B2B Whitepaper

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B2B Marketing

Using data to drive customer centricity

In association with: birst

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B2B marketing is changing. Where it once was about delivering carefully crafted messages to databases of likely customers, now it is ever more about producing content that will attract and engage buyers, and encourage specific individuals down the sales funnel.

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This proliferation of digital targeting techniques and the move to inbound marketing has vast potential for B2B marketers, but success is not easily achieved. At its core is the placing of customers at the centre of marketing and messaging. But who are these customers, where are they, what do they want, and which messages will resonate most powerfully with them?

These are questions that should be at the forefront of the mind of any B2B marketer who wants to remain relevant in this fast-evolving world, and they are questions that are driving a growing interest in big data. That is after all where the answers lie – in data that sits in sales databases, customer service webchat logs, finance department reconciliations, social media interactions, and elsewhere.

The challenge is to find all these datasets, to organise them, and to analyse them. Achieve all that and the holy grail of customer centricity is within reach. Until recently it was a level of marketing sophistication only realistic for very large – often consumer – organisations with large budgets and well-resourced IT departments. Recent market developments have changed this and opened up a new world of customer centricity to even the smallest B2B company.

As Wynn White, VP marketing at cloud-based business intelligence provider Birst, puts it: "B2B marketing has tended to be more generic than consumer marketing, but the rise of big data, together with the emergence of affordable analytics tools, is allowing a new customer centricity in the world of B2B marketing."

Defining customer centricity

So, what does customer centricity actually look like? Shawn Cabral, marketing director at Sitecore UK, explains that it is an old concept given fresh meaning by emerging technologies. "In old-fashioned terms, customer centricity involves listening and paying attention to the needs of your customer, ensuring their needs are met and anticipating possible future customer requirements," he says.

"In a digital context the meaning is still the same, but it is given added impetus by the possibilities inherent in data and digital marketing systems. In a pre-digital world, communications were more planned, more predictable and slower; now they evolve minute-by-minute across many different channels, and marketers really need to move in real-time, in step or ahead of their customers," he adds.

Customer centricity can be defined as meeting customer expectations across five key dimensions:

By Steve Messenger, director of data analysis, modelling and insights at RedRoute

1. **Relevancy:** having the right product or service with the right characteristics and options.
2. **Identification:** having the right image and reputation that the customer is looking for on everything from signage to environmental policy.
3. **Accessibility:** giving the customer the right means by which to interact with your business from channel to website functionality and much more.
4. **Value:** understanding what the customer perceives to be value for money versus the range of competitive options available to them.
5. **Confidence:** delivering on what you promise and reacting more quickly and going even further than competitors on resolving issues.

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A lofty goal

A quick glance at those five characteristics will make it clear that customer centricity is, if nothing else, a lofty goal. There is much for any organisation to get right before it can consider itself truly customer centric. So why should a marketer be interested? What are the potential benefits of customer centricity?

Martina King, CEO of Featurespace, a provider of predictive behavioural analytics to retail, online gaming and finance companies, says: "B2B marketing is undoubtedly more successful if it is relevant and targeted, although one of the biggest success factors in these campaigns is timeliness. Understanding who is interested in buying, what they want, but most importantly the exact moment when they are likely to buy can transform B2B marketing."

She adds: "Furthermore, leads are expensive and poorly targeted campaigns are not just a missed opportunity but can be costly as they will lead to unsubscribes. By focusing more on customer centricity we have been able to see reductions in email campaign unsubscribe rates of 98 per cent. Fundamentally, allying these principles of customer centricity to data analytics allows huge multi-national conglomerates to look after each and every customer with the same attention as a shopkeeper in a small village."

This timeliness and relevance becomes even more important when you consider how the B2B buyer's journey has changed in recent years. Whereas in the past the first port of call for a buyer looking for a new product or to review providers of a service might have been to open the file of companies and ring up a few salespeople to get quotes, now they will almost certainly open their web browsers and start searching. This has shifted the emphasis of the sales process away from the salespeople and towards the content they view online.

