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Building a successful SME campaign

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Introduction

It might be tempting to dismiss the small business market in favour of landing the bigger fish. But pause to consider.

The UK's small firms generated a combined £1.8 trillion in revenue in the past year – and as a group of prospects, they've been underserved and ignored by B2B businesses for quite some time.

B2B firms are beginning to realise what a big opportunity this represents. Some 70% of marketers say the SME market is extremely important to their business, and 38% are looking to aggressively increase the amount they spend on marketing initiatives targeted at these firms, according to Gartner.

Research carried out by Imperial College London and marketing agency Earnest, found brands struggle to identify and connect with small business owners. Don't be mistaken; it's simply not a case of shrinking your enterprise proposition down to a smaller scale. That won't do the job.

This guide will explain how to get over the hurdle by planning and executing a successful SME campaign, which includes:

- › How to identify and segment your potential prospects.
- › How best to approach and engage these prospects.
- › How language and personalisation can be used to strike the right tone.
- › How to ensure SMEs engage with your message.
- › Campaign case studies from top brands targeting small businesses.



“The opportunity is quite well known, and there is an appetite for it. There are just challenges around how to execute it”

Tom Pepper, head of marketing solutions,
LinkedIn

Comment

Big brands don't 'get' small businesses



Chris Wilson
MD, Earnest

What is it with clichés about SMEs? Run a Google image search on 'small businesses' and you get a load of pictures of someone standing in a shop, smiling inanely while holding an 'open' sign.

Unfortunately, it's this hackneyed image that gets played back in ads – and small-business owners hate it.

Clearly, big brands want to sell to small businesses. But they're struggling. It seems like there's a disconnect between how small businesses see themselves and how they're perceived – which probably explains why 90% of brands struggle to connect with them. And with 99.8% of EU businesses being SMEs, that disconnect represents a huge missed opportunity.

This is why Earnest launched 'Think Small', a research study into how small businesses really buy, including in-depth interviews with small business owners across the UK.

The study revealed owners' motivations, hopes, dreams and fears. It also threw some light on owners' gripes with big brands, which are probably best summed up by one disgruntled interviewee: "If people talked to you the way that corporates speak to small businesses, you would punch them in the face."

As part of 'Think Small', we partnered with B2B Marketing and produced insights and content to help brands foster stronger connections and build more effective SME marketing campaigns.

So read this B2B Marketing report. Visit the 'Think Small' site. Incorporate all the practical advice and run a test campaign targeting SMEs – using, say, 5% of your marketing budget, just like you would any new channel.

Chances are you'll market more effectively, sell more – and you might just avoid a smack in the mouth.

Section 1

Planning your campaign

What are the characteristics of small businesses?

Before you decide to target SMEs, it's worth considering how greatly they contrast to large multinationals. One of the most frequent mistakes is to group all SMEs into a single bucket, believing they can all be marketed to in the same way.

There is in fact a vast difference among them – indeed their uniqueness is often their selling point. But that's not to say there aren't commonalities, each of which you'll want to understand.

They are experts

They might be small but in establishing a small business they're likely to be experts in their chosen field. They'll expect any engagement from your brand to be on their level and will easily see through any bluff. But while they may be well versed on their product, service or market, small (and particularly young) businesses can lack expertise in other key areas – such as finance, HR and IT skills.

They are brave

Setting up your own business takes guts. Successful small business owners must be resilient in the face of the numerous hurdles they have to overcome. They expect their partners to likewise embrace challenges and approach problems with a positive attitude.

They are passionate

It takes blood, sweat and tears to build a business – founders have to love what they do to put the time and money into making their venture a success. They care about their purpose and values in a way that doesn't come as naturally to corporates. Show them you care, not affirm that you're just another faceless big business.

They are agile

A small size brings the opportunity to seize new ideas and opportunities fast. If you're selling into SMEs, you need to demonstrate this same agility, as decision-making is streamlined and happens fast. Small companies can become very frustrated with the bureaucracy of their larger partners, but it's also an opportunity to educate them on the need for due diligence.

