



Navigating B2B Tech Marketing

Extract of Research Findings

December 18, 2011



The following is an excerpt of findings from a broad study on the Tech Marketing Navigator B2B Service (Strategic Oxygen) from Forrester Research. This excerpt concentrates on the challenges and issues faced by marketing organizations in companies selling products and services into enterprise IT targets.

Participants were asked to describe the challenges faced with planning and executing outbound marketing programs. Participants were then prompted with specific potential gaps or issues in the marketing process and then shown an abstract of the Forrester Tech Marketing Navigator for relevance.

Current Market Status

Marketing Organizations

- Are lean with reduced budget and staff.
- Face increasing pressure for efficiency and effectiveness.
- Timeframes for decision-making have shrunk significantly.
- Pressure is on to create content, and current efforts often lack strategic focus.
- Knowledge of shifting media/marketing options is limited and the pace of change means few have the resources to get on top of it.
- Most have multiple, project based agency relationships.
- Agencies lack B2B expertise but clients don't always know it.
- Targeting buyers differently throughout the buy cycle resonates strongly and is a current focus for many.
- CMOs are most concerned that they are not getting the right marketing or media mix.
- Decoding social media was attractive to marketers at all levels.
- Target identification is an unrecognized problem.

B2B Marketing Tools

- Marketing automation tool use is widespread outside the B2B realm.
- However, there is no awareness of effective B2B media/marketing tools.
- B2B marketers often rely on experience and historical knowledge to identify targets. Most spend against their instincts with no adequate means of verification.
 - Data analytics and modeling is limited or in its early stages for most companies.

Unaided Pains/Challenges of Marketing Decision-Making

CMO/VP Marketing

- Do more with less - keep budgets stable or reduce them while achieving better ROI
- Alignment on strategy between sales and marketing
- Produce more quality leads
- Navigating the options for reaching customers
- Shifting focus to inbound marketing
- Meeting demand for more content while maintaining its quality
- Message development
- Lacking skill sets for new marketing options like social media
- Integrating marketing automation tools
- Developing programs for results measurement



- *“The plethora of choices for marketing now in the B2B market is just overwhelming, right?”*
- *“We are constantly trying to experiment, tweak and perfect the marketing mix that gets us into the CIO’s office while trying to be very economical.”*
- *“It had historically been outbound focused but we have bought in to the concept of inbound marketing which requires a whole set of new content. That is sort of more of a map to the buyer’s journey.”*
- *“It’s volume... the more demand programs we put in the marketplace to drive lead generation, the more fresh content we need to fulfill response.”*
- *“If we are expecting a field marketer in Japan to be creating native content in real time, short lifecycle native content in Japanese, we are never going to see it.”*
- *“Measuring effectiveness, that’s always a little soft as well.”*
- *“For us its message development.”*

Q – What are the greatest challenges you currently face in marketing decision making?

Unaided Pains/Challenges of Marketing Decision-Making

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Marketing Directors

- Optimizing marketing mix is a key concern
- Setting up processes to make marketing tools more effective
- Maintaining consistency across:
 - specialty/regional agencies
 - product groups
- Ensuring budgets are being used to support initiatives on which they were funded
- Developing messaging and content
- Inconsistent results across campaigns
- Information that is available, either internally or externally, is siloed
- Getting buy-in on plan -- personal preferences/emotions have too much weight in the decision-making process
- Impact of budget changes on marketing mix and media plan
- Online results can be tracked but for other media its not as easy/reliable
- Online agencies should be doing more with data available to them



- *“We’re upside down. 10% of the campaigns are driving 90% of the leads.”*
- *“I go back often once we’re in market and I see we’re not following our strategy.”*
- *“One of the biggest challenges are getting internal buy-in...I think a lot of people weigh in with personal emotional attachments to certain media.”*
- *“I think it is trying to crystallize an effective message that really resonates with the market...you have to be a little sharper and a little more succinct to understand which of the assets that you have can position and message in the right way so that you hit the right buttons with those buyers.”*
- *“Budget is always an issue. Also providing the right level of content at the right time in the buying cycle to the right buyer. And, cutting through the clutter.”*
- *“What ends up happening is very different from what was budgeted for. Teams want to do their own things and its less strategic.”*
- *“We have a small staff and no budget growth even though we compete in a market with much bigger companies.”*

Q – What are the greatest challenges you currently face in marketing decision-making?

