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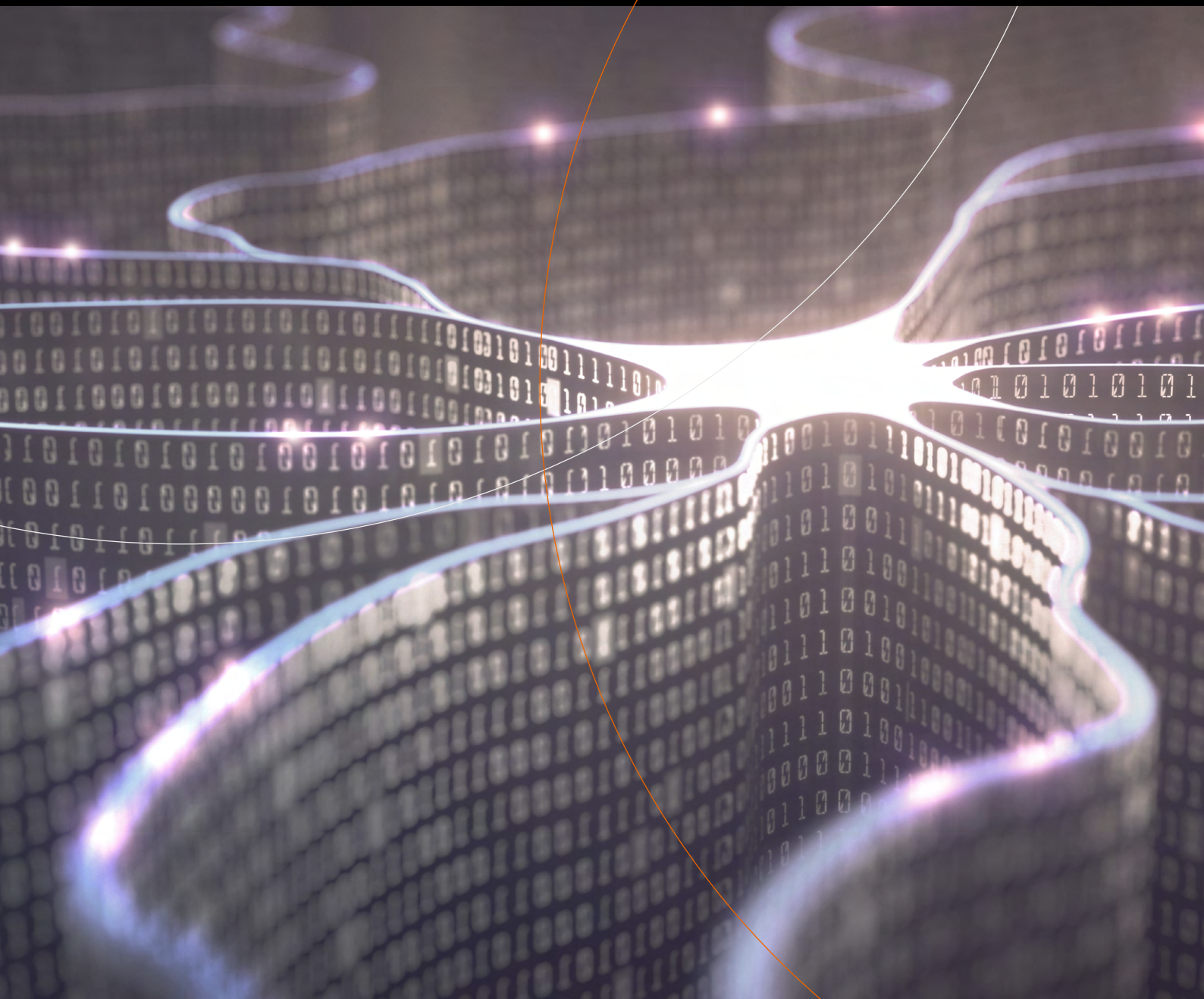
The future of predictive marketing

B2B Marketing

Insight · Development · Training · Events

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smarter business marketing





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Introduction

Wouldn't it be great to be able to gaze into a crystal ball and see who your hottest prospects are, what kind of content they want to consume and when they intend to make their next purchase?

It might sound like a pipe dream, but predictive marketing tools already provide this level of insight into the behaviour of your customers and prospects. But these insights will only be of use if your marketing team is ready to act upon them.

With statistics suggesting that between 50% and 80% of the buying journey now takes place digitally before the supplier is involved, understanding what prospects and customers are interested in and engaging with – and then being able to target them – is key.

This research, which surveyed 146 B2B marketers and was carried out in association with Cyance, aims to lift the lid on how B2B marketers currently handle prospects and leads, how prepared they are to provide personalised messaging to their audiences, and how aligned sales are with marketing when it comes to acting on the leads they are sent. We've also explored marketers' knowledge of predictive marketing, and the potential benefits such tools can bring.

It might sound like a pipe dream, but predictive marketing tools already provide a great deal of insight into the behaviour of your customers and prospects

Section 1
Prospects and personalisation

What are the top challenges facing B2B marketers?

Despite the huge number of changes marketing has experienced in recent years, its traditional priority of bringing in new prospects and customers remains the same, and that's reflected in our survey responses.

More than half of respondents report that filling the top of the funnel with a higher volume and better quality of leads (55%), and acquiring new customers (53%), are among their top three current challenges.

The third most commonly cited challenge is ensuring sales converts its opportunities – something that's easier said than done for many marketers, who may have little influence over what sales actually does with the leads it's providing. Something marketers can do to ensure their leads are acted upon is to ensure the prospects being sent to sales are accepted. And this is the next biggest challenge for marketers: building pipeline by turning marketing-qualified leads into sales-accepted ones (36%).

Technology can play a role in tackling these challenges. And 31% of respondents cited building and managing technology to improve efficiency and optimise their marketing operations as a challenge, as they seek to take advantage of the benefits tech can provide.

