

WHITE PAPER

Three Key Problems Manufacturing Marketing Leaders Face (and How to Solve Them)

The More Things Change....

A 1977 article in the Harvard Business Review asked “Can Marketing and Manufacturing Coexist?” Marketers will be relieved (or not) to learn that the more things change—digital transformation, data-driven marketing, marketing playing a role in leadership—the more things stay the same. Harvard Business School professor Benson P. Shapiro writes the following:

Marketing personnel in companies that manufacture industrial goods often complain about the activities and attitudes of their manufacturing counterparts with laments such as:

“Why can’t they become market-oriented or customer-oriented?”

“Why are they so provincial?”

The manufacturing people, on the other hand, lament like this: “The marketing people have no understanding of costs, profits, plants, or operations. They are just a bunch of dumb peddlers.”

— Benson P. Shapiro,
Professor of Marketing at Harvard Business School

You may have come across sentiments like this in your marketing career. Mature manufacturers understand, however, that good marketing is a service that supports many touchpoints inside and outside of your organization. This white paper is designed to help marketing professionals working in the complex world of manufacturing solve some of their biggest, hairiest, problems.

Problem: We’re Losing Our Customers

In a 2022 survey, McKinsey found that B2B customer loyalty is fragile. Customers are jumping to partners that offer them fast, easy, omnichannel buying and customer service experiences.

In this survey, B2B buyers’ key wants were highly focused on digital experiences:

- **74%** product availability shown online
- **72%** real-time/always-on customer service
- **72%** ability to purchase from any channel
- **72%** consistent experience across channels
- **68%** prices available online without negotiation
- **65%** ability to easily order via mobile phone

Three Key Clients

Comprehensive marketing leadership in manufacturing is a complex role that is supporting both external and internal “clients” in the service of generating revenue.

YOUR B2B CUSTOMERS

These business partners (distributors, resellers, retailers, etc.) are made up of a mix of people: researchers, buyers, influencers, budget-holders, decision-makers, supporters, and detractors. You can influence and impact these users through omnichannel opportunities that meet them where they are, elevated and consistent user experiences, and integrated and personalized marketing campaigns that reflect their needs and concerns.

YOUR END CUSTOMER

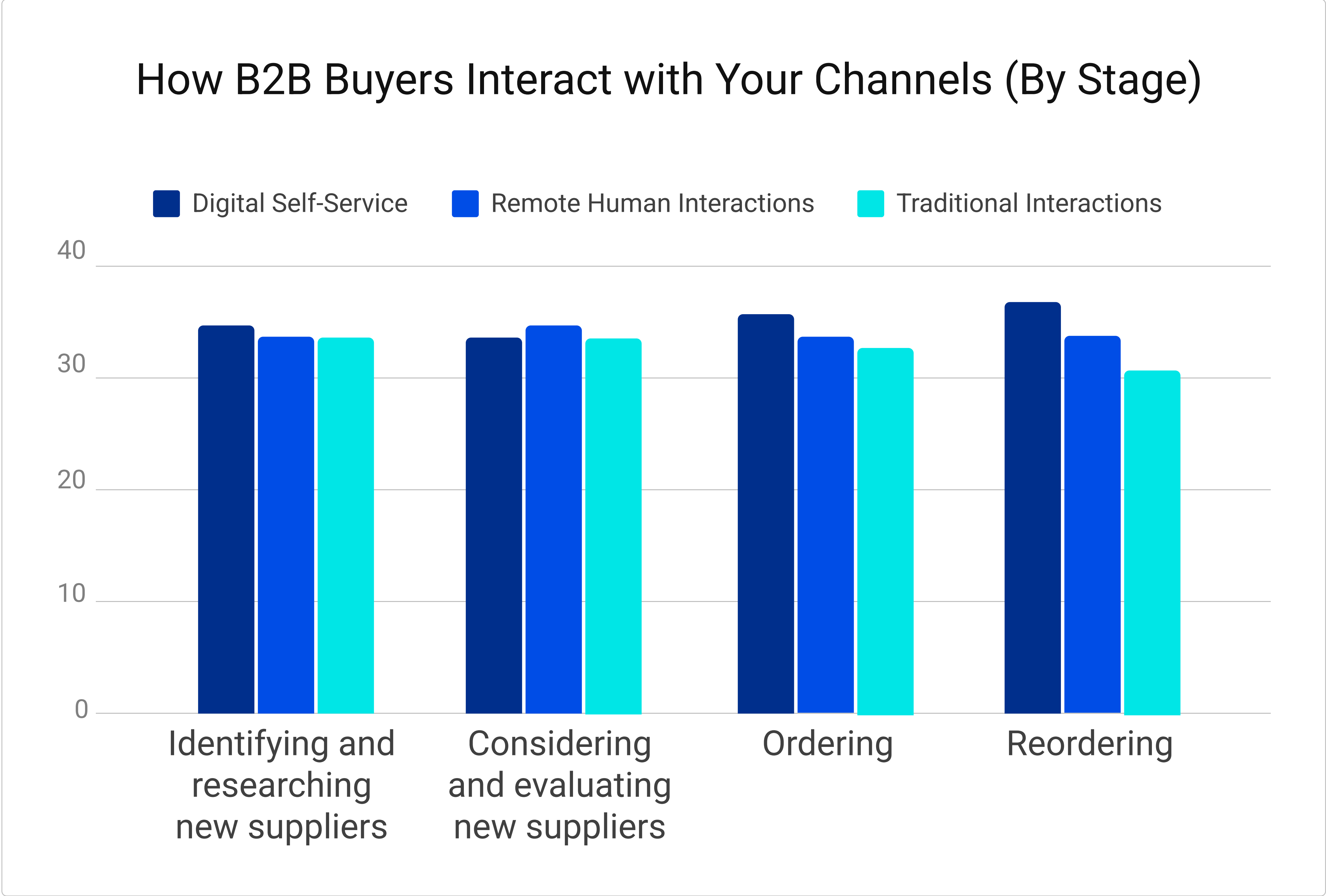
The individuals (not businesses) looking for your products and services want to be able to browse, research, shop, and buy directly from you. They probably don’t want to talk to a person, unless something went wrong—and in that case, they would like to speak to a human as quickly as possible. They want a shopping experience that feels as easy and familiar as ordering on Amazon.

