



Marketing to **Manufacturers** and **Engineers**

2022

Introduction

Marketing to manufacturers and engineers is arguably more challenging than it has ever been in the aftermath of the pandemic.

The shift to digital has brought a raft of opportunities but also numerous challenges for industrial companies to overcome when looking to optimise their marketing budgets and ensure that they are staying one step ahead of competitors.

In this first edition of the "Marketing to manufacturers and engineers" survey, we've taken the pulse of the UK industrial marketing segment in 2022.

A number of key questions are addressed in this report:

How is marketing viewed within industrial businesses?

Are sales and marketing strategies aligned?

What are the most popular channels and which channels are working?

How are budgetary trends changing in industrial marketing?

How has the buyer journey changed for manufacturers and engineers?

Process

This report is based on a survey of manufacturing and engineering business, sales and marketing leaders carried out in May 2022. The goal of the report is to give insight into how attitudes to marketing within the manufacturing and engineering sectors have changed since the start of the pandemic and what trends are expected in the next 12 months.



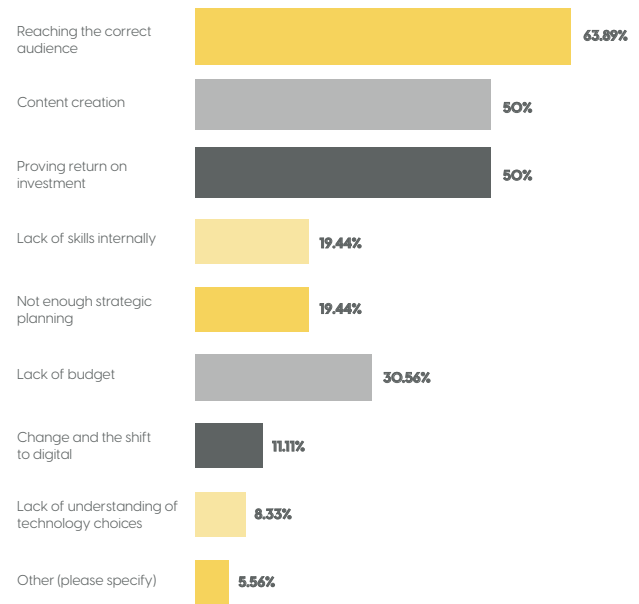


Attitudes towards marketing

Q1 What are the main challenges for your organisation?

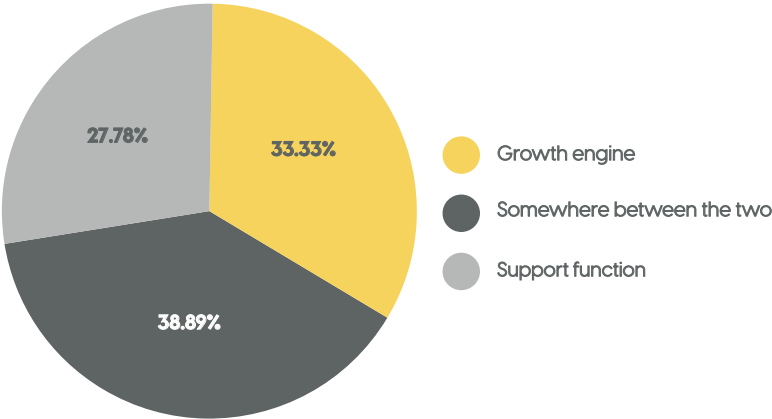
When assessing the main marketing challenges for their organisations, respondents felt that reaching the correct audience was the primary challenge, indicating the complexity involved in buyer journeys in the industrial space. Sufficient content creation and proving return on investment also featured high on the list of challenges, along with a lack of sufficient budget for marketing.

In B2B, people aren't so much buying for pleasure as they are buying to reduce pain, meaning that a completely different approach is required to that of consumer products and services. Item values can be much higher, the typical sales cycle is much longer (in certain cases up to 18+ months) and there are more decision makers working through a far more complex buying process that demands more information and looped steps to reach a final purchasing decision with as much as 75% of the research process completed before a prospect is even ready to speak to a sales representative.

