



REASONS

why most
B2B Companies
fail at marketing...

...and how to avoid their mistakes!

Many business-to-business (B2B) companies are learning a new skill these days. Successful B2B companies have historically been good at operations, product development and sales. But that combination doesn't always add up to success anymore. There's a new skill that some B2B companies are using to build their brand, raise awareness, and attract customers. They're using it to get ahead of their competitors. It's a skill that has long been used in business-to-consumer (B2C), but was mostly ignored in B2B. That skill is strategic marketing.

“Strategy without tactics is the
slowest route to victory.
Tactics without strategy is the
noise before defeat.”

-Sun Tzu

In the past, B2B companies looked at marketing as an afterthought – a tactical activity to turn to when sales were down. Strategic marketing, on the other hand, is a new and different function. And there's a vast difference between tactical marketing and strategic marketing.

Tactical marketing is something that is relatively straightforward. It is usually a campaign or a project that a young or inexperienced professional can take on. That's how many B2B companies have approached marketing in the past – by assigning it to someone with limited B2B marketing experience.

Strategic marketing is a more complex undertaking. It involves a set of integrated activities that align with a business strategy. It defines a target market, a positioning and messaging, and it operates on the basis of defined objectives, resources and timing. And like any skill, there's a learning curve associated with mastering it.

Why is Strategic Marketing Essential to Your Business?

The B2B buyer now completes anywhere from two-thirds to 90%¹ of their purchasing process before they even engage with a company's salespeople. This marks a new frontier for businesses, characterized by buyers taking control of the buying journey. You can read more about it in *The Radical Sales Shift*. B2B companies today need to find ways to engage potential buyers early in their purchasing journey. Since buyers aren't engaging with salespeople until they are closer to the end of the decision making process, companies need to think of other ways to engage with prospects who may have a need for their goods and services. For B2B companies, that means marketing. Marketing raises a company's awareness in the market, educates buyers on a company's solutions and expertise, and builds credibility.

- **Marketing gets companies found when a prospect is looking for solutions.**
- **Marketing nurtures leads until they're ready to talk with a salesperson.**
- **Marketing makes sure the sales team has effective tools to convert prospects to customers.**

Most B2Bs stumble when it comes to strategic marketing. They bring a tactical marketing mindset, thinking they can make massive accomplishments on a shoestring, or that marketing can be done in a few hours by an inexperienced team member and deliver results in a matter of weeks.

The danger of a tactical marketing mindset

What happens when a B2B company approaches marketing with a tactical marketing mindset? Most often, this is what happens:

- The company will undertake a set of marketing projects that are tactical and ad-hoc in nature (with no strategic direction or objective);
- Execution of the marketing projects will be weak, and not run on a firm timeline or budget;
- The results of the marketing projects will fail to meet the company's expectations, whether they were stated objectives or implied;
- The company will evaluate its marketing investment and determine that marketing is a waste of money;
- The company will abandon marketing because it 'does not work'.

As a B2B marketing specialist with two decades of experience, I have witnessed, repeatedly, the mistakes that SMEs make when it comes to strategic marketing. Here are the top 7 reasons why B2B companies don't succeed with strategic marketing, and what steps you can take to avoid the common traps.

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Poorly Defined Value Proposition

Potential customers need to be able to answer the question, “Why should we buy from you?” It’s a deceptively simple question, but it isn’t easy to define the answer. Most B2B companies don’t have a clear value proposition. Often, they play in a commoditized space and they haven’t done the thinking on a strategic level about what differentiates them from the competition. They are so busy concentrating on acting and reacting that they haven’t taken the time to reflect on how they deliver a product or service that customers value. It’s much like writing a resume; it’s not easy defining what makes you better, but you need to take the time to complete one if you want to get the job.

“A business is a value delivery system.”

– McKinsey & Company

How to Tackle the Issue:

- Recognize that articulating your value proposition is necessary (though it can be difficult to do), and commit to working on it.
- Don’t worry about being perfect. Your value proposition doesn’t need to be set in stone. It’s going to change along with you. Just like with product 1.0, where you recognize that it isn’t perfect and it’s going to change, so will your value proposition. Write one down, refine it, and then start using it. If you decide a year down the road that it isn’t exactly right or there’s a better alternative, you can change it.
- Get others involved in defining your value proposition, especially customers. Find out what matters to customers and why they buy from you. You will learn a tremendous amount and the answers may even surprise you.

As with writing a resume, seek outside help if you need to, from people who have experience in pulling a company’s thoughts together, gathering feedback and formulating a value proposition that accurately answers why people should buy from you.

Weak Messaging

A company's value proposition and positioning define why customers should buy from the business. But value propositions and positioning statements aren't wordsmithed for external consumption. They are internal statements that act as touchstones to guide and remind the employees (and marketing team) of where the company is going.