YOUR SALES TEAM

Your sales team is looking to marketing for a robust pipeline of interested individuals and companies who may want to buy from you. They are also looking for sales enablement in the form of rich, easy to understand product information, messaging, and selling tools (presentations, infographics, thought leadership). Additionally, marketing is uniquely positioned to bring data-driven insight and analytics that help your sellers be better in their roles. Salespeople choose their professional because they want to build relationships and make money. When well-aligned, marketing activities can be invaluable to making sales’ jobs more efficient and profitable.

Your customers are seeking out partners that make their work life easier. They want to be able to manage a lot of the research and buying process independently, and they want to reach a human as soon as possible.

McKinsey defines new customer expectations as a “rule of thirds” - a mix of digital self-service (websites, apps, chatbots), remote/virtual human interactions (phone call, email, virtual meetings) , and traditional (in-person meetings, fax, direct mail). In the most current reporting (December, 2021), B2B buyers were pretty evenly divided between these three approaches.



How can you influence these three ways of interacting? As a marketing leader, your goal is to make every touchpoint with your brand as positive and consistent as possible. In this increasingly omnichannel world, how do you manage this?

From a branding perspective, this means that ensuring that style guide and brand guidelines are applied in all of your experiences. How are you meeting and exceeding customer expectations?

Digital Self-Service Checklist

How complete are your digital self-service offerings? Assess this by looking at the list below and asking whether your partners can perform the following tasks independently, online, and without associate intervention:

- ☐ Discover your website online (SEO, digital advertising, social media)
- ☐ Access your website on desktop or mobile (website, apps)
- ☐ Research, build a cart, and place their order online
- ☐ Find detailed product information (e.g. specs, product and price comparisons, CAD drawings, PDFs)
- ☐ Create a quick order
- ☐ Save a cart, and send a cart for approval
- ☐ Manage billing, shipping, and invoicing
- ☐ Return, refund, or re-order past orders
- ☐ Create users and manage different user groups, access, and purchasing capabilities
- ☐ Build a quote, send it for approval, view submitted quotes, and approve quotes
- ☐ Interact with online chat and chatbots
- ☐ See inventory, availability, and time to ship
- ☐ See order history, quick reorder, and view invoices
- ☐ Create and manage subscriptions and payments
- ☐ Manage returns, refunds, and replacements
- ☐ Buy physical and virtual products
- ☐ Schedule, reschedule, and cancel services

Are these experiences branded and consistent? Do they elevate your brand? Are the following rules adhered to:

- ☐ The digital experience is accessible, meaning it meets, or exceeds, common accessibility standards defined through the Web Content Accessibility Guidelines, or the government's Section 508 standards? Is it accessible to those with permanent (e.g. loss of vision) and temporary disabilities (e.g. traumatic injury)?
- ☐ Are your digital properties easy to use? If your site is intended to promote eCommerce purchases, does it do it? If your app is designed for quick research, do you have robust search?
- ☐ The design and content experience is consistent; for example:
 - ☐ Fonts, colors, and logos are consistent in all digital touchpoints, regardless of the device or application.
 - ☐ Buttons are simple, similar, and in the same position.
 - ☐ The navigation is universal (or consistently customized for the user).
 - ☐ The voice and tone is aligned with your brand, relatable, understandable, and at a reading level that matches your target audience.

Remote Human Interactions Checklist

McKinsey defines “remote human interactions” as covering the virtual engagements between your customers and your marketing and sales activities. This includes:

- ☐ Phone calls
- ☐ Video conference calls
- ☐ Emails
- ☐ Online chat
- ☐ Social media messaging
- ☐ SMS/text messaging

Branding can become difficult to control as rogue salespeople modify presentations and marketers experiment with email messaging, but there are guidelines you can develop to help ensure these remote experiences align with your overall brand experience.

Have you developed the following?

