



Manufacturers Extend **Digital Transformation** to Sales & Marketing

DEMAND GEN
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EXECUTIVE SUMMARY

In the past, the success and growth of manufacturing organizations was heavily dependent on a combination of their ability to make competitive products in a cost-effective manner and get those products to as many customers as possible. Over time, companies evolved their product operations with technology and automation, streamlining costs further. But the process of selling those products lagged at many organizations in this sector, as they steadfastly held on to traditional ways of engaging with customers and prospects. Today, thanks to a dramatically different purchasing journey, even the most “old school” of companies must embrace digital transformation in how they maintain and expand their markets. In the internet economy, their success is largely driven by their ability to transition from selling products to needs-based selling by applying technology to sales and marketing.

By most accounts, manufacturing companies are playing catch-up when it comes to selling solutions. They are faced with the challenges of dealing with two relatively recent phenomena of the sales cycle: buying committees and anonymous buyers. Both are difficult for a traditional sales process to address, and both require different strategies than traditionally used.

The digital transformation of sales and marketing begins with gaining insights into buyer behavior. With this insight, manufacturers can better engage with a new breed of buyer. Armed with more personalized and relevant messaging, manufacturers can shorten sales cycles and build longer-lasting relationships. By implementing an Account-Based Marketing (ABM) approach, manufacturers can “cheat the system” to complete their digital transformation to becoming solution sellers much faster. This paper will dive into five reasons why ABM is imperative for manufacturing companies that want to get there:

1. The “good old days” of selling are in the rearview mirror.
2. There are many forces disrupting the traditional sales model.
3. Buying committees are the norm and they are wider than ever.
4. “Spray-and-pray” marketing tactics are analogous to “eating celery.”
5. Marketers must care about more than just generating leads.

In addition, we will explore this transformation and how ABM is enabling it, using insights from industry experts at ITSMA, Forrester Research, Gartner and the Manufacturing Marketing Group, along with data from the [Demand Gen Report 2017 B2B Buyers Survey](#) and other sources.

THE “GOOD OLD DAYS” OF SELLING ARE HISTORY

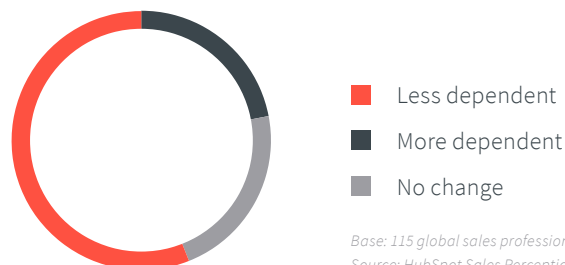
The decades-old selling model for manufacturers was characterized by a buyer’s journey that began and ended with a product sales representative. In the pre-internet era, the company sales rep was the first point of contact for prospective customers who had needs and were seeking information. Prospective customers revealed themselves very early in their journeys, allowing sales reps to influence them all along the way. Those days, however, are in the rearview mirror for most manufacturing companies.

Jenn Grabenstetter is Executive Director of Communications and Content Marketing at Sealed Air Corporation, a global provider of innovative packaging solutions to customers with widely recognized brands such as Cryovac® and Bubble Wrap®. The Sealed Air sales team lived in the “good old days” of selling, when the sales force was the repository of the product expertise that customers needed. “Our selling force really were product experts. They knew the features and benefits and the technological specs and the applications of our products so intimately,” Grabenstetter explained. Like many other manufacturing organizations, Sealed Air has seen buyer behavior change and the influence of sales reps has waned, as HubSpot research¹ shows in Figure 1.

FIGURE 1: OVER HALF OF GLOBAL SALES PROFESSIONALS REPORT THAT BUYERS ARE LESS DEPENDENT ON THEM.

Sales sees that power has shifted to buyers

Compared to 2-3 years ago, do you think B2B/B2C buyers today are more or less dependent on salespeople during their decision-making process?



Base: 115 global sales professionals
Source: HubSpot Sales Perception Survey, Q1 2016

The *2017 B2B Buyer's Survey Report*² shows what has displaced sales reps in the early stages of the buying journey: 61% of buyers indicate they start the journey with a broad web search, and 56% say they start on specific vendor websites.

Bruce McDuffee, Director of the [Manufacturing Marketing Group](#), has seen this shift in the sales process. “Manufacturers are frustrated because the old or traditional ways of moving product aren’t working as well as they used to. Most manufacturers still rely on a direct field sales team, or a network of distributors, to make one-to-one relationships the first step to selling a product,” he said.

