

## SINK OR SWIM?

### The case for Business to Business marketing communications.

*Recently I was watching my son learn to swim. As I watched over consecutive Saturday mornings I saw my son's fear turn to confidence.*

*Finally, one day he took off the armbands and didn't sink – he swam. What was amazing for me was the realisation that at some deep level my son had changed his concept of water from a position where water is actively trying to make him sink – and consequently does – to a position where he believes that water makes him float – and consequently does. For all the lessons, learning to swim is ultimately an act of faith.*

*I suddenly realised that learning to swim involves changing our attitudes, beliefs and skills; the properties of water do not change. It seems obvious but our relationship to marketing communications is like my son's relationship to water; if we always believe that marketing communications is a cost – strangely it is. Conversely, if we believe that marketing communications is an investment – we get a return.*

Evolving and converging Business to Business markets are becoming increasingly crowded, with competitors claiming multiple competencies and indistinguishable "total solutions packages". Irrespective of the relative merits of each competing offering, it is a fact that there will be growing confusion and frustration among customers presented with indistinguishable claims. Given this changing landscape it's a fact that marketing communications will play a greater role in Business to Business success.

#### Attitude

In Business to Business sectors, marketing communications often plays a supporting role. It is the department that makes the programmes, organises the events and keeps the sales brochures up to date.

Marketing communications is rarely valued as a strategic activity or a core competitive competence with a board level report like finance, legal, IT or HR. It is viewed as a cost often tasked to individuals high on aptitude and enthusiasm but low on financial and human resources. Investment is not targeted and not measured and activity is often based on what has been done in the past – if the sales force want a brochure, they get a brochure; we've been to that exhibition for the last ten years and we'll be there next year.

If anyone questions whether this is the best way to get a return, few listen or support a new approach.

In these companies marketing communications is a necessary evil with a budget that is the first to be pillaged in a downturn, when arguably it should be increased. Marketing employees are often judged on their ability to save the marketing budget.

Certainly they are not applauded for spending it.

This is not to say that Business to Business companies do not engage in a lot of marketing communications effort; but is this activity pulled together as part of a strategic and accountable marketing communications plan? Do we prioritise our budget?

In the future we propose that Business to Business companies do not "do" marketing just because it's the way they have in the past. The first thing we must do, is question our current activity and see if it fits within the new strategy.

#### Return on investment

We propose a paradigm shift where goals and targets are identified, campaigns and activities are undertaken and results against objectives are measured. We will have been successful when the cultural focus moves from a judgement of marketing communications based on the costs associated with it – which encourages less activity and the saving of the marketing budget – to a judgement of marketing communications based on the value of the returns received – which encourages the investment of the marketing budget for identified and measurable returns.

Boosting the resources applied to marketing communications, removes an imbalance which exists in the current Business to Business model.

Rather than how much will it cost - notwithstanding that costs must always be controlled, but not to the extent that they reduce or jeopardise a successful outcome – the questions should always be:

*what is the scale of my opportunity?*

*what am I prepared to invest?*

*how successful has my investment been?.*

We expect the successful return on investment to be segmented into three categories:

financial performance, time efficiencies and relationships



**Turnover**  
**Margin**



**Speed to market**  
**New product development**



**Market share**  
**Productivity**

Ultimately we should expect that marketing communications increases shareholder value. These improvements can only be achieved by revisiting how we communicate and identifying marketing communications as a strategic resource, rather than a functional activity. Marketing communications should be accountable, but to be accountable the marketing communications must be supported.

Look hard at your own attitude to marketing communications, because this is either your greatest opportunity or it's a significant threat.

Because things are changing.

Key points

- The results associated with marketing communications are attributable and measurable and directly linked to shareholder value
- Challenge all marketing activity for its effectiveness
- Make marketing communications a strategic resource with a board report
- Employ marketing professionals to make a difference