketing teams have increased clarity into what needs to happen, when it needs to happen, and who is responsible. This enables your team to move at faster speeds with confidence that the best, most optimized process is being followed.

Marketing Operations Enables Scalability

Marketing operations allows your organization to quickly scale across campaigns and projects. With proven, documented approaches to each project and campaign type, your team can quickly kick-off and launch their campaigns.

Marketing operations do this by consistently assessing campaign scope, performance, and lift and using those findings to create an optimal campaign or project.

Marketing Operations Optimizes Campaigns

Part of the marketing operations role is to track and analyze marketing campaign budgets, burn rate, workflows, and results to find opportunities for optimization. Powered with this information, they can then optimize campaign structure, resources, and scope for maximum impact in minimal time. The end result is a campaign or project that drives great results, reduces costs, and increases profits.

Marketing Operations Increases Efficiency

From martech tools to processes to best practices, there are a handful of ways B2B marketing teams can improve efficiency.

In today's digital world, marketing campaign battles aren't fought over the course of months or years, they are won and lost in days—sometimes minutes. To survive and thrive, CMOs need to be able to reach markets quickly, instantly react to trends, and counter the competition

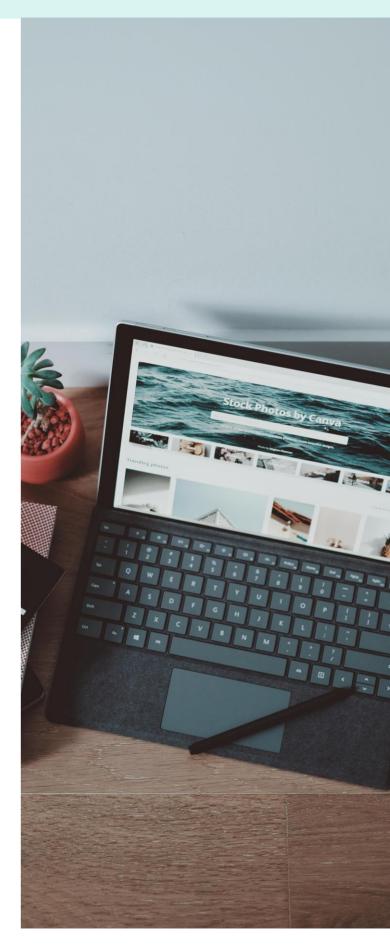
without hesitation. They need to become **agile** and leverage cognitive automation in business operations to harness digital innovations.

Initially derived from IT practices, Agile techniques have been discussed in marketing for <u>several years</u>. But they still haven't been as widely adopted as they need to be. A <u>recent survey</u> of over 800 CMOs found that 89 percent of respondents agreed that their companies should embrace agile — but only 21 percent said they were currently using a fully agile approach.

In today's constantly evolving digital marketing world, reaching a large audience demands the ability to engage across multiple channels simultaneously—yet be effective in all of them.

That requires an agile approach to marketing that deploys multiple small teams that can deliver more near-term and regular results and offer the ability to quickly pivot strategies based on A/B tests, market signals, and campaign performance.

Such agility can also reduce the stress on departments caused by see-sawing demand cycles. By applying agile methodologies, marketing teams can be refocused to handle the demand in one area while temporarily delaying projects that are less critical in another.



The result is an improved ROI that keeps staffing down to consistent and manageable levels.

Marketing Performance Measurement, Marketing

Analytics, and ROI Marketing operations are often where the data science or analytics function of marketing is located. Marketing is under increasing pressure to demonstrate ROI, not just for the function as a whole but for individual investment programs, particularly where significant investment in technology is often needed to enable them – such as in ABM, for example.

5 key tips that are determinants of the success of Marketing performance measurement:

1. Focus measurement on the handover to Sales

Generally, it is good practice to define this as part of a written <u>SLA</u> between Sales and Marketing (See **Chapter 4**), which will include how the actual handover process is completed and how it is recorded at a systems-level – usually in the CRM.

Narrowing the gap in expectations between the two functions is often achieved in the lead qualification process so that what is passed to sales is a Marketing Qualified Lead (MQL). In ABM, this concept is still relevant but an MQL definition may be replaced in the new demand waterfall definition by a <u>demand unit</u>.

2, Funnel conversion rates need to be informed by actual results, not broadly accepted industry benchmarks

In technology marketing, Marketing performance measurement (MPM) ultimately hinges on the relationship between the value of sales pipeline and/ or closed orders and the cost of the marketing resources and activities required to generate the sale – so it is heavily top line-oriented. This relationship is strongly influenced by conversion rates in the end-to-end lead management process.

