

Achieving commercial goals, by 'less marketing' in B2B?

How 'less marketing' is the best guarantee to more revenue in B2B.



DutchmarQ: new marketing. proven in B2B.



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More revenue by less marketing: too good to be true?

That's what I also thought when I first heard this.

Don't get me right: I am a true fan of Marketing as a discipline. This is therefore not a pledge to do away with marketing departments or to fire professional marketers. By means of this whitepaper I would like to share my insights built on over 18 years of personal experience as well as at the least tenfold that number of years via my network of senior marketing professionals at DutchmarQ's business partners and universities. Furthermore this whitepaper supports my call for less marketing in the traditional sense: buying as much airtime as one possibly can via tv-commercials, radio, trade show booths and displays or advertisements in industry magazines and the Financial Times.

This whitepaper intends to be a source of inspiration to new in B2B, based on and focused on enthusiasm. On a 6-step process, from 'dreaming to doubling progress'. On a combination of hard facts with insights into the client's psychology. And on smartly leveraging the power of great content in new media such as social media, online marketing and mobile.

"You're strongly recommended not to carry on reading when your sales, marketing & service budget significantly increases in 2012."

Is carrying on the read worth your time?

Do you recognize on or more of the following statements?

- You would like to have more enthusiastic customers as basis for long term success?
- You would like to be as little dependent on chance for success in B2B and as much as possible on the motto to measure=to know?
- You would like to benefit from new media to get closer to your customers?
- Your 2012 commercial budget diminishes whilst 'outside or top down' pressure to realize equal or better results mounts?
- You would like to have true insight in what really drives customers and what works or does not work?

Please do not continue reading this whitepaper when you recognize the following:

- We'll continue to work with a fancy advertising agency thanks to that gorgeous female account director and their annual trips to another exotic movie set;
- One should not stimulate marketing and sales professionals to collaborate;
- Social media especially holds value in B2C, not in B2B;
- o Commercial growth only depends on a (larger) number of account managers;
- o The more leads my funnel holds, the beter: sales is "a numbers game".



Increase turnover & bottomline by more effective marketing

Improving revenues and marketing effectiveness

New marketing and the deployment of new media consists of several applictions, varying from innovation, branding, internal communicatie and knowledge management yet also **revenue generation and marketing optimization**¹. This whitepaper a powerful approach is described for that latter application. The 6 steps described below illustrate how marketing can be made more effective by means of new insights and means. Increasing revenue can go hand-in-hand with an improved customer experience, customer service and stronger operational efficiency.



Source: Altimeter social analytics

Step 1. Dream

Dreaming and realising the the 'business goals' mentioned above seem a rather peculiar combination. Creating real meaning and value to your customers does however start with dreaming about a vista on the horizon.

Do imagine (alone or with one or more colleagues and/or customers) **the meaning your business could essentially have.** Do not let existing dogmas, industry 'best practices' or prescriptive oneliners from a whole host of managementbooks get in your way.

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¹ Altimeter social analytics



How could your services, solutions and your team make the ultimate difference? What could hold real 'WoW-factor'? Dreaming should not be confused with brainstorming here. Nor does it at this stage relate to market research to reveal customers' needs and wants. In many cases, customers themselves do not know what they want. Should Henry Ford have asked his customers what they wanted we would now have had a faster horse and carriage.

"When Henry Ford would have given his customers what they were asking, we would now have had a faster horse & carriage."





The following questions are a powerful tool in getting momentum in shaping meaningful dreams in business-to-business (B2B):

1) What is our dream customer or what are our dream customers?

Thinking and reflecting about your ideal or dream customer also shapes the direction you are passionate about or would like to go the extra mile for. Your dream customer may be a party that provides you access to a new industry or sector, or a customer that brings a substantial network in a foreign country relevant to your business. It may however equally be an organisation of additional value to you by acting as an active promoter or even a superpromoter to your products and services. Or may well suit you in terms of your culture, style and sense of humor.

2) How do we get from WoW to WoM?

The WoW-factor truly holds value when a story materializes, when there is WoM/ Word of Mouth is. What Word of Mouth would you like to achieve? What should customers be so enthusiastic and impressed about that they spontaneously start sharing their experience? And what should the story be you hear reflected in your network, and in social media?

