The B²B Institute

2030

B2B TRENDS

Contrarian Ideas For The Next Decade

LinkedIn

Table of Contents

02 FOREWORD: MARKETING AS A MINDSET

04 ABOUT THE AUTHORS

05 INTRODUCING OUR 2030 B2B TRENDS

07 TREND 01:
THE WAR ON BRAND

- Brand Benefit #1: Short-Term Sales
- Brand Benefit #2: Long-Term Sales
- Brand Benefit #3: Pricing Power
- Brand Benefit #4: Category Optionality
- Brand Benefit #5: Competitive Moats
- Brand Benefit #6: Talent Acquisition

19 TREND 02:
BLOCKBUSTER MARKETING

- Creative Principle #1: Big Bets
- Creative Principle #2: Surprising Familiarity
- Creative Principle #3: Extreme Distinctiveness
- Creative Principle #4: Total Merchandising

31 TREND 03:
THE DEATH OF HYPER-TARGETING

- Hyper-Targeting Crime #1: Subprime Data
- Hyper-Targeting Crime #2: Changing Buying Networks
- Hyper-Targeting Crime #3: Multi-Dimensionality
- Hyper-Targeting Crime #4: Inherent Uncertainty
- Hyper-Targeting Crime #5: Imaginary Efficiencies

Foreword: Marketing As A Mindset


DIRECTOR OF THE B2B INSTITUTE
Jann Schwarz


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"It's hard to make predictions, especially about the future," Niels Bohr, the Danish Nobel laureate in physics, famously quipped. This is especially true today given the very strange times we are living through.

At The B2B Institute, we take this advice to heart when trying to determine the key trends that will shape the future of B2B marketing and decision making over the next decade. There is already an abundance of published opinion on how the pandemic changes everything, and we won't add to that in this paper. Instead, we want to focus on what has always been true and continues to be true – we step out of the present and look to the past to divine the future.

The core of our evolving thesis is captured by the three core trends included in this e-book. Taken together, they add up to a blueprint for reestablishing marketing as a discipline driving long-term business growth and strategic innovation for B2B companies.

But embracing this thinking in practice requires a big mental shift toward seeing marketing as a mindset for growth, not just as a tactic for customer acquisition. Why is it so difficult?

Incidentally, "Growth Mindset" is also the title of a very influential book (Mindset: The New Psychology of Success) by Stanford psychology professor Carol Dweck. Its simple and compelling mental model has shaped the thinking of business leaders such as Microsoft's Satya Nadella. People and teams with a growth mindset are in it for the joy of learning. They relish the ambiguity and temporary discomfort of being bad at something to get good at it over time—in an environment of abundant opportunity. This takes self-confidence, self-awareness and courage.

In contrast, those with a fixed mindset see the world as more zero-sum. They focus on innate ability, cling to their perceived status and expertise, and are fearful of being challenged and pushed outside their comfort zone. Self-limiting beliefs and a deterministic attitude tend to hold them back. As Dweck points out, this is not binary. Most of us have aspects of both growth and fixed mindsets within us, depending on the context or topic at hand.

Unfortunately, the discipline of B2B marketing seems to be suffering from a serious case of fixed mindset.

Most B2B marketers obsess about putting efficiency above all else and end up forsaking strategy for tactics. Why invest in costly long-term brand building when lead-gen software and ABM technologies provide the quick fix your sales colleagues are asking for? Why make big bold bets on creative content franchises that take patience and courage, if instead you can just throw stuff against the wall and quickly test and learn your way to success? Why "waste" impressions on broad reach when you can hyper-target exactly the people who make the buying decisions? As this e-book explains, you could try to focus on efficiency above all else. But you would be dead wrong.

To be fair, most other stakeholders in B2B businesses—across sales, product, finance and the c-suite—similarly have fixed-mindset blind spots and self-limiting beliefs about the tactical role of marketing that hold us marketers back from making a more strategic contribution.

But as our research partner Rory Sutherland wisely states: "The greatest opportunities exist where every significant actor in a market segment all share the same set of self-limiting assumptions." By that logic, it's never been a better time to be a B2B marketer. A growth mindset approach tells us it's up to us and that we, as individuals and organizations, can expand our horizons if we push ourselves outside of our comfort zones and can look beyond conventional marketing tactics.

We're excited to embark on this journey with you, challenge our assumptions and learn new things for the pure joy of learning.

▸ Visit **B2BInstitute.org** to read our research.

About The Authors

Peter Weinberg

Peter is a Global Lead at the B2B Institute, where he researches and develops contrarian marketing strategies designed to give LinkedIn's clients a competitive edge. Peter has spent the majority of his career at LinkedIn in a variety of sales and consulting roles. Prior to LinkedIn, Peter worked in creative planning at Dentsu and media planning at GroupM. Outside of LinkedIn, Peter is a profoundly unsuccessful science fiction novelist and a devoted Nintendo player. Peter was born, raised and will eventually die on the island of Manhattan in New York City.

Jon Lombardo

Jon is a Global Lead at the B2B Institute at LinkedIn, where he researches how marketing contributes to the creation of sizable and durable cash flows. Jon tries to bring an "outside-in" approach to marketing, looking to apply mental models from other disciplines—The Lindy Effect being a favorite—to marketing. Jon obsesses over "The Contrarian Matrix" and searches for contrarian and right ideas. Prior to LinkedIn, Jon led GE's Social Media Center of Excellence, where he focused on commercial efforts across major social platforms. Jon is "66% confident" in what he's written here.

Introducing Our 2030 B2B Trends


GLOBAL LEAD, THE B2B INSTITUTE
Peter Weinberg


GLOBAL LEAD, THE B2B INSTITUTE
Jon Lombardo

For the past five years, our team has tried to spot trends in B2B marketing. Every year, we release a new edition of our (beloved!) franchise "B2B Trends." But this year is different. 2020 has been one of the most difficult periods in modern history. The pandemic has thrown a cloud of uncertainty over the next 6-12 months. So this year, we've decided to take a different approach. This year, we've decided to look far ahead…to 2030.

In this report, we'll cover the three macro trends that will define the next 10 years of B2B marketing. The first trend will address the increasing importance of brand building. The second trend will explore creative strategies, and the final trend will cover distribution—the two building blocks of effective brand marketing.

All the ideas in this report share two important characteristics, which will become recurring themes in each section: durability and contrarianism.

The Most Profitable Ideas Are Durable Ideas

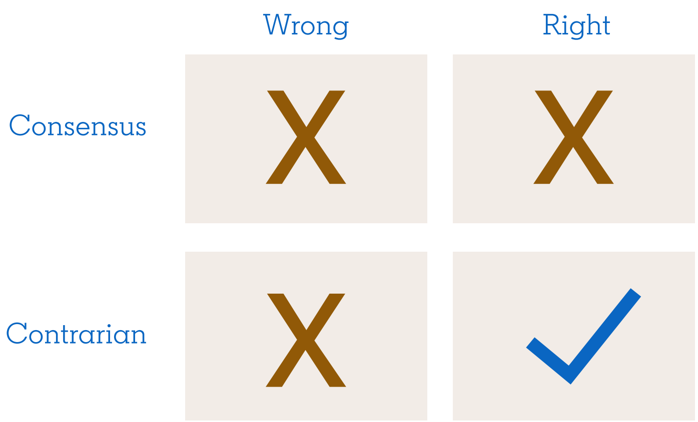
Although we're writing about the future, we must stress that these are not futuristic trends. Jeff Bezos, the founder of Amazon, often gets asked, "What will change over the next 10 years?" Bezos insists that it's the wrong question. The right question is, "What will not change over the next 10 years?" Bezos knows that in 10 years buyers will certainly still want cheaper prices and faster delivery, and he advises us to build businesses around trends that are, as he puts it, "stable in time."

We'll be taking that advice and focusing on the timeless strategies that have worked in the past and that we expect will work in the future. That's why we've conducted a meta-analysis of all our past B2B Trends to identify concepts that have withstood "the test of time". Old ideas that withstand the "test of time" are durable ideas. And in business, the most durable ideas are the most profitable ideas.

The Most Profitable Ideas Are Contrarian Ideas

You could, hypothetically, adopt all of these trends today. That said, you probably won't. Why? Because these trends are contrarian. Here we must reference our favorite mental model in all of business: the Contrarian Matrix, pictured here.

The Contrarian Matrix



Source: Howard Marks

In any decision you make in life, you can be right or wrong and you can be either contrarian or consensus. In other words, you can do what everyone is doing (consensus) or you can do what no one is doing (contrarian). Now if you're wrong, it doesn't really matter if you're with the crowd or against the crowd. In fact, it's particularly awkward to be contrarian and wrong because everyone hates you and you're wrong (trust us). That's why most people prefer to stay far away from contrarian ideas.

But the quadrants on the right are where it gets interesting...

Marketers often assume that making the right decisions will guarantee success. But if all of your competitors make the same exact decision, then you wind up with no competitive advantage and at that point, you might as well be wrong. The lesson is simple: you don't just want to be right. You want to be the only one who's right, so that you alone capture all the upside of the decision.

As of this writing in 2020, the ideas in this report are rarely put into practice. But by 2030, we believe all marketers will be following these best practices. By 2030, these trends will reflect consensus opinion, and the moment that happens, these ideas will offer much less of a competitive advantage. Fortune will favor the bold.

Our advice: search far and wide for ideas that are right, contrarian and durable.

Those are the ideas that matter.

