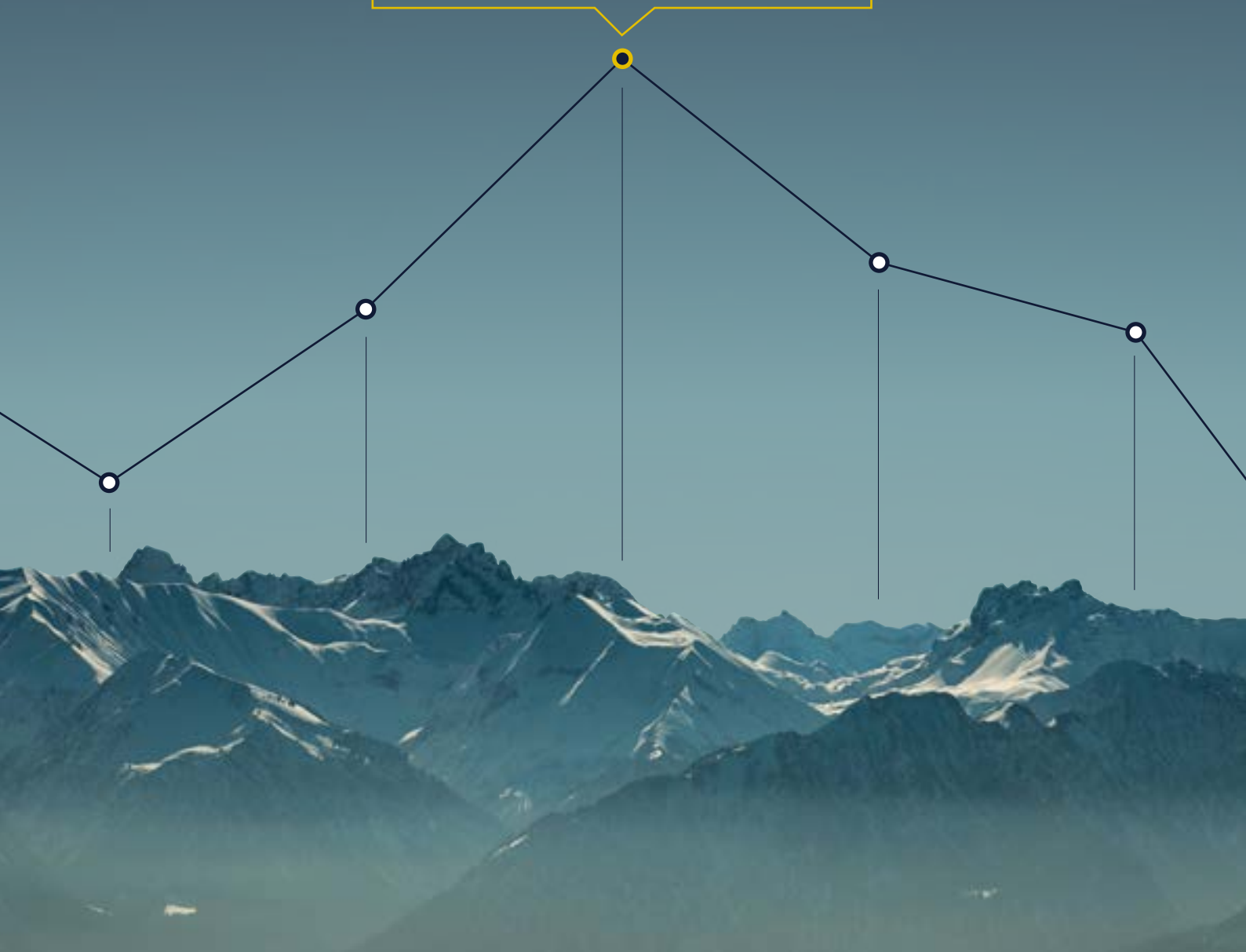


High Performance Business Marketing

BENCHMARKING
REPORT

June 2016



B2B Marketing

IN ASSOCIATION WITH

Circleresearch
The B2B experts

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Introduction

The expanding remit of marketing has created a situation where marketers can feel overstretched and confused as to where they should be focusing their effort.

