

B2B Effectiveness Barometer 2020

Uncovering what it takes to outperform the competition

In association with **MarketingWeek**



Introduction

Each year, we run a survey with Marketing Week to understand what is driving effectiveness in B2B marketing. Last year, we saw strong evidence that leaders – those who outperform their competition – are more likely to ‘think long and learn fast’. This year, we delved further into the behaviours that lead to success or failure.

Our findings raise some fascinating debates about B2B marketing in a recession.

‘Think long, learn fast’ is still a winning mindset...
Leaders are more likely to commit more budget to longer-term goals and adopt a test-and-learn approach.

...but the crisis is shortening horizons
The number of people devoting more than 60% of their budget to long-term goals has plummeted, from 21% in 2019, to just 9% in 2020.

Differentiation or distinctiveness?
Leaders are much more likely to have both... but creative activation doesn’t appear to divide leaders from the rest.

When it comes to leads, quality beats quantity
But a startling 37% still don’t know how many leads convert to sales.

There’s also insight on what B2B marketers believe to be effective strategies, from segmentation to value propositions to stakeholder management. And our thoughts about what it all might mean in practice throughout.

We hope it sparks debate!

David van Schaick,
CMO, The Marketing Practice

- 1 The decline of long-termism
- 2 Learn fast(er)
- 3 The reasons for success and failure
- 4 Winning strategies



1

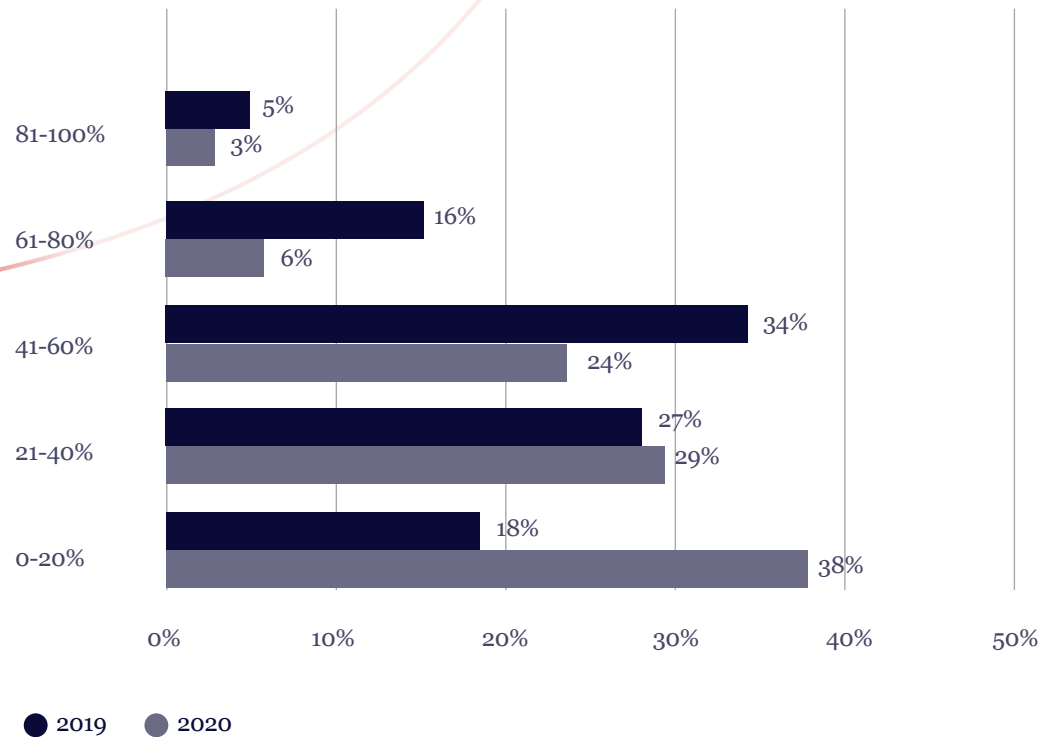
The decline of long-termism

Only the leaders are resistant



Long-termism in retreat

Q: What percentage of your resources do you allocate to long-term marketing goals (more than six months) compared to short-term marketing goals?



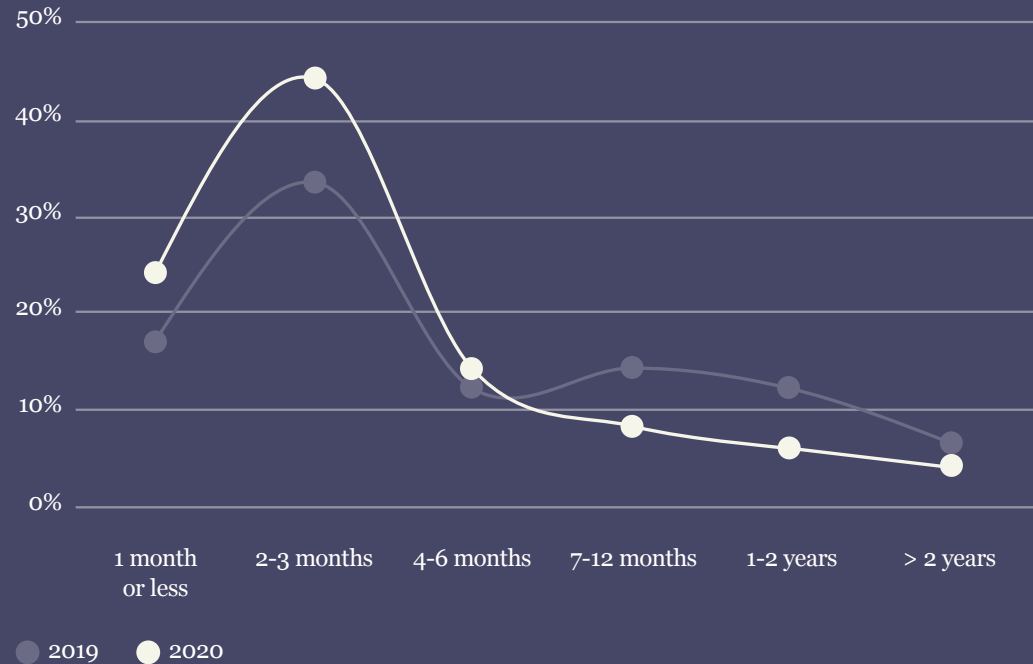
Since last year's survey, the number of people devoting more than 60% of their budget to long-term goals has reduced from 21% to just 9%. The number devoting 40%+ has decreased from more than a half (53%) to just under a third (32%).