They are time-poor

Small business owners don't have the luxury of pouring over a 20-page proposition – they've probably got to pay their suppliers' invoices or unblock a toilet. Pitches should be concise and easy to digest. It's also harder to attract the attention of a busy business owner in the first place – the emphasis should be on standing out by showing you understand them.

They have small budgets

A start-up's purse strings are usually tight so prioritising where to spend is not a decision taken lightly. The sums might appear small when compared with a corporate, but will be a huge outlay for the start-up. They'll want to feel confident of having strong ROI from their purchase.

They want to know who they're dealing with

Even if they're not a family, many small businesses have a family-atmosphere. Strong personal relationships, human connection and a sense of community are key to helping them feel more comfortable with a partnership.

The 5 biggest mistakes B2B firms make when marketing to SMEs

1. They apply big businesses' problems and mentalities to smaller companies.
2. They don't see the value they can bring, looking only at the deal size in comparison to enterprise clients.
3. They are too quick to attempt the hard sell, without nurturing the prospect.
4. They use the wrong tone of voice, often talking down to them.
5. They don't live up to promises on their customer experience.

“Small businesses don't want to go somewhere they're going to be sold to, they want to go somewhere there's certain value as a networking opportunity”

Dan Roche, director, partner marketing, Automation Anywhere

Setting out your strategy

You wouldn't decide to target 'enterprise businesses', and then approach every single one in the same way. So why do so many B2B firms approach the small business market as a homogenous mass with identical needs and expectations?

One reason is that SMEs fall into the gap between an enterprise approach (which is too labour-intensive for smaller deals) and a consumer-style mass marketing approach (which is too expensive). This creates a 'volume/value quandary'.

The solution is to adopt a new approach, one that relies on knowing how SMEs buy, and how they want to be sold to.

Understanding your customer

As with any marketing strategy, understanding your customer, the market they operate in, and their pain-points are the keys to a successful campaign.

Research carried out by Imperial College London and marketing agency Earnest found that SMEs are researching their problems and possible solutions online. They're skeptical about what they're told, but want to complement this online research by engaging with brands – they just haven't got much time to do it.

Although SMEs have distinct personalities and diverse needs, there is an emphasis in the community on networking and sharing expertise. This is a great opportunity for marketers to establish their brand as a source of insight and useful connections, building on recommendations within a tight community.

As Dan Roche, director, partner marketing at Automation Anywhere, says: "It comes down to trust. Small businesses don't want to go somewhere they're going to be sold to, they want to go somewhere there's certain value as a networking opportunity."

How to segment your prospects

One of the traps B2B marketers frequently fall into is segmenting their SME prospects based on firmographics, such as size, location and industry. Consider two independent shops on a high street. They're both retailers in the same location but sell totally different products, with totally different customer bases, with totally different needs.

Imperial College London and Earnest came up with an alternative approach to segmentation based on psychographics – which looks at values, opinions and attitudes. Unsurprisingly, more than half of small business owners have a strong emotional investment and high personal stake in their business. Often, their business is their life.

The SUE approach

The SUE strategy looks at the key driver for SME decision makers. It stands for:

- › **Significance:** What does the purchase mean to the business?
- › **Urgency:** How time-critical is the need for that purchase?
- › **Ease:** How simple is it to research and buy the product/service?

The higher the SUE the more the purchase is considered and analysed. The lower down the scale, the more emotional the purchase decision becomes.

This analysis allows you to execute your segmentation and tailor your approach more effectively than approaching disparate SMEs by vertical or location and hoping they've all got the same drivers.

Conference call tech firm Powwownow, didn't target companies by size, but by those customers who spend a lot of time commuting. They placed adverts for their service on London tubes, highlighting to commuters that they could hold meetings from the comfort of their own home instead. This strategy helped them steal a march on their competitors.

Once your segmentation is complete, regular cluster analysis, market assessment and the creation of buyer personas for each of your segments will fill in the gaps.

Case Study

Campaign in action: Lloyds Banking Group

Trying to switch banks is a hassle – at least, that's what small businesses think. Only 4% a year do it. Lloyds' campaign tried to change that perception.