Our attempt to solve this challenge saw us going back to basics and, following considerable research and consultation, we identified four key things that should be at the heart of everything marketers do. The argument runs that these areas – ‘customer’, ‘strategy’, ‘brand’ and ‘measurement’ – underpin successful marketing in the B2B space (and beyond).

When we presented them to the market they were extremely well received. But, more importantly, we found the marketing departments most aligned with these four factors were also the ones more frequently celebrating success. This report quantifies the traits of these high-performing B2B marketing departments and helps those aspiring to such a status to start thinking differently.

The research phase for this report was carried out in April 2016, with 146 B2B marketers completing our online survey.

Writing and concept: B2B Marketing Research: Circle Research



Andrew Dalglish
Director
Circle Research

The secret to successful marketing

What's the secret to successful marketing? As part of the research underpinning this report, we asked that very question – 'What would you say are the key elements to successful B2B marketing?'. Respondents were given free rein to answer however they wanted, and an analysis of these responses reveals five themes.

The best laid plans are worthless unless they're executed effectively

First, marketing needs to have a strategic vision. It needs to be based on a clear understanding of its purpose and what it ultimately wants to achieve – its *raison d'être*. This vision serves three purposes. It acts as a beacon – if an activity, approach or message doesn't align to the vision, then it shouldn't happen. It's a rallying cry to give the marketing team a sense of

purpose and, if communicated well, a source of inspiration. And it's a tool to build support for marketing from across the business by articulating the function's benefit.

Second, the vision needs to be underpinned by a carefully crafted plan which details how exactly it's going to be realized. This plan can't simply be the product of the marketing team's internal musings, but rather needs to be:

- ▶ Aligned to the business' wider business strategy and goals
- ▶ Based on deep insights into customers – their motivations, needs and behaviors
- ▶ Be formed around a clear value proposition.

Third, the right physical and human infrastructure needs to be put in place. The best laid plans are worthless unless they're executed effectively and this requires a talented and motivated team, with the bandwidth and freedom to deliver. It also requires the right tools, especially marketing automation.

Fourth, the right tactical focus is needed. High-quality content is a must in this era of content-led marketing, and messaging needs to be consistent and spread across key touchpoints on the buying journey.

And finally, aligning marketing and sales is essential. Without a collaborative, mutually supportive relationship with sales, the fruits of marketing's labor will rot on the vine. Aligning goals and agreeing handover processes is critical here.

So there we have it – these seem to be the five ingredients of successful marketing. How would you rate your marketing function in each?

What is high performance B2B marketing?

01

What is high performance B2B marketing?

Marketing – at its best – has the power to significantly bolster the performance of any business.

However, we all know that for every marketing department leading business conversations, contributing to growth and garnering the credit and respect it deserves, there is another plodding along making far less memorable contributions. This report is concerned primarily with documenting the former, and holding them up as an inspiration and call to arms to the latter.

We have isolated the behaviors and priorities of the marketing departments making the most significant contributions to their organizations, highlighting the areas where they are most markedly different from the average. From here, we're able to recommend the focuses required to those who are looking to make more meaningful contributions to their organization's future success.

When we asked our respondents to reflect on the extent to which their

marketing department contributes to the overall success of their business, an encouraging two-thirds (65 percent) rated their performance as being at least seven out of 10. Not bad. However, the percentage of marketers rating their performance as at least eight out of 10 drops to 37 percent. This group forms our high performance benchmark. We are looking at what this best performing third of the market is doing differently from the rest.

Further analysis reveals these high performers are more likely to:

- › Make a greater contribution to business growth
- › Out-perform competitors
- › Work in higher growth businesses.

We'll delve into the specifics around this performance later, but first we need to understand what the high performers are focusing on to achieve these impressive results.

