Really.



B2B Marketing ROI

Measuring Success...

Really.

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Really.



Only 6% of B2B leaders can calculate ROI all of the time

- B2B Leaders Report 2013

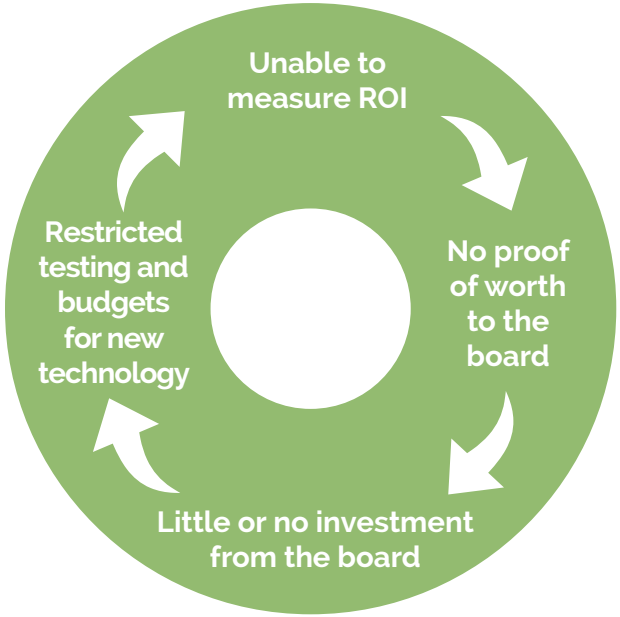
Introduction

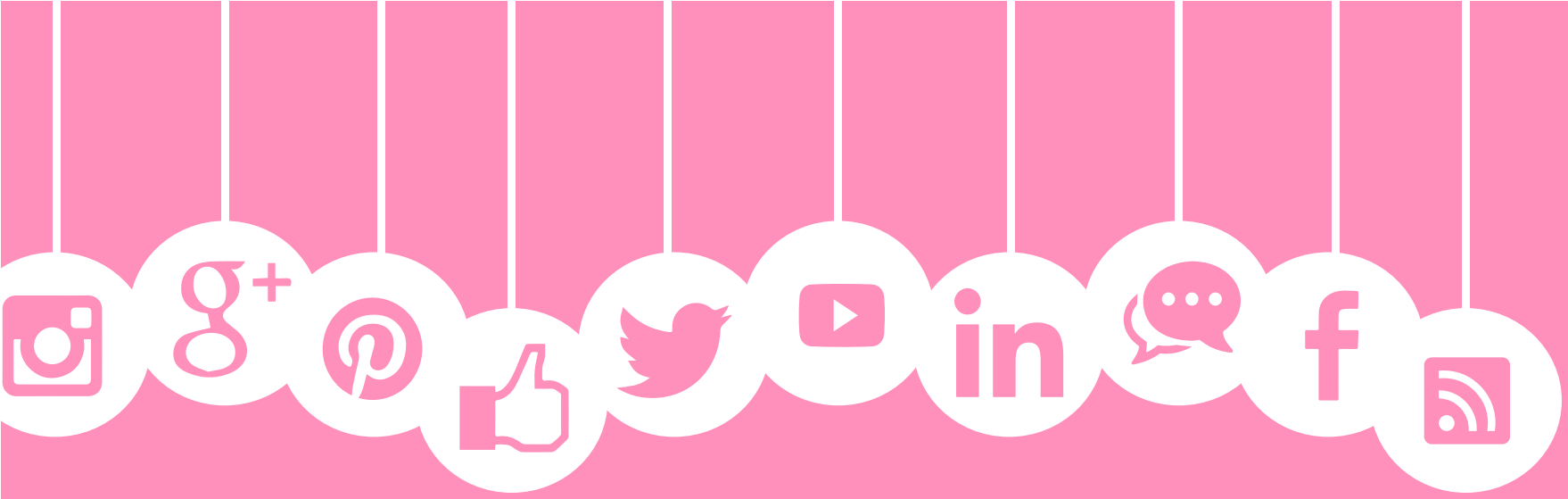
In the recent 'B2B Leaders Report 2013' produced by B2B Marketing and Circle Research, there were a couple of headline results that perfectly illustrate the state of the B2B marketing world at the present time:

- Three-quarters of B2B leaders feel their budgets aren't big enough, a third would like to see their budget at least double
- Only 6% of B2B leaders can calculate ROI all of the time

Is there a direct relationship between these two pieces of information? Of course there is. The economy is only now starting to see the green shoots of recovery, and businesses are still understandably cautious about company spending and budget allocation. This means that only the parts of the business that can prove their worth with concrete results are likely to see any serious investment from the board.

