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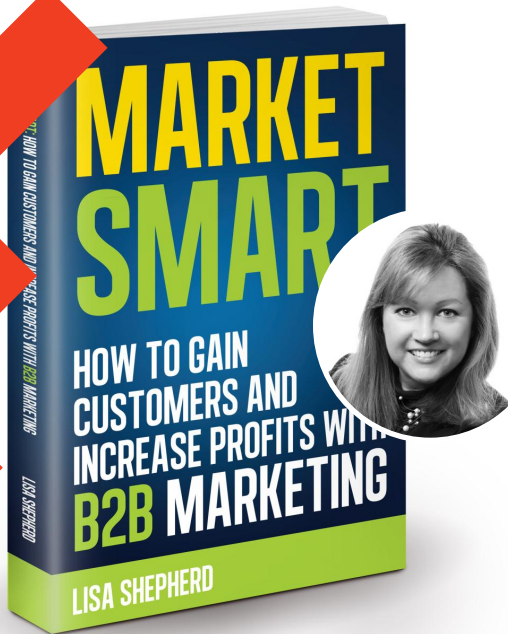
MARKET SMART

THE B2B

MARKETING GUIDE

FOR NON-MARKETERS

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Marketing is no longer a “nice to have.” It’s a “must have” to remain competitive and grow your profits

It's time for B2B companies to get smart about marketing. Too many B2B companies—which are any companies that sell their products and services to other businesses, rather than consumers—think of themselves as “Canada’s best-kept secret.” The landscape for B2B companies has changed dramatically over the past five years. Marketing is no longer a “nice to have”—it’s a “must have” if these companies are to remain competitive and grow their profits.

This special report, exclusive to PROFITguide.com, is drawn from Lisa Shepherd’s newly published book about B2B marketing, *Market Smart: How to Gain Customers and Increase Profits with B2B Marketing*. This is the B2B marketing guide for non-marketers. The book covers everything from how to develop a strategy and choose the right tactics, to setting goals and executing a marketing program effectively.

To buy the full book or e-book, [click here.](#)

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HOW TO BOOST SALES & PROFITS WITH B2B MARKETING

Here, in plain English, is a primer for non-marketers on how to develop a marketing strategy, set goals, choose tactics and execute a marketing program effectively

BY LISA SHEPHERD

WHAT IS BUSINESS-TO-BUSINESS (B2B) MARKETING?

Marketing may be a major business function, but it isn't very well understood in the B2B environment. That's because marketing is relatively new to the business-to-business world; 15 years ago, there were few marketers working at B2B companies, because it was all about sales. Now, marketing matters.

My definition of B2B marketing comes from practical experience rather than the Oxford dictionary. B2B marketing is everything that a company does to:

- Define and identify new revenue opportunities (marketing strategy)
- Raise awareness of the company's products and services (enhance brand awareness)
- Attract qualified potential customers (lead generation)
- Support the sales or business development team in converting leads into customers (sales support materials and brand reputation)
- Retain and grow customer relationships (customer loyalty and cross-selling or upselling)

In B2B, sales and marketing activities are incredibly intertwined. In this context, the simplest definition of marketing is as a set of activities that brings in opportunities to the business, and sales is defined as the set of activities that converts opportunities into customers.

WHAT'S THE DIFFERENCE BETWEEN CONSUMER MARKETING AND B2B MARKETING?

When you hear the word "marketing," what do you think of? Most people think of consumer marketing, the domain of Coca-Cola and Disney, of Apple and Ford. Consumer marketing (business-to-consumer marketing, or B2C) is probably best known for splashy, creative ads and mass budgets. Think Super Bowl commercials.

B2B marketing is entirely different. Effective B2B marketing is much less about show (grabbing the buyer's attention in whichever way works) and more about tell (why your company's product or service is better for the buyer than a competitor's is). The table below highlights the key differences between B2B and B2C marketing:

B2B	B2C
<ul style="list-style-type: none"> • Limited number of customers and prospects • Bigger ticket purchases • Generally long buying cycles • Analytical purchase process (although not exclusively) – ROI often a driver • Multiple decision makers and influencers - purchasing, finance, engineering, operations. • Higher risk • Product or service often customized to specific buyers' needs 	<ul style="list-style-type: none"> • Potentially millions or billions of customers • Smaller ticket purchases • Shorter buying cycles – even impulse buying • Emotional factors more likely to play a role – ROI not commonly a consideration • Often only one decision maker • Lower risk • Off the shelf product / service

DO YOU REALLY NEED A MARKETING STRATEGY?

Defining a marketing strategy helps a company clarify its focus, articulate its competitive advantage, differentiate itself and, most important, grow. There are thousands of ways to spend marketing dollars. The challenge—especially for small and mid-sized companies, which have limited resources—is to figure out which marketing investments will be most effective.

