



TOP 8

B-TO-B CMO MARKETING CHALLENGES OF 2015



Gleaned from research and assessment of reports from Gartner, Forrester, IBM, Forbes, Altimeter, LinkedIn, CMO.com, AAMA, Harvard Business Review, McKinsey, The CMO Club, IDG, The Economist, Bloomberg BusinessWeek, Mobile Marketing Association, Advertising Age and The Content Marketing Institute I'd like to offer these insights into what I see as the Top B2B CMO Marketing Challenges of 2015.

The research of over 20 studies reveals the Top CMO B2B Challenges for 2015 which I will address individually.

CHALLENGE #1

CREATING EFFECTIVE ENGAGEMENTS

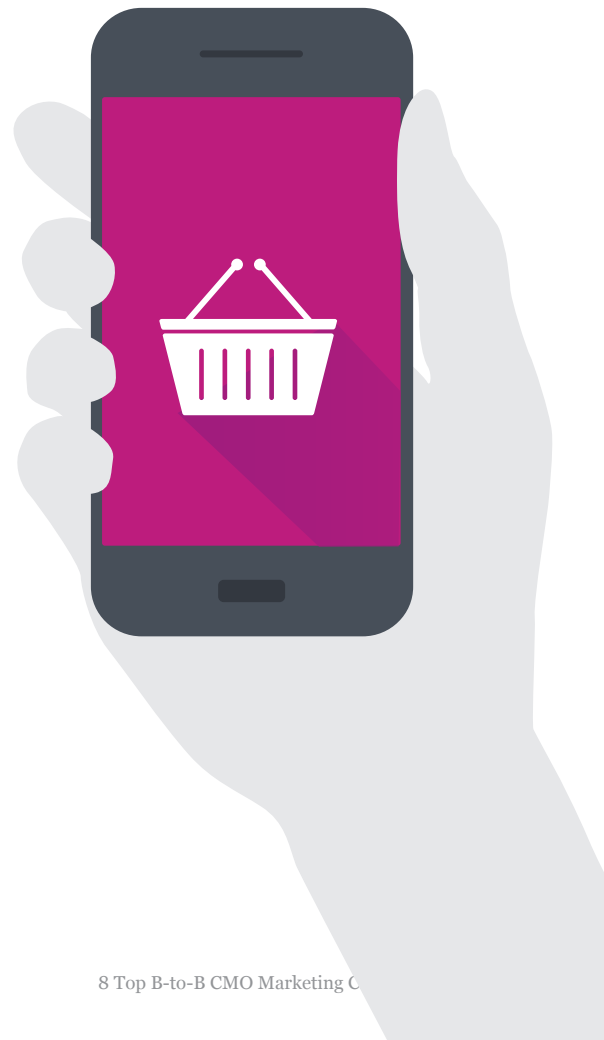


FOR TODAY'S EMPOWERED CONSUMER

Marcus Starke, Chief Marketing Officer, Ciena writes: “Many technology companies are very inward-focused, looking at the world through a technology lens and doing everything based on what they think is right and important. The old “build it and they will buy it” mantra is still prevalent in many B2B environments and so it is the marketer’s biggest opportunity and challenge to turn an inward focus into an outward one, help the company take on a market and customer perspective, and put buyers first.”

”Welcome to the new normal with a new “cause” and “effect.” The cause is Empowered Customers. The effect is causing B2B marketing executives to rethink just how they will be marketing to the empowered and emboldened customer of 2015.

B2B Buyers are now in control of the buying process and are expecting new levels of consumeresque experiences when interacting with your brand. How ready is your organization to deal with the empowered and emboldened B2B buyer of 2015 who buys on their own time frame and their own terms? Business buyers spend just 21% of buying cycle in conversations with salespeople, instead spending 23% of the time in conversations with peers and colleagues and 56% of the buying cycle searching for and engaging with content. (According to IDG Connect, 2013)



CHALLENGE #2

DELIVERING ON THE PROMISE TO DRIVE REVENUE

How can marketers change the perception of marketing within the organization from a Cost Center to a Revenue Driver? CMOs must be prepared to prove total marketing revenue contribution. According to a 2015 study by McKinsey, The Fuqua School of Business and the AMA, it was revealed that companies are spending 8.3% of revenue on marketing, blended for both B2C and B2B marketers. We generally see a 4% to 5% of revenue for B2B companies. Even at the lower end of the B2B budget estimate of 4%, companies yielding \$1B in annual revenue have an average marketing budget of \$40,000,000.

