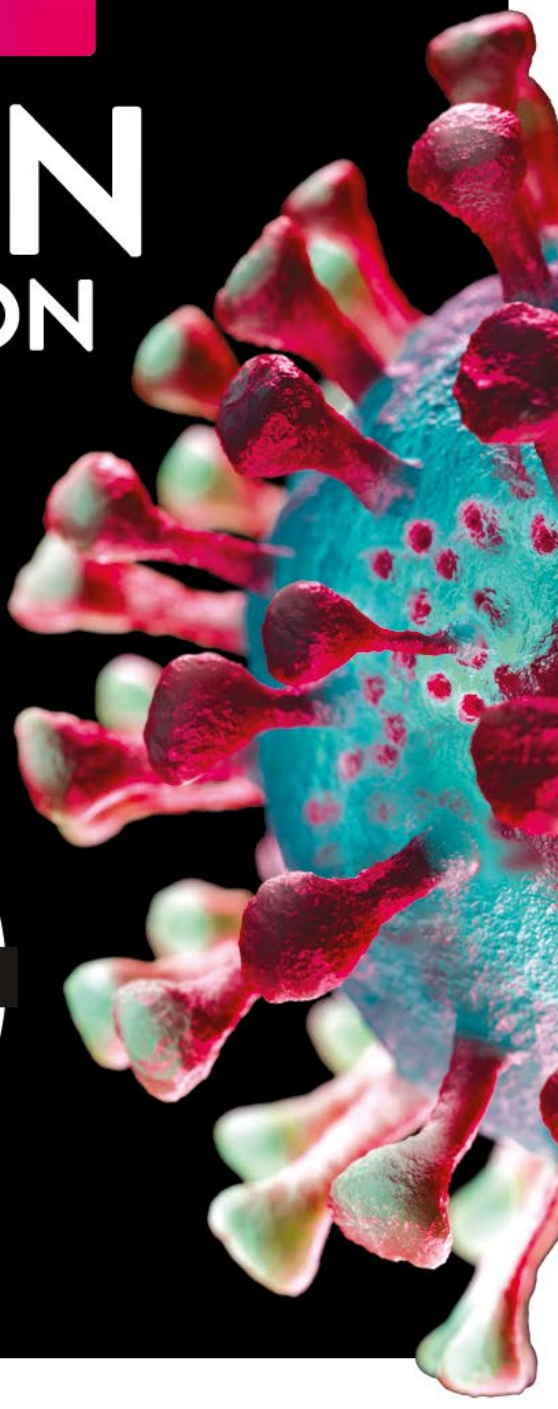
STEIN IAS B2B Marketing

MARTECH CONNECTION MEANS HUMAN CONNECTION





The Impact of Coronavirus on B2B Marketers

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B2B marketers move to the fore



Tom Stein,
chairman and chief client officer, Stein IAS

For the past several years, Stein IAS has teamed up with B2B Marketing to explore and share the perspectives of CMOs and senior marketers in the US and UK on the evolution of martech

Our exploration started with marketers' early challenge to realize martech's full value (a challenge that has somewhat abated but by no means been overcome). We later probed progressive marketers' push from tactical martech to strategic digital marketing transformation, introducing Stein IAS's own Digital Marketing Transformation Framework.

This year's report represents another progression, but with a major influence. The Covid-19 pandemic has played havoc with the world – and certainly the world of B2B marketing. It is extremely noteworthy, as you'll read in this report, that far from being blunted, martech's ascendance continues.

Most marketers had planned to continue their investment in martech. The pandemic and all-digital environment it ushered in has actually added impetus (and c-suite support) to these plans.

Most marketers had moved to one extent or another to full-blown digital marketing transformation. Now, Covid-19 has created an inflection point. Digital marketing transformation to enable deeper (and again all or mostly digital) engagement with customers has become of urgent and paramount importance.

With the pandemic and its necessitated shifts to more customer-supportive and empathetic communications, to higher-quality content at all funnel stages, and to enlivened digital experiences reflective of people's yearning for human connection, marketers are stepping up to meet this need.