Unaided Pains/Challenges of Marketing Decision-Making

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Media Agencies

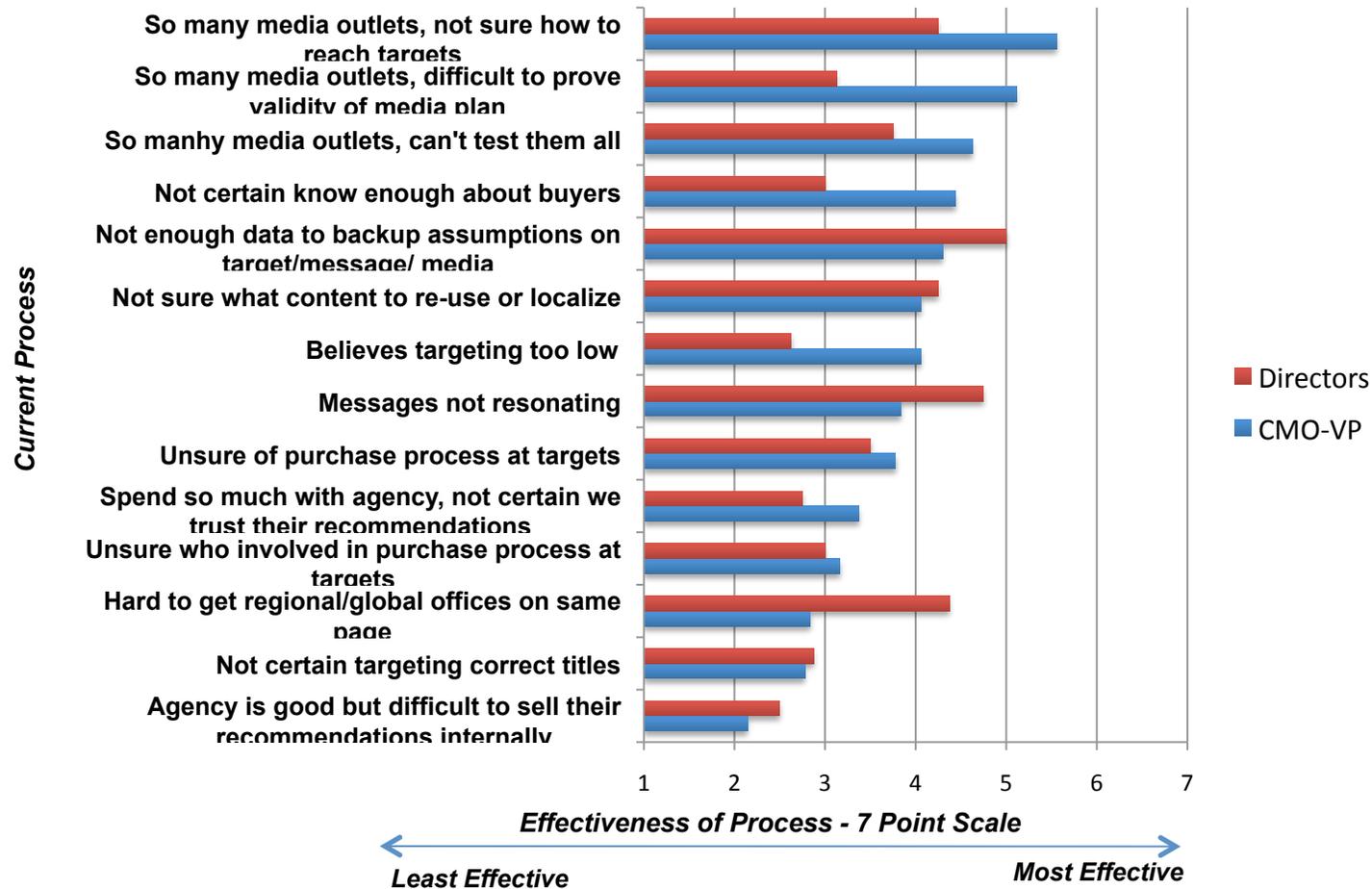
- Clients don't have a lot of data on targets. They can provide agencies with segmentations, but those are often difficult to apply to media.
- Targeting is more complex, there is a need to understand how to reach targets throughout different phases in the purchase process.
- B2B tools don't exist or aren't sufficient.
 - Agencies attempting to build in-house B2B planning tools in lieu of strong commercially available resources
 - Data from "publications" is helpful but still requires consolidation/interpretation
- Agencies often lack consistent B2B expertise. Client organizations are understaffed and not as knowledgeable as in the past. There is a dearth of SMEs.
- Time is a critical issue. Agencies are routinely given 24 hours to come up with a point of view.
 - Agencies admit global planning is most difficult in compressed timeframes because "global" agencies are often loose associations of acquired companies