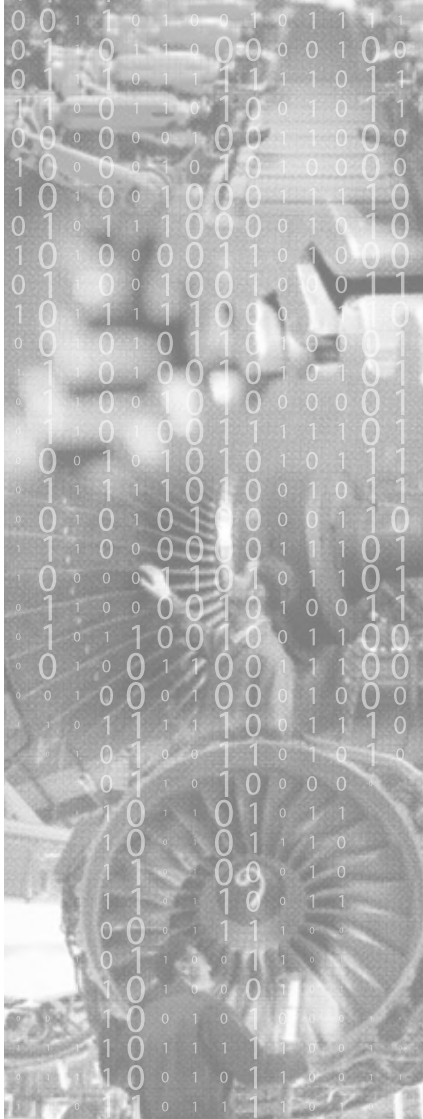


Attitude towards marketing

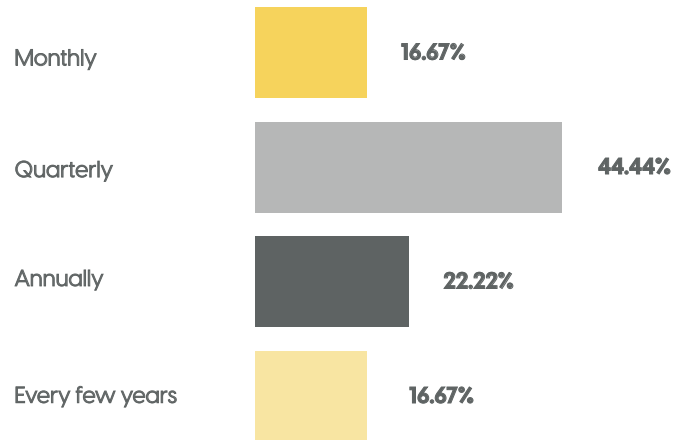
Q2 How is the marketing function viewed within your organisation?



The general perception of marketing within industrial companies has long been about “tactical support” rather than “strategic driver”. It’s interesting that this seems to be changing post-pandemic though with **33% of respondents citing the marketing function as a growth driver** for their company and a further 39% suggesting that it’s somewhere between the two extremes.



Q3 How often do you revisit your marketing strategy?

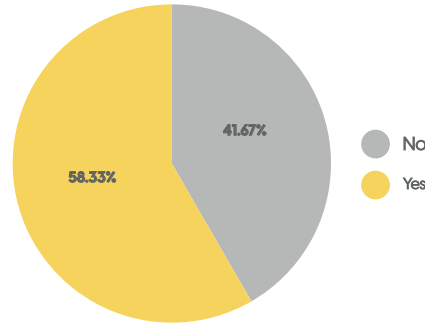


The traditional view of marketing as a support function has meant that strategy has been low on the list of marketing priorities. Even where this has been developed there was no clear connection between progress/performance and the original plan. Again this seems to be changing with more than 50% of respondents revisiting their marketing strategy on either a monthly or a quarterly basis in 2022.

Attitude towards marketing

Q4 Is your sales strategy clearly aligned with your marketing strategy?

42% of respondents feel that their company's sales strategy is not clearly aligned with its marketing strategy – a worrying trend that will inevitably be undermining those company's chances of delivering sales and business growth. This alignment is one of four core considerations that contribute to effective industrial marketing implementation.



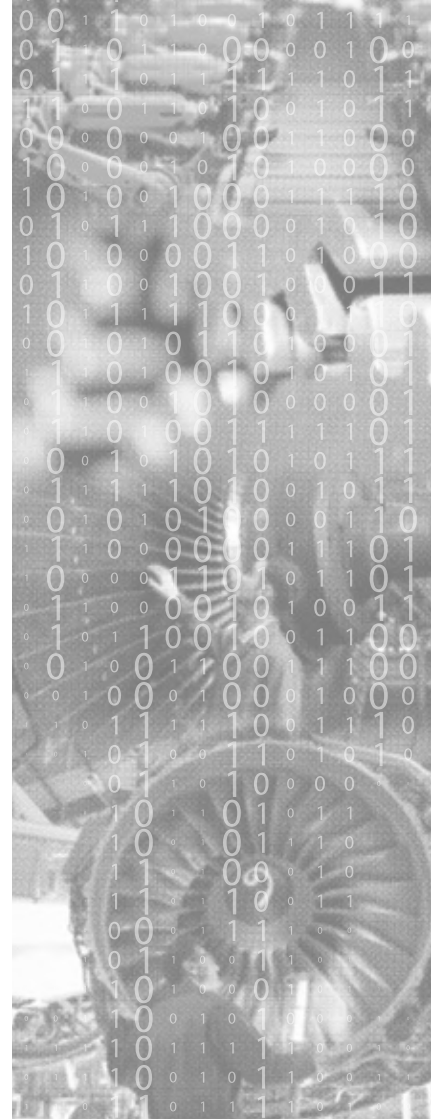
Q5 Has your prospect's buyer journey changed over the last 2 years?

"We know internet is the starting point...but how we entertain our prospects along the way and prove we can be trusted is not easy."

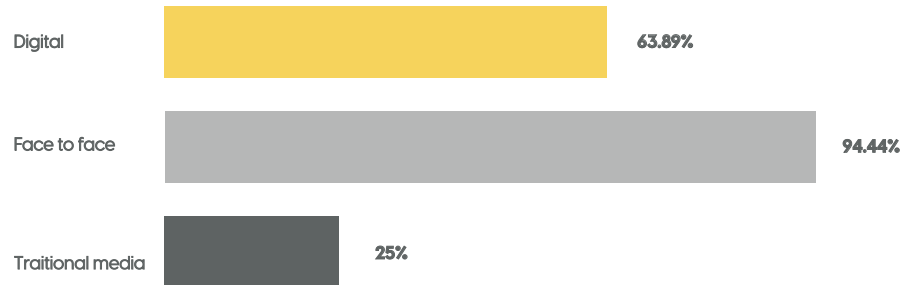
"Many more people involved in the decision making process."