TREND 01

The War On Brand

The Battle Between Brand Building And Sales Activation

TREND 01:
The War On Brand

What is the most interesting marketing idea of the past 10 years? If you ask us (and you have implicitly asked us, by reading this report), we would say it's *The Long and the Short of It*. In that seminal report, researchers Les Binet and Peter Field advanced a very simple, very useful and very contrarian idea…

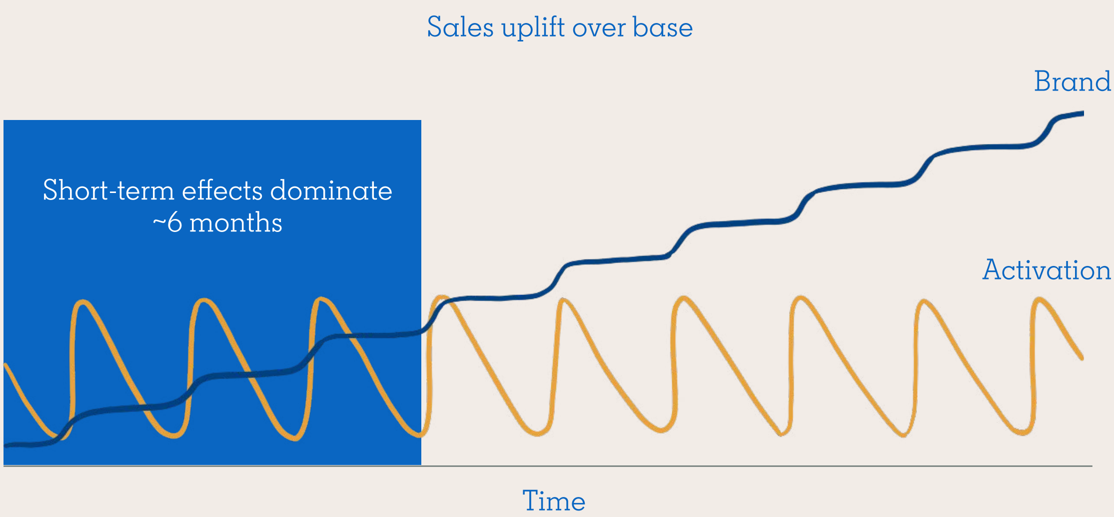
The idea that there are two types of marketing.

The first type of marketing is called sales activation. Sales activation delivers short-term growth. It increases sales right away, but the results decay quickly and its effectiveness doesn't increase over time.

The second type of marketing is called brand building. Brand building delivers long-term growth. It delivers some short-term lifts, but the true value of brand building is how it compounds over time and influences future sales from future buyers.

In B2B, we usually call sales activation "lead generation or "demand generation", but that's not an accurate description of how it works. Sales activation doesn't create demand; it just helps businesses capture the demand that already exists. Brand building is what actually generates demand, in both the long term and the short term.

There Are Two Types of Marketing: Short-Term Activation and Long-Term Branding



Source: 5 Principles Of Growth, The B2B Institute (2019)

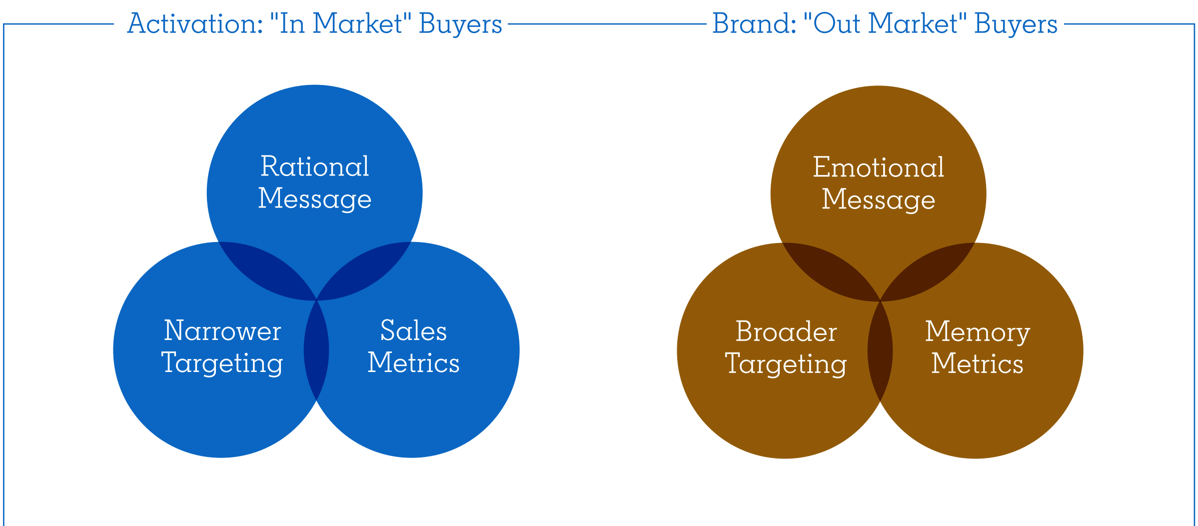
It makes sense to us that there are two types of marketing, because there are also two types of customers: in-market and out-of-market. In-market customers are ready to buy your product or solution right now. Out-of-market customers are not ready to buy today but will be ready to buy from you in six weeks, a year or ten years. Successful marketers harvest short-term demand from in-market customers, while building long-term demand among out-of-market customers.

Now, ultimately, you need both brand building and sales activation to grow a business. But as you can see in the breakout box below, you need to adopt different creative, distribution and measurement strategies for these two types of marketing. Conflating long and short is a mistake.

Brand Building = Long Term = Out-of-Market Customers

Activation = Short Term = In-Market Customers

What works in the short term is rarely what works in the long term, both in marketing and in life. In the short term, we would be happy eating Entenmann's crumb donuts for breakfast, lunch and dinner. But in the long term, this strategy would make us quite sick and quite sad. In the short term, slashing your marketing budget will increase your profits. In the long term, it is the road to ruin (just look at Kraft Heinz).



Source: 5 Principles Of Growth, The B2B Institute (2019)

Marketers need to balance long and short, brand and activation. Our own research with Binet and Field shows that in B2B, the optimal balance between brand and activation is a 50/50 split: 50% long-term brand, 50% short-term activation. That is how you maximize growth, according to our rigorous econometric analysis.

The Tide Is Turning In The War On Brand

50% brand, 50% activation. That sounds like a reasonable balance to us. But, unfortunately, the marketing industry disagrees. Marketing has become fundamentally unbalanced. For the past 10 years, we have been living through a vicious war on brand, a battle over budget and power. On one side stand the lead generation marketers, armed with performance data, promising cheaper leads by next week. On the other side stand the brand building marketers, clutching their brand impact reports, raving about brand love and brand advocates.

Imagine you are a CFO. One marketer comes in with a plan to deliver 10,000 leads for the sales department. The other marketer comes in with a plan to increase awareness by five points. Who do you think is going to get the money?

In a tragic irony, the lead generation marketers are much better at branding than the brand builders. Activation positions itself as performance marketing. Brand positions itself as arts and crafts. To quote the ever-quotable Rory Sutherland, “Talking to a finance director about brand iconography is like going to the head surgeon at St. Mary's Hospital and suggesting they trust in the healing power of crystals.”

It should come as no surprise that the brand builders are very much losing this war.

In our experience, the majority of LinkedIn campaigns are run on a cost-per-click (CPC) basis. But CPC is not a long-term brand building metric; it is a bottom-funnel direct-response metric (and a pretty poor one at that). According to a recent survey we conducted of over 4,000 B2B marketers, only 4% measure the impact of their campaigns beyond 6 months—even though Binet and Field show brand effects take at least 6 months to kick in.

Today Brand Marketers Are Losing the Budget Battle

4%

of B2B Marketers Measure Beyond 6 Months

75%

of B2B campaigns are "optimized" within the first two weeks.

Source: LinkedIn ROI Study

Consensus opinion says there is only one type of marketing, lead generation, and it's the only type of marketing that works. That is both consensus and wrong. Contrarian opinion says that there are two types of marketing and that brand building is the more effective strategy. That is contrarian and right. But it won't be contrarian forever…

That's right, the tide is turning in the war on brand. Slowly but surely, B2B marketers are beginning to realize that we have over-invested in lead generation tactics. Better arguments are starting to circulate throughout the industry that will help brand builders fight back against the inflated claims of performance marketers. There is a case for greater brand investment, and over the next 10 years that case will only grow stronger.

The Six Benefits Of Brand Building

We have chosen a side in the war on brand, and we are determined to see our side emerge victorious. We want marketers to invest at least 50% of their budget in brand building. And by 2030, we expect that balance to shift decisively toward brand.

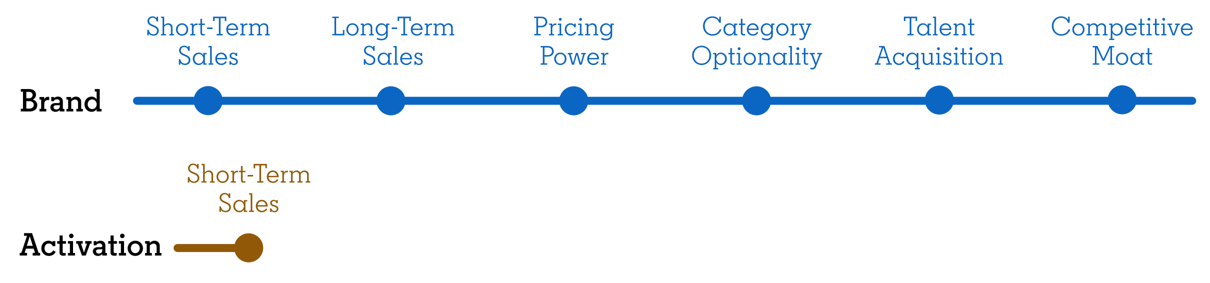
It's never a smart idea to be on the losing side of a war. If we are right, and brand is the future of marketing, then you should switch sides now for the good of your career. B2B brand builders will be the most in-demand marketers by 2030.

But for this fantasy to come true, we will need more persuasive arguments for brand. Financial arguments. Incontrovertible arguments that explain why investing in brand benefits everyone in the business. So, what might those arguments look like?

Well, as we see it, there is a fundamental asymmetry between brand and activation. Brand creates far more value than activation, once you zoom out and consider the holistic impact of marketing on a business.

Let's take a minute to compare the benefits of brand and activation.

Benefits of Brand and Activation



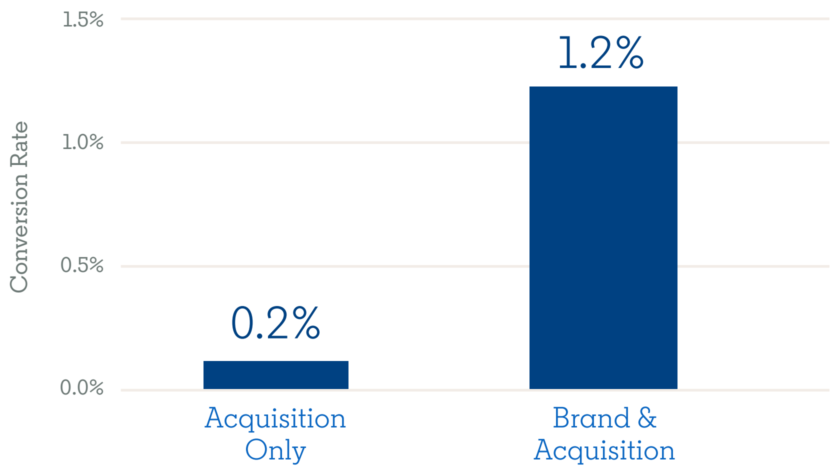
Let's break those brand benefits down one by one.