“

What is the
best-performing
third of the market
doing differently
from the rest?

”

The four pillars of marketing

02

Customer

Without customers, businesses are nothing. Marketers must loudly and repeatedly make this point in their organizations, driving coherent customer experiences, using customer data to guide strategy and leading the charge in making their organizations truly customer centric.

Strategy

The starting point of a marketing strategy has to be business strategy. Marketers must align all their objectives with the goals of the wider organization and demonstrate at every point how their work will help achieve these outcomes.

The four pillars of marketing

Measurement

The metrics that matter to marketers don't necessarily help make marketing's case at board level. Marketers must be able to produce data tying their activity to strategic business metrics such as pipeline, revenue and growth.

Brand

In the digital age, having a coherent brand which differentiates your business from competitors is more vital than ever before. Marketers must own the company brand and ensure its values permeate every level of the business.



94%

believe these four areas are
'quite' or 'very important'

**Respondents across the board
delivered unequivocal support
for the pillars.**

For each area, at least 94 percent agreed they were either 'quite' or 'very important' to success. Strategic alignment was regarded as the most important pillar, with 97 percent of high performers regarding it as very important, while 95 percent regarded being customer-focused as very important.

Such support for the model is encouraging, but – as is often the case – there is a difference between theory and practice. And if we are to recommend a shift in behavior, we need to draw on real-life action, rather than best intentions.

The best versus the rest

03

The best versus the rest

To really quantify the difference in priorities between those earmarked as high performers and those making up the rest, we sought to question respondents on how they felt their

departments performed in specific relation to these four key areas. And it's here that we're able to begin quantifying how proper focus on core objectives reaps rewards. →

High performers

Percentage of respondents claiming to be 'very successful' with regard to each pillar

Average performers

67%

Strategic alignment

34%

Difference: 33%

63%

Being customer driven

34%

Difference: 29%

73%

Managing the brand

51%

Difference: 22%

27%

Measurement and reporting

20%

Difference: 7%

→ The most significant gap between our high performance group and the average performers comes in the shape of strategic alignment. Some 67 percent of high performers felt their departmental objectives were closely aligned with corporate objectives, while only 34 percent of average performers felt similarly. A disparity of 33 percent cannot be ignored here. And the conclusion is clear: marketing departments closely aligned to, and focused on delivering against, wider business objectives are more likely to make more meaningful and quantifiable contributions to business success.

A similarly stark difference was recorded between high performers and the rest when it came to their customer-centricity performance. Again, almost two-thirds (63 percent) of high performers rated their customer-centricity efforts as very successful, while only 34 percent of the average group felt they were doing similarly well.

The difference between the two groups narrows to 22 percent when we look at brand management, with marketers across the board speaking more favorably of their performances. That said, the contrast is still telling.

The gap narrows to only 7 percent with regard to measurement. The lazy conclusion here is that measurement doesn't matter. We won't be taking that route. It's probably closer to the truth to say that, while a failure to deliver effective measurement and reporting does not preclude successful marketing, it's likely to make future successes harder to come by. Another observation worth making – one we'll return to in the next section – is that B2B marketing still suffers from an inability to measure and report on its performance. Even among the high performers, little more than a quarter (27 percent) felt they were 'very successful.'

Marketing departments closely aligned to, and focused on delivering against, wider business objectives are more likely to make more meaningful and quantifiable contributions to business success.