When it comes to external communications, messaging is the way that value propositions and positioning are communicated to the market. But most B2B companies don't produce specific messages that they will use in their marketing to define who they are and what they offer. Or, if they do, they have weak messaging that involves generalizations and clichés.

How to Tackle the Issue:

There are several rules I follow for creating strong messaging. The most important of the rules are:

- Be specific, objective and quantifiable – For example, “We return calls to customer service within four hours, guaranteed.” This is good messaging because it establishes something specific that the prospect or customer can evaluate themselves without any confusion or misunderstanding. Four hours is four hours. It gives a prospect great confidence because they know what that company will deliver and how. Successful messaging is specific, can be objectively validated by others outside the organization, and is quantifiable in units like dollars, numbers or percentage points. B2B companies tend to be more scientific. Use that scientific bent and give potential customers yardsticks to measure you by.
- Repetition is critical – Once you have defined your messaging statements, repeat them. No one is paying attention to your messages as much as you are, so use them for at least a year in all of your marketing, including your collateral, your website and your social media posts, so that your message is absorbed by potential customers. It typically takes over half a dozen repetitions of a message before it's truly heard by anyone. And in many cases, it's a dozen. Repeat, repeat and repeat your message.

B2B companies rarely have compelling and consistent messaging that they use to establish and strengthen their market position. But by following a few simple rules, you can clearly define and convey who you are and what you're offering to prospective buyers.

7 Golden Rules of Messaging:

- 1** Not claimed by the competition
- 2** Not a cliché
- 3** Specific
- 4** Objective
- 5** Quantifiable
- 6** True
- 7** Relevant

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No Marketing Foundation

Strategic marketing is a lot like building a house. You pour the foundation, ensure that it's strong, and only then do you build the structure on top.

In marketing, the foundation is comprised of your value proposition, your website with solid Search Engine Optimization (SEO), collateral with strategic messaging built into it and your brand strategy. Without a strategic marketing foundation, all the money you might spend on campaigns and tactics will be wasted (like rooms and decor that are blown away in the first storm to hit a foundation-less house).

“The loftier the building, the deeper must the foundation be laid.”

– Thomas à Kempis

How to Tackle the Issue:

- Don't leap into campaigns, as tempting as it is to do so. B2B companies often want to jump into action, but that's a huge danger. First establish your foundation (the unsexy structural work like defining target markets and messaging) and then move on to campaigns.

For effective strategic marketing, you need that solid foundation in order to achieve long term success. Take the time to build it.

Short-Term Thinking

One of the most common questions that B2B company leaders ask about marketing is, “When are we going to see results?” Many companies think that a one-quarter or one-year outlook is appropriate. In reality, it takes 2-3 years to fully achieve the benefits of strategic marketing for B2B companies. It’s like dating. You wouldn’t ask a person to marry you after the first date; you wouldn’t be successful. You need to build a relationship, get to know each other, build credibility and prove you’re better than the competition. Prospects won’t buy from you based on that very first email campaign. It’s a slow build.

How to Tackle the Issue:

- Recognize that strategic marketing is like courtship. It takes time to establish a reputation, build relationships, and consummate new deals. In most cases, strategic marketing is a multi-year, accretive process. The good news is that if you’re doing it right, it gets better and stronger every quarter.
- Determine an approximate, realistic timeline for results from your marketing. The time it takes to achieve results varies for different companies based on the purchasing process for the products or services they sell. So, a company with a 3-week purchasing process will see revenue results from marketing more quickly than a company with an 18-month purchasing process.

Here’s a quick rule of thumb: If you’re starting marketing from ground zero, in the first 6-12 months you will be putting a strategic marketing foundation in place and developing a new skill and habit that will lead to results. You will start to see leads in the pipeline once that foundation is in place and you have begun to run campaigns aligned with your strategy and foundation. The pipeline will grow as a result. Depending on the typical sales cycle for what you sell, you’ll then see the pipeline convert into revenues. (This could be 3 weeks, 3 months or 3 years depending on the sales cycle for your business).

Here’s another quick rule of thumb: B2B companies that expect results from strategic marketing within 3-6 months are setting themselves up for disappointment.

*“When things don’t happen right away,
just remember, it takes 6 months to build a
Rolls-Royce & 13 hours to build a Toyota.”*

– Anonymous

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Shiny Object Syndrome

Often people will say something like, "I was talking to my neighbour and this new marketing tactic really worked for them. We should try it." Viral videos are a good example. Many people thought they needed to jump on the bandwagon with little thought to their target market and whether they would respond to such a campaign. It's easy in marketing, where there are many creative options, to have 'shiny object syndrome' and leap from one neat idea to the next.