Figure 1
Top five challenges for B2B marketers

55%

Filling the top of the funnel with a higher volume and better quality of leads

53%

Customer acquisition

44%

Ensuring sales converts its opportunities

36%

Increasing the conversion rate of marketing-qualified leads to sales-accepted leads (building sales pipeline)

31%

Building or managing the marketing technology stack to scale, improve efficiency and optimise marketing effort/spend

Just under half of respondents (48%) said they were confident about their organisation's ability to identify and target new prospects

How good are B2B marketers at identifying their next customers?

The largest proportion of respondents (45%) are tasked with focusing on all prospects, from initial inquiries to closed sales. But even with so many potential targets, marketers are still upbeat about their ability to find these people. Just under half of respondents (48%) said they were confident about their organisation's ability to identify and target new prospects, with a further 10% declaring themselves very confident.

Figure 2
What is the focus of your marketing programmes in terms of new prospects?

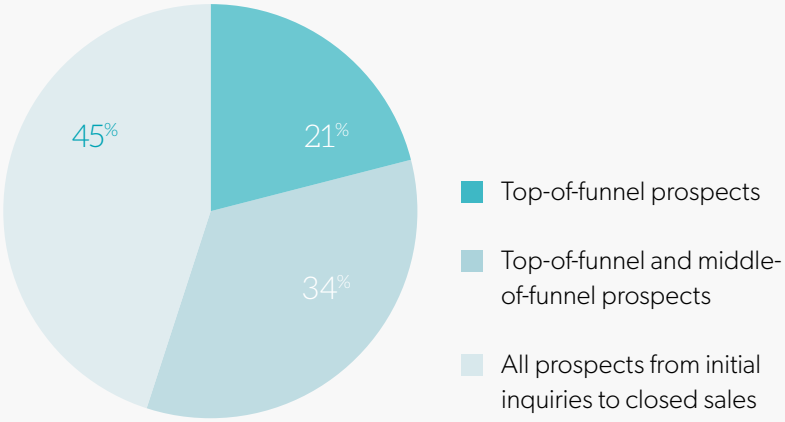
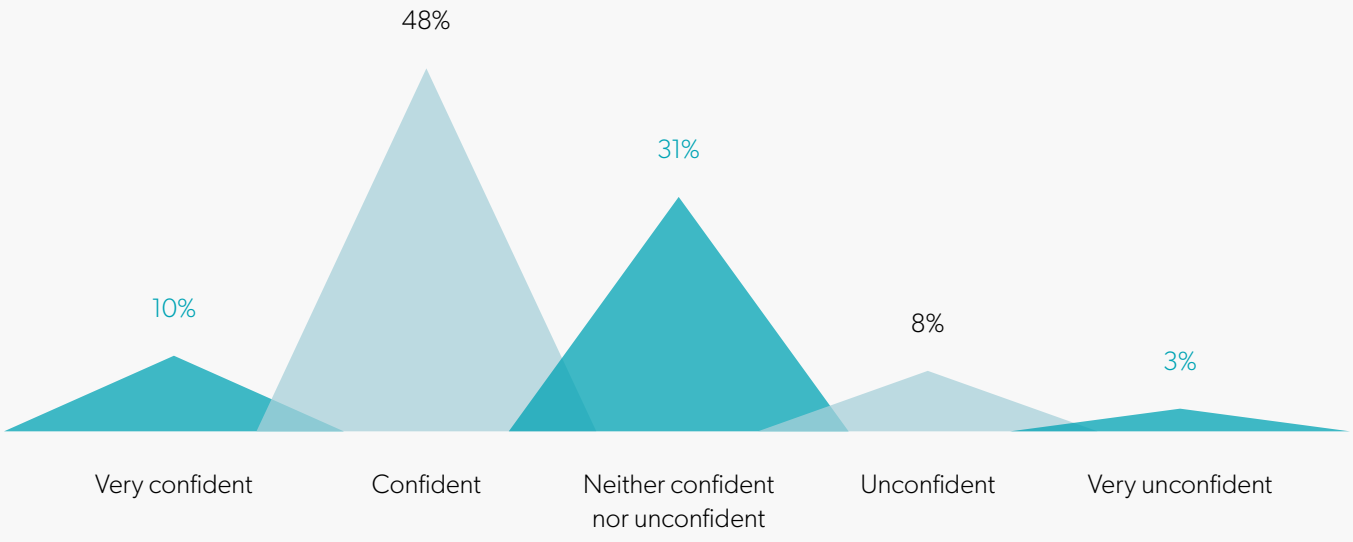


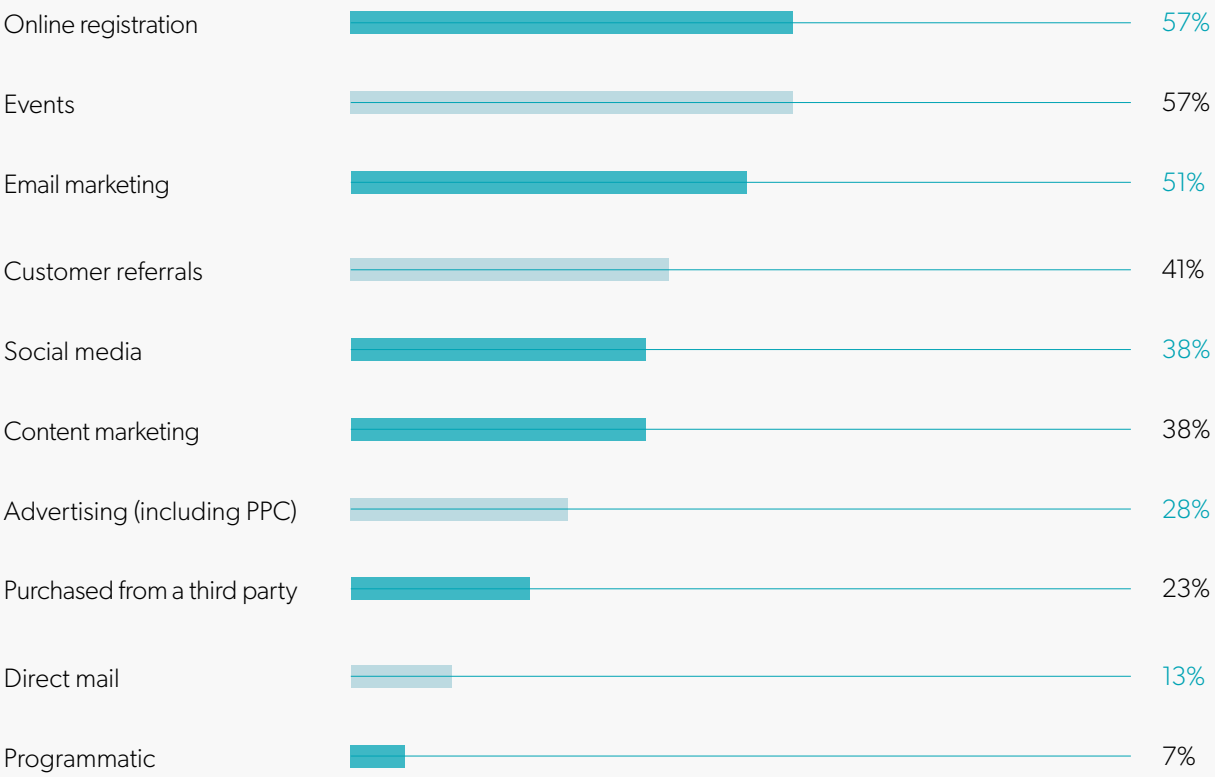
Figure 3
How confident are you in your organisation's ability to identify and target new prospects?