BRAND BENEFIT #1

Short-Term Sales

Brand building does have a positive effect on short-term sales, even if activation has a stronger effect. We are much more likely to buy from companies that we have heard of already. By priming potential buyers with brand messaging, you will find that your activation campaigns work much harder. Brand thus lowers activation costs, increasing its overall efficiency. If you don't believe us, try removing the brand name from your lead generation ads and see what happens to your CPAs…

Brand Improves Activation Performance Through Priming



Source: LinkedIn Internal Data

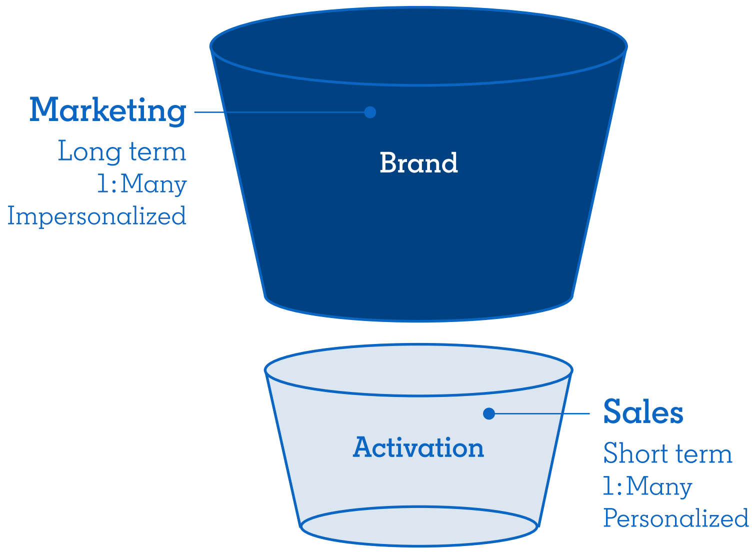
We see this clearly in our data. We have run experiments where we expose LinkedIn users to both brand and activation marketing, in isolation and in combination. Above is an example from a major credit card company. When users were served only activation marketing ("Sign Up For A Credit Card Now!" advertising), the conversation rate was a paltry 0.2%. When users were first exposed to brand marketing ("We Are A Credit Card Company!" advertising) and then activation marketing, the conversation rate increased to 1.2%. That is a 6X performance lift. Binet and Field have observed similar patterns. A brand campaign from British Telecom in the UK lowered acquisition costs by 17% and improved ROI 316%. You can and should test this for yourself.

It's also worth pointing out that in many B2B organizations, there is already a massive team focused on short-term sales—it's called the sales team! We believe there is an argument to be made that in B2B, your sales force is the bottom-of-the-funnel. In the future, we expect to see a cleaner division of labor, where marketing focuses on long-term growth and sales focuses on short-term growth. This strikes us a much healthier approach than the current dynamic, where both marketing and sales obsess over the same short-term deals and then bicker over who gets the credit.

Conflict arises when two groups want the same thing. As René Girard has famously explained, we fight because we are the same not because we are different. On both the geopolitical and corporate level, wars are usually fought over shared resources.

Maybe marketing and sales would fight less if we split the funnel in half.

A Cleaner Division Of Labor For Marketing/Sales



BRAND BENEFIT #2

Long-Term Sales

Perhaps the most compelling case for brand is that it has a powerful effect on long-term sales, whereas activation has essentially zero effect on future growth. And contrary to conventional wisdom, long-term sales are much more important than short-term sales for a few reasons.

First of all, there is much more money to be made in the long term than in the short term, especially in B2B. Let's say you sell cloud computing solutions. There's going to be relatively few customers looking to buy cloud right now in the next one to three months. There might be only 10 accounts in-market, and, sure, activation campaigns may help you win one of those accounts. Experts from the Ehrenberg-Bass Institute estimate that at any given time, only 5% to 10% of customers are in-market in a given category.

But there's going to be many more customers buying cloud over the next one to three years. Today there may be 10 accounts in-market, but within the next three years, there might be 100 accounts in-market, and brand campaigns will help you acquire those future customers. Brand creative is "sticky"—it builds lasting memory structures in the minds of future buyers, memories that are likely to be recalled when those out-of-market buyers become in-market buyers.

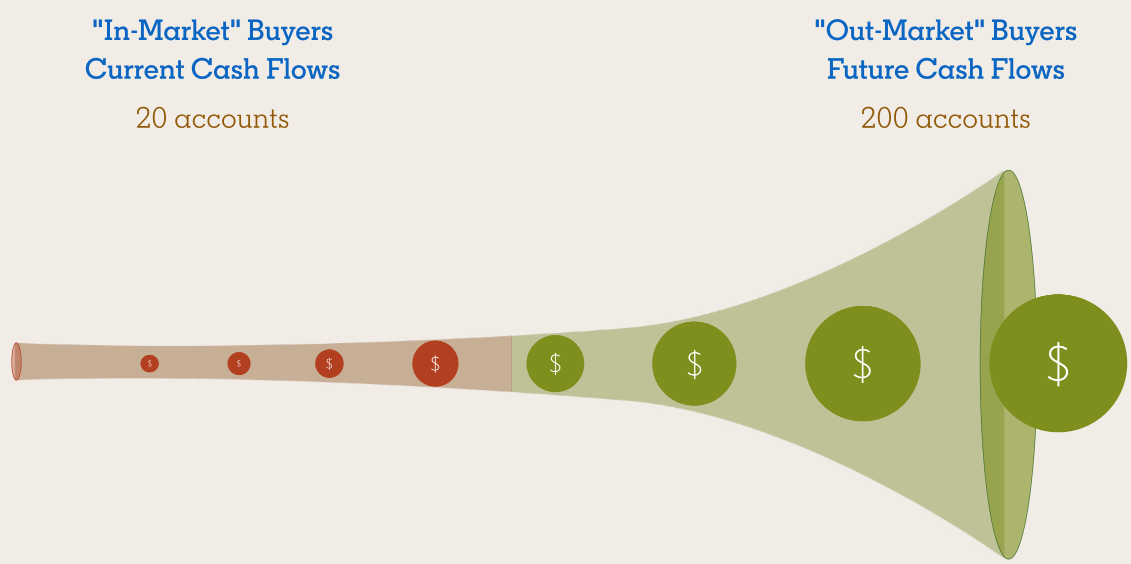
Now when we tell clients to focus on future sales, we always get the same reaction. "Sure, that sounds nice, but I could never convince our CFO to spend lots of money on deals that won't close for one or three years." Well, if that's true, you must not have a very good CFO (no offense). Good CFOs understand that businesses are valued not on current cash flows but on future cash flows. By some estimates, 80% of the value of your stock is based on sales 10+ years in the future. The smart money on Wall Street cares about durable, long-term growth, so you should too.

To win the war on brand, brand builders need to start evangelizing the benefits of long-term growth to internal stakeholders. And to help you do that, we've developed a (beautiful!) concept that we call The Cash Flow Funnel.

Behold The Cash Flow Funnel in all its glory!

The most popular mental model in marketing is top-of-funnel and bottom-of-funnel. But we think it'd be more helpful to flip the funnel on its side and think about growth over time. Instead of

The Cash Flow Funnel: Future Cash From Future Buyers



BRAND BENEFIT #2

Long-Term Sales, cont.

"top of funnel" versus "bottom of funnel," we should distinguish between in-market customers and out-of-market customers.

This is a more customer-centric take on the funnel. "Top-of-funnel" is marketing language that means nothing to a non-marketer. "Out-of-market" is business language grounded in the customer experience. And this funnel also maps much more closely to finance and how CFOs think. Out-of-market buyers deliver future cash flows, which is how companies are valued.

To recap all of this in simpler terms:

Sales Activation = In-Market Customers = Current Cash Flows
Brand Building = Out-of-Market Customers = Future Cash Flows

If you want more brand investment, build a cash flow funnel and share it with your CFO. Count your customers, count your cash flows and watch your budget grow.

BRAND BENEFIT #3

Pricing Power

In B2B marketing, all we seem to care about is driving more leads. We rarely stop to ask ourselves an important question: how much are those leads willing to pay for our products and services? We obsessively track our impact on sales and completely ignore our impact on price. But it turns out that increasing pricing is often a more profitable way to grow a business than increasing volume. In fact, decreasing price sensitivity might be the single most important effect of marketing.

As marketing academic Mark Ritson explains in his online Marketing Week Mini MBA program, there are four main levers of profitability in a business. You can increase sales volume and price, or you can decrease fixed and variable costs. And if you pull all of these levers, you'll find that none has a greater potential return than increased pricing. Increasing pricing by just 1% can lift profitability by 10%. Increasing sales volume by 1%, on the other hand, delivers only a 3% lift in profitability. That is the magic of pricing power.

Strong Brands Can Raise Prices

	Price	Sales volume	Fixed costs	Variable costs
Change	1% increase	1% increase	1% decrease	1% decrease
Profitability	10% increase	3% increase	2% increase	1% increase

Source: Mark Ritson, Mini MBA Program

Warren Buffet, the greatest investor of all time, says the single most important decision in evaluating a business is pricing power. Good businesses can increase their prices and gain more customers. Bad businesses can't. And what drives pricing power? Marketing—specifically brand marketing. Buyers are willing to pay premium prices for strong brands. This is why luxury marketers never run activation marketing. "Buy Now!" advertising cheapens the brand and weakens pricing power. Our research with Binet and Field shows that brand building becomes more and more important as businesses attempt to raise prices.

Common sense suggests that marketing is better at increasing prices than it is at increasing sales. Most B2B buyers have no idea what a product or service should cost and can be relatively insensitive to price—it's not their money, after all. You know you need graphic design services from Timmy's Design Shack and an ad won't convince you otherwise, but what's the right price? Ads from Timmy's Design Shack will signal the quality of their product and allow their sellers to anchor at higher price points.

