

› The Digital Evolution in B2B Marketing

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Marketing Leadership Council

In Partnership with



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About This Research

Research Objectives

This research aims to meet the following three objectives:

- Identify shared challenges faced by marketing leaders in large business-to-business (B2B) organizations in structuring a digital marketing capability and supporting a content-led marketing approach.
- Synthesize frameworks for understanding and resolving those challenges based on demonstrated practices and expert analysis.
- Provide meaningful recommendations and case examples to help B2B marketing leaders advance against their challenges.

Research Input

This research is based on a combination four key components:

- Quantitative benchmark research and analysis from CEB's Marketing Leadership Council and Sales Executive Council into B2B marketing and sales practices
- Insight from the Marketing Leadership Council, Sales Executive Council, and CIO Executive Board and from subject matter experts at Google
- Structured interviews with marketing leaders at B2B organizations
- Information from and interviews with numerous vendors, consultants, agencies, and research organizations operating in the digital marketing space

Scope Limitations

This research addresses specific research questions considered to be of greatest shared concern to professionals who oversee digital marketing and demand generation programs at large B2B organizations. As a result, this research may not satisfy the information needs of all readers.

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As with all CEB studies, this research would not have been possible without the generosity of several individuals who were willing to share their insight, experiences, and practices. In particular, we would like to express our gratitude to the following individuals:

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> Prologue

The Current State of Practice

The Rising Importance of Digital

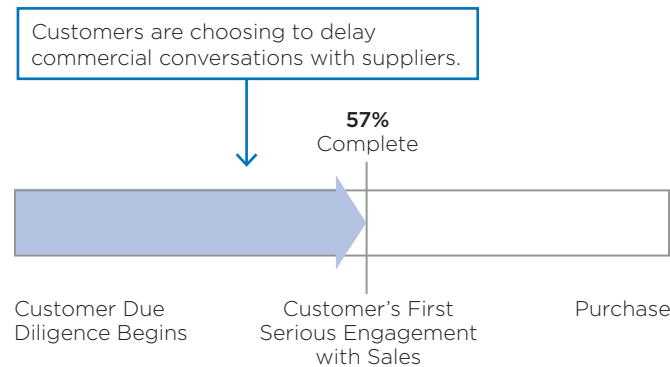
On average, customers progress nearly 60% of the way through the purchase decision-making process before engaging a sales rep.

Potential customers are readily turning to their personal networks and publicly available information—increasingly via digital and social media channels—to self-diagnose their problems and form opinions about solutions.

To understand the scope of this issue in the B2B context, CEB’s Marketing Leadership Council (MLC) surveyed more than 1,500 customer contacts (decision makers and influencers in a recent major business purchase) for 22 large B2B organizations (spanning all major NAICS categories and 10 industries). In a striking finding, the survey revealed that the average customer had completed more than one-half of the purchase decision-making process prior to engaging a supplier sales rep directly (Figure 1). At the upper limit, that number ran as high as 70% (Figure 2).

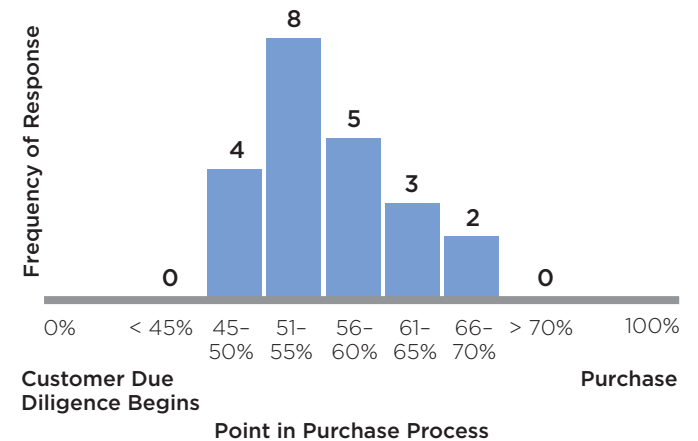
The fundamental implication is clear: companies that fail to “show up strong” in this context are underserving potential customers and at risk of losing mindshare and, ultimately, sales opportunities.

Figure 1: Degree of Progress Through the Purchase Process Before Engaging Sales
Customer Average



n = 1,500.

Figure 2: Degree of Progress Through the Purchase Process Before Engaging Sales
Distribution of Supplier Averages



n = customers from 22 suppliers.

Source: CEB, MLC Customer Purchase Research Survey, 2011.

The Current State of Practice

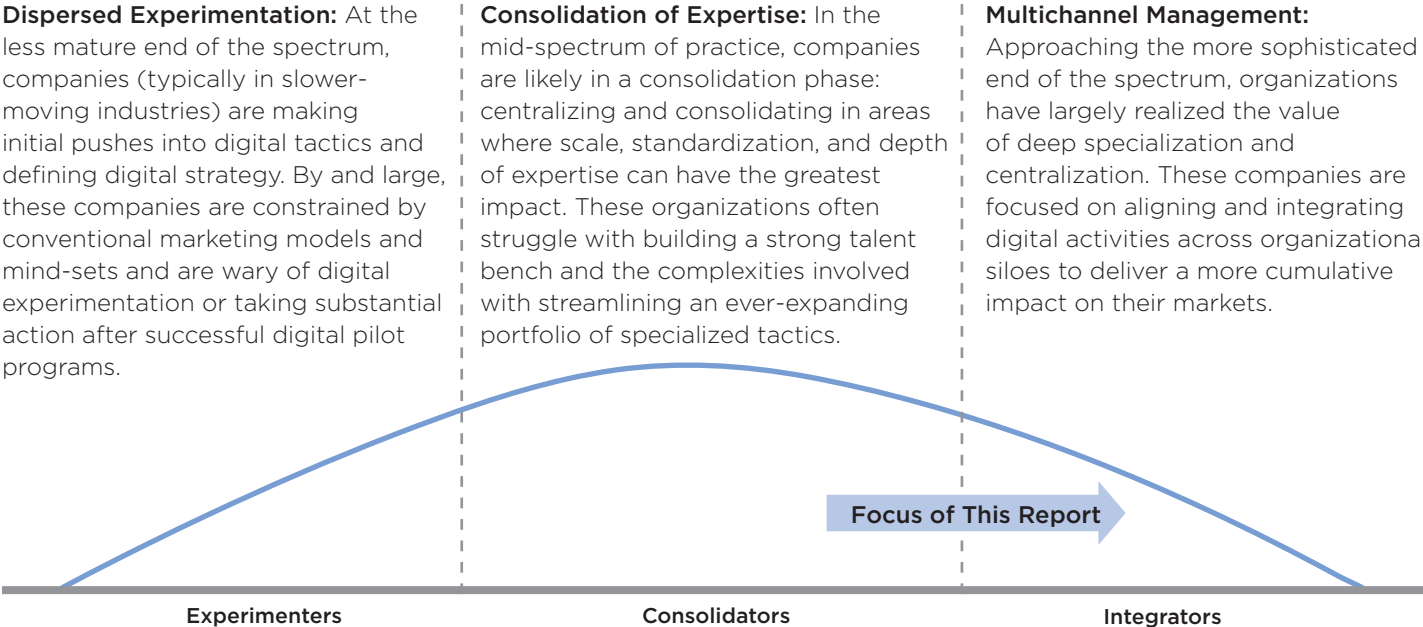
Most organizations have taken steps to deepen and consolidate digital expertise, resulting in new managerial challenges.

Budget benchmarks and opinion polls convincingly show that B2B marketers across industries are investing in building out digital infrastructure and capabilities, although the trend has been less pronounced in slower-moving industries. Digital spend among engineering, applied technology, telecommunications, and professional services companies often exceeds 15% of total budget, with some large organizations claiming to invest more than one-half of marketing budget in digital programs.

Although some of the marketers we interviewed remain in an experimentation phase, hindered by organizational disinterest in digital media, most organizations have progressed toward consolidating and deepening expertise on key digital tactics and responsibilities. We consider such “consolidators” to represent the mid-spectrum of practice, in which several performance gains are earned but many new managerial issues emerge (Figure 3). The second major phase, and the heart of this research, is focused on achieving collective management of digital tactics—or multichannel management. This highest level of sophistication is characterized by the challenges of integration and structural change.

Figure 3: Distribution of Digital Marketing Sophistication Among Large Enterprise B2B Marketing Organizations

Illustrative



The Consolidation Phase

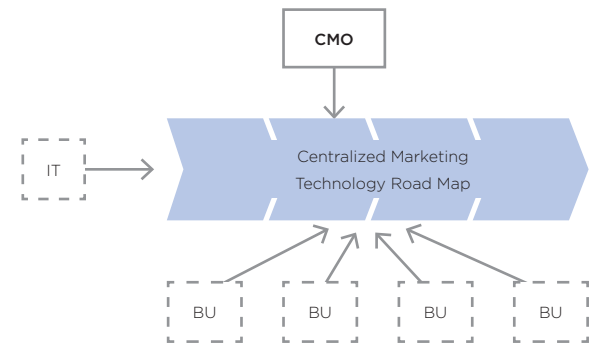
There are three key components of digital consolidation: 1) centralizing control over marketing technology, 2) broadening Marketing’s ownership of the corporate website, and 3) establishing digital centers of excellence.

Organizations in the consolidation phase need to consider three important issues: decision-making bodies for marketing technology, ownership of the corporate website, and establishment of digital competency centers or Centers of Excellence (COE). Typically these topics are sorted out early on in the evolution of digital marketing and move an organization into the mid-spectrum of practice. We uncovered themes for how these three shifts typically unfold.

Consolidation Effort 1: Centralize Planning of Marketing Technology

Technology—Due to the growth in spend on marketing technologies and the opportunities for scale, most marketing organizations seek to bring greater rigor, control, and a pan-organizational mentality to technology decisions (Figure 4). Many organizations charge an across-BU, cross-functional committee (likely involving IT and Procurement but led by Marketing) with identifying technology needs and facilitating decisions and vendor selection. Others centralize technology management and evangelism with a full-time group that contains general operations management and/or application-specific roles (e.g., a demand generation manager oversees marketing automation platform administration and consulting). More advanced marketing organizations rarely experience decentralized technology decisions of material significance, and they rarely cede decision-making control to IT.

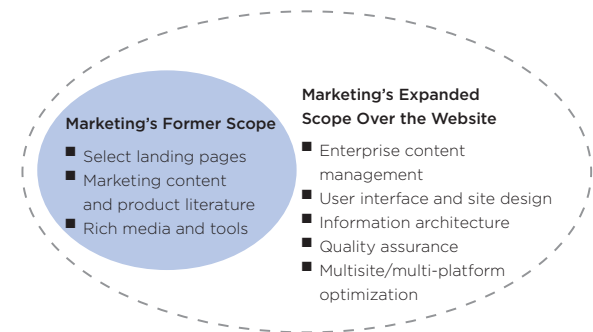
Figure 4: Depiction of Consolidated Technology Planning



Consolidation Effort 2: Broaden Marketing Ownership of Website

In shifting their website’s focus from technical functionality to customer engagement, many B2B marketers find themselves in a “war of the web” with IT, Customer Support, Corporate Communications, and Sales. These battles tend to conclude with Marketing in charge, given it has the best alignment with the website’s overarching goals (e.g., engagement, demand, acquisition, brand), and tactics for improving web traffic and engagement are often squarely in Marketing’s area of expertise. As such, Marketing’s role in oversight of website design and content typically expands (Figure 5). Many marketing organizations eventually assume dominant responsibility for user interface design, information architecture, and content management. This trend is supported as well by the shrinking span of control for many corporate IT departments.

Figure 5: Depiction of Marketing’s Expanded Scope



Source: CEB, CIO Executive Board, 2012.

The Consolidation Phase (Continued)

Consolidation Effort 3: Establish Digital Marketing Competency Centers: Many organizations come to adopt the competency center or COE model for key practice areas—particularly paid search advertising, social media, e-mail marketing, and digital advertising (Figure 6). The role of the COE is typically to implement technology infrastructure, develop best practices and program templates, support execution of corporate programs, and serve as advocates and advisors for decentralized marketing groups. COEs are typically established once most business unit groups appreciate the need for focused development of deep expertise and standards in a particular area. These groups help to more fully utilize investments in technology, broaden the impact of expertise, and optimize performance of each individual program.

In achieving such levels of consolidation of marketing technology decision making, website design and governance, and digital execution, organizations can experience substantial gains in efficiency, performance, and consistency in execution.

But there is clearly a limit to the value of consolidation; the next big gain in performance comes from effectively exploiting and managing the interactions between tactics. Such multichannel management requires new models for operating. This is the shift that pulls an organization out of the mid-spectrum and up into leadership, but it comes with substantial challenges.

