

#### WHITEPAPER

# B2B MARKETING

How TV Advertising can Power Business Growth for B2B



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# B2B MARKETING IS CHANGING, AND IT WILL NEVER BE THE SAME

B2B marketing used to be simple. Well, simpler. Trade shows, white papers and sales emails ensured connections with the audiences who mattered most to your business. Sales reps pitched product features and price.

But we're now in the middle of a B2B revolution. B2B buying behavior is changing. Which means successful B2B marketing practices must change right along with it. Below, we're reviewing the most meaningful shifts in B2B in the last several years, plus how marketers should respond to set up their business for continued and lasting success.



# Increased B2B competition means it's harder to stand out based on features alone.

For years, product was the top focus of B2B marketing. Brand was often neglected. But today, growing competition means it's harder to stand out based on your product alone. Gaps in product features and performance between competing businesses are shrinking. You have X, Y and Z solutions? So does your competitor. Not to mention there are more options available to your buyer than ever before.

B2B needs a new way to differentiate. The B2B companies dominating today have both high-performing products and a well-known brand.

Think about Salesforce. The company is essentially synonymous with CRM. But they've worked for their reputation, investing in high-level brand messaging that's been promoted through radio, print, TV and out-of-home advertising for years. Other household names from Shopify to FedEx all prioritize brand-building in their marketing efforts.

Brand awareness is crucial, even for B2B companies. People can't buy from you if they don't know you exist in the first place. In the terms of the Ehrenberg-Bass Institute, without brand awareness you lack "mental availability." When your potential buyers are in-market, and you're not the first solution that comes to mind, there's a problem. In fact, low brand awareness has been identified as the biggest barrier to growth for B2B brands today.



Businesses used to successfully market themselves using product features



Saturated
marketplaces make
it increasingly
difficult to compete
on features alone



Today, businesses
find success
by combining
high-performing
products with a
well-known brand



#### B2B buyers are people. And people buy emotionally.

B2B marketing traditionally focuses on appeals to logic. It relies on technical language designed for industry experts. It lists benefits in terms of hard numbers, not big picture outcomes. Unforgivably, B2B marketing is also notoriously boring.

B2B buyers are just people. And people are not fully rational agents.

They make purchase decisions based on emotion, not product features or industry jargon. (Even when they think they make rational decisions.)

The best B2B marketing connects with potential customers on an emotional level. No, your ads don't have to make the viewer cry or laugh out loud. But they should tell a compelling story, focus on the human elements of the buying process, and create positive brand associations. And as dry as B2B marketing often is, a more emotional approach is absolutely achievable. 87% of B2B marketers feel B2B products can be inspirational. Besides, the best ads will lean into emotion while still explaining rational benefits.

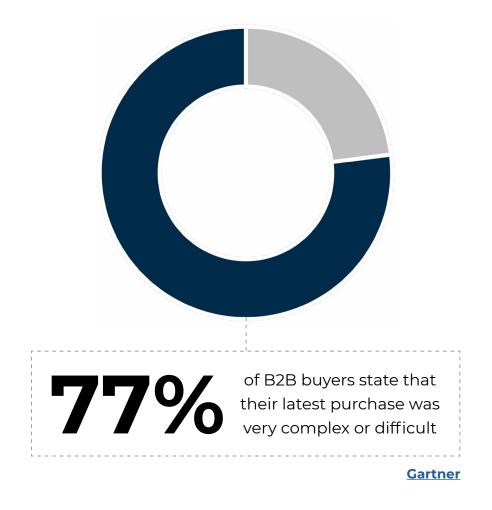
Marketers willing to take creative risks will especially stand out. By injecting personality or humor into advertising, companies can both capture attention and leave a lasting impression. Zendesk's TV commercial "I like it when he gives me the business" is just one example of a B2B creative risk that paid off and resulted in major attention for the business.



