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### Closing the Manufacturing Technology Success Gap

Why do some organizations seem to excel from the jump while others churn through ideas, tech stack products, agency relationships, and their own employees with little to show for the effort?

Why, in an innovative industry, do some businesses get so hung up on time management, ROI, hard work, and elbow grease that they fail to think creatively about their own marketing—and in the process stifle the very spirit of experimentation that might help them get ahead?

And why do even the most successful organizations fail to question outdated assumptions about effective strategy—even when there is clear evidence pointing toward other solutions?

At build/create, we are nothing if not curious. When we find a good question, we put in the legwork to find a well-founded answer. Our process is grounded in research and involves deep listening, client interviews, and competitive analyses. Now, we're taking our process to another level by gathering insights into the industry as a whole. We partnered with independent research firm Audience Audit to conduct proprietary attitudinal segmentation research with the goal of learning more about how leaders in the manufacturing technology industry view their marketing.

We asked 189 decision-makers at the manager level or above who work for B2B or B2G organizations how they think and feel about topics ranging from optimism about their business, hiring priorities, internal culture, and the ways they measure success. We fielded our survey from November 2023 to January 2024 with a margin of error of +/- 6% and a high 90% confidence interval. We hoped to be able to answer certain core questions for ourselves—and provide useful insights to leaders in the Manufacturing Technology space as well.

What we found was a paradigm so compelling, it transformed how we think about B2B marketing.



The world is made up of Achievers, Believers, and Cynics. Some businesses have developed a formula for success so dominant, they've left their competitive field in the dust. Others are determined to find their own pathway to success, but struggle without map or compass to guide them. And the final group have lost their way so completely, they doubt there is even a path to search for—let alone follow.

I think it's safe to say we'd all like to call ourselves Achievers, yet we know that the marketing investment required to generate a return on investment—and the struggle to prove that value—is enough to turn the most devout believer into a jaded cynic. So how can we know when we're achieving all that we can?



Does your organization chase marketing KPIs?



How does your organization ensure you're converting prospects?



How can you make your marketing content stand out from your competitors?



Have you opted out of marketing, whether on purpose or because you lack the budget, time, and resources?



Do you think marketing is a waste of money?

Those are the questions we're calling all B2B marketing decision-makers to ask themselves in 2024. And trust us, there's a lot more where those came from.

Most importantly, we'll answer the most pressing question of all: How do you break the Believer-Cynic cycle and reach escape velocity as an Achiever?

# Introducing the Attitudinal Segments

Let's begin with a high-level overview of the mindsets we identified. These mindsets were not pre-determined: they were revealed by our research based on correlations that emerged from within the data.



#### **ACHIEVERS**

**34% OF RESPONDENTS** 

These decision-makers work for organizations that have an effective marketing approach and are far more successful because of it.

Achievers do more, and focus on their accomplishments.



#### **BELIEVERS** 29% OF RESPONDENTS

These decision-makers aspire to the level of success of the first segment, but they're struggling to close that gap.

Believers will try anything, and focus on their challenges.



#### **CYNICS 37% OF RESPONDENTS**

These decision-makers don't see the point in marketing, and because of this, they're missing opportunities.

Cynics market less, and are setting fewer objectives for themselves.

#### **INTRODUCING THE MINDSETS**

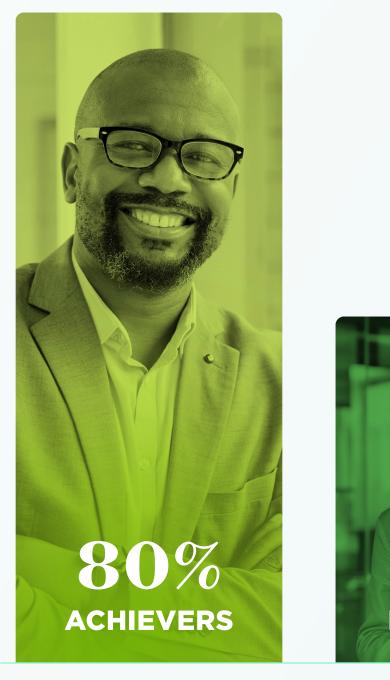
# The Achievers are in a significantly better position than the other two segments.