The survey was completed around two months after COVID-19 lockdowns began, implying a lurch towards shorter-term goals.



Less time to get it right?

Q: How long do your campaigns tend to run on average?



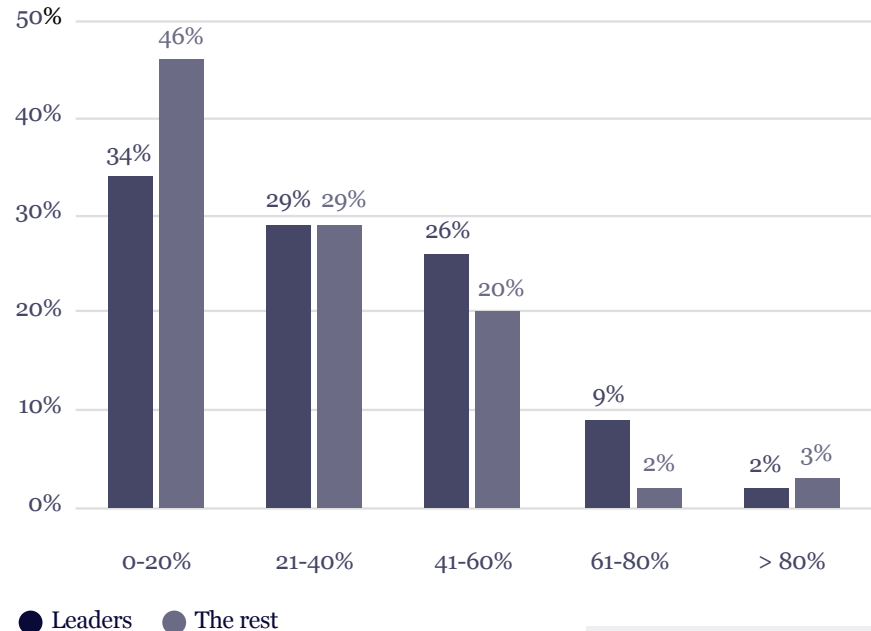
Despite all the talk of long-termism, and the evidence for consistent use of distinctive assets, only 18% of B2B marketers run campaigns for more than six months. This is down from 26% in 2019.

And only 20% of B2B marketers report on a campaign's impact beyond six months, despite the length of the B2B sales cycle. One hypothesis is that quarterly and annual planning cycles mean programmes aren't always in place long enough to consistently improve.



Leaders still more likely to think long

Q: What percentage of your resources do you allocate to long-term marketing goals (more than six months) compared to short-term marketing goals?



Leaders are those who claim to have outperformed their competition over the last two years.

Leaders are more likely to resist the shift to short-termism, with 37% devoting more than 40% of their budget to long-term goals, compared to 25% of the rest.

Those who haven't outperformed the competition are more likely to devote 20% or less of their budget to long-term goals.

This might suggest a vicious circle, in which underperformance leads to a shorter-term mindset, which undermines effectiveness.



The TMP take: long-term thinking is about demand too, and it's a defining battle for effective marketers

Binet & Field's latest work on B2B suggests the optimum balance is to spend 46% of budget on long-term brand building, and 54% on short-term sales activation, but only a third of B2B marketers follow this advice.

Binet & Field's work has also produced evidence for what most marketers believe to be true based on their anecdotal experience: that short-termism undermines effectiveness. There is inevitable pressure on results in the near term, particularly in the current environment. So we are not surprised to see a shift towards short-termism – but it's important that we resist.

In B2B, the distinction between 'long-term brand' and 'short-term activation' is false. When sales cycles are typically six months plus and involve multiple decision makers, activation is a long-term game too, and needs long-term programmes just as much as brand building.

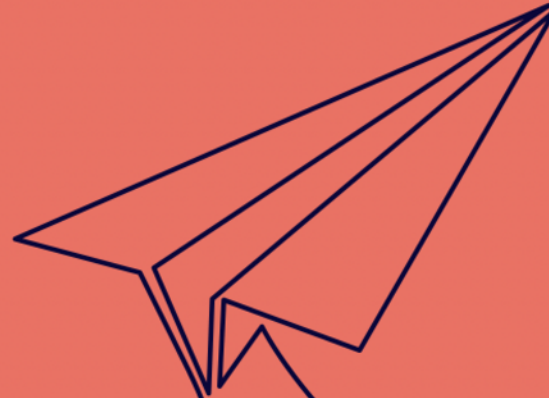
It's not an easy battle, but we strongly believe that those marketers who take a long-term, outcome-focused mindset across both brand and demand, and convince the business to back their ambition, will be more effective.



2

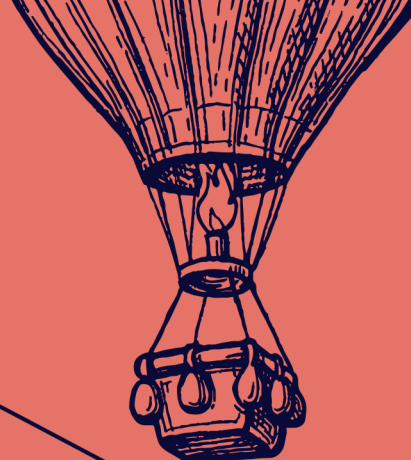
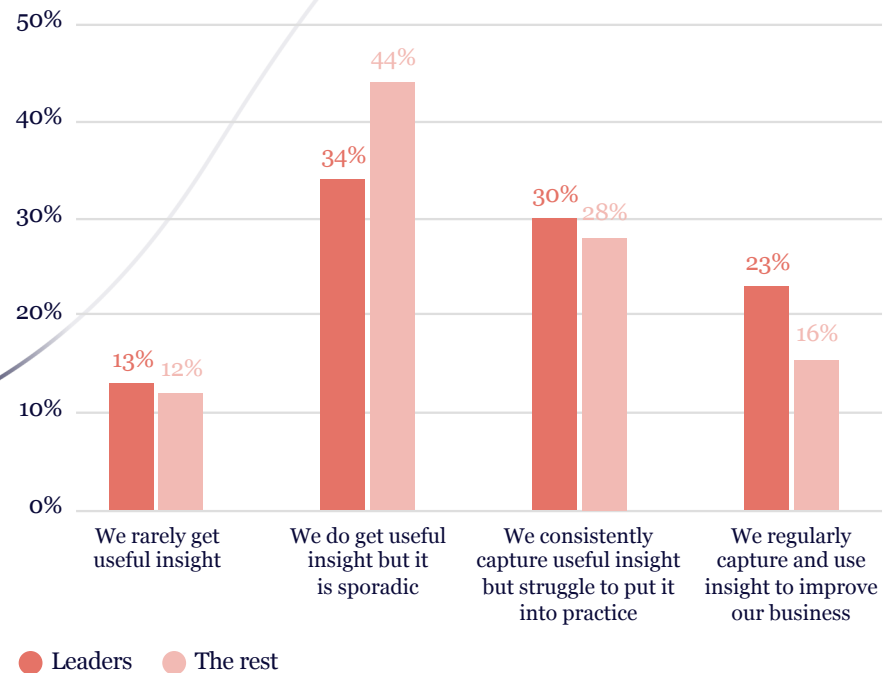
Learn fast(er)