"Even more reliance on digital/online to get informed, and less appetite for phone conversations or face to face meetings."

50% of respondents feel that their buyer's journey has fundamentally changed over the last two years. It's no longer "business as usual" for industrial marketers with so much of the buyer journey having shifted to digital. Research by Gartner estimates that 75% of the research phase in a B2B purchase is already complete by the time of the first sales interaction. The most common responses were the shift to digital and more people being involved in the decision making unit.



Q6 Which are the most effective methods of building trust with customer prospects?



Despite the acknowledgement of that massive shift to digital in terms of how industrial products are now researched and purchased, when it comes to trust face to face is still seen as the most reliable way of building that trust with customer prospects. Digital is capable of building that same level of trust but the threshold is much higher and there is still a process of education and understanding how to do this for many manufacturing and engineering companies.

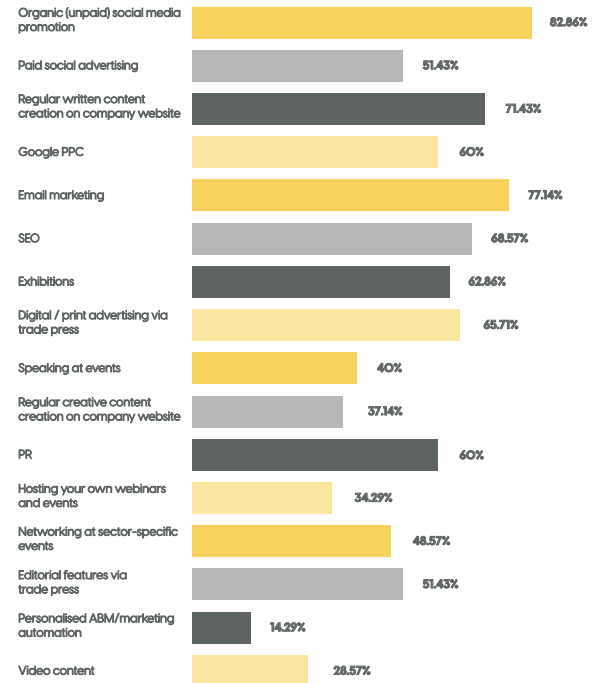
A person wearing a white lab coat is seated at a desk in a server room, looking at a computer monitor. The background is filled with server racks and glowing lights. A semi-transparent binary code (0s and 1s) is overlaid on the entire scene. A yellow rectangular box is positioned on the left side of the image, containing the text 'Marketing channels'.

Marketing channels

Q7 Which of the following marketing channels have you used in the last 12 months?

Digital activity now dominates industrial marketing activity with all of the top five responses representing digital channel exposure. A number of the top responses also reflect a preference for company-owned channels, such as organic social, email and own website content.

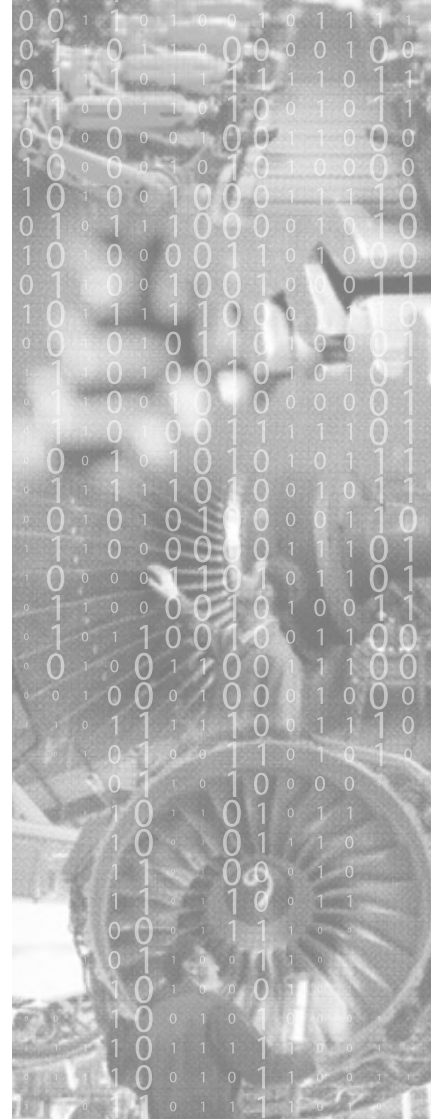
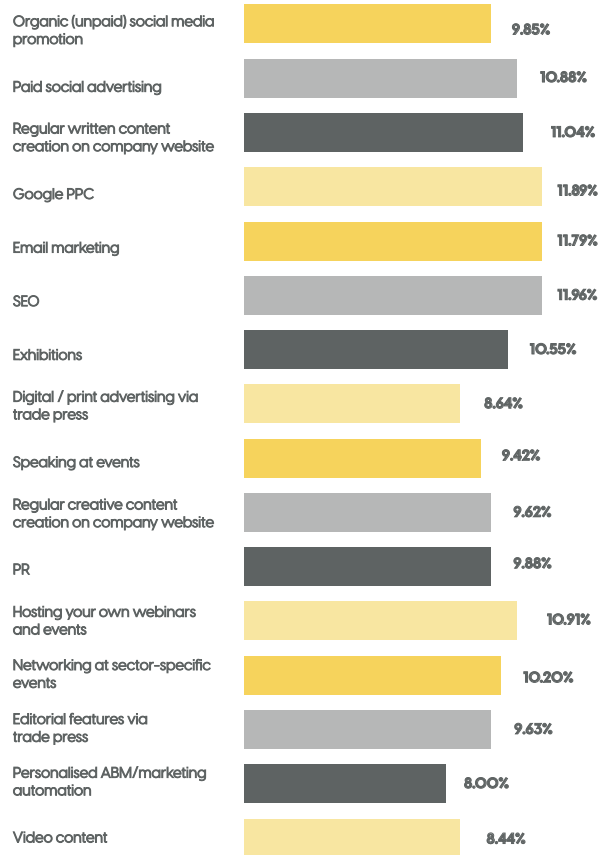
Twenty years ago, the range of channels available was a fraction of what it has evolved into today. We are now living in an era of marketing channel saturation. When assessing these it's worth bearing in mind that B2B buyers are fundamentally driven by; the product's lifetime value or ROI and how the business will benefit; technical characteristics and tangible benefits; a desire to be educated; detailed technical content; numerous decision makers in the buying process; and a longer buying cycle and contract period.