3) What dream journey do we provide to our customers?

We are all familiar with stories on poor or negligent customer service. As well as with the expression "a reputation comes on foot and leaves on horseback". The enormous power of sociale media means reputation more than ever is being 'earned'. Especially in B2B it's all about gaining, keeping and being rewarded customers' trust. And about relationships. That starts during the orientation phase scanning a new product or solution: that process takes place online 90% of all cases in B2B. That is why dreaming on the total 'journey' your customer jointly with you makes such a powerful instrument. Which in turn offers the opportunity to see beyond the stage of signing the contract, or to look differently at a tender or RFI/RFP. And many other things.

Step 2. Depict

Sounds familiar: you wake up from a dream that was not 'done' yet? You would love to close your eyes to enjoy the next episode. In this second step it is essential to open your eyes and ears. Dreaming now zou zo graag uw ogen weer sluiten voor de volgende episode. Dreams now get translated to choices and assessing what facts, motivations and hypotheses matter or do not. 4 factors are taken into consideration.

1) Customer drives and deeper motivations

Investigate what customers really drives instead of spelling their RFP/ Request for Proposal word by word. Scientific research shows customers don't always share their real motivations. Motivations often are part of the subconscience. Therefore they can not be laid bare using a traditional questionnaire.



Depicting the relevant question behind the customer question is possible by combining scientific insights with more in-depth and better listening to what drives (employees at) a customer. Better listening can be achieved thru more intensive 1-to-1 conversations as well as online. In an IT outsourcing not so much the desire to cut costs may prove to be leading as much as the fear to be able to combine existing IT services with those from another partner. Which in turn may result in slow product introductions.

Market		
Be Aware	Aware with X% of potential customers	Preference
Image	X% all prospects have preference	
Traffic	X% with preference eg submits request for more information	Buying behaviour
Sales/ contracts	X% all requests turn into contracts.	
Extra (cross-sell)	X% of all contracts turn into additional work	Loyalty
Retentie (re-sell)	X% all customers does repeat-buy, or buys related product/service	

2) Facts and historical data

Fact-based marketing uses factual insights as starting point to help predict and control commercial effectiveness. The BiTS methodology² - acclaimed by several universities and polytechnics – is a practical example thereof. This methodology deploys actual, achieved scores when it comes to preference (awareness and image), buy (traffic and sales) and loyalty (cross-sell and re-sell).

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² BiTS method (see also illustration above), DutchmarQ business partner see <u>www.bitsen.nl</u>



The conversion rates actually achieved provide insights into the strenghts and weaknesses and therefore offer a realistic picture of what so-called money and other objectives can be realised. In a greenfield operation this of course is more challenging. In this case too it's essential to register factual insights and to apply these as baseline.

3) Wanted vs unwanted customers

A dream customer's definition provides a powerful starting point to list those customers that best or least 'fit' your business ambition. Many people might view that as a sign of luxury or even arrogance. They are wrong. This 'business fit' is the key factor to determine the chance for success both in being rewarded the assignment, additional work as well as the enthusiasm the customer will use to promote your services and professionals.



4) Business definition

As logical next step the business definition (Abell & Hammond) can be completed. What customer needs and deeper motivations, with what (kind of) customers does the company offer what type of solutions (products, services etcetera)? And what choice (business scope) does your business make therein, where do you really want to make the difference?



Step 3. Define

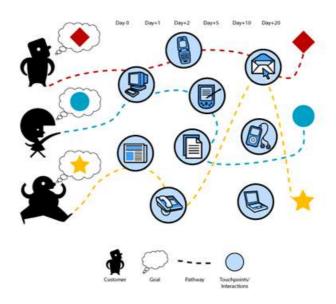
Describing beyond 'what' you deliver

It is tempting to think in terms of conventional PMCs/ product market combinations in defining a more detailed picture as to what meaning you would like to provide to whom. I do not want to claim its very definition would not have any value, on the contrary. I do view this as a mere hygiene factor and starting point. Describing its real value in terms of answering the 'why question' behind what you deliver far outperforms or outweighs these instruments.