In terms of where organisations mine their information about potential new customers, online registration – gleaned from website registration and downloads, for example – topped the list of sources. Given the prominence of automated email marketing and social media, it's a surprise to see traditional events, such as trade shows and conferences, as the second most popular source. Programmatic is at the bottom of the list of sources of information, used by just 7%, indicating there has not been widespread adoption of this technology so far.

Figure 4

Where does your data about new prospects come from?



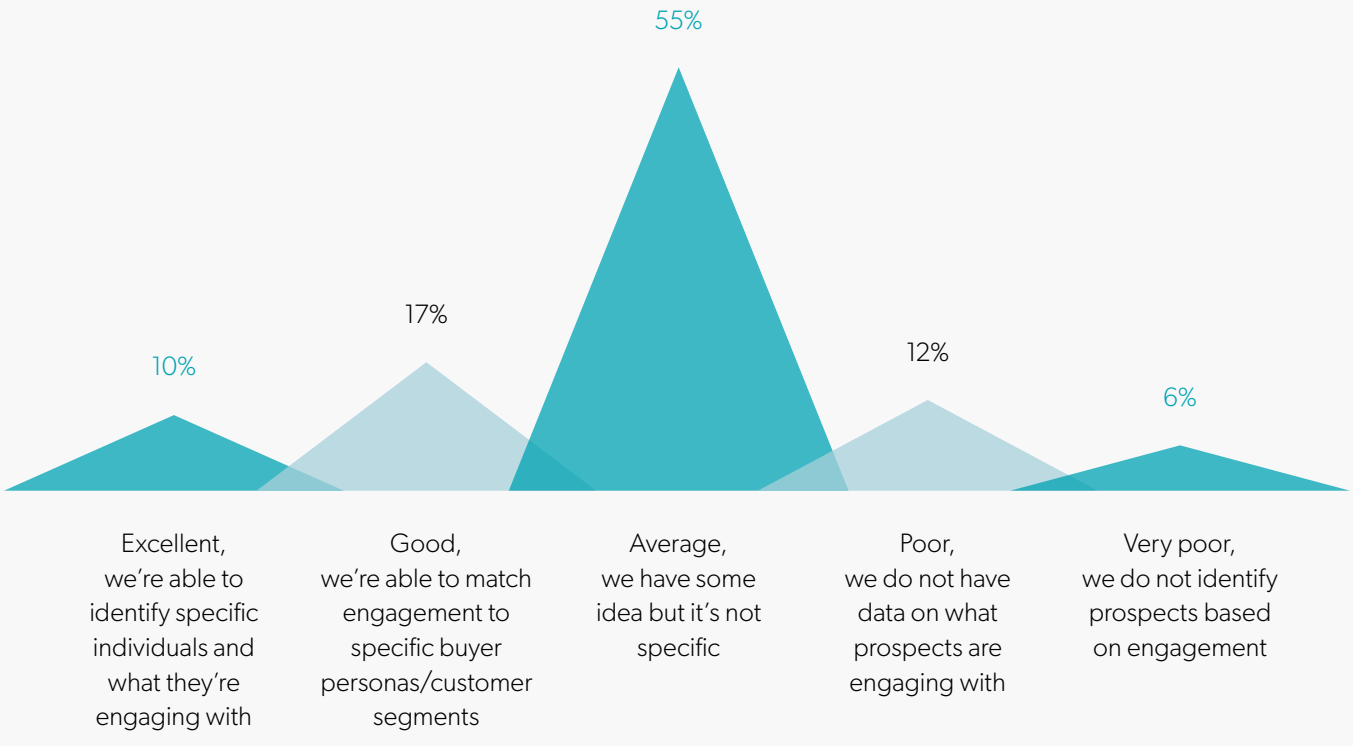
Positively, some 42% of marketers are able to track what prospects are looking at and engaging with right down to an individual level. And a further 37% are able to track activity, albeit only using non-personal information such as their location or the technology they're using.

However, respondents are less confident when it comes to their ability to identify whether the individuals engaging are potential prospects or not. The majority, 55%, only rate their capability as average, having some idea who the individuals are but without specific details. Just one in 10 believe they are excellent at this, and are able to identify specific individuals and what they're engaging with.

And there was a further positive finding in that half of respondents are using data gleaned from their prospects to influence the creation of the organisation's buyer personas and customer segments. Developing these audience profiles using genuine customer data is sure to make them more specific.

Figure 5

How would you rate your current ability to identify prospects based on their engagement?