Marketing channels

Q8 Can you rank your marketing channels in order of effectiveness?

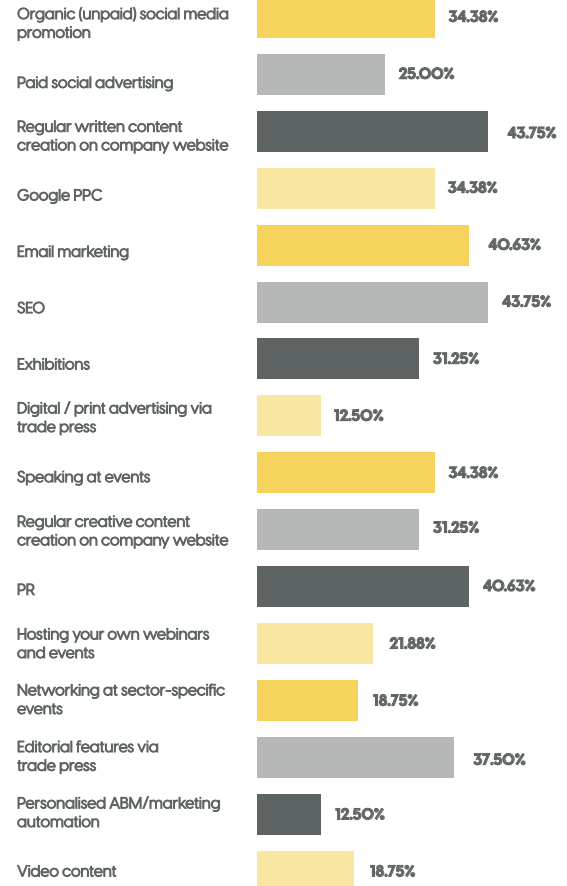
This was another tight set of results with Google PPC, Email and SEO all ranked as the joint top most effective marketing channel. These represent quite a spread of techniques with a high intent, medium intent and low intent channel but crucially all geared around digital and the new buyer journey.



Marketing channels

Q9 Which of these channels do you plan to use MORE of in the next 12 months?

Interestingly this set of results was one of the tightest in the whole survey with no clear preferences on which channels would be used more in the coming 12 months. This may hint at a lack of strategic prioritisation between channels, but also at a wider lack of understanding of how buyer journeys have evolved over the last two years.



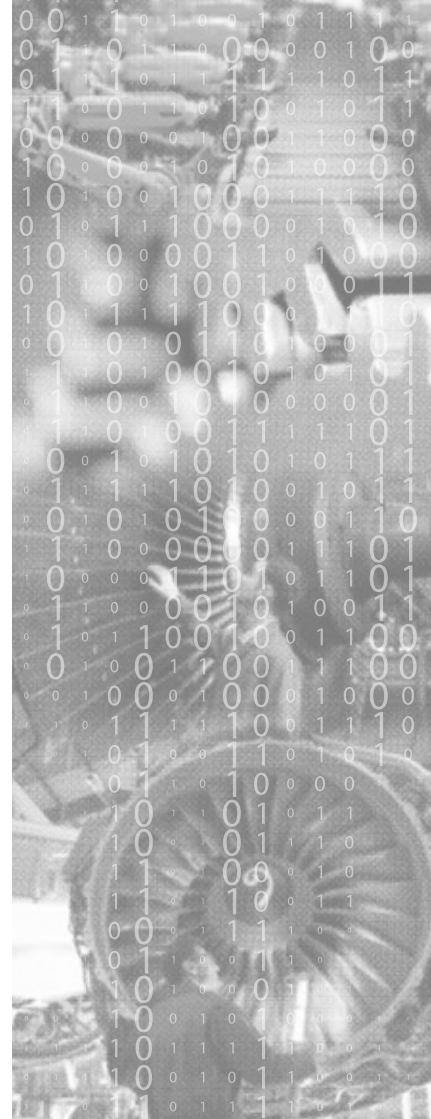
Marketing channels

Q10 What content do you find gets most engagement for your organisation?