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It's clear that a
commitment to
the four pillars
means marketing
departments
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drive the growth their
businesses need

”

The findings in detail

04

Strategy

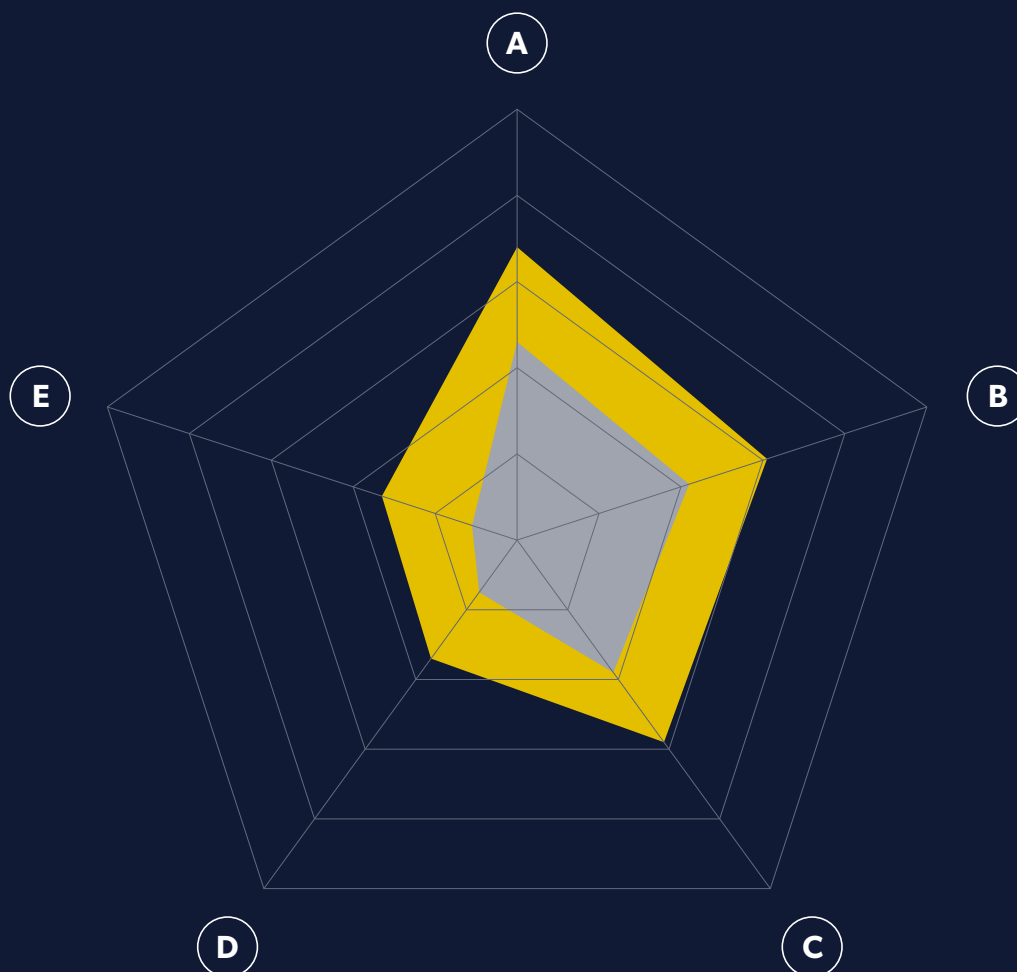
Across the board, high performance marketers are also the ones whose marketing is delivering against business objectives.

Particular differences were noted against the imperatives related to marketing objectives being created with strategic business goals in mind, as well as in terms of marketing having differentiated KPIs for tracking strategic and tactical objectives.

There's nothing hugely complex going on here, and it's understandable that marketing can get lost in its own world from time-to-time. But it's vital that marketers find time to step back and make sure the outcomes being created really are the ones most needed by the business.

**To what extent do you agree with the following statements
in regard to your own department's performance?**

Percentage of respondents that
'strongly agree' with the statement



		High performers	Average performers	Difference
A	Marketing strategy is designed with the business's strategic objectives in mind	68%	46%	22%
B	Marketing's goals are in line with wider business goals	61%	42%	19%
C	The marketing team is fully aware of the business's overall strategic objectives	58%	38%	20%
D	The organisation's goals are clearly articulated to the wider business	34%	15%	19%
E	Marketing has differentiated KPIs for strategic/tactical variables	33%	11%	22%

Customer

Customer-centricity and marketing success go hand-in-hand.