#### Purchase decisions are being made by more people. And the buying process is increasingly complicated.

B2B marketers often leverage tight targeting to reach the right decision-makers in a business. But as purchase decisions become more complex, it's tougher than ever to know the right person to reach at any given time.

The typical B2B buying decision now involves six to 10 people. These six to 10 people come armed with their own unique opinions and objectives. Your goal is to sell all these people on your solution. That's no easy feat. It's hard enough to sell just one or two people. Is it any wonder that 77% of B2B buyers describe their latest purchase as "very difficult"?



This growing complexity means marketers must find ways to appeal to a wider range of stakeholders. This may mean moving away from highly targeted digital advertising alone in favor of striking a balance between targeted and broad reach channels.

#### Safety is an increasingly important factor in B2B buying decisions.

"No one ever got fired for buying IBM."

Even if IBM isn't the best solution for a business, it's the solution everyone knows about. It's the solution that's so reputable, the decision-maker could hardly be faulted for choosing it. That reassurance is exactly what B2B buyers crave in all their purchase decisions.

Economic uncertainty means buyers are spending more conservatively. Budget cuts loom overhead. Experimental partnerships and tests are frowned upon by finance. In response, <u>B2B buyers are prioritizing</u> safety more than ever.

Safety may be provided through a risk-free trial or other special offer. But the most meaningful form of reassurance is simply having a well-known brand. Category leaders with a known track record of delivering quality outcomes are more likely to be trusted by potential customers. The impact of this trust is clear: trusted brands grow more over time.



So B2B marketing is changing. In response, marketers should prioritize brand-building, lean into storytelling, pursue reach, and establish trusted consumer relationships. That's a lot of work. Fortunately, TV advertising is ideally suited to achieving all of these.



## TV ADVERTISING SOLVES B2B'S MARKETING CHALLENGES

TV advertising is often considered impractical for companies targeting business leaders. And it's true that some B2B brands aren't right for TV. But there are many that could benefit from TV's mass reach and high visibility.

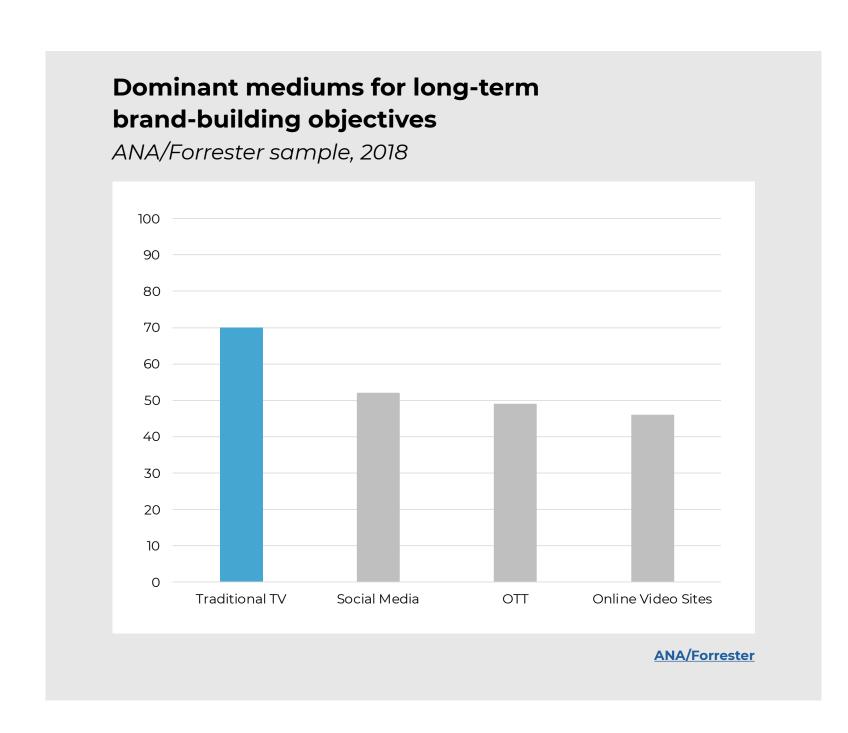
Today, B2B brands are discovering exactly that. In the UK, TV ad spending by B2B brands doubled between 2018 and 2022. Here's why more brands are testing (and scaling) the channel.