Case studies, white papers and videos were the most common responses here, with a clear leaning to validation of how products performed in real world applications and the potential benefits of this to the company's target prospects. Although there has been a change in how customers research the information, this suggests that the fundamental challenges of establishing trust remain.

Q11 How has your marketing strategy changed to address Millennials / Generation Z?

Despite the fact that millennials are now starting to move into management and leadership decision-making positions within engineering and purchasing roles (youngest millennials are 26 with the oldest being 41 in 2022), around three quarters of respondents have not yet made any adjustments to their marketing strategy to address this group. For those that had made changes, digital and social were the major areas of investment.





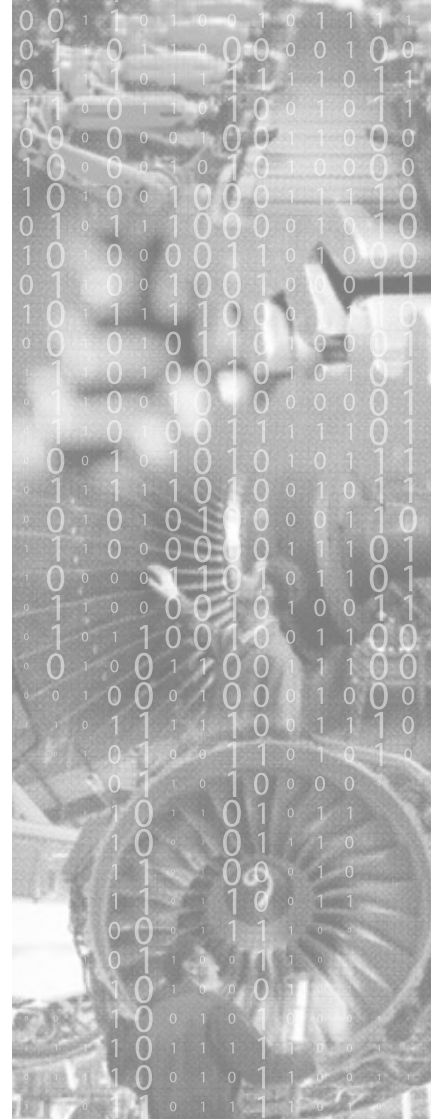
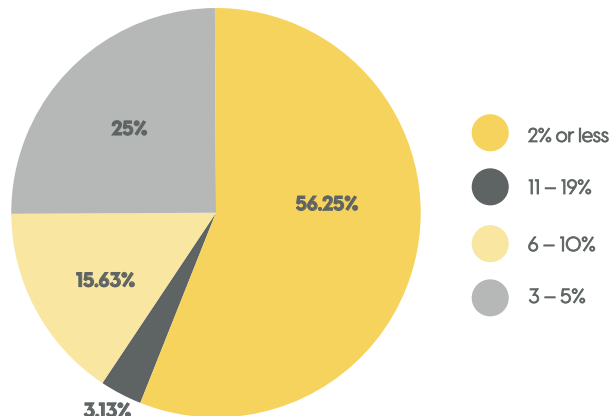
Marketing budgets

Marketing budgets

Q12 What proportion of your annual turnover is spent on marketing?

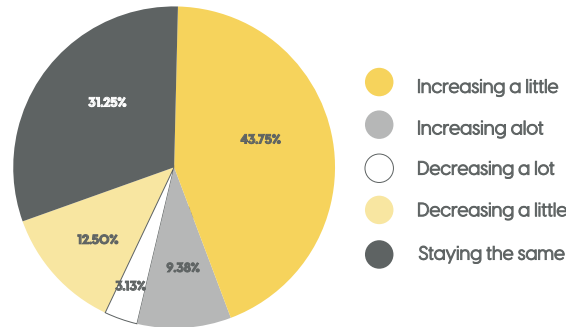
Most manufacturing and engineering businesses (56%) invest 2% or less of annual turnover on marketing, with a further 25% investing 3 – 5% of annual turnover. These budgets are often defined in isolation, with no real connection to sales objectives, cost of customer acquisition or the overall needs of the business.

Budget can only be defined according to the specifics of what you're trying to achieve and the component parts of how you are trying to achieve those goals. In the vast majority of cases the best way of optimising B2B marketing budgets as an SME is to implement a multi-channel approach that squeezes value out of every last marketing penny.



Marketing budgets

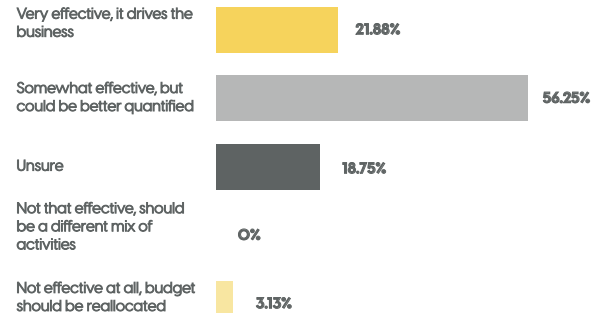
Q13 Is your marketing budget increasing or decreasing in the next 12 months?