- ☐ Scripting for boilerplate messaging for phone calls and messages
- ☐ Branded backgrounds, waiting room settings, calendar messaging, and user profiles for video conferencing
- ☐ Branded presentations for consistent remote presentations
- ☐ Branded email templates for marketing messaging
- ☐ Scripted sales templates for sales outreach via email or social media messaging
- ☐ Guidelines for SMS/text messaging

Traditional Interactions Checklist:










Looking back to the quote from 1977 that this white paper opened with: traditional methods are still a significant part of your buyers’ sales process, and include:

- ☐ In-person meetings
- ☐ Direct mail
- ☐ Fax
- ☐ Catalogs
- ☐ Print advertising, circulars
- ☐ Swag/merchandise

Historically, manufacturer marketing budgets were heavily weighted to these traditional forms of customer acquisition and engagement. In your organization, your catalog and circulars may be the data and design source for your digital experience. The legacy of your brand may live in these systems, which is likely technically a headache for your digitization programs, but this can also be the historical, valuable, and differentiated brand experiences your customers and prospects know you by.

You can keep brand consistency through:

- ☐ Branded meeting materials (folders, pens, stationary) as well as templated presentations
- ☐ Consistent branding (font, colors, logos) in your printed materials, swag, and merchandise
- ☐ Branded fax confirmation receipts, eFax options

 1885-1905	 1893-1905	 1905-1910
 1910-1919	 1919-1926	 1926-1974
 1974-1999	 1982-1999	 1999-NOW

If you’ve ever driven by a Sherwin-Williams truck, you may have noticed something. On the back of each is a logo of an earth being covered in red paint. No right-minded focus group would approve this logo, as it’s almost shockingly anti-environmental looking. And that’s because it was developed at the turn of the 20th century. That the brand has kept it is an interesting choice. The logo is easily recognizable as not of this time, and in a way that is kind of exciting and rule-breaking. Sherwin-Williams strayed away from this “red paint covering the globe” logo in the mid-1970s, and then returned to it in the 1980s.

We write this to encourage you to find the gems within your brands catalogs, print materials, and old logos. See how they can be translated into your remote and digital experiences as well.

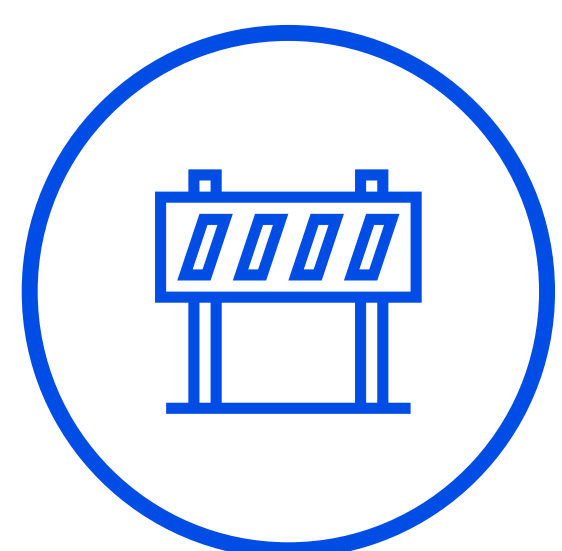


We're Losing Our Customers: Needs Assessment



Risks

Partners are doing more business elsewhere.



Challenges for Change

As a marketer, you now have responsibility (and influence) into more channels for experiencing your brand. Keeping the experience customer-focused and consistent requires an upfront and ongoing commitment to understanding your customer and designing their experience.



Opportunities

Knowing that your customers and prospects are using three core approaches (digital, remote human, and traditional), you can leverage journey mapping to understand their methods, uncover roadblocks, and discover chances to make your business as easy and pleasurable to work with as possible.

Creating a holistic style guide for both digital and print helps you refine and control your digital experience. From logo usage, to colors, fonts, boilerplate, and scripting, marketing is uniquely positioned to articulate and influence the brand experience in every touchpoint. Done well, this makes your creative team work more cohesively and efficiently, and enables your sales team to quickly pick up on-message scripts and templates.



Considerations

- For these three approaches (digital, remote human, and traditional) what does white-glove service look like?
- Where are there opportunities to elevate the brand experience?
- Where does your team need better tooling, more training, or more resources to meet your customers' expectations?