It focused on what really motivates SMEs – great service. The campaign was built on the message 'service that's second to none', drawing on the fact that Lloyds had been voted 'Best bank for service' for 11 consecutive years.

A five-stage direct mail (DM) campaign was aimed at finance directors of around 70,000 small businesses. DM was chosen because of its long response curve, marrying to the fact it's hard to pinpoint when customers intend to switch. The campaign delivered a ROI of 5.5:1, with increased conversion rates from call to appointment, and appointment to switch.

► **Take away:** Focusing on what really matters to small businesses will pay dividends

A five pronged approach to segmentation

1. Understand the business needs.
2. Quantify those needs.
3. Identify potential target segments.
4. Determine which segments to focus on.
5. Build target customer personas for each segment.

The SME buying cycle

Once you know who you're targeting thanks to your segmentation, your other major consideration should be the different ways in which SMEs consider a purchase.

Brands wanting to target SMEs should take note, it's much more about being visible at the right time than cold-contact when SMEs don't need them and are too time-pressed to think about future needs.

More than a quarter of small businesses cited scanning the market as the first awareness of a product or service, compared with just 7% through advertising, and only 3% for social media. We've already emphasised the need for

a personal touch, and that's highlighted at the research stage, where demos or trials were seen by more than half as the top source of information. The role of recommendations and networks again comes to the fore at this stage, with the power of testimonials and brand advocates being immense.

But once the purchase decision has been made, SMEs want to move fast, and 58% prefer to buy online. Brands need to ensure their customer experience is friction-free and transparent.

And of course the journey doesn't end with the sale. Given the importance of advocacy and networking, how can the brand turn a happy customer into an advocate for the future? [see box below]

Case Study

Campaign in action: Wix's 'New talent on your team'

Website builder Wix teamed up with Manchester City FC for its 'New talent on your team' campaign.

The campaign offered SMEs that use Wix's web development platform the opportunity to employ a Manchester City player for the day to help them in their business.

SMEs had to submit their website to win – giving the web design company many great case studies to look at and choose from.

► **Take away:** Use incentives to drive advocacy among happy customers.

An SME customer journey

Standard Life had no track record in the SME market, when the focus on pension auto-enrolment changed from mid-market to small businesses. Its acquisition strategy could be divided into four phases.

For top-of-the-funnel prospects there was a 'hearts and minds' campaign, with three brand videos developed with 'people like me' messaging to create empathy.

The second phase – digital acquisition – focused on making online enrolment as frictionless as possible. The elements to this were to improve performance of digital inbound and outbound email, boost mid-funnel nurturing to minimise attrition, and improve conversion rate optimisation.

Phase three – adviser activation – included growing the largest Twitter adviser community in the country, setting up an adviser steering panel to facilitate peer-to-peer pension commentary, and one-to-one contact.

And the fourth phase – customer dialogue – included invitations to in-person pension breakfast meetings and webinars, to drive the development of the relationship and advocacy.

Susie Logan, brand and marketing director at Standard Life, said: "As well as creating a strong revenue stream we have built a new level of trust – on a human level – with the SME market."



4 ways to make an impact in the purchase journey

1. Make your copy stand out

To boost your brand at the awareness stage, you need to catch the eye of the SME. They're not going to be won over by clichéd messages and hackneyed stereotypes. Be direct, and be interesting. Make your call to action a solution to a genuine problem.

2. Make them feel special

The personal approach is so important, so what makes your approach different from the umpteen others the small business owner has seen? How have you personalised it for them?

3. Know your stuff

SMEs are sceptical about what they read online, so a personable, well-informed sales executive could make the difference on a deal. But they need to demonstrate they can empathise with an SME's challenges.

4. Be honest

As experts in their field, small businesses have a nose for when something doesn't sound right. Be honest about your capabilities, and tell them if the deal's not right for you. They'll appreciate that, and it'll help establish trust for potential opportunities later.

Case Study

Campaign in action: Yell's 'Go digital, go Yell'

Think of Yell, and the first thing that comes to mind is Yellow Pages, a bastion of SME advertising for more than 50 years.

