The 5 New Dynamics of Business Marketing

IRIS BUSINESS

Executive summary

B2B is changing, rapidly. The industry is struggling to keep up with shifting dynamics, the pace of change and accelerating expectations. Unprecedented pressure is the new normal.

In a global study of 640 decision makers carried out across 4 markets, we discovered that B2B marketers are either clinging to the conformity of 'what used to work', or hiding behind the complexity of new solutions.

Few are successfully capitalising on the opportunities created by a change in B2B dynamics.

Only **50%**

of decision makers believe B2B brands actually care about their customers.

2 in 5

don't agree that B2B brands stand for something they believe in.

Only B2B brands who create meaningful experiences and find creative ways to infiltrate decision making will survive.

What follows in this document are the 5 New Dynamics of Business Marketing that will help you to breathe new life into your B2B marketing and ultimately, move your business forward.

The B2B buyer's decision process has never been more complicated.

There are more stakeholders involved representing more areas of the business. More independent research is being done, taking longer, through a more diverse range of channels. Every decision is now more complex, convoluted and consensus-driven.

In response, many B2B marketers have made the way they engage with their customers equally complex and convoluted. They have embraced a growing range of channels and martech solutions in the belief that the answer to a problem of complexity is an even more complex solution.

But this is the exact counter of what customers are looking for. More than ever, B2B purchasers want to be engaged in a way that is simple, coherent and compelling. Rather than adding layers of complexity, marketers need to be stripping them away and getting closer to the fundamentals of what their customers are looking for: purposeful, valuable and interesting marketing that understands the dynamics of decision making in their business.

Through a global study of 640 decision makers carried out across 4 markets, we have identified 5 new dynamics of B2B marketing that progressive marketers can capitalise upon.

> "A global study of 640 decision makers carried out across 4 markets."

5 *new* dynamics of B2B marketing

The data suggests that the growth of millennial decision makers, shifts in business culture and the emergence of new generation enterprise brands like Apple have recalibrated customer expectations. Many B2B brands are struggling to keep up.

Participants in the study were decision makers from small, medium and large businesses within a range of sectors including financial services, healthcare and manufacturing. They were asked to answer a series of questions about the B2B marketing activities of a set of 14 leading technology brands including IBM, SAP, Apple and Salesforce in the USA, UK, Germany and Singapore. Data analysis explored a series of correlations between marketing activities like influencer marketing and content and performance measures such as consideration and likelihood to recommend.

The 5 New Dynamics of Business Marketing

1. Activate the network of influence

2. Don’t get lost in translation

3. True leadership trumps thought leadership

4. What’s in it for me?

5. Keep up with accelerated expectations

1.
Activate the network of influence

The number of stakeholders involved in making a B2B purchase decision has grown 25% in the last 2 years.[1] More individuals, representing more diverse parts of the business, are engaged in the purchase decision.

This means that the key to driving a decision is creating consensus between very different stakeholder groups: specialist departments, procurement, legal, strategy and the C-Suite. B2B marketing used to be focused on direct persuasion through one to one relationships. It now needs to focus more on facilitating consensus building between multiple members of a decision making network.

The greatest opportunity to infiltrate this 'network of influence' is by creating content that initiates conversations between these stakeholder groups. Our study found that the number one driver of first choice consideration was peer to peer influence, be that through direct recommendation or wider social proofing.

And with the rise of the digital decision maker (50% of product researchers are now digital natives, according to Google), this influence is increasingly taking place in digital spaces. 50% of over 35s claimed that their decisions were 'influenced by a peer I follow in social media'.



Samsung Knox: The Open Economy

Amongst millennial decision makers, this increases to 80% – making it vital that brands create content that not only enables the decisions, but drives influence and conversation.

Samsung saw its Knox security software as an opportunity to disrupt Apple's domination of the enterprise handset market. The brand needed to drive influence across a complex map of customers encompassing system integrators, software partners, resellers and operators. Through The Open Economy, Samsung sparked a debate that brought together these different stakeholders to celebrate the counterintuitive truth that high-grade mobile security can create a more open and flexible business.

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[1] Source: CEB, 2017

2.
Don't get lost in translation

Brands who distribute through resellers to smaller businesses are getting lost in a sea of sameness, with customers struggling to tell the difference between the offerings of competitor brands.

Their voice and culture is not translating strongly through the reseller channel, and the brands are becoming undifferentiated as a result.

When evaluating brands, smaller businesses were least likely to judge them as 'distinctive and easy to recognise.' Decision makers from larger companies, who have a direct relationship with a brand, scored brands as much as 29% higher. This is critical as the correlation between distinctiveness and top of mind awareness is 95%.

For brands to be thought about regularly, they need to ensure they have a distinctive character that can survive when being translated through intermediary channels and still cut through.

That means avoiding industry clichés and developing an original story, distinct visual assets and a unique set of brand behaviours. Brands seen to be 'provocative and challenging' were most likely to be both recognised and recommended.



SAP: Innovation Everywhere

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The challenge is exacerbated further down the funnel, where the 'golden contact' is usually delivered as a precise functional message by a sales expert. These are not brand experts who can deliver an emotional business hook. The brand's voice, culture and uniqueness is lost.

One high performer in this space was SAP, who was seen by 86% of small companies as a provocative and challenging brand. SAP has increased its channel focus significantly over the past few years with an expanded product portfolio and a cloud-first focus. SAP recognises that SMBs are looking for innovative ways to stretch their IT budgets in order to compete with larger competitors. SAP acknowledged the market needs and created programmes that build the brand alongside channel partners – treating them less as an extension of a sales team and more as a community.

