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PLAYING THE LONG GAME FOR GROWTH

How B2B technology brands
should really be investing in marketing

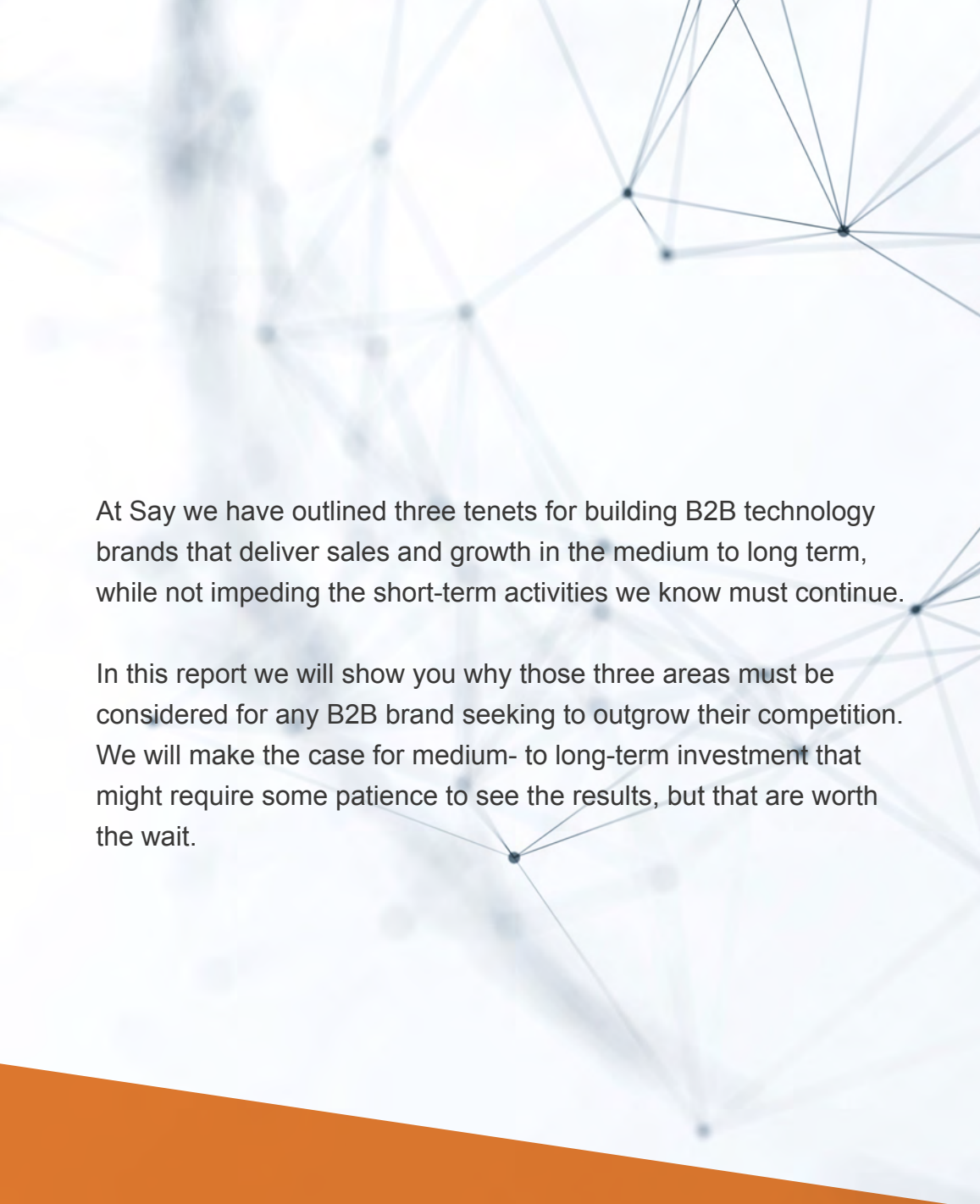
PLAYING THE LONG GAME FOR GROWTH

How B2B technology brands should really be investing in marketing

In the highly competitive landscape of the B2B technology industry, effective marketing communication is crucial for generating awareness and managing reputations for organisations, products and people. But it's also instrumental to sales and growth, due to its role in building and maintaining brand equity. The importance of marketing communications in doing this is often overlooked or ignored by many B2B tech firms, who, as a consequence, underinvest in it. The reason for that is, ultimately, a betrothal to short-term thinking and short-term results. But by looking at the medium- to long-term impact of brand building, it becomes evident that short-term tactics designed to increase sales become exponentially more effective when they are layered over that brand-focused activity.

