

Digital Planet

How advanced are we?

A world-wide study of Internet and Web 2.0 practices in B2B

Executive summary

IAS White Paper © 2009

ias b2b marketing



B2B looks slow to adapt — but what an opportunity

From the results of our survey two things are certain. One, integrated digital marketing is an inevitable destination for all B2B brands. Two, arrive early and you'll get a better spot. The fact you're here at the first B2B digital forum says that you've already arrived. Or at least come down from the paper trees, discovered digital tools and are unafraid to use them. But you're definitely in the minority. As a species the B2B marketers are finding the pace of change hard to keep up with. And it's not just our cousins in B2C we're playing catch-up with, it's our customers! As if you need proof, take you as an example. Are you tolerating interruptive info push, or is it only the timely and relevant you indulge nowadays, followed by a dialogue you control? The B2B customer is at the top of the digital marketing ladder, and he's not even thinking about it. It's natural to him. It's our challenge, no — our duty! to keep up with our customers. And what an opportunity to leave the competition plodding behind. If you take one thing from our survey it should be heart. To gain a natural advantage in your marketplace digital marketing looks like the way to do it. You'll find my recommendations at the back of this mini-report.

Marc Keating | Head of Digital, IAS

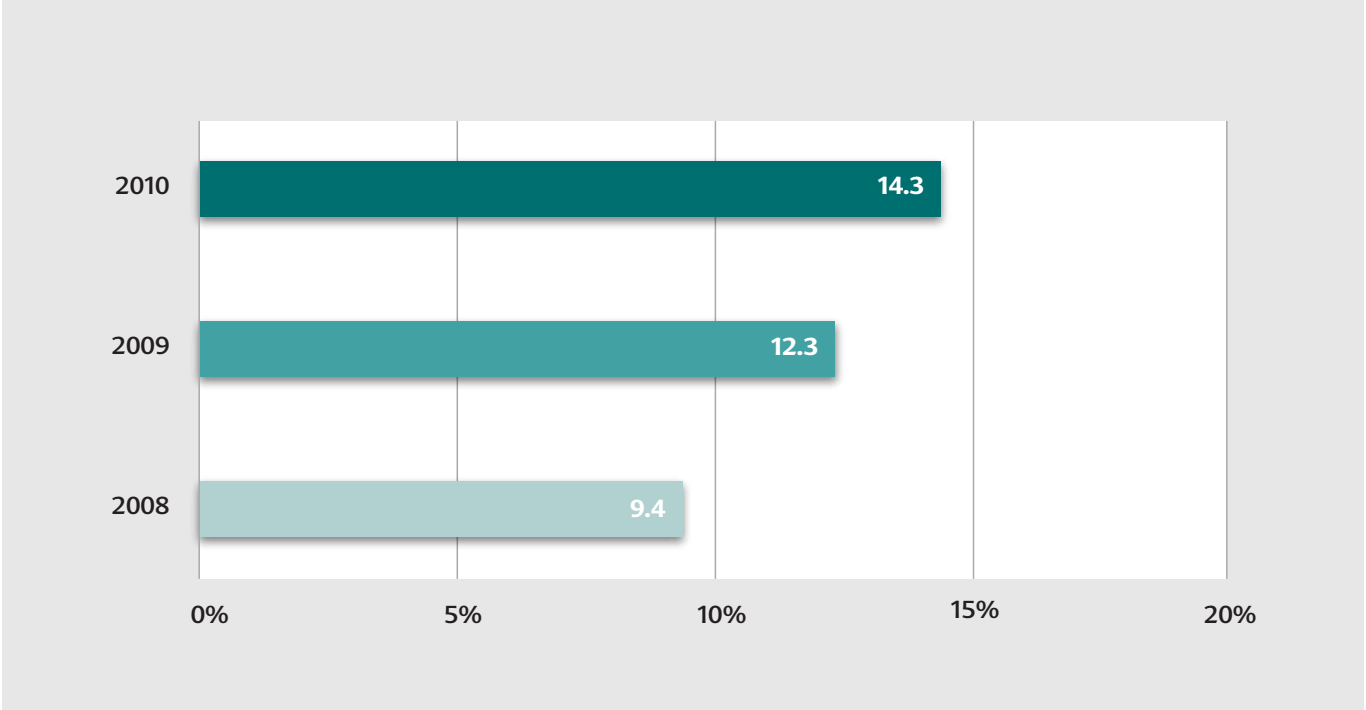
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Survey participants