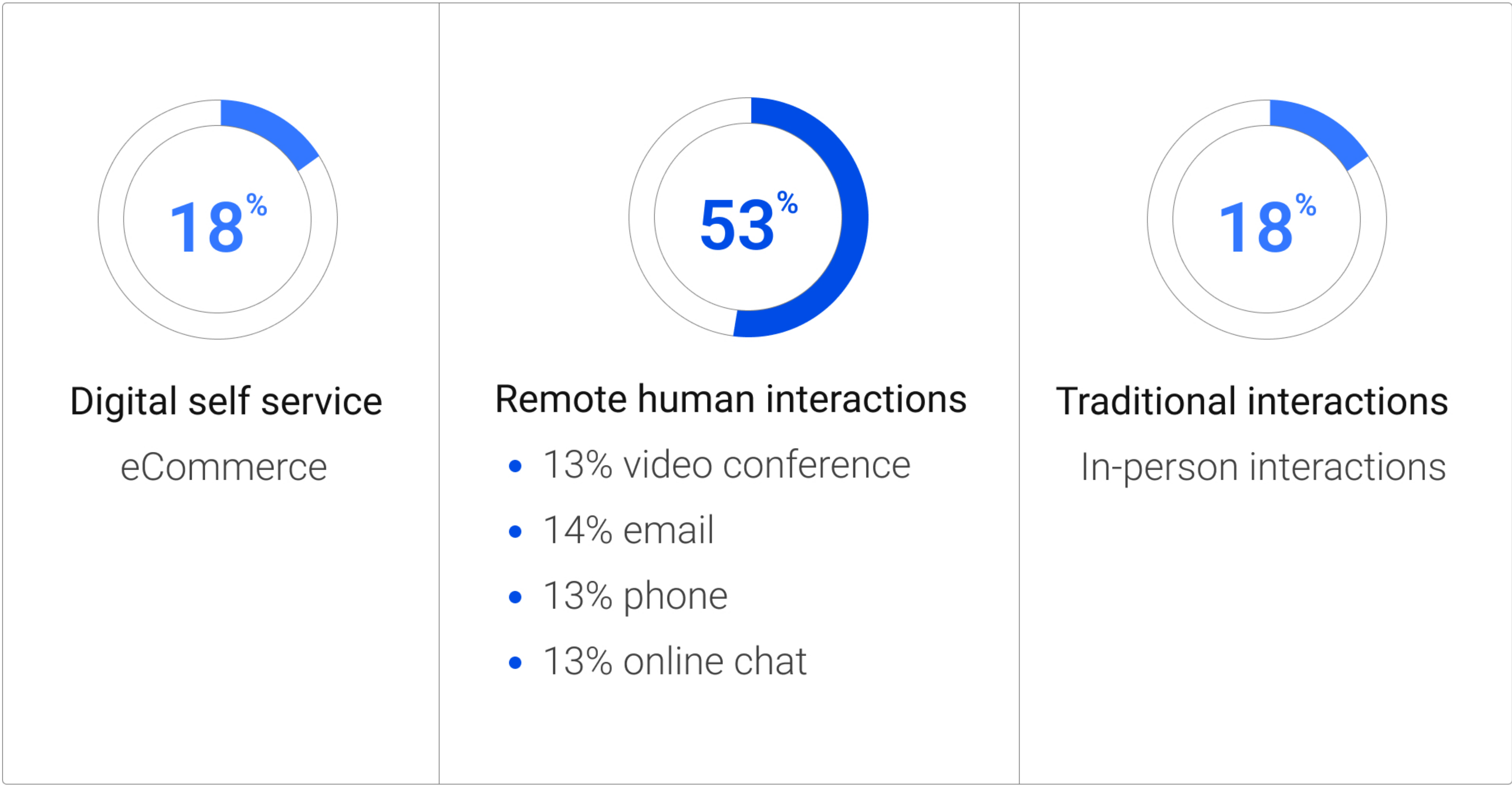


Key Performance Indicators (KPIs)

- Customer retention
- Digital self-service adoption
- Market share
- Revenue, margin, retention, and acquisition by approach (digital, remote human, and traditional)

Problem: Our eCommerce Is Underperforming

Here’s some good news: digital has a huge opportunity to drive revenue in your business. According to a McKinsey B2B survey, eCommerce now ties in-person as the channel driving revenue. Using the McKinsey approaches from earlier, this breaks down the following way:



B2B buyers are more and more comfortable spending money online. In a 2022 survey, McKinsey reports:

“One in five B2B decision makers are now willing to spend between \$500,000 and \$5 million on a single interaction on remote or self-service channels. That’s a leap from the 16 percent who said the same earlier in 2021. In addition, seven percent of buyers are willing to complete transactions valued at more than \$5 million fully online.”

B2B Manufacturers Need Robust Marketing

“Marketing leaders at B2B manufacturing companies must make a commitment to building effective digital marketing strategies. As more of their buyers allocate an increasingly large portion of their time learning how to buy online, brands must follow the money and follow suit,” said Kyle Rees, director at Gartner. “If B2B marketers can’t get digital marketing right, they could seriously jeopardize the success of their company’s future digital business strategies, or worse, fail to protect themselves against looming competitive threats.”



