

MARKETING STRATEGY FOR B2B

by Stephan Wenger



HOW A B2B MARKETING STRATEGY IS DEVELOPED

Marketing Strategy. Marketing Plan. Marketing Tactic. There are different terms to describe the purpose of your B2B marketing efforts. However, these terms describe different aspects of modern marketing. This article not only defines these phrases but also outlines the correlation between the company vision and aims. Michael Porter describes three generic marketing strategy types: Differentiation, Cost Leadership and Focus. The most celebrated marketing strategy of recent years, however, is simple: answer customers' questions. "They ask, you answer" by Marcus Sheridan is a genius marketing strategy targeting modern, digital customers. Reading this article, you can develop a proper marketing strategy.

WHAT IS A B2B MARKETING STRATEGY?

A marketing strategy is a top-level plan for reaching a defined target group and turning them into customers of their products or services. A good marketing strategy revolves around the very foundation of the company: its core values, brand positioning, target market and target group. Marketing centric companies put their marketing strategy on a level with the companies' strategic goals. In such customer-centric companies, all other strategies, like the sales strategy, digitalization strategy, market entry strategy, R&D strategy and alike, are derived from the marketing strategy.

The terminology strategy is easy to understand and yet hard to grasp in detail. Aim, tactic, plan, vision, and strategy are often used synonymously. A grave mistake. Here's an easy to remember mnemonic.

- Vision: Travel the world and enjoy diverse cultures
- Aim: Visit the town behind the mountains
- Strategy: Take the river
- Tactic: Use a boat
- Plan: Row with two paddles simultaneously

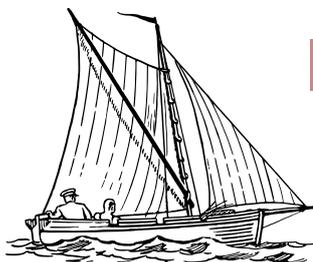


Vision: Travel the World

Aim: Visit the Town behind the Mountains



Strategy: Take the River



Tactic: Use a Boat



Plan: Take two Paddles

The benefits of a marketing strategy are a clear path to meet your aims and fulfill your vision. The tactics and the plan to bring your tactics to life derive from the marketing strategy. This basic principle holds for all market types, including B2B and B2C markets. Therefore, a B2B Marketing Strategy has the same foundation as a B2C Marketing Strategy. The vision, aim, strategy details, tactic, and plan are different from company to company and depend on many influencing factors.

DIFFERENT B2B MARKETING STRATEGY TYPES

A marketing strategy is inseparably linked to the market on which the company acts. The market centers on the company strategy and main company aim. Michael Porter developed three generic strategies to do so:

- Differentiation

The company targets a mass market and aims to differentiate its portfolio from the competition. The concept of “unique selling proposition – USP” describes criteria making a product or service stand out. A highly differentiated portfolio allows higher prices because it fulfills customer needs better than the competition.

- Focus

A clearly defined, very specific niche market typically has less competition. The high degree of specialization increases market entry barriers and make a well-developed niche profitable. Instead of competing head to head in a mass market, a niche strategy aims to develop outstanding knowledge of this narrow-defined market segment.

- Cost Leadership

This resource- and efficiency-based strategy intends to provide the best price-value ratio. The lowest possible costs allow low prices for the same quality as the competition. This strategy works well in price-sensitive markets in which cost advantages are long-standing.