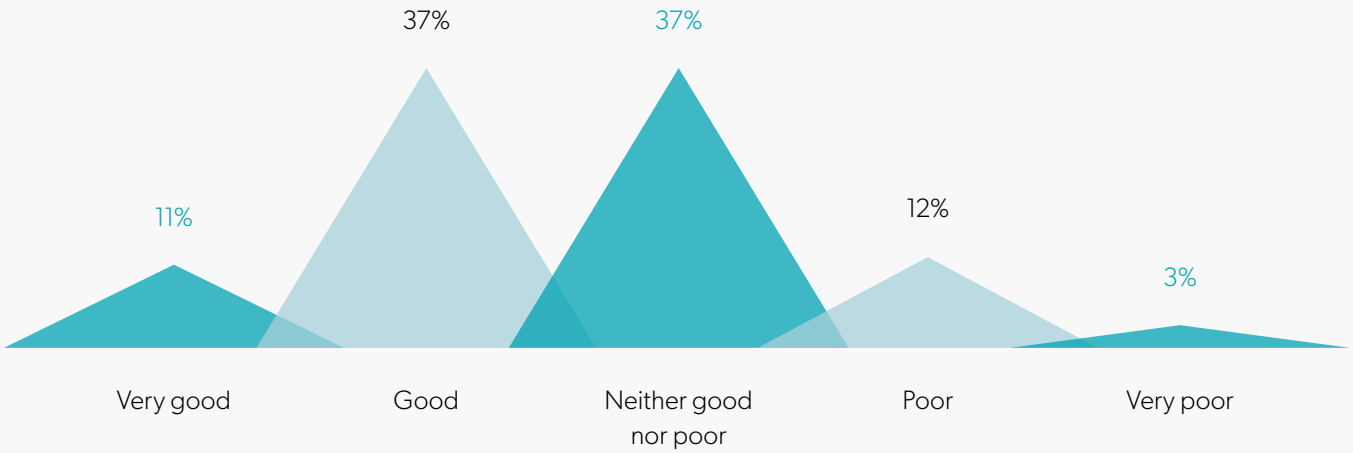
How good are B2B marketers at tailoring their content?

With so much marketing content ignored by buyers, personalisation is a really effective way of getting your message across. Our survey respondents agree, with a combined 76% describing personalising messaging to new prospects and existing customers on different channels as 'important' or 'very important'. Marketers are also confident about their ability to actually do it. More than two-thirds (37%) rate their ability as 'good', and a further 11% as 'excellent'.

But this confidence doesn't extend as far as tailoring content to prospects and customers based upon the interactions they make with the brand. Some 47% can't, while 21% don't know whether they can or can't. This is one of the major benefits of predictive marketing: being able to analyse buyer behaviour to target prospects and customers more effectively.

Figure 6

How would you rate your ability to personalise messaging to prospects or customers?



A combined 76% describe personalising messaging to new prospects and existing customers on different channels as 'important' or 'very important'

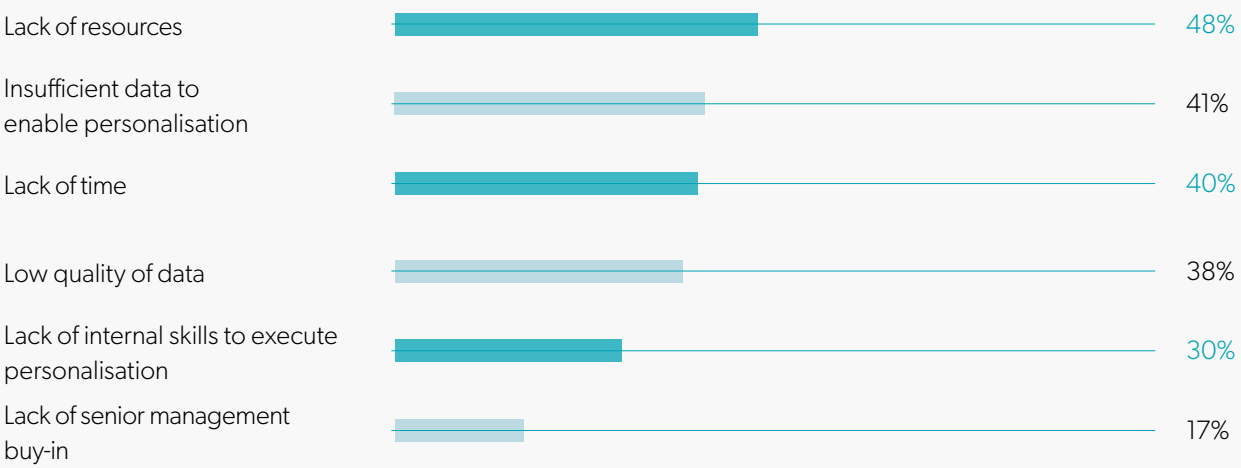
The main obstacle that prevents meaningful personalisation is one that trips up many a marketing programme: a lack of resources, cited as a challenge by almost half of survey respondents (48%). The second biggest barrier was insufficient data about targets to enable personalisation to take place (41%). This is an area where predictive marketing can be a major help, providing the necessary insight and data to enable more effective targeting of prospects.

Other frequently cited obstacles include a lack of time and the low quality of the data marketers are actually able to collect. Again, predictive marketing can be of use here, providing up-to-date insights down to the detail of specific, individual prospects.

This is an area where predictive marketing can be a major help, providing the necessary insight and data to enable more effective targeting of prospects

Figure 7

What are the biggest challenges you face in terms of personalisation to both new prospects and existing customers?



Section 2
Predictive marketing

Although predictive marketing tools have been around for a few years, it's fair to say that wider understanding of their capabilities hasn't yet tipped over into the mainstream consciousness of B2B marketers.

The results of our research indicate this awareness is at best described as 'average'. Only 7% of respondents rate their knowledge as 'strong' or higher, with the majority having looked into the tools, but few actually using them.

It's a similar picture when it comes to buying or tracking signal/intent data. Signal/intent data is a key component of predictive marketing; it tracks what buyers are searching for, engaging with and even clicking on – not just on your own website, but across thousands on the web.

But, according to our survey, B2B marketers aren't particularly familiar with it – three-quarters of our respondents say they have either never heard of it, or they don't currently buy or track it. Some 19% do buy or track signal/intent data, but don't use it to influence marketing strategies (which begs the question: why are they spending time and money tracking or buying it?).

Figure 8

How would you rate your awareness of predictive marketing?