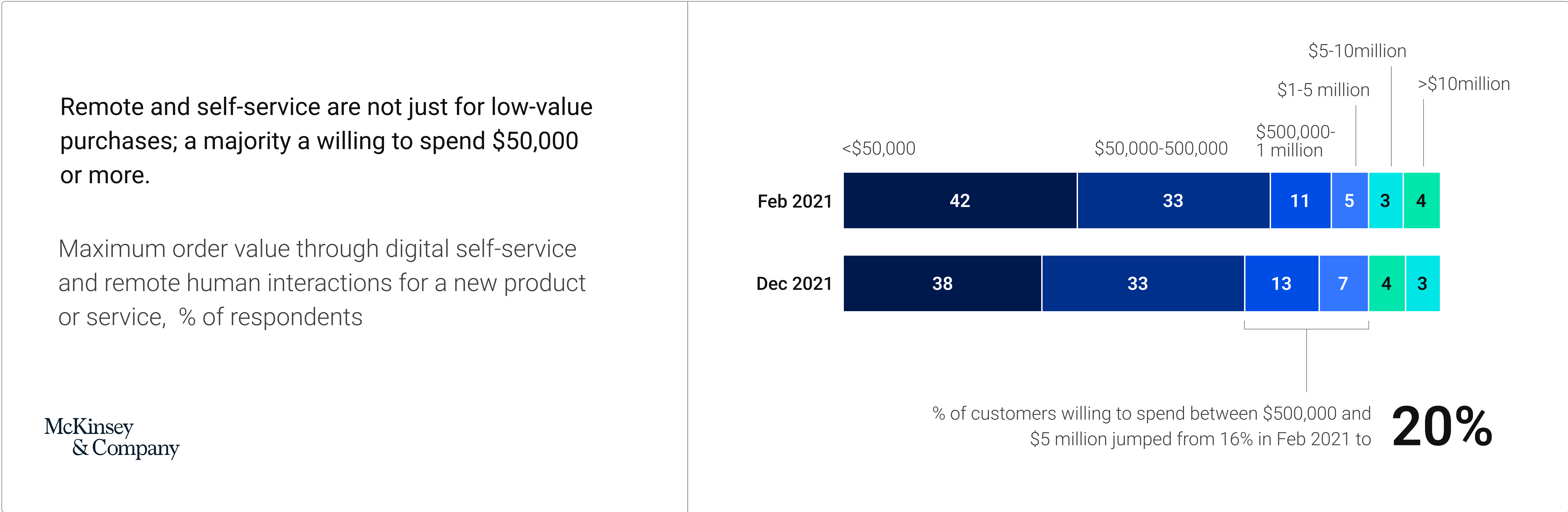
From the Tech Perspective

“Being agile has elevated marketing’s ability to translate the sales message better. They’re closer to what the customer needs are and better equipped to create tools and materials that resonate with them. For IT, agility means we integrate seamlessly with marketing, sales and operations, with direct connections to customers, to create digital capabilities that bring together disparate data and create seamless experiences, regardless of the channel.”

— Mark Mintz, Chief Information Officer, Charles River Laboratories,
The new B2B growth equation | McKinsey

“Lean into B2B e-commerce or be sidelined: With potentially a third of sales at stake, e-commerce is a vital lynchpin for continued B2B revenue growth. If you don’t currently offer an online sales channel, ramp up that capability now. Win the journey, not just the transaction: Corporate decision makers are turning to e-commerce at every stage of the buying process, from research to reorders, and will walk away if the experience doesn’t deliver what they need. Design your site with million-dollar transactions in mind: Treat e-commerce as a full-service destination and design the online experience to support big- and small-ticket sales. Recognize that e-commerce is an ecosystem play: Leading B2Bs maximize their online “surface area,” recognizing that the more avenues they can use to get in front of customers, the better. A well-rounded e-commerce presence will include a specific marketplace and partner strategy.”

McKinsey
& Company



If you are feeling disappointed, don’t worry—you aren’t alone. According to Gartner, “more than half of B2B marketers (51 percent) rank their current digital experience as average at best.”

So where do your problems lie? There are a number of lenses for approaching your digital revenue challenges: discovery, customer acquisition, digital commerce adoption, customer retention. Some of these you own in marketing, and some your technology teams may control or greatly influence. Your sales and customer service teams play a critical role supporting site registrations and white-glove service for adoption, conversion, and retention. This is how and why you’ll want to work in partnership to address your digital revenue challenges.



	Discovery	Customer acquisition	Digital commerce adoption and conversion	Customer retention
MARKETING	SEO Social media PR Advertising Referrals (from sales, partners, and other customers)	Data-driven advertising to targeted prospects Content marketing strategy (white papers, landing pages)	Digital experience design (accessibility, user experience, easy checkout) Easy navigation, great search, quick filtering, and sorting.	Robust 'My Account' features for easy reordering, order management, and quick order placement. Data-driven advertising and remarketing to existing customers
		Integrated, multichannel, personalized, and automated marketing programming to drive online registration, and orders.		
TECHNOLOGY	SEO page structure Customer data collection and analysis to build target audience.	Robust, flexible content tools for orchestrating omnichannel content campaigns. Customer data collection and analysis to build target audience.	Robust, integrated digital platforms that can collect user, product, and website information to create personalized experiences. Fast, responsive platforms that can handle large catalogs, high levels of traffic, customizations. Digital self-service experiences (see checklist above)	
SALES	Outbound outreach (email, phone, text, social media messaging) that directs to the website.			
CUSTOMER SERVICE			White glove customer service on chat, phone, email to help with registration, site usage, ordering, returns/replacements/refunds, and reordering.	
KPIs	Website traffic (organic, paid, direct) Cost per impression or engagement	Cost per acquisition Customer registrations Email/marketing opt-ins Time on site/bounce rate	Conversion rate eCommerce revenue Average order value Average time to transact	Customer retention Customer lifetime value Customer referral