Yell's primary business is now online advertising, SEO, PPC and other digital services (the company has since announced the January 2019 edition Yellow Pages will be the last). But the challenge was to make SMEs aware of the shift to digital.

The perception of many SMEs was they didn't need to do anything online because all their business comes from word of mouth. But they weren't aware people were leaving poor reviews of them online.

This campaign, a combination of out-of-home, print and radio advertising, took typical online issues for SMEs and dramatised them with an emotional 'smile', with accompanying copy outlining the solution.

It resulted in a 125% uplift in awareness of social media platform Yell connect, 93% uplift of awareness in Yell and exceeded its target for leads by 179%.

► **Take away:** Changing perception is possible with the right messaging.

What's the best way to drive advocacy?

We've seen the importance of word of mouth and recommendations in the SME buying cycle, and how driving advocacy among happy customers can improve brand awareness and shorten the buying cycle. Many small businesses are happy to reciprocate, understanding the value a kind word can bring. But how can you foster this goodwill among customers?

The first thing is to simply ask. Many would be happy to make a recommendation but don't have the time to consider it off their own back. Make it as easy as possible for them through the use of standard forms, as part of your e-commerce journey or embedding social sharing options for your content.

But advocacy is about much more than a quote on how smooth your customer experience is. Spend time talking to your loyal customers, build case studies that show how you've made a real difference to their business – this might even encourage you align your campaign around that particular messaging.

Look for customers who've been with you a long time – loyalty counts for a lot in the SME market. Look out for those already advocating for you over social media. And find those small businesses that are well-connected, for instance those that are active in networking groups – as they'll have the greatest influence.

Is ABM appropriate for SMEs?

Usually deployed for large enterprise accounts, ABM (or account-based marketing) is one of the hottest topics in B2B marketing. But is this personalised, resource-consuming approach really an appropriate way to target small businesses that individually offer a small return?

The foundation and principles behind ABM – closer collaboration between marketing and sales, targeting accounts rather than leads, and tailoring messaging and content – certainly have a role to play. “ABM works because it keeps us focused on the important features of powerful marketing communications. These hold true whatever our target audience,” says Andy Bacon, lead advisor for B2B Marketing’s Head-Start programme.

And while there may be fewer decision-makers, the importance of the investment often leads to a much more considered decision, increasing the importance of your content.

The classic one-to-one ABM approach may prove too impractical and expensive, even if it would be an effective way to target accounts. A one-to-few or one-to-many ABM approach could be just the ticket.

Targeting clustered accounts with similarities means the ROI suddenly becomes viable.

For instance, take a deal size at the higher end of the SME space worth £150,000. If you identify a cluster of 15 similar SMEs, and a campaign spend of £40,000 (based on ITSMA ABM averages), a 20% success rate will drive an ROI of around 10:1.

Technology will also help deliver on the volume needed to justify investment. Advances in targeting, the delivery of dynamic content and predictive insights will all help leverage a one-to-many approach. And it’s not just in acquisition that ABM may be useful.

“Successful ABM also aids customer retention and builds advocacy. Think about the small business banking customer, who not only remains loyal to their bank, but will happily attend local events and share their experiences, or offer peer advice to other start-ups,” says Andy.



“ABM works because it keeps us focused on the important features of powerful marketing communications. These hold true whatever our target audience”

Andy Bacon, lead advisor, B2B Marketing ABM Head-Start

Section 2

Executing your campaign

Which channels should I use to target SMEs?

Many marketers question which channels they should use to market to SMEs. They're asking the wrong question. Listen to Ashling Kearns, VP, UK&I marketing at Salesforce: "It doesn't matter what channel you use. You have to be where your customer is and create those experiences."

That doesn't mean finding a channel, then bombarding the SMEs with messaging through it. We've already discussed the importance of being visible at the right time, and while the small businesses might not realise it, it's this brand awareness and positioning that can really make a difference.

Becoming a facilitator for small businesses is one way to achieve this. Holding regular events that allow SMEs to network with one another and share their expertise. It'll also build that goodwill necessary to drive advocacy within the community.

Influencer marketing could be another strategy to explore.