In our interviews with the marketers you'll find in this report – and also in my own ongoing conversations with CMOs all over the world – there is change afoot.

Over the past decade or more, marketers have built real muscle. They have developed the skills around data and technology, insights and analytics, real-time intelligence and relevant messaging, agile ways of working and adaptability.

And, they have risen to the occasion. They have addressed the crisis from the front lines, pivoted to all-digital engagement solutions to support their sales colleagues, overcome the loss of the physical event channel, and on and on.

This is a time of great uncertainty. How the near and longer-term future plays out can only be a matter of conjecture right now. But there is a something of which I am certain: B2B marketers have led from the front lines. And now at the fore, we won't look back.

Introduction

For more than a decade, there has been an escalating reliance on marketing technology among B2B marketers. However, B2B Marketing's April report 'How is marketing's technology stacking up?' reveals that the relevant skills and structures are being adopted more slowly than the technology itself

Marketers' common aim has been to enable more effective, more data-driven, more precise and almost entirely digital marketing, as well as to create synergy across marketing and sales. There are many other drivers that are unique to the circumstances of each marketing organization, most of which are part of companies accelerating their overall digital transformations.

The preparation for this report began just prior to the realization of the magnitude and impact of the pandemic. It was originally intended to explore and amplify certain aspects of the B2B Marketing report, and to probe more deeply into areas of particular importance. The actual research, however, started post-pandemic. This provided the opportunity to explore the impact of the Covid-19 crisis on digital transformation, martech adoption and utilization and, importantly, martech's ability to deliver creative and content experiences that fill the gaps created by the pandemic's near-elimination of physical interaction. These gaps include:

- Customers' (read, people's) need for human connection and experience is extreme.
- Companies' need to build relationships in a fully digital context is also extreme – and extremely daunting.
- Marketers' need to use all-digital channels to replace face-to-face and other analog channels creates opportunities, but also the emerging challenge of digital saturation.

With this in mind, this report reviews the steps that organizations are taking to address the challenges and opportunities that have emerged from Covid-19. It examines the forward motion that currently applies to martech adoption in B2B marketing organizations, as well as the intensifying lean to richer, more emotionally-fueled content experiences. In addition to this, it asks whether these dynamics have been influenced, positively or negatively, by Covid-19.

We speak with marketing executives on a regular basis, which has enabled us to gauge their reactions to the crisis and observe developments in their strategy and tactics. We also interviewed CMOs and other executives at five companies in the first weeks of May specifically for this report. Hopefully, many of the observations and comments cited here will serve as guidance for other marketers as they consider their new plans for the medium and longer-term.

Section 1

B2B marketing was already change-in-progress

B2B marketers have been feeling like agents of change for quite a few years. The 'move to digital' imperative has become a common adage, and there has been a clear, growing reliance on martech. However, this reliance is often absent overarching strategy, training, frameworks, processes and cross-functional/inter-departmental collaboration to leverage martech platforms to best effect.

Coming from the roots of corporate identity marketing and sales support, most B2B marketing organizations were set up as somewhat-reliable generators and managers of qualified leads to be passed onto their sales teams. There was, however, less focus on becoming multi-disciplinary masters of multiple technologies, persona prioritization, buyer journey messaging, data, analytics, digital-first creativity and content experiences. The list goes on and on.

The next wave of martech (and marketing) change is already imminent, with an increasing number of CMOs realizing the criticality of customer experience and their responsibility to optimize that engagement. The result? Increased attention on content generation and delivery at a higher level, plus a new appreciation of the value of the quality of experience provided to customers, leading to increased interest in exploring new creative technologies, such as 360° video and virtual reality (VR).

Most B2B organizations of any size or level of ambition are also on some kind of martech-enabled digital journey, although each company's plan has different trajectories, directions and speeds. And now, the arrival of the Covid-19 crisis has driven a coach and horses through many organizations' digital transformation plans.