"The 94% of marketers who can't measure ROI all of the time are getting stuck in a vicious cycle..."





Really.

There are over 200 well-known active social networking sites

- Howmanyarethere.net

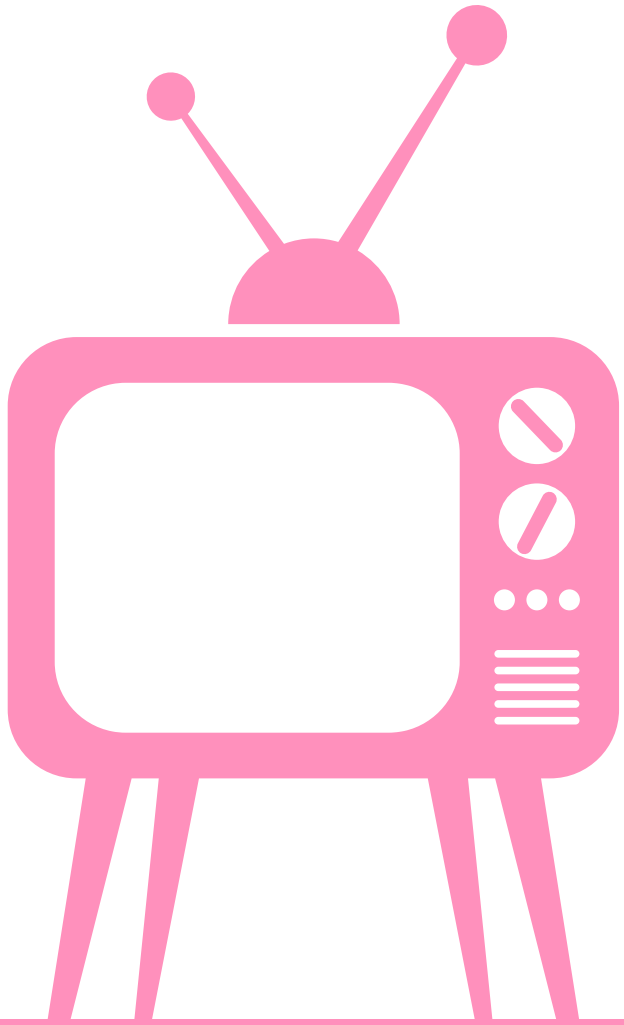
Modern Marketing Channels

There was a time when measuring marketing ROI was easy. The ROI of a direct mail piece could be calculated by simply subtracting the total production costs from the revenue directly generated by the response to the mail. When emails arrived on the scene, ROI was equally as easy to calculate. But things have changed. The world of B2B marketing has changed.

In the past few years, the number of communication channels used to reach B2B prospects and leads has grown at a lightening pace. With social media channels like Twitter, LinkedIn and Facebook (where relevant); plus blogging and content now being used frequently, marketers have their hands full.

And to make ROI even more difficult to measure, some of today's marketing techniques may not actually include a marketing message or a call to action (such as social updates on sites like LinkedIn). This is a hurdle which has arisen since the advent of inbound marketing and the prevalence of lead nurturing.

We all know that inbound marketing is a combination of content, blogging and social media that strives to show thought leadership and build a relationship of trust with a prospect. In the end, all of these channels may play some part in securing a sale, but the question is how to prove it... with numerical data.



Really.

During the last five years, the average sales cycle has become 22% longer

- SiriusDecisions



Moving The Goal Posts

As mentioned earlier, the current economy has meant that businesses are keeping the purse strings particularly taut. The outcome is that the average B2B sales cycle has grown in length from weeks and months to months and years.

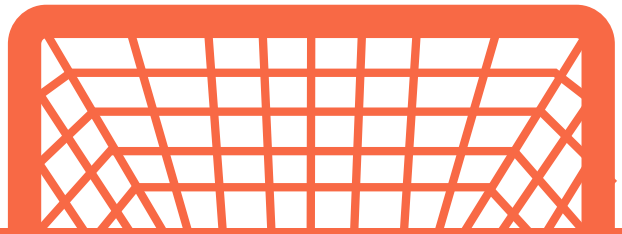
Decision-makers now carry out their own in-depth research prior to making contact with a company, and then use the findings to build a business case for funding from the board. This development of the sales cycle is based on decision-makers consuming huge amounts of relevant information, data and content. To accommodate this thirst for information, inbound marketing is more readily becoming combined with traditional marketing techniques. The process now involves nurturing leads through the sales cycle using highly-targeted thought leadership and engaging content.

But if traditional marketing is taking less of the limelight, does this mean that the traditional metrics are no longer suitable too?

To some extent yes. To calculate ROI in modern B2B marketing, there needs to be a variety of other measurements taken into account too. Examples of these are downloads, comments, likes, shares, website visits and many more.