According to our surveys, only 30% of B2B marketers believe that marketing has any effect on pricing. This is a travesty. It means marketers are underrepresenting their impact on the business, and it is one of many reasons why brand marketing has been neglected. In the olden days, the pricing function was part of marketing. That responsibility has since been stolen by the finance team. But even if we no longer set the prices, that doesn't mean we should forget our influence over prices.

The influence is real, whether you measure it or not. Start measuring it, please!

The **single most important decision** in evaluating a business is pricing power.

CHAIRMAN AND CEO OF BERKSHIRE HATHAWAY

Warren Buffet

BRAND BENEFIT #4

Category Optionality

Sooner or later, all categories die.

Horses get replaced by cars, telegraphs get replaced by telephones, cash gets replaced by credit cards. Some categories die faster than others (fashion dies fast; consumer staples die slow), but change is an inevitable process.

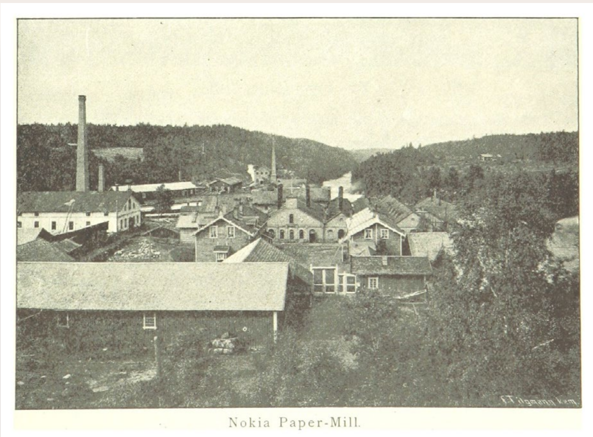
To use a science fiction metaphor, brands are like escape pods. Escape pods give you optionality—specifically, the option of not dying if your ship explodes. Well, when your category comes under attack and it's time to escape, a brand will allow you to flee to the safety of a new and growing category. History is littered with examples.

Nokia was founded in 1865 as a timber company. By the 1960s, it was a conglomerate selling "everything from toilet paper to car tires." In the 1980s and 1990s, it became a cellular phone company. The categories changed, but the brand didn't. In B2B, you have Microsoft, which successfully pivoted from Windows to the cloud, using the same brand that was known and trusted by IT departments the world over.

When your category dies, only your brand can save you.

Categories are mortal; brands are immortal.

Categories Die, Brands Are Forever



▲ Nokia Paper-Mill, 1894

Nokia Phone, 2019 ▶

BRAND BENEFIT #5

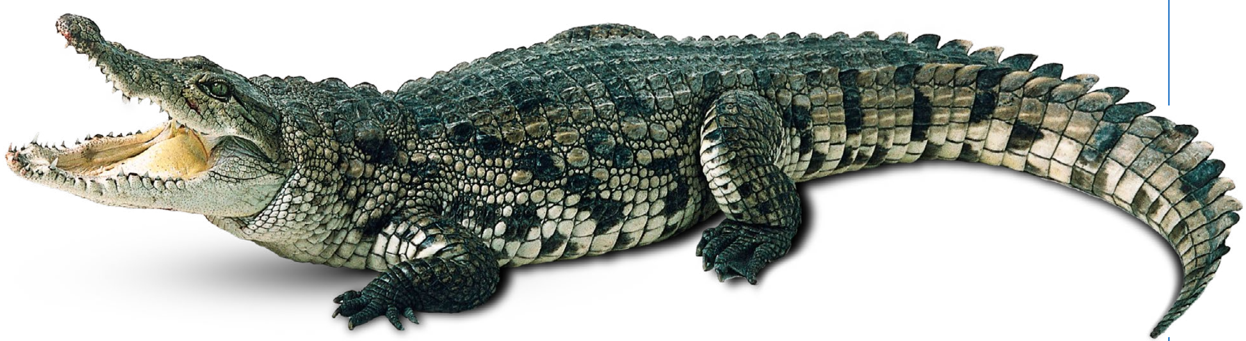
Competitive Moats

Now let's chat about one of the most under-discussed benefits of brand. Brand building is a competitive moat, to borrow another idea from our close personal friend Warren Buffett. Brands are legally protected trademarks. Brands cannot be copied. Pepsi cannot copy Coca-Cola's signature red color, scripted font, or distinctive bottle shape. Your brand codes or distinctive assets are ownable, in perpetuity.

Product benefits, on the other hand, are easily copied. And activation or lead generation marketing is even easier to copy. Every client we talk to has the same exact approach to lead generation: Put some forgettable product feature in an ad with a strong call to action, capture an email address, retarget that email list, push the leads to sales, close the deal…yadda, yadda, yadda. Activation effectiveness is driven by process, not creativity, and process is a very shallow moat.

Brand is a deep moat, filled with poisonous (!) alligators.

Brand-As-Alligator-Filled-Moat



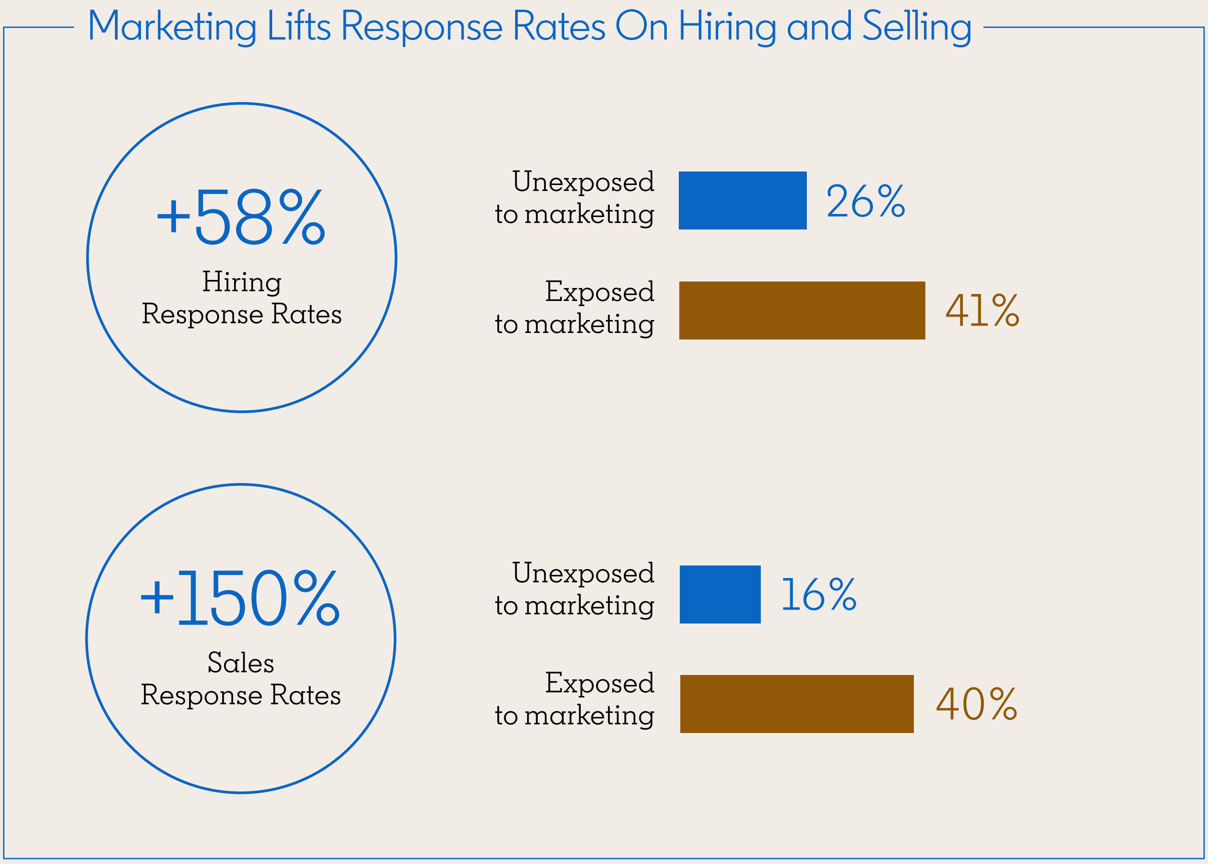
BRAND BENEFIT #6

Talent Acquisition

If there is a consistent theme here, it is that marketers are myopic. We measure the impact of marketing in a very limited, one-dimensional way. It either drives leads, or it's worthless. But the impact of marketing is broad and multi-dimensional. We need to measure our impact on long-term sales, on pricing power…and on talent.

Yes, talent. You know, the people who do all the work in the company. That's all a company is, after all, a network of people. And the better the people, the more successful the company. This should be a non-controversial claim. Most CEOs say talent is their "#1 priority."

Well, if talent is the CEO's #1 priority, maybe it shouldn't be a non-priority for marketers. Marketers rarely, if ever, measure their effect on talent acquisition and retention. But just like buyers prefer to buy from famous company, employees like to work for famous companies. Who do you think has an easier time attracting talent, Rick's Consulting Shack or McKinsey?



BRAND BENEFIT #6

Talent Acquisition

Again, the data supports this view. LinkedIn is an unusual platform in that it has many different use cases. Companies use LinkedIn for brand building, lead generation, social selling and talent acquisition. Recruiters are constantly sending InMail messages to potential employees. And if you expose those potential employees to brand messaging, your recruiters are much more likely to get a positive response. Brand increases response rates from 26% to 41%, a 58% lift.

Brand's effect on talent retention is equally underappreciated. On LinkedIn, you will often see professionals list in their headlines that they are "Ex-Apple, Ex-LinkedIn, Ex-Google." Even when employees leave the business, they still don't want to leave the brand. Strong brands attract better and cheaper talent, and they have an easier time retaining that talent over the long run.

BRAND BENEFIT #7

Meeting Receptiveness

If we're going to expand our horizons to include talent, why not expand even further? To put it simply, brands allow you to get meetings, and meetings are the lifeblood of all B2B businesses. Want buyers to take meetings with your sellers? Want partners to take meetings with your corporate development teams? Want CEOs to take meetings with your CEO? Well, everybody wants to meet with employees of famous brands.