What stories would you prefer to hear about your people and solutions?

Companies such as Intel, Cisco and – closer to my dutch home - Schuberg Philis demonstrate that even the seemingly most boring, dull product or solution can have magnetic sex-appeal in the marketplace. By reframing providing value in business and by communicating a new story about it. Most of all: by listening more closely to their customers. Not just when a new contract is up for grabs. But also after the contract has been rewarded. Offline and online. With a communication mix that should be effectively shaped to support effective listening and dialogue.

So-called *owned media* (own channels) and *earned media* (Word of Mouth / buzz) should receive preference over *paid media* (paid, often above the line instruments such as radio commercials and print advertisements).



The customer journey depicted (Mel Edwards, 2011).

Customer journey

The customer journey as conceived and visualised in step 1 further materialises in this step. In a customer journey all moments are defined that make all real difference to the customers. An organisation should excel in the one or few aspect(s) that the customer appreciates more than any other factors.



A '7' as average customer satisfaction score sounds not bad at all. As Fred Crawford emphasizes in his Customer Relevancy model: scores 'on a par' with the competitions do not really result in any additional credits or real customer loyalty. Therefore one should select 1 aspect to differentiate from others and 1 aspect to truly excel at. Determining one's message that cannot be copied is part of that exercise.

Proper KPIs

Of course the aforementioned choices need to be effectively and honestly reflected in management planning and control. This applies to internal communications as much as it does to priorities set to employees in all disciplines via measurable, acceptable and challenging KPIs. And perhaps more importantly; successes in the chosen priorities need to be mentioned and celebrated.

"Loyalty is only achieved by truly excelling in the one aspect the customer puts additional value."

Step 4. Doing!

"More customers by less marketing", says this whitepaper's promising title. This does not mean customers will automatically flock towards you. Every transaction and surely every successful relationship starts with communicating and doing. This is equally reflected in this whitepaper's focus: marketing optimisation and achieving commercial objectives. In that perspective doing is based on engagement, listening and customer service.

Engagement

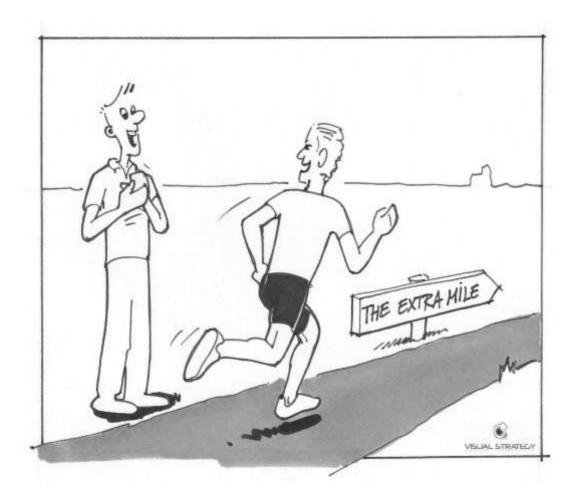
You may first of all associate the word 'engagement' with an engagement on the way to a healthy marriage. For that matter, *customer engagement* is not quite different: it is all about the process of testing the waters and building mutual commitment and trust. As basis for a more long term in terms of additional work, a long term framework agreement or other signs of customer (and supplier!) loyalty.

To my opinion, getting really engaged with a customer especially has to do with 'real' (I deliberately refrained from using the fashionable term 'authentic' here, yet that word would also fit the bill) interest in the people that make up a customer's organisation. By give and take, also in terms of knowledge and content shared with customers and other stakeholders. And by 'going the extra mile'.