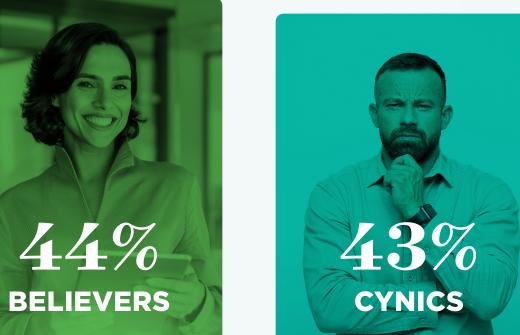
Nearly all (97%) of Achievers strongly agree they feel positive about the future of their organization (and for good reason, as you'll see). Believers and Cynics trail behind at 75% and 65% strong agreement respectively.

At first glance, this might look like people self-identifying whether they see the industry through a glass-half-full or glass-half-empty lens. However, the specific attitudes go deeper than "I feel positive," and we'll illuminate the ways in which the segments' organizations are successful (or not).

As you read through the subsequent descriptions for each segment, consider which one you relate to the most. Throughout this report, we'll provide recommendations to help you either level up your achievements or close the success gap, depending on your starting place.



"My organization is more successful than others in our industry."



Nearly all (80%) of Achievers also strongly agree their organization is more successful than others in their industry. Only 44% of Believers and 43% of Cynics strongly agree with this—a striking divide.



"We understand the importance of our products to our customers. Staying on top of our tech stack is crucial to maintaining our sales and marketing edge."

Respondents indicated strong agreement that they:

### Think of Achievers as decision-makers who work for organizations at the top of their industries.

They prioritize a deep understanding of their customers, effective marketing initiatives, and a robust tech stack—and their organizations are doing better because of it:



They are more successful than other organizations and are changing the status quo in their industry.



They closely monitor how their competitors sell products and services, and they believe their organization's products and services are easy to sell.



They're confident in their organization's approach to its marketing, and they consistently see a return on investment from their marketing efforts.

These decision-makers work for organizations that are very intentional about understanding and communicating with their customers.







### EXPERTS ON THEIR OWN CUSTOMER BASE

Achievers are confident in their knowledge of their customer base, and any partnership with an external agency hinges on the ability of that agency to do the same. Understanding who their prospects are on a deeper level is considered essential.

They try different approaches to communicating with their customers to find out what works best. Customer feedback is essential for improving the organization's offerings.

### BUILT A TECH STACK THEY TRUST

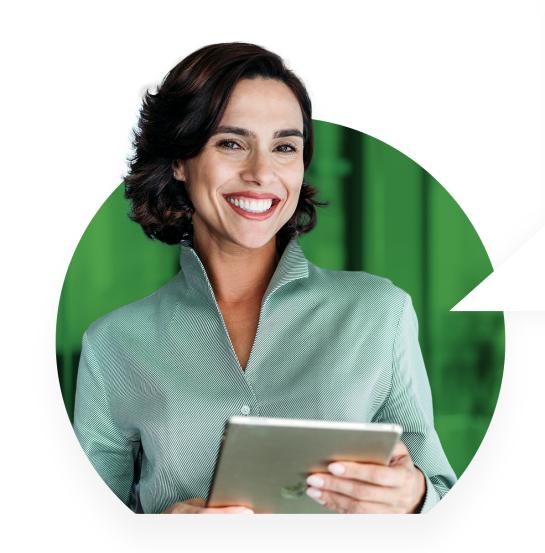
Their organization does a good job managing its tech stack, and they believe that organizations that fully integrate technology into their processes are more resilient. They're confident that the data they pull from the tech stack is accurate.

The tools and resources their organization uses in its tech stack have been worth the investment.

#### CUSTOMER SERVICE SAVANTS

The organization of an Achiever offers better customer service than other organizations in their industry, and its customers see them as trusted experts. It's important for them to translate their internal expertise in a way their prospects can understand.

Their organization does a good job of showing their prospects how they can help them, and are keen to highlight their awareness of industry-leading concepts—such as Industry 4.0.



"We need B2B marketing expertise. That means marketing to customers, contractors, and engineers, all while supporting our distribution partners."

Think of Believers as decision-makers whose organizations struggle. They have big ideas on how to improve, but they may have their hands tied by a lack of leadership buy-in or budget.



They are aware of other organizations in their industry that are succeeding (Achievers), and they aspire to be like them.



They believe organizations with more funding are more likely to be successful in their industry, but without the budget, it's hard for them to visualize success.



They know how to improve in theory, but feel lost or disempowered when it comes to putting that theory into practice.

Their organization has struggled to get its sales department to utilize its marketing tech stack and lean into using marketing metrics.

