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How do B2B marketers rate digital advertising?

B2B Marketing

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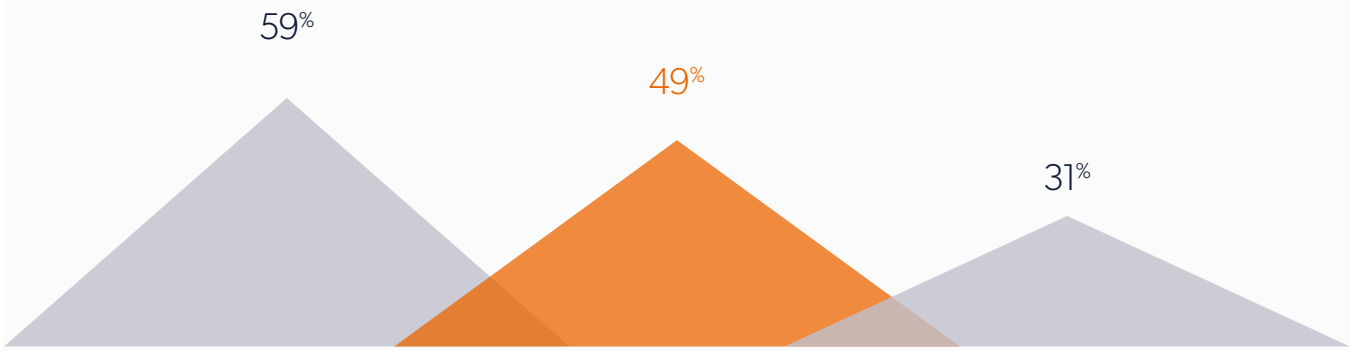
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Key takeaways

64% of B2B marketers find it difficult to target B2B audiences through digital advertising

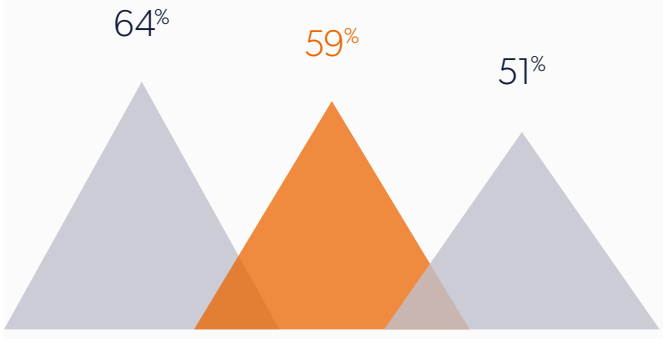
Top three challenges when buying digital advertising



- Return on investment is unclear
- It's unclear if we are reaching our target audience
- Publishers are unable to target specific audiences

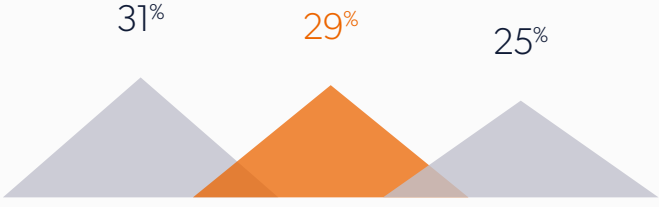


Top three metrics for evaluating the quality of online audiences



- Click-through rate
- Conversion rate
- Return on investment

Top three concerns about digital advertising



- Ads appearing on inappropriate sites or next to inappropriate content
- Audiences are non-human
- Traffic fraud

Introduction

Hello, is there anybody out there?

B2B marketers could be forgiven for wondering if there is when it comes to digital advertising, when the estimated average click-through rate for an online advert is a mere 0.05%.

Perhaps this explains the findings of this research, conducted in association with the B2B Media Exchange, by BPA Worldwide, which reveals B2B marketers' habits when it comes to online advertising.

The findings present a picture of an immature landscape, which is remarkable as we approach the 25th anniversary of the first online advertising.