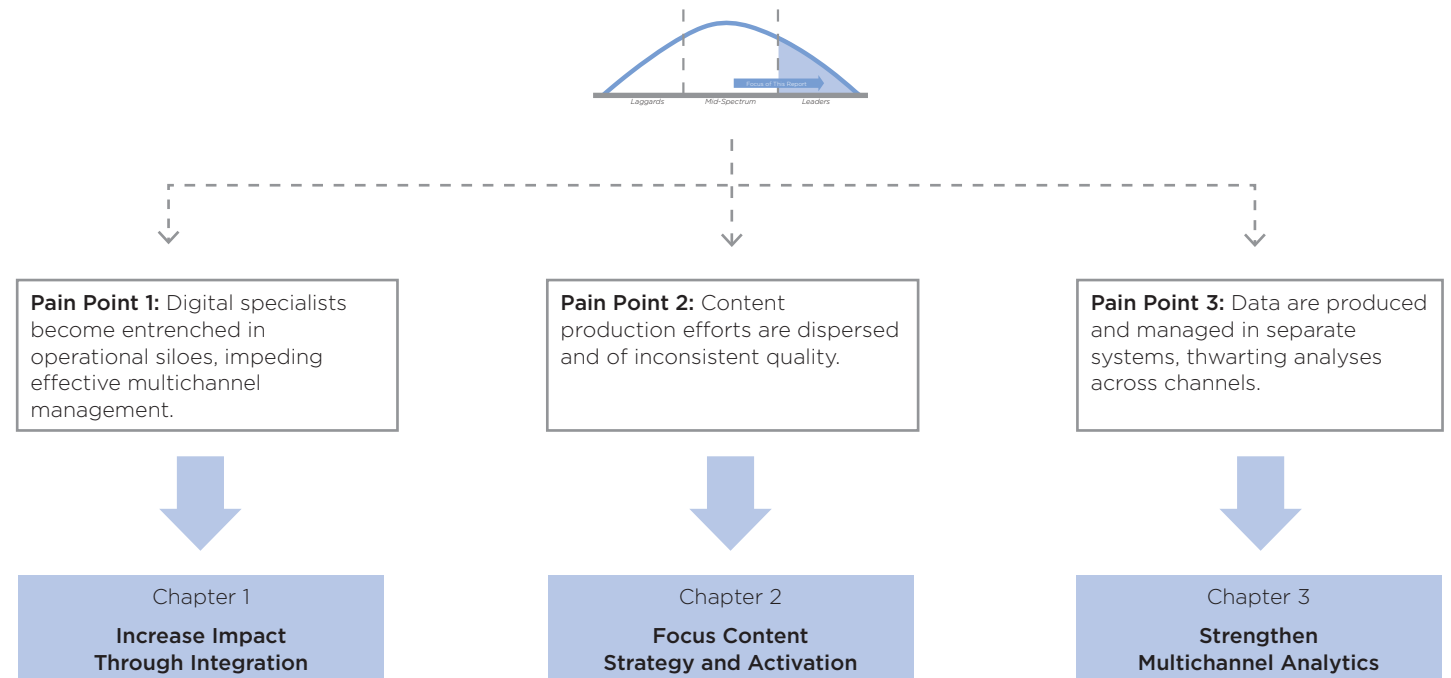
Figure 6: Depiction of Centers of Excellence Model



Critical Pain Points

Organizations will face several pain points (Figure 7) as they seek to move out of the consolidation phase in pursuit of the next significant improvement in performance.

Figure 7: Major Pain Points in Developing Multichannel Capability



The remainder of this report will present the findings of our investigation using the structures and practices of companies that have resolved (or made substantial progress against) these three key pain points.

Observations on Strengthening Digital Capability

Chapter 1 Increase Impact Through Integration

Chapter 2 Focus Content Strategy and Activation

Chapter 3 Strengthen Multichannel Analytics

Integrating marketing communications is hard—and that’s not a new concept. But with the rising prominence of digital channels, the issue of integration has gotten more complex. Many marketers have embedded digital tactics into broader marketing campaigns, but continuously optimizing connections between digital tactics is territory that many companies only recently are charting.

This chapter will explore different observations for how companies are approaching digital integration. But first, it will look at how the nature of integration is changing with the declining importance of distinct campaigns and the rising need to continuously manage your digital presence or “footprint.”

This chapter may be of particular interest if you identify with any of the following:

- Digital tactics are treated like an afterthought in campaign planning.
- I feel much of our online presence isn’t being managed in a coherent way.
- The two halves of search performance—paid search and organic search—are managed entirely separately .
- We are increasingly recognizing that our organizational structure is not designed for the emerging realities in digital marketing.
- We know we waste resources when we fail to identify and take advantage of potential synergies between communication channels.

The Changing Face of Integration

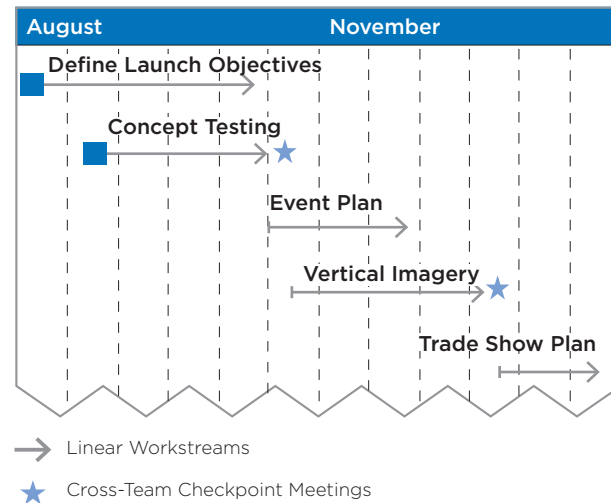
Unified management of an organization's digital footprint increasingly requires continuous, real-time collaboration at the tactic level.

Today, digital integration can be divided into two concepts: integrating tactics into the development of broader marketing campaigns and then continuously monitoring and managing your digital presence or footprint in a unified way (including corporate website, social platforms, blogs, search, communities, and potentially paid search and online advertising).

Campaign integration typically involves adhering to a rigorous process of short, contained periods of collaboration punctuated by large, consensus-based decision-making meetings. In contrast, unified management of your digital presence increasingly requires collaboration on small decisions continuously over time (Figure 8). Many companies have begun to appreciate this new paradigm for integration of their digital footprint, with more companies opting to reshape their organizations to better support it, as will be discussed later in this chapter.

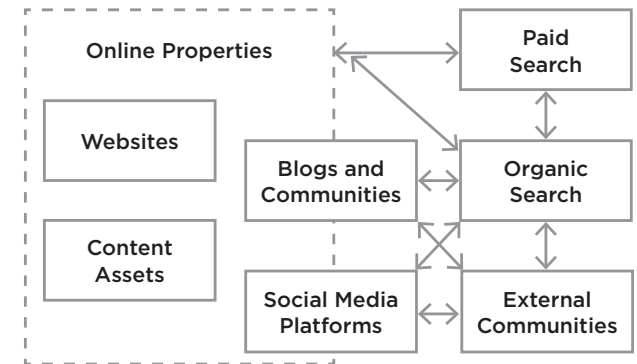
Figure 8: Two Distinct Aspects of Managing Integration of Digital Tactics

Integrating Digital Tactics into Campaign Planning



Management framework highlights checkpoints for collaboration on key decisions across tactics within a given campaign across time.

Integrating Ongoing Management of Your Digital Footprint



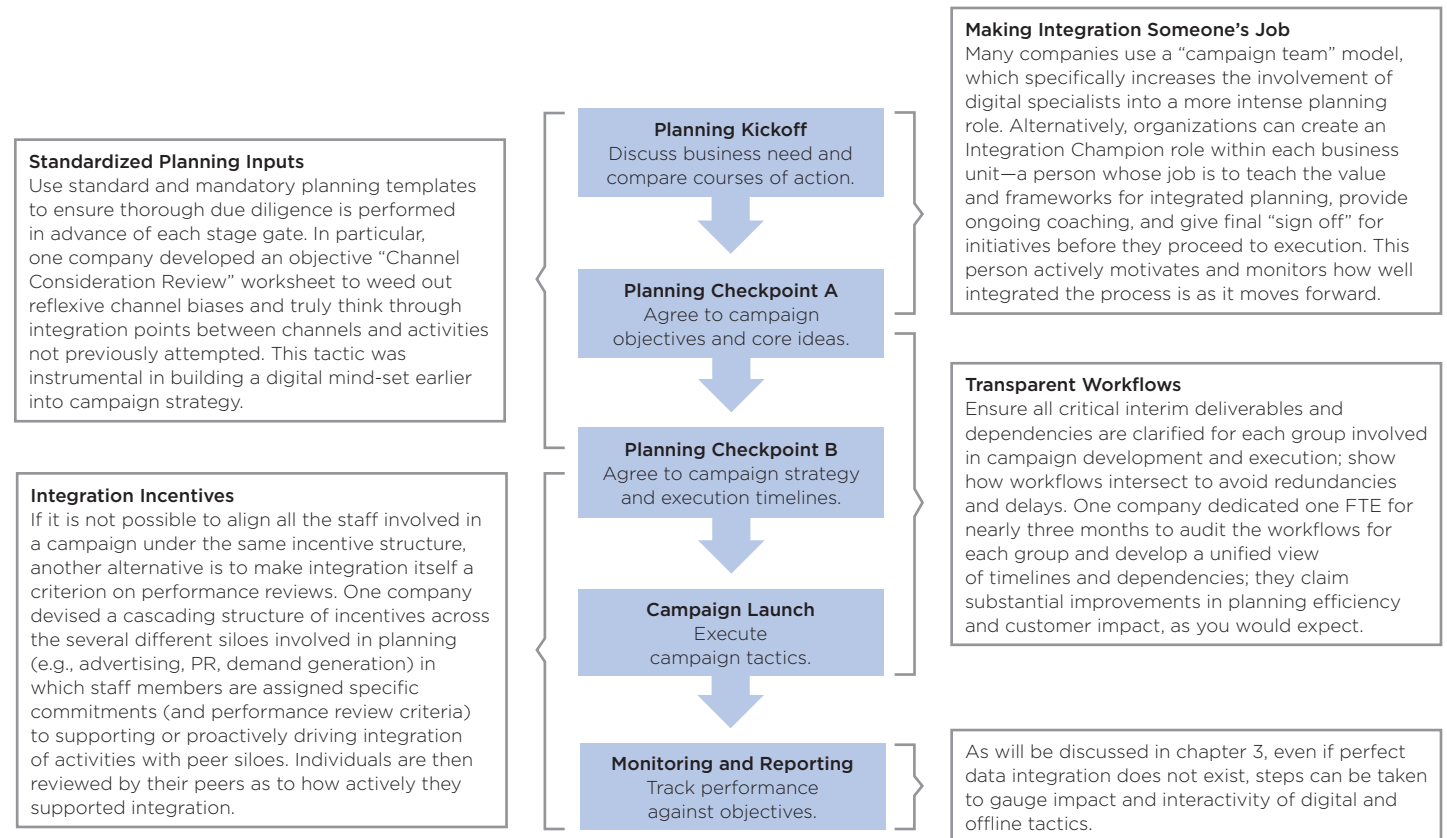
Management framework highlights points of interaction that require sustained collaboration on many small decisions continuously.

Integrated Campaign Planning

Although still challenging, progressive companies have developed ways to promote integration of digital tactics into stage-gated campaign planning processes (with clearly defined “checkpoints” where relevant specialists come together to hash out and reach consensus on specific decisions). The practices we found effective for boosting integration in a campaign-planning process are highlighted in Figure 9 below.

Figure 9: Progressive Practices in Improving Campaign Integration

Based on Observations from Several B2B Organizations



Standardizing Campaign Architecture

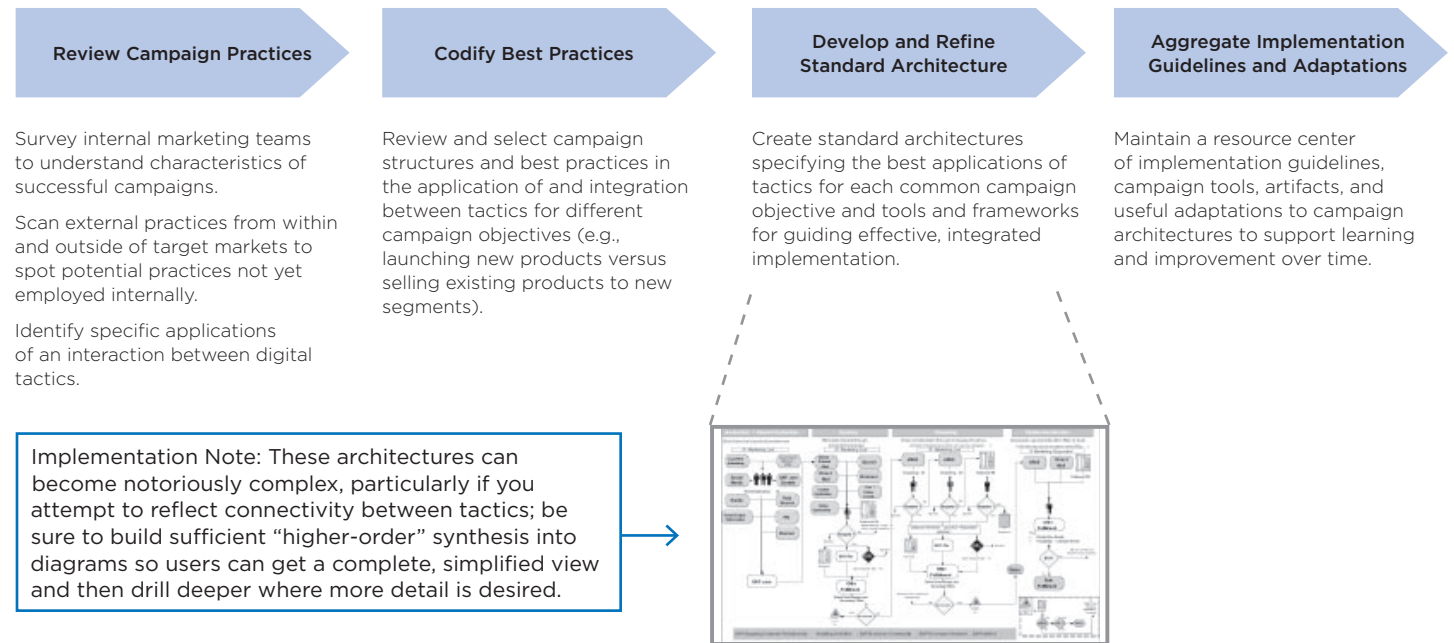
Leading marketers are improving integration by documenting and standardizing proven campaign architectures, making explicit the most meaningful applications of and connections between tactics.

To improve integration, B2B marketers are documenting and standardizing proven campaign architectures and identifying connections between tactics as well as their most meaningful applications (Figure 10). For many commonly experienced marketing scenarios (e.g., generating awareness and demand for a new product) effective campaigns are likely to reflect similar principles and marketing tactics. Compared to the relatively open-ended campaign planning processes discussed on the previous page, formalized campaign architectures can be effective for ensuring up-front integration of digital tactics.

This practice is especially prevalent among marketers who have recently implemented a marketing automation platform (MAP). Any vendor or consultant will tell you that “without the process and buy-in from all relevant stakeholders, a MAP implementation will likely fail.” Most organizations seem to heed this advice. In fact, planning for the implementation of a MAP motivates many marketers to go through and map out an integrated demand generation program architecture for the first time—end-to-end, from early stimulus through to sales management. Going through this process naturally reveals several points where integration can be enabled, mandated, or automated in the pursuit of shared objectives and goals.