The continued importance of testing and adapting



Always learning

Q: To what extent are you able to extract insight from your marketing activity, and use it to inform business strategy?



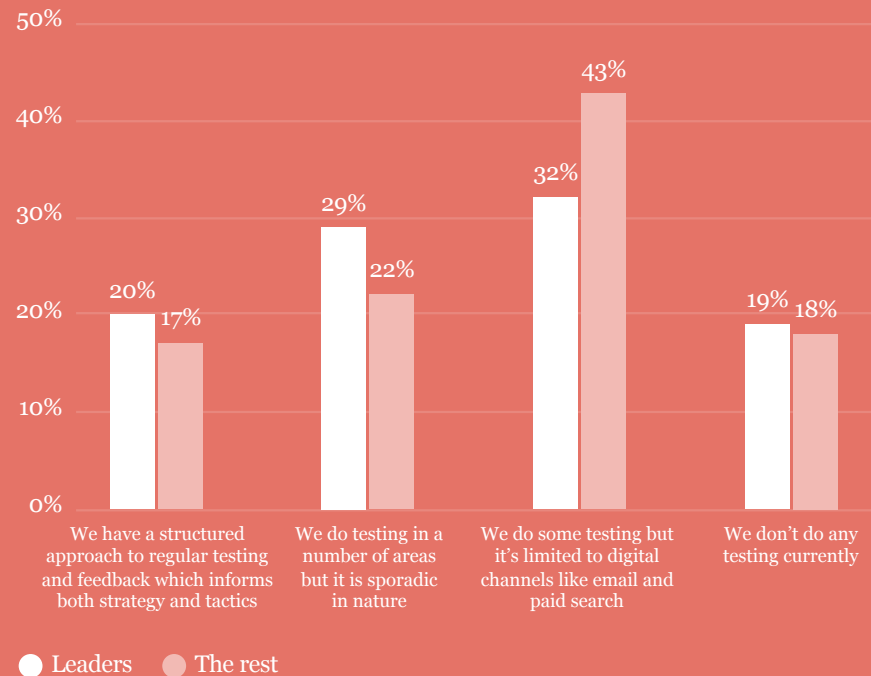
In 2019, we saw evidence that leaders are more likely to take a test-learn-adapt approach. This is a big part of the promise of long-term thinking and agile marketing, which has gained ground in B2B in recent times. We wanted to dig a bit further to tease out differences between leaders and the rest in this area.

These results suggests a key difference is consistency – the ability to embed a learning mentality across the board.



Testing isn't just a digital thing

Q: To what extent do you adopt a test-and-learn approach in your marketing programmes?



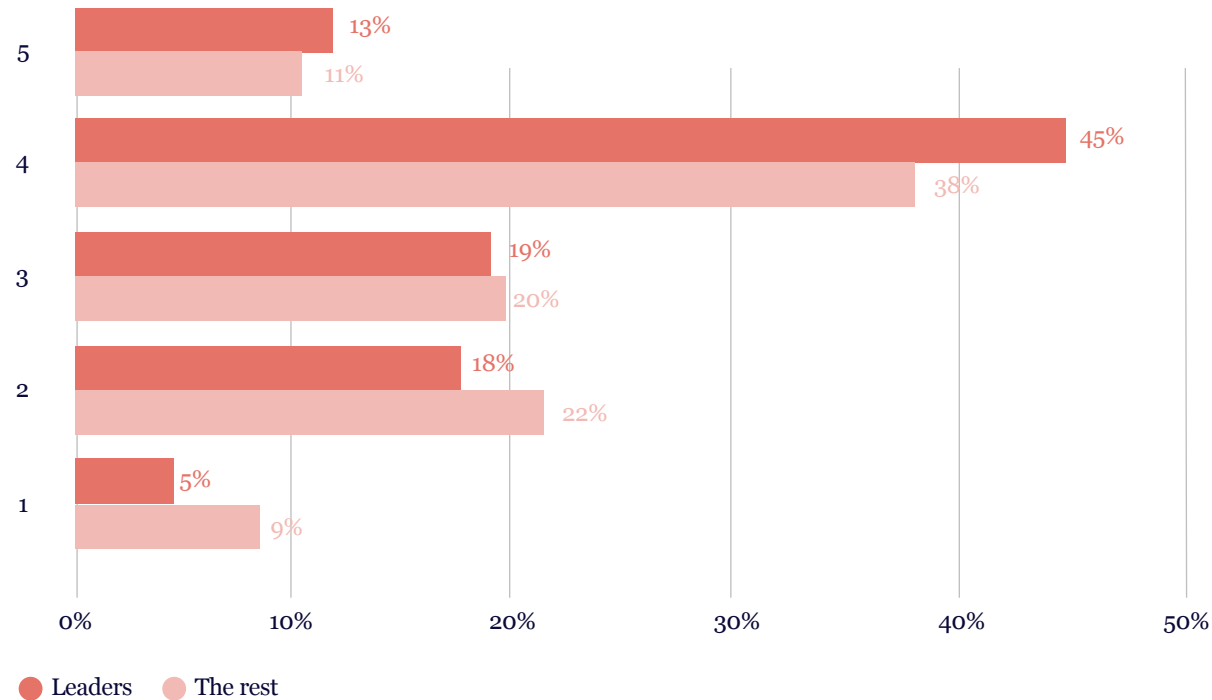
Leaders are less likely to limit themselves to the classic channels of performance marketing. In total, only 19% of respondents have a structured approach to testing that goes beyond digital channels like email and paid search, suggesting that this is an area of opportunity.