Listening: new dimension thanks to social media

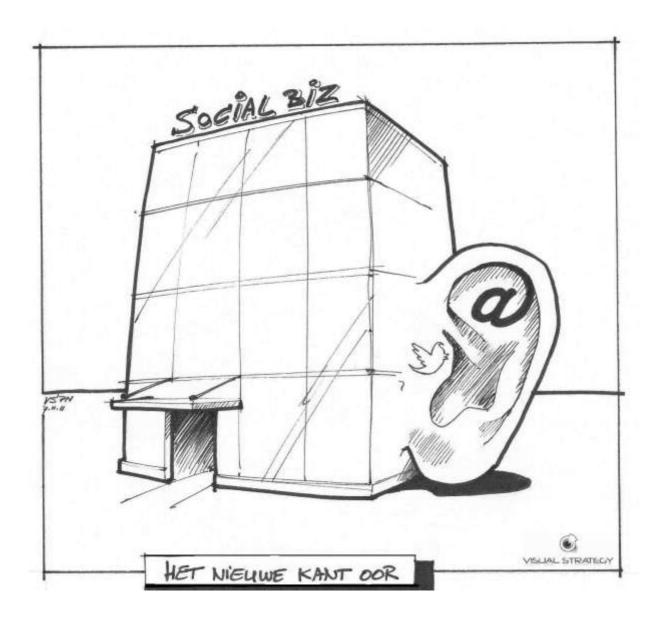
The sheer volume of exponentially growing visible (or audible) online expressions and conversations offers new opportunities. A social business has defined a strategy in leveraging social technology and sociale media in optimising relationships for business purposes with relevant stakeholders.



Social media render media more 'social'; sharing your message, expertise and feedback no longer is the privilege of the likes of Rupert Murdoch and Joop van den Ende but have become within reach of any global citizen with a connection to the web.

Positive, neutral or negative: all these statements and expressions enable organisations to learn via several channels from the marketplace more rapidly, more closely and more often from feedback, desires and complaints from the marketplace. And by sharing (expert) opinions and suggestions via fora, weblogs and microblogging online. Which in turn leads to the opportunity to convert the power of positive references and word of mouth into more buzz around one's company and people. Indirectly boosting preference to one's own solutions and services.





Customer service

Zappos' – an online shoeshop - customer service has become world famous. Announcing 'delivering happiness' to be its mission, Zappos expressed its ambition to deliver the best customer service in the world. Although well over 95% of all sales are handled online and are automated, the customer contact center has been turned into the proverbial spider-in-the-web at this company.

Zappos' telephone number is prominently shown on each and every webpage and all staff spend time building experience in the callcenter. Conventional KPIs such as a maximum handling time per phonecall or a minimum amount of X hourly conversations simply do not exist at Zappos. Members of staff have the authority to make their customers happy. Even when that means having a pizza delivered to someone who has just moved to a new city and wants the best pizza delivered. Fast.



Zappos employees send every customer they have spoken to a card befitting the occasion for which the shoes have just been bought. This may of course be a festive or a less happy occasion. Many hundreds or even thousands of personalised cards find their destination to living rooms and offices all over the USA. A highly targeted, personal and visible way of marketing communications in B2C that may serve as inspiration to many a B2B player.

"With a drop from 9,2 to 9,1 in customer satisfaction scores, we wonder whether we have grown too fast".

A Dutch example of a company in B2B that excels in customer satisfaction and realizes more success by 'less marketing' is Schuberg Philis. This company's core proposition is the maintaining and guaranteeing of 100% (that's not 99,999%!) uptime in mission critical business applications. 100% counts as the red thread or *leitmotiv* to all departments; the company has no canteen but a 4-star restaurant and only the very best IT-specialists on the team.

Schuberg Philis do not use marketing in its traditional form. You will not come across advertisements by this company in CIO magazine. The annual Giarte Outsource performance figures speak for themselves.

When this survey's results show a tiny decline from an excellent 9,2 to a slightly lower 9,1 management takes that as a serious warning asking itself "don't we grow too fast".

All Schuberg Philis customers are open to facilitate reference visits by a new prospect. Furthermore appreciation is creatively demonstrated to employees' spouses and partners for their understanding and support. An evening with partner, full catered including a nanny for those employees with children. Of course this generates further goodwill and (super)promoters to the company.

Step 5. Do it together

As the Schuberg Philis example illustrates a broader perspective on loyalty and 'ambassadors' makes a lot of sense. Not only do a B2B company's (best) customers deserve attention, that also applies to its employees and partners for instance. Truly sustainable success depends on involving and engaging of various internal and external stakeholders.