Again, we see this in our data. When you expose buyers to brand marketing, their response rates to sales InMail messages increase 150%. If you don't believe us, go visit a market in which no one has heard of your brand and see how many meetings you get…

We once did events in two markets in the same week. In Market 1, LinkedIn was very well known. In Market 2, LinkedIn was totally unknown. In Market 1, about 500 clients came to see us speak about B2B Trends. In Market 2, three clients showed up.

If you have a strong brand, people pick up your calls and take your meetings.

If you have a weak brand, people send you straight to voicemail.

Lead Generation Won The Battle, But Brand Building Will Win The War

The 2010s brought brand building to the brink of defeat. With the rise of trackable digital channels, brand builders were forced into retreat. But the experts are fighting back. The IPA (Institute of Practitioners in Advertising) in the UK and the Ehrenberg-Bass Institute in Australia are storming the barricades, giving brand builders new ammunition to win back their share of the marketing budget.

To win this war, brand builders need to convince businesses to think more broadly about the benefits of marketing. Broadness is a critical idea in this report; broad thinking beats narrow thinking when it comes to strategy, creative and distribution.

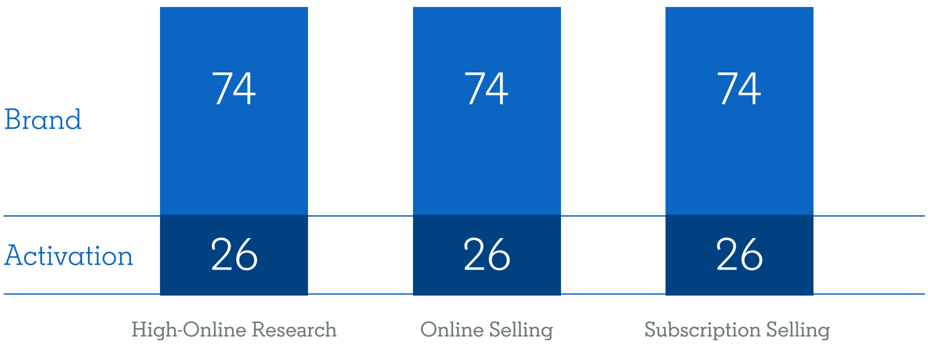
If you have a weak brand, **people send you straight to voicemail.**

If the only metric that matters is cost-per-lead, lead generation tactics will continue to gobble up the lion's share of the budget. But if businesses start tracking activation lifts, future cash flows, pricing power, category extensibility, talent acquisition costs and competitive pressures, the value of brand building becomes impossible to deny.

Over the next few years, we expect that B2B marketers will begin following the advice of Binet and Field, allocating 50% of their budget to long-term brand building and 50% to short-term sales activation. But by 2030, we expect the balance to tip decidedly in the direction of brand. Why are we so confident in this prediction?

Because Binet and Field have shown that as sales activation gets easier, brand building becomes more important. In categories with lots of online research, online buying and subscription services, growth is maximized when 74% of the budget goes to brand. Those three trends are all accelerating in B2B, which is why we expect brand to become more—not less—important over time. Once buyers manage their own buying process, what's the point of activation marketing? At that point, it makes sense to focus on brand, which will get you into more consideration sets.

As the Internet Makes Sales Easier, the Balance Starts to Shift to Brand.



Source: IPA Databank, 1998-2016 for-profit cases

Throughout the 2020s, we predict the industry will experience a Great Rebranding. Marketers will rediscover that brand building is the path to long-term growth. Brand building will reclaim the title it deserves: "Demand Generation" or maybe even "Performance Marketing." Our colleagues in demand generation will have to settle for something more prosaic, like "Demand Harvesting."

We look forward to celebrating with the brand builders on V-Day in 2030.

TREND 02

Blockbuster Marketing

For the Best Creative, Think Like Disney

TREND 02:
Blockbuster Marketing

Brands are valuable. If we haven't convinced you of that already, we should probably quit our jobs and retire to a tropical beach somewhere. On second thought, maybe we should do that anyway. Where were we? Oh yes, brands. How do you build a strong brand? It's easier said than done. What you need is very strong creative.

According to researchers, creativity is one of the most important variables in marketing success. Some would say it is the single most important variable and that strong creative can multiply the financial returns of a marketing campaign by 12X.

Factors Driving Advertising Profitability

Ranking	Factor	Profit
01	Brand Size & Share	18.00
02	Creative Execution	12.00
03	Geographic Budget Setting	5.00
04	Portfolio Budget Setting	3.00
05	Multi-Channel Campaign	2.50
06	Budget Setting across Variants	1.70
07	Cost & Product Seasonability	1.60
08	Product vs. Equity vs. Season	1.40
09	Laydown of Spend Over Time	1.15
10	Target Audience	1.10

Source: data2decisions

But what are the principles of great creative?

If you ask most B2B marketers, you will get a dismissive shrug or a raised eyebrow. Most of us seem to believe that creative is pure magic, lightning in a bottle. There are no rules governing its quality and marketers just have to get lucky.

We reject that position. Of course there is no formula for creativity and you cannot guarantee "good creative" over "bad creative." But there are probabilistic principles you can follow that will increase the likelihood of developing good creative.

What are those principles? Well, perhaps it makes sense to take a look at an industry that lives or dies on the quality of its creative: Hollywood. And because there is lots of variance within Hollywood, perhaps it makes more sense to look at a company that seems to have figured out how to consistently develop profitable creative.

You may have heard of this company. The company is called Disney.

We are obsessed with Disney and have spent five years analyzing its creative decisions and trying to convince marketers to follow in its mouse-shaped footsteps. So please allow us to share what we have learned over time.

Disney does not have a formula that guarantees successful creative. But it does have some core creative principles that substantially improve their odds. An algorithm, if you will. This algorithm works for Disney and it can work for B2B marketers:

Creative Success = (Big Bets) on **(Familiar Stories)** with **(Distinctive Styles)** in **(Every Channel)**

CREATIVE PRINCIPLE #1

Big Bets

When it comes to creative, B2B marketers love to test and learn. We are so afraid of creative flops that we attempt to de-risk the process by making lots of small bets. We assume that one of those small bets will pay off and make us successful. But this is a dangerous fallacy.

Small bets rarely pay off, especially when it comes to creative. The most persuasive proponent of this argument is Anita Elberse, a professor at Harvard Business School. In her must-read book, Blockbusters: Hit-Making, Risk-Taking, and the Big Business of Entertainment, Elberse explains that small bets are actually much riskier than big bets because small bets almost never break through in a hypercompetitive media environment. Big bets are much more likely to break through and generate big profits, which makes big bets safer than small bets.

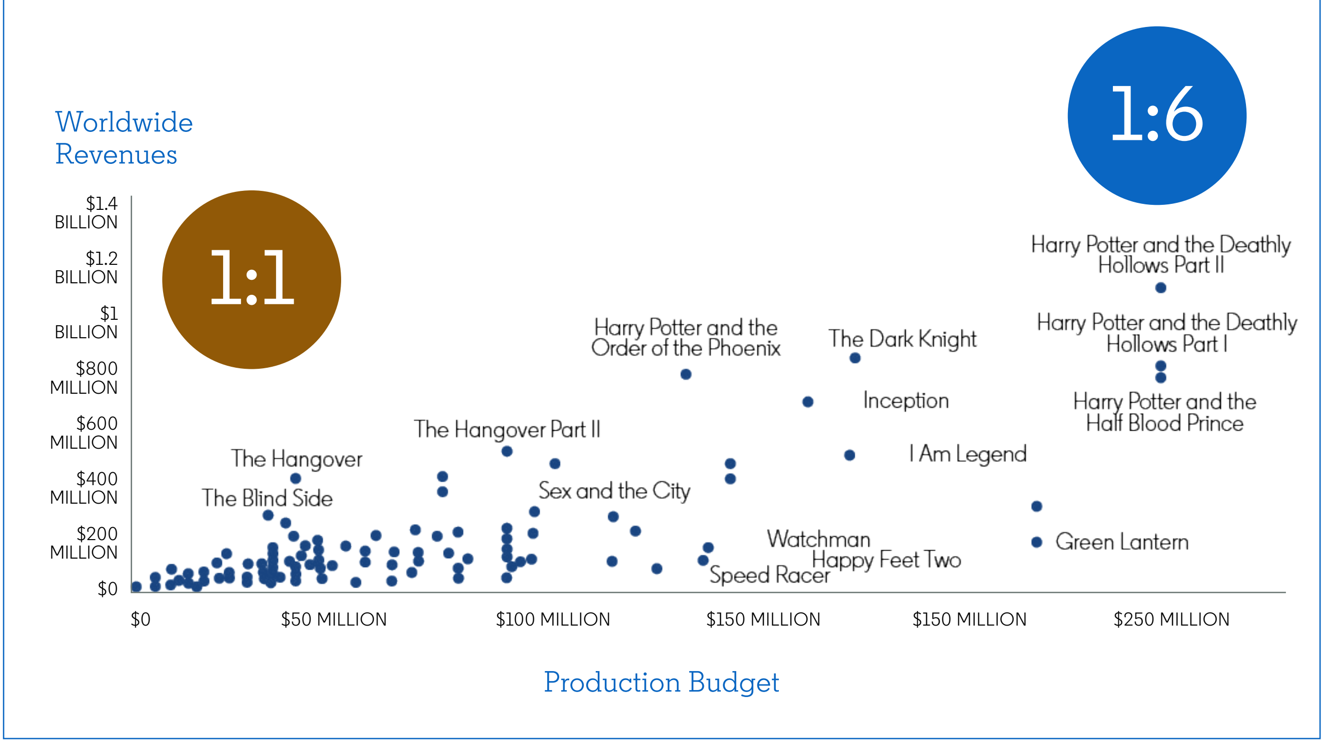
Don't believe us? Well, here's a fun story from Professor Elberse's book.