Of course the pile-it-high, buy-it-cheap approach that applies to B2C ad buys is not going to be appropriate for B2B, where impulse purchases are non-existent. But it's still a surprise to see many B2B marketers are only taking their first steps in the digital advertising world.

The research also identified demand for greater transparency and accountability in the marketplace – both from a return on investment perspective, and to protect their brand reputation online. While the recent alarming headlines of brands falling foul don't appear to have diminished the appetite for digital advertising – and few have changed their behavior as a result – there is still a lack of awareness about what the industry is doing to confront the issues.

The survey polled 199 B2B marketers, with 62% based in the UK and 38% from the US in February 2018.

Section 1

How easy is it for B2B marketers to find audiences online?

We all know buyers in B2B use the web – according to Forrester nine out of 10 start their B2B purchase with an online search, and three-quarters conduct half their research online.

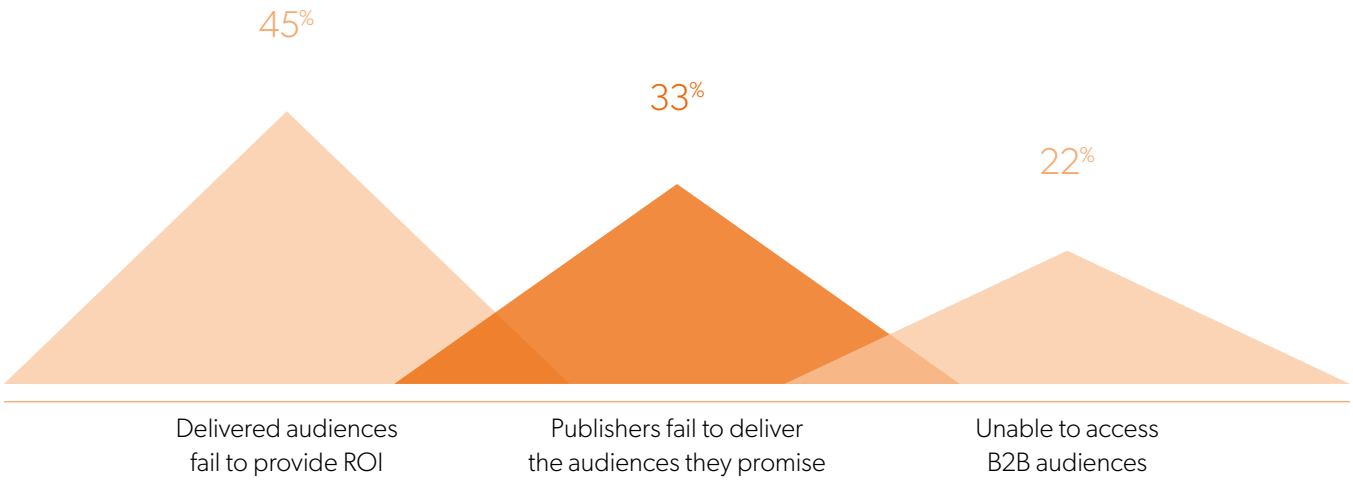
But, according to our research, marketers are struggling to target B2B audiences online. Almost two-thirds (64%) of marketers report it's either difficult or very difficult to target them.

So why do they find it so tough to find these prospects and customers? The top challenge when it comes to targeting according to respondents is that the B2B audiences served up by publishers fail to provide return on investment, cited by just under half (45%).

Publishers failing to deliver the B2B audiences they promise was the second biggest challenge for exactly a third. And simply being unable to access B2B audiences was the biggest hurdle for almost a fifth (22%).

Understandably ROI is of major importance to those responding to the survey. In addition to being a challenge when it comes to targeting, it's a concern with regards to digital advertising more widely. When it comes to these broader challenges, some 59% cited the lack of clarity around ROI as the top barrier. And a lack of ROI from digital advertising was also a concern for 29%.

Figure 1. What is the biggest challenge you face when targeting B2B audiences?