> **"UK B2B** brands more than doubled their investment in linear TV advertising over the past four years."

#### TV is the number one brand-building channel.

TV is widely accepted as the top brand-building channel. Its ability to connect with large audiences in a memorable and engaging format remains unmatched. Besides, TV advertising is built for storytelling and creativity. (It's the perfect format for non-boring marketing!) Through the combination of audio and visuals, TV presents your brand to your audience in the comfort of their home, while they're primed to consume content.

TV establishes a strong and memorable brand image in the minds of potential customers. As your brand becomes more familiar, valued and loved, demand increases. And when demand grows, sales grow.



#### TV advertising's reach means you connect with all decision-makers.

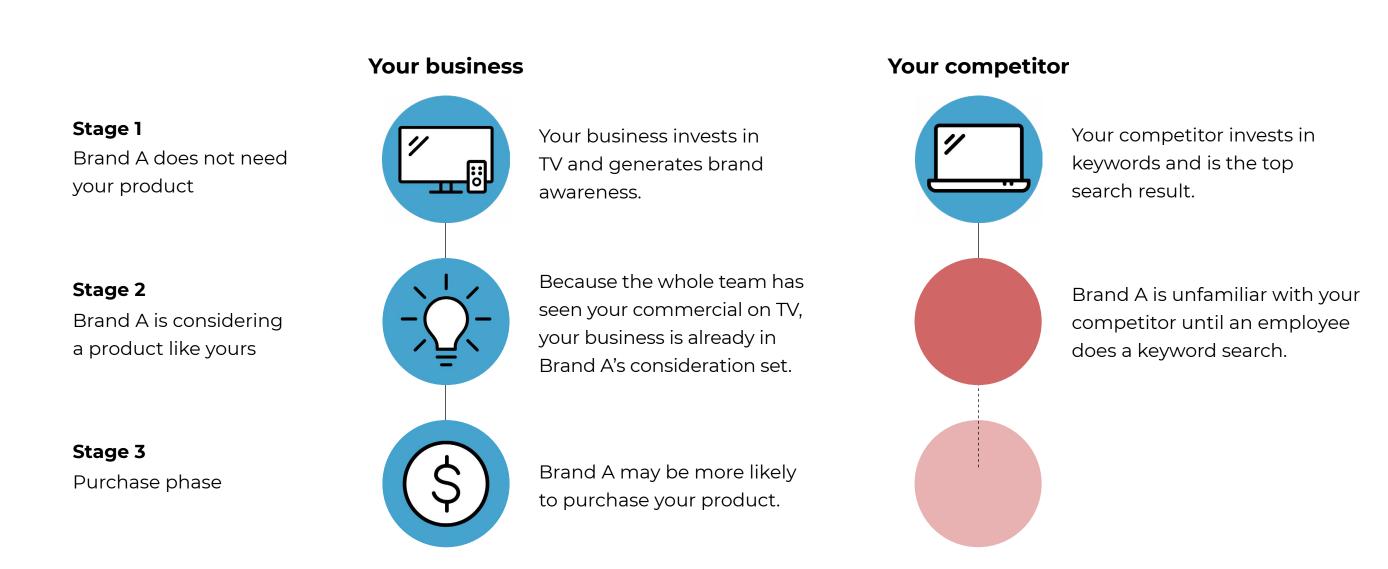
Here's a typical scenario: A business is searching for a new project management tool. An IT leader searches online for your brand's category. Your site pops up at the top of the search results. That's great. You fought tooth-and-nail for those keywords.