We think control groups can be a great way to prove the effectiveness of demand generation, ABM and channel programmes in improving not just single-channel KPIs, like CTR or CPM, but in the aggregate results that matter, like opportunities and deals.



The freedom to fail

Q: On a scale of 1-5, to what extent do you agree with the following statement? "Me and my team are encouraged to take risks/experiment in order to try to improve results over time."

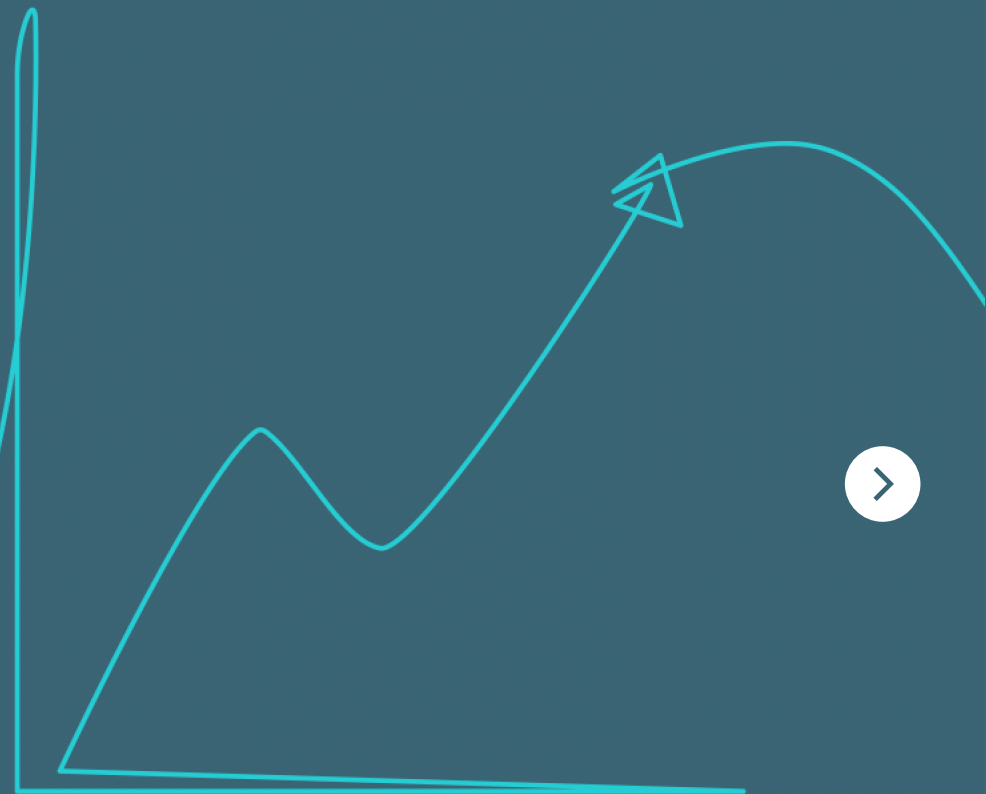


Leaders are a little more likely to feel they are encouraged to take risks and experiment, with 58% agreeing or strongly agreeing, compared to 49% of the rest.



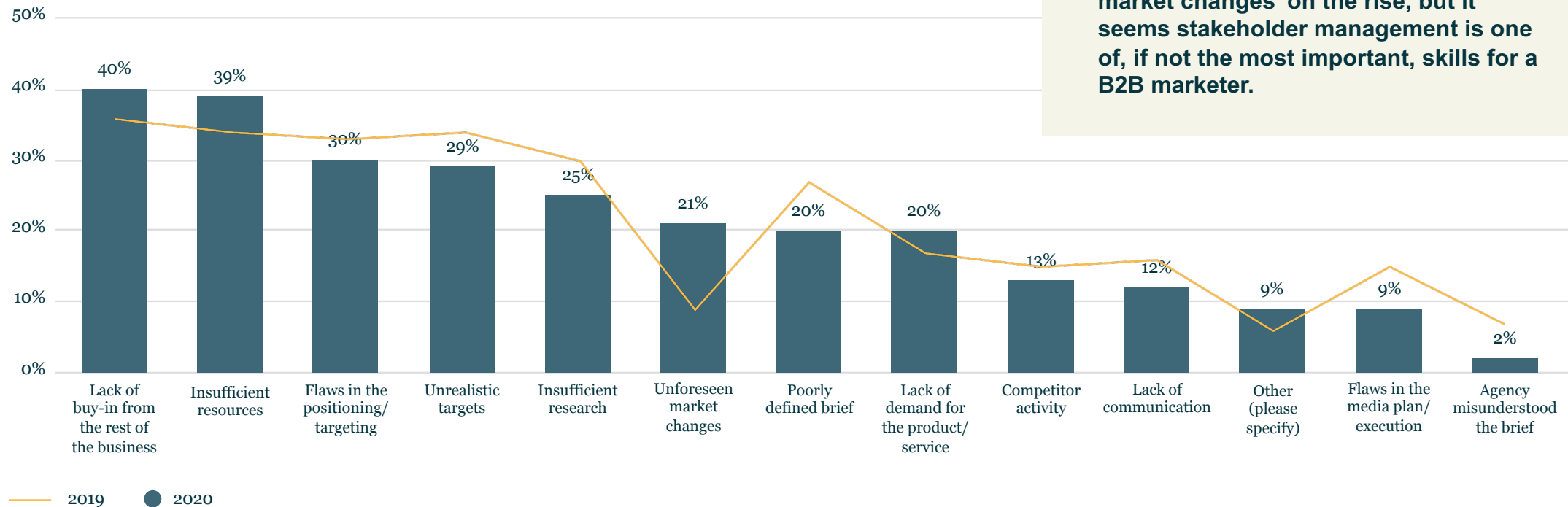
3

The reasons for success and failure



Is stakeholder management the most important skill?

Q: Why do campaigns fail in your experience?
Please select up to 3 options.