Of course, marketing communications stakeholders – both internal and external – face the challenge of delivering short-term results while also trying to build enduring customer and stakeholder relationships/partnerships. That can make looking ahead difficult.

MUCH LIKE LOOKING AFTER OUR HEALTH AND OUR SAVINGS, WE ALL KNOW THAT WE MUST LOOK BEYOND THE SHORT TERM IF WE WANT TO DELIVER TRULY EFFECTIVE, SUSTAINABLE MARKETING EFFORTS. BUT HOW?



At Say we have outlined three tenets for building B2B technology brands that deliver sales and growth in the medium to long term, while not impeding the short-term activities we know must continue.

In this report we will show you why those three areas must be considered for any B2B brand seeking to outgrow their competition. We will make the case for medium- to long-term investment that might require some patience to see the results, but that are worth the wait.



THE THREE AREAS ARE:

1 BRAND BUILDING:

marketing communications activity that prioritises brand over product, but which then serves as a foundation for product and service trust and preference.

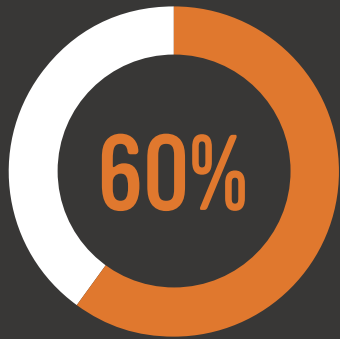
2 COMMUNITY BUILDING:

community-led growth that connects brands with their stakeholders for mutual value exchange and long-term customer retention, affinity, and advocacy.

3 THOUGHT LEADERSHIP:

creating visibility, authority and trust in your sector and allowing brands to compete more effectively for audience attention.

BRAND BUILDING = SALES



B2B BRANDS OUTPERFORMING THEIR COMPETITORS OVER THE PAST TWO YEARS WERE TWICE AS LIKELY TO ALLOCATE 60% OR MORE OF THEIR BUDGET TOWARDS ACHIEVING LONG-TERM MARKETING GOALS.

(SOURCE: MARKETING WEEK AND THE MARKETING PRACTICE)

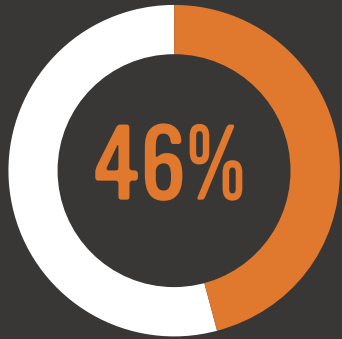
When it comes to B2B purchasing decisions, it's important to appreciate that people don't leave their emotions and personality behind. The 'B2H' (Business to human) notion holds some weight – ultimately we make business buying decisions in much the same way as we do when we buy goods personally. But the hallmarks of B2C marketing – creativity, storytelling and long-term brand building – are often overlooked in B2B marketing, despite them being of equal importance to purchase decision-making as product features and pricing.

B2B BRANDS HAVE LONG ESCHEWED STORYTELLING AND CREATIVITY IN FAVOUR OF MORE PERFUNCTORY PRODUCT AND PRICING COMMUNICATIONS BECAUSE THERE IS A TEMPTATION TO “GET TO THE POINT”. BUT THAT APPROACH DOESN'T REFLECT HOW PEOPLE BUY GOODS AND SERVICES FOR THE BUSINESSES THEY REPRESENT.

Just like buying a new car for themselves, they need to be persuaded to trust the manufacturer and to believe in the product and the brand in some form of a meaningful way. It needs to be more than just a rational choice, whether that is obvious or not.

Indeed Richard Robinson, Chair of The DMA's B2B Council, contends that sales growth relies on establishing strong relationships and fostering customer loyalty. Robinson asserts that B2B customers often exhibit deeper emotional engagement than B2C shoppers because the costs of their purchases can be higher both for them, if they make the wrong buying decision, and for their company, given the financial implications of a poor choice.

So, what is the right approach to investing in my brand?



ON AVERAGE, BRAND BUILDING SHOULD ACCOUNT FOR 46% OF B2B MARKETING SPEND, WITH LEAD GENERATION MAKING UP THE REMAINING 54%.