Figure 10: Process Overview for Development of Standardized Campaign Architectures

Based on Observations from Several B2B Organizations



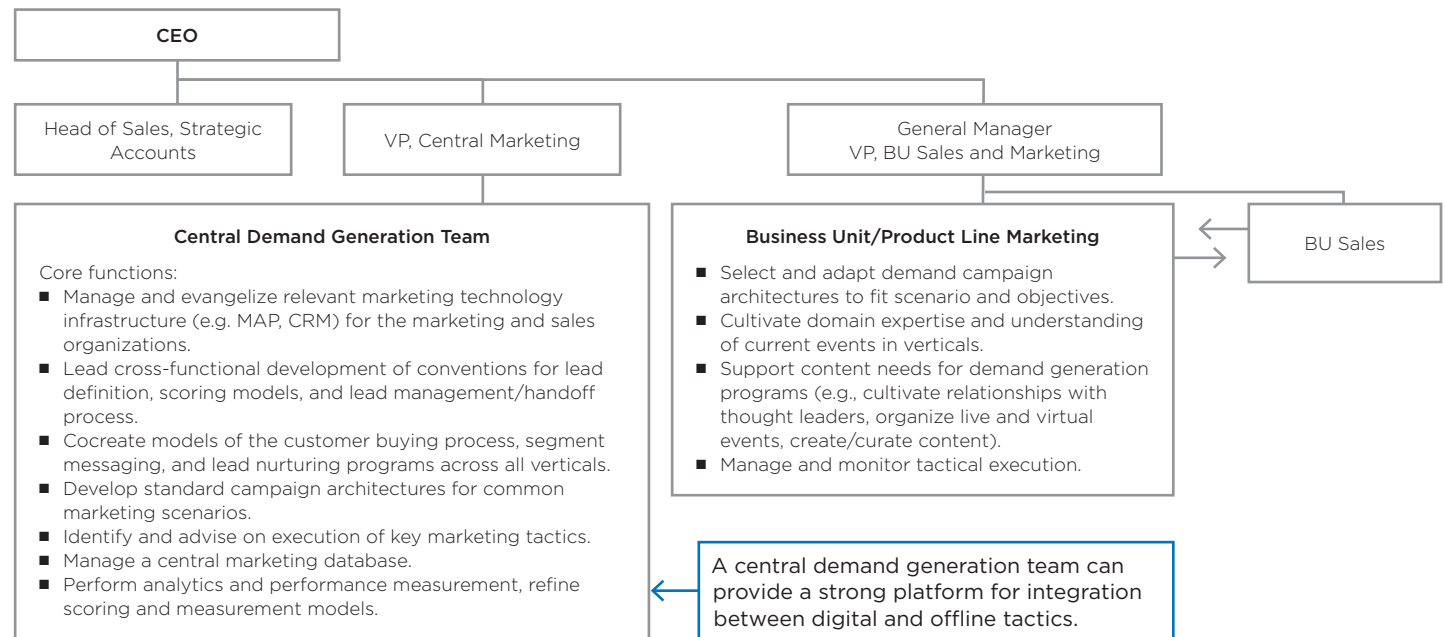
The Rise of Central Demand Generation Teams

Some organizations have made significant structural changes in the name of integration, including forming centralized demand generation teams.

Some organizations have opted to make more considerable structural changes, creating a unified demand generation team that seeks scale and integration across campaigns (Figure 11). Although companies commonly build central teams to cultivate expertise in particular tactics, such as paid search (as discussed earlier), this type of team structure is notably different; it looks to integrate multiple tactics with the demand-generation process and infrastructure. This structure is focused on a process (rather than a tactic) and maintains a strong influence on everything that goes into that process—from technologies to planning frameworks to implementation and performance monitoring. In terms of integration, this team can provide a large boost not only within marketing but also between marketing and sales activities. This path forward makes sense for a lot of B2B companies.

Figure 11: Composite Model of a Demand Generation Organizational Structure

Based on Observations from Several B2B Organizations



Campaigns Are Only Part of the Integration Picture

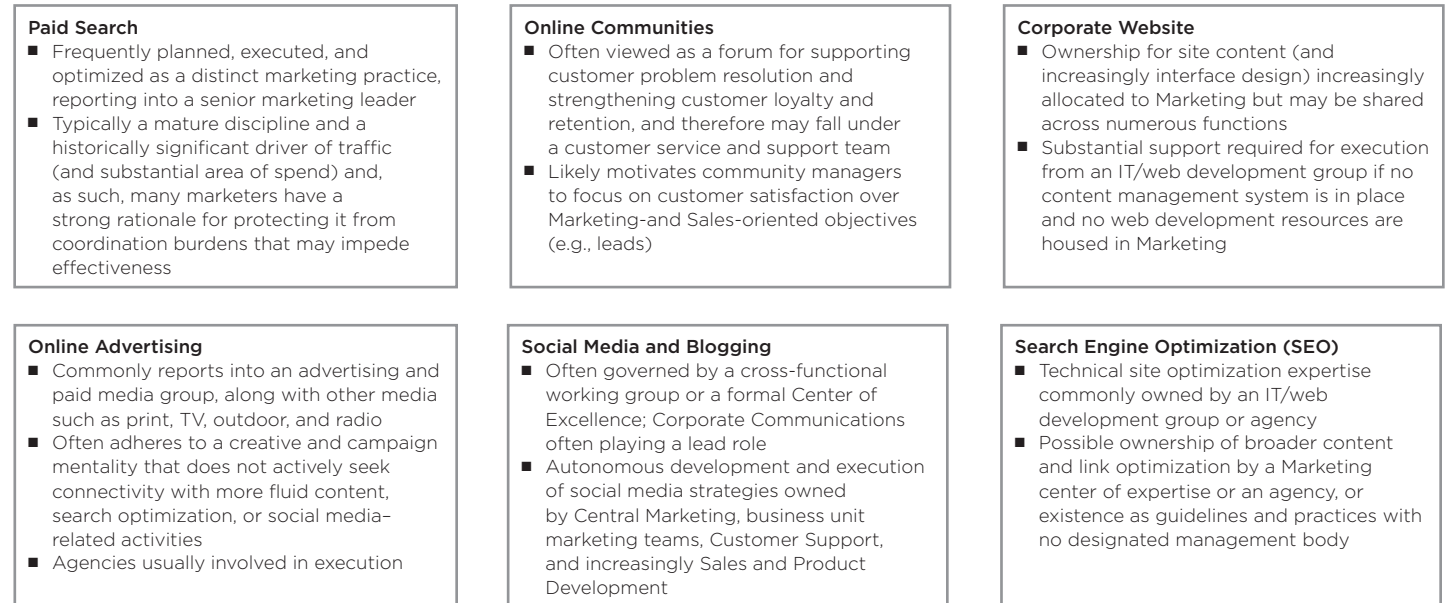
Shaping and maintaining a digital footprint requires continuous, interactive management, which is difficult to achieve with current organizational siloes.

The concept of integrated communications extends far outside the bounds of the campaigns. Today, the various “always-on” channels that make up your digital presence or “footprint” (including websites, social media accounts, search results [organic and paid]), online communities, events, and digital content) require sustained attention and maintenance. You can corral various siloed groups to collaborate on individual campaigns, but shaping and managing a digital footprint requires more continuous, interactive management than most organizational structures can support.

It is rare among B2B companies for all key digital teams to be united under a single individual who can be held accountable for ongoing, collective performance. As one executive put it, “No one is going to get fired if all these pieces don’t work well together outside of a campaign. It’s very easy to point a finger at someone else.” And in many cases, the finger is most easily pointed at an agency partner that is notionally “in charge” of integrating a disjointed marketing organization (but without being in a strong enough position to actually do so). Summarized in Figure 12 are observations in how digital tactics are managed at many mid-spectrum companies.

Figure 12: Trends in Ownership Model for Digital Tactics

Based on Observations from Several B2B Organizations



Moving to a More Integrated Structure

A few executives shared their recent efforts to connect previously siloed groups in charge of their digital footprints. Highlighted below are case snapshots of two companies that have recently taken steps in this direction.



¹

Alpha Company pushes for a more holistic approach to managing search engine performance and coordinating digital tactics:

Scenario—The VP of Digital Marketing for Alpha Company, commented on the substantial progress they have made beyond their former “meeting minimum requirements” mentality toward digital. Nowadays, digital proficiency is viewed as a distinct source of competitive advantage, and Alpha Company’s business units are actively experimenting and learning from each other to achieve greater collective scale and impact. Centrally, Marketing takes responsibility for competency building in certain key scalable activities, including their recent effort to establish a more holistic approach to search engine performance. When they “developed a website, it went through SEO best practices, but that was the extent of it. There was no ongoing maintenance. SEO was very much a non-entity.” Paid search, on the other hand, tended to get buried under the more campaign-driven advertising and media group. To help advance more active management of their digital presence, they sought a structural solution.

Action—In a significant step forward, Alpha Company separated out paid search and partnered it with organic search to consolidate responsibility for Alpha Company’s presence on all major search engines. This group now serves as the management hub for search, coordinating all relevant agencies as well as with the social media team, the commercial content team, and agency partners to manage online traffic acquisition more holistically and continuously. “We’ve gotten to the point where accountability for ongoing search performance is more concentrated in one group, with stronger coordinating mechanisms across the other teams affecting our digital presence,” the VP of Digital Marketing claimed, adding, “It’s not complete integration yet, but we are moving in the right direction.”



¹

Beta Company pushes for an “ecosystem” approach to structuring and managing digital tactics:

Scenario—The head of Marketing, Web, and Social Media at Beta Company, described her organization’s origins as having a predominately social media and community focus. Her team was initially comprised of specialists responsible for supporting relevant blogs, social media platforms, customer forums, and cultivating relationships with experts and influencers within their assigned market segments. However, recognizing the growing overlap of digital tactics, Beta Company sought to consolidate dispersed digital responsibilities into a unified group.

Action—Motivated to redefine management of digital channels to more of an “ecosystem model, rather than as distinct pockets of activity,” Beta Company gradually consolidated ownership for social media and communities, all of Beta Company’s websites and their search optimization practice, which had previously been located in the IT group, as well as the paid search practice, which had previously been located in the paid media group. The new team continues to refine an integrated and continuous management framework that breaks from the typical campaign mentality and supports sustained action over time.

¹ Pseudonym.

Continuous Collective Management

EMC marketing organization has progressed far along the path to integrated and continuous management of digital tactics, as detailed below.



Scenario—Capability and responsibility for digital tactics were distributed across several groups within EMC. But growing recognition of the need for tighter integration—to support more effective campaign execution and continuous engagement with EMC’s active and digitally savvy customer-base—sparked a substantial restructuring effort.

Action—Todd Forsythe, VP of Marketing for EMC, sums up their current focus as “trying to blur the lines between the marketing tactics, and develop high-quality engagement across interactions over time so it feels like one consistent experience.” To reflect this new mentality, EMC underwent a substantial restructuring, significantly expanding the scope of the marketing group. All customer communities, social media operations, website and search optimization were consolidated into the central marketing group, along with paid media and paid search. EMC also established a new Marketing Sciences group, which is primarily responsible for data quality management, modeling and analytics, and supporting learning and optimization efforts. This combined structure (totaling about 25 people) provides substantial interconnectivity in the management of digital tactics that, although not impossible in the old structure, is proving far more efficient and productive.

At the center of the new structure is an integrated listening platform, which provides the primary basis for monitoring changes across EMC’s digital presence and supporting continuous, collective management. Paid search, site optimization (SEO), social media, and community managers all work from listening center data to understand key trends and define action steps within their domains (e.g., by shifting keyword bids, updating onsite content and meta-tags, refocusing keyword density in new blogs). The result is a relatively fluid digital footprint that responds to changes in customer perceptions and interests, helping EMC optimize impact.

The listening center also supports individual interventions where required (e.g., a customer issue or a specific sales opportunity is identified through the listening center). Marketing may respond directly in such situations or involve EMC’s Inside Sales team, which plays a lead role in converting potential leads identified through digital channels into qualified leads for the sales force (known as their Social Selling program).

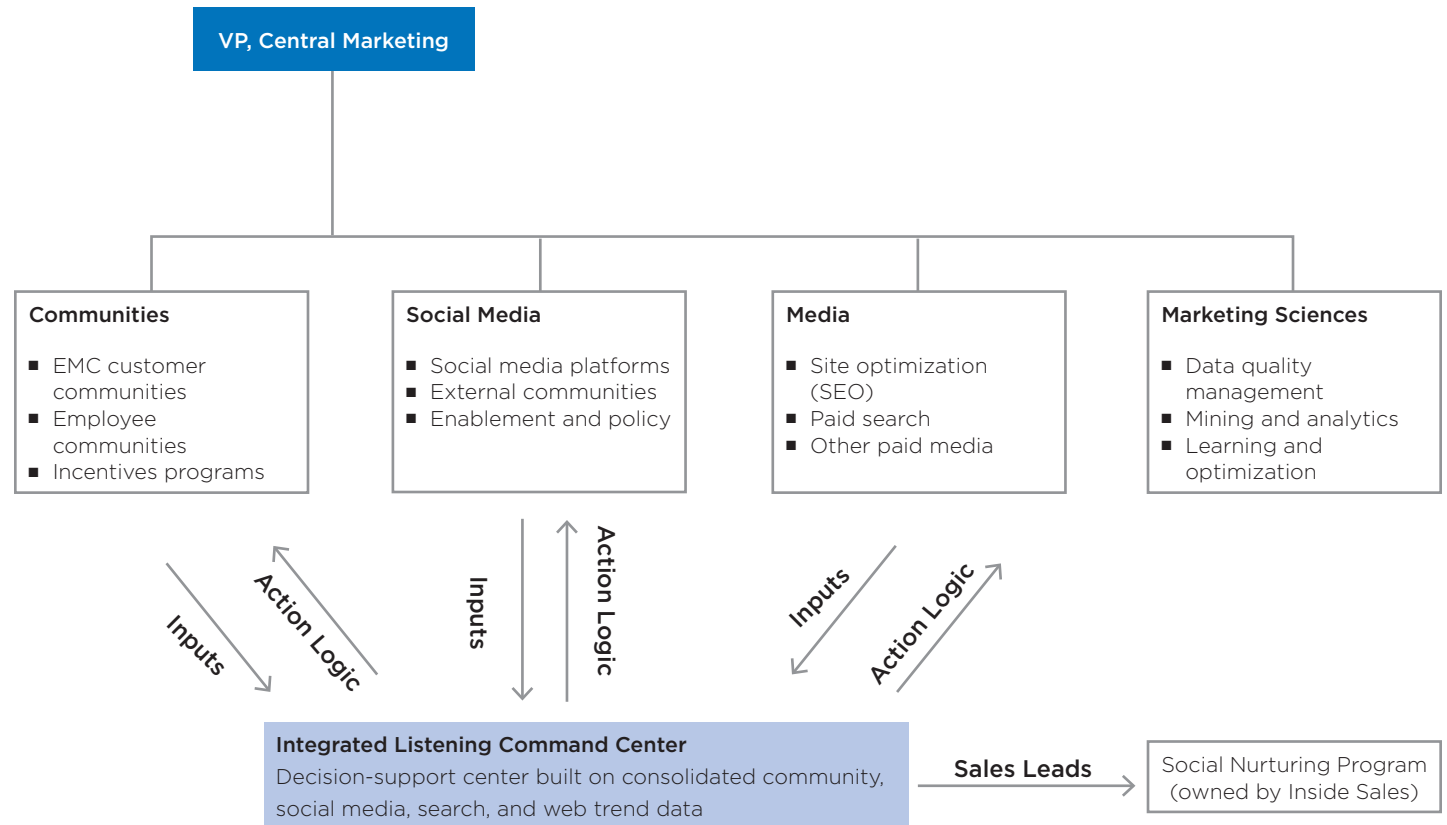
Impact—Todd estimates that Marketing’s new structure and integrated listening system is helping to reduce the acquisition cost for new inquiries by about 30%. The new structure is essential in EMC’s move to a more continuous engagement model—blending digital and live interactions—that has helped to extend its impact in key markets while containing costs. Todd believes the new approach is a major step forward in their evolution, saying that what they’re aiming for “isn’t really about tactics, it’s about community engagement...creating an evergreen environment, across platforms, in which customers can connect and learn.”