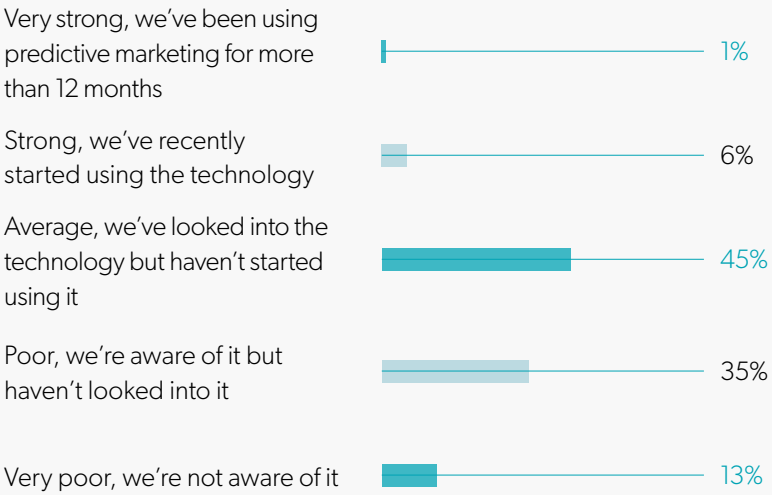


Figure 9

How familiar are you with the concept of buying signal/intent data?

6%

Very familiar, our organisation buys/tracks signal/intent data and uses it to inform marketing strategies

19%

Somewhat familiar, our organisation buys/tracks signal/intent data, but we don't use it to inform our marketing strategies

42%

Somewhat unfamiliar, I've heard of signal/intent data, but our organisation doesn't buy, track or use it

33%

Very unfamiliar, I've never heard of signal/intent data

The benefits of predictive marketing tools

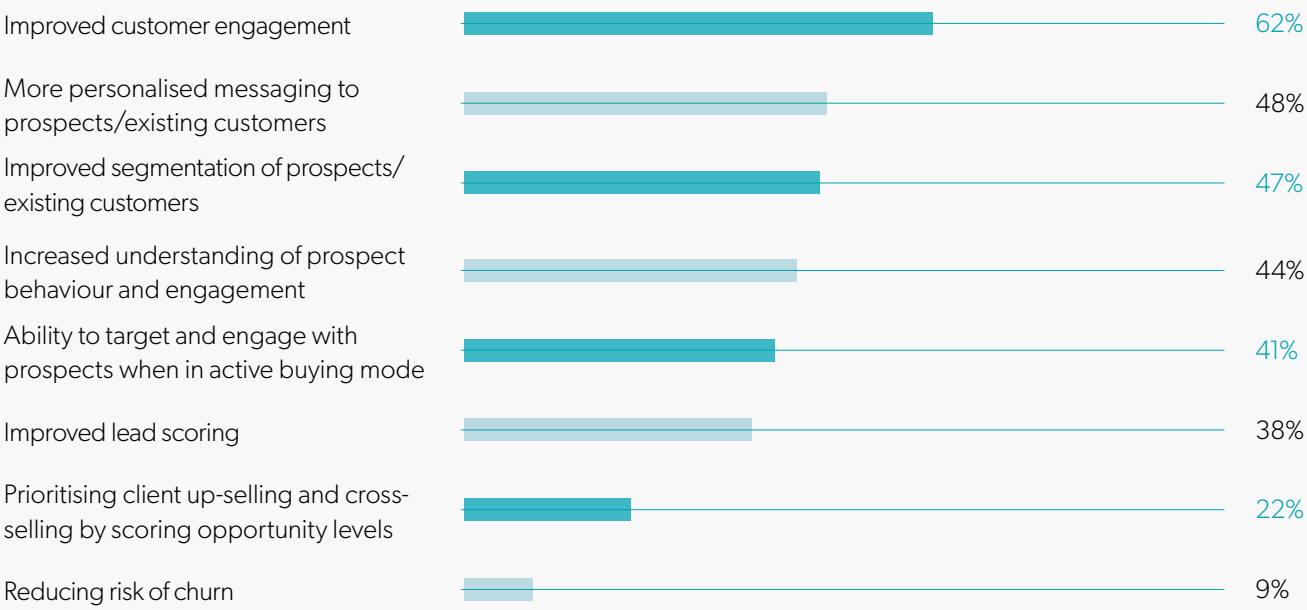
Some of the benefits of predictive marketing tools are better understood than others. Some 62% of marketers recognise the technology's ability to improve customer engagement. And just under half of respondents (48%) know these tools enable marketers to provide more personalised messaging to prospects and customers, and can improve the segmentation of customers through data (47%).

Less well-known benefits include reducing the risk of customer churn, and prioritising client up-sell and cross-sell by scoring opportunity levels. Customer retention and up-sell/cross-sell weren't cited as major challenges – just 23% of our respondents place them in their top three priorities – so it's possible marketers simply haven't considered predictive marketing as a potential solution to overcome these.

Less well-known benefits include reducing the risk of customer churn, and prioritising client up-sell and cross-sell by scoring opportunity levels

Figure 10

Which of the following benefits of predictive marketing are you aware of?



Some 11% are looking to invest in predictive marketing within the next 12 months, and a further 37% anticipate their organisation will adopt the technology within one to three years

So what's holding marketers back?

The main hurdle to the implementation of predictive marketing tools is concern over the perceived cost of investment, cited by 30% of respondents. And the second most frequently cited was lack of knowledge around predictive marketing (22%). It's clear there's some work to do around educating marketers on cost, and how predictive marketing can satisfy the all-important return on investment.

It's one thing to invest in the tools, but another to act on the insights they provide. This might explain why lack of resources is also raised as one of the top three worries.

But despite these concerns, it does appear there is an appetite in the market to learn more and take advantage of the tools available. Some 11% are looking to invest in predictive marketing within the next 12 months, and a further 36% anticipate their organisation will adopt the technology within one to three years.

Although just 3% of survey respondents cite the perceived risk of being an early adopter as the biggest barrier to implementation, it's evident many organisations are waiting to see how the technology develops over the next year or two before taking the plunge. Only 34% say they have no current plans to invest in predictive marketing.