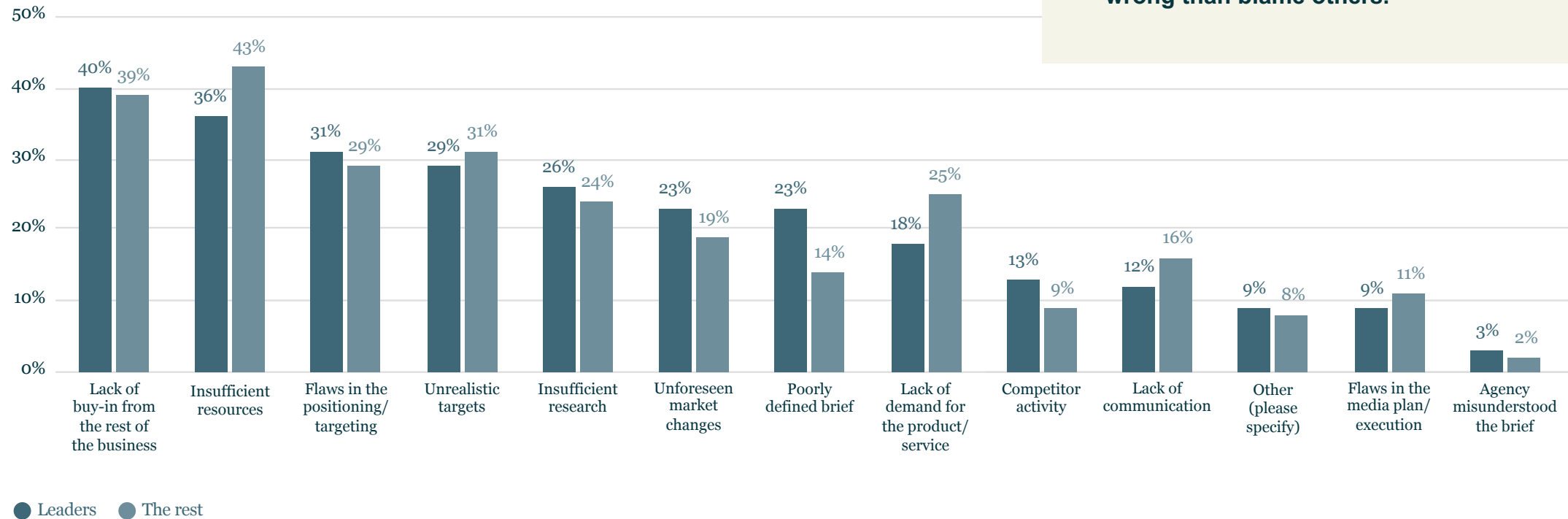


When we asked why campaigns failed in 2019, the top three reasons reflected on marketing's relationship with the business. And the reasons for failure remain remarkably consistent this year. It's no surprise to see 'Unforeseen market changes' on the rise, but it seems stakeholder management is one of, if not the most important, skills for a B2B marketer.



Is stakeholder management the most important skill?

Q: Why do campaigns fail in your experience?
Please select up to 3 options.

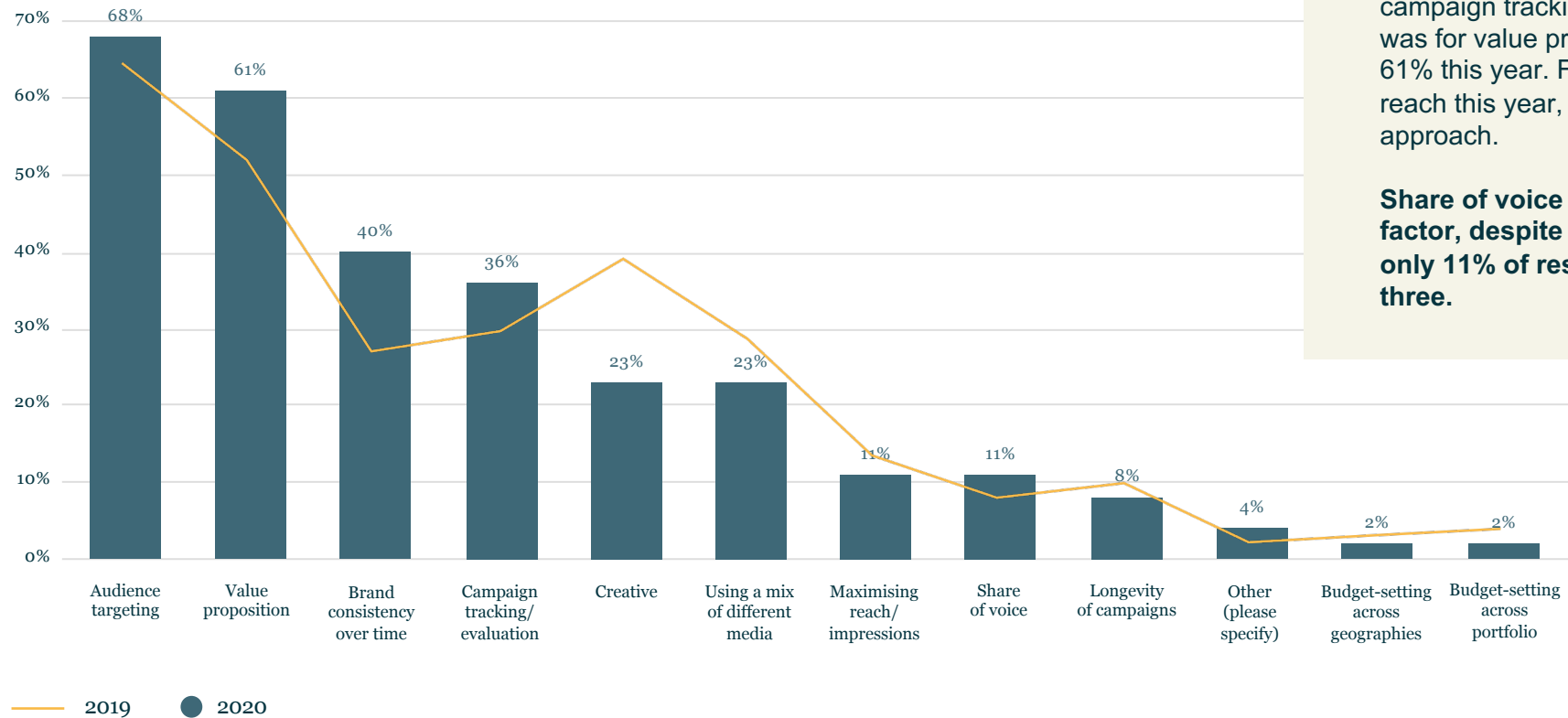


As in 2019, Leaders are more likely to blame failure on a poorly defined brief. They are also less likely to blame a lack of demand or lack of communication, suggesting perhaps they are more reflective and likely to say they got it wrong than blame others.