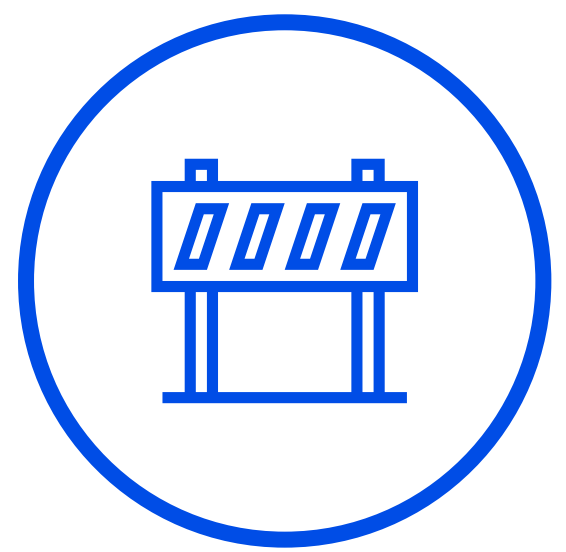


Our eCommerce Is Underperforming: Needs Assessment



Risks

Your digital experiences are underperforming, and you're losing revenue and digital business market share.



Challenges for Change

For many manufacturers, digital experience has lived in the IT department, or with the technology team—or the process has been the digitization of the existing processes, rather than a digital-first transformation experience. You'll need to partner closely with your technology team to define and share KPIs.



Opportunities

Work in partnership with the technology teams to create a digital-first, customer-centric experience for your customers that allows you to differentiate and compete—especially when customer loyalty is fleeting.

Create programmatic, scalable, data-driven marketing that drives digital revenue through your digital channels. This way, you capture more data on your customers, as in how they shop, how they search, and how they purchase—all providing you critical insight into the wants and needs of your customers.



Considerations

- For these three approaches (digital, remote human, and traditional) what does white-glove service look like?
- Where are there opportunities to elevate the brand experience?
- Where does your team need better tooling, more training, or more resources to meet your customers' expectations?



Key Performance Indicators (KPIs)

- Acquisition
- Retention
- Digital commerce revenue
- Average order value
- Customer lifetime value

Problem: We Need to Balance Personalization and Privacy

A Gartner survey shows that *"86% of B2B customers expect companies to be well-informed about their personal information during a service interaction... While customers want companies to be well-informed about their personal information, customers also expect their data to remain private and secure, and to be used solely for its intended purpose.... A data-driven approach to designing personalized service experiences benefits the customer and the company, but it also risks violating customers' trust if not done right."*

The landscape is rapidly changing for B2B marketers, though, especially for those focused on new customer acquisition.

Historically, marketing organizations have relied on external tools and programs that are dependent on third-party data to market to existing customers, find lookalike prospects, and leverage intent and other data to build a marketing audience.

Tools such as BlueKai, DataFox, and Meta use buying data and third-party cookies to build complex models that allow for hyper-targeted marketing programming.

Widespread legal changes began in 2018 when Europe enacted GDPR (a comprehensive set of regulations that allowed customers to choose if a site they were using could sell their data). California, the world's 5th largest economy, followed with the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA). It became clear that the ability for companies to buy third-party data was disappearing; however, smartphone apps had already grown in popularity over websites, which experienced the greatest impact.

Individual platforms have started blocking third-party cookies, with Safari blocking third-party cookies in 2017 and Firefox joining in 2019. Google Chrome, though still the market leader, has announced it will block third-party cookies in 2023.

In October 2021, Apple (56% of the U.S. smartphone market) also offered the choice of whether apps could track users. Overnight, Facebook estimated losing more than 30% accuracy on their targeting algorithms.



"B2B organizations have fallen woefully behind the seamless, easy, and informative standard of B2C digital platforms. 'We're different because we're B2B' is no longer an acceptable excuse.... Conditions are ripening quickly for breakaway differentiation. What will this new digital-first world of B2B customer experience look like? Glimmers of innovation exist. Manufacturing sectors are developing digital innovation spaces, where customer and supplier experts can tour each other's facilities to aid co-development efforts.

