



# WHY YOU'RE NO LONGER QUALIFIED TO BE A B2B MARKETER

MARKETING WAS ONCE THE REFUGE OF CREATIVES. NOW IT'S RULED BY QUANTS.  
WHAT'S AN OLD-SCHOOL MARKETER TO DO?

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## Nerds win. Again.

**Y**ou may have noticed that nerds are taking over everything, everywhere. From business (nerds give away more money than most people make in a lifetime) to popular humor (the current version of which is almost entirely constructed around the distinctly nerdian “awkward moment,”) to movies (has anyone not seen *The Social Network*?) to the presidency (we all know what people really mean when they describe Obama as a “wonk”), nerds have outlasted the bullies and taken over the world. Except in B2B marketing.

We don't have many nerds. Ask a marketer at **P&G** or **MTV** how's business, and you're likely to hear more numbers than you would at a bingo tournament, but in B2B we are distinctly not in touch with our nerdy side.

It's not necessarily by choice, of course. The B2B sales cycle is notoriously long and complex, and lacks the kind of scale that most nerds can bury their braces into.

But we can't use these excuses anymore. The need for nerdiness has become pervasive, extending far beyond the sales cycle. All of marketing must become a data-driven rather than simply a creative-driven culture. Three big imperatives are part of this shift to nerdiness:

1. Develop a fact-based decision culture supported by analytics.
2. Create an automated, integrated closed-loop lead-management process.
3. Build a marketing IT strategy in partnership with IT.

## Just the Facts

What do we mean by a fact-based culture? We're talking about the ability not just to measure activities in marketing and look back at what has happened, but also to analyze why things happened and predict what will happen next. Here are steps we need to take to make that kind of pervasive culture happen in B2B marketing:

### ► Understand the difference between metrics and analytics.

Marketing metrics are descriptive performance measures, such as the number of leads and sales contributed to the pipeline. Marketing analytics, on the other hand, is using data to discern patterns and predict outcomes, to create insight. It's not numbers for numbers' sake. The question becomes how you use the numbers to make decisions, to take action. What are the data telling you and how will you change your behavior in response?

► **Prioritize the shift to fact-based.** In Information Technology Services Marketing Association's (ITSMA) most recent Budget and Trends Study, just two companies said it is a top priority for 2010. In ITSMA's Marketing Analytics Member Survey, we found that only half the companies surveyed has a formal analytics program. Analytics won't happen unless marketing management makes it a top priority.

► **Bring the necessary skills into marketing.** While many marketers do have excellent analytical skills, they are not mathematicians and model builders. To implement truly effective analytics programs requires sophisticated data management and analysis skills. You need:

- Data owners
- Model developers
- Information managers

## There Is Payback from Analytics

The good news is that companies with analytics programs are receiving value. In ITSMA's survey, 70% said their analytics programs were at least somewhat valuable. However, when we probed beneath the surface, we found that the value marketers are seeing is mostly internally focused and backward looking. For example, 83% said their programs improved marketing's relationship with the business and 75% said it improved their ability to allocate marketing resources more effectively. But just 25% said they used analytics to predict outcomes of marketing programs or to better predict customer behavior.

Here's what marketers should be doing with analytics but aren't yet:

- Drive innovation by developing new offerings/solutions.
- Create customer personas (composite behavioral portraits of target customers or segments).
- Predict campaign effectiveness.
- Predict customer buying behavior.
- Drive innovation by entering new markets.

## Start with Lead Management

The first place to begin building this new fact-based culture is in the lead management process. If marketers are ever to shed the perception that their value is solely in sales support, they must create a picture of a lead process that begins long before customers ever talk to salespeople. In our research, we've seen consistently over the past few years that two-thirds of buyers prefer to research

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**Katharyn White**

Vice President of Marketing  
IBM Global Services

their buying options themselves rather than waiting for vendors to contact them. Marketing is most effective at this stage, when buyers want nothing to do with salespeople. This is when we have the opportunity to build relationships with buyers through measured doses of thought leadership content.

But it's too difficult to track that growing relationship and know when someone is ready to do more than just read your white papers unless you have a process for lead management and can automate it. You have to be able to connect content with behavior with action. That's not possible manually. It just won't scale. And it's not possible without people who can interpret what downloading three white papers in three days really means. The analytics types are the ones who convert the white papers and events into an analytical process that is predictive and measurable.

**You Know What You Should Be Doing**

We are at an inflection point with lead management automation. It needs to happen but companies aren't doing it. The good news is that you know that you should be doing it. When we asked respondents in an ITSMA marketing automation survey to rate the ROI they received or expect to receive from automating processes, lead management and campaign management rose to the top.

But getting there is intimidating. Simply buying software isn't the answer. No vendor has software that magically connects the lead management loop from the beginning of the marketing funnel through the sales cycle and beyond the purchase. Most marketers understand this and simply avoid the issue rather than making things worse by getting into something they don't understand.

“Marketers understand that they need to do something about lead management but they don't have the skills to create and manage the process,” says Adam Needles, vice president of demand generation strategy at **Left Brain Marketing**, a demand generation consultancy. “With only a quarter of marketing automation implementations meeting their goals, we see evidence that technology without process change is a losing scenario.”

**Using Analytics to Predict Marketing's Effectiveness**

Analytics also have potential beyond the lead management process. IBM's marketing group uses analytics to fine-tune its own new-offering launch process, optimize its marketing mix and demonstrate marketing's impact on the business. IBM has developed tools that it uses in-house and sells to customers as part of its Business Analytics and Optimization service line.

IBM has models that can predict the impact that various marketing tactics can have on a

sale. This translates into two important goals:

- Predict time to impact
- Optimize the marketing mix

“Using these models, from the time I put money into the marketplace, I can predict how long it will take to impact sales,” says Katharyn White, vice president, marketing at IBM Global Services. “The model lets me see which elements of the mix have the most impact on sales so I can pay for the things that matter most—not just the things that are measurable.”

**Build an IT Strategy**

How can marketers get started on this process and on making the bigger transition to becoming a fact-based organization? First, bring the analytical and process skills into the marketing organization.

Next, set to work building an IT strategy in cooperation with IT. Nearly 70% of respondents to our marketing automation survey said they have no formal IT strategy. Marketers don't think it's their fault however—67% of respondents blamed the lack of strategy on a lack of support from IT. Clearly, we have a relationship problem here.

It never used to matter. Years ago, marketers could get away with approaching their major IT decisions much as consumers do: Discover a need, find a tool and install it for yourself and perhaps for a few colleagues. But today you need to weigh carefully issues such as scaling the tool to all areas of marketing and globally, data storage and retrieval, and integration with sales automation and back office systems. These are not decisions that marketers are equipped to make on their own.

Marketing needs to take steps to fix the relationship with IT. In our survey, we found that only half the marketers had tried to develop a formal liaison relationship with IT (and vice versa). This has to change. If it doesn't, it's unlikely that marketing will ever become a data-driven organization.

Analytics and automation have become as important as creativity in marketing. We knew it had to happen. Time to get used to it.

Have you bought a nerd a cup of coffee lately?

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