Covid-19 changes the pace

The fundamental changes which this crisis demands have meant that existing plans need to be adapted significantly, or perhaps even completely rewritten. Many plans written before Covid-19 are now completely irrelevant. The marketing executives we spoke to all saw their rewriting exercise in three phases:

- **Short-term/immediate changes to staffing, priorities and budgeting** – This usually began with consideration of how and where staff should work (regulatory work from home in some countries), collaborate and contribute. Personnel/wellbeing factors played an important part in this phase, but some marketers also quickly realized that urgent adjustments in their external communications were also necessary.

- **Medium/near-term plans** – Over the last few weeks, this timeframe has actually been stretching from an initial three-month window to probably the rest of 2020, as the end of the lockdown looms, though with uncertainty. These plans involve adjusting and re-allocating budgets (totals and mix), reacting to market data to adjust promotional and content programs. They also involve a re-assessment of martech plans.

- **Long-term planning** – Post-Covid-19, whatever that means, many marketing executives are already assuming that they will address what is essentially a new market scenario with different buyer behavior, new segmentation, and possibly even different offerings.

Externally, the short-term focus of most marketers has been on existing customers – often with little consideration of commercial targets – showing understanding and offering assistance, both financially and in service. In terms of martech, there has been a short-term focus on technologies supporting remote working and collaboration, as well as solutions enabling marketers to engage with digital audiences at scale. At the same time, there is concern about digital saturation and 'death by webinar' – promoting interest in approaches and platforms that provide for more compelling experiences and interactions.

Martech connection means human connection © B2B Marketing

Covid-19 has illuminated the need for martech and digital transformation

Marketers have also discovered that Covid-19 has accelerated programs that were already planned as part of their digital transformations, many of which had been delayed or paused because of daily tasks and demands prevailing in marketing departments. There is now a sense of urgency about a full-on transformation to digital. Resources have been redeployed towards digital, and external resources have been hired to provide more content and expertise. Furthermore, many planned activities are now on hold, releasing resources and energy to address the bigger picture digital transformation tasks that had been avoided until now. These include: technology audit and planning; educating adjacent departments; creating communities; and increasing social media output.

> *"We were already pivoting quite aggressively towards digital marketing but the crisis has now left us 100% focused on digital. We have realigned our internal resources and also added some external resources to be able to support this. When things get back to normal, any analog marketing programs will be considered additive, not business as usual, and they will be treated like a new project."*
>
> **David Silke, CMO, Mitel**

Another reason for digital transformation is to bring different departments together and encourage greater collaboration – the perennial challenge for marketing being its collaboration with sales. One immediate result of Covid-19: marketers have taken the lead to help their colleagues maintain digital contact and crucial relationships.

> *"Our partners in sales appreciate the technology we've adopted. We're helping them stay in contact with their customers, and also providing market intelligence and advice on topics to discuss. Covid-19 has placed a spotlight on our sales and marketing alignment."*
>
> **Tracey Schroeder, senior director global marketing, Ingredion**

> *"Now that our sales colleagues need to work through digital channels much more, we have been able to leverage our experience of social and other channels and provide them with social selling training."*
>
> **Annie Garvey, director of marketing, Covance**

Marketing executives confirming the new sense of urgency to deploy technology also say that it is now much easier to get financial and c-suite approval for the technology projects.

> *"The motto has become 'It works!' and there is much less hesitancy now in deploying technology in marketing."*
>
> **Annie Garvey, director of marketing, Covance**

Planning for a post-Covid-19 world

Covid-19 has hit some industries extremely hard in terms of revenue and profit, while other sectors have been able to weather the storm thus far. Although some economists expect that businesses in general will recover economically from Covid-19 more quickly than in 2008, certain sectors may take longer given that consumer behavior may remain in its Covid-19 state even after the pandemic has eased.

However, B2B marketers are already speculating that certain aspects of B2B marketing behavior will also remain in their Covid-19 state due to social and psychological business changes that will need to be reflected in longer-term thinking.