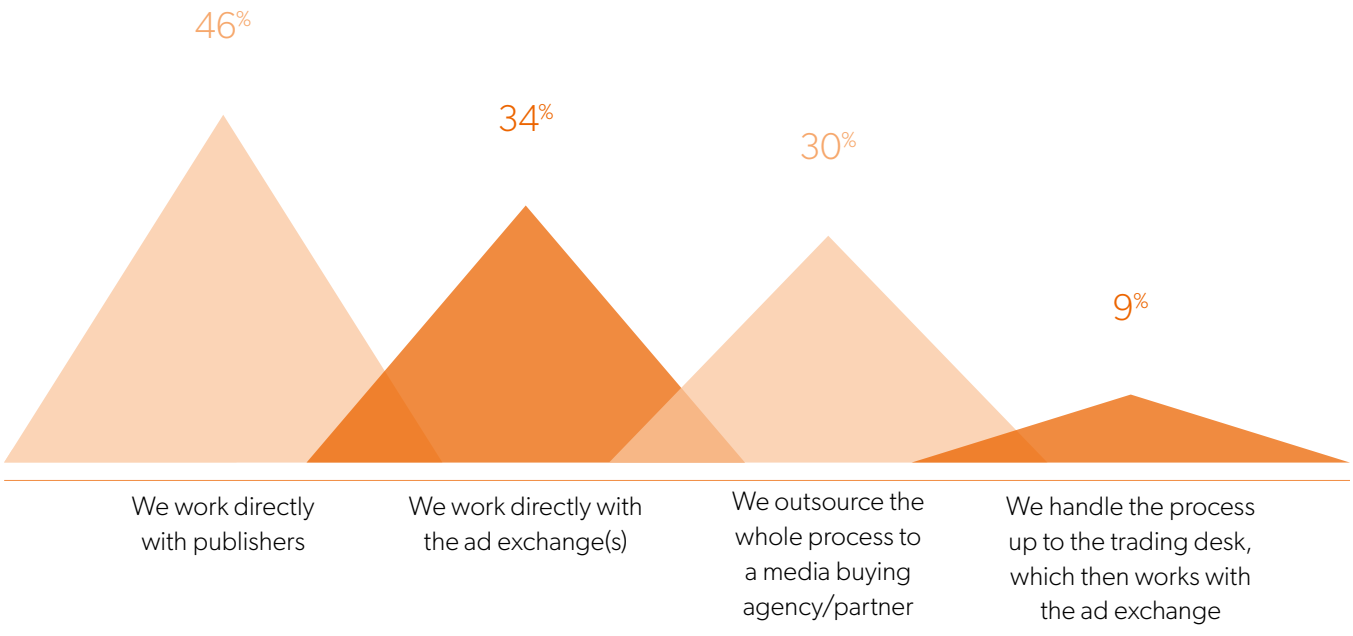
B2B marketers struggling to find their audiences online reflects a level of immaturity in the industry when it comes to digital advertising, indicated by the survey's findings.

The research found almost a quarter (24%) of companies have purchased digital advertising for less than a year, and only 25% consider themselves to be 'veterans', having been in the market for longer than five years. In addition, 25% spend less than 10% of their overall advertising spend on digital, with just under two-thirds spending less than 50% online.

Even though it's been exactly two decades since the launch of the first online ad exchange in 1998, marketers are still taking a similar approach they would have when advertising in 'old' media such as print and broadcast.

Almost half (46%) of marketers surveyed work directly with publishers themselves when buying their ads. An explanation for this could be that almost a quarter of respondents are trying to target their audience based on context. If you're trying to target audiences based on where they are – trying to drive sales of your car parts on automotive websites, or trying to sell corporate banking services on the websites of business magazines – it's more probable you would go direct to the publisher than try and involve a middleman, even in spite of the range of more sophisticated options on offer from agencies and exchanges available nowadays.

Figure 2. How big a role does your organization play in the digital advertising buying process?