B2B companies need a marketing strategy to focus their efforts and hold their marketing accountable for defined results. Without one, they risk going to market with no focus, no message that speaks to a desired target audience and no follow-up. Hundreds of millions of dollars and countless hours are wasted every year in B2B marketing by companies that lack a strategy and a plan.

WHAT'S INCLUDED IN A B2B MARKETING STRATEGY?

Business schools usually teach marketing strategy as “the four P’s”: product, price, place and promotion. This definition is fine at the 30,000-foot level, but it isn’t very practical at ground level.

I use a different approach to defining B2B marketing strategy. Here are the three areas you need to define:

[1] TARGET MARKET

Who are your ideal customers, and what needs and priorities do they have?

[2] VALUE PROPOSITION

Why should buyers buy from you? Which unique factors does your company have that are important to customers? This is sometimes also referred to as positioning and competitive advantage.

[3] MESSAGING

This is tied to value proposition and positioning. Which specific messages will you use to attract the attention of prospective buyers to convey that you understand their needs?

The goal of a strategic marketing planning process is to answer these questions clearly and consistently.

PUTTING TOGETHER A B2B MARKETING STRATEGY

There is a simple and useful framework for putting together a marketing strategy. It’s called “the three C’s model.” As its name makes clear, it consists of three elements: company, customer and competition. At the intersection of these three areas lies good strategy.

Below are some pointers for gathering information on your company, customers and competition.

COMPANY

As part of evaluating your company for your marketing strategy, consider these five areas:

[1] GOALS

What are your company’s goals?

[2] PRODUCTS AND OFFERINGS

What does (or could) your company provide to the market?

[3] REVENUE AND PROFITS

What has your company’s economic performance been?

[4] SWOT

What strengths, weaknesses, opportunities and threats exist?

[5] MARKETING AUDIT

How has marketing been undertaken and how has it performed?

CUSTOMERS

There is nothing more important when defining a marketing strategy than understanding customers! Every B2B company needs to understand who its target market is and how they buy, so that the marketing strategy and tactics can be aligned with this market’s needs and behaviours. Here are the four steps to take to obtain good customer insight and data:

STEP 1 DEFINE WHAT YOU NEED TO KNOW

Some areas to include are buyer characteristics, the decision-making process, stakeholders in the decision-making process, criteria for the purchase decision, timeline, and learning and influences.

STEP 2 AGGREGATE WHAT YOU ALREADY KNOW

Strong customer knowledge (or at least perceptions) usually exists within the company. In a workshop format or through individual interviews, gather knowledge from the sales, management and customer service teams.

STEP 3 VALIDATE

Validate and augment the information from inside the company through independent research among customers, previous customers and prospects. Ask questions that allow you to confirm or refute what is believed to be true.

STEP 4 IDENTIFY TARGET SEGMENTS

Once you’ve conducted the research, it’s important to define segments. Rarely can a company serve every segment of a market, since different segments have different needs. So B2B companies should define which segments they’re best able to serve, then focus their marketing efforts on those targets.

COMPETITION

This consists not only of direct competitors but indirect competitors and substitutes. In the past few years, direct competitors seem to have become less and less relevant—it's the indirect competitors and substitutes who really cause problems.

Doing competitive intelligence (CI) can be tricky. It's hard for companies to know how much they should obtain, and it's even harder to actually obtain it. Although CI can sound like a sexy undertaking, don't turn it into a dumpster-diving affair.

Basic CI includes identifying who the competition is and obtaining an overview of their characteristics. Looking at a competitor's website—including marketing collateral such as brochures and press releases—can provide a baseline of information. Other ways can include checking for posted job opportunities, asking your business development team, looking for former employees on LinkedIn, talking to headhunters, industry association personnel or other industry watchers, mystery shopping and, most important, customers.

WHAT IS A TACTICAL B2B MARKETING PLAN?

B2B marketing effectiveness lies in translating the marketing strategy into action through tactical planning. A tactical B2B marketing plan outlines:

- **What will be executed:** a clear list of the marketing tactics that will be undertaken
- **When tactics will happen:** a calendar that outlines the timing of tactics and activities
- **Who'll be responsible for implementation:** a detailed schedule of how much time and other resources will be required, along with responsibilities for who has input and who is in charge
- **How much money will be spent:** the budget for each tactic
- **Why the tactic is being undertaken:** how performance will be measured, primarily the outcomes and metrics that the team will use to gauge success

HOW TO CHOOSE THE RIGHT TACTICS TO ACHIEVE YOUR GOALS

There are so many options in the marketing toolkit that it has become difficult for B2B companies to choose which tactics they should invest in. Almost every B2B company wants a standard

prescription for marketing tactics. I wish there were such an easy answer. Still, you don't have to choose your tactics blindly. Here are four guidelines to help you choose the right ones:

GUIDELINE 1 GET THE BASICS IN PLACE

B2B companies usually focus in their early years on sales and product development, because they need to gain traction in the market before marketing can really have an impact for them. The marketing basics vary by industry, but usually include a website, company overview and technical spec sheets for its products.