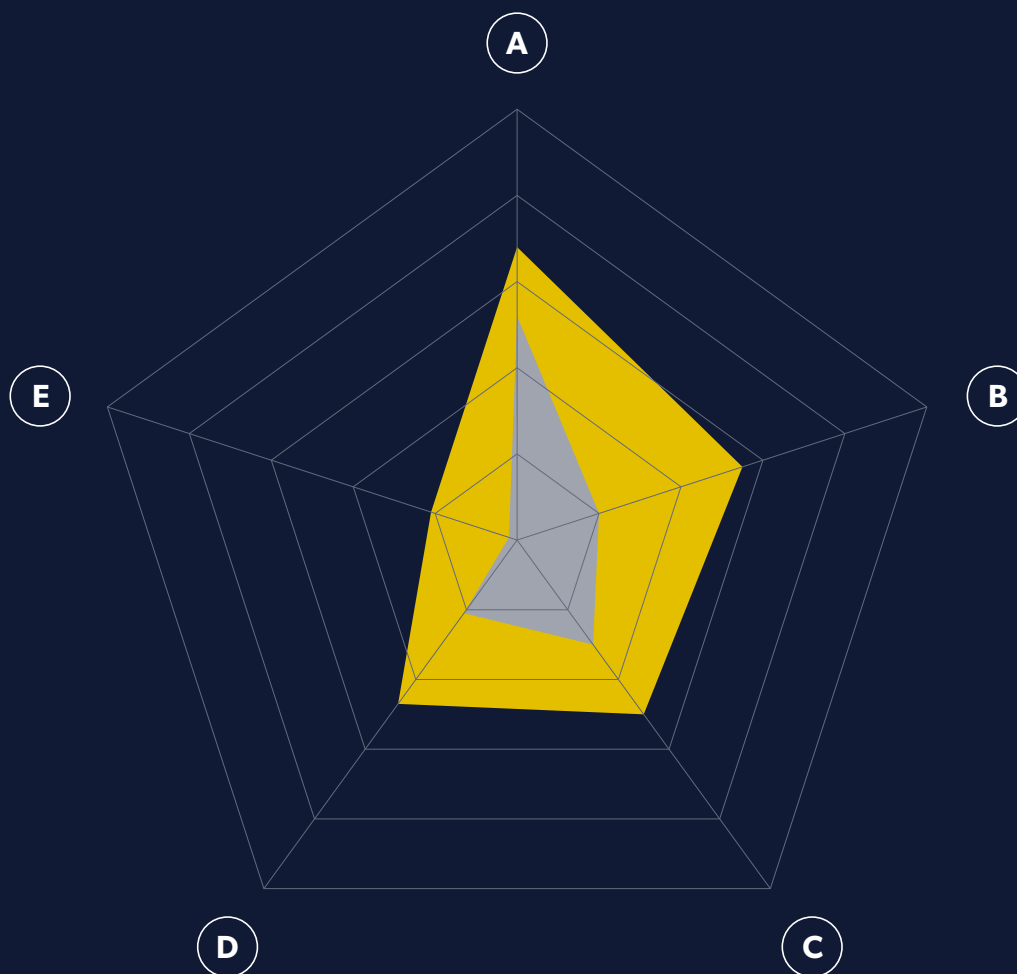
And we're able to trace that right back to the source. The largest gap (35 percent) between our high performers and the rest, with regard to customer-centricity, related to the level of confidence they had in their understanding of their target customers.

Everything stems from an understanding of customer need. From there, marketers can help

ensure their messaging and product delivery is customer-centric. A proper understanding of customers' needs is also fundamental if marketers are to wrestle back any fragment of control over the customer journey. It's also notable that only 2 percent of the averagely performing departments feel they own the buying process, compared to 21 percent of high performers.

To what extent do you agree with the following statements in regard to your own department's performance?