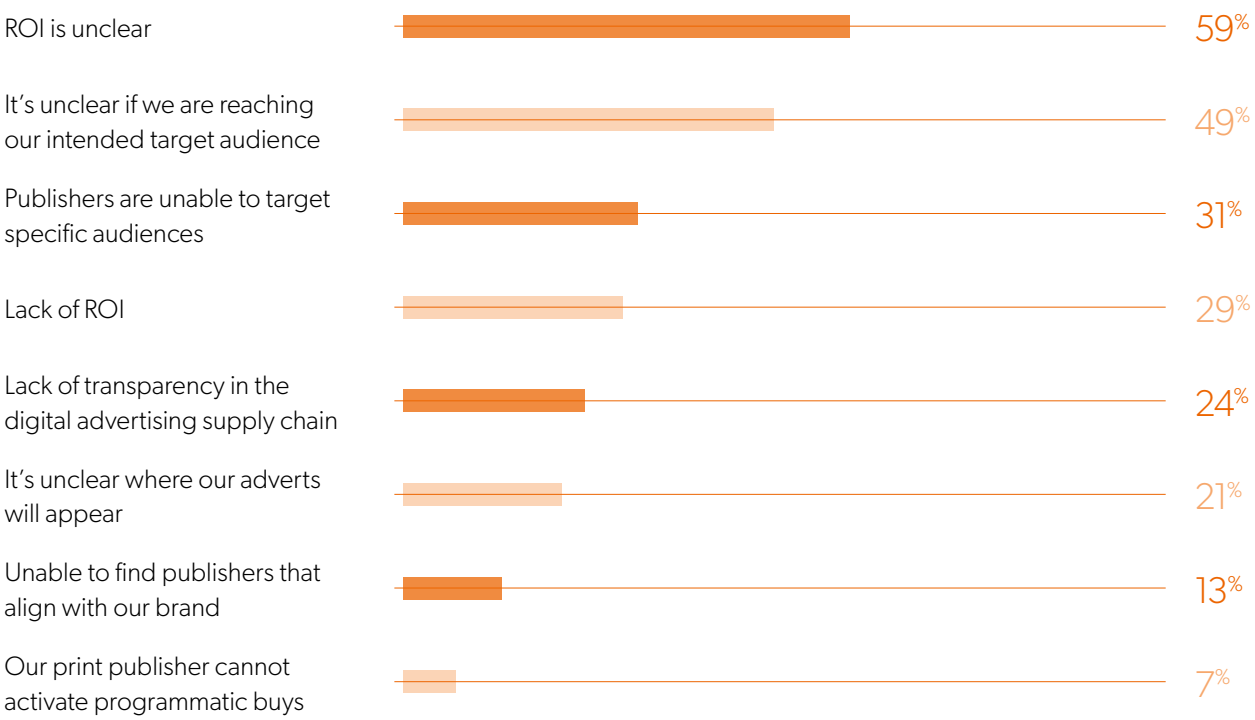


The reasons why B2B marketers have not fully embraced digital advertising may circle back to the concerns they expressed about digital advertising we saw previously. If they're not really sure they're obtaining ROI (59%), they don't really know if they're reaching their intended target audiences with their ads (49%), and publishers aren't able to target the audiences they're after – or at the least, aren't sufficiently clear about who they can target (31%) – then why would marketers want to take their (limited) budgets away from the tried and trusted channels they know will deliver these for them?

B2B marketers' preference to invest their budget in more traditional forms of advertising and sponsorship may also be explained by their lukewarm appraisal of the quality of audiences provided to them. The survey revealed that although (just) more than half rate them as good, a similar proportion (44%) think the opposite.

The top measures of audience quality marketers use are click-through rates (64%), conversion rates (59%), and return on investment (51%). While publishers and advertisers would undoubtedly argue the technology and tools are in place to deliver on these measures, there's a serious disengagement between the marketers who are actually convinced by this.

Figure 3. Which of the following challenges do you face when buying digital advertising?