112 companies from US, UK, France, Germany, Sweden, South Korea & Brazil surveyed from August to September, 2009

Accor hotels, Air Liquide Industrie, American standard brands, APEM, Aster Group, Auto Clover CSC, Belin Stenbeck AB, BNP Paribas Assurance, Bostik, Bouygues Telecom, Burgmann Industries, CALS, Card Crawford and ABS, CBRE, CDW, Cegedim dc, CEMA AG, Cessna, Coperion GmbH, Corus Colors, Dassault Systèmes, Dell France, DHL Global Mail, DORMA, Dow AgroSciencesLLC, Eastman Chemical Company, EDF Pro, Electrabel, Elekta, EuroShell, Facom, FirstAssist Legal Protection, Forensic Science Service, GDF Suez, Generali, Groupama, Groupe Nmpp, Guardian, Henkel AG, HK Systems, HL Display, Höganäs AB, Hydro International, Ibstock, INEO GDF Suez, INVIVO, John Deere France, John Deere US, JS Corporation, JunjinCSM, KM ink, Koelnmesse GmbH, KWS SAAT AG, Lafarge, LCL, LG CNS, Manitou, Mannheimer Morgen, Medi-Future, Merial, Mölnlycke Healthcare, Mono Pumps Ltd, Munters AB, NACCO Materials Handling Group, Natixis Assurances, NatureTech, NCC, Nexans France, Novell Gmbh, Office Depot, PBS Software, Pilkington's Tiles, Pixmania Pro, Puratos Group, Saab, Sage Software, Same Deutz Fahr, Samkwang Glass, Sandvik Coromant, SATA, Scafftag, SD Worx, Securitas, Seifert & Partners, SGD, Sindoricoh, SK Chemicals, SKF Lubrication Systems Germany AG, Sodexo, Solvay Pharma, SOPEXA, Spacesaver Corporation, Streamson, Thales Group, Trelleborg Offshore, TTS GmbH, TÜV SÜD AG, Veolia, Werner Enterprises, Weg, Merial, Gerdau, Scotia Homes

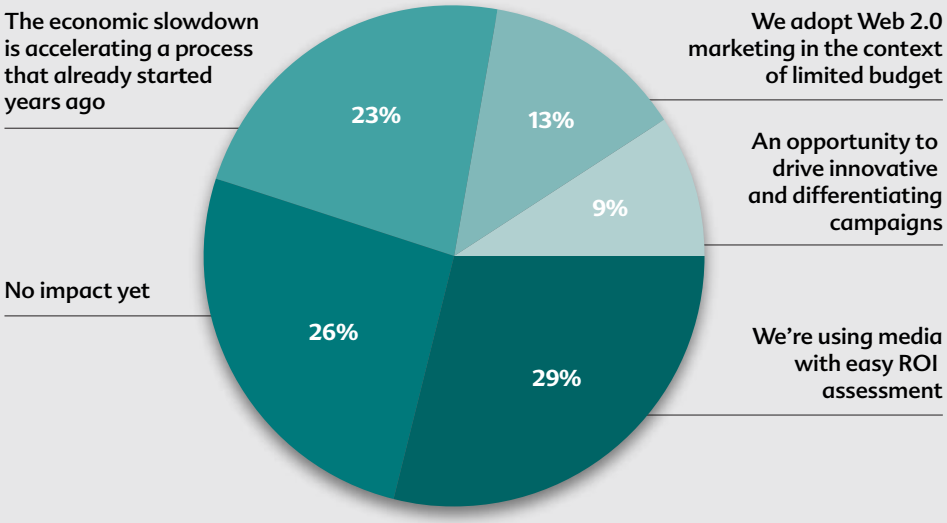
B2B's percentage of budget devoted to digital



Marc's comment:

Well at least it's going up! But it's far from a revolution. How much longer can the inertia last? We expect digital marketing to be taken more seriously over the next twelve months due to its cost-effectiveness and inherent measurability. The signs are there. We've had clients dedicate over 80% of their budgets to digital communication strategies. We've heard many large B2C brands have dedicated all their budgets to digital channels and we should soon see some B2B brands adopting this model.