The keys to effectiveness

Q: In your opinion, what are the key drivers of marketing effectiveness?
Please select up to 3 options.



We were surprised to see a decline in creative as a key driver of effectiveness, with nearly 40% choosing it in their top three in 2019, compared to only 23% in 2020.

Balancing this out is an even stronger emphasis on audience targeting, value proposition and campaign tracking/evaluation. The biggest 'gain' was for value proposition, up from 50% in 2019 to 61% this year. Fewer people chose maximising reach this year, implying a more targeted approach.

Share of voice remains a relatively low impact factor, despite its link to market share, with only 11% of respondents putting it in the top three.



The TMP take: in a data-rich world, relevance wins

The story here is the stronger focus on value proposition and targeting, at the expense of creative and reach. We believe creativity remains hugely important: as competition for attention continues to increase, distinctiveness is a crucial factor in success (something we explore later in the report). But there are several reasons why it might have declined in relative importance compared to other factors.

It might simply be that in B2B, the general standard of creative has risen, so it's now less of a difference-maker. But our hunch is that these changes reflect the increasingly data-rich environment we operate in. There's so much insight out there, quantitative and qualitative, about any given organisation or segment. And that trend is increasing. Those marketers able to use that wealth of data to develop relevant, well-targeted, quantified value propositions are those who will win; especially as budgets tighten and scrutiny on business cases increases.



4

The importance of integration



Is it better to be memorable or different?

Is it more important to be meaningfully different, or meaninglessly distinctive? This argument has been long-raging in marketing circles, characterised by recent debates between Mark Ritson (differentiation) and Byron Sharp & Jenni Romaniuk (distinctiveness).

We've always felt there is room for both, and it's our bet that the two Ds of marketing will play an even greater role in the coming recession. As scrutiny increases on every deal, differentiation will become more important at the lower end of the funnel. Distinctiveness – the ability to stand out in any given context, to get noticed and be remembered – will be crucial at the top of the funnel, as attention is at a premium.

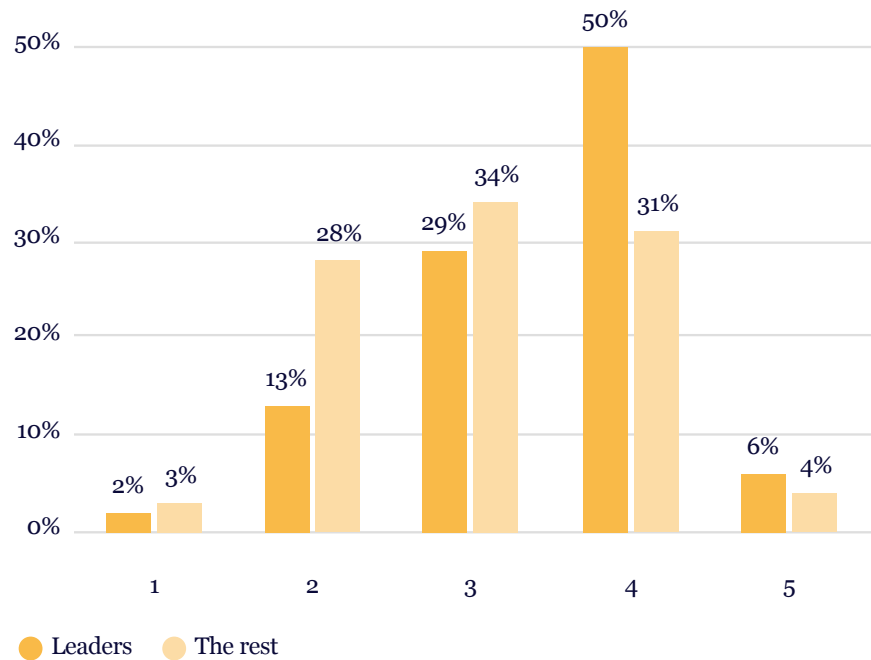
Distinctiveness has often been underplayed in B2B, with marketers putting too much emphasis on developing a differentiated message in thought leadership programmes, rather than simply an interesting or entertaining one.

We put our theory to the test, to see if differentiation or distinctiveness made more of a difference when it came to outperforming the competition...



Difference makes a difference...

Q: On a scale of 1-5, how well differentiated are you versus your main competition?

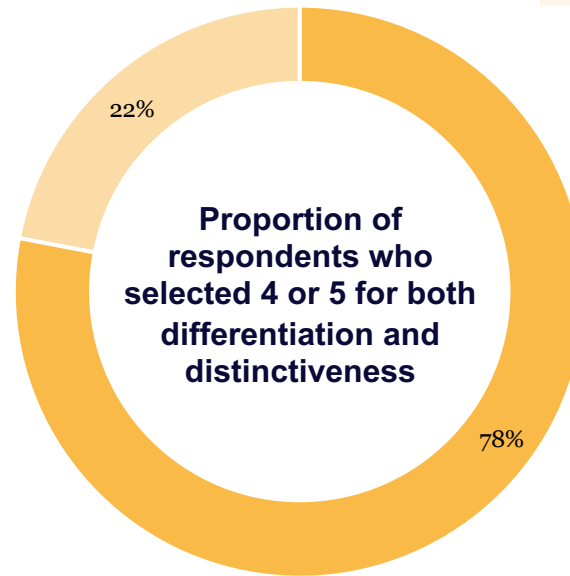
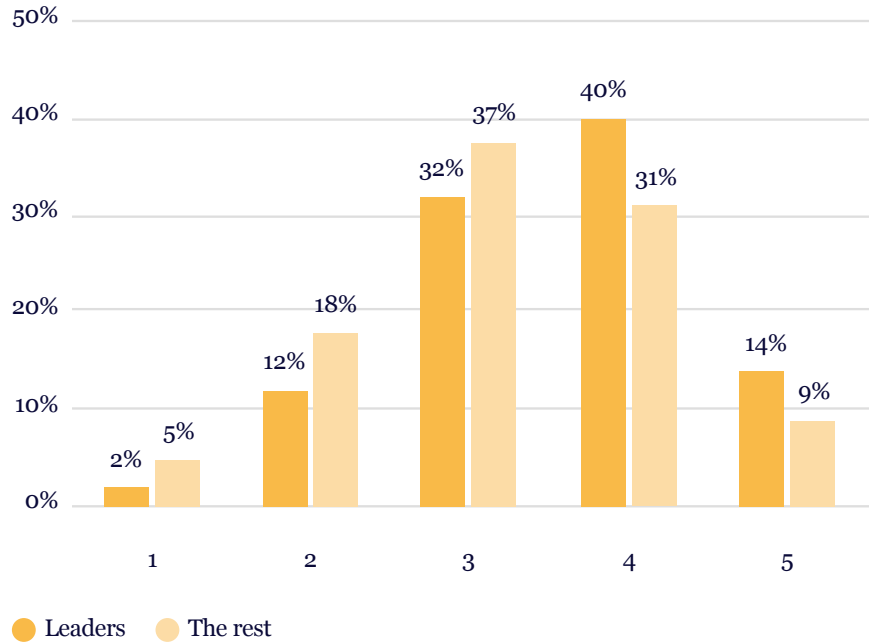


Leaders are significantly more likely to claim they are well differentiated, with 56% agreeing or strongly agreeing, versus 35% of the rest...