But the CFO recommended a different supplier, so they navigate away and buy from the competition. It didn't matter that the person making the purchase saw your site first. A lack of brand awareness lost you even a bottom-of-the-funnel sale that should come easily with paid search ads.

Plus, not everyone contemplating reoutfitting their office will type "project management software" into a search engine. Once you've captured those rushing online for their business needs, growth is difficult without additional advertising channels.

Now imagine your TV ad aired in the weeks before this company's search. The CFO notices the ad while watching the evening news and mentions it to the office administrator who recommends the tool to the IT professional. They've heard of your brand before, so they're excited to test it.

Business decisions are complex and varied. Your advertising channels should reflect this. Highly targeted digital ads sometimes easily miss an important decision-maker or influencer. Which makes TV's broad reach a helpful complement to digital in your B2B marketing mix.



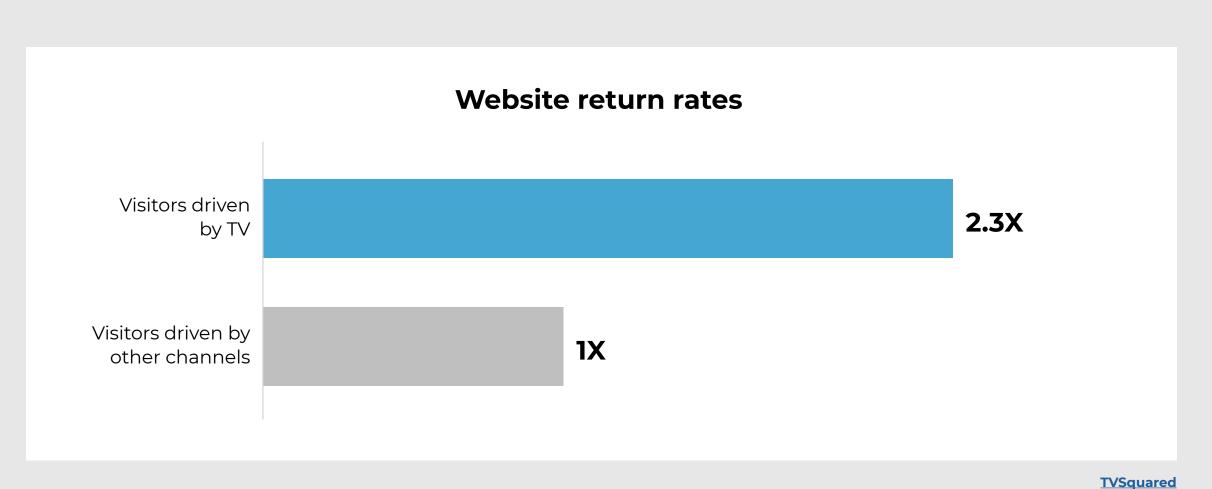
#### TV improves the performance of other marketing channels.

You've heard that a "rising tide lifts all boats?"

The cliché rings true when it comes to TV's effect on marketing performance. TV is such a powerful channel on its own, it can be easy to forget its impact on the rest of your marketing. But that's not a small thing to overlook.

There is abundant evidence other channels experience lift when TV enters the picture, but digital has an especially symbiotic relationship with TV. Which makes sense. TV captures top-of-funnel interest, and when your potential customer goes online to search for your brand, a paid search ad prompts them into actually taking a step towards a purchase.