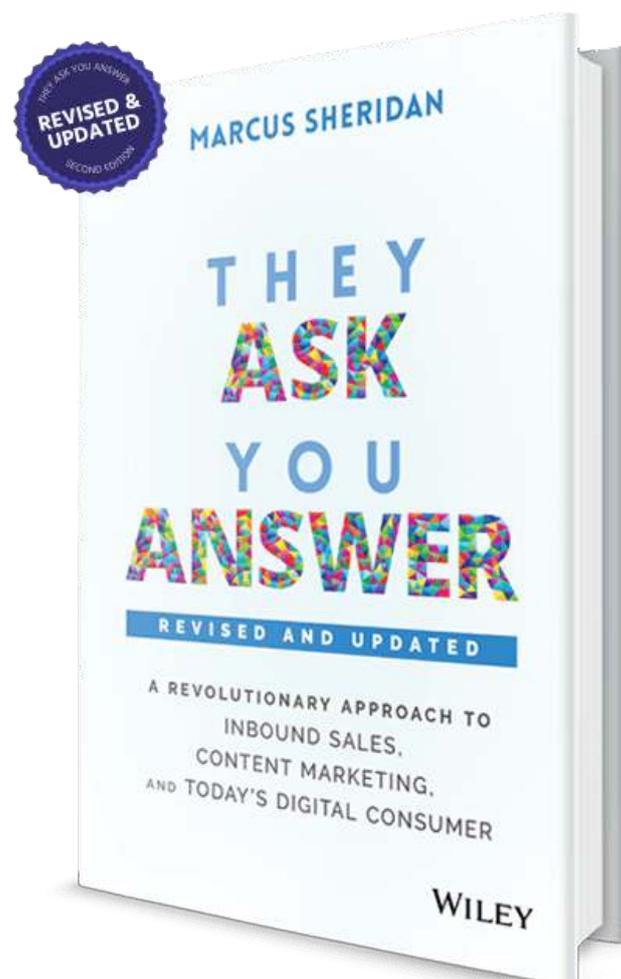
The marketing strategy consequently needs to describe tactics and actions to serve these generic company strategies. A common B2B Marketing strategy framework is the Four Ps of the marketing mix: product, price, place, and promotion. Expanded concepts are the Seven Ps, adding People, Processes, and Physical Evidence to the 4Ps. This comprehensive comparison explains the differences between Business-to-Consumer Marketing and Business-to-Business Marketing. Porter’s three generic strategies are a common approach to the subject. However, there are multiple ways on how to differentiate between marketing strategies in B2B. One of the most celebrated approaches has been put into writing by Marcus Sheridan in his bestselling book “They ask, you answer”, a new and highly successful strategy to target the modern, digital customer.

THEY ASK, YOU ANSWER

The title of the book is the idea briefly. Customers ask a question, and the company answers them. This is such an easy truth and yet so impactful and hard to realize in practice. The core idea is that potential customers ask questions along the whole customer journey.

Think about yourself when buying any random product. You probably ask yourself if this is the right choice, how the product works, if any given feature is necessary for your demand, what the product specification means if the product also fulfills your need that is slightly out of the intended usage, etc. Thinking about it, a customer probably has 100 more questions for a complex B2B product.

The marketing strategy aims to answer many customer questions in an honest and non-promotional way. It is the mother of “educational content” – a content type that increases the customer’s know-how instead of targeting his emotions. One may say this is the counterpart to intuitive, emotional selling. The more a customer knows, the better it is for the company—an outstanding strategy at first glance.



- Pricing and Cost

Customers want to know how much they pay. And ultimately, they will get an answer to this question. So why hide prices in B2B in the first place? The same is true for running costs. Customers not only have a reasonable right to know the running costs, but they will also discover in the long run and damage your business with bad word-of-mouth if you have not been honest from the start. Will your competitor see the prices? Well, yes – but he knows them anyhow. Be sure of that fact. Does your service have a price range? Give customers an average or a rough estimation. Your goods are high priced, and you are afraid to scare away customers? Better let them know early in the process and not after your sales team has put effort into the opportunity. Or even better, outline the increased value your product delivers for the high price. You get the point...

- Problems

EVERY product and service have a weakness. It is trustworthy and fair to talk about these weaknesses. Customers will decide if this very weakness is a showstopper for them or not. Talking about problems is hard. But it creates an atmosphere of honesty, transparency, and trust. This will pay off in the long run. Especially for industrial goods often sold based on trust and long-term relationships.

- Versus and Comparisons

Nike vs. Adidas. Apple vs. Samsung. Your company vs. your biggest competitor. People like content that is easy to digest and answers questions straight away. What can I expect from you and what from your competitor? By providing this content type, your customer will see if your offer matches his need or not. This creates a clear expectation for the customer. The result is a satisfied customer or an informed customer buying from your competitor. But it will never be an unsatisfied customer that harms your reputation. If you have no advantage over your competitors, you may have to circle back to Porter's generic strategies to create one.