What is the return on the investment? CMOs must be prepared to answer the big revenue question in 2015. The Fournaise Group reports that: “90% of marketers that are not trained in marketing performance & marketing ROI, and 80% struggle with being able to properly demonstrate to their Top Management the business effectiveness of their Marketing, spending, campaigns and activities.”

Marketing must be an efficiency driver for sales, helping sales to focus on what they do best; which is proposing and closing solutions, while marketing provides the strategy to drive preference and consideration through campaigns implemented with marketing automation methodologies.

Marketers must create and construct their plans to align with the sales pipeline and revenue goals of the organization while having a plan in place to report ROI. CEOs are putting even more pressure on the CMO to generate (and prove that they generate) incremental customer demand for the companies’ products or services (ie: their ability to generate more sales, more market share, more prospects, and/or more conversions.)

CHALLENGE #3

CREATING DIFFERENTIATED, BRANDED, OMNICHANNEL EXPERIENCES

Will marketers successfully engage prospects and customers with the same Brand Experience regardless of channel in 2015

Business-to-Business buyer's expectations have changed dramatically due to the advent and proliferation of rich consumer Omnichannel experiences. B2B buyers are simply expecting near or the same experience when engaging a B2B brand through various channels. There has and will continue to be a change in buying preferences which is happening as generational shifts occur as B2B buyers are simply expecting near or the same experience when engaging a B2B brand through various channels.

And this includes eCommerce where applicable for B2B products, not so much for services. While there are some great examples of B2B eCommerce sites such as CDW, the people who get "IT", most are not so great.

According to a recent report from Forrester Research: "Building The B2B Omni-Channel Commerce Platform Of The Future," The top barrier to omnichannel implementation is back-office integration across channels (44%) while 42% of B2B companies point to difficulty sharing customer data and analytics between channels, countries, or locations; 40% say they are limited by distribution partners, franchises or wholesale customers and 36% report a conflict between different channel organizations, implementation difficulty (or lack of business incentives, 33%), limited staff skills (32%), and employee or management resistance (31%).

B2B Marketing organizations must strive to own Customer Experience to develop Omnichannel experiences that are seamless for their customers. Controlling the touch-points of a customer's full journey is the optimal way to deliver a true differentiated Omnichannel experience.



CHALLENGE #4

BRIDGING THE KNOWLEDGE GAP

How can marketers close the gap between what they used to do and what they need to do in 2015?

As new skill sets are needed to staff Marketing Operations for modern B2B Marketing organizations, will those who possess those skill sets become a valuable commodity or, will organizations formalize training for these positions? New technological knowledge and skills are essential to the success of any Marketing Operations team which has become the nerve center of modern marketing demand generation centers of excellence.

The best technology stack integration will amount to no more than a giant paper weight without the valuable insights gained. If the marketing operations team is unable to perform and collect, analyze, interpret and produce insights from that data, the entire investment in technology and human resources is wasted. Marketing operations personnel must be capable of presenting a viable business case enabling a top-down strategic view of marketing's return on investment to the business.



Proving and reporting ROI is of the utmost importance to the CMO, who must do the same for those sitting at his or her corporate table- the CEO, CFO, and CXOs. The gap in lack of technological knowledge for marketers must be eliminated through new hires with the experience and / or capabilities to provide the organization with the analytical reporting which is now table stakes rather than a "nice to have" capability.

As B2B marketing is transformed by technology, analytics, alignment with sales and product, and the empowered buyer and customer, the era of informal marketing skills development has ended.



CHALLENGE #5

MAKING BUSINESS MOBILE



Mobile marketing capabilities are a must-have for marketing organizations in 2015. Mobile advertising, apps, messaging, mCommerce and CRM must be part of the marketing mix in 2015 as “70% of marketers see mobile marketing as a critical enabler of products and services.”

According to Comscore and Morgan Stanley, mobile internet access has overtaken fixed internet access in 2014 as the customers preferred channel of choice. The new consumer expectation is that the B2B modern buyer can get whatever they want in their immediate context and moment of need. People and companies want and must have mobile solutions that work anytime, anywhere, on any device.