> *"It's looking highly likely that some form of social distancing will remain the norm for the foreseeable future, so the decisions we're making now are here to stay. At some point, when marketers return out into the wild, physical events will again become relevant – but those who think creatively and can run events in a differentiated way will reign supreme."*
>
> **Joe Hyland, CMO, Greenshill**

Section 2

The importance of martech prevails

One question we asked during the interviews was about the criticality of the martech stack in enabling the vision and objectives of marketing and sales. The answer in four out of five interviews to this question was 'extremely critical'.

While some companies' overall marketing budgets have been adjusted, rescheduled or cut-back due to the crisis, all of the executives we interviewed report that they are able to continue their planned investments in martech. B2B Marketing's report in April had documented that over 60% of marketing departments have full control over their martech budgets, and all five companies interviewed already had investment plans for new martech technologies. In addition to this, all companies also felt that they were still approximately 24 months away from achieving operational excellence with their core platforms (website/CMS, CRM, marketing automation, etc). By adjusting their martech investment priorities, most are able to add new projects around technologies that are now more important, such as data analytics, web experience management, virtual events and digital sales enablement.

> *"Most of our planned investments will still happen and we are currently evaluating if and how we can re-use some of the planned events budget."*
>
> **Annie Garvey, director of marketing, Covance**

New urgency around better, more empathic creative and content experiences

When we asked, "How critical do you consider providing creative and content experiences to buyers and customers?", four out of five assigned this the highest criticality. When asked what has changed due to Covid-19, the the interviewees' general reply was: "It has not changed for us in marketing, but the more important point is that our colleagues are now convinced as well (executives, sales, even finance)."

At the same time, the need to deliver messaging that is attuned to the changing mindsets and sensibilities of audiences in a Covid-19 atmosphere has now made marketers extremely attentive about what to communicate, when and how. Real-time data intelligence, social listening and brand sentiment monitoring have all become essential tools, which has not always been the case among B2B brands.

> *"As marketeers, our challenge is to ensure we get the right message, to the right audience at the right time that resonates and drives an action or an outcome from our content. We must also be empathetic and 'useful' with our content, especially in these times."*
>
> **Nick Laurence, senior director, marketing, Hitachi Vantara**

Several interviewees also reported that they are likely to be much more innovative in adopting modern experience technologies, such as video or VR, than previously assumed.

> *"I think that providing quality and value to buyers is now so much more critical – there is so much content out there. We want to differentiate through our content – that's why we are looking at enhancing the content experience with technologies like VR."*
>
> **David Silke, CMO, Mitel**



Visualizing the events channel

Traditionally, B2B marketing has been highly dependent on personal contacts and physical events, with conferences and trade events an important component of the marketing mix. The almost instantaneous migration of physical events to virtual has already been one of the more remarkable transformations across B2B marketing this year (or ever).

Many marketers made switch-overs with an extremely short learning curve. In addition to learning to deal with the idiosyncrasies, inconsistencies and inadequacies of various digital platforms, marketers have also learned to cope with requirements such as protecting customers' privacy and providing digital event security. They have also developed (and continue to develop) enhanced digital engagement skills.

Perhaps most importantly, the shift to digital/virtual necessitated by the pandemic, may prove a permanent one. Though physical events will return in time, the efficiencies and engagement opportunities being discovered and optimized through this digital-only timeframe will change the B2B marketing paradigm

> *"As marketers start to gather more data insights through digital engagement, it's going to influence the way they deliver campaigns and what insights they use to engage, qualify and interpret campaign performance. Going forward, this could become the foundation of great marketing and be something that successful marketers rely on to plan and deliver stand out campaigns."*
>
> **Joe Hyland, CMO, Greenshill**

> *"The current climate has meant running physical events is no longer possible for the foreseeable future. As such, digital online events are fast becoming a more frequently used channel for us to drive demand and reach our audiences. We have spent much of our time during the last two months expanding the digital channels already in place and launching online video-based events as much as possible to connect with our customer base with relevant timely messages."*
>
> **Nick Laurence, senior director, marketing, Hitachi Vantara**

Section 3

B2B on the move

Organizations shift to the center

As most marketing executives now re-plan for the medium-term (the rest of the year) and start thinking about the longer-term, they are making changes around their budgets, priorities and people. This will have an organizational impact on staffing and deployment of centers of excellence for digital, content, experience events, etc. It will also affect the balance between central marketing and field marketing investment, with a shift to centralization.