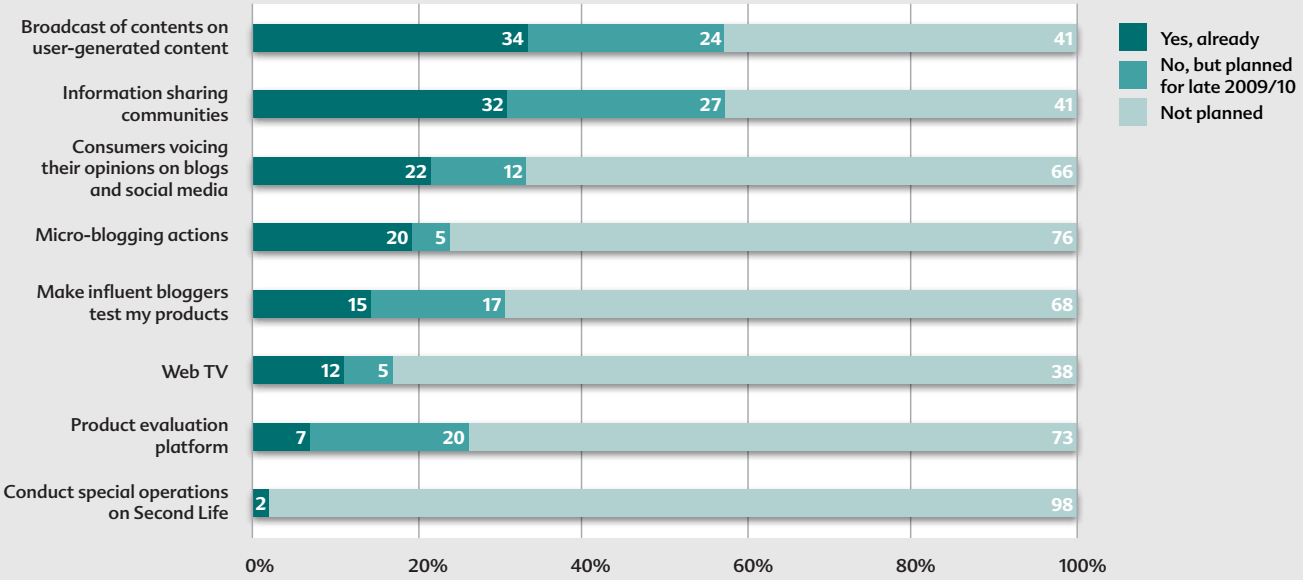
The impact of the economic crisis



Marc's comment:

So ROI is a priority but digital channels are not. Isn't that a contradiction? Looks like a case of people unable to reconcile their desires with their fears. They want ROI but won't risk anything out of their comfort zone to achieve it. It's their loss, as digital channels offer the accuracy they crave.