Section 2

The value of auditing

Last year appeared to be something of a watershed year for the digital advertising industry.

A bombshell report published by the ANA alleging non-transparent practices across all areas of the industry (not just digital) was followed at the start of 2017 by a provocative speech by Procter & Gamble CMO, Marc Pritchard that railed against the lack of transparency in the media supply chain and set out four steps the household goods giant would take to clean up the industry.

One study published estimated up to a fifth of the $66 billion spent online by advertisers could be lost to ad fraud, such as non-human traffic or fraudulent traffic sources including fake domain names. And revelations exposed by *The Times of London* that well-known brands were funding extremists, supremacists and pornographers through ad placement on hate websites and video sharing only further upped the ante in terms of demand for action.

This demand for greater clarity in the digital advertising process is reflected in the findings of our own survey.

The research found an overwhelming 95% of those surveyed said they would find it valuable if publishers could prove their audiences are legitimate through auditing. We've seen click-through and conversion rates, alongside ROI, are the crucial metrics deployed by B2B marketers, so it's not a surprise to find marketers hungry for a method that'll confirm and reassure them that the audiences they're targeting are genuine.

This desire for greater transparency and verification continues to be reflected in other findings, where an overwhelming 93% said audit of quantitative web analytics was important, and a further 96% would appreciate qualitative verification of audience profiles.

With that said, it should be noted more than three-quarters do trust the audience data they receive from their partner in the advertising supply chain. But it should be a concern for the industry that more than a fifth don't have faith in the data being delivered.

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In spite of the recent concerns regarding ad and audience fraud and transparency, few organizations have actually changed their approach to digital advertising. Just 17% have actually taken action in light of the concerns. More than half (55%) are aware but aren't behaving any differently and this may be a reflection of the inexperienced approach to digital advertising we've identified previously in the report. The B2B marketers who advertise directly with publishers against context are more likely to know where their ads are appearing, so feel less need to respond to the concerns.

Additionally, it may simply be the case marketers don't know what action to take. Nearly two-thirds (64%) of those surveyed said their partners in the supply chain had not explained to them what they're doing to tackle these issues. Clearly the industry has more to do to educate its customers on the efforts being taken to address these concerns.

Ads appearing on inappropriate sites or next to unsuitable content is the biggest concern around fraud and transparency that B2B marketers have, cited by 31%. Non-human traffic, such as bots or hijacked devices, was not too far behind with 29%. And a quarter said traffic fraud, where publishers buy traffic to their sites, was a worry for a quarter of respondents. While the industry has taken major strides in the past 12 months to address these concerns, there needs to be a push to ensure B2B marketers understand these efforts.

Figure 4. Have recent concerns about advertising and ad fraud led to a change in your organization's approach to digital advertising?