As Andy Barraclough, senior marketing director EMEA at Pegasystems, puts it: "Sixty per cent of the buyer's journey is completed before an individual is willing to meet with a salesperson. It's all well and good having the right information to put in front of a customer, but you have to put it in the right medium at the right time in order to be truly effective. Quite simply, if you are not geared up to how B2B buyers want to buy, you're irrelevant."

Cultural and practical obstacles

It may be easy to see why B2B marketers should want to create customer centricity. However, achieving it isn't easy. For many organisations it requires a complete rethink of how they work. Departmental silos need to be broken down so marketers can gather information from finance, customer service, human resources, IT, sales, and other parts of the organisation, and gain a true 360 degree view of the customer. This often involves tearing up job roles, processes and norms that have been entrenched for decades.

Even within the marketing department there can be cultural resistance to the notion of customer centricity. Where some see timeliness and relevance, others see intrusion. "Most businesses have a wealth of customer data, but you need to establish the areas your customers would appreciate and benefit from personalisation," argues Cabral at Sitecore. "If your personalisation efforts are seen as too intrusive or inappropriate for your customer, then your strategy needs to be revisited."

However, for many organisations the greatest challenge with achieving customer centricity is simply practical. It is about gathering the data about their customers, getting it into a useable format, and then analysing it to provide useful, actionable insight. For the village shopkeeper this information is easy to obtain: they simply ask their customers the right questions. For a company with thousands of customers it is considerably more difficult.

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Of course, this type of predictive modelling is not new. For decades marketers have been taking demographic or behavioural information about existing customers in order to identify and attract potential customers. What is new is the way that analytics technologies allow marketers to analyse large data sets and produce insight into individual customers in real-time.

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"Traditional approaches to customer centric marketing have been based on assumptions and cohort groups," says King at Featurespace. "The new world is one where the amount of data and volatility of behaviour of customers means it is no longer reasonable to use these approaches to get acceptable results. There are vast amounts of data out there, and we can now use it to create marketing campaigns and recommendations that are personal, relevant and – arguably most importantly – timely."

But before we can begin to do that we must firstly understand the data at our disposal, and secondly mould it into a useable format. This is rarely an easy task.

Gathering your data

Not so long ago data meant lists of prospects you would buy in. Now marketers can make use of a host of information that sits both within their organisation and on external sites.

Internally, marketers can consider data from the sources we might expect to contain information relevant to a marketing campaign: the marketing department (for example, how have prospects responded to this message in the past?), the sales department (what objections do potential buyers raise towards the end of the sales process?), and the customer service department (do people contact us by phone, email, webchat, social media or some other channel?)

There are also other back office functions which may hold data that helps us understand our customers more fully: HR (for example, what is the link between customer acquisition and employee remuneration or promotion?), finance (which sector has the clients who tend to pay latest?), and IT (where does misalignment with customer systems prevent cross-selling?)

Digital marketing creates a vast amount of data. Most obviously this originates from the company website. Tom Waterfall, director of optimisation solutions EMEA at Webtrends, says: "For example, if someone has been doing online research into the products sold by a business, the company can target that person with specific information relating to the product, such as a free 30-day trial. This can also be applied to returning customers that have already been sold to, by asking them if they would like to log in to their account, or even to see if they would be willing to give feedback to the business to help improve their experience, and further generate leads for the business."

Social media is also creating a growing amount of useful data. "The new frontier of untapped data is social networks," says Steve Messenger, director of data analysis, modelling and insights at RedRoute. "But they remain hugely untapped because until marketing organisations learn how to form profiled databases with such data, knowing that a prospect is going to Las Vegas on Thursday will have little value to marketers if that is all they know about them."

"Most data only becomes genuinely interesting when you combine a range of sources"

Combining data sources

The key is to combine data from a range of different sources; combining demographic data with behavioural data, for example. As King at Featurespace explains: "Customer interaction data from call centres, online ordering systems, point-of-sale, web traffic, and so on, all provide useful information. But it becomes far more interesting when you look at the story between the transactions and interactions. From here marketers can start to understand intent behind purchases and target better."