Direct sales engagement isn’t obsolete, but as McDuffee observed, “Direct sales engagement is too late in our internet age where we all start buying with online research. Very few of us start our purchase process by contacting the salesperson. Many of us take pains to avoid talking to the salesperson as long as possible. Many manufacturers do not know how to use a marketing strategy that engages during the early buying stages. This is a major challenge for manufacturers.”

¹ HubSpot Research, [“Buyers Speak Out: How Sale Needs to Evolve,”](#) April 7, 2016

² Demand Gen Report, [2017 B2B Buyers Survey Report,](#) 2017



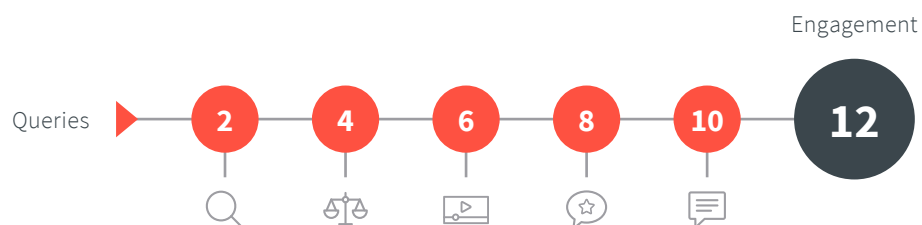
DISRUPTIVE FORCES ARE AFFECTING THE TRADITIONAL SALES MODEL

Several forces are disrupting the traditional selling model, causing the way manufacturing companies sell to undergo a seismic shift. The first force to disrupt the legacy product selling model was the internet, which allows customers to progress quite deep into their buying journeys without revealing themselves to sales teams. “Research tells us that buyers can go about two-thirds to three-quarters of the way through the buying cycle before they engage,” said Meredith Bell, President of the Americas for Jabmo. “People prefer to do their research online.” Bell’s view is that the reality of customers progressing through much of the buying cycle online has not reached a point of equilibrium, but continues to extend deeper into the buying cycle.

One indicator of the impact the internet is having on how customers engage online with brands comes from the Google/Millward Brown Digital, *B2B Path to Purchase Study*³ done in 2014, shown in Figure 2.

FIGURE 2: ON AVERAGE, B2B INFLUENCERS DO 12 SEARCHES PRIOR TO VISITING A SPECIFIC BRAND’S WEBSITE.

