

It's Time To Wake Up Or Shake Up B2B Marketing In Manufacturing

TREND REPORT

Summary

CEOs and senior staff at manufacturing firms must prepare a seat at the executive table for the leader of an amped-up marketing organization. This research tells you why and shares best practice insights about marketing in high-performing manufacturing firms. Business buyers are migrating their buying journey to digital channels and decreasing their reliance on salespeople. Increasing ubiquity of online information, preferences of Millennials, and consumers' search and browse behaviours are fueling this trend. The coronavirus pandemic will inculcate it. Manufacturing firms must accelerate their digital transformation and establish or refresh their digital engagement strategies to deepen their connections with self-directed, digitally enabled, and increasingly remote buyers. B2B marketing leaders must transition their organization from being the brand steward, lead-generation machine, and sales supporter to being the architect of engagement across the entire customer

lifecycle. Marketing leaders in manufacturing firms — and the CEOs to whom they report — must take into account the best practices of vanguard marketing leaders in all industries.

B2B Marketing In Manufacturing Must Emerge From Its Dark Ages

A Harvard Business Review article from 1997 questions if marketing and manufacturing can coexist. Manufacturing firms have traditionally relied on selling efforts of a distributor, dealer, or direct sales force. Selling channels are stable, supplier-customer relationships are strong, and marketing supports load-bearing sales channels by building brand, generating leads, creating content (including the website), and managing trade shows. But several fomenting forces are proving the need for a renaissance of marketing in B2B manufacturing:

- **Consumers' experiences reset the bar for on-demand digital engagement.** B2B buyers' consumer experiences have produced a preference for frictionless self-service experiences from initial research to purchase: 71% of B2B researchers begin research with a generic search, and digital influences 67% of purchases for industrial manufacturing and pack-and-ship industries. B2B eCommerce sales increased from 14% in 2015 to 18% in 2019, while purchases through sales reps declined from 46% to 42% over the same period. Manufacturing firms need a strong digital marketing program to reach these increasingly digital buyers.
- **Millennials buy differently.** Millennials make up one-third of the US workforce today and will comprise 45% by 2028. And 73% of Millennials are involved in product or service purchase decision making, with approximately one-third being the sole decision maker. Millennials turn to digital channels to research new products and services. In preference order, search engines, vendors' websites, and peers' recommendations all rank higher than salespeople. Manufacturing firms need a strong digital marketing program to reach these increasingly important buyers.
- **COVID-19 will accelerate and inculcate remote digital engagement.** In the Q2 2020 US Pandemic Survey 2, 44% of US workers said they were glad their

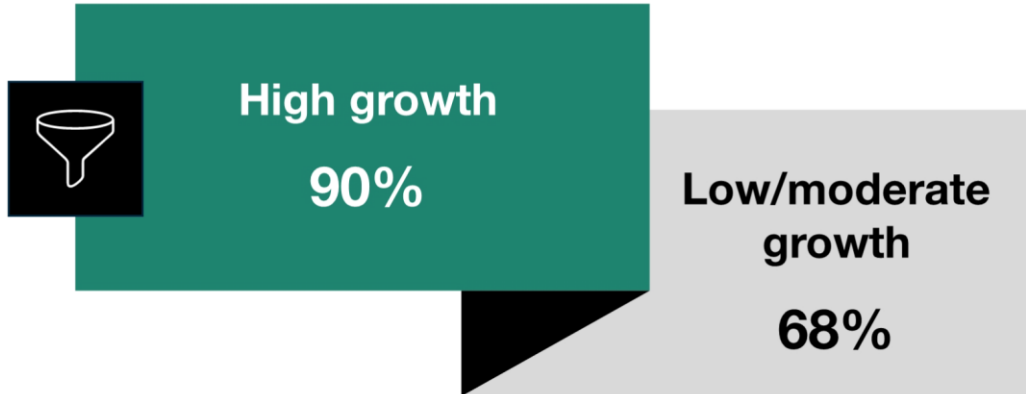
business travel had been cut back, and 53% of US workers said they would like to continue to work from home after the pandemic is over. Valuable interactions can occur across a range of virtual and digital modalities. The average ratio of digital-to-human interactions per purchase was 7:7 in 2015, 8:8 in 2017, and 9:8 in 2019, but forced social distancing policies will accelerate the shifting balance from roughly equal to predominantly digital. Manufacturing firms need a strong digital marketing program to address these increasingly remote buyers.