For obvious reasons, those companies with strong budgets for media, particularly out-of-home, will be switching those budgets to other channels, such as digital video and business-targeted cable and streaming services. There is a general shift of investment from the top of the funnel to the middle, or even the bottom, as most marketers see net new acquisition re-ramping over time.

With so many companies outputting so much content, it has been increasingly difficult to earn enough attention from customers and prospects. Covid-19 has made this challenge even greater

Content changes for the better

For several years, commentators have been describing the emerging 'attention economy' in which human attention is considered a scarce commodity. Today, with so many companies outputting so much content, it has been increasingly difficult to earn enough attention from customers and prospects. Covid-19 has made this challenge even greater.

Most B2B brands have reacted to Covid-19 by adopting the modus: "Keep your voice out there by using more compelling content that is customer-oriented." Similarly, many B2B marketing departments are endeavoring to 'be different' – not by promoting differentiated products, but by working harder to ensure that the content they distribute is usable, useful and timely. As marketers research how to maximize these qualities, they are discovering that buyers and prospects want to be educated and enlightened in an enlivened way. Focusing on these factors will eventually result in a new content library for most organizations, a much more empathetic and compelling set of output.

> *"We have always produced content that shares the deep knowhow of our food scientists. Our adoption of digital channels has helped us broaden our reach, and our face-to-face relationships with our existing customers have been a hallmark of our customer experience. This crisis, however, has required us to re-think, at least temporarily, our customer service model and accelerate digital innovation. We expect this acceleration to benefit our delivery of customer experience even once we are able to stand in the same room with our customers again."*
>
> **Tracey Schroeder, senior director global marketing, Ingredion**

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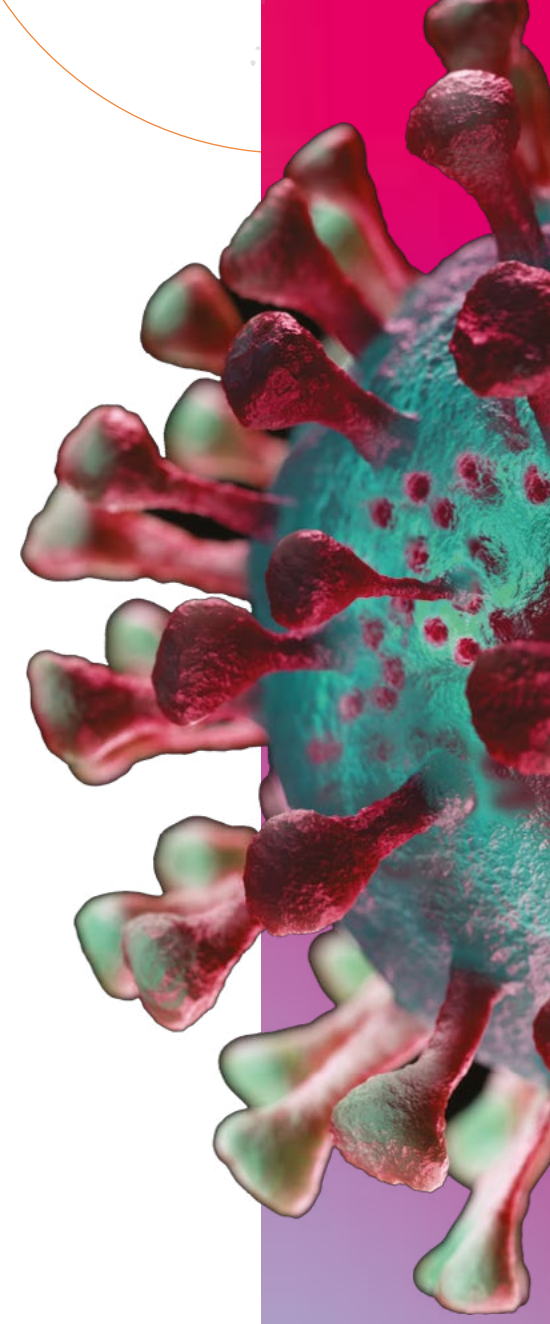
"We have definitely changed our messaging strategy. Our content and tone were clearly 'Mitel first' – not as a rule, but because of our instincts as marketers. Now, we do have a rule and it is 'customers and partners first', and we use monitoring tools and editing processes to govern. It has totally changed our image to the market."