In markets that are increasingly competitive, **breaking through the vast media clutter requires enormous bets on blockbuster strategies.**

PROFESSOR OF BUSINESS ADMINISTRATION, HARVARD BUSINESS SCHOOL
Anita Elberse

The person who pioneered the “big bet” strategy is Alan Horn, the boss of Disney Studios, who legendary Disney CEO Bob Iger considers the single best hire of his career. In the mid-2000s, Horn ran Warner Brothers, which was in fourth place in the movie market. One day, he looked at the data (pictured below), and noticed that all the big returns for Warner Brothers came from its biggest bets—the movies that cost the most to develop. So he decided to break the bank and spend unthinkable sums of cash on movies like Harry Potter and The Dark Knight.

Small Bets Are Risky, Big Bets Are Profitable



Meanwhile, on the other side of Tinseltown, Jeff Zucker, the CEO of NBC Universal, decided to adopt the opposite strategy. NBC was in first place in the market, and Zucker believed making small distributed bets and managing the margins was the path to growth. Flash forward a few years and Warner Brothers had risen to first place, while NBC had fallen to fourth place. Horn got poached by Disney. Zucker got fired.

Horn had a simple but revolutionary insight. Consumers only see between four and six movies a year, and to de-risk that purchase, buyers choose movies with big stars, big effects and big budgets. Horn imported this strategy of fewer, bigger bets to Disney, which is now the most profitable studio in Hollywood history. And by 2010, this blockbuster strategy had gone from contrarian to consensus and every entertainment vertical from movies to books to music now follows the same formula.

Like the movie makers of the early 2000s, marketers face an extremely competitive media environment. By some estimates we see 5,000 ads a day, so the odds of breaking through the clutter are slim. The only way to break through today is to bet big, like Disney.

How Salesforce Bets Big

Salesforce is a B2B company that has adopted the Disney approach with great success and will be our case study throughout this trend.

Instead of making small distributed bets on lots of content, Salesforce pours enormous resources into big franchises like their "State Of Sales Report." This B2B blockbuster may cost a million dollars to develop, but it generates millions of dollars in profit, paying for itself many times over. And just like Disney movies are designed for massive audiences (children and grown-ups all over the world), Salesforce's content is designed for broad B2B audiences (anyone who works in sales). This is macro content for macro audiences, not micro content for micro audiences. It's impersonalized, not personalized.

We used to think this strategy only applied to thought leadership. But we now realize it is just as relevant at the top of the funnel when it comes to brand advertising. Salesforce has recently launched a lavish brand campaign that explains its business to potential buyers. Based on the production values and media placements, it is safe to assume that this campaign was a massive bet, and big bets are more likely to break through.

Most marketers would rather spend $1 on a million different ads. We think you would be much better off spending $1,000,000 on a single ad. A $1 ad is not going to have big stars and big effects. A $1MM ad will. If you're not spending at least 50% of your budget on a single creative idea, you are not betting big enough.

The truth is that marketers don't usually learn much from their tests because the tests fail to replicate. What works at a small scale with small numbers rarely works at a big scale with big numbers. Scale matters. "Test" shouldn't mean "small." Take some inspiration from the scientists at CERN, the European Organization for Nuclear Research. Physicists who wanted to prove the existence of the Higgs boson particle did not run a small test. Instead, physicists built the Large Hadron Collider, which cost $10 billion to build and runs for 17 miles beneath France and Switzerland. The bigger the test, the more reliable the results.

"Test and learn" is consensus and wrong. "Betting big" is contrarian and right. When you are fortunate enough to find an idea that is contrarian and right, you need to bet big on it. There's a reason it's called "The Big Short" and not "The Small Short."

CREATIVE PRINCIPLE #2

Surprising Familiarity

Ok, so you need to bet big. But what do you bet big on? Well, let's take a look at the top grossing movies of all time, most of which came from Disney Studios.

Sequels and Prequels Make the Most Money

Avengers: Endgame	$2,797,800,564	2019
Avatar	$2,790,439,000	2009
Titanic	$2,194,439,542	1997
Star Wars: The Force Awakens	$2,068,223,624	2015
Avengers: Infinity War	$2,048,359,754	2018
Jurassic World	$1,671,713,208	2015
The Lion King	$1,656,713,208	2019
The Avengers	$1,518,812,988	2012
Furious 7	$1,516,045,911	2015
Frozen II	$1,448,857,524	2019

Source: data2decisions

What do you notice about the list? Sequels, prequels, remakes. Lots of Star Wars, lots of Marvel. Disney focuses on familiar franchises—old creative from the back catalog that everyone already knows. The success of this strategy is best explained by another must-read book: Hit Makers: The Science of Popularity in an Age of Distraction by Derek Thompson.

As Thompson explains, people like things they've seen before. Psychologists call this the mere-exposure effect and it's an evolutionary adaptation. Cavemen could trust familiar foods and animals. If the berry didn't kill you last time, it must be safe this time. That said, humans also crave novelty, otherwise our big brains get bored.

As a general rule, humans prefer experiences that are "surprisingly familiar." We like interesting combinations of new and old ideas, which is why Henry Ford called his automobile the "horseless carriage," a surprising spin on a familiar technology.

New Isn't What Sells: Tropicana's Billion Dollar Mistake

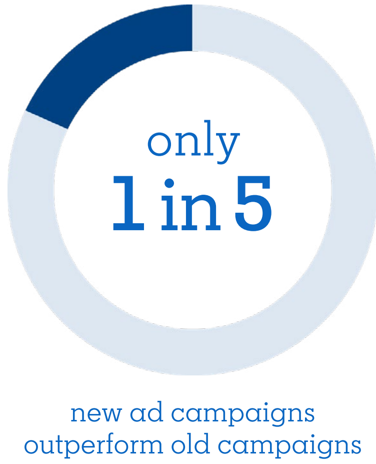


Fig 1. Source: The Branding Journal, "What To Learn From Tropicano's Redesign Failure"
Fig 2. Source: The Drum, "Why Research Shows You're Better Off With Your Existing Ad Campaign"

Marketers are obsessed with newness. We want never-been-done-before ideas. Most CMOs begin their tenure by scrapping the old creative campaign and launching a new one. This tends to be a catastrophic mistake and an enormous waste of money. Stick with your old, familiar creative. Any change to the brand needs to be incremental. Evolution, not revolution. Otherwise you wind up like Tropicana, a brand that lost $100 million in a few weeks when a marketer decided to revolutionize its packaging.

Salesforce's Familiar Franchises

Again, look at Salesforce. It has been developing that "State of Sales" report every year since 2015. It's a sequel, and every new edition gets to capitalize on the equity of the old edition. It contains some new information every year, but it's mostly the same (aka surprisingly familiar). The new brand campaign from Salesforce features the same strange racoon character (?) that appears in all of the previous Salesforce creative. This is how you de-risk your big bets over time—by betting on what's worked in the past.

Honestly, it's tough to find more B2B examples because most of us are changing our tagline every quarter. One of our clients has a wall in their office listing all their taglines over the past 50 years. We consider that a wall of shame. At companies like MasterCard, Nike or DeBeers—you know, the world's most famous brands—that wall could not exist. The most successful brand campaigns, from "Priceless" to "Just Do It" to "Diamonds Are Forever," have been running for decades, not quarters.

The goal of brand marketing is to build and refresh memory structures in the minds of future buyers. And repetition is the key to memory. When it comes to creative, marketers should avoid change and bet big on ideas that are surprisingly familiar.

CREATIVE PRINCIPLE #3

Extreme Distinctiveness

Disney bets big on familiar franchises.

But there's a third principle at Disney that marketers need to apply to their own efforts: extreme distinctiveness. Take a look at the below image from Walt Disney Animation Studios. Do you notice anything interesting?

From left to right: Ratatouille (2007), The Incredibles (2004), Up (2009), Toy Story (1995)

Disney has a distinctive style, employed in every single one of their animated movies from 1937 to 2009, and in every Pixar CGI movie from Toy Story to Onward, their newest hit. When you see this style, in an ad or on a toy, you know it's from Disney. Star Wars and Marvel also have their own distinctive style. When you see an X-wing, you know you are in the Star Wars universe, not the Star Trek universe. When you see Iron Man, you know you are in the Marvel universe, not the DC universe. These distinctive assets are powerful branding tools that cannot be copied.

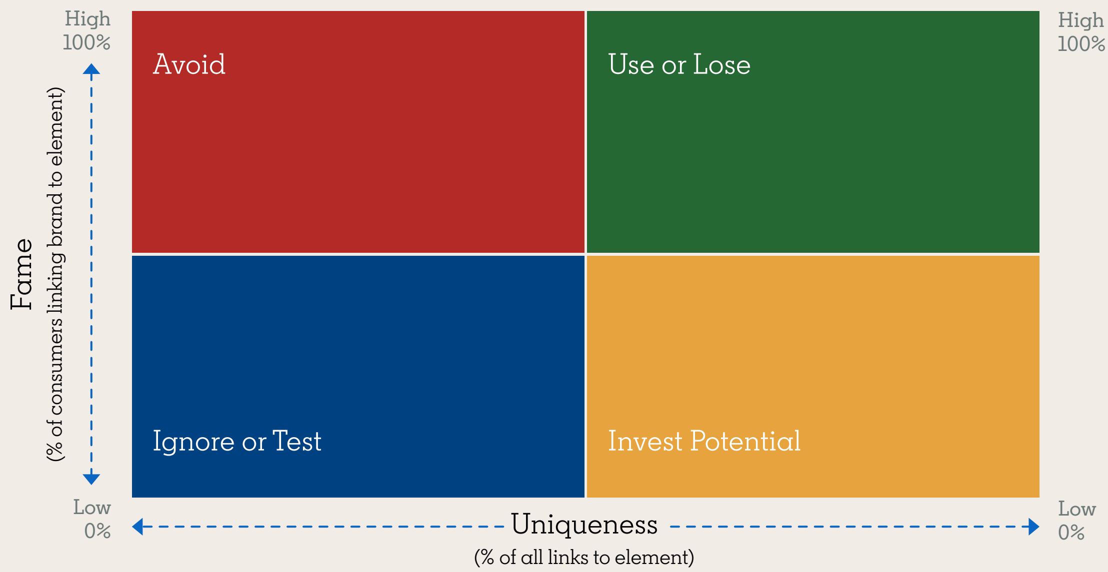
Marketers need to do a much better job of employing their own distinctive assets in their creative. The world's foremost expert in this topic is Professor Jenni Romaniuk, author of Building Distinctive Brand Assets and How Brands Grow Part 2. Romaniuk explains that without distinctive assets, consumers fail to link the creative execution with the brand. And as she often says, no matter how you think advertising works, it can't work if the ad doesn't get attributed to your company. If EY runs a terrific account services ad but no one remembers that the ad came from EY, those EY marketers have created zero value.