Mobile Marketing is defined as including advertising, apps, messaging, mCommerce and CRM on all mobile devices including smart phones and tablets. Buyers are increasingly switching between their devices, and brands must be able to create those omnichannel experiences.

CHALLENGE #6

TACKLING THE CONTENT MARKETING CONUNDRUM



With organizations growing investments in content marketing, there is increasing pressure on marketers to prove ROI. The conundrum is that while nearly all B2B marketers are creating content, few are creating effective content- therein lies the challenge- what is effective content and how do you go about creating it?

- 70% of B2B marketers are creating more content than they did one year ago, even those who say they are least effective (58%) and those without any type of strategy (56%).
- Measurement is a key area where B2B marketers are struggling: Only 21% say they are successful at tracking ROI; however, having a documented strategy helps (35% of those with a strategy say they are successful).
- Once again, infographics was the tactic that had the greatest increase in usage (from 51% last year to 62% this year).
- 94% of B2B marketers use LinkedIn to distribute content, making it the social media platform used most often (they also say it's the most effective social media platform).
- 58% of B2B marketers use search engine marketing, making it the paid method used most often to promote/distribute content (they also say it's the most effective paid method).

While organizations are anxious to practice content marketing, why aren't more organizations able to develop and create effective content? From the Fortune 500 marketing boardrooms that we are privileged to participate in, to the mid-market marketing meetings that we also attend, we see a common issue, and that problem is a lack of a formalized, documented content strategy. We also see that even when organizations do have a formal and documented content strategy, the focus of the content is usually from the organization's point of view- which totally disregards the thoughts, feelings, experience, expectations and consideration of the target audience as they move through the modern buyer's 10-stage journey.

CHALLENGE #7

HARVESTING RETURN ON TECHNOLOGY INVESTMENTS



Is being a modern marketer dependent on having the latest shiny new marketing technology object in the tech stack? Before marketing departments can request that new DMP or marketing automation software, there must be a data strategy in place that requires those technologies in order to execute on the strategy. How can marketing organizations understand if they are underinvesting or overinvesting on marketing technology? And if the organization does invest in marketing technology, the prevention of underutilization of that technology is of paramount importance in determining the return on investment to the organization.

The Marketing Technology experiment ends in 2015. Marketers must face accountability to prove commercial returns from the technological investments even if the organization acquired and assembled those technologies one at a time, for different and various reasons. If this is the case with your organization, a Marketing Technology audit to determine the validity and necessity of each piece of technology as it pertains to the success of the sum of the parts, or in other words, the ability to execute against the organization's data strategy, is the first step in proving ROI on the technology investments.

CHALLENGE #8

PRACTICE ACCOUNTABLE DEMAND GENERATION



Will marketers find a way to improve the results of demand generation efforts? The average B2B marketing organization only converts 3% to 6% of leads into sales according to a recent benchmark study by Implit. Let's focus on that statistic for a moment- by looking at the inverse of the stats- if 3% to 6% of leads that the organization has deemed qualified then 94% to 97% aren't converting.

Organizations drive accountability and performance from their demand generation ecosystem by designing and implementing a best-in-class system of universal measurement in order to secure trust from the organization's leaders in the key performance indicators reported.

A never ending push and pull battle between sales and marketing inevitably causes marketing to cave in to sales never ending demand to hand off leads quickly which results in the passing to sales of premature leads of poor quality. And, of course, sales has the completely opposite perspective, which in the sales point of view is being asked by marketing to follow up on leads that aren't qualified, and don't exhibit the BANT criteria when those leads are called or visited. Practicing accountable demand generation means focusing on lead quality over lead quantity regardless of the "urgent" demand from sales to pass over more leads which simply exasperates sales when sales realizes that those leads aren't nearly qualified.

According to the 2015 Demand Gen Report Benchmark Study, 74% of respondents rank "focusing on lead quality over lead quantity" as being the most important demand generation goal for 2015."

Recently, KERN unveiled a "Best-in-class" Demand Generation Ecosystem: "The 8 Pillars of Demand Generation for Revenue Acceleration," which describes each of the 8 categories of demand generation that must be implemented to achieve best-practice demand generation.

A 24 page Executive Preview of the 8 Pillars of Demand Generation can be found [here](#).

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