- *"With B-to-B buying, sometimes it can be a little more challenging defining the targets quite honestly, specifically who we're going to reach."*
- *"It's difficult to find B2B information that's helpful."*
- *"The key is understanding the customer journey. What are the digital touchpoints on route to brand or purchase?"*
- *"The producers ultimately have all the data on their customers, and then sometimes it's hard to aggregate that."*
- *"Effectiveness and performance decisions are now made in a fraction of a second."*
- *Everything we do is quick, I've got to tell you. So we need tools at our fingertips that allow us to have a coherent story that you can present to senior management, often within 24 hours."*
- *"So our global offices were often on a more independent path, and furthermore they were swamped, and they didn't have the let's just say dedicated resources."*

Q – What are the greatest challenges you currently face in marketing decision-making?

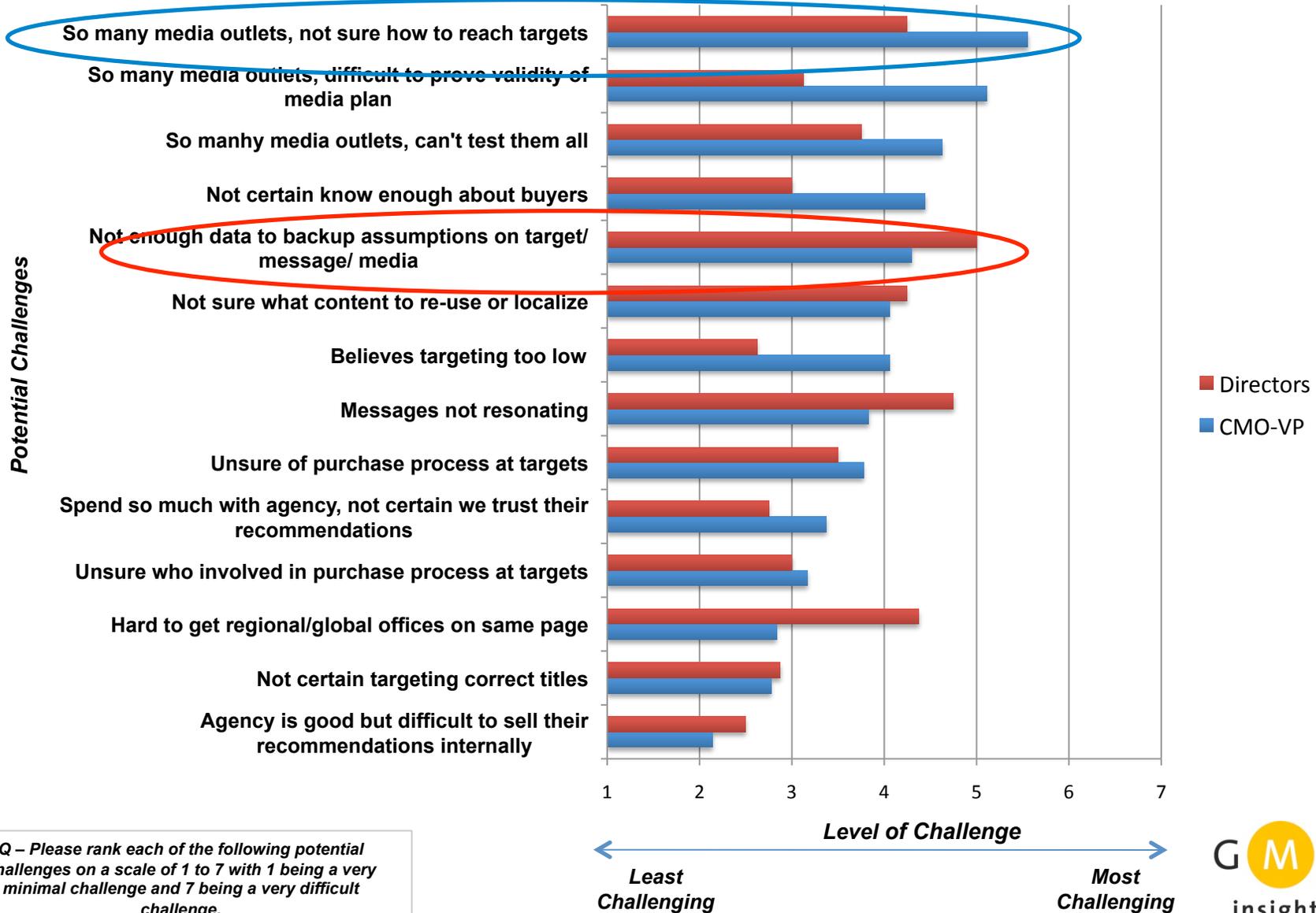
Initial Self Assessment: Effectiveness of Current Processes