Figure 11

Top three barriers preventing organisations from implementing predictive marketing tools

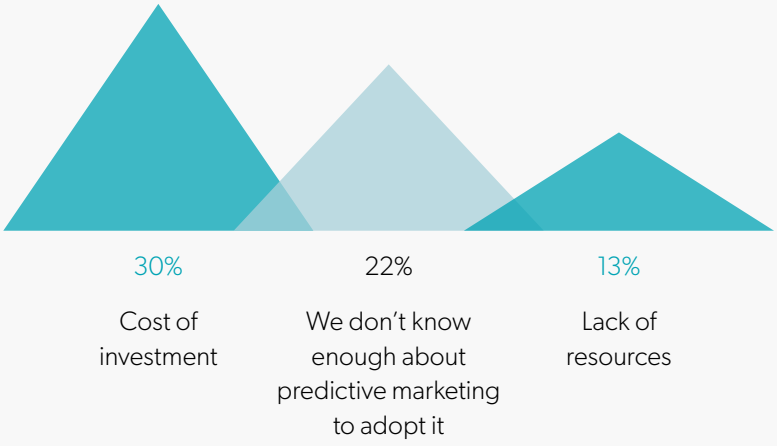
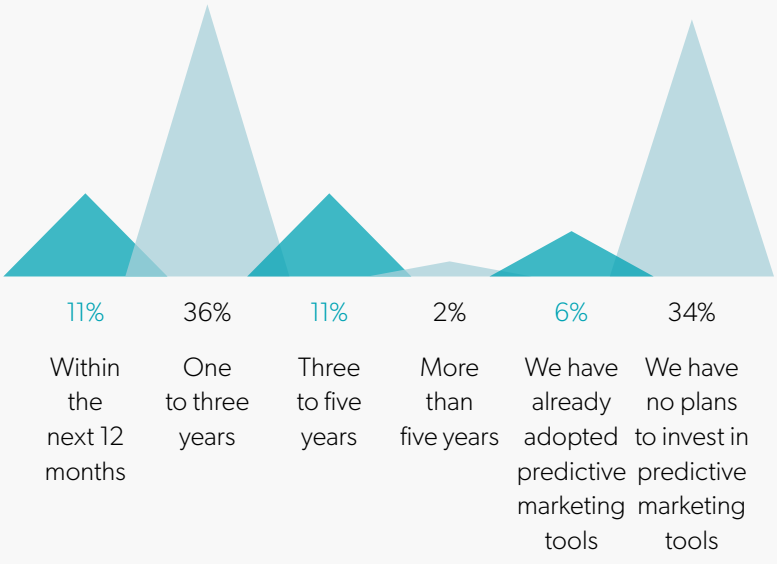


Figure 12

When would you anticipate adopting predictive marketing tools?



Section 3
An aligned approach

Alignment with sales

For the implementation of predictive marketing to be a success, your organisation needs to have embedded a culture where marketing and sales are working towards the same goals. After all, you can provide the most comprehensive data in the world, but if the leads you send to sales are ignored, what's the value for the wider business?

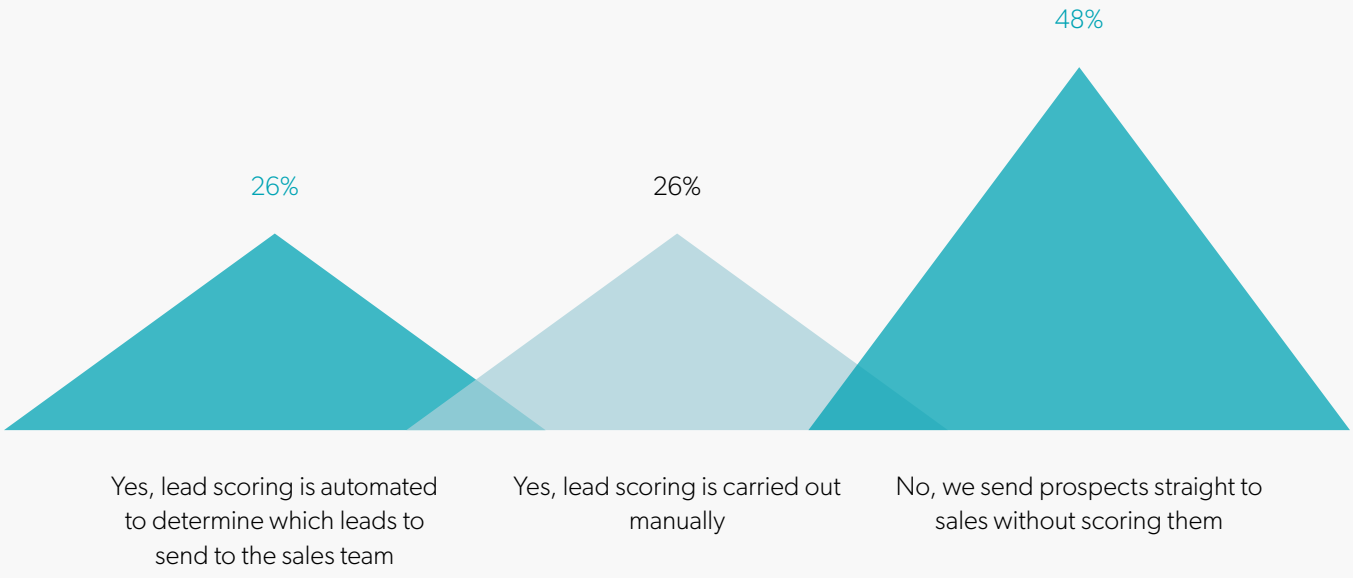
In section one we saw concerns around ensuring sales converts its opportunities as causing major headaches for marketers. While this is often not within marketing's remit, there are ways the department can improve sales' chances. One of the primary methods – and one that predictive marketing can assist with – is identifying the leads that are more likely to convert through lead scoring.

It's notable then that almost half of our respondents (48%) don't currently do this, sending their leads straight to sales without scoring them at all. Just over half (52%) do lead scoring, split equally between those that do it manually, and those who have automated it. It also follows that for more than half (56%), prospect data plays no role in how leads are scored.