Indeed most data only becomes genuinely interesting when you combine a range of sources. It is useful to know that a certain segment of your database reacts in a certain way to a marketing message, but is much more so if you also know they have a propensity to buy a certain product, and that a large proportion of them will be visiting that event in Vegas on Thursday – that is when you have data that allows you to produce marketing content that is relevant and then deliver it in a timely way through the most effective channel. Your marketing has become customer centric.

Nick Davidov, managing director of the Pult Group, Russia's leading automated search engine marketing and SEO company, summarises the benefits and challenges involved in data collection in this way: "To become more customer centric, marketers first need to get to grips with what information is available on their current and prospective customers. In many organisations customer information is kept in silos, where offline data is seldom collated with online data sources such as websites, email and mobile or purchased from third party data sources. By integrating this data, extensive customer profiles can be built."

Making it useable

Once you have identified your various data sources and succeeded in breaking down those internal silos so you can extract it, the next challenge is making it useable. At first sight this might seem like a simple task, something that could be addressed in a couple of hours on a spreadsheet. Yet, in reality it is often very difficult.

"Ironically in the digital age, many of the most useful new data sources are analogue in nature," explains Messenger at RedRoute. "Not zeros and ones, but pictures, words and phrases that have differing meanings in differing circumstances. Computers have real problems with interpreting sentiments such as 'I think it's really wicked' without the context in which it is used. And the data is unstructured."

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He continues: "Unlike sales and marketing data, which might be customer addresses and profiles, company classifications or something similar, the newest data sources require an infrastructure to assimilate them. Amazon, through its automated-Turk workforce around the globe, has the ability to codify such information quickly and easily. Other companies without the same resources as Amazon will need partners who can help them integrate and then analyse their data."

Analysing your data

In the marketing world, automation systems such as Marketo, Eloqua and Silverpop have enabled the gathering of the data and the creation of campaigns that make use of the insights derived from data analysis. In the contact centre world Radian-6 and others have performed a similar role. Yet when it comes to integrating and analysing that data most organisations have needed a specialist business intelligence solution.

Large and powerful systems such as those provided by Cognos, IBM and Microstrategy have provided organisations with the processing power and tailored processes needed to take raw, unstructured datasets and interrogate them for answers to specific marketing questions.

In the past five years we have seen a new breed of cloud-based data discovery vendors emerge to compete with these legacy systems. Google Analytics is the most famous example of this, and it performs a good job of giving marketers easy to use and understand information on website performance. Yet its functionality and analysis capabilities are very limited, and far too few B2B marketers take the time to investigate more sophisticated options.

For example, Birst, founded in 2005 by two former Siebel Analytics executives, is at the forefront of a new wave of data analytics vendors that sits between the capability of legacy systems and the ease of use of cloud-based systems such as Google Analytics. "We wanted to build a business intelligence platform that was quick to deploy, easy to use, and affordable for a wide range of organisations," explains White at Birst.

He argues that while many of his cloud-based competitors offer this agility and affordability, they lack the capability of the legacy systems. The Birst solution offers a combination that is ideal for many B2B marketers. "Ten years ago it was only organisations who could spend £1 million on their business intelligence system, and an IT department that could spend a year implementing it, that could do large-scale deep-dive data analytics. Our system makes it available to a whole new segment of much smaller organisations."

Tomorrow's CMO

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This new focus on data is profoundly changing the role of the B2B marketer, and the skills and qualities required in B2B marketing departments. "It makes marketing less about guesswork and intuition, and more about measurement and prediction," explains White at Birst. "Marketers of the future will be more likely to understand data modelling than have a feel for what makes a good direct mail pack, and as a result we will see more maths and economics degrees in marketing departments."

In support of this idea, a July 2013 Forrester B2B CMO Survey listed the three most important skills for marketers of the future as: business acumen, analytics/data, and digital. That is markedly different from the skills that were required just a decade ago.

Yet it is important to remember all this data is simply providing a platform for personal interactions; it is not replacing them. Robert Baldock, MD of Clustre, says: "In the rush to embrace big data, it is important not to forget businesses are still dealing with human beings and you can't discount the value of face-to-face relationship building. Data, and the insight it can provide, simply gives a stronger platform on which to build the relationship."

The future of marketing

To date precious few B2B marketers have achieved high levels of customer centricity. Experts point to ScrewFix, RadioShack/RadioSpares, Viking Office Supplies and Pitney-Bowes but beyond that it is hard to find examples.