GUIDELINE 2 WHAT'S YOUR STAGE OF EVOLUTION?

Different B2B marketing tactics have a significant impact at different stages of growth. Some deliver incredible ROI at one stage and none—or even negative—ROI at another. There are usually three stages of growth, and a number of marketing tactics that are typically associated with each:

PHASE 1 EDUCATION AND AWARENESS Marketing investments should educate the market and generate awareness, such as video demonstrations, white papers, telemarketing and speaking engagements

PHASE 2 LEAD GENERATION B2B companies should add marketing activities that focus on generating leads and leveraging awareness that was built during Phase 1

PHASE 3 BRAND BUILDING Marketing becomes a major investment in order for the company to solidify its brand position

GUIDELINE 3 PRIORITIZE TACTICS BASED ON THEIR ROI

Marketing tactics should be chosen based on the results they can deliver, starting with the highest potential ROI and moving to the lowest. The highest-value revenue usually comes from selling existing products or services to existing customers, and the lowest from selling new products or services to new customers.

GUIDELINE 4 FOCUS YOUR EFFORTS AND EVOLVE

The final consideration when choosing tactics is that you shouldn't try to do too much at once. You're better off beginning with a handful of tactics that are clearly aligned with your goals, and focusing your effort on executing those tactics well. If you're just starting, pick three to five tactics over your first six months.

WHAT SHOULD YOUR MARKETING BUDGET BE?

Since every B2B company has a different set of marketing options, a different marketing budget is needed for each business. Some factors that affect a company's marketing budget include:

- industry (for example, software companies can spend

10% of 50% of their gross revenue on marketing, while distributors might spend just 1%)

- business goals
- size and stage of the company
- target market
- the position the company wants to achieve in the industry
- the distribution model

A rough guideline for B2B companies that are new to the marketing function is to allocate 2% to 5% of their gross revenue target to marketing. As the company builds competence and success, it will have every reason to expand.

HOW TO DEVELOP CONTENT TO FUEL YOUR B2B MARKETING

One of the biggest differences between B2B and consumer marketing is content, also referred to as thought leadership. A thought leader is a company or individual recognized for their expertise in a particular area. B2B companies need to be thought leaders in order to dominate their industries.

How do you become recognized as a thought leader? The starting point is to have deep expertise in a particular area and a demonstrated track record. Once you have that, the next step is to establish a solid reputation by sharing your experience and expertise through content.

There are several types of content for B2B marketing:

CASE STUDIES These are a high-impact marketing tool. They serve as useful sales support collateral, content on your website, as input to articles and webinars, and as the basis for speaking engagements.

WHITE PAPERS AND TECHNICAL PAPERS These are research-based documents that provide an educated opinion on a specific topic. They are a powerful way to help establish your company as a thought leader. A good white paper provides new insight into business issues and provides ways to address and solve them—without being sales-oriented.

BLOGS These serve two purposes in B2B marketing. They help with search engine optimization, and they demonstrate expertise. Starting a blog is easy, but maintaining an active one is more difficult. To be effective, blogs need to have fresh material. That means at least four to five posts per month.

ARTICLES Contributing articles or columns to trade publications, newspapers and news websites is a great way to demonstrate thought leadership. Industry publications voraciously seek contributions from industry stakeholders. These outlets are often publishing one issue a month, and they rely on companies and members to provide interesting content.

PRESS RELEASES These are a good way to boost SEO efforts to provide a regular stream of news for your audience.

The best way to produce content for B2B marketing is to make it very easy for the technical experts in your company who have the relevant expertise to participate in developing the content. But don't make them wholly responsible for this. Thought leaders rarely relish the idea of sitting down to write a white paper. A good approach is to choose a topic and interview a technical expert for 30 to 60 minutes, capturing as much knowledge as possible, and then prepare a first draft for him or her to review and comment on. You should then work iteratively to complete the content.

SHARING YOUR CONTENT THROUGH EFFECTIVE MARKETING TACTICS

B2B marketers have many tactics from which to choose. Below is a brief description of the most important tactics and some considerations on whether the tactic can deliver strong ROI for you.

WEBSITES A website is a must-have for any B2B company that seeks to grow. A good site attracts and informs prospects, generates leads, promotes the brand and updates customers. For B2B companies that sell globally, the website is now the central pillar in their marketing. As a starting point to evaluate your website, perform an audit of your current one. Go to www.marketsmartb2b.com/resources and download Website Audit White Paper.