It is vitally important though to never lose sight of the main metric – ROI. Likes and shares might look good on a social media profile, but they don't pay bills.

> *80% of B2B purchasing cycles are completed before the buyer considers contacting the vendor*
>
> Forbes



Really.

110+

The number of vendors in the marketing automation space

- fathomdelivers.com

The Sales Funnel and Marketing Automation

As traditional marketing more regularly plays second fiddle to inbound techniques, it's time to look at the B2B sales cycle from a different perspective in order to measure success.

On the following page there is a diagram of the sales funnel and the key stages within it. This is now the ideal mapping tool to illustrate the journey of prospect to customer. But in order to fully utilise this approach, an enabling marketing automation tool (such as Hubspot or Marketo) will be needed.

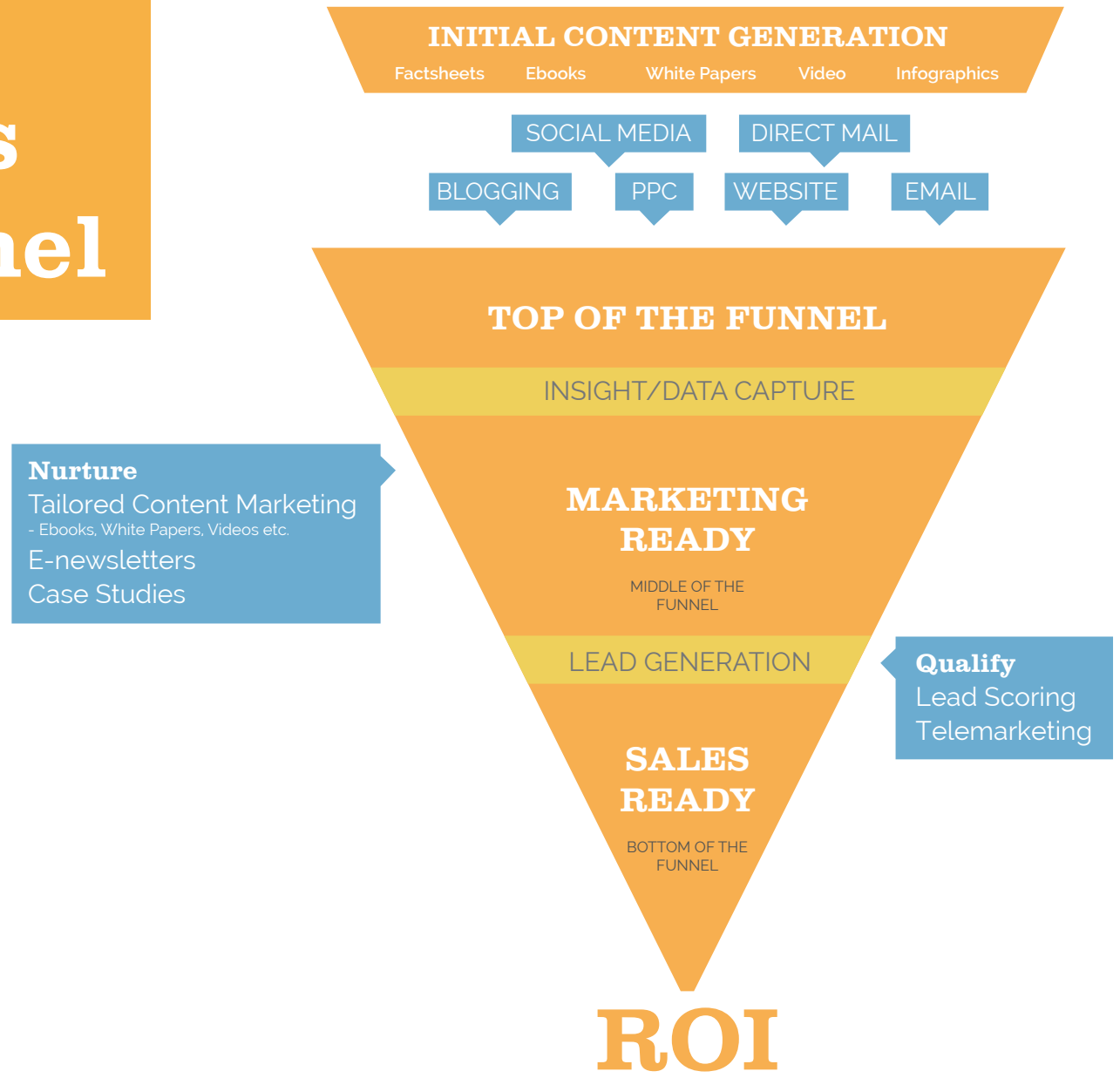
By being constantly aware of the lead's position within the sales cycle, it's possible to see what marketing technique is keeping them engaged with the business and what is driving them towards a sale. Is it case studies, white papers or blog posts etc?