Every brand has at least two distinctive assets: their name and their logo. Successful brands like GEICO have many distinctive assets (the gecko and their "15 minutes could save you 15% or more..." tagline), which immediately link any creative execution to the brand. Romaniuk has a wonderful matrix, pictured below, that explains how to measure and manage distinctive assets over time.

The Distinctive Asset Matrix

Find assets that are unique to you (not your competitors) and famous (known to all buyers in the category). And put those assets on every single ad. Salesforce does this very well, with their distinctive cartoonish style and their lineup of characters (the racoon child, Albert Einstein, the bear in the cute T-shirt). Remember that distinctive assets don't need to make sense (the GEICO gecko has nothing to do with car insurance; the racoon child has nothing to do with CRM). In fact, the more nonsensical the better. Repetition builds memory, but so does being weird and unexpected. You remember strange experiences and forget generic ones.

Leverage Distinctive Brand Assets: How Will Buyers Know It's Your Ad?



B2B brands are absolutely atrocious at all of this. Most of the ads we see from clients don't even have their logo on the ad, and they often rely on generic stock imagery of businesspeople shaking hands. This is almost guaranteed to confuse the customer. Brands like Absolut and Ferrari are impossible to confuse with competitors, even if you try—as you can see in the fun example below.

You can be confused for a competitor, or you can be distinctive like Disney.

CREATIVE PRINCIPLE #4

Total Merchandising

And finally, we come to the last creative principle: total merchandising. This, in our opinion, is where Disney's genius becomes most apparent. Disney bets big on familiar franchises in a distinctive style. But then it takes those big bets and distributes them everywhere.

We'll use Star Wars as an example here. For Disney, Star Wars is not just a profitable movie franchise. Star Wars' intellectual property gets extended into every conceivable format. Star Wars is a video game, a lunch box, an action figure, a ride at Disney World. When new formats emerge, like drones or virtual reality, Disney just takes existing creative and monetizes it in new channels.

Every Disney asset markets every other Disney asset. Star Wars: The Rise of Skywalker is an ad for The Mandalorian, which is an ad for Star Wars: Galaxy's Edge at Disney World, which is an ad for all of Disney's merchandise. This approach creates an awe-inspiring flywheel of money and allows Disney to squeeze every cent of value out of every creative asset it owns. Walt Disney himself developed this strategy all the way back in the 1920s, and some would say it is the secret of their success.

You can be confused for a competitor, or you can **be distinctive** like Disney.

Salesforce's Total Merchandising

Marketers like to develop bespoke creative for different channels. Instead, we need to focus on extensibility and reuse the same creative everywhere. This will decrease your creative production costs and increase your creative effectiveness. Again, look at Salesforce, which uses the same creative execution on television, in its thought leadership, on digital channels like LinkedIn and at Dreamforce.

If You Want To Monetize Creativity, Model Yourself After Disney

When done right, breakthrough creative can generate sustainable profits and create enormous efficiencies for marketers. Best-in-class creative pays for itself many times over. But as we've learned from Disney, developing excellent creative is a skill, not a miracle. Disney's creative principles could be reduced down to the simple algorithm we looked at before.

Creative Success = **(Big Bets)** On **(Familiar Stories)** With **(Distinctive Styles)** In **(Every Channel)**

Disney's algorithm won't guarantee you success, but it will improve your odds.

TREND 03

The Death of Hyper-Targeting

Correcting The Greatest Media Mistake Of The Past Decade

TREND 03:
The Death Of Hyper-Targeting

So many questionable trends have emerged in marketing over the past 10 years.

- **Personalization.**
- **Loyalty marketing.**
- **Real-time content.**
- **Click-through rates.**

But of the many, many missteps in our industry, the biggest mistake, by far, has been our maniacal focus on hyper-targeting.

We have talked about the importance of brand and the principles of breakthrough creative. Now let's talk about distribution and how you get that creative in front of customers. Most B2B marketers believe the key to distribution success is hypertargeting that reaches the "right" B2B buyer, whether that's a CEO of a Fortune 50 company or an airplane procurement manager. Our research shows that 68% of B2B marketers believe hyper-targeting is more effective than broad targeting.

But we believe that hyper-targeting is consensus and wrong.

Category targeting is contrarian and right.

Please allow us to present to you, the jury, the five crimes of hyper-targeting:

01 Subprime Data

02 Changing Buying Networks

03 Multi-Dimensionality

04 Inherent Uncertainty

05 Imaginary Efficiencies

What we hope to demonstrate is that hyper-targeting is based on a series of assumptions—and assumptions are dangerous. As a general rule, the more assumptions we make, the more likely we are to be wrong. In a fascinating thought experiment, Shane Parrish explains the math behind that rule. If each variable in an assumption has a 99% chance of being true, an assumption based on three variables is 3% likely to be wrong. An assumption based on 30 variables is nine times more likely to be wrong (26%).

Hyper-targeting assumes too much. That is the crux of our argument. And once we finish prosecuting our case, let us make an impassioned plea for a much more effective approach to B2B targeting, an approach that we call "Reach Maximalism."

HYPER-TARGETING CRIME #1

Subprime Data

Let's start with the most obvious plot hole in the hyper-targeting narrative.

Hyper-targeting assumes that marketers have extremely accurate and extremely granular data on B2B buyers. But all available evidence suggests that is a very, very unsafe assumption.

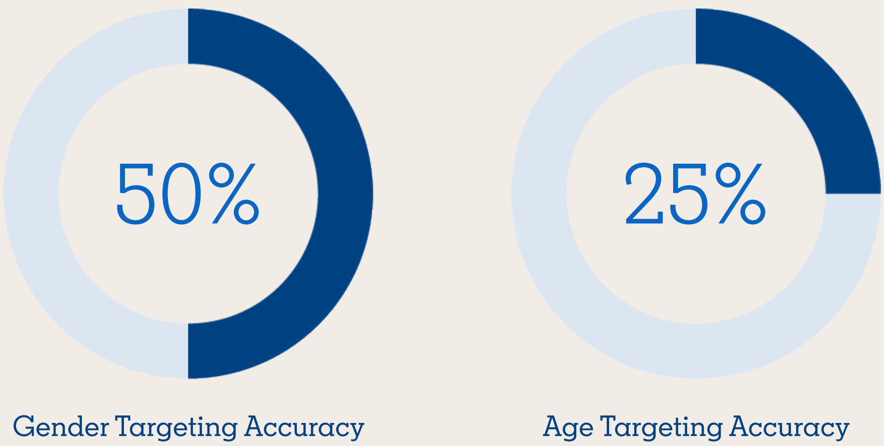
Most hyper-targeting efforts in B2B are powered by third-party data. B2B marketers infer who customers are based on their browsing behavior or purchase obscurely-sourced data from obscurely-named brokers. But how good is that underlying data? Spoiler alert: it's bad.

Most 3rd party data is not so great, to put it mildly. In a recent academic study from MIT, Melbourne Business School and GroupM, researchers decided to test the accuracy of third-party data. So, how accurate is gender targeting? It's accurate 50% of the time. In other words, marketers would be better off flipping a coin. How accurate is age targeting? It's accurate 25% of the time. And those are the most accurate targeting facets available to marketers running in programmatic channels.

As a general rule, the more niche you go, the less accurate the data becomes…yet another example of how broad beats narrow. Gender is broader than age ranges, which is why it is more accurate. As far as we know, no one has ever tested the accuracy of third-party B2B data. But if age targeting is 25% accurate, we would guestimate the accuracy of "IT Decision Maker" targeting is…5%?

Don't assume the data is good. Assume it's bad.

Accuracy of Third-Party Data



Source: MIT, Melbourne Business School and GroupM

HYPER-TARGETING CRIME #2

Changing Buying Networks

OK, but not all data is bad data.

Sure, most third-party data is comically inaccurate, but what about first-party data? Some platforms offer marketers first-party data based on self-identified customer profiles. We are proud to work at one of those platforms (sorry, couldn't resist).

Many marketers use LinkedIn to hyper-target CEOs, and sure, you can reach those CEOs with a high degree of accuracy on our platform. You can even target airplane procurement managers on LinkedIn, if that's what your heart desires.

But just because you can doesn't mean you should. Why?

B2B buyers are extremely risk-averse and prone to defensive decision making.

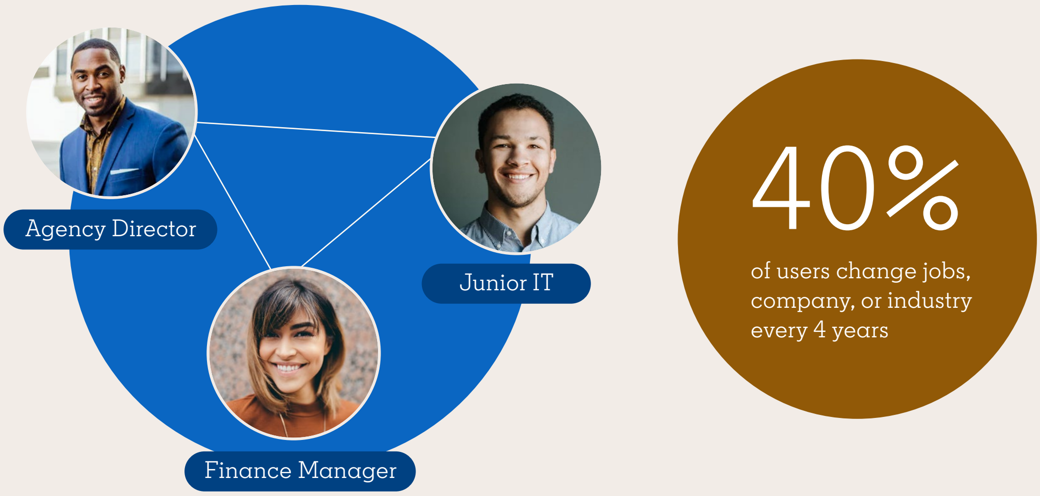
Because in B2B, buying decisions are made not by individuals, but by networks (or committees). And the bigger the decision, the bigger the network. A procurement manager can't sign off on a $25 million airplane contract without consulting finance, legal, product, engineering, sales and even the CEO. Ads hyper-targeted to procurement managers will never reach those stakeholders, and you need to build consensus within the buying network. B2B buyers are extremely risk-averse and prone to defensive decision making. Brands de-risk decisions by giving buyers safe choices that won't invite any criticism. Hence that old cliché, "Nobody ever got fired for buying IBM." But that only works if everyone in the buying network is familiar with the brand.