Percentage of respondents that 'strongly agree' with the statement



		High performers	Average performers	Difference
A	Our products and services are genuinely useful to our customers	68%	52%	16%
B	The marketing department has a strong understanding of the target customer	55%	20%	35%
C	Improving the customer experience is a business priority	50%	30%	20%
D	Our business is customer-centric	47%	21%	26%
E	The marketing department owns the customer journey	21%	2%	19%

Brand

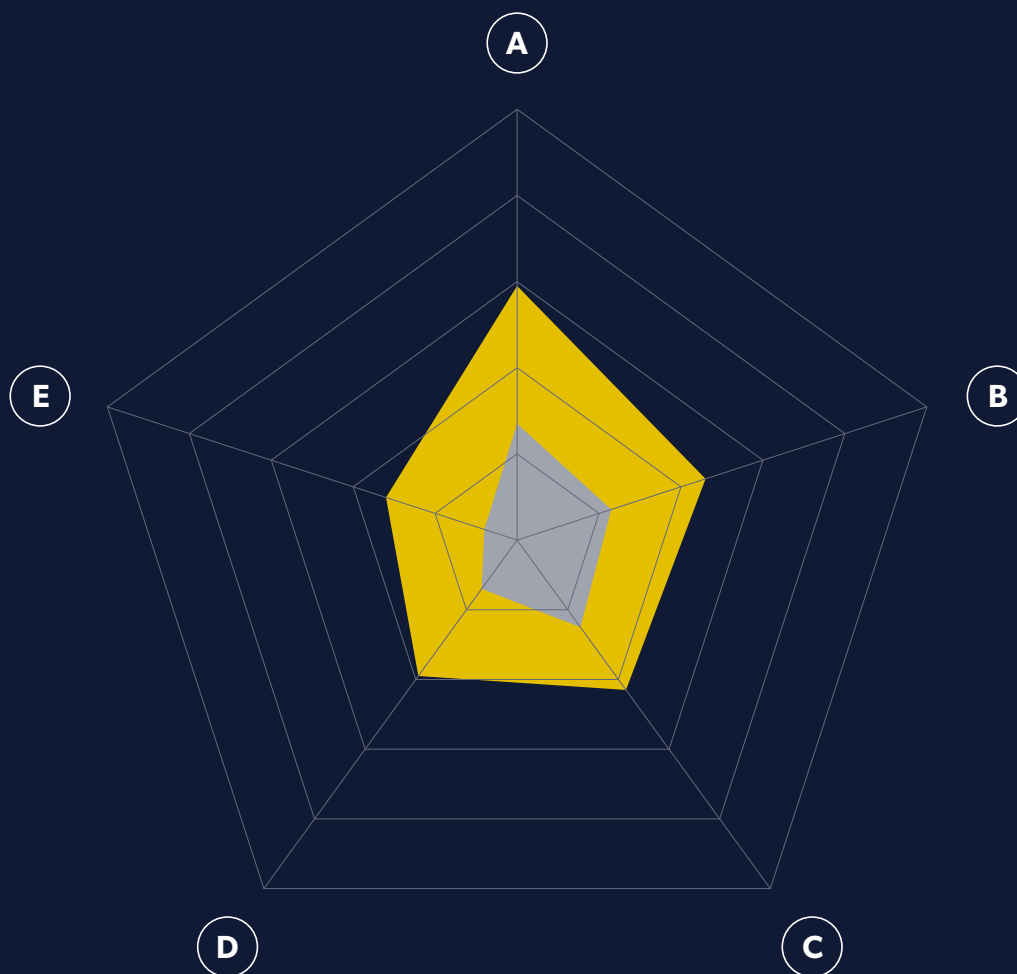
Brand differentiation is hugely significant in determining the relative successes of competing marketing departments.

Almost 60 percent of high performers strongly believe in the credibility of their brand differentiation, compared to only 27 percent of the rest. Digging a little deeper, we find two potential underlying causes. Marketers yet to attain high-performance status seem to be struggling with brand

strategy. Only 14 percent are confident they are working with a clearly defined brand strategy (compared to 39 percent of high performers). This shortcoming is also leading to a failure to deliver consistent brand experiences. Without a properly defined brand strategy, consistency seems unobtainable.