A Collectivist Approach



Figure 13 highlights the key elements of EMC’s new operational model for integrated digital management.

Figure 13: EMC’s Integrated Marketing Group



“[EMC is] trying to blur the lines between marketing tactics and develop high-quality engagement across interactions over time so it feels like one consistent experience.”

*Todd Forsyth
VP Marketing
EMC²*

Integrating for Impact

Key Findings from This Chapter

- Companies still struggle to integrate digital tactics deep into broader marketing campaigns, but there are a few key points of leverage (such as pushing to mandate an objective “Channel Consideration Review” early in the process) that can help weed out reflexive channel bias, opening the door for digital influence.
- Armed with past performance data and evidence from external best practices, a growing number of marketers are pushing to develop standardized campaign architectures, which offer a strong platform for promoting the best applications and integration points for digital tactics.
- Increased digital marketing efforts demand continuous and collective management, something few companies are designed to support. The value destroyed by this misfit approach—although hard to quantify—is potentially very large. Several companies are taking steps to restructure as a result.

Recommendations

- Review your campaign planning process and look for opportunities to apply the practices outlined on p. 14; in particular, seek ways to hardwire a consideration of digital tactics earlier in the planning process.
- Evaluate several campaigns with similar objectives and identify a reasonable opportunity to develop a standard architecture for your teams to align to. As noted on p. 15, be sure to look not only inside your own organization’s past campaigns and performance data, but seek out industry and outside of industry campaigns as a reference for new ideas and best practices.
- Take a few hours to exhaustively sketch out the various activities shaping your digital footprint and compare that back to the organizational structure and processes accountable for managing those activities. Then identify all of the specific areas where you could be potentially “leaking” or losing potential value by not executing in a more coordinated way. Chances are there are several low-hanging fruits for improving integration (e.g., a more frequent or intense coordinating mechanism between SEO and social media) as well as some larger battles (e.g., relocating paid search from the media team to an integration search performance team). Consider tackling a small one and pushing a large one this year.

Take the Online Diagnostic

As a part of this research, we created a tool to help you gauge alignment and integration among different facets of digital marketing and determine areas where value may be “leaking.” Do you want to benchmark yourself against your peers? At the site for this research there is a tab labeled Self-Assessment that provides information and access to the survey. You can also participate in the self-assessments for the other chapters of this research.

<http://www.executiveboard.com/exbd-resources/content/digital-evolution/digital-integration/index.html>

Observations on Strengthening Digital Capability

Chapter 1 Increase Impact Through Integration

Chapter 2 Focus Content Strategy and Activation

Chapter 3 Strengthen Multichannel Analytics

Today's content demands are ubiquitous and pervasive, potentially spanning multiple segments and business units. But the progression of content production has grown organically for most companies and remains diffuse and underutilized.

This chapter will explore different models companies have adopted to bring greater coherence to content production efforts, and then tackle the key questions of “who is responsible for overseeing content production?” all the way down to “what kind of content should we be creating?”

This chapter may be of particular interest if you identify with any of the following:

- It feels like content is everyone's job and no one's job.
- I feel like most of the content we are producing is of low value to our audience; it seems like we are just dressing up our commercial messages into content to make it appear more useful.
- We have many years' worth of content that is just as relevant today as it was when it was created, but it gets very little attention.
- I'm not sure what types of content we should be creating.
- We have a very organized process for coordinating content efforts across various producers but feel like we are not getting the impact we thought we would in the marketplace.

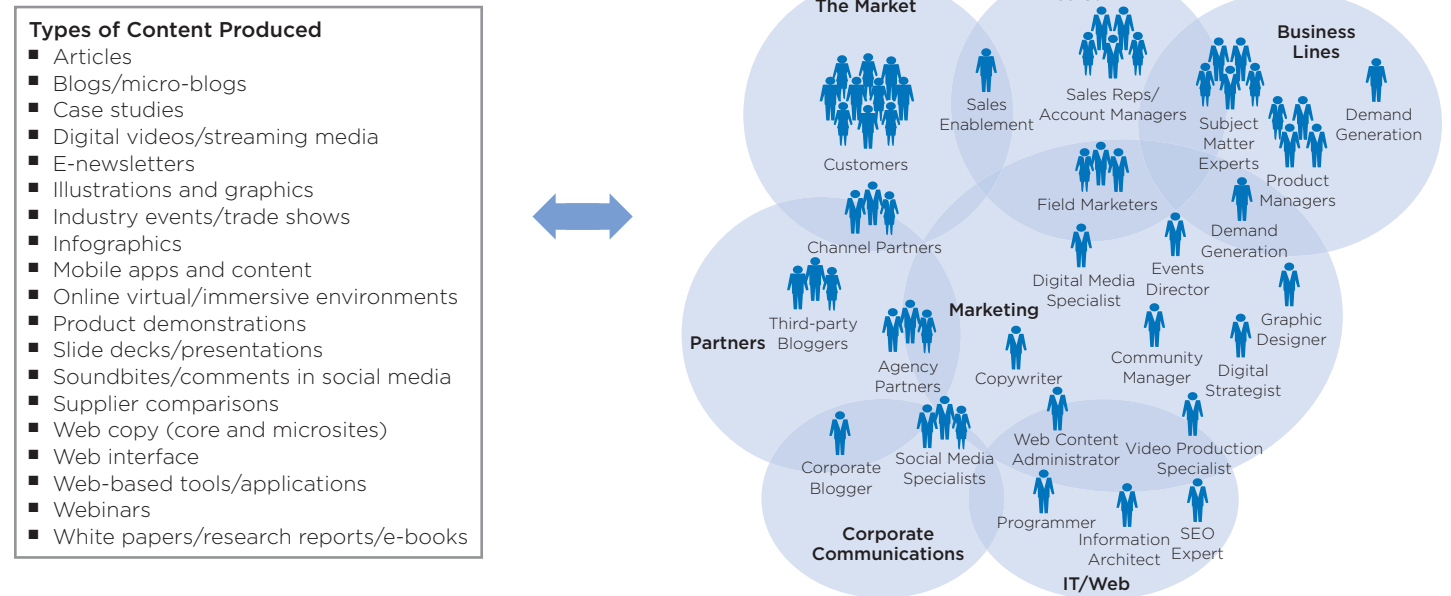
Diffusion of Responsibility

Content has emerged as the centerpiece of customer engagement efforts; yet, content still seems to be “everyone’s job and no one’s job.”

Content has emerged as the centerpiece of most companies’ customer engagement efforts. In fact, our research has suggested that content quality may be a more critical factor in customer acquisition than the products actually being sold. Historically viewed as a minor aspect of a marketer’s role in supporting specific campaign objectives (e.g., a product launch), several factors have drastically increased the demand for high-quality content in recent years. The most notable factors driving this growth include the rise of lead nurturing programs, blogging and social media, search optimization, emphasis on providing richer user experiences, and consultative selling methodologies. But the models for managing production have been slow to adapt to the rapid growth in demand. What has organically emerged for most companies to fill the void is an extremely diffuse and underutilized content production effort, as depicted in Figure 14. An executive for a large financial services company, discussing the state of content production at her organization, lamented that “content still seems to be everyone’s job and no one’s job. You have copywriters who can write and information architects who can categorize and product managers who can speak to their particular domains...but there is no one sitting in between all of them saying ‘this is the topic where we really should have a point of view, this is the response we need to create in the minds of key constituencies, and this is how we should deliver it across platforms.’”

Figure 14: Diffusion of Content Production Efforts

Based on Observations from Several B2B Companies



Covering Customers' Information Needs

Without an explicit shift to customer focus, content efforts risk falling back to product or commercial focus.

To bring greater structure and efficiency to content production efforts, many companies are turning to process improvement. Campaign planning processes have been refined to dedicate more capacity on content production, while many organizations have adopted unified editorial calendars to plan and coordinate deliverables. These efforts tend to reflect a “coverage orientation,” in which marketers identify broad topics of greatest interest and relevance to target customers and provide regular “coverage” via content creation and curation efforts. Taking a broad view of customers’ interests helps provide the needed volume of new, relevant content opportunities to satisfy demand.

Adopting such a coverage orientation can be a big step forward for B2B marketers. When rooted in an understanding of target audiences and their information needs, it provides a robust and enduring process framework for systematically auditing content, identifying gaps, and prioritizing creation and curation efforts over time (Figure 15). It also forces the organization to shift its point of reference from internal events (e.g., introduction of a new product) to the ongoing information needs and interests of potential customers. Without this explicit shift to customer focus, content efforts may revert to product or commercially-oriented messages. Several executives we interviewed admitted that their organization had never formally done the work of defining distinct personas or mapping the information requirements of the purchase process until they were faced with the increased demand for content.

Figure 15: Generic Framework for Ensuring Content Coverage

	Purchase Decision-Making Journey			
	Problem Recognition	Solution Comparison	Supplier Comparison	Validation
Vertical/Persona 1	Content?	Content?	Content?	Content?
Vertical/Persona 2	Content?	Content?	Content?	Content?
Vertical/Persona 3	Content?	Content?	Content?	Content?
Vertical/Persona 4	Content?	Content?	Content?	Content?

← This model emphasizes the creation of content to cover key information requirements for target customers.

The Dark Side of the Process

Content demands can quickly exceed production capacity, forcing some marketers to sacrifice content quality.

Adopting a more process-oriented coverage model is a substantial improvement over highly diffused efforts. However, we see some major drawbacks as well. In companies that are already more process-oriented, content may quickly degenerate into a commodity: relatively undifferentiated inputs required to keep various automated campaigns and aggressive content calendars operating according to plan. Attributes that suggest your organization is falling into this content commodity trap include the following:

- **Reliance on shallow performance metrics**—Over-optimization for keyword density, page rank, traffic, e-mail opens, and other surface-level metrics often presents a misleading picture of performance. The content produced in such a system can become “hollow”—a shell optimized to create the illusion of quality content. This approach may be effective for attracting attention, but such content likely falls far short of engaging your target audience and shaping their perceptions.
- **Capitulating to urgency or quantity expectations at the expense of quality**—Because demand generation and social media programs require fresh content continuously, the demands can quickly exceed production capacity and force marketers to make difficult trade-offs. One practitioner confessed that he “had no idea how hard it was going to be once [they] committed to the cadence of content delivery,” adding that it was “a struggle each day to get content complete and out the door that wasn’t going to be embarrassing.” Gradual and dubious sacrifices in content quality expectations to satisfy aggressive content expectations can ultimately damage customer perceptions.
- **Preoccupation with tools**—With expanding functionality of marketing platforms (e.g., automation, social media), many marketers have exalted the merits of the tools over the content flowing through the tools. One marketer, reflecting on her own organization’s evolution, expressed frustration about the “dumbing down of marketing as [they] hire more people who call themselves ‘digital specialists’ and who pride themselves on knowing the process and the tools, but who don’t know and maybe don’t even care to understand the business issues [their] customers are trying to address.”

Overall, we see B2B companies looking to apply process rigor, automation, and performance measurement tools across the full demand side of their businesses, just as they did to the supply side of their business in the past (e.g., with Six Sigma techniques). But because the nature of demand is highly variable and dependent of perceptions and politics, the application of typical process improvement approach is perhaps more limited than many marketers realize.

One striking parallel that serves to illustrate this point comes from a well-known product manufacturing company, celebrated for its history of innovation. Several years ago, after outstanding success in applying Six Sigma practices across many aspects of its business, the company made the principled decision to apply Six Sigma deeper into its innovation process with the aim of increasing productivity and reducing waste. The consequence, as detailed in many business articles, was a gradual decline in creativity evidenced by a stark decrease in breakthrough products and a steady decline in the company’s ranking of innovativeness by industry analysts. Eventually, the company unwound the implementation of Six Sigma to reignite experimentation and unconventional thinking. This example and others suggest that applying tight process controls on essentially creative endeavors, such as innovation or content production, may stifle innovation and creativity and cause undesirable consequences.

Models for Content Production

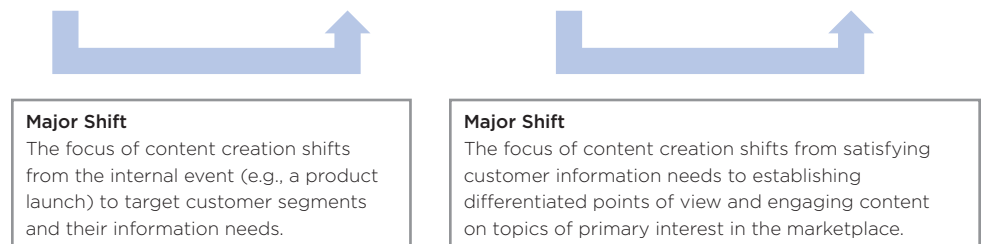
In the “Activation Model” of content marketing, dedicated content staff help develop high-quality content portfolios on select topics with clear organizational points of view.