...and distinctiveness stands out

Q: On a scale of 1-5, how distinctive is your brand?



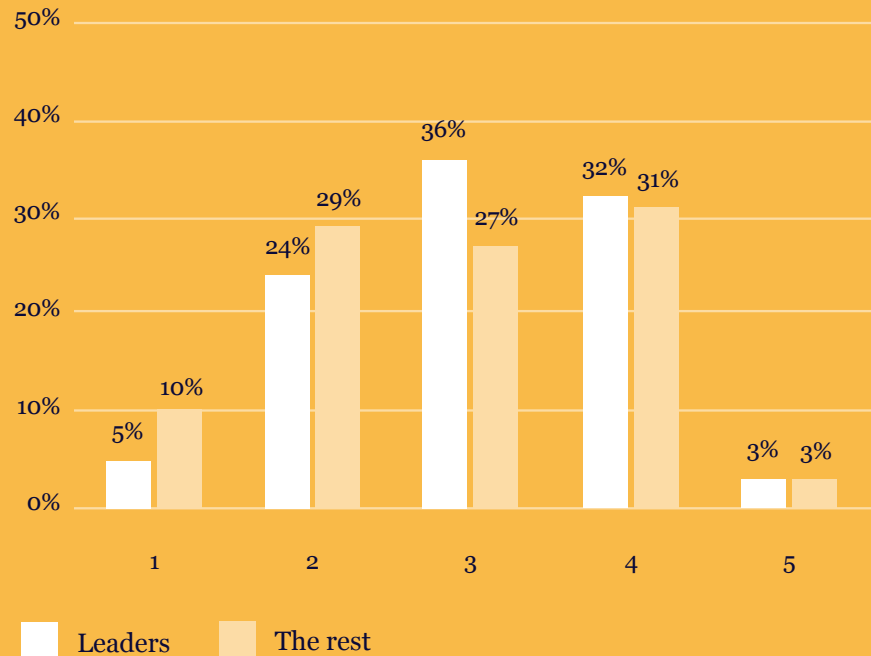
...and Leaders are significantly more likely to claim they have a distinctive brand, with 54% agreeing or strongly agreeing, versus 40% of the rest.

And it appears it's not so much one or the other as both together. Of those who chose 4 or 5 for both differentiation and distinctiveness, 78% were Leaders.



Creative uniformity

Q: On a scale of 1-5, how creative is your brand activation?



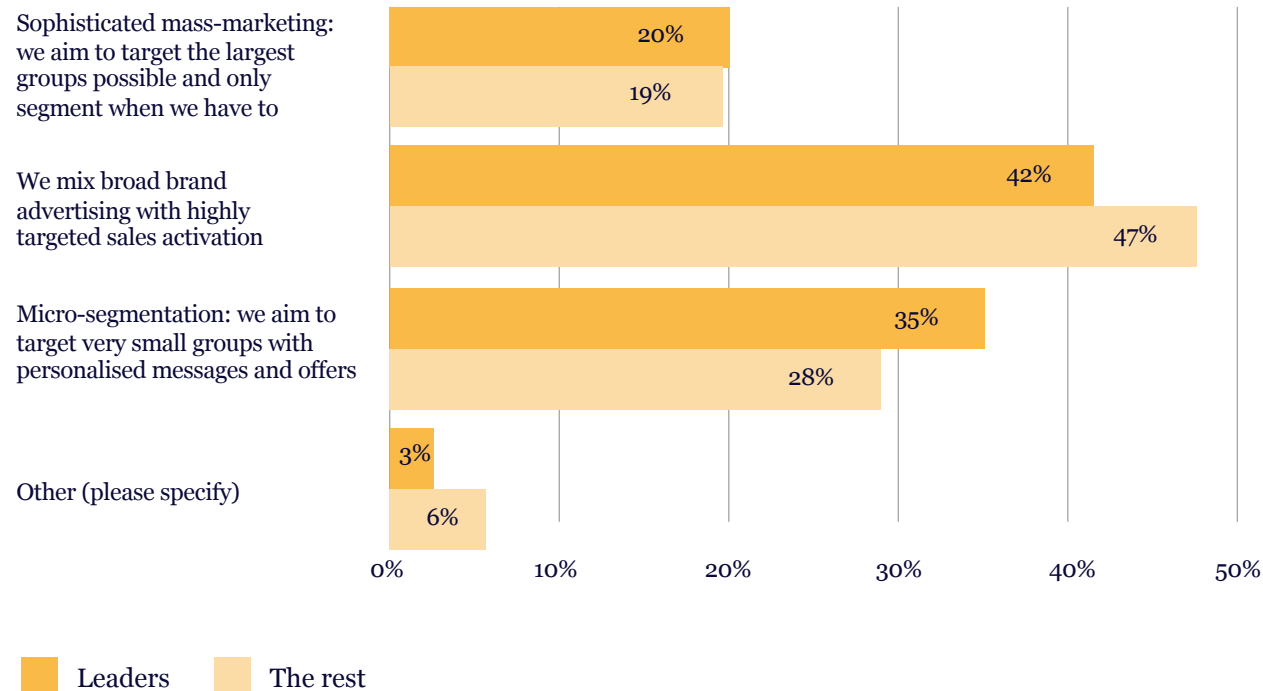
Whereas creative brand activation doesn't seem to make a difference, with a roughly similar split except perhaps at the bottom end.

This perhaps points to the role of creativity in effectiveness. It isn't an end in itself but it makes a difference when it is used in service of distinctiveness, to stand out and consistently apply brand assets, and differentiation by dramatising the gap between competitors. Or perhaps because the vast majority are bunched towards the middle three ratings, it's simply a level playing field.