B2B's current action and future plans

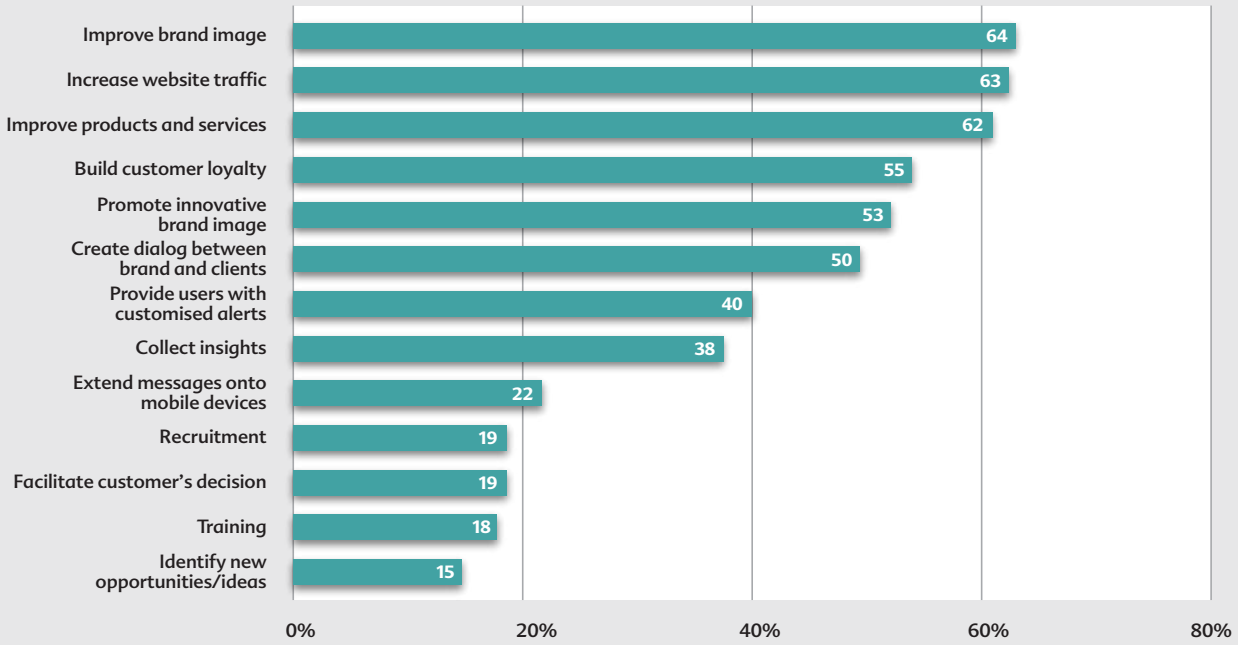


Marc's comment:

This hints that the tide is on the turn but the high percentages of people without a plan to adopt many of these channels is quite surprising. Within the B2B space customer purchasing decisions are being driven more and more by recommendations, which means we can't ignore B2B's social spaces.

We've also raised our eyebrows at the low uptake of Web TV. Rich-media video has to be a strong future B2B trend as it provides an opportunity for brands to make things like product demos and case studies a far better experience. YouTube is now the second biggest search engine and with video content being indexed by Google it is essential that brands create content that can be shared across social media communities.