3.
True leadership trumps thought leadership

Thought leadership programmes remain an effective tactic for driving credibility and remaining front of mind with customers. However, the market has never been more cluttered and thought leadership programmes have become a hygiene factor in customer engagement.

They may demonstrate thinking, but not leadership. The brands who performed most highly in the study were the ones truly acting like leaders, by embracing a more meaningful, potent and powerful set of behaviours that visibly demonstrate what the brand stands for.

According to the data, brands who act like purposeful leaders and are seen to 'stand for something they believe in' are more likely to be recommended to others in the organisation than those who rely purely on thought leadership. Yet 2 in 5 did not believe the brands we researched stood for something they believe in.



Samsung: Moon for all Mankind



Philips: Retiree Rescue

An action-led leadership programme can cut through industry siloes and galvanise support for your brand by showing a true commitment to issues affecting your customers. Philips' Retiree Rescue programme was built to drive the brand's credibility with healthcare professionals in the cardiology space. Rather than simply publish data on the growing epidemic of cardiac arrest, Philips committed to do something about it – building a training programme that empowered an army of retired citizens to use AED devices and so actively help hospital paramedics with their own mission of saving lives.

And while thought leadership programmes tend to appeal to specialist units within an organisation through fragments of niche content, a true leadership behaviour can cut through industry and company siloes and establish category leadership through one symbolic action. Samsung's Moon for all Mankind project combines leading edge technology (a virtual reality space simulation) with a social mission to open up the experience of visiting the moon beyond astronauts and billionaires. The project was launched at Mobile World Congress through an experience that proved the capabilities of the Galaxy ecosystem of products to technology decision makers from across the world. Our study showed that 74% of decision makers saw Samsung as a brand who cares about its wider impact on our lives and society.

4. What's in it for me?

Fundamentally customers are looking for clear and symbolic displays of interest from the brands they do business with. A sense that the brand is interested in and committed to fulfilling their needs.

Yet only 50% of respondents felt that B2B brands actually 'care about their customers'.

Customers still feel like they are being sold to, rather than having their problems understood and resolved through a committed partnership. Only 30% believed that the brands were 'committed to helping them fulfil their business needs'. There is an opportunity for business brands to up the levels of empathy they display to their customers, getting to a place where they understand the company's agenda and are crafting marketing programmes that speak to it.

And while professionals operate within organisations greater than themselves, that's not what they're considering when they select a B2B partner vendor.

> "Only **30%** believed that the brands were 'committed to helping them fulfil their business needs'."

> "Only **50%** of respondents felt that B2B brands actually 'care about their customers'."

They want to know what's in it for them – and decision makers increasingly want to work with brands who feel relevant to their lifestyles.

The data showed that customers are more willing to share their data with brands who 'enhance their passions and interests' (95% correlation).

This reinforces the industry wisdom that business people need to be treated more like people and less like businesses. It also reinforces the need for marketers to move beyond generic 'B2B speak' and adopt the real language of their customers. And the only way to do that is for marketers to immerse themselves in the worlds of those customers, really getting to grips with their pain points and unmet needs.

One brand who performed strongly against this measure was Microsoft, who have built specific programmes designed to align their enterprise offering to customer passion points. To engage with an enterprise C-suite audience who were influential over but disinterested in IT infrastructure purchase decisions, Microsoft demonstrated the power of the Cloud in a context they were interested in: golf. Microsoft Course IQ combined an unprecedented number of data points to create a tool of real value to a key corporate passion point.

5.
Keep up with accelerated expectations

Product researchers are progressing further than ever through their decision making process independently.

They are now getting 70% of the way through the journey before contacting a sales representative (up from 58% 2 years ago).[1] 53% say their time to purchase has increased and 82% of those are viewing more sources of information.[2]

So it's the brands who are making the experience of exploring their offering more enjoyable who are winning the hearts and minds of their customers. As functional performance becomes harder to distinguish between brands, the new battleground is in the levels of customer experience.

According to our data, decision makers are more likely to pay more for brands who 'make the process of researching their products more enjoyable than others'. And they are more likely to choose brands who 'create experiences I want to be part of'. It doesn't matter what category you are operating in, business customers have had their expectations recalibrated by brands who make the whole experience seamless and enjoyable. Customers demand interest, value, ease and enjoyment, and in return will be prepared to pay a premium for the brands who deliver it.

9 in 10 millennial decision makers feel that Salesforce is relevant right now in the industry, more than any other brand,

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because they are 'creating experiences I want to be part of'. They are following their own unique path and delivering humanised experiences and unique gamification techniques, not conforming to stereotypes of CRM software.

The brands succeeding in this space are creating a sense of momentum – of ongoing innovation within the customer experience that leads customers wondering 'what will they do next?'. 82% of study respondents were interested in what Salesforce would do next. That's 50% higher than for brands like Toshiba and Symantec.

[1] Source: DemandGen, 2017

[2] Source: CEB, 2017

Summary

B2B marketing has entered the networked age. A new kind of decision making process has emerged and B2B marketers need a new set of skills to help them infiltrate it.

Marketers must stop seeking solace in the conformity of 'me too' solutions and the complexity of ever more martech.

The B2B brands who create meaningful experiences and find creative ways to infiltrate the decision making process will unlock disproportionate returns.

To understand what the 5 New Dynamics of Business Marketing mean for your business and learn more about the case studies featured, get in touch to arrange a bespoke session.

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Iris Business is part of Iris – a multi-specialist creative network. We have a team of over 320 business marketing specialists, in six locations around the globe. We work with some of the world's biggest B2B brands – with specialisms in Technology, Health, Finance and Manufacturing.

Our aim is to create bold leaps forward for modern business decision makers by activating the new dynamics of B2B marketing.

We deliver competitive advantage through progressive, more creative communications that reimagine what B2B marketing can be.