LANDING PAGES This is a single web page hosted on your site that catches visitors who arrive from search engines, e-mails or ads and converts them into prospects. Whether your landing page offers a white paper or collects event sign-ups, the main goal is to get the visitor to accept your offer.

SEARCH ENGINE OPTIMIZATION (SEO) AND PAY PER CLICK (PPC) SEO is the process of getting your website ranked as highly as possible in search engine results through the use of keywords. This is known as the "organic" method. On the other hand, "pay per click" are ads displayed by search engines that link to your website. Organic searches produce about 90% of the clicks from search engine pages, and SEO continues to grow in popularity. Pay per click has declined significantly in popularity, although it can play an effective role in some B2B marketing programs.

E-MAIL MARKETING This tactic offers short turnaround time and quick delivery, while remaining cost-effective. The challenge for B2B companies today is to get their messages through to the inboxes of customers and prospects. Email marketing is one of the highest ROI tactics available to B2B marketers.

VIDEO I predict that within three years every B2B website will be using video. Why? It's partly because people find it easier to

watch a video than to read. But mostly it's because video is versatile and can be used for many functions. Creating a video for your website is much easier than it was 10 years ago. Today, by using basic software and hardware built into standard computers, you can create simple, informative videos.

WEBINARS These are online seminars offered live to participants and then later available for download. To use webinars effectively, you need a list of about 500 people to invite. If the content is a good match for invitees, you'll get about a 10% uptake. Like all B2B marketing, the event itself will not deliver all the value—it's the activities you carry out before and after that will. Start promoting your webinar three to four weeks in advance, and send reminders one week ahead and one day ahead. Following the webinar, post the archived session on your website. Then send a follow-up message to those who attended and offer ways for them to engage you.

SOCIAL MEDIA There are two important things for B2B companies to understand about social media. First, it's about having a dialogue, not a dictation, with customers and prospects. Second, it's resource-intensive. It takes more than just an hour or two here and there for social media to give your company traction. Although there's a lot of noise about social media in the marketing world, B2B companies need to carefully examine whether investing in social media is a good use of their resources. Often it isn't.

EXECUTIVE SEMINARS AND LUNCH & LEARNS These are very effective marketing tactics if your company has valuable expertise to share. However, getting the right audience for your seminar is the hardest part; you don't want most of the attendees to be competitors and job-seekers. When considering whether events can work for you, think carefully about your target audience and whether they'll attend a session you host.

TRADE SHOWS These remain the most widely used B2B marketing tactic. A 2011 study by Marketing Sherpa estimated that more than 90% of B2B companies use trade shows. However, in recent years the popularity and ROI of trade shows has declined. B2B companies are now more likely to prioritize one or two big shows in combination with a number of local ones, and to cut out the mid-sized shows altogether. Getting value from a trade show is equally about the activities and communications before and after the show as it is about your presence at the show itself.

SPEAKING ENGAGEMENTS There are two kinds of these: ones done at your own events (essentially, a Lunch & Learn) and those at third-party events (e.g., industry seminars and annual conferences). Speaking at a third-party event is an excellent way to build your profile and share your knowledge.

TELEMARKETING This tactic, also known as telephone business development, has been a common B2B tactic for many years. Some consider it to be part of the sales portfolio, but I consider it marketing because it generates leads and awareness.

Telemarketing is falling out of favour at many companies. In my experience, this tactic can play a useful part of the marketing mix as long as it's integrated with other activities such as email campaigns, webinars and events—and you can answer yes to the following questions:

- Can you identify your targets?
- Can you get through to the target buyer?
- Do you have a clear message?
- Is the ROI of telemarketing better than that from other tactics?

CUSTOMER APPRECIATION EVENTS In some industries, it's all about the party. Customer appreciation events can be a good way—even an expected one—to build relationships with customers. Yet in other industries, they fall flat. The most important thing is to do something that you're passionate about. If it's a wine tasting, you'd better be an oenophile. If it's a day at the race track, you'd better love fast cars.

PRINT ADS Digital marketing has been embraced by B2B companies. With magazines and newspapers in decline, many companies have stopped or greatly reduced their print ad spending. There can still be solid ROI from print advertising. But it is difficult to measure, and due to its cost this is a tactic that is usually most effective for companies with integrated marketing and brand-building skills.

CONCLUSION: REAP THE REWARDS OF SMART B2B MARKETING

Too many B2B companies overlook marketing because they don't know how to do it well. But marketing can transform a small player into an industry leader, and it can make the difference between struggling for sales and having leads come to you. **Smart marketing, used effectively by B2B companies, leads to growth.**

There are different approaches to make marketing work for your business. Investigate the options, talk to potential service providers and find a solution or set of solutions that work for you. And give your marketing team a reasonable time to achieve results (6 to 18 months, depending on your industry.)

And please stay in touch with me. To share your stories and get more tips and analysis of trends in B2B marketing, contact me at:

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