Average Searches Conducted Prior to Engagement

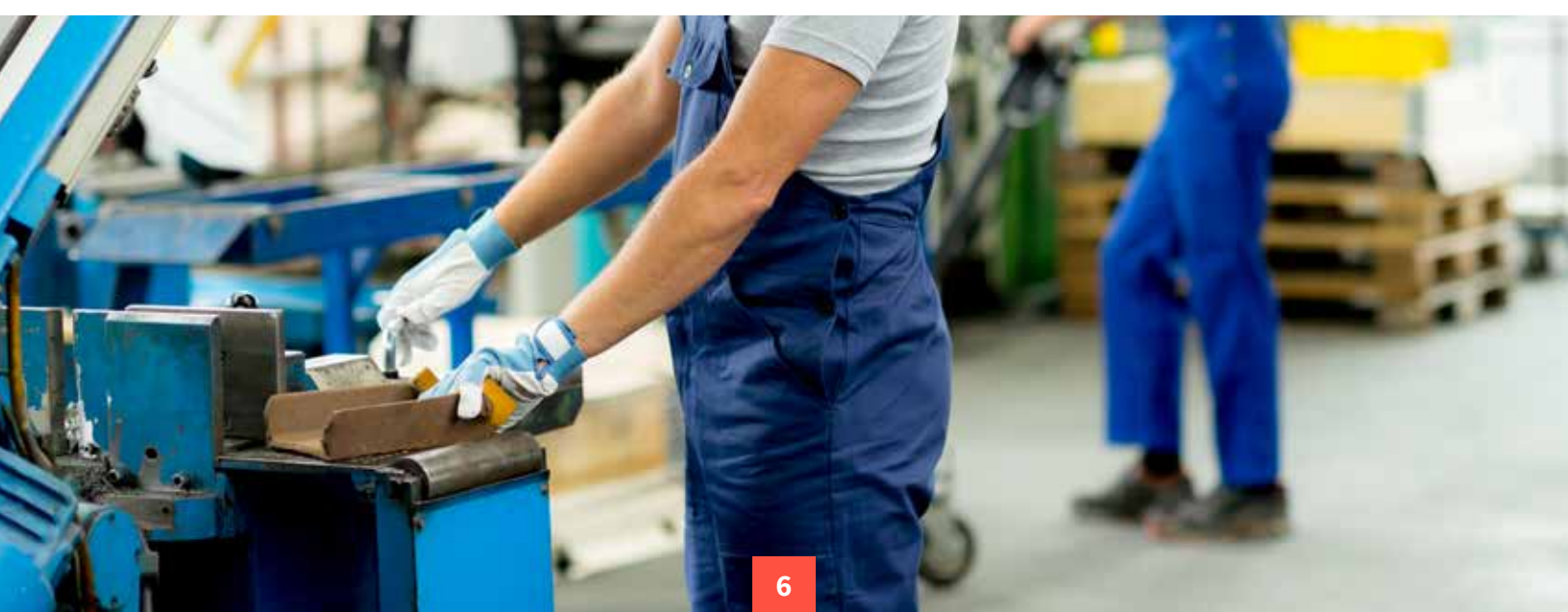


Technology has also disrupted the manufacturing process, essentially commoditizing it. “We’re moving into a world where anybody can make anything, anytime,” Bell stated. The advent of technologies like 3D-printing are growing in sophistication while lowering the cost to produce low-volume, low-cost product. The result is a hyper-competitive environment for manufacturers, one that erodes customer loyalty to products.

Online retailers like Amazon are also a major disruptor in the way customer expectations have changed by the ability to deliver a personalized experience. The Amazon process is much more efficient, convenient and feels like a customized experience for each transaction, which leads to higher satisfaction. And higher expectations. Today, buyers expect the “Amazon experience” in almost every kind of purchasing situation, even in B2B contexts. “Amazon has driven that trend of being able to expect that anything you want can be delivered to you at any time, wherever you are,” Grabenstetter said. “That desire for instant gratification, for boundary-less delivery, is affecting businesses across the board, and it really doesn’t matter if you’re a manufacturer or a retailer. That’s rapidly becoming table stakes for consumers, that they expect that kind of on-demand experience.”

These disruptions have forced dramatic changes to the sales-customer engagement model, and manufacturers now live in a world where they can no longer succeed with a product-centric and one-size-fits-all selling strategy. Instead, they are finding success, even thriving, when they transition to become knowledge-based providers of customized solutions, instead of product manufacturers. This transition is both cultural and digital, happening because of acknowledging changed (and changing) customer buying habits, while also accounting for a much wider buying committee, and targeting accounts with sequenced, personal and relevant messaging.

³ Think With Google, [“The Changing Face of B2B Marketing,”](#) March 2015



BUYING COMMITTEES ARE WIDER, MORE COMPLEX AND HARDER TO INFLUENCE

Sales representatives that sell complex solutions rarely find that they deal with individual buyers with unilateral decision-making authority. Buying committees—groups of people within customer organizations that evaluate and recommend solutions for complex or substantial purchases—are the norm. However, the smaller, tight-knit, centralized buying committees of yesterday have given way to the larger, wider, virtual buying groups that are responsible for today’s critical purchase decisions. These modern buying committees are what manufacturers encounter on a regular basis, and their members are often difficult to identify, much less target with a specific campaign that resonates with their individual needs and preferences. According to Forrester Research, B2B marketing databases may contain the names of a few members, but with a buying group of 12, you can miss as much as 80% of the audience in that opportunity.⁴

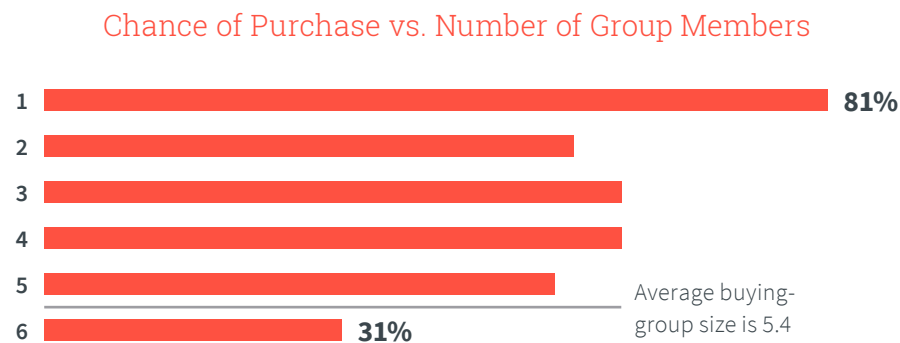
Karl Schmidt, Brent Adamson, and Anna Bird wrote about the challenges that buying committees represent in the March 2015 Harvard Business Review article, “Making the Consensus Sale”:⁵

Complicating matters, the variety of jobs, functions, and geographies that these individuals represent is much wider than it used to be. Whereas an IT supplier might have once sold directly to a CIO and his or her team, today that same firm may also need buy-in from the chief marketing officer, the chief operating officer, the chief financial officer, legal counsel, procurement executives, and others. The people on buying teams have increasingly diverse priorities, and to win them over, suppliers must bridge those differences. The upshot is longer cycle times, smaller deals, lower margins, and, in the ever more common worst case, customer deadlock that scuttles the deal.