Although the shift to the coverage model is usually positive, it cannot be expected to reliably produce provocative, differentiated content that engages customers and shapes their perceptions. Good ideas emerge less frequently, and when they do, they are likely underutilized due to subpar content. An executive from a professional services firm offers a good example of this: “In the past, when we saw that a particular white paper or video was really popular and performing beyond our expectations, our reaction was to pat ourselves on the back. It took us a while before we looked at that as basically a bad thing...that it really meant that there was a lot of potential in that content, and we clearly weren’t getting the full advantage we could.”

The next shift leading companies make is to a greater commitment of energy to high-impact ideas and audience engagement tools, what we call the Activation Model (Figure 16). At this level of evolution, dedicated content production staff help develop deep, high-quality content portfolios for a select number of key topics and seek to establish clear organizational points of view. A news room may be a good analogy for the difference between these two models—broad coverage of current events and news as compared to in-depth investigative journalism. At some companies, all of these models may be present and feed into each other.

Figure 16: Three Models for Managing Content Production

	Campaign Model	Coverage Model	Activation Model
Focus on Content	Satisfying information requirements surrounding particular event triggers (e.g., product launch, annual conference)	Providing sufficient “coverage” of relevant topic areas for target customer segments in support of a demand generation program or editorial calendar	Investigating select themes where a differentiated point of view can be established and supported by proprietary data and intelligence
Audience Engagement Emphasis	Audience engagement investments made in “bursts,” bounded by campaign budgets and timelines	Audience engagement focused on content breadth, recency, and relevance (at the expense of audience engagement quality)	Audience engagement quality prioritized only in key areas of focus
Locus of Control	Dispersed campaign teams, typically product- or segment-aligned	Demand generation, corporate communications, and social media teams	Controlled or directed by central content strategists



Activating Organizational Points of View

CSC established an enterprise content team that guides and draws from line content efforts to increase content influence in the marketplace.

The activation model focuses on cultivating a differentiated organizational point of view and optimizing audience engagement for select issues. Three key features that distinguish the activation model include the following:

- **Concentration on a few high-impact ideas**—The organization establishes high-priority topics from the top down but also scans across various content production efforts to identify strong themes and patterns that can be elevated to an organizational perspective.
- **Formal “above-product” ownership**—The organization appoints individuals above the individual product or business group level to serve the roles of directing content strategy, advising on execution, and upholding quality expectations.
- **Emphasis on audience engagement**—The organization seeks to advance beyond less expensive text-based tactics to include a greater proportion of more powerful and multi-sensory formats (e.g., videos, diagrams, interactive web environments) linked together according to deliberate choreographies.

The majority of intelligence gathering and content production may still be decentralized, but ideally a central (or “above-product”) resource takes responsibility for ensuring points of view are fully expressed and delivered with highest standards for audience engagement. In the case of CSC, central marketing took on this responsibility, seeking to ensure activation of points of view across the enterprise, as explained below and on the following pages.



Scenario: Although subject matter experts across CSC business units support high-output content production efforts, most of what was produced, and the underlying insight and expertise, was not being sufficiently used to influence key customer segments and business outcomes. The central marketing team concluded that content must be more fully “activated,” but this process requires more skill and investment than business unit marketing groups had capacity to deliver.

Action: The central marketing team establishes an enterprise content team to guide and draw from business unit-level content marketing efforts to increase impact and influence on the marketplace. To run the new team, CSC acquires two veterans from the publishing industry to infuse the team with expertise not commonly found among marketers. Details on CSC’s action steps are outlined on the following pages.

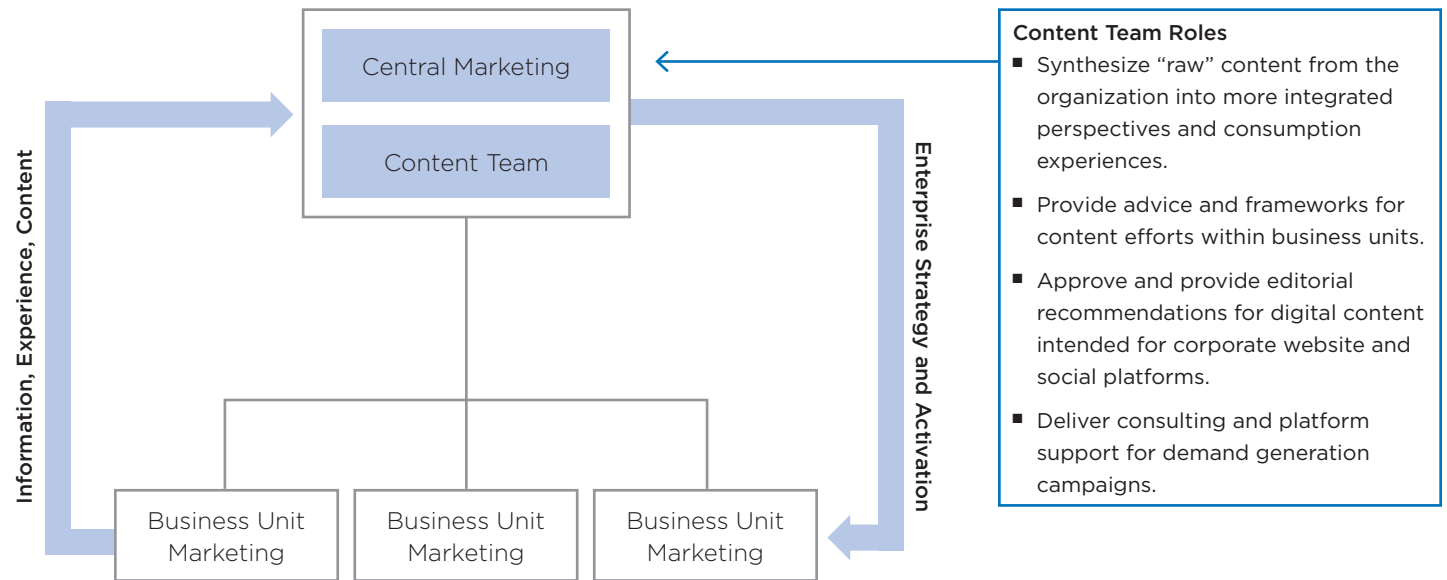
Impact: The team’s most recent efforts are showing strong impact on customer engagement and sales opportunities. Major content activation efforts, such as the Big Data initiative, have helped to strengthen engagement with the market, resulting in significant increases in traffic and visitor engagement with key portions of CSC’s website. Commenting on early successes, the VP of digital marketing said, “We’re definitely seeing the benefit of this approach. We’re seeing a lot more visitors engaging deeply with our content, which for us has a strong correlation with sales opportunities, and our direct interactions with customer have changed for the better. We’re providing stronger answers to their questions.”

Opportunities for Leverage



At CSC, the majority of content production takes place within the business units, while the central content team provides guidance for content production and ultimate editorial approval in many cases, helping to support and enforce quality standards. In addition, the central team maintains its own content production calendar for more completely activating high-priority organizational themes, and converting the “raw” content produced within the businesses into more integrated perspectives and consumption experiences.

Figure 17: Overview of Central Content Team’s Role and Location in the Organization



An Infusion of Talent

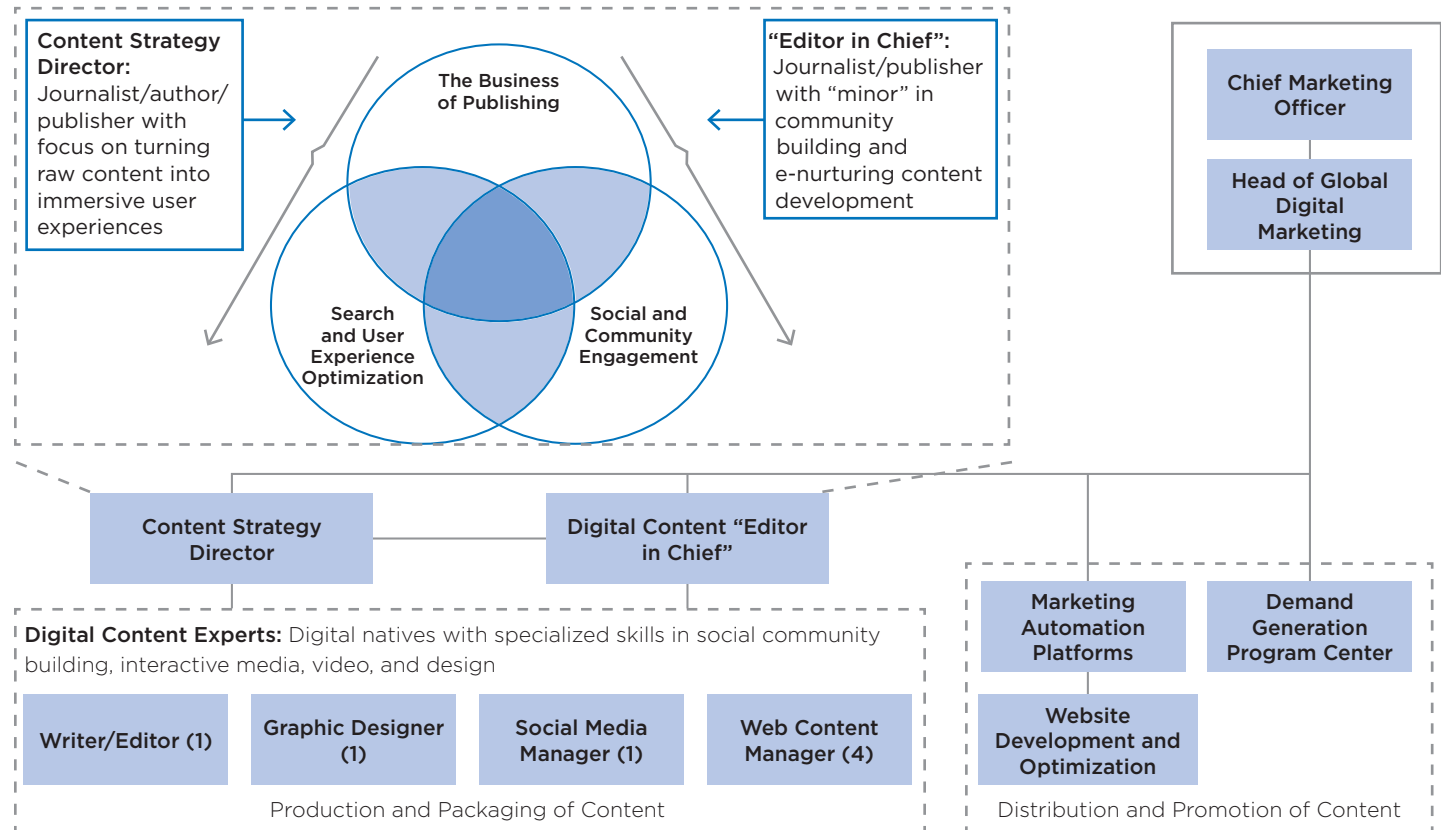


CSC consolidated responsibility for the content team in two senior roles—reporting directly into the head of Global Digital Marketing. The two individuals brought onboard possessed substantial publishing industry experience, with a deep knowledge of content strategy and execution and expertise (a “minor”) in some key aspects of digital content, such as video production or social media. Nick says the “role of the content directors is to reinforce and integrate the efforts of the business units, and double or triple the impact they have on market perceptions. We loathe seeing good ideas get buried because no one owns the activation side of the equation.”

Figure 18: Makeup of CSC’s Central Content Team

“The role of the content directors is to reinforce and integrate the content efforts of the business units...we loathe seeing good ideas get buried because no one owns the activation side of the equation.”

*Nick Panayi
Head of Global Brand
and Digital Marketing
CSC*



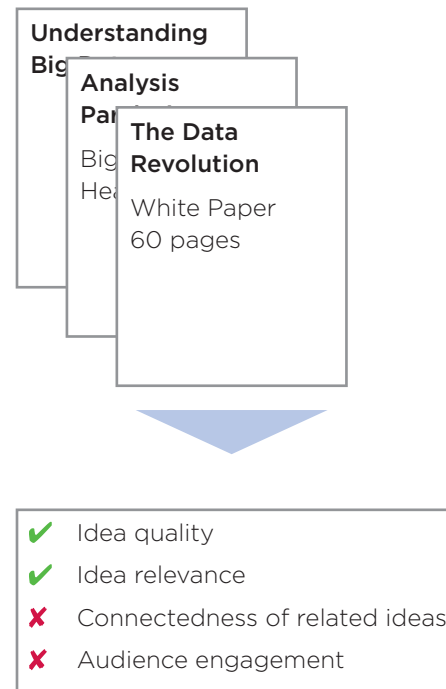
Bringing It Together



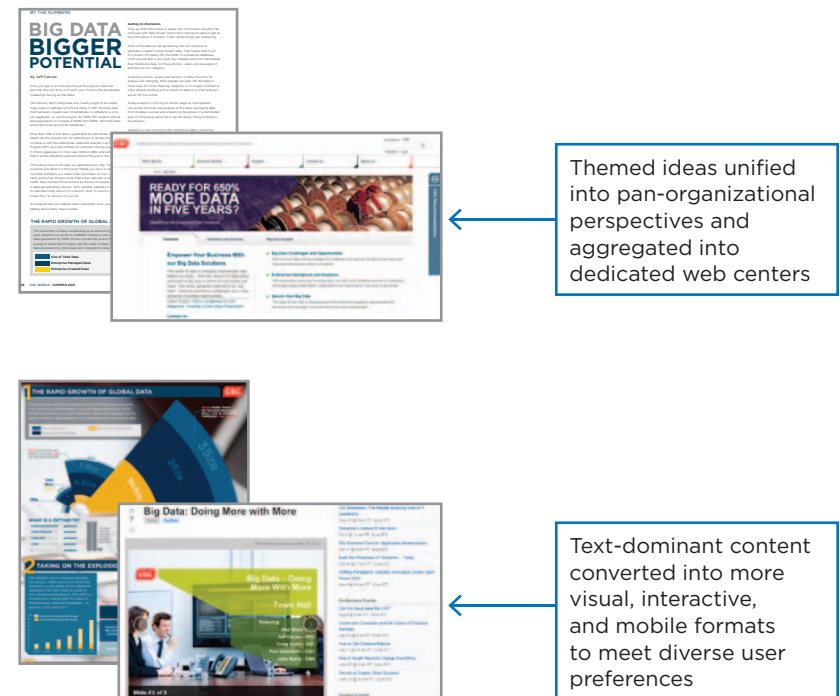
Although CSC's business unit content contains strong ideas, it is not packaged to engage broader target segments and buyer personas. A key charge for the central team is to: 1) increase the connectivity and coherence of ideas into one unified organizational perspective and 2) apply more expressive and interactive content formats to increase audience engagement. From a recent CSC effort, Figure 19 reflects both of these aspects in action.