(PETER FIELD, MARKETING CONSULTANT; LES BINER HEAD OF EFFECTIVENESS ADAM&EVEDDB)

A research commissioned by LinkedIn focused on the B2B domain uncovered an ideal 46/54 split between brand building and lead generation spend, which supports Field and Binet's now famous B2C marketing tome "The Long and The Short of It" published in 2013. The research also suggests that investment in brand building should increase as a business matures and grows.

Field insists that many B2B marketers must reassess their approach to better reflect the significant similarities between B2B and B2C regarding brand. By outlining how brand advertising influences B2B buyer choices and revenues, he makes it evident that brands must incorporate a creative storytelling element to their marketing communications. Because B2B brands too often rely just on rational product messaging, insufficient effort is put into brand building and

clear competitive differentiation. After all, if many products and services in a niche sector are too close in features and pricing, brands risk a race to the bottom in terms of pricing.

In addition to there being no better tool for driving growth than brand building, Field also argues that, to generate enduring support, B2B marketers must also adopt an acquisition strategy that targets a wider audience than their instinct might initially suggest. He argues that too much B2B marketing is focused on the narrow targeting of existing customers. One of the ways both to build a brand and to attract a wider audience than your immediate customers and buying decision-makers is through thought leadership, which is covered in the second section of this report.

What are the benefits of this approach?

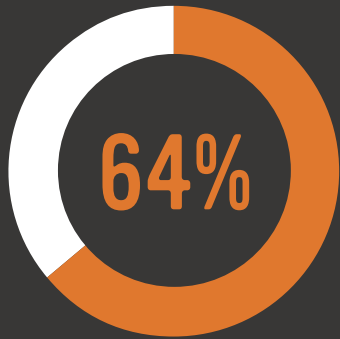
Medium- to long-term marketing strategies offer significant advantages for B2B technology firms, particularly in establishing lasting customer relationships.

BY CONSISTENTLY DELIVERING VALUE AND ADDRESSING CUSTOMER NEEDS OVER AN EXTENDED PERIOD, COMPANIES CAN FOSTER TRUST, EXPEDITE SALES CYCLES AND INCREASE CUSTOMER LOYALTY AND LIFETIME VALUE.

Content marketing, including SEO, web design, email, and social media marketing, becomes a valuable tool for gaining a competitive edge through the delivery of valuable content and nurturing relationships.

The VRIO Framework further supports the efficacy of these strategies by evaluating a company's resources and capabilities to secure a durable competitive advantage. Striking a delicate balance between brand building and sales activation is crucial, with an optimal budget allocation suggested for B2B firms. Emerging trends such as direct and relationship marketing, quality marketing, chatbots, virtual events, sustainability, social responsibility and account-based marketing (ABM) are shaping the future of long-term marketing, while challenges such as data privacy, security risks and intensifying competition require careful consideration.

THOUGHT LEADERSHIP BUILDS BRAND



OF B2B BUYERS FOUND THOUGHT LEADERSHIP CONTENT MORE RELIABLE THAN MARKETING MATERIALS OR PRODUCT SHEETS

(EDELMAN TRUST BAROMETER)

One of the simplest and most effective ways to build brand equity is thought leadership.

IN SHORT, THOUGHT LEADERSHIP ENABLES B2B TECHNOLOGY FIRMS TO DISTINGUISH THEMSELVES, EARN TRUST AND SIMPLIFY DECISION-MAKING PROCESSES FOR CUSTOMERS.

By showcasing expertise through research papers, webinars and articles, companies can enhance their credibility, visibility and innovation. For building trust, in particular, thought leadership content is perceived as more reliable than traditional marketing materials for judging a company's capabilities. Using this content to engage

target audiences on social platforms further boosts customer loyalty, demand and even advocacy. Tracking key performance indicators, such as brand awareness, lead generation and sales, helps evaluate the effectiveness of thought leadership strategies.

Companies across industries continue to incorporate opinion leader figures into their B2B digital marketing strategies. Thought leadership from experienced leaders serves as a platform for sharing best practices, practical knowledge, experiences, success stories and social responsibility. Thought leaders play a crucial role in driving organisational growth and fostering community-building within their fields. Being the first to establish thought leadership can yield substantial benefits, including increased attention and positive brand perception.