- While both CMO/VP and Directors initially ranked the effectiveness of their current efforts above average, Slide 8 reveals less confidence after further reflection.



Comparison Ranking of Aided Potential Pains/Challenges: CMO's and Directors Don't Feel the Same Pain.

- The most resonant pains and challenges were....



Q – Please rank each of the following potential challenges on a scale of 1 to 7 with 1 being a very minimal challenge and 7 being a very difficult challenge.



Ranking of Aided Potential Pains/Challenges: CMO/VP Only

- The most resonant pains and challenges were....

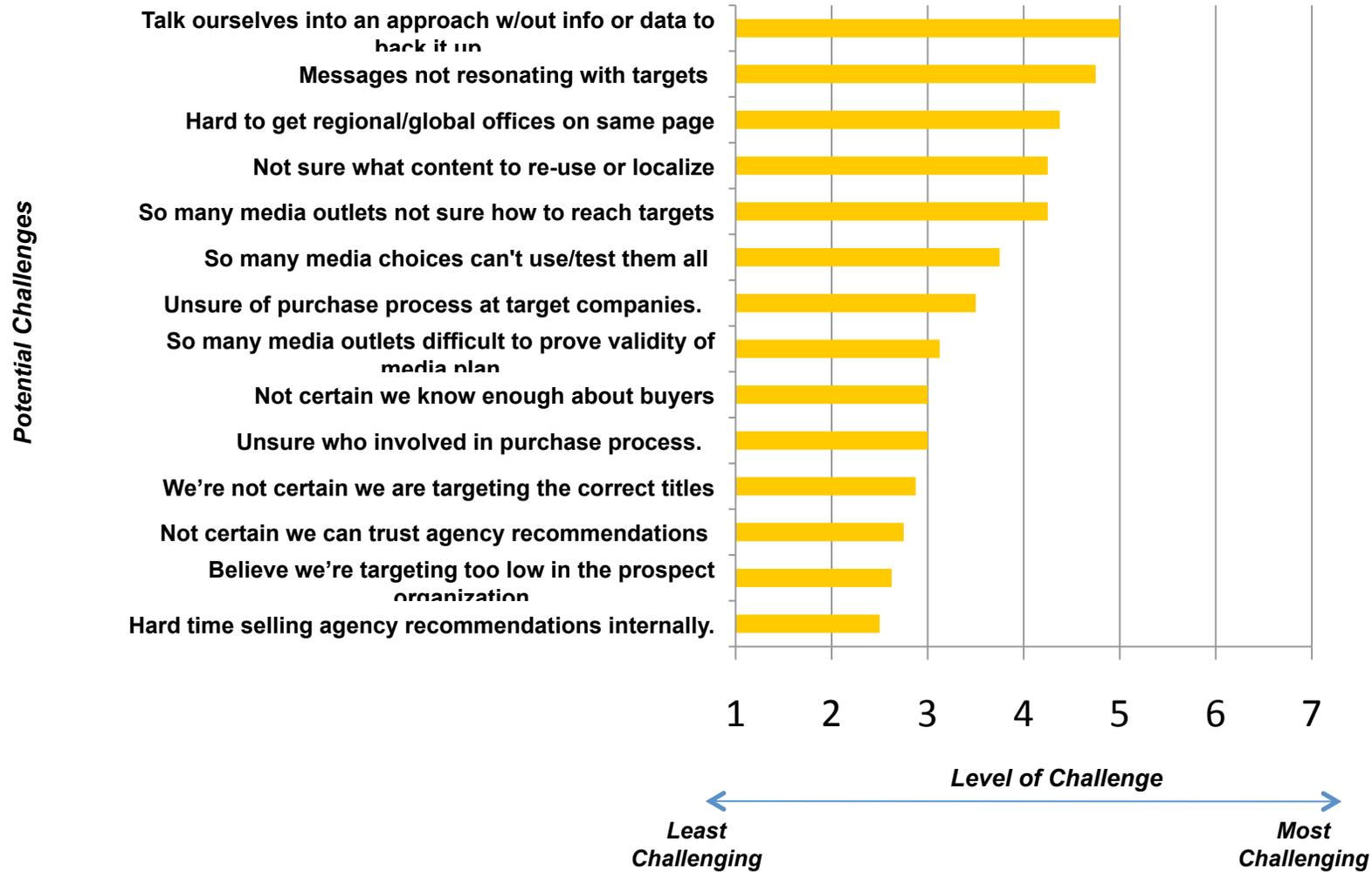


Q – Please rank each of the following potential challenges on a scale of 1 to 7 with 1 being a very minimal challenge and 7 being a very difficult challenge.