A VAB study found that brands across all life stages see <u>double-</u> digit growth in visitors to their digital platforms after launching TV. Comcast, in partnership with TVSquared, reports that <u>websites</u> see a 4.7% lift in immediate visitors following a TV commercial's airtime and an 11.2% lift over the two weeks following that airing. Not only that, but web traffic driven by TV boasts especially high engagement rates—visitors return an average of 2.3 more times than those driven by other channels.



or Older

Brands across all life stages see increased web traffic after launching TV				
Brands	Three Years Old	Between Four -	Eight Years	

or Younger

+19% **Unique Visitors** +23% % increase: **Unique Visitors** increase:

Seven Years Old

\*TV Launch Month vs. Three-Month Average Prior To TV, Average Website Unique Visitors

that are:

**VAB** 

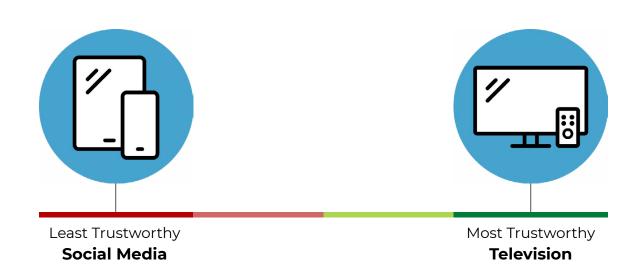


#### TV is among the most trusted advertising channels.

Viewers often perceive TV advertising as a sign of a brand's legitimacy and trustworthiness. Why? In general, offline channels are more trusted than online ones. Print, TV and radio are all ranked by consumers as being the most trustworthy advertising channels. Social media ads, on the other hand, are consistently ranked as the least trustworthy.

Part of this is because traditional channels, especially TV, are considered pricey—the cost of Super Bowl spots, for example, are highly publicized each year. Clearly, not just any brand could afford TV.

TV is also highly regulated. TV advertisers must abide by network standards and substantiate claims. The FCC has numerous rules about what can be said on-air and to whom. Knowing someone is fact-checking the advertisers, consumers are more likely to believe what brands say on TV compared to their messaging on less regulated channels.