How to Tackle the Issue:

- Stop taking an ad hoc approach and instead take a strategic, integrated approach to marketing. Define your target market and how you are going to reach them, and then execute consistently against your road map. Acknowledge that you'll be tempted to change course with new ideas that seem exciting in the short term, but that the more successful approach to marketing is about consistency and constancy.
- Listen to your marketing gatekeeper. Let them do their job. Anyone who is responsible for formulating and implementing a strategic marketing program will know whether or not the new marketing fad will work for your organization. Listen to them.

Don't be taken in by the next shiny, new marketing tactic. If it doesn't integrate into your strategy, it's a waste of money. Period. If your company is in a position where a junior marketer is in place who feels uncomfortable saying no to the boss, consider having an outside company help you devise an appropriate marketing roadmap for your business and help the leadership of the business stick to it. If you're susceptible to shiny object syndrome, and you give in to the temptation of frequent new marketing projects, your marketing will not be successful.

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Focusing on Features Rather Than Benefits

B2B companies start with a product or service which is proudly perfected over time, and they like to talk about their creations. Engineers, especially, like to describe the workings of their products in great detail. But they forget that customers need to understand how they will benefit from that product before they will buy. The specifications matter, but they aren't the reason for ultimate buying decisions. Simply put, it's important for B2B companies to focus on the benefits of the products and services they sell, not just the features of them.

How to Tackle the Issue:

- Recognize that customers are buying because of the benefits to them. You can't go to market with features. Of course, there will be decision makers who want the specifications, but if you only discuss specs, you are merely a commodity. You will lose opportunities by not stating how your product's features deliver benefits to customers.
- Articulate how your product benefits customers more than your competitors'. It's not enough to describe your benefits, you must articulate how your product or service surpasses that of other options to achieve the results your customers seek.

In B2B marketing, remember that ultimately your aim is to sell the good night's sleep, not the mattress. Once you switch your mindset to the customer's needs, you'll be able to express how your product meets those needs – and how it does it better than your competitor.

“Sell the good night's sleep, not the mattress.”

Not Knowing/Defining Customer Personas

The best way for B2B companies to keep their marketing effective and efficient is to define who their ideal customers are. But, sadly, very few companies do this. And because of that, they often can't say no to anyone. Most companies generally understand who their customers are, but haven't gone through an exercise to define them and their needs clearly. Sales usually knows, but executives may have a different perception, and marketers are often in the dark.

How to tackle the issue:

- One of the best things a marketer can do is go on sales calls. Sales receives first-hand customer exposure, input and feedback, while marketers deal with internal folks in the company. B2B marketers need to hear what the customer is saying, in order to incorporate customer needs into messaging, collateral, the website, etc.
- Get others involved. Work with an outsider if you can, or just go through a process to define who the personas are and take a structured approach.

Every customer is different. They have varying needs, wants and challenges. Nevertheless, only 44% of B2B marketers use buyer personas.² Defining customer personas isn't a complicated task, and it's critical. Bring others on board to help you take a structured approach to persona development. Take into consideration factors such as demographics, geography, preferred learning channels and content styles, needs, challenges, and pain points. Not understanding these differences will lead to a generalized marketing strategy that won't speak to anyone.

*Buyer personas focus your marketing on customer needs and greatly increase your influence: "Buyers are 48% more likely to consider solution providers that personalize their marketing to address their specific business issues."*²

– ITSMA Survey

Summary

71%³ of online B2B searches start with a generic search, which means that prospective customers are looking for a product first – not your specific company. Strategic marketing is what gets companies found when a prospect is looking for solutions. So, you need to get the basics right: a clearly defined value proposition; effective messaging; a solid marketing foundation; taking a long-term perspective; not falling prey to shiny object syndrome; focusing on benefits not features; and defining customer personas.

Strategic marketing is a new function for many B2B companies, and there's still a learning curve. Of all the stumbling I've seen over the years, if companies were to address these 7 issues and make a meaningful improvement, they could double or even triple their marketing results. Good luck on your road to strategic marketing success.

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About Us



The Mezzanine Group works with B2B companies every day and we know which tactics are needed to match different strategies and goals. Collectively, we have experience in every type of B2B marketing tactic and strategy, the experience of helping over 250 companies, and decades of knowledge. We lead the pack in strategy because we're experts at hands-on implementation.

1. Forrester: Accelerating Revenue in A Changed Economy, 2013. http://blogs.forrester.com/lori_wizdo/13-01-23-accelerating_revenue_in_a_changed_economy
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3. Google: The changing Face of B2B Marketing, 2015. <https://www.thinkwithgoogle.com/articles/the-changing-face-b2b-marketing.html>