It's difficult for marketing to expect sales to convert opportunities if they have no indication of the prospect's intent. It appears there's a real opportunity for predictive marketing to play a role here, and allow sales to pursue the leads most likely to convert – in our survey, 38% of respondents recognise improved lead scoring as one of the benefits of predictive marketing.

Figure 13

Do you employ lead scoring, and, if so, what's your approach?



It's a surprise to find that when asked to name their top concern about how sales handles the leads sent by marketing, it's leads not being followed up promptly that's the biggest worry, highlighted by 45% of respondents

The story is much more positive when looking at the approach around qualified leads. Just 2% of marketers are operating without an agreed definition. A further 37% generally agree, but without the formal documentation or processes to back it up. Some 29% have gone so far as to draw the documentation up, but are yet to integrate it into their process. And a third have integrated it so only qualified leads are sent to sales.

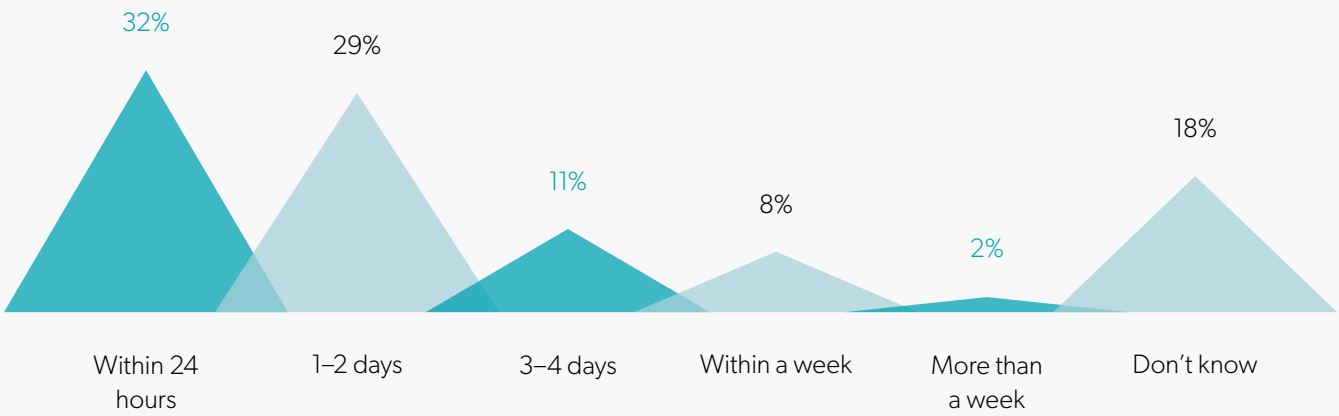
According to our research, sales teams do handle the leads they are sent promptly. Some 32% of sales teams follow up qualified leads within 24 hours, and a further 29% do so within one to two days. Only just over a fifth take longer than this to follow up.

So it's a surprise to find that when asked to name their top concern about how sales handles the leads sent by marketing, it's leads not being followed up promptly that is the biggest worry, highlighted by 45% of respondents. What could be the cause of this apparent contradiction? One reason could be that in the absence of any lead scoring, marketers have a different view of the strength of particular leads, and believe the hottest prospects are not being chased up quickly enough. This is another argument for implementing effective lead scoring.

Among the other worries cited by our respondents was that sales felt the leads being passed on were of low quality, highlighted by 32%. Again, predictive marketing can support this, providing more detail on a prospect's propensity to buy. Marketers are also critical of the lack of feedback from sales to enable them to score leads, which perhaps partly explains why so many respondents aren't providing any lead scoring for sales.

Figure 14

How quickly do the sales team follow up on qualified leads sent through by marketing?



Five key takeaways

1. **Is marketers' confidence in their ability to find new prospects misplaced?**

   The majority of B2B marketers are upbeat about their ability to identify and target new prospects – but is this warranted? It brings to mind former US secretary of defence Donald Rumsfeld's quote regarding "unknown unknowns". If marketers can't track what prospects they're engaging with, do they really know how many potential prospects are slipping through their fingers?

2. **Predictive marketing can plug the data gaps**

   The marketers surveyed recognise how important personalisation is to targeting the right prospects and customers, and this will only increase in the future. Insufficient data is rated as one of the top two challenges around doing this successfully, but this is an area where predictive marketing tools can plug the gaps.

3. **Score leads to highlight the hottest prospects**

   If one of your objectives is to encourage the sales team to convert the opportunities they're sent, you need to make it easier for them to identify the hottest leads to follow up. Lead scoring, which almost half of our survey respondents haven't implemented, is a relatively simple but highly effective way of doing this.

4. **B2B marketers want to know more about predictive marketing**

   There's clearly an appetite for the benefits predictive marketing tools can provide, with more than half anticipating implementing them within the next five years. But a lack of awareness and knowledge, particularly around the potential cost, is holding marketers back. Providers should thus do more to outline the benefits and be more transparent about pricing.

5. **Don't forget about the 'soft' factors of implementation**

   Predictive marketing is powerful – but it will only be so if all departments are on the same page when it comes to acting upon what the insights are telling you about prospects and customers. Marketing and sales will need to work towards the same goals, underpinned by shared definitions of leads and expected service levels (such as how quickly leads are followed up) to make the most of this new insight.

A lack of awareness and knowledge, particularly around the potential cost of predictive marketing, is holding marketers back

A new solution to familiar problems



Jon Clarke
CEO,
Cyance

This survey provides more evidence to support the fact that the B2B marketing landscape is rapidly evolving. This is mainly fuelled by two key factors: a change in B2B buying behaviours, and continued adoption of marketing and advertising technologies.

Customer acquisition is still the top priority for most marketers. Many familiar obstacles still need to be overcome, including; filling the top of the funnel with better quality leads, and ensuring sales convert leads into closed business.

With so much marketing content ignored by buyers, personalisation is an effective way of getting your message across. A combined 76% of respondents cite personalising messaging as 'important' or 'very important'. But effective personalisation relies upon your ability to recognise individual behaviour and deliver tailored content to the right person at the right time. The respondents claim tailoring content to prospects and customers based on behaviour is a challenge.