- Best in class and Reviews

These content types are similar based on the principle we already discussed: people love to compare: themselves, products, and services. Best in class and reviews showcase your solution compared to others. This is done in a storytelling way, using a holistic perspective instead of a single feature. Also, with this aspect, the honest approach and value-adding content aim to educate the potential customer. This strategy creates a comprehensive overview for the customer and strengthens your position in this market.

“You ask, they Answer” is an interesting and effective B2B marketing strategy. Taken to the extreme, the idea of answering customers' questions at all costs is a company philosophy. And at the same time, a sales strategy, digital strategy, and content marketing strategy. This powerful approach to the modern digital customer allows Business-to-Business marketing teams to position the company as a know-how leader. A hard to beat brand promise.

HOW A B2B MARKETING STRATEGY IS DEVELOPED

Let's repeat what we discussed earlier. A strategy is a company's top-level plan on meeting a defined target group to achieve a certain company aim. The company aim serves to fulfill the vision. Therefore, a strategy is always derived from a bigger picture. This picture's single dots and pixels are defined in the marketing strategy, outlined in the marketing tactics and concretized in the marketing plan.



The 6 steps to create a marketing strategy in B2B are:

- Step #1 – Define marketing aims

The marketing aims are derived from the company aim. All marketing aims are bound to contribute to a larger purpose of succeeding in the defined B2B market.

- Step #2 – Analyze the status quo

You may create your strategy the first time or work on your annual update. The analysis phase increases your knowledge about the current state to understand what is necessary to meet the ideal state of your desired marketing purpose.

- Step #3 – Define your target group and buying center personas (BCP)

“Everybody” is not a target group. In industrial markets, your target group is not necessarily a single person. The so-called “buying center”, a group of people with different roles, is typical for B2B. The classic target group definition works and modern concepts of buying personas.

- Step #4 – Describe the customer journey. Your B2B Marketing Tactic.

A customer journey is an ideal path a potential customer takes from first interest to a loyal customer. During his journey, a prospect contacts you multiple times until he converts to a customer. These touchpoints, offline and online, are defined and described in the customer journey map. This is the core of your strategy. It answers the question, “how do I target my future customers?”



- Step#5 – Create your B2B marketing plan

The marketing plan itself reflects the first 4 steps. It is a comprehensive, actionable plan that describes details on how to address the target group. Channels and contents are mapped with the customer journey. A storyline is also part of your marketing plan. Here, a marketing plan is the game plan and focuses on “how” instead of “why”. For internal communication purposes, make sure to add an executive summary of your plan. A strategy is good, but a self-explanatory one-page marketing plan is better. Management will thank you.

- Step #6 – Make your results measurable

Marketing controlling is a necessity. Modern digital marketing is based on KPIs and big data. This final step of your marketing strategy closes the loop to your analysis and make actions measurable. You better know which half of the budget is spent in vain, right?

SUMMARY

A marketing strategy is a business's most important plan for reaching the target group, part of a defined B2B market, intending to turn them into customers. The center of a proper marketing strategy orbits the company's core value, including brand and company vision. This vision defines the marketing aim that determines the marketing strategy. Once you have your strategy specified, the tactic to get there results in an actionable marketing plan.

There are many approaches to creating a B2B marketing strategy. Markets and marketing are closely linked. The three generic market strategies by M. Porter give a basic strategy framework. A new approach, however, is "They ask, you answer" by Marcus Sheridan. The simplicity of answering customers' questions as a strategy is genius. The idea is to gain trust by being honest and helpful. A company that follows this simple truth is bound to be recognized as a know-how leader. A competitive advantage that is hard to beat.

All strategy frameworks have the same basic 6 steps in common. Conducted as a closes circle, these steps are:

- Step #1 – Define marketing aims
- Step #2 – Analyze the status quo
- Step #3 – Define your target group and buying center personas (BCP)
- Step #4 – Describe the customer journey. Your B2B Marketing Tactic.
- Step#5 – Create your B2B marketing plan
- Step #6 – Make your results measurable

Details are described in [How to create your B2B Marketing Strategy in 6 steps, Part I](#) and [Part II](#)