3. Marketing tactics need to align with the sales opportunity stage, particularly with ABM

In ABM, we need to consider the performance relationship between contacts, accounts, opportunities, and activities – this is a lot of data that needs to be modelled and measured through the buyers' journey. Only the most sophisticated organisations have begun to tackle this challenge in any meaningful way, but directionally it is where marketing needs to be to stay relevant in competitive market segments of very few companies.

4. Marketing automation is process automation: you need a clearly defined, standardised process

When most business functions are



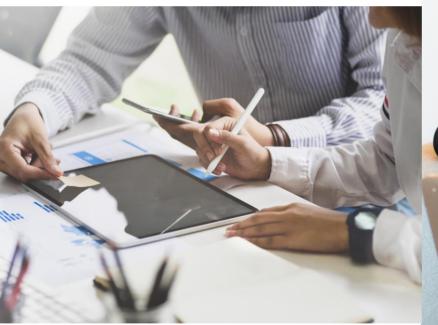
subjected to TQM, ISO9000, LEAN, six-sigma, and other similar process quality measures, it is time for Marketing to accept that it needs to be more-science-than-art, to fully adopt marketing operations that increase productivity and performance. Marketing as artremains crucial to creative marketing but it must still be conducted inside a performance-driven system if marketing wants to be an investment centre, not merely an 'unavoidable' cost centre.

5. Data and a measurement framework are just the start

It is easy to get hung up on 'big data', KPIs, dashboards and the latest BI tools, but none of this is of any value unless marketing can interpret and apply the insights that performance metrics provide – and then change something, test and increase confidence in the data. This is a cycle of optimisation that marketing has not traditionally adopted. This is not just about the domain of marketing operations; it needs to be part of the DNA of all B2B marketing teams. This will take training and skills development.

In summary, marketing operations enables the marketing function to deliver against its KPIs in a digital-first world. Through an understanding of core functional processes, data collection and management needs, systems and analytics, Marketing Ops provide a new, but significant contribution to successful marketing

execution. It must be carefully considered in the context of a company's growth ambitions and be embedded into marketing strategy, to ensure investments in marketing enablement are made in a timely manner and scale in line with these ambitions.





CHAPTER 7: PERFORMANCE MARKETING: IT'S ABOUT BUSINESS OUTCOMES!

Marketing in technology markets has become increasingly focused on measurable outcomes. As marketing execution becomes more and more digital, marketers are benchmarking email opens, clicks, conversions to leads, and so on. But these are merely marketing metrics - the rubber hits the road where marketing hands over to sales and begins to monetise the investment in marketing.

Credible Measurement

In short, marketing needs to prove its return on investment (ROI) The closer marketing metrics are to the money end of the business, the better for the credibility of marketing. And these are metrics that are primarily influenced by sales: e.g. lead to opportunity conversion ratios; the rate of opportunity leakage from marketing-driven leads; the average value of orders derived from marketing leads and so on.



For complex sales cycles, these metrics also help marketing to determine what tactics work most effectively to nurture sales opportunities and help move them through the pipeline. Events and ROI calculators, for example, may be appropriate tactics later in the sales cycle to provide credibility, overcome objections, and help drive prospect engagement. This can be evidenced in measurement data.

Process First, Automation Second

To measure the right things, to capture the data effectively and then to analyse and interpret it requires investment. But it starts with having clarity on how the marketing function needs to operate and how it works with the sales function.

Marketing automation platforms, such as Eloqua, Marketo, Hubspot, Pardot all offer some form of workflow-like automation of marketing processes to make lead scoring, routing and nurturing much easier in the digital world (off-line activity still presents a challenge). But these systems will only provide business value if youhave:

- a clearly defined marketing strategy
- clearly defined and understood marketing processes
- a clean and segmented contact database
- well-trained staff who understand the process and how to set up and execute digital campaigns, and, above all
- clear financial and marketing metrics and targets

Metrics must be appropriate to their user and their role: digital marketers need realtime dashboards for email opens, web hits, etc. Marketing directors want standardised reports for the volume of leads generated, the percentage of leads converted to opportunities, cost per lead/opportunity. Ultimately, measurement of overall marketing performance is defined by contribution to revenue and profit, so marketing must be able to account for its total contribution from generating demand through to closed business. These are measurements that the CFO and COO understand.