B2B Firms Need To (Re)Discover The Purpose Of Marketing

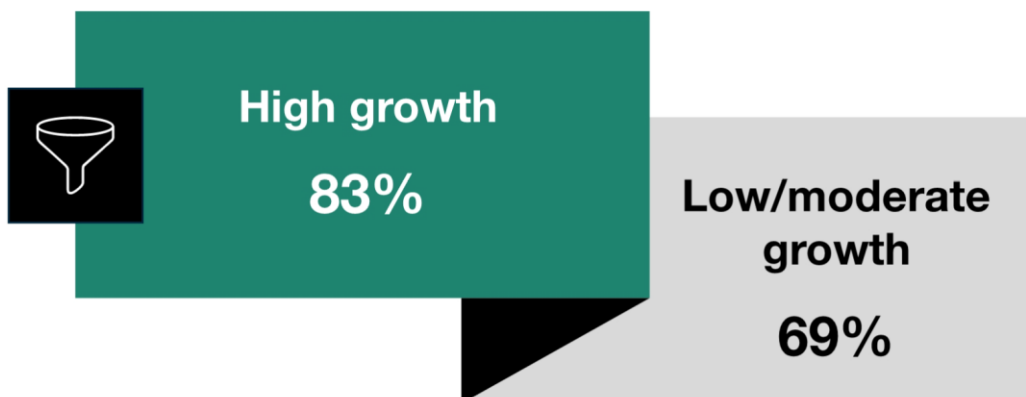
Marketing is not just about clever ads, catchy slogans, great event themes, witty writing, and awesome infographics. At its most basic, marketing's purpose is to win, serve, and retain customers. At its most self-actualized, it's to create, identify, and actualize growth that benefits all corporate stakeholders. Because this now applies to manufacturing firms in the 21st century, marketing must:

- Keep the enterprise calibrated to the customer and anchored to external changes.
- Define brand value and experience in an effective, differentiated way.
- Make customer experience a competitive differentiator by engineering the engagement strategy at all touchpoints in the customer lifecycle.
- Mine customer insights to identify and drive new sales opportunities.
- Identify unserved or underserved gaps in new markets, applications, etc., to create new opportunities.
- Future-proof the organization and catalyze innovation by creating a culture of customer centricity, innovation, and respect.

“We include analysts, strategists, *and* technologists on our marketing team.”
(4 or 5 on a scale of 1 [strongly disagree] to 5 [strongly agree])



“Marketing takes responsibility for removing organization roadblocks that keep the customer from being at the center of all activities.”
(4 or 5 on a scale of 1 [strongly disagree] to 5 [strongly agree])



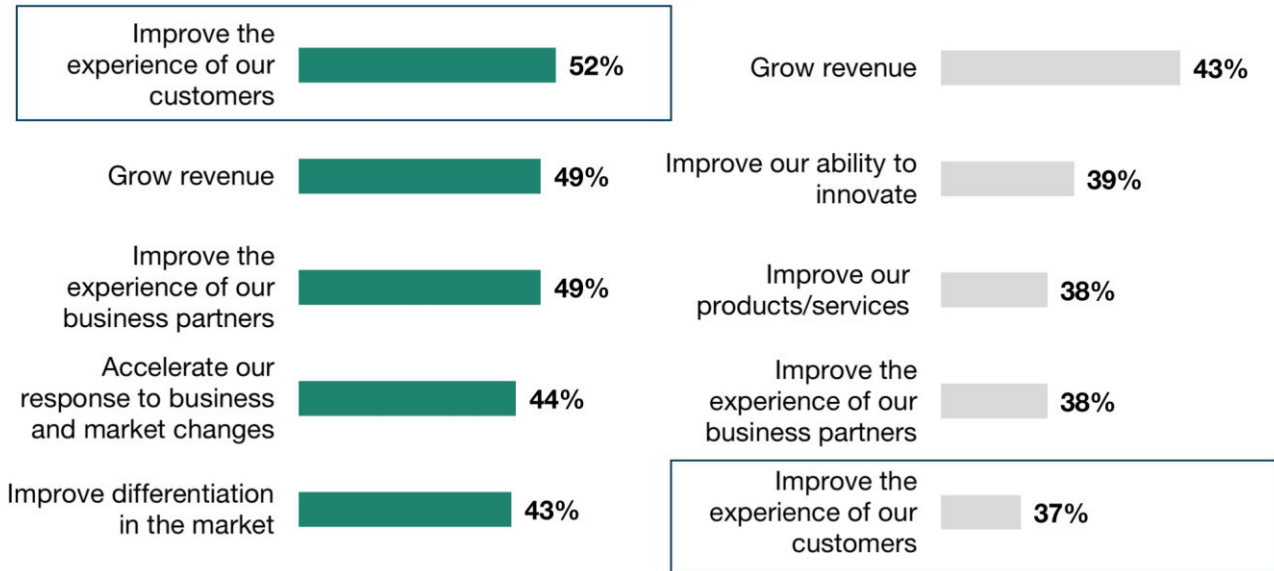
- » 48% of high-growth manufacturing firms said “improving marketing alignment and collaboration with other departments (including sales)” was likely to be a top marketing initiative over the next 12 months, compared with only 31% of low- to moderate-growth manufacturing companies.†

*Base: 59 to 338 B2B manufacturing marketing decision makers

†Base: 63 to 365 B2B manufacturing marketing decision makers

“Which of the following are likely to be your organization’s top business priorities over the next 12 months?”*

■ High-growth manufacturing firms ■ Low/moderate-growth manufacturing firms



» 55% of high-growth manufacturing firms think “improving the experience of our customers” will be “very or extremely challenging,” whereas only 44% of low/moderate-growth manufacturing firms feel the same.†

*Base: 63 to 365 B2B manufacturing marketing decision makers

†Base: 38 to 176 B2B manufacturing marketing decision makers whose organization has taken initiatives on their top business priorities