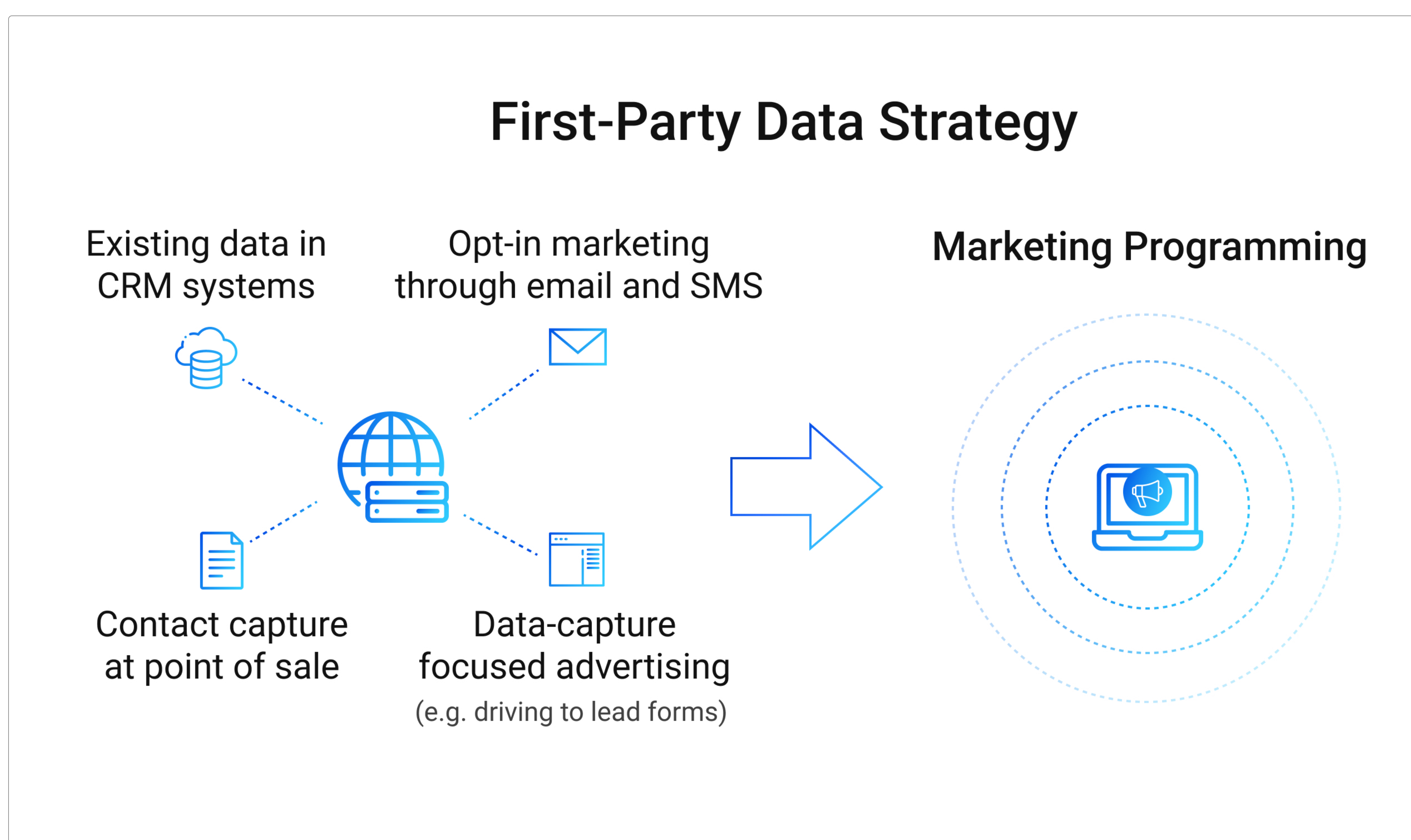
For most organizations, it starts with assessing - at a detailed level - how, where, and what customers are learning, and the difficult decisions they must subsequently navigate in their purchase experiences. Isolating points of friction, gaps and information, and opportunities to build greater customer confidence are key.... Leaders failing to shift significant focus, resources, and political capital into creating rich digital experiences through the next five years risk alienating customers and losing business as a result."

Gartner®

The standard KPI used by marketing organizations to track the effectiveness of their advertising investment is Return On Ad Spend (ROAS), which is estimated to drop more than 30%. To put it simply, companies will have to spend \$1.30 in 2022 to get the same effectiveness as \$1 of spending in 2021.

So how do marketers work under these new guidelines? They build a rich store of first-party data, surround it with the blanket of consent, and leverage that data to send targeted messages to prospects and existing customers. This data is found in:

- Existing data in CRM systems
- Opt-in marketing through email and SMS
- Contact capture at point of sale
- Data-capture focused advertising (e.g. driving to lead forms)



This data is typically found in your Customer Relationship Management (CRM), Configure, Price, and Quote (CPQ), Content Management System (CMS), or Commerce systems. To build a robust pool of safe, usable, first-party data you'll need to work with your technology team to create an integrated ecosystem that ensures your systems are working together to capture, build, and analyze first-party data.

Data-driven customer analytics can unlock new business insights and provide strategic marketing direction. First-party data-focused marketing activities can ensure strong return on advertising spend (ROAS) and open opportunities for expanding your marketable list.