Figure 3 shares data from a study cited in the HBR article that shows the impact of buying committee size on making sales.

While purchasing organizations value the risk-mitigating nature of how buying committees operate, their presence substantially lowers the probability of making the sale. Manufacturers are not, however, helpless or powerless when confronted with buying committees. Even when some or all buying committee participants are anonymous, the tools and approach of Account-Based Marketing (ABM) allows selling companies to reach into and influence all the participating decision-makers in the early stages of the buying process, when informal solution scouting and structured internet research is taking place.

FIGURE 3: THE LIKELIHOOD OF CLOSING A SALE DROPS SHARPLY AS THE SIZE OF THE BUYING COMMITTEE INCREASES



Source: CEB/Motista 2013 B2B Brand Survey

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⁴ Forrester Research, “Retro Yet Revolutionary: Demystifying Account-Based Marketing,” September 19, 2016

⁵ Harvard Business Review, “[Making the Consensus Sale](#),” from the March 2015 issue

⁶ Gartner, “Tech Go-to-Market: Complex Technology Buying Dynamics Mandate Account-Based Strategies for TSPs,” September 16, 2016

What is Account-Based Marketing?

Jabmo defines Account-Based Marketing (ABM) as an approach that dedicates marketing resources to a list of specific accounts. It is a discipline that requires understanding target account behavior and engaging with timely, relevant and personalized communications.



GENERIC MESSAGING TARGETED AT EVERYONE IS LIKE EATING CELERY

Marketing executives within manufacturing organizations understand quite well that buyers remain anonymous long before they are ready to engage. For this reason, the temptation is to blast every possible target account with a generic value proposition—the “spray-and-pray” marketing tactic—hoping that the message will resonate with someone. This tactic isn’t effective and is wasteful from a marketing spending perspective. Meredith Bell refers to this approach as “eating celery” because it requires more energy to chew and digest celery than is gained from eating it. “It costs you more money than you make. If you spend all your time with the wrong accounts, you might sell something. But what needs to happen instead is to focus your marketing spend on the right accounts so that you’re not eating celery.” The account-sensing capabilities of ABM—the ability to pick up on buying signals and to educate and nurture your invisible buyers—allow marketing and sales teams to invest their limited resources on the right accounts. Once a manufacturing organization has identified the right account, the account-sensing capability of ABM is how manufacturers can identify and reach anonymous buyers with an effective message.

Marketers must optimize resources and spending on the right accounts, but the messaging must also resonate, and what works often differs from one customer to the next, even within the same account. “From a seller’s perspective, the value equation from one company to another is different, even if you’re selling the same thing,” stated Rob Leavitt, SVP at ITMSA, an association that provides services, solutions, insight and advice to the B2B marketing community. “You need to be more personalized in how you approach the sale. This is where account-based marketing can really come into play.”

ABM enables marketers to message appropriately at the account level, sequencing the delivery of messages to buyers on their journey in a personal and relevant way. “Personal means I’m talking to you,” explained Bell. “Relevant means you care what I say.” This capability to deliver personal and relevant communications is critical to having success with buyers. “The buying process has become more complicated, and the stakes have grown for high-value decisions,” stated Leavitt.

Manufacturers find themselves in a selling climate that is intolerant of generic, “one-size-fits-all” value messaging. “The traditional broad-brush approaches are less and less effective,” Leavitt added. “Buyers are less and less accepting of that kind of generic value proposition. Account-based marketing lets you go deeper into buyer needs, on a more individual basis, their buying process and customers, to craft a more personalized proposition to meet their needs.”

The account-sensing capability of ABM coupled with the ability to orchestrate the delivery of personalized, relevant messaging makes ABM a powerful lead generation solution. But ABM is in fact about much more than improving lead generation: it can improve the entire customer acquisition process, strengthen the overall relationship, and create long-term relationships and more repeat buying—all important outcomes in this age of near frictionless shopping and buying behavior.

ABM at Sealed Air Corporation

Just over two years ago, Sealed Air’s online presence consisted primarily of online product catalog pages. Grabenstetter knew the path forward was to orient the sales process around customer insights and the challenges they are facing. “For me, the real problem was figuring out how to go to market with these challenge-focused messages, not just product lines. We knew what we wanted to say.”