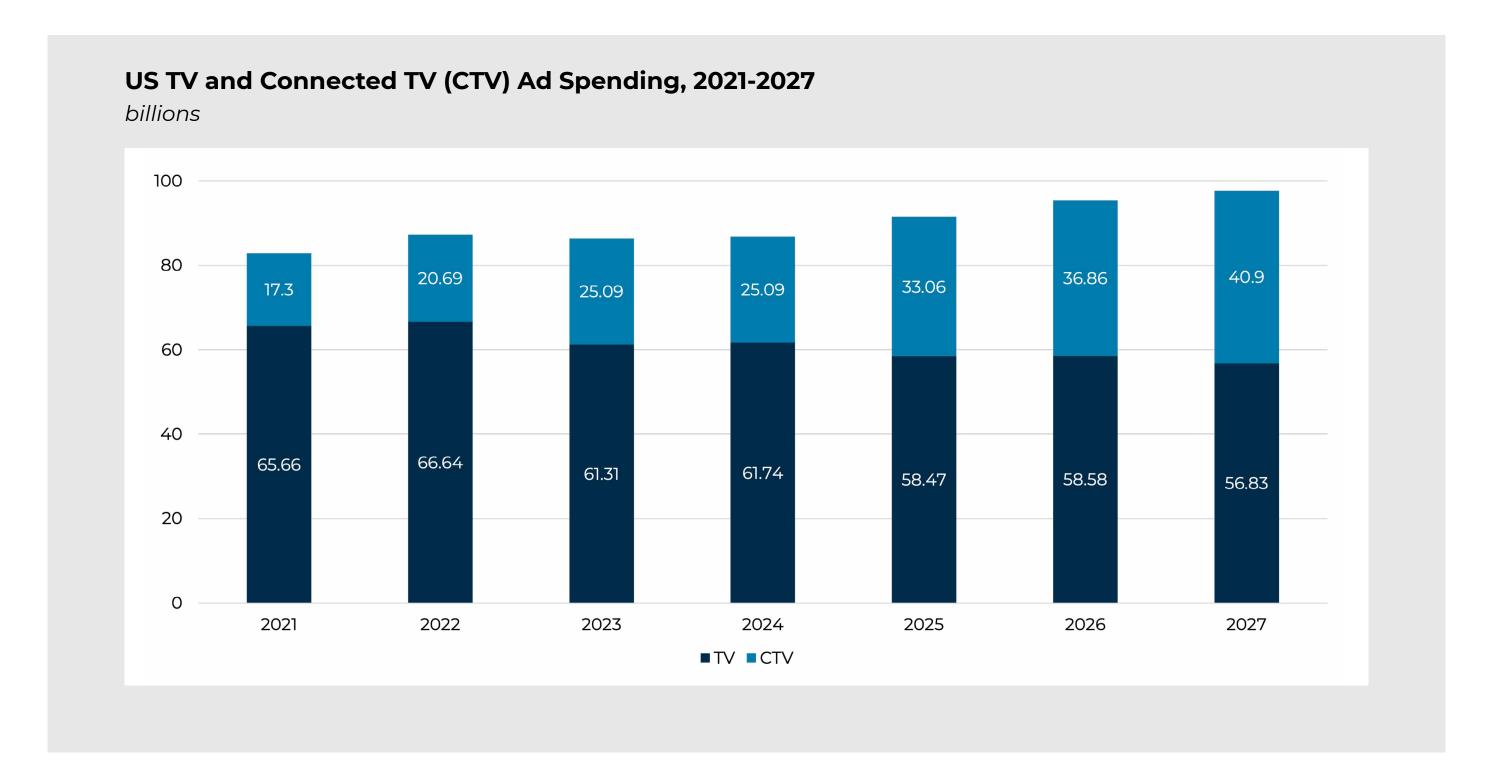


#### TV is also changing. CTV allows for advanced targeting while maintaining the prestige of traditional TV.

B2B advertisers hesitant to add to their existing channels might be more open to testing TV advertising with Connected TV (CTV) in their media mix. CTV ad spend is growing, even as ad spend on many other channels shrinks in response to economic

uncertainty. The channel topped \$20 billion in 2022 and is projected to reach \$95 billion by 2026. B2B companies are a meaningful part of that growth.

After all, CTV provides digital-like targeting and measurement options, but with the visibility and emotional impact of any traditional TV commercial. It builds brand awareness, drives early-stage research, and strengthens existing customer relationships.



### HOW HAS TV ADVERTISING DRIVEN RESULTS FOR OTHER B2B BRANDS?

More B2B companies are discovering the need for upper-funnel, brand-building marketing without abandoning sales and performance. TV is an increasingly popular solution thanks to its ability to turn out impressive results in both areas.

We've seen the value of TV for our own B2B clients. whose average return on ad spend (ROAS) for their TV campaigns is 7.25. A successful TV campaign's ROAS is often between three and five for most

brands, so our B2B clients are seeing results well beyond what's typical, even for B2C brands on TV. This means they're getting performance results from the channel—sales have not been sacrificed. Instead, they've been amplified.

Additionally, brand awareness has improved by more than 90% on average. Another sign of increased awareness has been growth in direct traffic, which has increased 29% on average after a year on TV. This

suggests people are better remembering the advertisers' names and typing them directly into their browser when searching for a solution the advertiser provides.

#### Best of all, B2B TV advertisers are seeing major revenue growth.

For B2B clients, revenue increased during their first year on TV with Marketing Architects an average of 17.5%. Depending on the business, that can be billions of dollars. Now that's the type of result that transforms businesses and sets them up for success in a changing B2B world.

90%

average brand awareness improvement 29%

average increase in direct traffic after one year on TV

17.5%

average revenue increase during their first year on TV with Marketing Architects

## ABOUT MARKETING ARCHITECTS

TV advertising is a powerful channel. Done right, it can become an essential growth driver for your business. At Marketing Architects, we use an approach called All-Inclusive TV to help advertisers make the most of their TV investment. Connect with us at <a href="marketingarchitects.com">marketingarchitects.com</a> to learn more.