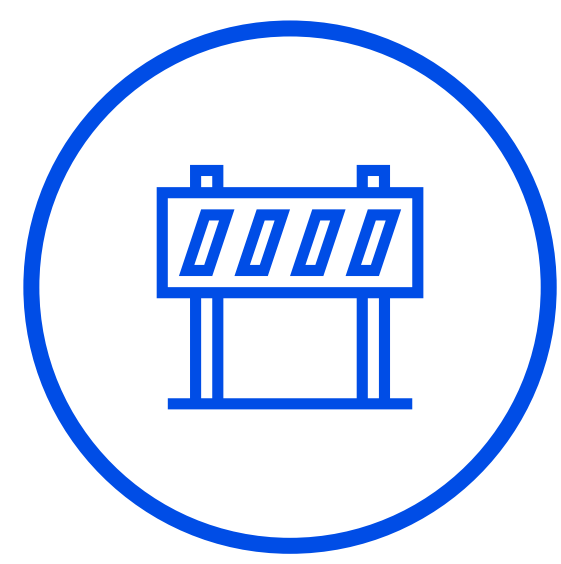
Modern marketing tooling has enabled businesses to create more sophisticated brand experiences by allowing personalized, customized content at the places where their prospects and customers want to consume it. While the policy changes around third-party data are a challenge, they unlock new opportunities for businesses to have more future-proof, forward-facing marketing programs.

We Need to Balance Personalization and Privacy: Needs Assessment



Risks

If you're reliant on third-party data for your marketing programming (or haven't correctly captured your customer data) your marketing program is at risk.



Challenges for Change

Collecting, integrating, analyzing and using your customer data is a complex, multi-team, multiplatform program that needs to be orchestrated across multiple players in your organization.



Opportunities

Build a future-proofed, forward-thinking, fully-owned data pool from which to create a data-driven marketing program.

Create a feedback loop where data drives marketing campaigning, and marketing performance feeds back into the overall data-informing product, services, marketing, and sales decisions.



Considerations

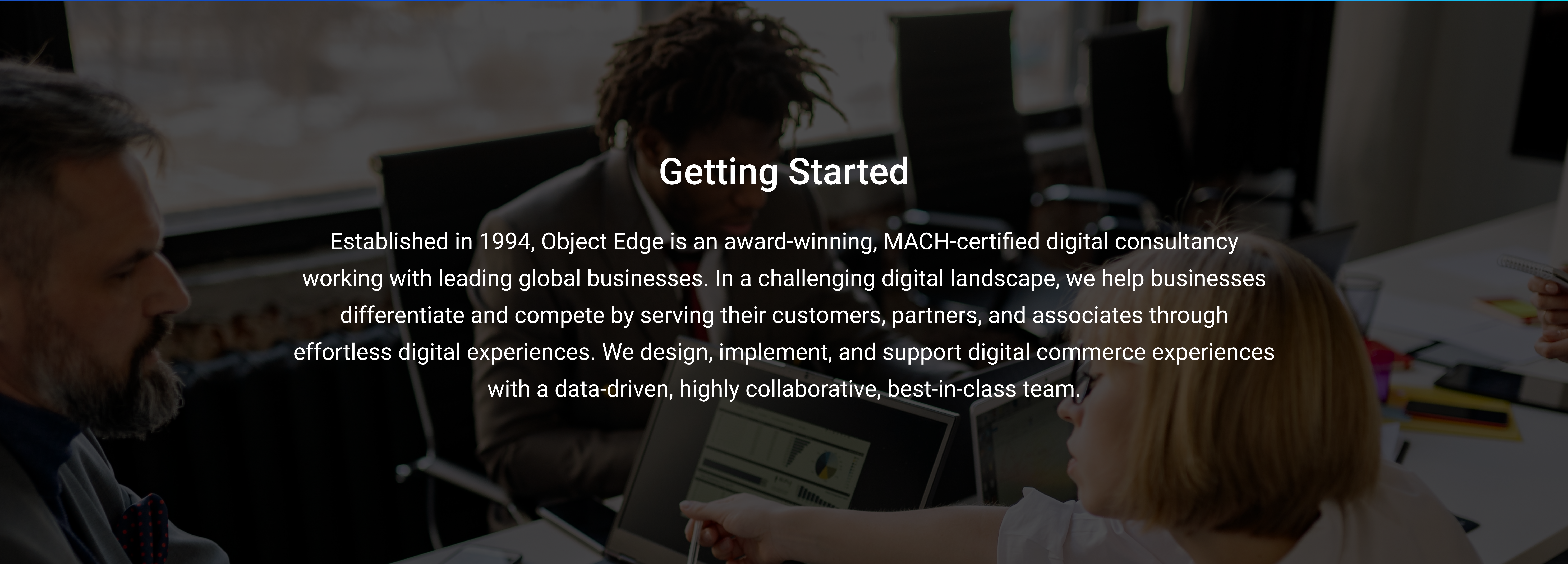
- Do we have a privacy policy and are we adhering to it on all platforms?
- Where do we allow users to opt-in? And how?
- On what platforms does our data currently live?
- How do we want to centralize this data?
- How do we want to report this data out to make better decisions across the organization?



Key Performance Indicators (KPIs)

- ROAS (return on ad spend)
- ROI (return on investment)
- CPA (cost per acquisition)
- Marketing campaign performance metrics (engagement, conversion, acquisition, retention)





Getting Started

Established in 1994, Object Edge is an award-winning, MACH-certified digital consultancy working with leading global businesses. In a challenging digital landscape, we help businesses differentiate and compete by serving their customers, partners, and associates through effortless digital experiences. We design, implement, and support digital commerce experiences with a data-driven, highly collaborative, best-in-class team.

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