David Silke, CMO, Mitel

Another question we asked was about the criticality of the content experience: "How critical is it to your company and how has that changed due to Covid-19?" The answer in all interviews to this question was 'extremely critical', and all stated that this was already the case before Covid-19.

"Content is the heart of our marketing operation. Prospects may first encounter us because of a banner ad or the strategic positioning of our booth on a tradeshow floor. Those things are important. But we build relationships by consistently providing helpful, relevant content that helps our customers solve challenges."

Tracey Schroeder, senior director global marketing, Ingredion



Section 4

Recommendations section – call to action summary

The final question we asked in the May interviews was: "If your tech stack could help you more fully realize one marketing objective, what would that objective be?"

The answers we received were as follows:

- "Achieve timely and relevant engagement with customers on their terms."
- "To fully manage engagement through the complete customer lifecycle."
- "Optimal attribution."
- "To truly engage with all members of our customer community."
- "Ensuring a return on investment based on a full attribution analysis."

These answers have probably not changed due to Covid-19, but the crisis has opened a window of opportunity to move towards these goals with greater confidence and stakeholder support. B2B marketers are more empowered to make the necessary investments than ever before. The central hypothesis of this report was to determine whether or not Covid-19 has acted as a final 'tipping point' to: remove objections to digital transformation programs; accelerate projects that may have been proceeding cautiously; reignite those that have stalled; or jumpstart those that, to date, have not even got started. We discovered several examples of this in our interviews. What's clear is that B2B marketing executives should now:

- Take the opportunity to promote your martech and integrated digital marketing strategies. Necessity is making your peers true believers. You now have the chance to raise awareness and garner support for investments in digital marketing/transformation among your peers. They are much more likely to be supportive – and even advocates.
- Redouble your efforts around customer insight and content quality/relevance. Now, more than ever, it is crucial to ensure you know what your customer wants and needs. This is certainly not the time to send out-of-date or out-of-touch messages to your customers.
- Invest in creative/content experience using the digital experience toolset available to you. With digital transformation now more important than ever, make sure you don't get left behind.
- Prioritize and re-prioritize to enable agility. Standard planning practice is to always maintain a prioritized playbook. Now, marketers realize that a single annual playbook may be a thing of the past. Scenario planning and the ability to adapt and re-prioritize with speed is crucial now and will remain so as the Covid-19 crisis recedes.

Companies interviewed for this report

We would like to thank the following individuals who generously gave their time during the research for this report:

- **Joe Hyland,** CMO, Greenshill
- **Tracey Schroeder,** senior director global marketing, Ingredion
- **Nick Laurence,** senior director, marketing, Hitachi Vantara
- **David Silke,** CMO, Mitel
- **Annie Garvey,** director of marketing, Covance

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About

Stein IAS

The Post-Modern B2B Marketing Agency

Stein IAS is the Post-Modern Marketing Agency, named 2020 B2B Martech Strategy Agency of the Year and 2019 ANA B2B Agency of the Year in 2019 (for the fifth consecutive year). These two industry accolades underpin what makes Stein IAS a global B2B agency leader and strategic partner to brand leaders around the world.

Stein IAS balances the twin engines of creativity (think *Madmen*) and digital technology (think *Martech*) to create connected customer experiences – from brand to demand to business results. When *'Madmen Meet Martech'*, good things happen for clients the world over.

