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Business Intelligence

What works where in B2B digital marketing

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Abstract

This paper highlights the key findings of a 2-year study of best practice in business-to-business (B2B) digital marketing. The research aims to provide practitioners with an insight into what senior B2B decision makers believe to be the most effective digital activities to achieve their marketing objectives. In addition to information on channels, budget and time allocation, the 2012 study also looked at the other side of the coin — not just how marketers market, but also how buyers buy. The results provide a practical benchmark against which marketers can evaluate their own activities and build ROI arguments for additional budget and resource allocation.

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Helping B2B marketers benchmark themselves

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Creating the research

While case studies abound for consumer-centric digital marketing, a constant cry from the business-to-business (B2B) marketing community is how difficult it is to find out what others are doing. Perhaps this is unsurprising, as so much B2B activity is selective in its targeting and often commercially confidential. As a result, it is hard for marketers to know whether they are doing the right thing, or whether there is something else that might work better.

With this in mind, Omobono partnered with The Marketing Society and Circle Research to develop a collective understanding of what B2B marketers really think of digital — how are they using it and how well is it working? Two research cycles have been conducted to date — one in 2011 and one in 2012 — with a third looking at the state of digital marketing in India currently in the field.

Results for 2012 are based on responses from 96 senior-level marketers with budget and strategic responsibility for some £78m. With over 60 per cent of the respondents coming from large organisations, including some of the UK's largest energy, telecoms, IT and financial services companies, these are the people who are driving the digital agenda.

This year, the research also looked at another vital piece of the landscape — the views of buyers. Using Circle Research's online

panel, 226 respondents were surveyed with a combined purchasing power of over £150m. This allowed for comparisons between their behaviours and the ways in which marketers were targeting them, giving a clear view of what works and what does not.

Relationships matter

Insight from the findings

Deepening Customer Relationships topped the list of primary marketing objectives. But there seems to be a disconnect between what marketers are aiming to do and the way in which they might best deliver it.

For example, ensuring the organization is living the brand is the lowest priority — yet B2B is characterized by the importance of the relationships between companies at every single level, from the technical support staff to the procurement team. Put simply, this lack of focus on internal engagement has the potential to restrict marketing effectiveness.

Another significant aspect of B2B is that relationships are not always direct: 51 per cent of buyers from big companies rely on an adviser, consultant or colleague to help them identify and evaluate suppliers. This, too, has implications for marketing effectiveness, demanding that budget be allocated to indirect and direct audiences.

With regard to relationships, a salutary finding is that while buyers are more open to receiving communications from existing suppliers, they are actually more likely to receive them from prospective suppliers. Marketers should take note — they may be putting Deepening Customer Relationships at the top of their priorities, but they are not acting in support of this.

'Big three' dominate spend

Shifts in spending patterns

The study looked at budget and time allocation against the major digital channels. It revealed that websites, email and social media act as 'the big three', with a range of other channels — including microsites, video, display advertising, search engine optimization (SEO) and pay-per-click (PPC) coming in at lower but similar levels (see Figure 1).

Mobile now accounts for 7 per cent of budget, having taken its place alongside more traditional digital activities, such as display advertising (7 per cent), SEO and PPC (6 per cent each). Mobile and social media were the fastest growing channels compared with 2011, while extranets in particular saw a reduction in expenditure — more evidence that marketers are not spending behind their customer-focused objectives.

Activity not aligned to objectives

Perceptions of effectiveness

One of the critical findings of the research is that marketers are not flexing their activities in response to specific objectives but are, in the main, using the same techniques no matter what they are trying to achieve (see Figure 2). For instance, it is notable that marketers feel social media to be very strong in achieving nearly all their objectives,