Yet it is just as difficult to argue that customer centricity through data analytics is not the future. "Customer centricity is not simply a buzz phrase," argues Darren Daws, Textlocal joint founder and MD. "According to Harvard Business School, a 12 per cent increase in brand advocacy, on average, generates a two-fold increase in revenue and growth rates and also boosts marketshare."

"In today's world, traditional industry boundaries have dissolved and people are less tolerant of 'old school' marketing strategies. Building your business around customers is the only guarantee for sustainable competitive advantage and the relevance and frequency of messaging has never been so intrinsically linked to business success."

White at Birst concludes: "For some time now marketers at the largest organisations have had access to analytics programmes that allowed them to manipulate and interrogate vast, untapped reservoirs of data to produce real-time, actionable insights. This allowed them to take a quantum leap ahead of their competitors.

"Now, with the arrival of credible cloud-based solutions, smaller organisations are able to compete on a level playing field – there is no excuse for any marketers to not embrace customer centricity."

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 7438 1370

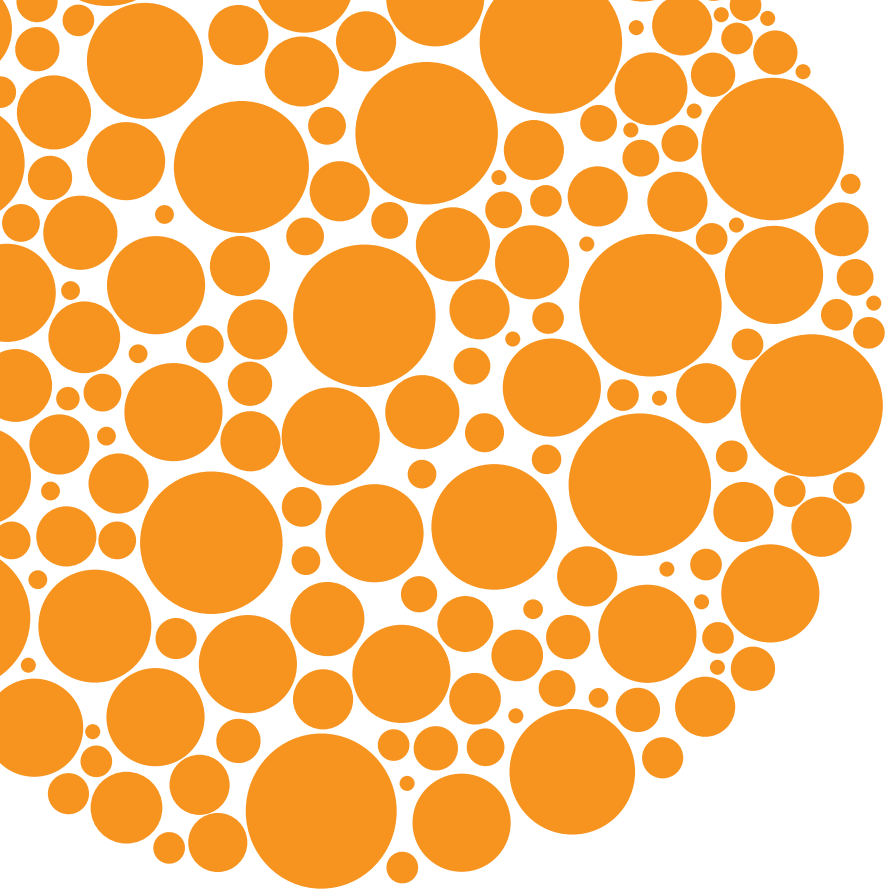
About Birst

Birst brings the benefits of fact-based decision making to a much broader audience by providing enterprise-class analysis and reporting that is quick to deploy, easy-to-use and affordable.

The company's cloud-based approach to business intelligence is aimed at organisations that want to make better decisions around their sales, marketing, finance and people.

Birst partners with the likes of Salesforce, NetSuite and Marketo to help organisations make the most of the data that is stored in their CRM, ERP, marketing analytics and other IT systems.

For further information visit birst.com





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