Figure 19: Case in Point: Activation of Business Unit Content on a High-Priority Topic

While business unit content may contain strong ideas...



...content only comes to life when the central team diligently integrates and activates it.

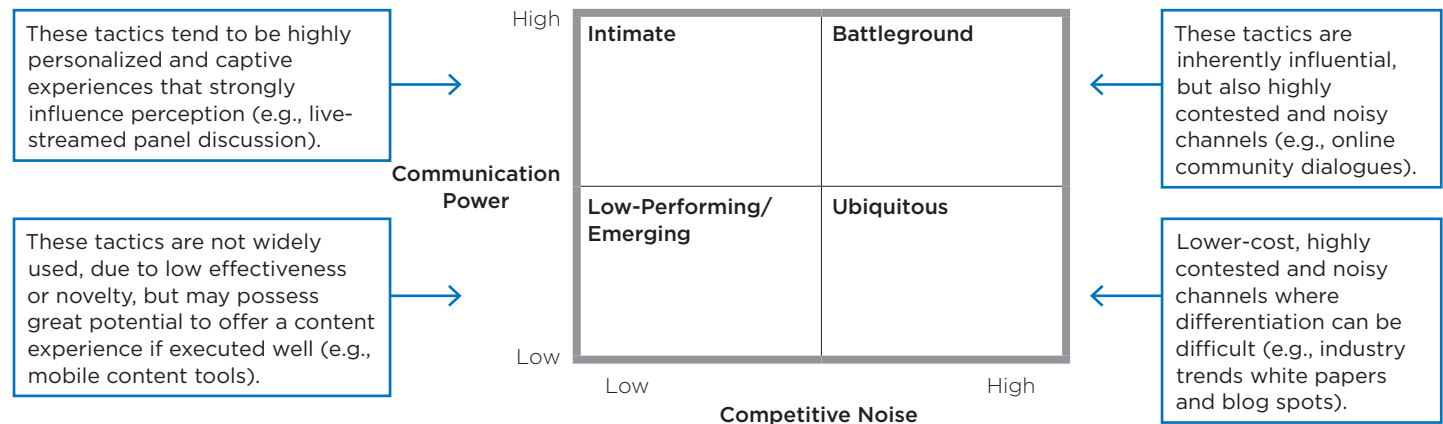


Power Versus Noise

Content flowing out of the most progressive marketing organizations focuses less on text and more on personal, visual, and interactive experiences.

The content flowing out of the most progressive marketing organizations, such as CSC, to activate organizational points of view tends to focus less on text and more on personal, visual, and interactive experiences. Cheaper and easier text-based tactics are inherently low in communication power, ubiquitous in most markets, and tend to be what resource-constrained organizations are most likely to emphasize. In a 2011 survey of 1,092 B2B marketers, most of them small (75% of respondents were from companies with fewer than 1,000 employees), 90% of companies were driving awareness and demand generation efforts with content, relying most heavily on text-based formats including white papers/article posting, social media, blogs, newsletters, and case studies. In contrast, the more progressive companies, although not necessarily abandoning these tactics (although some are), are certainly taking a closer look at which tactics are higher in communication power and lower in competitive noise, and picking only the most worthwhile fights in the battleground quadrant (Figure 20). These more highly engaging content formats will be discussed on the following pages.

Figure 20: Power Versus Noise Matrix



Source: "B2B Content Marketing: 2012 Benchmarks, Budgets & Trends," *Content Marketing Institute and Marketing Lists*, 2011, http://www.contentmarketinginstitute.com/wp-content/uploads/2011/12/B2B_Content_Marketing_2012.pdf.

Visual Representation

B2B marketers have been very slow to work “visual content” into their content approaches despite rapidly growing evidence of its impact.

Content types likely to be at the higher end of the communication power spectrum tend to be more visually and spatially meaningful. This is not a novel concept—the idea that visual representation of ideas can be far more efficient than text descriptions (i.e., a picture is worth a thousand words). However, B2B marketers have been very slow to work “visual content” (e.g., video, photography, custom illustrations, illustrative animation, and diagrams/informational graphics) into their content approaches despite rapidly growing evidence of their impact. We have identified three reasons for this slow adoption:

- Creating visual content requires skills rarely possessed or expected from the average content producer.
- Visual content is viewed as substantially more expensive than producing text-based content.
- Visual content is viewed as a nice-to-have—an optional and additional task that can be tackled if time and budget permits.

The behavior of progressive companies we spoke with implies movement toward more visually compelling content. Several companies specifically emphasized increasing spend on video production and graphic design talent to support an increase visualization in content strategy development. Although clearly a relatively more expensive format for content, the benefits of visual content may—in many circumstances—justify the increased cost in the form of higher engagement and influence within target audiences.

The following example from Level 3 communications nicely illustrates the impact that visual content can have:



Marketing was not gaining a lot of attraction from a white paper it had just developed on issues known to be critical to customers and to Level 3. Looking to get more leverage out of their investment, they explored several options to help the content come to life. They decided to convert the white paper into a video book (Figure 21). The user interface mimicked a book (complete with page turning animation), but more importantly, each chapter embedded video commentary from subject matter experts on that topic along with the original white paper content. The result was an eight-fold increase in readers for the video book compared to the white paper. Although other factors certainly come into play for this result (e.g., promotion efforts), the initiative provides evidence for how increased sensory engagement for the same essential content can affect audience impact.

Figure 21: Before and After Images of Level 3’s Content



Source: “Video Ebook Revives White Paper: 7 Steps to Repurpose Content and Attract 8x More Readers,” *Marketing Sherpa*, 18 November 2009, <http://www.marketingsherpa.com/article/case-study/7-steps-to-repurpose-content>.

Putting Content in Mobile Context

“Investment in mobile is not about money. It’s about investing the time to do the research and get a much deeper understanding of the content or tools or functionality customers really wish they had access to when making a decision.”

*Marketing Executive
Fortune 1000 B2B Enterprise*

An emerging realization in B2B marketing is that satisfying a customer’s information requirements requires an understanding of context. Most marketers still have several outdated, implicit assumptions about the behavior of their customers: that they conduct research and access content via full computer screens inside office buildings during normal business hours.

But a growing body of research highlights the new realities: executives are moving their search and content consumption activity to mobile devices and a lot of their business activity takes place outside of normal business locations and timings. This suggests that to meet customers’ information requirements, you increasingly have to understand the range of contexts in which they’ll be consuming content.

Beyond satisfying their minimum expectations (ensuring a basic browsing experience that is as accessible and clean in a mobile browser as a desktop), many opportunities exist for differentiated engagement in the mobile channel. As we look across the spectrum of content-oriented mobile efforts in B2B, much of the activity is focused on repacking information and capabilities existent in the website to make them less cumbersome in the mobile channel. Two big initiatives on this front are rebuilding popular website tools (e.g., flash-based ROI calculators) to operate on a mobile platform and converting dense, text based content and into audio or video formats (which likely aids consumption in general but particularly if accessed via a mobile device). Beyond these efforts, more companies are experimenting in creating mobile apps, typically focused on specific customer service or support issues, sales enablement tools, or enhancing trade show and event environments.

But investment is episodic. As one marketer told us, “We can develop a nice looking app for a few thousand dollars; that’s not the hard part. The hard work is in the up-front customer understanding and figuring out how it should be interleaved with other content.” Another marketing executive told us, “Investment in mobile is not about money; it’s about investing the time to do the research and get a much deeper understanding of the content or tools or functionality customers really wish they had access to when making decisions.” The companies who incorporate this context dimension into their mapping of customer information requirements and tactics for content activation are likely to gain ground in this space.

From Sales Interactions to Personal Content Interactions

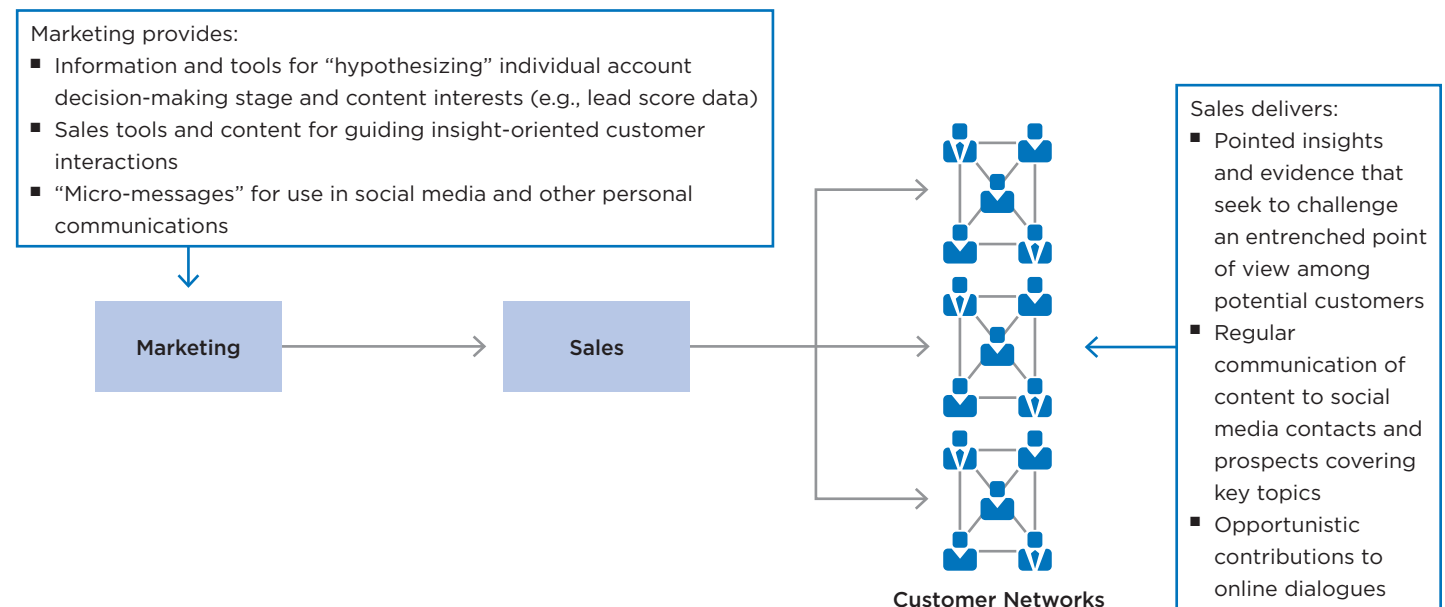
Sales reps are emerging as high-powered channels for delivering content.

Although sales rep interactions epitomize personalized and captive communications with potential customers, in reality, reps today have much less access and sway with customers than they used to. Customers associate sales reps with commercial bias and postpone engagement until they are fairly clear in their decision-making (as discussed on p. 2).

But progressive companies have been reshaping the role of the sales rep to more discretely focus on delivering insight and seeding new ideas that reshape customers' perceptions, rather than attempting to promote new solutions offers. In a sense, sales reps are emerging as high-powered channels for delivering content (Figure 22).

In the most progressive companies, content activation stretches across marketing and sales—with no actual “handoff” in between. In this new go-to-market model, the lines of distinction between Sales and Marketing are increasingly obscured. The best marketers are pushing content deep into the customers buying process to shape decision making. Meanwhile, the best sales reps attempt to engage customers well before their needs are identified—increasingly via social media channels—and guide customer consumption of key content and messages to build momentum in the sales process. Winning commercial organizations build a capability spanning sales and marketing centered on engaging customers with insightful messages and content.

Figure 22: Depiction of Sales as a Powerful Content Delivery Channel



Continuous Event Engagement

The most advanced event strategies are becoming indistinguishable from ongoing community engagement and content activation efforts.

In-person events, such as trade shows and conferences, remain the top spend item for many companies and an important occasion for sharing insight and activating points of view among target audiences. Event formats have been evolving rapidly with the application digital, social media, and mobile tools—exposing new and more personal opportunities to learn about and engage with customers. Today’s hybrid events (part physical, part virtual) also allow companies to extend the reach and impact of their events to much larger audiences than ever before (Figure 23).

Figure 23: The Shift from Traditional Events to Events 2.0

From Traditional Events...	...to Events 2.0
One physical location	Multiple physical locations
Must attend in person, limiting audience	Can attend remotely, greatly expanding audience
Must attend in real time to access	Can access on delayed basis
One standard agenda	Individually-tailored agendas
Experience is limited to event itself	Experience extends before and after event
Audience feedback given after event	Feedback given before, during, and after event
Personal networking is random process	Interest-driven networking enabled via social tools

Progressive companies are pushing for fundamental shifts, aiming to replace the “event mentality” altogether. The most advanced strategies are becoming indistinguishable from ongoing community engagement and content activation efforts rather than being defined events with a recruiting and planning effort up front and a post-event follow-up campaign. In this paradigm, community engagement flows seamlessly across digital and live formats, and the follow-up for one event overlaps with recruiting and content development for an upcoming event, leveling peaks and valleys across time.

Consolidating Content Strategy and Activation

Key Findings from This Chapter

- Many companies are attempting to overlay a coverage model on their existing campaign-oriented content production efforts; this helps to orchestrate a continuous flow of content aligned to the topics and issues customers care about but introduces a hidden danger.
- Many companies display a troubling overemphasis on tools, shallow consumption metrics, and process—placing a greater emphasis on producing a steady flow of content than the quality of the content.
- More progressive companies have consolidated strategic and creative guidance for content, to help business units get more impact from their content and to stitch together cross-BU points of view that have broader impact in the marketplace.
- In selecting what content to create, marketers should place greater emphasis on the power of communication channels versus the competitive noise they have to contend with; many organizations seem to pursue content strategy with little regard for the clutter they are competing with.
- B2B marketers have been slow to push into more visually engaging content (typically relying largely on text-based content) due to concerns about skill and cost but most directly due to perceiving it as a nice-to-have, not a need-to-have.