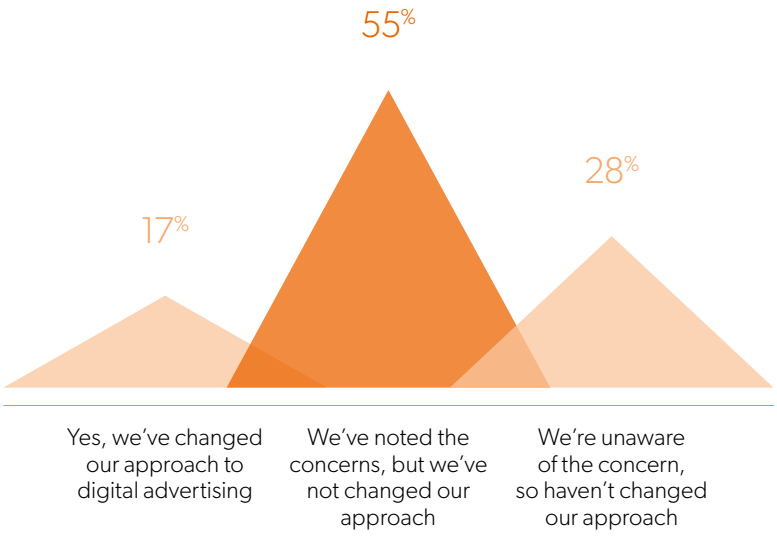
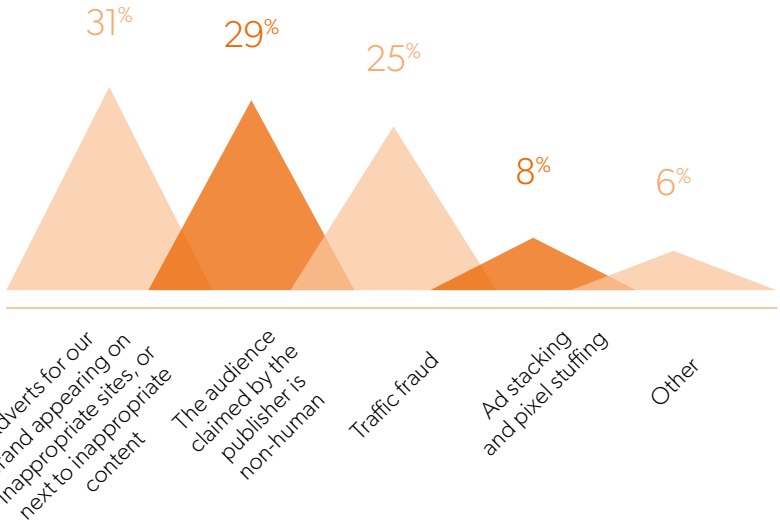


Figure 5. What's the biggest concern you have with regards to advertising transparency and fraud?



Comment

Publishers must bridge trust gap



Scott Roulet
VP, B2B Media Exchange
BPA Worldwide

The gap between the needs of B2B marketers and capabilities of traditional B2B publishers is growing.

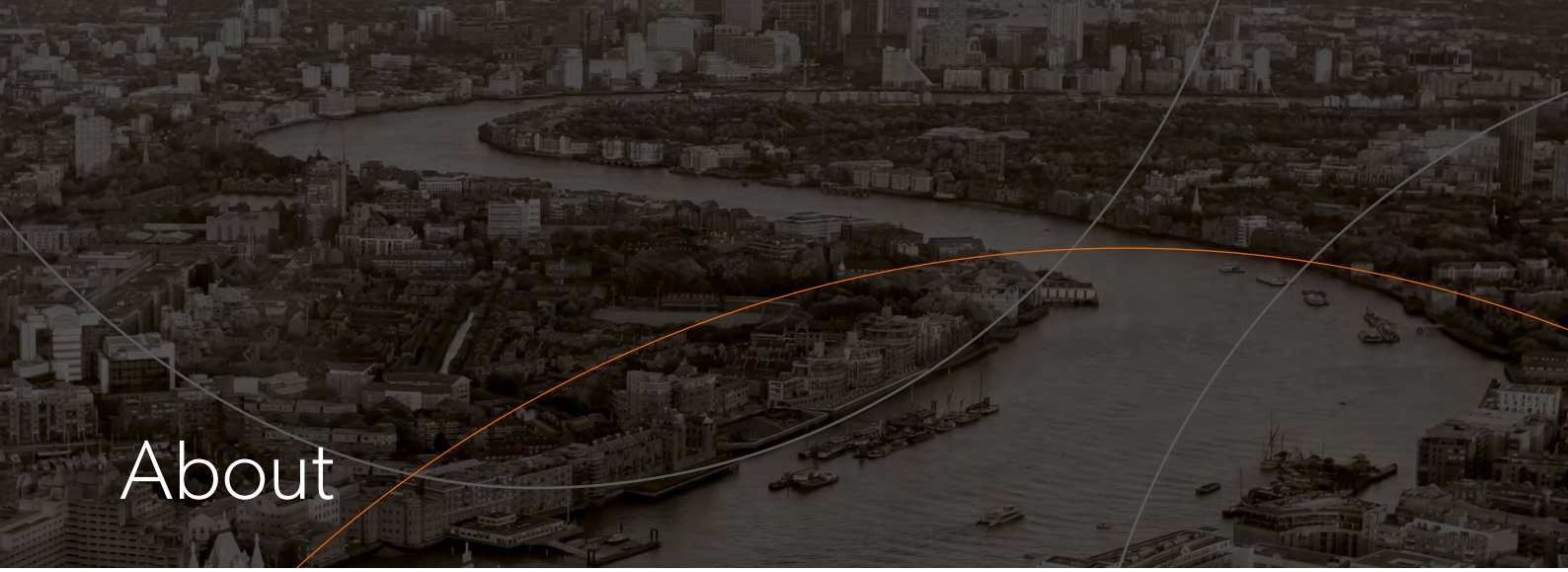
For decades, marketers relied on independent verification of audience validation for media investment in print publications. The digital advertising market has attracted new disruptive innovations intended to enhance the media planning and buying experience. New measurement tools are introduced at a rapid pace that is accelerating daily. Marketers have embraced many of those tools, however, the publishing community has been slower to adapt.