Marketing belongs to 'everybody'

Of course it makes a lot of sense to have a department or discipline fully accountable to 'Marketing'. This whitepaper has equally shown several examples why marketing is not the sole domain of the department holding that very name. Marketing (communications) can equally be embodied by content experts, call center operators, cleaners, account managers, spouses as well as suppliers and third parties. Their voice, trust and enthusiasm count.



Account based marketing

Several authors and bloggers have spent numerous attempts researching and describing best effective sales | marketing alignment. Often is is about demarcation: where do we draw the line in handing over leads from marketing to sales. This line of demarcation often results in leads falling thru the cracks. It is therefore best to do away with too artificial or unworkable a demarcation.

The most progressive form of cooperation between these disciplines: account based marketing. Therein the customer <u>is</u> the market. Time and time again as Capgemini programme manager Capgemini and Fujitsu head of marketing I witnessed how more focus on less amount of prospects really makes the difference.

Stap 6. Differentiate through the power of enthusiasm

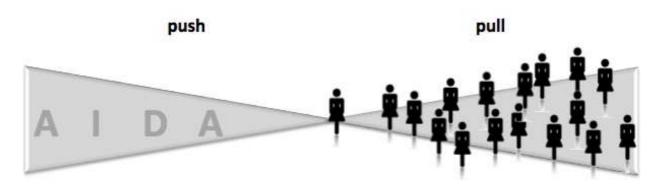
Inflation has been hitting the customer satisfaction concept for considerable time now. What good is a 'satisfied commissioner' when that company just as easily submits its three-year contract to the best next 'partner'? The NPS or Net Promoter Score was cleverly construed to differentiate between *promoters*, *detractors* and *passives*.

The NPS score is calculated by deducting the percentage of promotors by the percentage of critical customers i.e. detractors.



This score's extremes seem most interesting. At the same time, the passives are the group most underestimated. They often constitute the largest 'mid section' and are both the largest opportunity and strongest risk. The largest opportunity to companies to turn them into truly enthusiastic customers. Yet equally they form the strongest risk to switching to another third party.

The 'Superpromoter' theory takes this one step further. Founding father and *Chief Enthusiasm Officer* at Blauw Research Rijn Vogelaar selected the power of enthusiasm to central theme in his book 'the Superpromoter'. Superpromoters are those customers who actively and spontaneously promote a brand, organisation or service in both their business and private networks. This sounds like a very welcome alternative to all those supporting the 'half empty glass' perspective our dutch no-nonsense society is rife with. And a lot more powerful and positive paradigm than focussing on issues, complaints and disruptions.



attention interest desire conversion champions conversation conversion

The traditional AIDA³ perspective in the sales funnel shown above to the left then becomes a much more powerful source of conversation, recommendation, suggestions and leads via friends⁴ in the marketplace.

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³ AIDA: Attention, Interest, Desire, Action (or, BITS: Be Aware, Image, Traffic, Sales).

⁴ Illustration's source: Bite the Lemon: 'bringing brands to friends'



Getting started with new marketing

New marketing is ideally suited to a rapid, compact and practical start. You may consider the following opportunities to make a start:

- Apply for a review of your website for a benchmark in comparison to 2 competitors of choice. The assessment can be requested free of charge here.
- **Better listening online** via (free) social monitoring tools ("what is being shared about your company or about developments in the industry in social media?"), such as Google Alerts, Twitter search or Hootsuite.
- Starting awareness on whether your pull-factor is strong enough to attract sufficient traffic and leads to your website by requesting a DutchmarQ <u>Inbound</u> Marketing Assessment. Again, this service is completely free of charge to you.
- Rethinking your corporate story by using Simon Sinek's methodology the Power
 of Why and replacing your positioning by a message that can not be copied,
- Leveraging the value of **new marketing in a tender** process or campaign; think for instance about the smarter deployment of business content, online marketing and PR,
- Jointly determining with sales, marketing and service colleagues a **common picture of the 'customer journey'**,
- Selecting a first customer for a **pilot in account based marketing**,
- Assessing current conversion figures in the commercial funnel and current marketing & salesmix effectiveness as first ROI indication,
- Assessing the gap between the information the customer or prospect searches, uses and appreciates in the buying process on the one hand with the perception your sales, marketing and service people have of their sales process and the relevance of the communication mix used therein on the other hand. Google's Zero Moment of Truth provides valuable reading to this topic.
- ...what is the first thing that springs to your mind?