A possible shift in attitudes was hinted at by respondents as 53% of companies are increasing their budgets, with a further 31% maintaining the same level of spend. In this post-pandemic world where so much of the industrial buyer journey has shifted to digital, keeping pace with competitors in terms of marketing investment will be a critical battleground for business success.

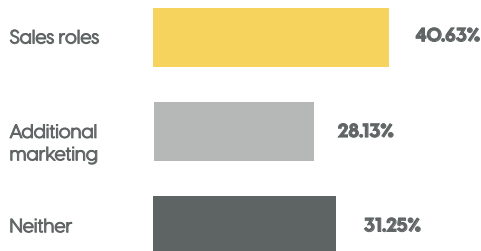
Q14 How effective is your marketing spend?

22% of respondents felt that their marketing spend was a highly effective business driver while a further 56% felt it was effective but could be better quantified. This represents a slight disconnect with the low levels of investment and yet would explain the current shift towards increased spend.



Marketing budgets

Q15 Over the next 12 months, will more be spent on new sales roles or additional marketing?



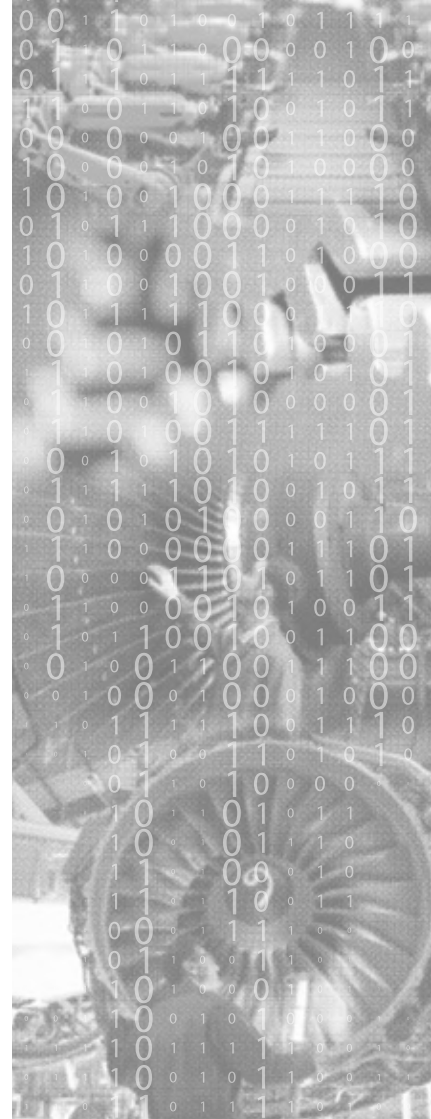
In terms of where the driving force of business growth lay for industrial companies this was a fairly even split between sales and marketing. The last two years has seen huge changes in the industrial buyer journey, with 75% of the research process often complete before the first sales interaction. It's become more important than ever for sales and marketing objectives to be tightly aligned and for the two disciplines to work in partnership.

Q16 How would you characterise your marketing spend, proportionately, versus competitors?

Respondents were divided on this question, with roughly similar numbers of responses on lower spend, equivalent spend and higher spend representing a wide cross section of the industry.

"Difficult to quantify due to the sector in which we operate."

"We're probably under-spending, based on what we have to sell and the potential audience."





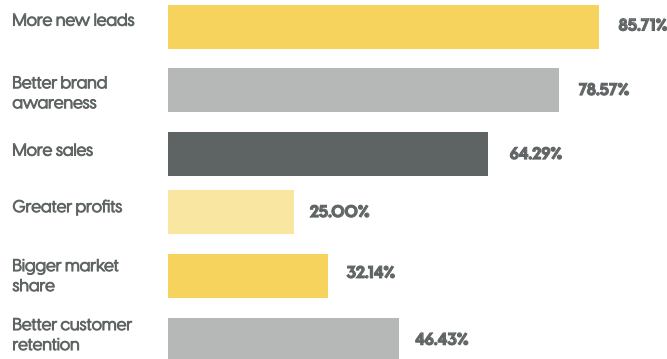
Marketing

ROI measurement

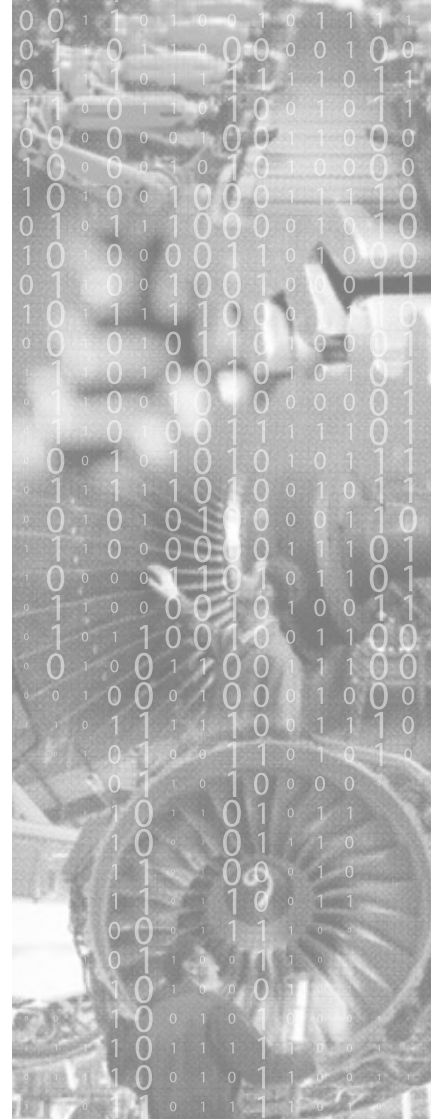
Marketing ROI measurement

Q17 What are the primary goals of your marketing strategy?