To what extent do you agree with the following statements in regard to your own department's performance?

Percentage of respondents that 'strongly agree' with the statement



High performers



Average performers

Difference

A	Our brand differentiates us from competitors	59%	27%	32%
B	Marketing owns the company's brand	46%	23%	23%
C	My business has a clear brand identity	43%	25%	18%
D	We have a clearly defined brand strategy	39%	14%	25%
E	We offer consistent brand experiences across channels	32%	8%	24%

Measurement

As mentioned at the outset, the correlation between successful measurement and reporting and marketing success was less pronounced than in the other three pillars. However, it would be rather too cheap a conclusion to eschew a commitment to improvement in this area. Replication of success and securing future growth requires an understanding of what worked and why. And this is impossible without measurement and reporting; reason enough to retain a dedication to measurement.

However, our research also touched on another dynamic which further underlines the relevance of measurement. While 65 percent of client-side marketers rated their department's contribution to wider business success as being seven-or-

above out of 10, only 29 percent think their colleagues in other departments would share such a favorable view of marketing.

Marketing, it seems, has an image problem. This leaves many working in the department with a sense of being undervalued, lamenting a failure to secure buy-in to their ideas. But this is no surprise when we highlight that only 17 percent of marketers are able to quantify, in specific terms, their contribution to wider business growth. Thus, the case for a commitment to measurement is made.

To understand this issue in more detail we asked client-side marketers: 'If there was no marketing department, what would happen to your business' growth?'

The almost unanimous answer was: growth would rapidly decline. A few key reasons for this emerged:

- › It would become more difficult to create new leads.
- › Brand awareness would be lost.
- › Lack of content would make the sales team's job harder.
- › It would be harder to create brand differentiation.
- › Inconsistent brand experiences would be created.

Marketing clearly plays an important role in the growth of the business. So effective measurement and reporting should be regarded as key for marketing teams eager to secure the recognition they deserve. Charity, as they say, begins at home.

17% are able to quantify their contribution to wider business growth

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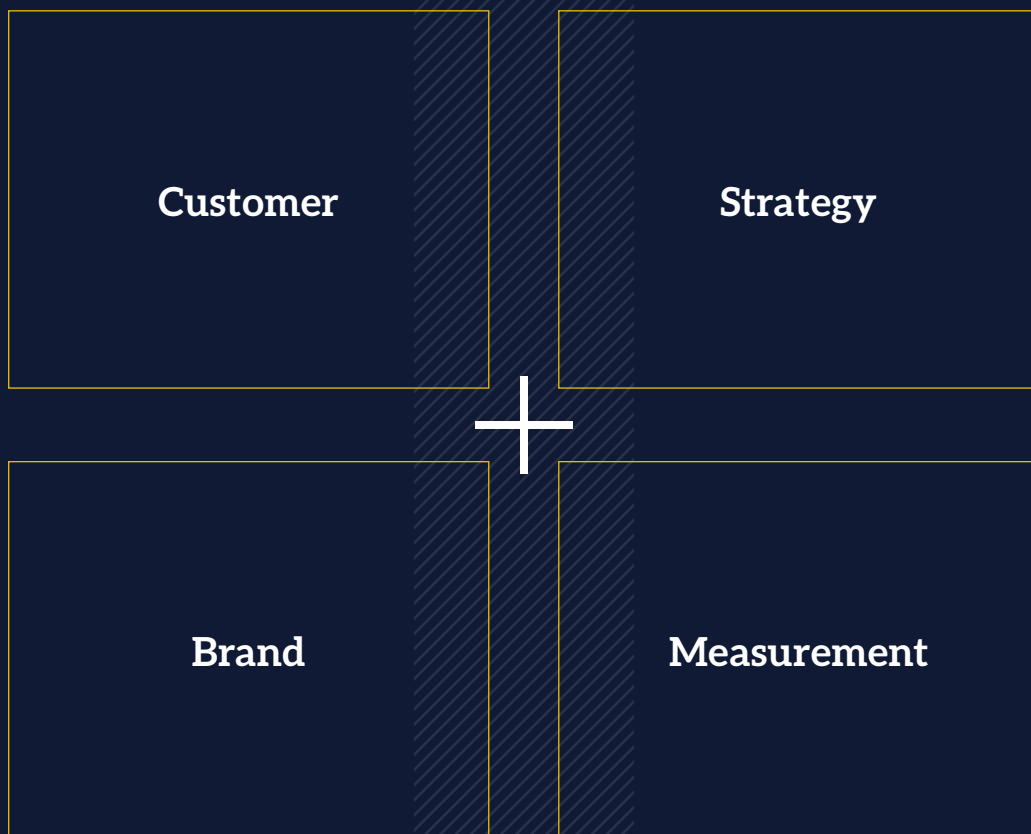
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Your action plan