Using KPIs and A/B Testing in B2B Marketing

B2B Marketing with KPIs

For marketers trying to better understand which key performance indicators (KPIs) matter for their business, there's plenty of content offering generic marketing KPIs as one-size-fits-all solutions. Instead, you need marketing metrics that illuminate B2B performance, including for enterprise and account-based marketing (ABM). Enterprise B2B marketers need details like:

- How each marketing campaign drives revenue
- Account-level lead data
- Multi-tiered lead quality information for longer deal cycles

After all, the myriad differences between B2B and B2C companies all boil down to one main thing: the number and size of the customers you serve. B2B companies generally - and particularly those using account-based marketing (ABM) - typically focus on a small number of customers who each make up a much larger amount of each company's business.

B2B Marketing and A/B Testing

B2B companies generate more than double the revenue of B2C companies every year. Specifically, you're looking at about \$559 billion in B2B sales as opposed to \$252 billion for B2C. While neither number is one to scoff at, it's clear that businesses come ready to spend more.

That said, with more money to spend comes a greater level of expectation you have to contend with. B2B leads require considerably more warming up before sales engage.

In the digital evolution in B2B marketing, it is reported that B2B buyers are 57% of the way through the decision-making process before they ever speak to anyone about a potential purchase. This means your website needs to work hard to sell them on your business proposition.

But how do you do this with such a welleducated and oftentimes difficult-to-please target audience? A/B testing is one way to make significant improvements to your campaigns which, in turn, leads to an increase in B2B sales. Specifically, with this type of audience, you should be targeting the call-to-action (or CTA) for your A/B tests (see more in Chapter 3).

A/B testing is a great way to engage with your audience and receive a steady stream of feedback on what makes for the best experience on your website. By soliciting this feedback and making regular updates to your CTA design, you're helping shape a more positive experience with prospective B2B customers who are already more than halfway through the decision-making process.

Studies show that regular A/B testing helps B2B businesses generate about 30-40% more leads. There are no limitations on what should be tested. Depending on your current goals and challenges, you can test against different key performance indicators such as the number of page views per session, bounce rate, average time on site, button clicks, and form fills. It pays to experiment with page titles, copy, images, lead generation form layouts, and other design elements. While B2B buyers are more rational and less emotional, we all react to specific styles and colors in the design.

Analytics, Reporting, and Interpretation

Attribution models

Marketing operations is often where data science lives. Data science is the study of data. It involves developing methods of recording, storing, and analyzing data to effectively extract useful information. The goal of data science is to gain insights and knowledge from any type of data — both structured and unstructured. From data analysis come insights and learning that can be used for testing consumer behaviour and understanding campaign performance.

You need an attribution framework to interpret the data in ways that are meaningful to your organisation and enable you to interpret and take action on the data. 'Big data' is of very little value if you don't know how to interpret it. In B2B marketing, attribution has become a key topic in creating a model for how your organisation will assign value to marketing activity and interpret results.

Marketing lead attribution in B2B is often used to associate marketing-sourced leads with sales target outcomes. Put simply, it identifies the primary source of a won deal as being a marketing owned activity versus sales-sourced or 'other' usually by use of UTM 'tags'.





Different attribution models allocate outcome values in different ways:

- Single Source Attribution Models assign 100% credit to one touch. Examples include first touch and last touch.
- Fractional Attribution Models assign value to multiple touches. Examples include equal weight, position-based (U-shaped), and minute weighted (for those companies that use minutes to track engagement).
- Algorithmic Attribution Models use statistics and machine learning to calculate the marginal contribution of various touches.

- <u>Multi-touch attribution</u> examines all significant interactions with the account (or Buying Centre) from the first 'touch' to closed order and then distributes value to individual touches.
- Multi-touch attribution seeks to understand how each touch contributes to an account's journey progression, pipeline, and revenue and is therefore a measure of influence, as defined in Chapter 3.

Account attribution for ABM

Of course, in ABM there are multiple people involved in almost every outcome, so account-based attribution must choose what to analyse. The approach you take here can substantially shape results.



- Narrow Attribution

includes only contacts with roles in account opportunities. Here, data integrity can be limited, as sales reps rarely attach all the right people.

- Broad Attribution

analyzes all contacts at accounts — or all leads and contacts via Lead to-Account Matching (L2A) technology. Broad attribution tends to be more accurate than narrow attribution for deals at small and mid-sized companies. As company size grows, results become diluted, since broad attribution might include touches with people who didn't impact a specific deal.