Now what do we do?

Applying new marketing is no abstract science! It can be realised a lot faster and more pragmatically than you may expect. The bottomline is all about better and jointly (internally as well as with customers) review and complete the 6 Ds as described above.

Share this whitepaper with colleagues in other commercial disciplines as kick-starter for your dialogue on what needs to be done first. Browse through the posts on DutchmarQ's blog and see what topic triggers you most.

When you get acquainted by telephone or prefer a 1-to-1 conversation? In that case do contact DutchmarQ via www.dutchmarq.com/contact or by telephone at +31 34 34 209 31. On weekdays a response (almost) always follows within 24 hours.

About Paul Hassels Mönning

I prefer to combine my passion about new technology in a.o. intranet, extranet, internet business applications, CRM and Social Media with the conviction B2B in the end is 'P2P', Person2Person. Personally instead of seeing technology as a dehumanizing force I prefer to take up the challenge to get 'closer to your customer' thanks to leveraging the opportunities technology brings with customer psychology insights. As interim marketing director, programme manager, workshop facilitator or speaker. With a personal mission: 'a lifetime of learning & inspiring'.



Over 20 years ago as management student (Groningen Unversity and MBA-school Warwick University, United Kingdom) I already developed great enthusiasm about marketing and strategy. What puzzles me now most is that Sales as a discipline was not part of the management science curriculum. In my career as marketing director and marketing programme manager I learned Marketing in B2B is underestimated, somehow belongs 'to everybody' and most of all can't do without Sales involvement.



My curiosity is expressed by not just 'keeping up with relevant management literature'. I regularly review relevant new issues for Managementboek (see reviews in dutch here). I'm an avid reader. Even better are in-person encounters and the dialogue with people in exchange of experiences and ideas and to help realise new (business) opportunities. My hobbies include theatre, tennis, running and music. My wife Annelies and I live in the small village of Doorn with our two sons.

About DutchmarQ

End 2009 I founded DutchmarQ. With 'new marketing. proven in B2B' as claim DutchmarQ proves the real opportunities in new marketing to ambitious B2B companies in professional services and technology. In a joint network with likeminded business senior partners and universities. How can new media be applied smartly and efficiently in attracting and delighting customers and prospects? How can one realise more by 'less marketing'? And how can achieving ROI be made reality rather than fiction?

Inspired by this whitepaper? Do subscribe to DutchmarQ's newsletter via www.dutchmarq.com (in footer). Regular inspiration in B2B new marketing.

Would you want to share your enthusiasm on this whitepaper? You are very welcome to do. I would appreciate if you could refer to this DutchmarQ whitepaper 'More enthusiastic customers by less marketing in B2B' as source. I would love to see you share your positive feedback and enthusiasm on LinkedIn, Facebook, Twitter or other social media in reference to (on Twitter) @phasselsmonning or @DutchmarQ. You may also send the name(s) and email address(es) of those people you have referred to this whitepaper to paul@dutchmarq.com.



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Sources & inspiration

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Social media; transforming the b2b buying experience http://ht.ly/6G9rS

Customer Journey Mapping: "klantervaring als inspiratie voor strategie en ontwerp" (Frankwatching)

Seth Godin's blog & books, including 'Meatball Sundae' and Tribes

Altuition | the engagement engineers, Janine Himpers and Joost Rutgers

BiTSen, Frans de Groot | BiTS in Communications

Business definition & business scope, Abell & Hammond

The Customer Company, Joost Kruisweg

Customer Relevancy, Fred Crawford (Capgemini)

The Superpromoter, Rijn Vogelaar (@Rijn)

Katherine Kucherenko, online strategist KittyHawk (@KatherineKucher)

Hubspot, inbound marketing

Bite the Lemon, Allain Silbernberg (@allains) en Dick Ettema (@tweetthelemon)

Schuberg Philis, Pim Berger and Gerwin Schuring

The Power of Why, Simon Sinek

Peter Nijpjes, visual strategist

Last but not least: my wife Annelies and our sons Louk & Tim (yes indeed, the two little ones shown on this whitepaper's cover).