Even though Grabenstetter knew what marketing needed to say to customers, she was faced with limited resources. The challenge in creating marketing strategy was determining who to target. “I had too many potential prospects and my budget was not going to allow me to try to reach all of them, nor was my content production team going to be able to make enough individualized, industry-specific content for all those verticals,” she said.

About a year ago, Sealed Air implemented the Jabmo ABM solution, and through its use is better able to reach top accounts. “It’s a way for us to do targeted insight, knowledge- and challenge-driven messaging that feels relevant to them in their industry,” Grabenstetter concluded.



THE VALUE OF ABM GOES WELL BEYOND LEAD GENERATION

Viewing ABM as an enabling technology for lead generation falls far short of understanding its true impact and value. In the world of B2B marketing, leads are a good thing, but the need exists to influence buyers early in the buying cycle during those months before leads are identified. “Lead gen is a small part of marketing,” stated Bell. “You need to communicate with digital buyers before the lead occurs, and you need to communicate with them after. And those digital buyers are primarily anonymous. How do you communicate with those anonymous buyers for months or years before they’re ready to engage?”

Manufacturers and other industries are deploying ABM to position themselves to influence future leads while they are still anonymous. “We’re trying to meet the buyer further up in the funnel when they’re still in their education and discovery phase,” said Grabenstetter, talking about the ABM-powered insight and knowledge-selling strategy Sealed Air is creating, built on addressing customer challenges and speaking authoritatively on industry trends. Sealed Air is gaining a competitive advantage through knowledge-selling, one which Grabenstetter views as an imperative for any manufacturing company: “Eventually this trend will come for you. If you look around, the rest of the world has moved on from product-selling to selling solutions and from selling solutions to knowledge-selling, so you better believe that’s going to happen to you, too.”

ABM also provides advantages around marketing to existing customers. “ABM actually started to go wider and deeper with existing customers,” Leavitt shared. “Today, I worry that a lot of marketers are under-investing in existing customers. ABM can be even more effective with existing customers because you have a big head start. You can go much deeper with them. Salespeople should know them a lot better, and they can be more profitable, more loyal. They become your reference accounts and the accounts where you innovate, where you’re testing new approaches and new solutions.”

The ABM approach drives revenue by spanning the entire buying cycle, from before leads are identified, to after they become customers. “If you’re the CMO of a B2B organization, you’re probably scrambling to drive business, not just leads,” said Noah Elkin, Research Director at Gartner. “With its focus on current customers, an ABM approach can fill your pipeline with proven, pre-qualified buyers who are more likely to buy again than prospects. That helps makes your customer acquisition process more efficient.”⁷

⁷ Gartner for Marketers Blog, [“Three Trends Driving Interest in Account-Based Marketing \(ABM\),”](#) Feb. 17, 2017



CONCLUSION

Manufacturers have an increasing sense of urgency to understand and adapt to how their customers buy. The pressure to shift from product-selling to selling solutions, and concerns about neglecting anonymous buyers or failing to reach everyone in the buying committee, are triggering a high-stakes transformation that is largely occurring online. “It’s been a winner take all phenomenon when things go online,” said Bell. “If you are, for example, a manufacturer of ball bearings, you want to be the one that creates the digital capabilities first, because we’ve seen what happens to the companies that don’t: they go out of business. That’s how important it is.”

ABM is at the center of this transformation, because it is allowing sales and marketing teams to focus spending on the right accounts while gaining insights about customers, and engaging them with personalized, relevant communications that are sequenced perfectly to where they are in their buying journeys. According to ITSMA research, 87% of organizations that are using ABM say it delivers higher ROI than other types of marketing.⁸

ABM is both a powerful lever for making this transformation, and an accelerator to completing it. As Sealed Air’s Grabenstetter concluded, “We can have a chance to sort of cheat the system and not make the slow progress towards knowledge-selling that the rest of the world took over the last 10 years, but kind of learn from what has worked and skip ahead.”

⁸ ITSMA, [“Driving Growth with Three Types of ABM,”](#) August 2017

INTERESTED IN LEARNING MORE?



Jabmo is the ABM platform for global manufacturers. The company provides the whole solution to capture anonymous buyer activity from target accounts and execute personalized account-based advertising strategies. Jabmo integrates with Oracle Marketing Cloud, Salesforce Marketing Cloud, Marketo and Microsoft Dynamics. Customers include Sealed Air, Schneider Electric, and Fives. Learn more at www.jabmo.com and follow us on Twitter at @JabmoABM.

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