Recommendations

- If your organization has not yet audited content against the information requirements of key customer personas in a typical purchase decision-making process (see p. 23), push for such an initiative. The benefits are numerous, including forcing empathy with the customer’s perspective and needs (i.e., shifting to customers as the point of reference) and providing strong guidance for where you have strong points of view and where you need to focus future development efforts.
- It’s notoriously difficult to develop a meaningful and objective approach for evaluating the quality of content, but your judgment is really quite sufficient. Look at a range of content that your organization is producing—blog posts, articles, white papers, videos—and look for things such as relevance, newsworthiness, insightfulness, clarity, and professionalism. If you are giving low scores (especially in the last three categories) or if you are just getting the sense that the content is trying to “create the illusion” of being valuable without actually being valuable, then your organization may be poorly set up to oversee content strategy and activation (pp. 27–31).
- With your current content efforts, take the time to lift up and evaluate the visual engagement of your content, and identify areas where you may be able to represent ideas through graphics, photos, and video. Countless examples of great visual content exist to use as inspiration. As one resource, Edward Tufte is widely regarded as an expert in visual representation of ideas and has written several books explaining what makes good information presentation.

Take the Online Diagnostic

To help you identify opportunities to upgrade your content production efforts, we created a self-assessment based on the findings presented in this chapter. At the site for this research there is a tab labeled Self-Assessment that provides information and access to the survey. You can also participate in the self-assessments for the other chapters of this research.

<http://www.executiveboard.com/exbd-resources/content/digital-evolution/content-marketing/index.html>

Observations on Strengthening Digital Capability

Chapter 1 Increase Impact Through Integration

Chapter 2 Focus Content Strategy and Activation

Chapter 3 Strengthen Multichannel Analytics

Despite high hopes for applying rigorous analytics to the rapidly growing volumes of digital marketing data, progress has been slow and constrained for many organizations. The central roadblocks, according to most marketers, are technical: the lack of information integration—the absence of a single, timely view of performance across channels—or sophisticated tools to support multichannel analytics.

This chapter begins with an exploration of the roadblocks to analytical progress, focusing specifically on the areas where organizations are most likely to find immediate performance gains.

- We seem to be stuck in a Catch-22 situation where we can't run multichannel analytics because the data is disconnected, but then no one wants to pay for getting the data integrated because we haven't proven the value of multichannel analytics.
- It feels like we are nearly starting from scratch every time we launch a campaign as to what we think works and what doesn't
- Our lead scoring methodology is good, but it hasn't been modified or updated since we rolled it out.
- We know our current view of channel effectiveness is skewed, but we're not sure how to develop a more detailed understanding without introducing lots of arbitrary judgments and assumptions.

Information Integration Woes

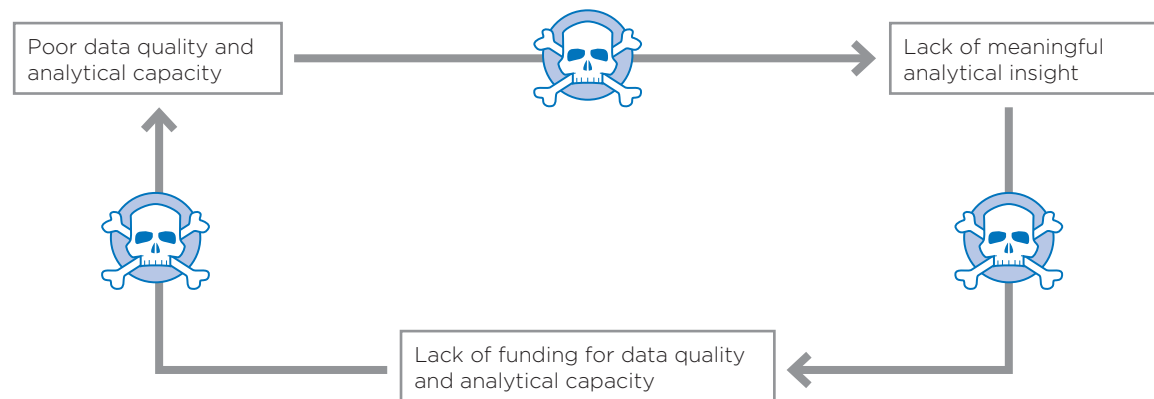
According to most marketers, the central roadblocks to applying rigorous analytics to digital marketing are technical in nature.

Despite high hopes for applying rigorous analytics to the rapidly growing volumes of digital marketing data, progress has been slow and constrained for many organizations. The central roadblocks, according to most marketers, are technical: the lack of information integration—the absence of a single, timely view of performance across channels—or sophisticated tools to support multichannel analytics.

The analytical environment for most B2B marketers continues to be very disconnected, featuring a wide range of tools and data sources spanning online, social, and mobile platforms. Attempts to integrate data often require laborious manual effort using spreadsheets. Some organizations have undergone large-scale, multiyear data management initiatives to improve integration, only to find that the diversity, incompleteness, and rate of change in marketing data sources greatly diminished many of the intended benefits of integration.

The reality for most B2B marketers is a negatively reinforcing cycle (Figure 24). A low-quality analytics environment yields low-quality insights; as a result, analytical efforts have little impact on decision support, which precludes further investment in improving the analytics environment.

Figure 24: The Negatively Reinforcing Cycle Preventing Analytical Growth



Focusing on Big Judgment

“If you have \$100 to spend on analytics, spend \$10 on the tools and \$90 hiring the smartest analytical talent you can find.”

*Avinash Kaushik
Analytics Guru
Google*

The largest roadblock inhibiting progress for many marketers may be the belief that having fully integrated information is a prerequisite (or worse, the solution) for resolving key challenges in marketing analytics. While improving integration among important data sources can help improve the efficiency of certain analyses, it is far from being a complete solution. Some experts say the goal of building a single, integrated view of all relevant marketing data is actually unrealistic, given the diversity of platforms, tools, and data types along with the perennial issues related to primary keys, cookie quality, switching behaviors, and data accuracy. These challenges are unlikely to be sufficiently resolved for any organization anytime soon.

Growing evidence suggests that talent shortfalls in areas such as modeling, experiment design, results interpretation and framing are the real constraints many organizations are battling, but these shortfalls are being outshined by information integration concerns at many organizations. CEB recently conducted a study into the drivers of effectiveness in extracting insight from the organizational data to support decision making. The results confirmed that a minimum level of information accessibility and quality were essential for high-performing organizations. However, analytical capabilities of employees were also a critical factor for the generation of insight, something which is often under-emphasized in the buzz regarding “big data.” One of the most striking findings is that if staff were not effective at critical thinking and applying judgment in data analysis, greater access to information actually caused more harm than good.

Some of the excitement related to analytics should be refocused from integrating information to developing the analytical capability itself. Skilled analysts can create a very clear and evidence-based decision support framework for understanding and improving multichannel digital marketing effectiveness over time, and perfect data is not required to do so. One proponent of this mind-set, Avinash Kaushik, analytics guru for Google, offers the following recommendation: if you have \$100 to spend on analytics, spend \$10 on the tools and \$90 hiring the smartest analytical talent you can find. Many of the gains in this space will come from above-average analytical and creative skills in analysts, rather than above-average tools or perfect data.

Talent requirements for high-impact analytics extend far beyond familiarity with tools and techniques. The emerging expectations for analytical talent include a breadth and depth in understanding of the business, familiarity with fairly advanced modeling and experimental research, and effectiveness in interpreting and framing results in support of decision making. But such a blend of skills is difficult to find in a single person, and costs for the best analytical talent can be prohibitive for many organizations. Principles for deepening the analytic talent bench with constrained budget includes the following:

- Shift analytics budget away from tool investments toward the acquisition of top talent. Once minimum requirements for data accessibility are met (which in today can be achieved at fairly low cost), money invested in better tools is rarely as productive as money invested in smarter and more versatile analysts.
- Continuously find new ways to unburden your best analysts by gradually building the capabilities of less expensive and more specialized talent.
- Integrate the analysts; locate them closer together and on projects that require more in-depth collaboration and peer coaching as this approach can offer significant, near-term impact on overall capability building and engagement.
- Prioritize capability building along with project execution when collaborating with expert consultants for analytics engagements.

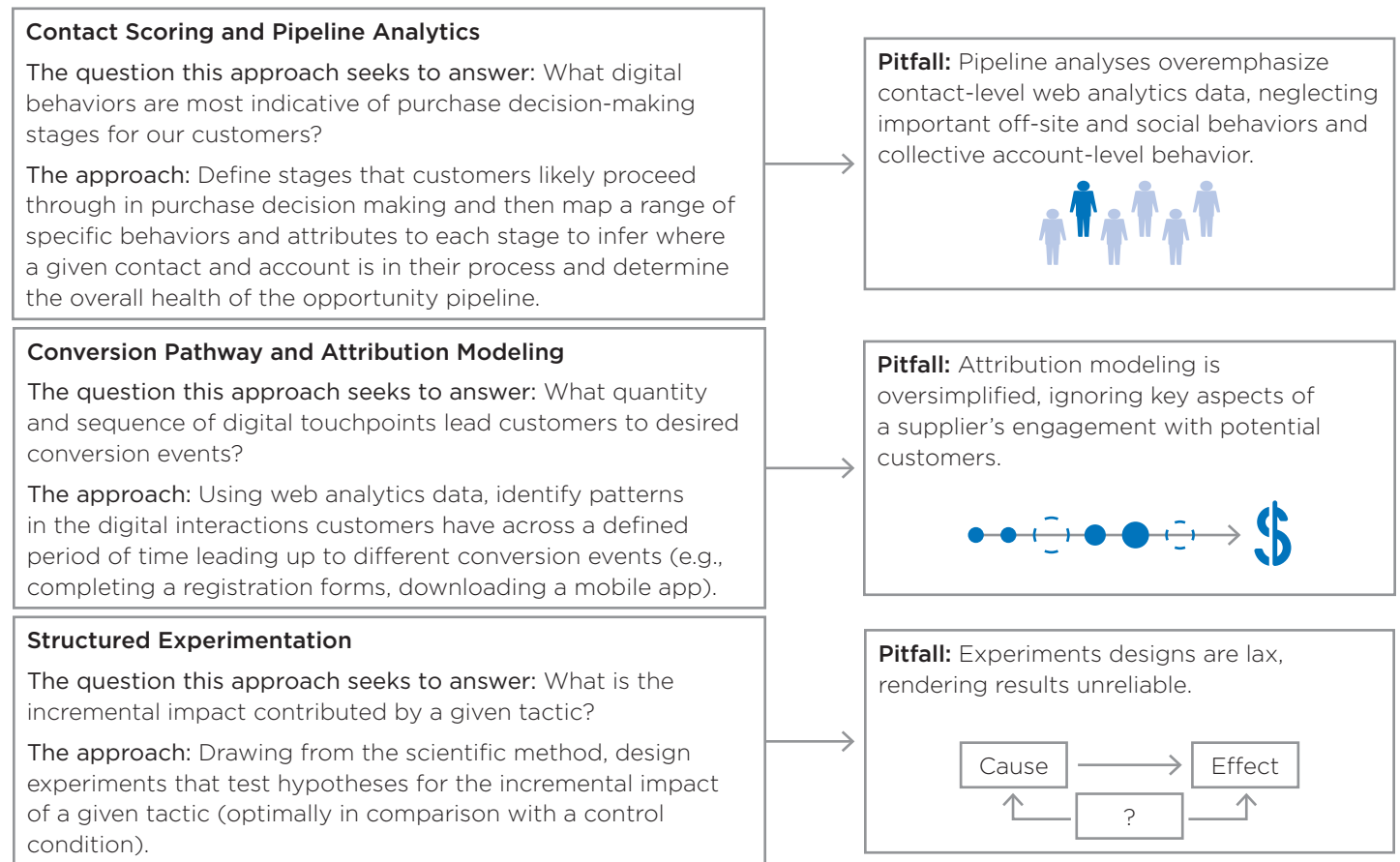
Extracting Value from Current Data

Leading organizations excel at three key areas of multichannel analytics:

- 1) contact scoring and pipeline analytics,
- 2) conversion pathway and attribution modeling, and
- 3) structured experimentation.

Assuming a moderate level of information quality and accessibility, our research suggests that organizations can extract much more meaningful insight for decision support than they currently do. Three dimensions of particular importance include: gauging the size and health of their opportunity pipeline, identifying patterns of effective marketing interactions, and establishing cause-and-effect relationships (Figure 25). Although central to high-impact marketing analytics, organizations vary widely in execution, often for reasons that have little to do with data quality and more to do with the soundness of judgment applied in structuring the analysis. Outlined on the following pages are the common pitfalls that marketers stumble on and recommendations to overcome them.

Figure 25: Pitfalls Associated with Three Key Areas of Multichannel Analytics



Contact Scoring and Pipeline Analytics

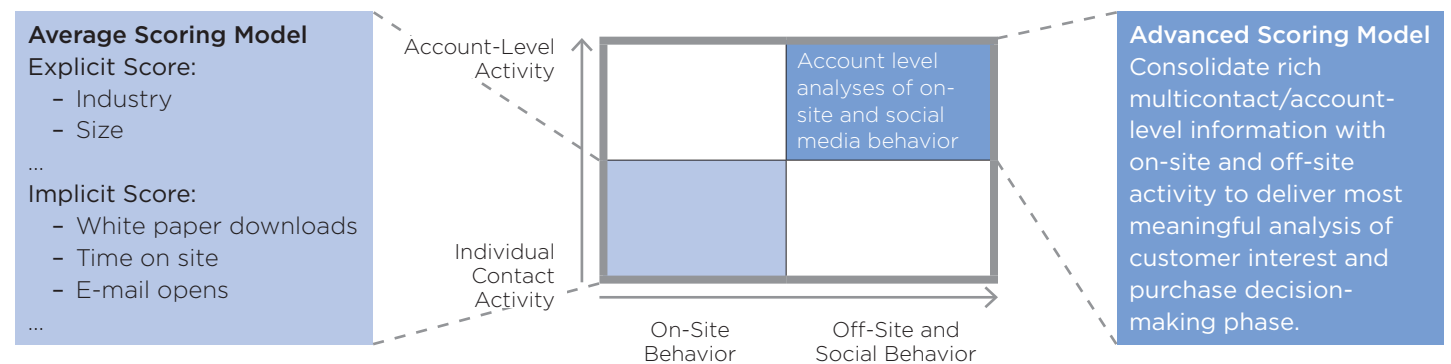
Leading companies are changing their lead scoring models to incorporate account-level analyses of both on- and off-site behavior, including social media.