A marketing automation tool will remove the need for manual input and instead nurture the lead with relevant content automatically. The outcome is that every step of the lead's journey is monitored and recorded in the marketing software.

The trouble with measuring ROI in modern marketing is that with so many channels, so much content and such a long sales process, how is it possible to determine what influenced the lead's desire to buy? This is where marketing automation comes into play.

By building a library of content and posting social media updates via an automation tool, it's possible to see how and when a prospect interacted with the material/post. Once the prospect has converted to a lead, they can be nurtured with more targeted content and their movements through the funnel closely tracked. What have they downloaded? What pages of the website have they visited? What social media channels and posts have they interacted with?

The Sales Funnel



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Three-quarters of B2B leaders feel their budgets aren't big enough. A third would like to see their budget at least double



- B2B Leaders Report 2013

Channels, Forecasting and Improvements

So there is now a huge amount of data and plenty of reports to be generated.

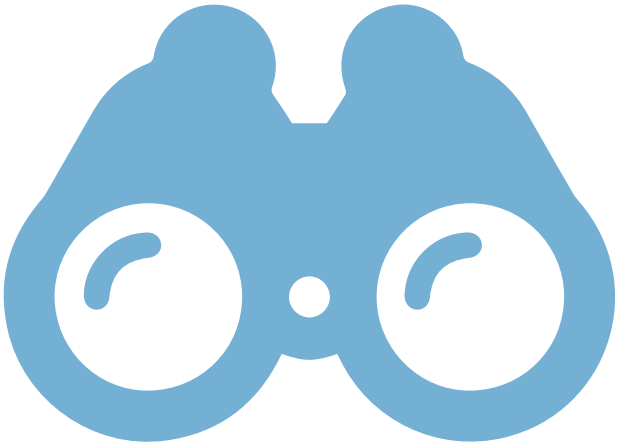
The key findings will include...

- **Engagement rate:** the number of prospects that engaged with your business/marketing channels
- **Lead rate:** the number of prospects that converted to a lead
- **Conversion rate:** the number of leads that converted to a sale
- **Closed business:** the total revenue generated
- **Pipeline:** the number of leads that end up on the forecast

With enabling marketing software it's also possible to determine what the most popular/successful communication channels/tools were.
Did many leads engage via LinkedIn?
Was a particular white paper downloaded many times? How many comments did a recent blog post receive?

By taking an overview of the latest customers' journeys through the sales funnel, patterns and trends can be identified such as conversion points, media consumption, frequency of interactions and sales tipping points. By understanding this data, it's possible to continuously update the marketing channels and messages to ensure the highest impact and increase sales and revenue.

Investigation of sales tipping points and most influential content can result in the automated process being updated so that when a lead is at the sales tipping point, they are sent the most powerful content, which is enough to convert them to a customer.



Really.



Only 12% of marketers have a very clear idea of the impact different activities have

- B2B Marketing's Leaders Report 2013

Conclusion

In today's world of decision-maker research and the ever-increasing role of inbound marketing, it is highly unlikely that a single piece of marketing material will be enough to generate a sale. Nowadays, buyers will digest large quantities of content before they decide to buy. This makes it difficult to work out the ROI per marketing channel (such as a blog), given that it may have been one of many engagements/interactions with the lead during the sales journey.

However, reviewing the data from the marketing automation software can help determine which communication channels and content featured most regularly in the sales cycle of recent customers, and which didn't. The channels and content which didn't feature regularly are most important here. If a business is marketing on a social media channel which has virtually no engagement levels, then they are wasting precious time, money and energy. If the business is writing white papers but no one is downloading them, then they are again wasting their time.

By reviewing these results regularly and either updating or removing channels and content which are not 'delivering', means that only the highest performing marketing practices will remain and ensure ROI is being kept at an optimum level.

By focusing only on the marketing techniques which are proven to generate sales, it's possible to keep overall marketing costs down while ensuring increased revenue and ROI.

When the time comes to provide the marketing reports to the board; the marketers who can show concrete results, cost-cutting measures and increased ROI are the ones who are most likely to see their budgets increase over the next twelve months.



Really.

That's us!

About Really B2B

Really B2B has been advising, devising and executing great B2B campaigns for over 10 years.

Along the way, we've attracted some of the finest marketers to join us - experts from a wide range of backgrounds, including technical, manufacturing, professional and financial services.

For advice on your B2B marketing give us a call on 0845 519 8517 or email us at info@reallyb2b.com