Buying Center Attribution Some companies now analyse specific

Some companies now analyse specific Buying Centres. The approach is

broader than narrow attribution (e.g. contact roles) and more focused than broad attribution (e.g. the entire company).

Marketing automation and CRM systems, which are usually using separate databases organised differently from each other, have to have the same definition of 'lead' and 'opportunity', entities. Attribution models are then based on how these are defined.

In reality, there is no perfect way to attribute value across the entire B2B journey, but the concept of influence across many channels, opportunities, organisations, and people has led to the increasing adoption of multi-touch attribution models and systems to support them. This data-driven

approach normally requires a <u>customer data platform</u> to execute effectively - or at least native cloud integration with the MAP, CRM, Google Analytics, and social platforms.

Marketing Comes of Age

Marketing's contribution to revenue can no longer be the 'magic' that happens somewhere between the Web hit and the Sales team; ROI has to be more directly linked to a specific activity. We need to understand marketing operations in detail and be able to explain to the C-suite the value of its contribution. This chapter should be read in conjunction with the remaining chapters of this eBook which deal with the subject of measuring marketing impact. Understanding marketing's contribution to the sales funnel (Chaper 3), how marketing is aligned with sales to support a single buyer's journey (Chapter 4), how marketing performance is attributed (Chapter 3) and how marketing influence purchases in strategic ABM accounts (Chapter 5), as well as sources, demand for the funnel is crucial to securing marketing investment in the 2020s.



CHAPTER 8: TRENDS IN B 2 B TECH MARKETING IN 2020 AND BEYOND

Ensuring a bright future for your business by keeping pace with market change

If you're active in B2B marketing, you know that change in the tech industry is nothing new – and nothing to fear. Within the past decade, we've seen digital disruption and transformation drive market change in service and product delivery; and impact how we go to the market and reach our target audiences effectively.

In B2B marketing, we've dramatically changed how we plan, manage, and run campaigns – whether it's putting data insights to work to inject agility or using personalisation to keep up with shifting buyer personas. The rise of digitally native audiences has also forced B2B marketing to move much of its activity online.

Now, as we enter a bright new decade, we're about to see even more changes – our ways of working need to evolve to maintain pace and engagement and use data and insights effectively to build



relationships and convert the right people at the right time. To help you prepare, here are some of the top trends in B2B marketing for the 2020s.

1. Agile marketing will take charge

Centered around collective, cross-functional and collaborative working, in which projects are completed in short periods called sprints, agile marketing lays the foundation for continually testing and iterating your marketing ideas — proving what works and what doesn't to ensure better marketing results, business outcomes and overall ROI.

McKinsey research found that companies who adopt agile ways of working simultaneously achieve greater customer centricity, faster time to market, higher revenue growth, lower costs, and a more engaged workforce.

2. Partner experience comes of age

Forrester predicts that marketing decision-makers will rank improving partner experience on a par with improving customer experience in 2020, and both will see a rise in attention from more than 50% of businesses. That's a significant shift that reflects the speed of change we're seeing in the tech industry. Injecting agility is critical if organisations are going to keep up with competition and build more channel share. Companies are predicted to provide channel partners with better access to video, immersive experiences, and social prospecting to accelerate traction.

3. Personalisation at the heart of B2B

Gartner's research shows that organisations that have fully invested in all types of personalisation will <u>outsell</u> <u>companies that have not by 20% in 2020</u>. B2B marketers need to step back and think about how they can become more relevant to their key audiences to drive engagement and build relationships for the long term. This must be approached strategically with a willingness to rapidly test and learn in order to be credible and authentic.

4. Predictive analytics and AI will become key drivers for success

Predictive analytics is the concept of using your data insights to measure marketing activities, identify trends, and predict opportunities to create unique, tailored experiences across each stage of your client buyer journey and throughout their client lifecycle. Gartner predicts that profitability will replace customer experience as the CMO's No. 1 strategic priority in 2022. Using data and insight to make strategic decisions and to drive agility and pace in your go-to-market strategies will be key to understanding marketing performance and contribution to business goals and profitability. Forrester says that 89% of marketers will use more predictive analytics in 2020.

B2C is driving the way today with AI — and B2B has some way to go to make up for lost time introducing chatbots and other <u>robotic process automation</u> examples in customer service and other people-intensive or administration-heavy activities. Be that as it may, with e-commerce business deals in B2B <u>expected to rise to \$1.2 trillion by the end of 2020, who will be effective in making a B2B Amazon-size business?</u>

5. B2B marketers will become datadriven

Marketers need to become data and insight-centric to remain competitive and must start this shift now.