The micro-segmentation opportunity

Q: Which of the following statements best describes your approach to segmentation?



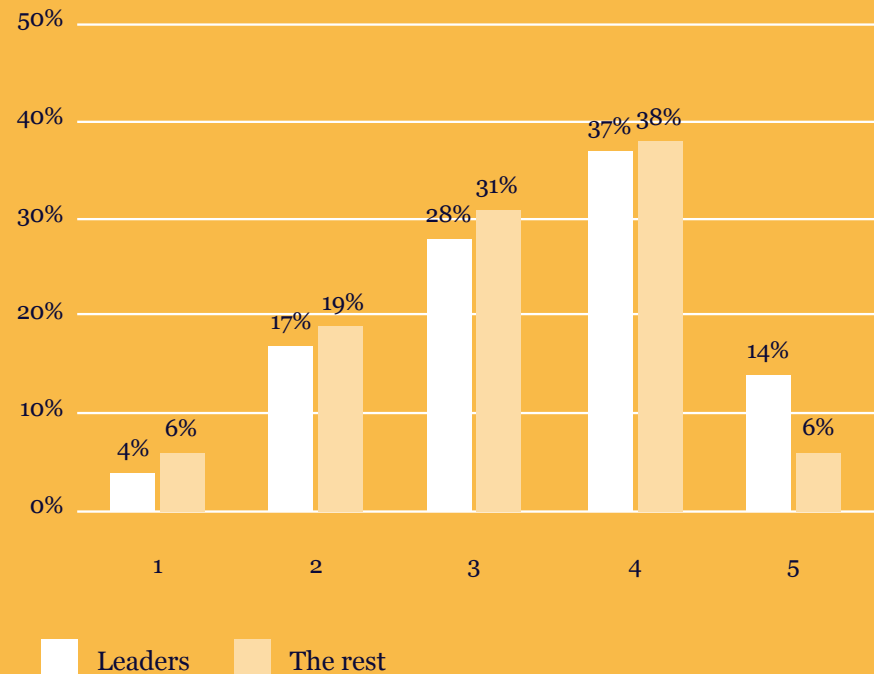
We often find segmentation and targeting makes the biggest difference to effectiveness. We asked about different strategies that broadly reflect the arguments for 'sophisticated mass marketing' vs highly targeted 'ABM-style' approaches.

Leaders are more likely to pursue a micro-segmentation strategy, although the majority of leaders still strive to balance broad reach on brand and highly targeted sales activity. This suggests the biggest opportunity might be in more micro-segmentation, as long as it is balanced with broad reach on brand-building activities.



Working well together

Q: How well integrated would you say your different marketing teams are?



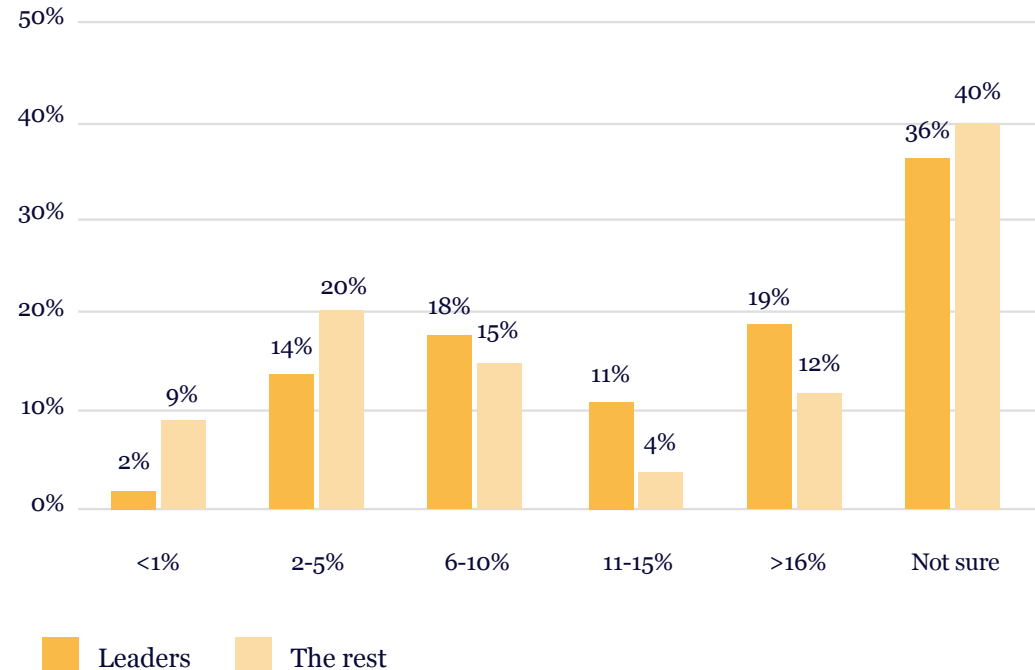
Integration also came up as a point of difference. Leaders are more likely to agree or strongly agree that their marketing teams are well integrated, with **51%** scoring 4 or 5, versus **44%** of the rest.

The difference comes in the final mile, with leaders twice as likely to say they are very well integrated.



Conversion rates set leaders apart

Q: How many of your Marketing Qualified Leads become closed business?



Leaders are almost twice as likely to be in the top two brackets.

This suggests the leading strategy is to focus on quality and progression over volume.

Alarmingly, the 'not sure' bucket has grown, from **30%** to **37%**, implying over a third of marketers are not accountable for the result that matters most.



Closing thought

With the pandemic, the B2B marketing game has changed – at least the playing field has. Consumers may well snap back to pre-pandemic habits but, for the next two years at least, businesses will behave differently. Buyers will be faced with continued uncertainty, more scrutiny and often pressing needs to transform.

How do B2B marketers adapt to that new environment? The pressure will be to revert to short-term approaches but that will only undermine results. Leaders will be those who find a way to retain a strong long-game and combine it with a nimble short-game. They will use the principles of distinctiveness to build salience, and combine that with highly targeted, data-driven activation to win at the bottom of the funnel.

About the research

We surveyed over 450 B2B marketers in partnership with Marketing Week. We repeated a number of questions from [2019's survey](#) to benchmark the difference: the respondents were not necessarily the same in each year, however. Leaders are those who identified themselves as having outperformed the competition over the last two years.