“THOUGHT LEADERSHIP IS PRECIOUS FOR B2B TECH COMPANIES. IT ENABLES THEM TO POSITION THEMSELVES AS KNOWLEDGEABLE AND RELIABLE SOURCES OF INFORMATION AND EXPERTISE IN THEIR RESPECTIVE INDUSTRIES. BY SHARING THEIR KNOW-HOW AND INSIGHTS, THESE BUSINESSES CAN ESTABLISH TRUST WITH POTENTIAL CLIENTS, DEMONSTRATING THAT THEY UNDERSTAND THE MARKET BETTER.”

(B2B, CEO)

Experts and thought leaders possess unique qualities that are not easily provided by marketing teams alone. While many B2B companies offer well packaged, high-quality products or services, only a select few become thought leaders. The pursuit of thought leadership arises from the understanding that sustained client loyalty is challenging to attain. Clients tend to seek the next best solution to their problems, making businesses replaceable. In contrast, thought leaders typically enjoy a more enduring position.

BECOMING A THOUGHT LEADER REQUIRES LEVERAGE. IT INVOLVES EXCELLING NOT ONLY IN CORE DELIVERABLES, BUT ALSO IN AREAS SUCH AS CONTRIBUTING TO INDUSTRY BEST PRACTICES, SHARING PRACTICAL GUIDANCE AND FIRST-HAND EXPERIENCE, AND EMBRACING CORPORATE SOCIAL RESPONSIBILITY.

CEOs and executives aspiring to be thought leaders must lead their companies with precision, efficiency and moral integrity, while also establishing themselves as trusted sources within the broader community.

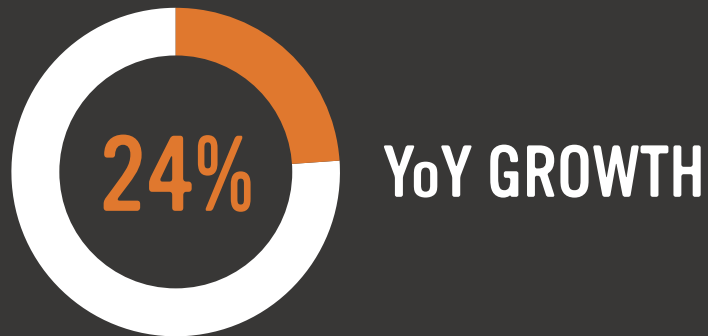


What are the benefits of implementing a thought leadership strategy?

Thought leadership can serve as a potent marketing strategy. Brands that achieve thought leadership status benefit from increased attention, which can drive organic growth more effectively than other marketing avenues. Trusted sources are sought out for their knowledge, contributing to their value and expanding their organic exposure and reach. Although measuring the return on investment of thought leadership may be challenging, it has been shown to elevate a company's brand to new heights.

Current customers tend to remain loyal, while competitors may lose clients drawn to the thought leader's influence. Over time, a few companies in each field are likely to be recognised as trusted and indispensable industry giants. Consequently, it is advisable for companies and their executives to prioritise thought leadership in their B2B marketing strategies moving forward.

COMMUNITY-LED GROWTH THAT CREATES ADVOCACY



SALESFORCE'S TRAILBLAZER COMMUNITY SERVES AS A PRIME EXAMPLE OF COMMUNITY-LED GROWTH, WITH ITS COLLABORATIVE ECOSYSTEM CONTRIBUTING TO A REMARKABLE **24%** YEAR-OVER-YEAR REVENUE GROWTH IN 2020

Every brand possesses a community of some size or shape, especially if it's producing effective thought leadership content. Whether ten customers or ten million, there will always be individuals who possess an interest or even a passion for what a brand offers. Often they are willing or even eager to share their positive experience of that brand with others. While this is true 'at scale' for B2C brands, it is true for B2B brands too. Harnessing the marketing potential of these individuals, placing them at the forefront and empowering them to spread their enthusiasm with those around them is an essential aspect of a marketing strategy. This is commonly referred to as community-led growth and has been made famous in the B2B tech space by Adobe and, more recently, by Salesforce. It is also a

natural next step for a B2B business that is building brand equity with thought leadership tactics.

Community-building tactics offer significant advantages for B2B technology brands seeking to grow their brand. According to a study by Global Web Index, **76%** of internet users engage in online communities, showing how naturally we flock to each other based on interests or mutual value exchange. There is little reason why brands that are offering genuinely useful and valuable solutions should not also create or contribute to communities. In aiding those communities with their insight, solutions or perspective, they access a powerful platform for brand advocacy and reputation building in return.

