

## PREFACE

The idea for this book was hatched in October 2009 at the Inbound Marketing Summit in Foxboro, Massachusetts. More than 70 speakers packed a terrific two-day agenda, relating stories of how they sold everything from cameras to Cabernet Sauvignon using the new tools of social media.

On the afternoon of the first day, an attendee raised her hand and asked how a speaker's advice could be applied to business-to-business (B2B) marketing. The speaker (we can't remember who it was) asked which members of the audience worked for B2B companies. More than half the hands in a room packed with 450 marketers went up.

Paul watched the scene with interest. He had been a journalist and executive at B2B publishers in the technology field for more than 20 years before making the switch to social media consulting in 2005. It had never occurred to him how different the needs are between a company that sells clothing and one that sells uniforms. A quick check on Amazon revealed that of the 50+ social media marketing books that had been published in the prior year, not one specifically addressed the needs of the B2B marketer.

We began to ask questions of event organizers and social media publishers. Why was it that consumer success stories like Zappos and Blendtec continued to dominate conference agendas and research reports when B2B companies had been such early and enthusiastic adopters of social tools? The answer we got back most often—that similar principles applied to both types of businesses—seemed insufficient.

We love it when the two guys from EepyBird.com drop Mentos into bottles of Diet Coke, but we couldn't see how that example would apply to a marketer at ConAgra.

The two of us were already planning to collaborate on a book based on Eric's archive of *On the Record . . .* Online podcasts. We quickly switched gears and spent the next 6 months delving into the intricacies of the business buying decision. We learned how very different the two business types really are.

## Changing Channels

B2B marketing has been conducted pretty much the same way for decades. Direct sales forces followed up on leads generated by trade print advertising, trade show exhibitions, direct-mail campaigns, and telemarketing. These channels were always expensive and have become less effective than they once were. As this Penril modem ad from an early 1980s issue of *Computeworld* demonstrates (Figure P.1), the limitations of traditional, intrusion-based advertising sometimes forced B2B marketers to use extreme tactics to attract attention.

Consider the corporate technology executive, who was the target for this ad. Until about 10 years ago, the typical information technology (IT) manager's mailbox bulged with print trade magazines. It was not unusual for IT executives to have a stack of unread magazines in the corner of their offices and to take piles of them on plane trips for rapid processing. Paul remembers with a chuckle the IT manager who referred to his weekly trade magazine deliveries in a metric he called "stack feet."

This was a highly wasteful system. Technology companies could pay as much as \$30,000 for a full-page advertisement that might be seen by only a tiny percentage of the magazine's readers in any given week. Of those who noticed the ad, an even smaller percentage were in a position to make a purchase at that time. It was impossible to communicate the value of a product in this format; advertisers mainly relied on quick slogans borrowed from the consumer sector that they hoped would spur a phone call. Lead quality was poor, and sales cycles were long and arduous.



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**Figure P.1** Old Computer Ad.

It's not surprising that the technology sector was one of the first to discard print advertising. Today, only a handful of technology magazines still exist in the United States, and their average size has shrunk from hundreds of pages a week to a few dozen. In 2009, the trade publishing sector was the single largest declining print market, with ad pages contracting 28 percent on top of years of previous declines.

The collapse of that industry was dramatized in November 2008, when *PC Magazine*, which once generated more than \$100 million in annual revenues, announced it was exiting the print business and going fully online.

What explains this dramatic turnaround? Quite simply: choice. Business buyers are looking to make decisions as quickly and as intelligently as possible. Searching for solutions online is more efficient than relying on the serendipity of encountering an ad in a magazine or seeing a flyer in a mailbox. Americans older than age 15 conducted 131 billion searches in December 2009,<sup>1</sup> according to comScore. Marketo reported that 93 percent of B2B buyers use search to begin the buying process,<sup>2</sup> and Forbes Insight reported that 74 percent of C-level executives call the Internet “very valuable,” and 53 percent said they prefer to locate information themselves.<sup>3</sup> Nor is it shocking that direct-mail spending is expected to decline nearly 40 percent by 2014. Buyers’ information discovery habits have changed forever thanks to search engines.

But it isn’t just search. Business buyers have been saying for many years that their most important source of information is each other. Research in early 2010 by Genius.com and DemandGen Report found that 59 percent of B2B buyers engaged with peers before making a buying decision, 48 percent followed industry conversations, and 44 percent conducted anonymous research among a select group of vendors. Forrester Research reported that more than 8 in 10 IT decision makers said word-of-mouth recommendations are their most important source when making buying decisions.<sup>4</sup> Countless other surveys, stretching back more than 30 years, have reached the same conclusions. Business buyers actively seek out others like them because they believe they will get the most direct, untarnished advice.

Marketers have many more options for reaching business buyers than they did just five years ago. All of the traditional channels are still available, and many new ones have also emerged. Marketing today is a lot more complex than it used to be, but the opportunities are also greater for marketers who can figure out the right combination of dials to turn.

Social media empowers individuals to share their experiences directly with one another and without the filters of corporate public relations (PR) departments and lawyers. People are more honest and direct when speaking with their peers, which is one reason why feedback from social networks is more compelling than packaged case studies. As the number of channels multiplies and more participants come online, the quality of information improves, a phenomenon known as the “network effect.”

Today, prospective buyers have other options beyond search. They can ask questions directly of one another via Twitter, Facebook, and LinkedIn. Response is nearly instantaneous and, because each message is tied back to an individual profile, participants have a high degree of confidence in the quality of the information.

“If a customer in the chemicals industry is having a challenge and wants to know best practices for distribution of chemicals through a supply chain, he or she can turn to another chemicals customer in our ecosystem through our [online] communities and learn,” says Mark Yolton, senior vice president of the 2-million-member SAP Community Network.

Andrew McAfee, principal research scientist at the MIT Sloan School and author of *Enterprise 2.0*, has gone so far as to suggest that a new kind of search is emerging based on the ask-and-answer metaphor. So now, not only can we search the web for others’ experiences, but we can ask questions directly of an anonymous or semi-anonymous group and get back experiential advice. Those “stack feet” of printed magazines have been replaced by a vast network of people who freely share their firsthand experiences for no reason other than to help others make better decisions.

For many B2B companies, these new information-gathering metaphors will ripple across every function in the organization. Customers, suppliers, and investors will demand that businesses become more open and responsive. They will grant attention to companies that deliver useful information and shun those that simply deliver sales pitches. “People want to buy, but they don’t want to be sold to,” says Benjamin Ellis, a serial entrepreneur based in the United Kingdom who now specializes in social marketing.

## Find Your Own Path

There's an inherent risk in generalizing about the needs of companies that run the gamut from high-volume office supply retailers like Staples to highly focused firms like American Biltrite, whose Autowrap division is so specialized that executives already know everyone who could possibly do business with them. In some ways, these two kinds of B2B companies couldn't be more different, but there are also a surprising number of common threads to their experiences: their markets are value-driven and relationship-based. There are no impulse purchases and no fashion statements. Word of mouth is a powerful source of influence. Reputations and even careers ride on buying decisions.

Any company that sees virtue in better connecting the people who build and sell its products with the people who buy them can find opportunities to apply the new tools of social marketing. In the following pages, we'll introduce you to dozens that already have. We'll also continue to tell stories on our blogs: [paulgillin.com](http://paulgillin.com), [spinfluencer.com](http://spinfluencer.com), and [ontherecordpodcast.com](http://ontherecordpodcast.com). We hope you'll contribute yours to the conversation.

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