While each of these engines is extremely powerful in its own right, the two used together accelerate brand and demand. This is what Stein IAS is all about. Every day, martech is evolving and its benefits are being better realized. Just as businesses globally are undergoing wholesale digital transformation, B2B marketing is urgently undergoing its own digital transformation that's every bit as profound and further intensified by the all-digital environment precipitated by Covid-19.

From strategic road-mapping to activation, Stein IAS works with clients using our Digital Marketing Transformation Framework, so they can lead in the digitally transforming world. From strategic insights to emotionally enlivened creative ideas and content experiences to advanced digital interactions approaches, Stein IAS helps clients rise above. Across the board, our work is powered by our purpose: to continually advance the theory and practice of B2B marketing to help make our clients the most important brands in their markets.

Today and tomorrow, it takes Madmen and Martech to connect brand to demand. That's Stein IAS. The Post-Modern B2B Marketing Agency.

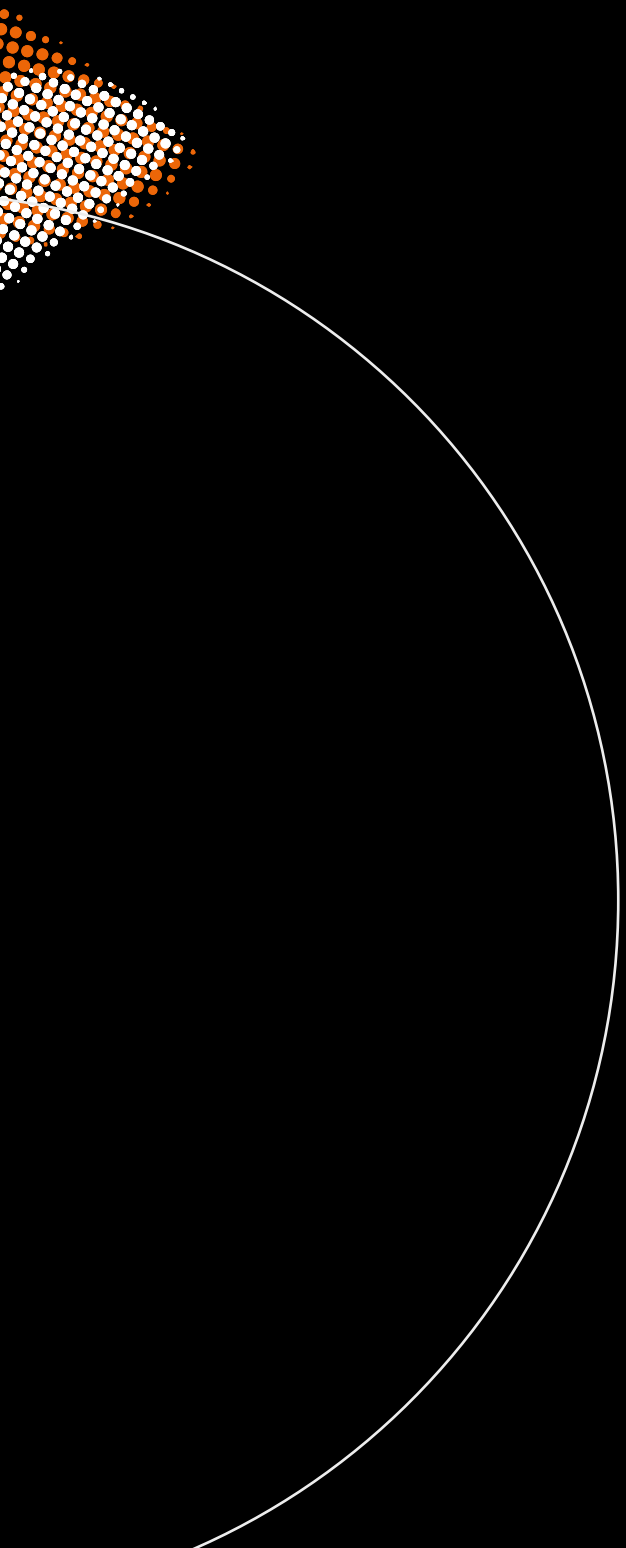


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