Effective personalisation relies upon your ability to recognise individual behaviour and deliver tailored content to the right person at the right time

Some 47% can't, while 21% don't know whether it is or isn't possible. This is one of the major benefits of predictive marketing – being able to analyse buyer behaviour to target prospects and customers more effectively.

The survey suggests there is a general lack of awareness around predictive marketing and the value it can offer. Some 61% of marketers recognise the technology's ability to improve customer engagement, 48% know these tools help with personalisation and 47% see their value for improving segmentation. But there was no mention of the ability to transform customer acquisition campaigns, which is where we have seen some of the most impressive results to date.

Delayed adoption could be a missed opportunity



Andrew Ford
CEO,
Customer Gig

This survey is an important barometer for B2B marketers and such a competitive and powerful technology.

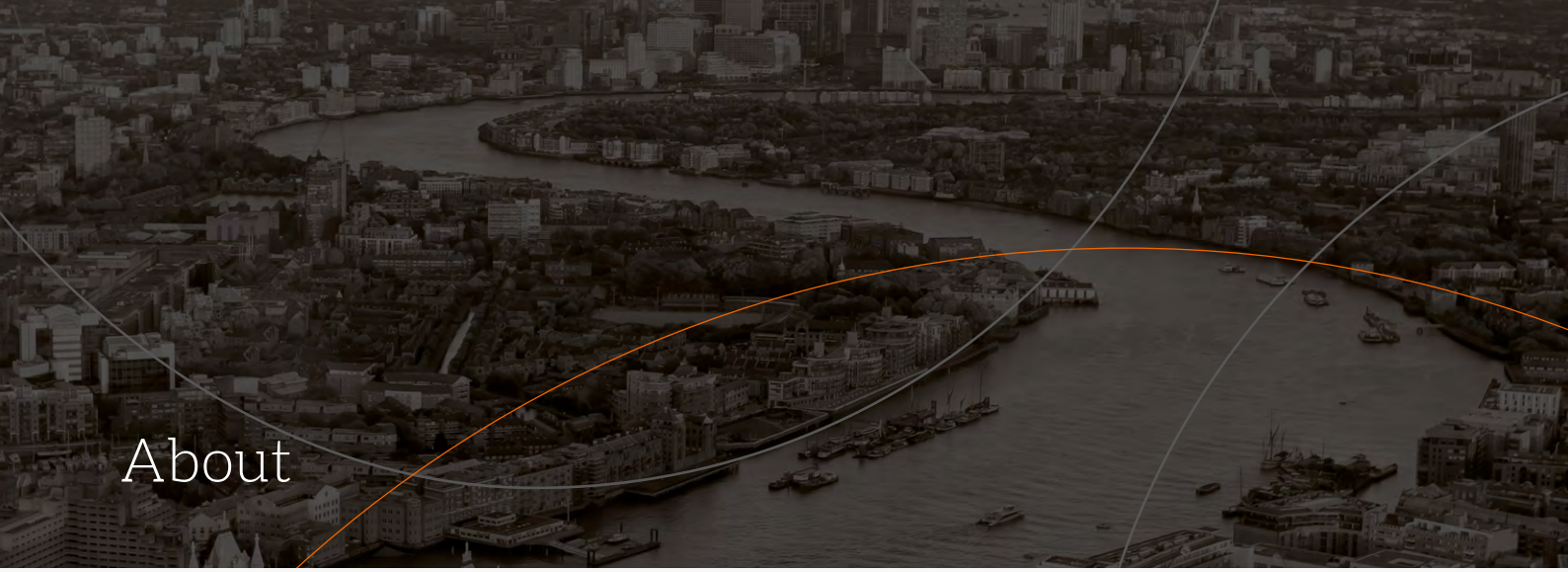
There is a lack of confidence in identifying and communicating with prospects, and weakness in ensuring suitable rigour in the alignment with business development and/or sales in the pipeline build, qualification and follow-up process.

More than 40% of respondents were neutral to very unconfident at identifying targets and new prospects, which means a wide number of businesses cannot drive new customer acquisition confidently. Nearly 60% of respondents cannot track prospect profiles, and it was no surprise to me that more than 70% say their ability to identify prospects is average to poor. There is a significant lack of confidence in identifying and tracking prospects, and if they are identified they are coming from very blunt and costly methods.

Additionally, although marketing, business development and sales should be in lock-step to build pipeline, two-thirds of respondents stated they lack alignment, which would suggest a great deal of waterfall-qualified lead-generation leakage and inefficiency.

Nearly 40% are not personalising content to prospects, even though 75% state it's somewhat to very important to do so. Why not? It's principally down to poor data and lack of time and resources, which prompts the need for a new methodology to achieve greater intimacy for future pipeline success.

Predictive marketing could and should be a key part of a solution to help improve the situation, but more than 90% of respondents state their knowledge about such a powerful, competitive methodology and technology is average or worse. The highest number of respondents said they will adopt predictive marketing in one to three years, but any competitive business opportunity could be lost in the meantime. It is a priority for predictive marketing technology to be placed at the centre of tactical implementation and ongoing improvement.



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.

B2B Marketing

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Cyance

Cyance was founded in 2007, starting life as a data-driven B2B marketing agency. In 2015, we transformed into a predictive marketing technology company.

Our platform, Nexus, helps you to discover your next customers hidden in plain sight. Most businesses struggle to find new customers and sell more to existing customers. Nexus changes that for you!

The way that people buy has evolved. The modern buyer is a lot savvier, and a lot less likely to respond to unwanted marketing messages. Researching and reviewing has become the norm. Reaching buyers has become a whole lot harder as the traditional methods become less effective.

The good news is, wherever a buyer is on their journey, they leave footprints. At Cyance, we monitor these digital signals across the web and match them against a universe of over 150 million global organisations. By analysing how these billions of signals from hundreds of locations interact, we start to understand buying behaviour. Nexus uses the latest machine-learning technology to identify the customers most likely to buy or churn, and which leads are most likely to convert. And it's these actionable insights that allow marketers to create far more effective marketing campaigns.

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