And the buying network isn't just large—it's changing all the time.

New professionals are coming in and out of the network at random. People change jobs. People change companies. People change industries. That's a very obvious insight with profound implications for B2B marketers.

That procurement manager who will sign off on future deals? Well, today she works somewhere else. She may not join your target account for three months or for three years. She may work for a different airline or in an entirely different industry. If you want to reach future buyers, you'll need to broaden your targeting.

Buying Networks: The "Committee" Grows and Changes



Source: LinkedIn Internal Data

We see this clearly in our data. At LinkedIn, we probably have the best career pathing data on the planet. And our data tells us that every four years, around 40% of LinkedIn members change their industry, seniority, function and company size. The best way to catch a moving target is to cast a wide net across many seniorities, functions and industries.

In short, hyper-targeting assumes there is a single buyer when there is actually a network. And it assumes the network is stable, when it's actually changing. Hyper-targeting ignores future buying networks, which imperils future cash flows.

HYPER-TARGETING CRIME #3

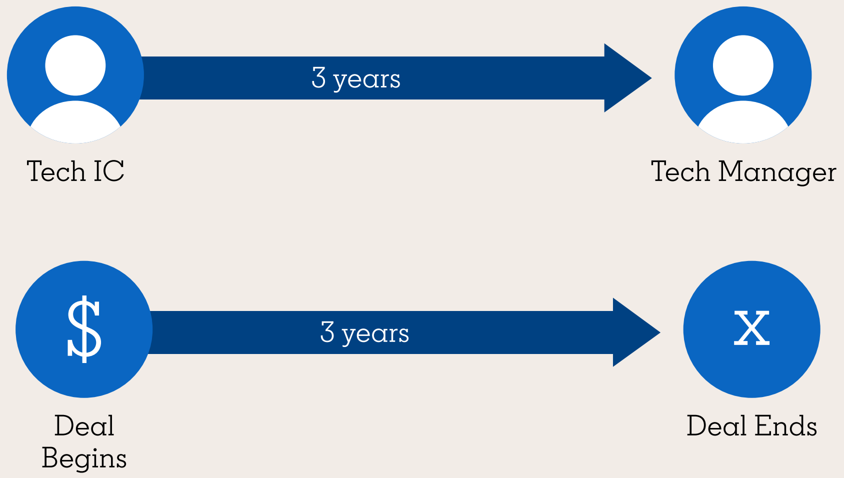
Multi-Dimensionality

We already touched upon this idea in Trend #1, so we'll keep it brief: buyers are not the only valuable audiences to a business. Potential employees, potential partners, potential investors, potential regulators…these are all extremely valuable audiences worth reaching. If you want to hire—and retain—talented employees, get meetings with big buyers and attract great partners, you need to reach all those folks.

Hyper-targeting assumes that a single B2B decisionmaker is the only valuable audience. That assumption is wrong. You need to think broadly about value, which means you need to think broadly about audiences, which calls for…

You guessed it, broad targeting.

Junior Buyers Will Be Making The Decisions Tomorrow



HYPER-TARGETING CRIME #4

Inherent Uncertainty

Hyper-targeting assumes a level of predictability that does not exist in the real world. The real world is dizzyingly complex and chaotic. Hyper-targeting assumes you know exactly who your buyer is in the first place. But the truth is, you don't.

As we mentioned, buying networks change over time. Some of that change is predictable. Brain surgeons, for example, rarely become IT managers. Junior IT professionals, on the other hand, often become IT managers (30% get promoted in less than three years, according to our data). If you're marketing IT services, it makes sense to target junior IT professionals and not neurosurgeons. That's a safe assumption, especially when you consider that sales cycles often span several years.

But so much of B2B buying is unpredictable. You may know that IT professionals are potential customers, but do you really know exactly which IT professionals will buy from you? Most B2B marketers would answer in the affirmative. We run elaborate segmentation experiments and convince ourselves that IT professionals at insurance companies with 10,000 employees are more likely to become customers than IT professionals at small biotechnology companies. With the rise of account-based marketing, many clients now think they know exactly which five companies to reach.

We believe that clients are grossly overconfident in their ability to identify the right customers at the right time. Just like 95% of the universe is dark matter, the vast majority of what buyers do is dark behavior that's not trackable, so even the best data will give you an incomplete understanding of reality. We know broadly speaking who will buy, but that's all we know. Embrace uncertainty; it's hard-coded into the universe.

HYPER-TARGETING CRIME #5

Imaginary Efficiencies

Perhaps the simplest argument against hyper-targeting is the math argument. Hyper-targeting almost always increases media costs. The CPCs and CPMs are much higher for hyper-targeted segments than it is for broadly targeted segments. As a result, the "efficiencies" of hyper-targeting get cancelled out by its costs.

Look at the chart below. You can fiddle with the underlying assumptions, but we think what you'll find is that even when factoring in a decent amount of wastage, broadly targeted media allows you to reach more of the right buyers at a better price point.

You can go too broad at a certain point, but that point is higher than you think.

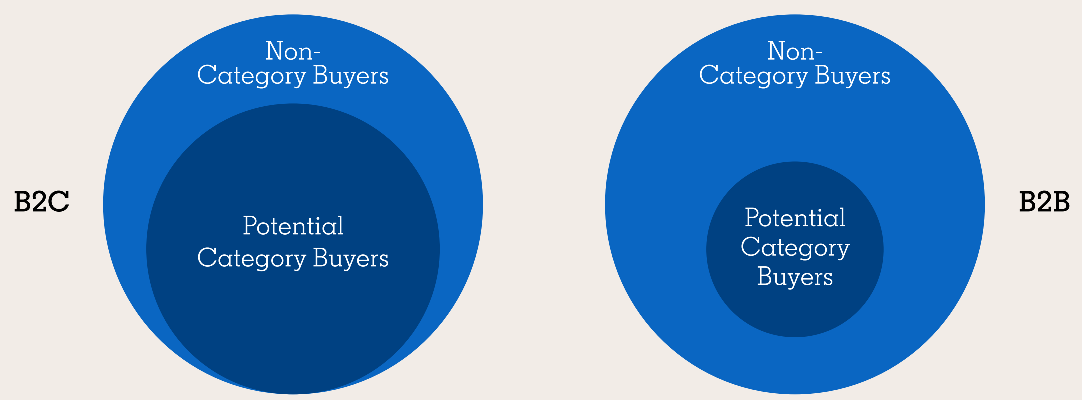
	Spend	CPM	Impressions	Action Rate	Actions	Wastage	Qualified Actions	CPA
No Targeting	$25,000	$5.00	5,000,000	0.10%	5,000	70%	1,500	$16.67
Broad Targeting	$25,000	$15.00	1,666,667	0.15%	2,500	30%	1,750	$14.29
Hyper Targeting	$25,000	$45.00	555,556	0.20%	1,111	0%	[No Waste]	$22.50

The Solution: "Category Reach" And "Reach Maximalism"

You might assume based on this long and winding rant that we are completely against targeting. But you would be wrong! We believe in broad targeting.

"Broad targeting" does not mean "no targeting." B2B still requires some targeting, even after accounting for change over time among all potential stakeholders (like employees and partners). Targeting everyone on Earth makes sense for B2C brands like Colgate, which sell to anyone with teeth. But it would be extremely inefficient for B2B brands like Deloitte, which sell to a more targeted audience.

In B2C, Target Everyone. In B2B, Target The Category



The solution is what we call "Category Reach."

You need to reach all potential buyers of the category. Anyone who could buy from you today and in the future, and nonbuying audiences that might work with you in other ways. In other words, don't use LinkedIn to hyper-target CMOs. Use LinkedIn to identify and reach all audiences that have a chance of influencing marketing decisions.

OK, sweet, but how many potential buyers should you reach?

The short answer: as many as you can.

Despite all the buzz around hyper-targeting and personalization, it's worth remembering that reach is, and always has been, the single greatest predictor of advertising success. The tight causal relationship between a brand's share of voice and its share of market has been known for 40 years. And we have replicated those findings for B2B, showing that a 10% eSOV (the difference between your market share and share of voice) gets you 1% back in market share growth.

You cannot influence the buyer if you don't reach the buyer, and you cannot grow if you don't reach more customers than you already have. Those are safe assumptions.

Reach matters, in B2B and in B2C.

Minimalists say that less is more. Maximalists say that more is more. When it comes to reaching category buyers, more is more. That is "Reach Maximalism," and the evidence suggests it is much more likely to generate growth than hyper-targeting.

Now let's attempt to boil all of this down into a pithy one-liner…

Go big or get small.

Category Reach Is The Single Greatest Predictor of Sales

Source: IPA Databank, 1998-2008 Census

Best Wishes for 2030

We are contrarians, but we are also optimists. We believe that most of what the marketing industry does today is wrong. But we are confident that tomorrow we will be doing what's right. There is a Darwinian dimension to business progress. Businesses that do what works will survive, and those that stick with failing strategies will perish.

2020 has been a profoundly difficult year for marketers all over the world. The pressure to perform is stronger than ever. But with this crisis comes a rare opportunity to rethink the B2B marketing models of the past. We hope we've given you some inspiration.

The future of marketing is bright, and the future of marketing is brand. In 2030, we believe B2B marketers will adopt a broader definition of "value" and begin investing the majority of their budgets in brand. To build strong brands, marketers will have to follow the creative principles that work for Disney, betting big on distinctive franchises that come to life in every conceivable channel. We will distribute those franchises to broad audiences using broad targeting that is based only on safe assumptions.

That is the future we want and the future we hope to build here at The B2B Institute. If you would like to join us on our noble quest, please reach out. We're working with clients around the world to put these ideas into practice and change the consensus.

Invest in durable ideas. Invest in contrarian ideas. Invest in brand.

GLOBAL LEAD, THE B2B INSTITUTE

Peter Weinberg

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Jon Lombardo

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