05

1

The four pillars
of marketing are:



2

High performance marketing departments are more aligned with the four pillars of marketing than their less remarkable peers.

Action

Make sure everyone in your team is committed to these guiding principles. Think of it as a marketing mantra: customer, strategy, brand, measurement. These things should be placed at the

heart of everything you do. By doing this, you'll be able to ensure marketing actively contributes to the growth of the organization, and becomes a profit center rather than a cost center.

3

The most successful marketers create marketing strategies designed to help deliver against wider business aspirations and objectives.

If priorities in the marketing team do not correlate with those of the organization as a whole, success is likely to become a very subjective matter.

Action

Revisit your marketing strategy, and the plans it has spawned. Are they truly aligned with the aims of the wider business? If they aren't, you need to rethink. If you don't know what your business' wider objectives are, you have a more fundamental problem. And you need to find out ASAP.

While reviewing your marketing strategy, make sure you set clear objectives with associated key performance indicators, according to strategic and tactical goals, and think about how you can communicate your strategic goals to the rest of the business. Use [this template](#) to draft a new marketing plan.

4

High performance marketers have a much stronger understanding of their customers' needs than average performers.

Focus should be placed on improving customer-centricity and delivering meaningful customer experiences, rather than trying to own the customer's thought process.

Action

Marketers have to be the voice of the customer internally. This means going out of your way to understand their motivations, challenges and hopes for the future. If you can't truly speak with authority on their behalf, it's probably time to pick up the phone and speak to some of them.

Rethink segmentation, review your use of personas and map the customer journey in order to develop a customer-centric marketing approach that goes beyond 'understanding', to deliver tangible marketing results and ROI.

5

High performance marketing teams create brands that offer clear differentiation from competitors.

Marketers working with brands that fail to resonate with target markets and are generic in nature will have to work harder to achieve the cut-through experienced in high performance teams.

Action

The importance of brand differentiation shouldn't come as a surprise to anyone in marketing. But there are lots of very average brands in B2B. Reflect honestly on your differentiation. If you don't believe your own elevator

pitch, it needs to change. While reviewing your brand strategy, make sure you focus on the things you can control, including your presence, your personality, image and leadership within the industry.

6

Measurement is vital for marketers looking to quantify the contributions their department is making to business growth.

It's unlikely colleagues in other departments are going to go looking for evidence of marketing success, so it's up to those on the inside to state the case, using language the business cares about.

Action

Measurement involves lots of things that don't sit in the traditional marketer's comfort zone: ROI, data and number crunching, for example. But we aren't working in traditional times, and marketers cannot rely on

outmoded skillsets. Measurement and a commitment to recording and improving outcomes have to be the 'new normal' in B2B marketing departments. Especially in those that want to be seen to be doing well.

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
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- › Webinars
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B2B Marketing

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Get in touch and let's talk about uncovering those Eureka! moments – insights that transform your view of the situation.

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