They might not be looking for a solution straight away, but they're looking for help and advice, and that's where your content can come to the fore. Trust is key to the SME relationship and positioning yourself as that trusted advisor can be key.

"It doesn't matter what channel you use. You have to be where your customer is and create those experiences"

Ashling Kearns, VP UK&I marketing, Salesforce

Case Study

Is your brand presenting the wrong message?

KPMG had a problem. It's one of the UK's top business brands, but small businesses saw them as too expensive, too detached and not interested in working with them.

The firm undertook a project to turn this around through improved brand awareness, demonstrating its unique proposition and finding new customers. A new website was key to this, with revamped visuals that made it clear the service was for SMEs. Communicating through narrative, KPMG could improve business performance and make their lives easier, providing lots of downloadable content and resources.

A new website designed for the small business customer was delivered in two months; it resulted in a 400% increase in conversions, and a 120% week-on-week increase in new sales.

► **Take away:** Even brands that work fantastically for enterprise customers might need tweaking for the SME market.

Learn to speak their language Understand what's at stake

Once you've managed to get in front of some SMEs, what should you be saying to them? How should you say it? It's a different approach than you'd take with an enterprise firm.

Making the personal connection with SMEs is all-important, and highlighting this in your messaging is equally crucial. Forget the business jargon and detailed product descriptions, and focus on being authentic. Try to help them as a small business, rather than looking to sell them something as a customer. Drop the formal tone and keep it simple.

Your tone should reflect the attributes of the small business in question. They don't want to be patronised (this is SMEs' biggest complaint). Show you understand what's driving them, that you share their vision, values and culture, and demonstrate you're as passionate about working with them as they are about their business. That's how you'll develop the necessary rapport.

Listen to Martin Harman, founder of bike repair coffee shop Your Bike Shed: "I think digital channels are ruining communications between people in general. No one wants to interact person-to-person anymore."

If only, says Martin, brands would actually come and see how hard he works and what running a small business actually means.

His point (do you really understand what's at stake for them) is consistent among SMEs. Andrew Burton, who runs ABC Gym, says: "I lie awake at night knowing I'm not only the person who cares most about it, but I am the only person responsible for fixing it."

Your language and tone needs to demonstrate that you get the pressures they work under, show you're there to help and really accessible because they don't have time for the alternative.



Case Study

Campaign in action: Samsung's 'More good days at work'

Samsung wanted to connect more effectively with small business owners and employees to drive B2B sales.

The electronics brand's 'More good days at work' campaign demonstrated the importance of the emotional connection with small businesses. Underpinning the campaign was the idea of celebrating businesses and those who run them.

The campaign combined above-the-line marketing, advertising in targeted environments, out-of-home media, digital and social content, experiential and PR initiatives.

SMEs that tweeted the hashtag #MoreGoodDaysAtWork were offered the chance to win free OOH ad space on Manchester's largest digital screens worth more than £4600. Other initiatives included a VIP event for small business leaders with Samsung's brand ambassador Sir Steve Redgrave, and a partnership with a local university to allow students to establish their own business with just £20 and Samsung devices.

The campaign resulted in ROI of more than 5:1, and a 34% regional sales uplift.

► **Take away:** Build an emotional connection through a variety of channels.

The secret to success

Ultimately what drives a successful marketing campaign is heart. Many companies talk about purpose, vision or values – but the bigger the business, the emptier those promises can seem.

To engage successfully with small businesses, they need to know you empathise with their challenges, that you want to be their partner, and not just a number that makes up this month's sales target. SME marketing is about genuine engagement, authentic interaction and true belief that what you're selling will support their dream.



About B2B Marketing

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About Earnest

Earnest is an award-winning agency chasing the humdrum out of B2B marketing.

Since we opened for business in 2009, we've been on a mission to show humdrum the door and pack it off with a one-way ticket to Blandsville. Because we believe business people need to be inspired, entertained and enthralled by brands every bit as much as consumers. After all, business people are still people. They just happen to be at work.

We help our clients with branding, campaigns, strategic planning, content, and experiential – delivering results and delighting audiences. We've earned a reputation for coming up with ideas that ignore the obvious and go way beyond the client's original objectives.

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