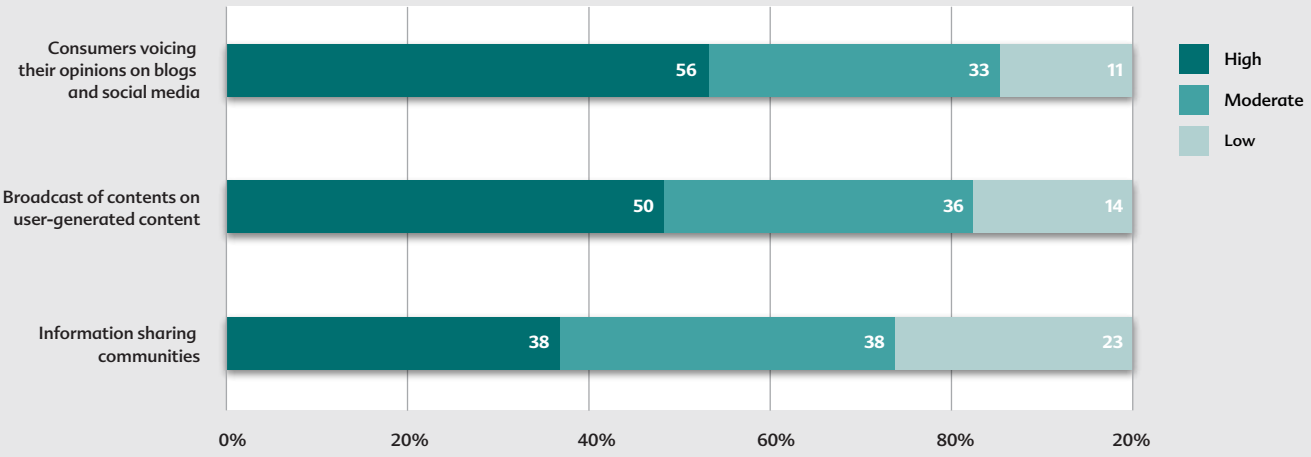
Reasons to use Web 2.0



Marc's comment:

It's a response which is quite revealing. Sort of, "You customer! Me brand!" kind of thinking. Companies seem to think it's all about them and are missing the point of Web 2.0. Which is the opportunity to engage in a two-way collaborative dialogue with users to gain an insight into what customers and prospects really want from brands.

The impact of Web 2.0 solutions



Marc's comment:

I wanted to end on a positive. The people who are implementing Web 2.0 tactics appreciate that the customer is in control of their brand and that he's the most powerful exponent of it. Hopefully these adopters of the technology will never look back!

Concluding comments

How will B2B marketing adapt over the next few years?

IAS has made some predications based on trends that we are experiencing now within the B2B marketing space and the wider Internet as a whole. One thing is for sure, digital marketing will overtake all other communication channels in terms of effectiveness, reach and measurability and it will dominate the budgets of all B2B marketing plans.

Social media marketing opportunities expand

B2B brands need to develop effective strategies to enter the on-line conversation. Over the next few years blogging, social bookmarking, video sites, social media and social networking should be viewed for what they are — the modern digital marketing mix. As users demand more transparent engagement with brands, organisations that share with their customers through customisation, conversation and co-creation will build richer, deeper and longer lasting dialogues. But tread carefully and listen to the conversation first before you share your voice.

RSS and Twitter go mainstream

We could already be seeing the death of email as a marketing channel. With so much more content freely available online and the growth in user-generated content, people are becoming more reluctant to provide their email addresses and opt-in to permission based communications. RSS feeds and real-time channels such as Twitter enable users to select the feeds of content that are relevant to their needs without the need to provide permission and share their email address. If Twitter continues to grow at its current rate it will become one of the key channels that users refer to when sourcing information. This means that brands must build their following now so that when the move to real-time communications becomes mainstream, brands will be able to tap into an established audience.

Rich-media content delivery

Within five years there will be broadband well above 100MB in performance and distribution distinctions between TV, radio and the Web will be no more. This will enable brands to deliver content in the form of video episodes and channels as apposed to static page content. Snippets of these episodes will be linked to social media communities, such as YouTube, where users will be able to sample a brand and then link to the product and an extended video experience in the form of podcasts or live product demonstrations. We will also see the delivery of real-time video customer support, where users will be able to see the customer support representative or sales consultant who will be able to interact in real-time through video page consoles.

If your website does not yet have any videos, look to add them this year, but be sure that they are relevant and useful to your target audience.

Deeper personalisation and the Semantic Web

The dawn of the virtual sales person is here! B2B websites of the future must be capable of adapting content and experiences to reflect the customer's latest interaction with the brand. This means that Web content pages will serve dynamically generated images and messages based on each user's online behaviour and user profile. The opportunity to target users outside of the branded website will also become more powerful as new behavioural advertising networks are introduced and contextual ad-based systems are integrated across the social media space. This means that content will be served to the user based on interactions and page views as apposed to the user selecting from pre-defined segmented entry points. Within B2B this will enable communication to become highly personal without being intrusive and pigeonholing users into stereotypical segments.

To achieve this level of personalisation, websites will require new content publishing systems that are linked to sophisticated data-mining tools that help to make websites more predictive and dialogue driven. The winners here will be businesses that invest in these technologies, and brands that use them to benefit existing customers and target new ones.

So there you have it!

To get the full report when we release it and further digital insights from IAS register at **iasb2b.com**

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