The role of the CMO will be two-fold going forward. Firstly, they will need to be on top of their customer data. Successful marketers need to be equipped to collect and analyse every piece of data about their customers.

Secondly, the CMO needs to obsess about the customer experience: one that really reflects the customer needs. These go hand-in-hand: use all the data you have to shape a better customer experience.

Making the best customer experience therefore depends on utilizing the total of the information that you have within reach, blended additionally with AI and human knowledge.

Future Forecasts for B2B Trends

In a B2B Trends McKinsey report, top B2B companies combine both human and digital interactions into one hybrid customer journey. One company improved sales productivity by 5 to 7% after augmenting face-to-face processes with digital tools. Furthermore, companies with the best digital capabilities generated an 18% total return to shareholders and even reduced their costs by 40 to 60%. Making hybrid processes can truly help companies. However, prudence requires us to tread carefully when jumping into this trend.

B2B Buyer Preferences: Individual customer relationships are valuable for B2B companies. Each client relationship is worth millions of dollars for large enterprises as McKinsey and Company pointed out. Thus, B2B companies need to understand how to guide customer journeys better with the help of digital tools. Thus, when designing the support you are providing for your customers' journey, you need to take into account such preferences. Thus, it is a good idea to run customer surveys to find out.

Retaining the Human Touch Digitally: Another one of the B2B trends marketing professionals shouldn't ignore is that 46% of buyers would <u>purchase</u> <u>from a supplier's website</u> when given the option; and if the service was efficient.



This is a great opportunity as there is only 10% of B2B buyers who purchase online. B2B businesses should capitalize on this. However, this is only just a part of more general trends eCommerce sellers should consider.

UX or Customer Experience: The Six Journeys: Companies must create hybrid protocols involving analog and digital interactions to support customer experiences. This goes in line with the current buzz surrounding the UX (user experience) design trend. UX is not just the user interface to your apps, website or your current customer service processes. It should encompass everything, including every single touchpoint. You create and curate the customer's total experience. Some experiences are quite native to the B2B industry.

McKinsey and Company <u>identified six</u> <u>journeys that shape customer</u> <u>experience in B2B industries</u>:

Identification of products and services meeting a need, Selection of supplier and making an initial purchase, Codevelopment of products with a supplier, Dealing with unexpected events, Usage of the product and getting the service and Reordering familiar products and services. The most important need of B2B customers is ROI. Thus, you should have a partnership with them, from codeveloping products to helping them properly maintain assets they procured from you.

AR and VR: Companies like <u>Pepsi</u> have used AR to create promotional stunts. These promotions drive engagement and further conversations. In the B2C realm, cosmetics companies allow prospects to "try out" products such as makeup and lipsticks before purchasing.

As marketing and consumer experiences between B2B and B2C firms blend, many firms will find similar uses for AR. B2B firms can leverage AR and VR technologies for training personnel, site tours and other simulation projects - and even designing structures. AR and VR technologies can help cut costs as they can simulate products or designs in 3D before creating prototypes.

Email Marketing Trends: Marketers are looking for ways to improve email personalization. This includes 1-click purchasing for B2B orders. Many believe that live content is making its way to email marketing. B2B users can take advantage of live inventory data and other reports that go straight to their emails. The opportunities for AI and machine learning to optimize email experiences are significant. They can help users get insights on what types of content perform best in email campaigns.

Analytics, AI, and Machine Learning: 50% of B2B marketers use analytics to measure ROI and campaign performance. This trend is likely to accelerate in the coming years as more businesses are pressured to make more data-driven decisions. 35% of B2B businesses struggle to create a "single view" of the customer from disparate marketing channels and business processes. Analytics and intelligence tools are increasingly able to create a real-time dashboard to join these data silos and produce a clearer picture.

B2B in the Future

In some ways, what is happening now in B2B is starting to catch up with B2C. For example, being customer-centric and digitizing for productivity, cost efficiency, and for enhanced customer experience. B2B business purchasing and selling are inherently more complex today than ever. B2B Marketers therefore need to enhance their capabilities in digital tools to better understand, predict, and react to changes and uncertainties.

Slowly but surely, B2B is embracing digital and we are likely to see a surge in technology adoption in the next five to ten years.

We are likely to see B2B customer journeys mimicking B2C journeys in terms of the ease of engagement and end-to-end customer experience. There will be hybrid touchpoints in every step of the way.

Right now, B2B professionals have a choice. To lead, to follow, or to lag behind.

This is the time for leadership.