Publishers have been unable, or unwilling, to keep up with marketer expectations of discovery, activation and verification functionality. This report illustrates this divide which has created a void of trust.

Marketers want media environments with contextual relevance and qualified users. Furthermore, they expect specific user targets to match the users behind an impression delivering an ad. The digital ecosystem is saturated with a wide variety of solutions to connect buyers and sellers (publishers and marketers), however, most B2B publishers don't have the scale or resources to implement the necessary infrastructure. As a result, the endemic B2B marketer has found it difficult to balance media with content relevance and qualification of the audience.

BPA has been auditing print publication audiences for 80 years and it's now applying that core competency with the digital buying experience. The collective of BPA legacy membership has been leveraged to create a platform, the B2B Media Exchange, with economic models to attract the necessary technology solutions.

Marketers should continue to expect and demand verification without compromising efficient functionality. BPA has made this possible with our digital exchange with trust, transparency and verified quality.



About

B2B Marketing

B2B Marketing is the comprehensive information resource for B2B marketers. Its mission is to provide practitioners with the information they need to perform better and achieve more, whatever sector of the B2B space they are operating in.

Launched in 2004 as *B2B Marketing* magazine, it has since evolved into a multi-faceted resource, delivering a broad range of content in a variety of different forms and formats.

Its key products are:

- Online community
- Magazine
- Awards
- Research and reports
- Training
- Events
- Membership.

For more information on any of these products or services go to b2bmarketing.net or call +44 (0)20 7014 4920.

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BPA Worldwide

Throughout the world, BPA Worldwide is in the business of providing assurance. For 80+ years as a not-for-profit assurance service provider, BPA was originally created by advertisers, advertising agencies and the media industry to audit audience claims used in the buying and selling of advertising. In addition to auditing audience claims, through its iCompli service, BPA verifies compliance to defined government, industry, and organizational standards as well as adherence to privacy, data protection, sustainability guidelines and best practices. BPA is a trusted resource for compliance and assurance services, performing nearly 2,600 audits in over 30 countries.

BPA Worldwide introduced the B2B Media Exchange, a programmatic publisher collective, to bring 'go to market' opportunities to its publisher members.

The B2B Media Exchange enables publishers to serve their marketers through operational efficiencies of automation and best-practice tools that enhance marketers' ROI. Additionally, the platform can expose publisher inventory and audience segments to advertisers using existing automated buying portals.

BPA has a trusted reputation for ensuring quality standards for advertisers in the B2B market place. BPA will apply the same standards of quality and integrity to ensuring publisher compliance and will provide advertisers with audited B2B media digital assets in a brand safe environment and reaching desired target audiences.

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Contact us

B2B Marketing
Clover House
147–149 Farringdon Road
London
EC1R 3HN

Tel: +44 (0)20 7014 4920
info@b2bmarketing.net
b2bmarketing.net