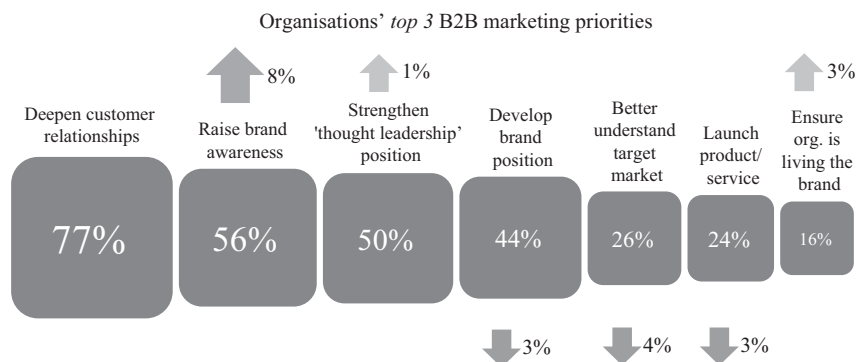


Figure 1: Five channels share almost three-quarters of digital budgets



Figure 2: Budget allocation does not match perceived effectiveness

yet buyers use it far less than marketers realize (or perhaps would like to think). Similarly, buyers rely heavily on supplier websites and email, two areas marketers believe are less effective and are therefore putting less budget emphasis on.

Marketers are under pressure

The challenge of return on investment

Return on investment (ROI) was the biggest challenge raised by marketers. Although 56 per cent of respondents measure ROI, only a third of those feel confident in the accuracy of their measurements (see Figure 3).

So difficult is the measurement of ROI proving that 15 per cent of marketers — twice as many as in 2011 — did not measure ROI and had no plans to do so (see Figure 4). But there are other issues too, inevitably on resources both in financial and HR terms. And the need to maintain an innovative approach and produce good content is also putting pressure on many marketers.

Thought leadership is the new black

Main objectives for marketers

Thought leadership is in the top three objectives for 50 per cent of marketers (see Figure 5). This rises to be the second most important

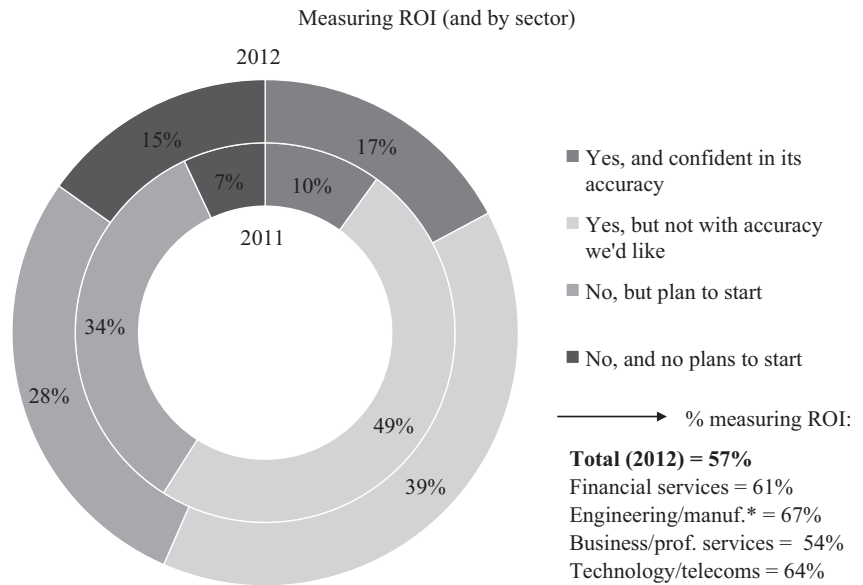


Figure 3: ROI — to measure or not?