COMMUNITY BUILDING PLAYS A PIVOTAL ROLE IN NURTURING TRUST AND BRAND LOYALTY FOR B2B TECHNOLOGY FIRMS. ONLINE COMMUNITIES SERVE AS INFLUENTIAL ADVOCACY GROUPS, AMPLIFYING POSITIVE WORD-OF-MOUTH AND STRENGTHENING BRAND REPUTATION.

Salesforce's Trailblazer Community serves as a prime example, with its collaborative ecosystem contributing to a remarkable **24%** year-over-year revenue growth in 2020. Furthermore, the Edelman-LinkedIn B2B Thought Leadership Impact Study reveals that thought leadership content fosters trust, with **88%** of decision-makers indicating its positive impact. Additionally, **64%** of B2B buyers found thought leadership content more reliable than marketing materials or product sheets. These findings demonstrate that community-building tactics not only facilitate real-time feedback and insights from customers, but also strengthen brand loyalty, enhance brand reputation and drive revenue growth for B2B technology brands.



What are the benefits of community-led growth?

In essence, community-led growth revolves around transforming a product's users into its most effective advocates, who willingly share their first-hand experiences of the product with their networks. Engaging directly with customers through communities also facilitates real-time feedback, insights and networking opportunities that enhance offerings and market competitiveness. The success of Salesforce's Trailblazer Community is a great example of the impact of community building on product innovation and customer success.

THE BENEFITS OF THIS TO B2B TECH BRANDS ARE THREEFOLD:

1 PROMOTION:

Customers become active promoters of the product, recommending it to their networks and driving new customer acquisition.

2 ENGAGEMENT:

By congregating online, community members engage in sharing best practices, valuable content and success stories, and engaging in discussions. This fosters a sense of camaraderie and collective learning. Communities help to differentiate companies from competitors and enhance customer lifetime value by fostering loyalty, engagement and advocacy.

3 INSIGHTS:

The community provides valuable feedback to the brand, offering insights into product improvements, service enhancements and feedback on marketing and sales strategies. Active community building also yields valuable data, helps to tailor offers, increases conversion rates, drives referrals and aids retention.

The greatest benefit of them all: mutuality

But the most remarkable aspect of community-led growth is its mutually beneficial nature for both a brand and its customers. For the brand, it cultivates a network of enthusiastic customers who serve as influential voices, impacting potential buyers' decisions and fuelling acquisition and growth. Simultaneously, being part of a vibrant community extends the value of the product or service for customers, enabling them to learn from their peers asynchronously and in parallel. This extended Customer Lifetime Value (CLV) has a positive impact on a brand's Annual Recurring Revenue (ARR) and strengthens customer loyalty.

While building online communities as a marketing strategy has the potential to be advantageous for various companies, a single approach may not suit every organisation, particularly in B2B technology, where solutions are often highly specific and are of interest to limited stakeholders.



THERE ARE **FIVE BROAD THEMES** BY WHICH COMMUNITIES ARE ORGANISED THAT B2B TECH BRANDS SHOULD SEEK TO CREATE OR CONTRIBUTE TO:



1 KNOWLEDGE,
such as expert
networks
and advisory
communities



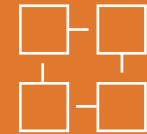
2 EVENT,
which may be
one-off, annual
or more frequent



3 SECTOR,
such as IT



4 BRAND,
such as in the
case of Adobe
or Salesforce



5 TECHNOLOGY,
such as
Blockchain

Although these community types vary in structure and the benefits they provide, they share a common trait of bringing people together around a brand or subject. This characteristic makes them a compelling choice for organizations seeking to prioritize their followers and involve them prominently in their marketing strategy.

HOW CAN I PUT THESE THREE STRATEGIES INTO PRACTICE?

At Say Communications we pull these three strategies together into set of services we call '**EXPONENTIAL**'. Exponential is our approach to delivering long-term, sustainable growth for B2B technology brands, but also incorporates some of the short-term marketing tactics you need to maintain market share and visibility.

To start laying the foundations for long-term growth and supporting your sales strategies with more effective and competitive marketing communications, get in touch with us.

www.saycommms.co.uk or hello@saycomms.co.uk

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