Main Pitfall: Pipeline analyses overemphasize contact-level web analytics data, neglecting important off-site and social behaviors and collective account-level behavior

Most companies are replacing their outdated BANT survey approach to feed pipeline analytics (i.e., in which registration forms gating online content request specific information about budget, decision-making authority, scope of needs, and timeline for purchase). In its place, marketers are relying on models for combining observable characteristics and online behavior for individual contacts into aggregate “scores.” The mere development of this approach, a key functionality of marketing automation platforms, has helped many marketers substantially improve their visibility into the pipeline, and help bridge their perennial divide with Sales. However, few marketers are pushing this more implicit scoring approach to provide the same account-level insight that the former BANT survey approach aimed for.

Most scoring models today mostly focus on the behaviors of individuals, despite widespread recognition that purchase decisions today are managed by groups, which oftentimes exceed 10 people for larger purchases. As a result, they fail to routinely uncover meaningful connections between individual behaviors across a buying center within a given account. In addition, we have seen many companies push harder to integrate available social media data into their scoring models—as the opportunities it opens up for customer profiling and data quality management can be tremendous. Leading companies are actively evolving their contact scoring models across both of these dimensions (Figure 26). The best companies have robust models for tracking and synthesizing all social behavior linked to a specific account and feeding that into customized nurturing programs and scoring systems used by Sales.

Figure 26: Paths for Expansion of Contact Scoring Models



Many companies are exploring in this space, but only a handful of companies have reached the level of socially informed, account-level evaluations. The closer marketers move toward this approach, the more accurate their picture of the opportunity pipeline will be, and the stronger guidance they will have for how to modify spend on digital tactics and support sales execution.

Conversion Pathway and Attribution Modeling

The best conversion and measurement models balance cost and complexity with value for decision making.

Main Pitfall: Attribution modeling is oversimplified, ignoring key aspects of a supplier’s engagement with potential customers.

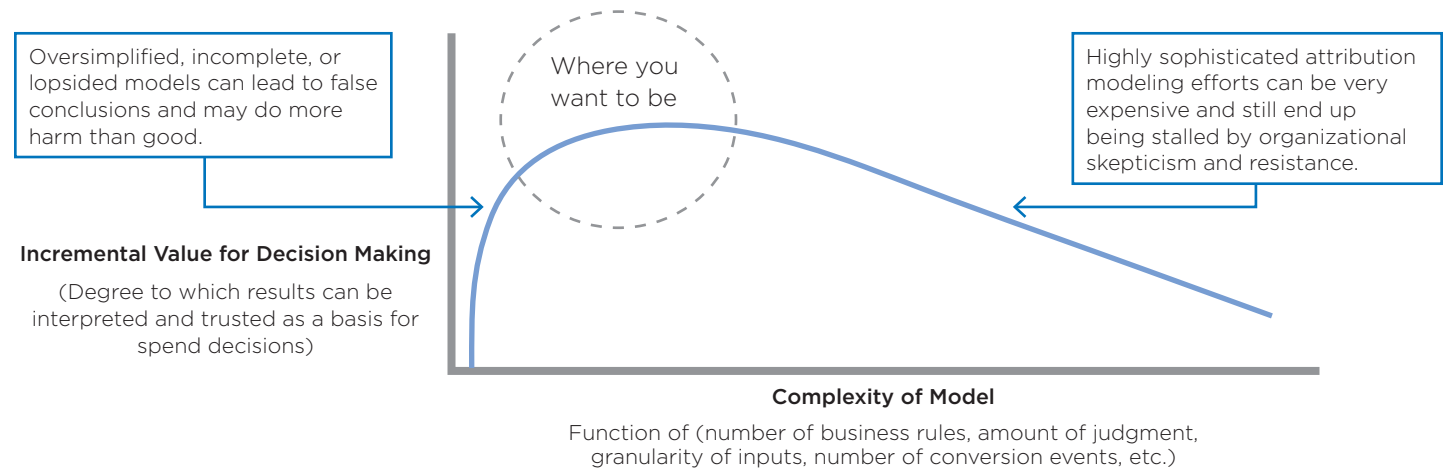
For many companies, each conversion event (e.g., a site visitor downloading a specific white paper) can have hundreds or thousands of different digital conversion pathways (i.e., the sequence of touchpoints occurring in advance of a conversion event). Similarly, many different models are possible for attributing credit across all of those digital touchpoints, and there is currently no proven methodology for determining any one model as being objectively correct. Many organizations are at a stalemate, unclear on how to proceed to more sophisticated digital measurement approaches without relying on arbitrary assumptions.

Beyond this issue is the fact that even the best digital attribution models are often out of context and proportion to the overall factors acting on potential customers. One consultant we interviewed rhetorically asks many of his digital marketing clients, “how can you stand in front of your [CXO] and start talking about all of the impact you’ve had on the business without even acknowledging that your company invests in activities outside of the digital world?” The lack of even nominal consideration for concurrent factors such as offline tactics (e.g., a trade shows) or external events (e.g., launch of a competitors’ campaign) suggests a lack of business realism that weakens the credibility of digital measurement.

No single measurement framework can capture all of the factors influencing potential customers: top-down models are too broad, bottom-up models are too granular, and the two are difficult to marry. But reasonable decision support models can certainly be built that balance complexity and cost with value for decision making (Figure 27). Few B2B organizations have ventured very far down this path, however, and instead rely on a variety of oversimplified and oftentimes skewed model assumptions.

Figure 27: Hypothetical Marginal Utility Curve for Measurement Models

Illustrative



Conversion Pathway and Attribution Modeling (Continued)

Marketers finding success in their attribution efforts tend to follow two principles: 1) appropriate contextual framing of digital impact, and 2) defining clear tactics rather than just theory.

Marketers who are making significant progress in advancing their attribution modeling efforts tend to follow two principles below:

Appropriate Framing of Digital Impact in the Context of Broader Customer Influences

When analyzing conversion pathways and estimating attribution across multiple digital tactics, you are constrained by the web analytics data that you are using. However, this does not mean that you can simply ignore that more than one-half of your marketing budget (or at least some large percentage) is spent outside of the digital world. Although the data may not be integrated or easily accessible, at least framing digital impact in context and proportion to other spend categories will help improve clarity. This mentality will also clarify where targeted experiments to gauge interactivity between offline and online tactics would be most meaningful. Attribution should attempt to reflect the actual marketing strategy your organization is using in addition to the common pathways you think your customers are following. Moreover, there are many influences on customers that have nothing to do with your marketing efforts—such as the campaigns of competitors, events in the marketplace that spark a flurry of online activity, or even more general news and events outside of the marketplace. Adopting a basic framework for considering these factors can further boost the credibility of any estimation of digital impact.

Defining the Bounds Rather Than the Theory

Conversion pathway and attribution modeling can provide clarity on specific aspects of how your programs affect audience behaviors, answering questions such as the following:

- What three tactics most frequently initiate a digital conversion pathway?
- What are the most common “last clicks” or “second-to-last” clicks before a conversion event?
- Which touchpoints normally occur within the same day of a conversion and which occur much earlier?
- What is similar about the pathways for various conversion events and what is different?

This approach can be useful in presenting different pictures of how digital programs are performing and break free from default and oversimplified approaches. One analytics consultant recommended that organizations at a minimum create several different pictures of performance expanding from the most conservative view to more aggressive and inclusive views. For example, a conservative view would assign credit strictly to the most direct, lower-funnel touchpoints driving behavior (e.g., direct response to a paid search ad). A more aggressive view would assign weight to a wider range of factors, including display and generic search activities that took place in the upper-funnel. With this approach, marketers can gradually expand the scope of tactics considered in an objective way, leaving judgment to be applied only in the later stages of interpreting and acting on the findings.

After embedding these principles into conversion modeling efforts, any major questions or sources of political tension that emerge should feed directly into an inventory of questions to be answered or clarified with the application of targeted, structured experiments (as discussed on the following pages).

Structured Experimentation

Structured experiments are the best way to resolve competing hypotheses on how digital tactics impact customers.

Main Pitfall: Experiment designs are lax, rendering results unreliable.

To resolve competing hypotheses for how digital tactics affect customers, a structured experiment is typically the most effective tool. Many B2B companies apply experiments in extremely narrow circumstances (e.g., testing subject line effectiveness for e-mail campaigns) but are less active in tackling the bigger questions related to multichannel interactivity and performance in a rigorous way.

This is because the proper design, management, and interpretation of experiments require a great level of effort, understanding, and process rigor. Experiment designs that are rushed may lack adequate consideration of confounding factors and actionability of findings, and therefore may not convincingly support or disprove the debated hypothesis or provide a sufficient basis for decision-making.

However, to resolve many of the questions of digital interactivity and attribution, marketers must develop a greater capacity for structured experimentation. At the most basic level, this means establishing a more clearly documented and disciplined experimentation process, beginning with a standard basis for selecting new experiments (summarized in Figure 28) and the required completion and approval of an “Experiment Brief Template” (snapshot provided on the following page). This brief should clearly align to specific decisions of importance to budget owners and carry specific implications based on the results of the experiment.

Figure 28: New Experiment Review Questions

New Experiment Review Questions

- Will the experiment, as designed, get to the desired learning objective as efficiently as possible?
- Is the learning objective important to driving marketing effectiveness? Is it consistent with our strategy?
- Are there data we could look at to address the learning objective without requiring an experiment?
- Does the test metric “match” the learning objective?
- Will the proposed test size and length yield sufficient sample to achieve the learning objective?
- How will the experiment control for variations in test subjects?
- Have all reasonable influencing or confounding factors been identified and considered in the experiment proposal?
- Have we done this experiment (or a variation) elsewhere in the business? If so, does the learning carry over? If not, is this experiment getting at something worthwhile that is different?

Structured Experimentation (Continued)

This purpose of the Experiment Brief Template (Figure 29) is to force systematic definition of the learning objective, the hypothesis to be tested, the operational definition for testing the hypothesis, and specific parameters in terms of sample size and duration required to reach a meaningful conclusion. Perhaps most importantly, any test brief must explicitly identify how they are accounting for confounding factors (which could render any result unreliable). This due diligence and up-front clarity is essential for success in experiments.

Figure 29: Template for Clarifying Experiment Structure

Test Definition Brief

Business

Test Name

Test Sponsor

Authorizing Manager

Please explain the purpose of this test--what are you trying to learn? What is the hypothesis? Be specific.

Key metric to prove/disprove hypothesis:

If not obvious, describe method of deriving metric from sample (Direct measurement? Survey?) Please be specific.

Confidence Interval

Required Sample Size (attach spreadsheet with calculations):

Length of test From: To:

Test size (in terms of total number of accounts affected and, if applicable, NPV at risk):

At what sample size or on what date(s) will you analyze test results?

If not a true test and control, what actions are you taking to mitigate confounding factors?

Has this learning goal or a similar one been tested by the organization before? If so, in which business unit and what were the results?

The best organizations maintain prioritized list of critical uncertainties or debated hypotheses to be resolved via experiments. Without such a rigorous focus on structured learning, marketers may focus solely on meeting performance objectives at the expense of meeting learning objectives with each campaign. Organizations with disciplined experimentation process and a prioritized list of learning priorities can rapidly develop knowledge of channel interactivity and impact to improve overall marketing effectiveness over time.

Strengthen Multichannel Analytics

Key Findings from This Chapter

- The smartest companies dedicate a greater portion of their marketing budgets to improving their fundamental understanding of effectiveness, interactivity, and causality across marketing programs.
- A central hub for marketing data is becoming more common but is still a long-term aspiration for many companies. Regardless of the data environment, marketers should be focused primarily on extracting insight and decision-support value from the data they do have (which is a lot of data). The single most important factor for success is getting the smartest people you can find to tackle your most important analytical challenges. Ninety percent of your analytics spend should be on people.
- Pipeline analyses often overemphasize contact-level web analytics data, neglecting important off-site and social behaviors and collective account-level behavior.
- Conversion attribution modeling efforts typically ignore key aspects of a supplier's engagement with potential customers (especially nondigital touchpoints). Marketers should make a greater effort to place estimates of digital impact in proper proportion and context of broader marketing strategy and the market environment.
- Experiments are difficult to design are often executed poorly, rendering results unreliable and wasting time and money. It is a worthwhile effort to create very strict process guidelines to validate experiment design in advance of execution, so results can be confidently applied to decision making.

Recommendations

- Does your team have any kind of a formal learning plan? Gauge how dedicated people are to “learning” as a distinct objective as this mentality is a necessary basis for making fundamental progress overtime. Without this mind-set, efforts will be skewed to the demands of most current campaigns, with little attention for how to transfer deeper knowledge of channel interactivity and effectiveness to future campaigns.
- See if your organization's approach to pipeline analytics has been updated in the last year. Too many organizations go through a robust process to develop the methodology, and then let it remain static. You should also be regularly validating the predictive power of your methodology (i.e., by seeing how effective it matches up to actual pipeline performance) and identifying opportunities to enhance the model. Be aware that progressive companies are expanding their methodologies to provide account-level views or integrated social and other off-site behavior is possible as this can substantially improve on pipeline transparency and predictive power.
- Look for opportunities to cut conversion pathway data to expose new light on the value of tactics, and see where structured experiments could be designed to empirically validate what the best course of action might be. Start by zooming in on areas where you think tactics are probably being over-credited (or under-credited) by the current approaches to budget allocation.

Take the Online Diagnostic

To help you evaluate your organization's progress in analyzing performance and interactive across digital channels, we created a self-assessment based on the findings presented in this chapter. At the site for this research there is a tab labeled Self-Assessment that provides information and access to the survey. You can also participate in the self-assessments for the other chapters of this research.

<http://www.executiveboard.com/exbd-resources/content/digital-evolution/analytics/index.html>



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