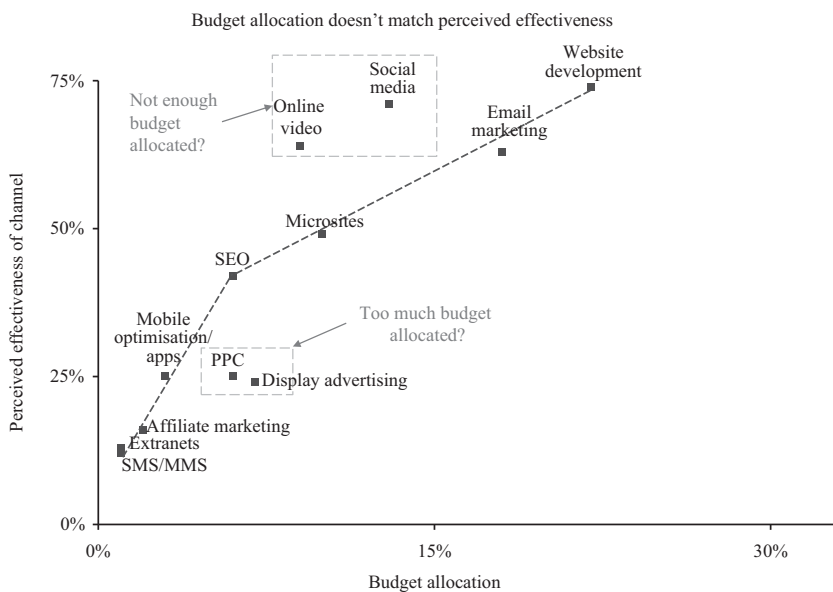


Figure 4: Challenges facing marketers

objective for larger companies, for whom sheer awareness is not as much of an issue as differentiation. Thought leadership is the way to be known for something over and above simple brand awareness.

However, the research also revealed that this is creating pressures for marketers as they struggle to marshal their resources and produce innovative and quality content on an ongoing basis. This is particularly exacerbated by the importance placed on social media to deliver thought leadership, which 65 per cent of respondents manage in-house.

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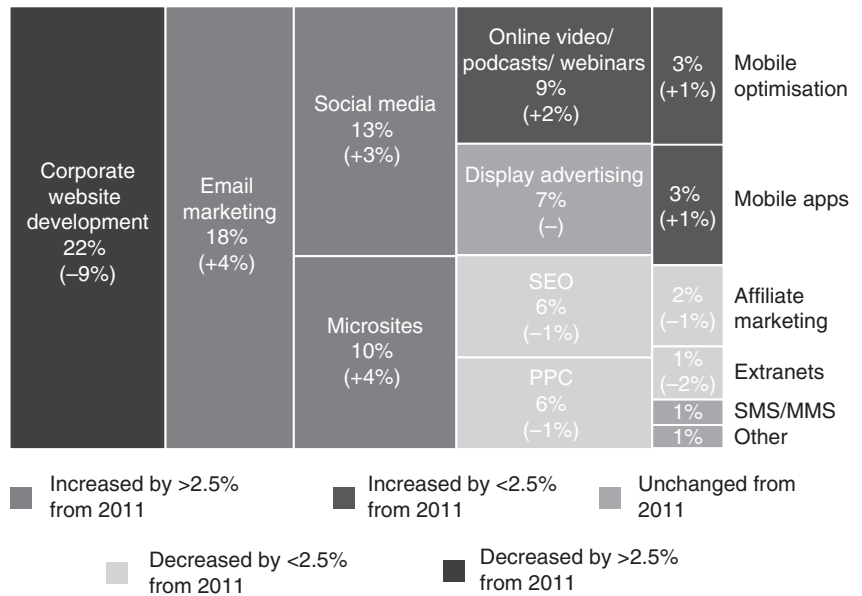


Figure 5: Organizations' top three marketing priorities

While marketers believe social media is the most effective medium for building thought leadership, there is little evidence that buyers agree. Buyers use a very wide range of sources to keep up-to-date with their industry or sector and to identify or evaluate suppliers. But social media pales into insignificance compared to the importance of more traditional channels, such as supplier websites and bespoke emails containing useful content.

One marketing director for the APAC region of a global professional services firm, seeing the research, commented: 'We have been advocates of the power of email campaigns for a while and there are some really nice stats here to show that it works and you should continue to market to current clients — music to my ears'.

Understanding where the best benefit lies

Summary

The aim of the What Works Where in B2B Digital Marketing research is to provide B2B marketers with insights into what really works in B2B digital marketing, and to allow them to see how their activities and views of effectiveness compared to their peers. This has translated into practical applications for clients when they consider their digital marketing activities and how they can best reap benefits from it.

Les Marshall, Sales and Marketing Director, Miele Professional UK, said: 'These findings made us reflect on how we are spending our budgets, in particular thinking about how we can get more inbound activity through digital nurturing as opposed to telemarketing — or a combination of both. The data here will also help us to build the case for development of a GB-centric microsite and to push for continued improvements in the main websites with our German colleagues'.

Links

What Works Where in B2B Digital Benchmarking Tool —
<http://benchmark.omobonomarketing.com/>

What Works Where in B2B Digital Marketing 2011 Report —
<http://www.slideshare.net/Omobono/what-works-where-in-b2-b-digital-marketing>

What Works Where in B2B Digital Marketing 2012 Report —
<http://www.slideshare.net/Omobono/what-works-where-in-b2b-digital-2012-12927421>