Ranking of Aided Potential Pains/Challenges: *Directors Only*

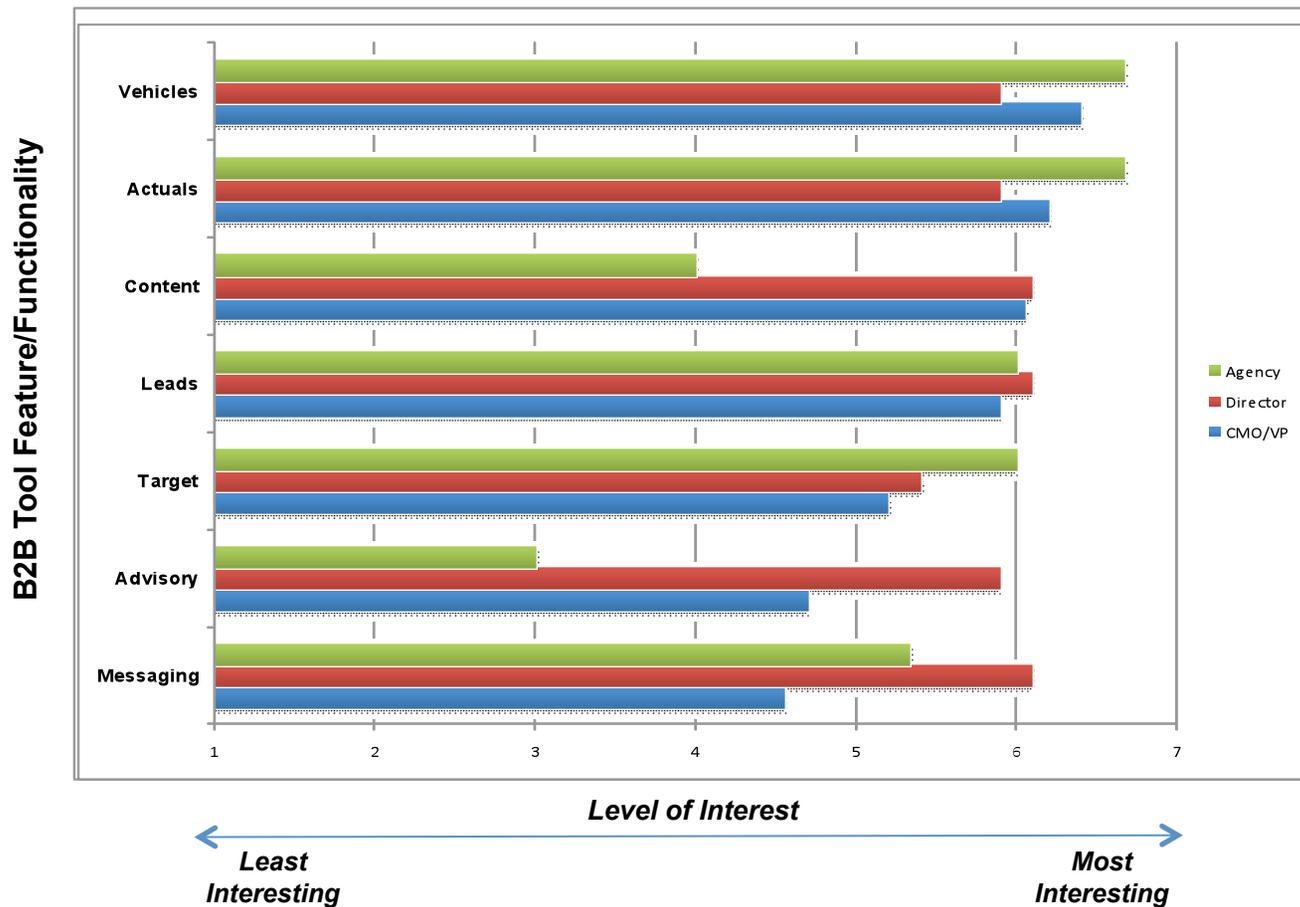
- The most resonant pains and challenges were....



Q – Please rank each of the following potential challenges on a scale of 1 to 7 with 1 being a very minimal challenge and 7 being a very difficult challenge.



Prospects: Features/Functionality Rankings. Value Tracks with Primary Responsibility



- Agencies want the data to plan accurately and justify planning decisions.
- Directors want to get the messaging and content right to drive leads.
- CMOs want accountability for budget decisions.

Study Segment Conclusions

- There are significant perception gaps between CMOs and Marketing Directors around competencies and needs.
 - CMOs are more concerned with how accurately marketing programs are targeted and how budgets are being spent.
 - Marketing Directors are substantially more concerned with the ability to execute programs appropriately.
- There are also significant gaps between client marketing groups and media agencies in terms of the perceived value of the input agencies receive.
 - Media firms believe that they do not generally receive actionable input for targeting and media vehicle selection.
- Unlike the B2C market, the B2B market makes significant marketing budget commitments without the aid of quantitative tools and research.
 - B2C makes systematic use of tools such as Nielsen to accurately target and plan media expenditures while B2B relies on historical program knowledge and team opinion.

Methodology

- 23 one hour in-depth phone interviews with prospects including:
 - 3 media agency directors of planning
 - 10 director level managers with primary responsibility for one marketing area
 - 10 VP/CMOs with overall strategic and budgetary responsibility for marketing

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