Generating new business leads was the clear priority amongst respondents when it came to marketing strategy goals. Interestingly brand awareness ranked as the secondary priority, ahead of either more sales or better customer retention, suggesting that there is an acceptance amongst industrial marketers that brand does play a key role in achieving any of the subsequent objectives.

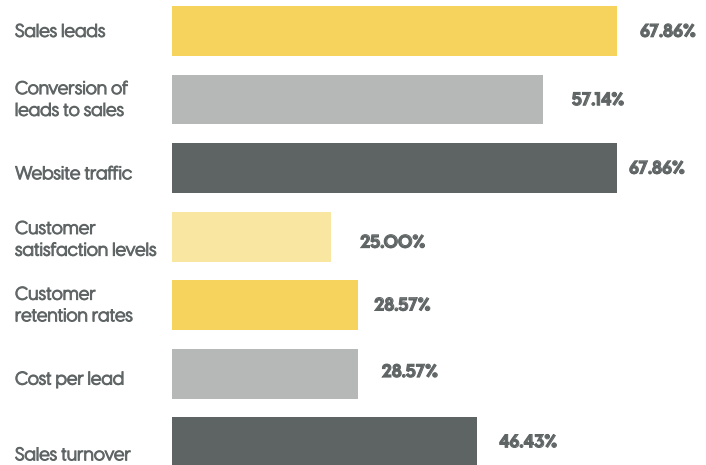


Industrial marketing objectives should always be aligned with commercial benchmarks and company sales and profitability objectives. Generic B2B marketing objective examples include areas like increasing revenue or brand awareness, growing market share, launching new products or entering new markets. Generic channel objectives include areas like increasing organic web traffic, increasing the proportion of web leads converting to customers, increasing social engagement or increasing the number of digital brand mentions.



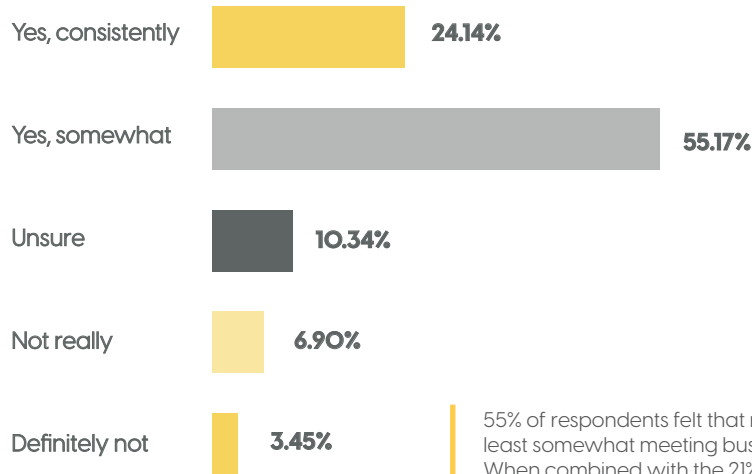
Q18 What KPIs do you use to measure the success of marketing?

Website traffic and sales leads were closely matched as the most important KPI used to measure the success of marketing. Cost per lead being so low on the list of priorities suggests a further disconnect between budget planning and objective setting though – failure to tie these two issues together is undoubtedly resulting in incorrectly allocated and wasted budget.

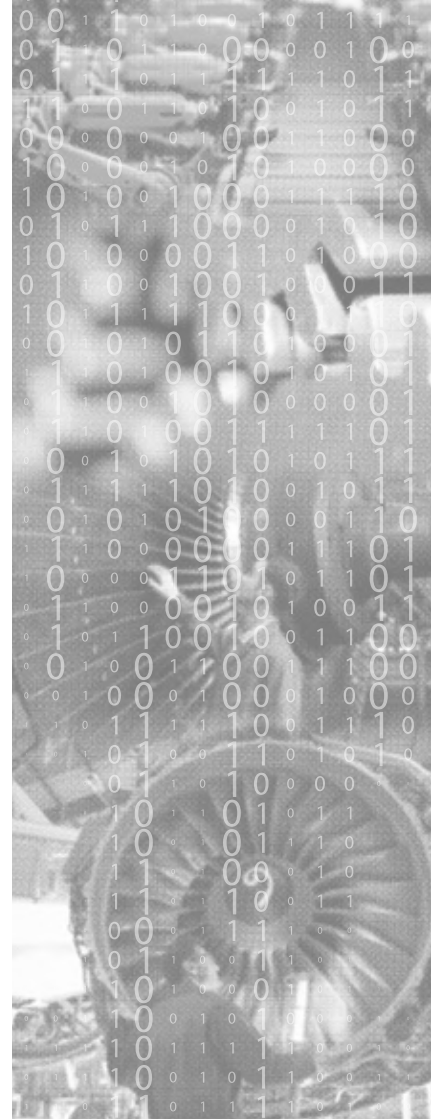


Marketing ROI measurement

Q19 Is your marketing meeting your business objectives?

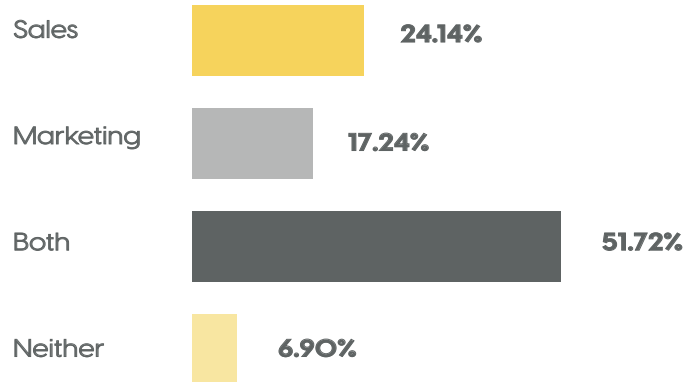


55% of respondents felt that marketing was at least somewhat meeting business objectives. When combined with the 21% who felt unsure or that the opposite was true, it suggests that there is some significant room for improvement in terms of improving the way industrial marketing strategies are reinforced in terms of budget allocation and being framed to correctly fit the new customer journey.



Marketing ROI measurement

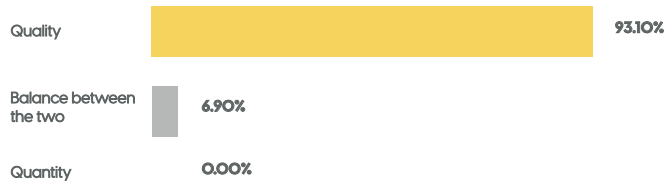
Q20 Which of sales or marketing is more critical to growth in the next 5 years?



As with question 15 there was a fairly even split amongst respondents, with both disciplines being classed as critical to growth by over 50%. The way the two disciplines interact over the coming years will be critical to how effectively industrial companies respond and adapt to the new, post-pandemic, digital-first buyer journey.

Marketing ROI measurement

Q21 Is quality or quantity more important when it comes to leads?



Quality was indisputably the most critical factor when it comes to leads amongst industrial marketers, which is interesting in the context of new leads being the most important marketing objective. When combined with relatively low budget investment it makes for a complex challenge in reaching quality targets that are effectively needles within a haystack.

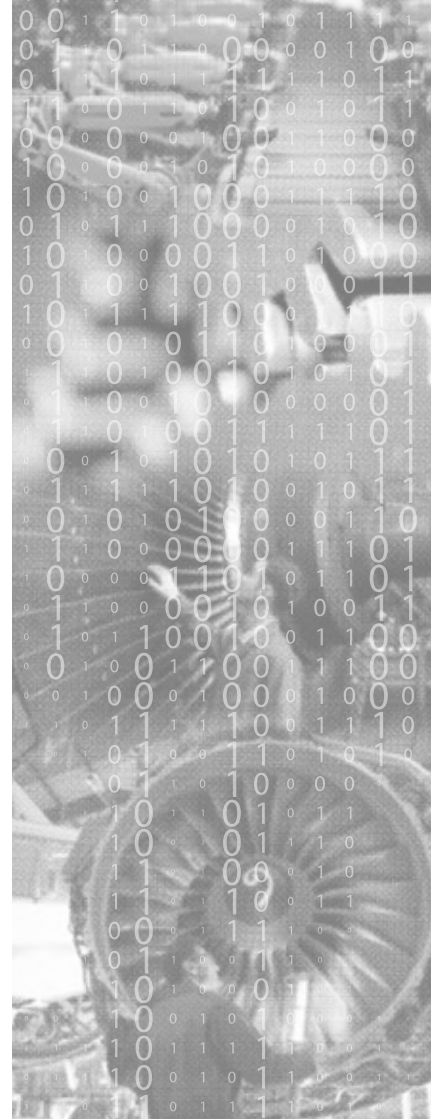
Q22 If you have any further comments about marketing to manufacturers and engineers, this is your opportunity to do so!

The majority of responses on this question made reference to the fact that manufacturers and engineers are incredibly difficult targets to reach and that there is a real complexity in terms of both the sales cycle and the decision making unit. In many ways these reflect the fact that the huge opportunity presented by a new array of digital channels has not yet been fully grasped in terms of how that can deliver a more successful return on marketing investment for industrial companies.

"Our prospects are harder than ever to reach."

"I feel this industry is playing catch up when it comes to marketing."

"Marketing in these sectors is often a very long sales cycle where there are multiple stakeholders who need to be managed within the buyer's journey."



Acknowledgements

Move Marketing

Move is a multi-award-winning, integrated B2B marketing agency that helps global companies in Industrial, Manufacturing and Engineering sectors communicate better with their customers and prospects on an international scale.

Acting as an extension of your marketing team, we build trust digitally in your brand by helping you to understand your audience and buyer persona better and using that knowledge to deliver transformational integrated marketing campaigns. Our unique "8 moves of B2B" eBook offers a world class strategic planning framework that's been specifically engineered for B2B and ensures an objective solution every time.



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