84% Value customer feedback for improvement

49%
Feel satisfied with the tools in their tech stack

Respondents indicated strong agreement that they:

76%
Feel they're seen as trusted experts by their customers

### CUSTOMER SUCCESS ADVOCATES

Believers know that their customers' success is key to their own. They strive to provide best-in-class support and customer engagement, but a mediocre tech stack and friction between sales and marketing departments creates hurdles.

They know they should engage with existing customers to improve their offerings, but haven't found a consistent way to do it yet.

### PLAYING CATCH UP ON THEIR TECH STACK

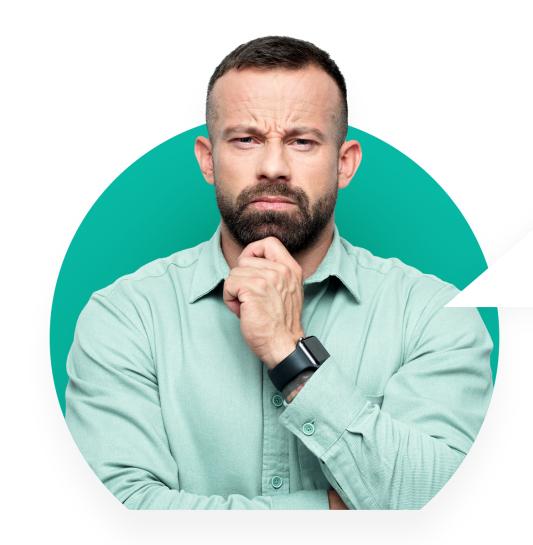
Technology is a weak spot for them. They say it's becoming harder to keep up with technological advancements in their industry, and their organization needs a more organized approach to integrating new technology.

They recognize their organization should collect data from their tech stack more consistently, but can't get the buy-in necessary to coordinate it.

#### SMART, BUT STRUGGLING TO INNOVATE

They know their organization needs to differentiate itself from other organizations in their industry and that there's a lot their organization could do to improve how it markets itself.

Despite this, they struggle to find innovative ways to market their products/services. They believe marketing in their industry requires a specialized approach.



"Marketing is not our priority. We have gotten plenty of business just by treating our customers well and delivering quality parts on time and at a good price."

Think of Cynics as decision-makers who are indifferent to the power of marketing and a well-functioning tech stack. Their lack of buy-in could be due to bad past experiences or a general disillusionment about the power of marketing.

Unlike the other two segments, which have strong perspectives and opinions, these decision-makers show middling agreement with the following:



Marketing initiatives have very little impact on the organization's financial goals.



Their organization's tech stack just makes everybody's jobs more complicated.

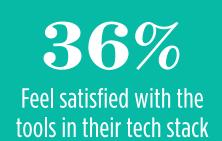


Their industry is too boring to communicate the benefits of their products/services in an engaging way.

They only slightly disagree that marketing is a waste of time and money for their organization (while the other two segments strongly disagree).

Respondents indicated strong agreement that they:







#### PRODUCTION ORIENTED CULTURE

One of the most shocking aspects of this segment is that they're significantly less likely to strongly agree that understanding their prospects on a deeper level is essential to their organization's marketing efforts.

Only one in three strongly agree with this compared to around three in four of the other two segments.

#### VIEWS THEIR TECH STACK AS A LIABILITY

With the number of SaaS products targeting sales and marketing growing every day, even making the selection of which to use is an investment of time that requires cross-departmental buy-in.

Without investing in the selection process and subsequent training, the resulting cycle of partially implemented and poorly adopted tech inevitably leads to disillusionment.

### CAPABLE, BUT DISILLUSIONED

As experts in their field they are confident in their ability to deliver a quality product at a fair price, and it seems the buck stops there.

They seem to prefer to think of themselves in terms of their production throughput, and miss the opportunity to be seen as experts and leaders with a vision for the future of their industry.

THE SEGMENTS ALL AGREE:

# Technological advancement is crucial.

Regardless of which segment decision-makers align with, all segments agree with the following:

- It's impossible to stay relevant in their industry without using the most cutting-edge technology.
- They have a lot of ideas on how their organization can better reach prospects.
- It's more cost-effective to hire in-house marketing employees than to outsource marketing to an agency.
- Most organizations in their industry market their products/services in the same ways.

What is striking to us about these statements is that many of them conflict with answers we see later in the report. For instance, respondents agreed that most organizations in their industry market in the same way, yet individually they had lots of ideas for how to do their own marketing better. They believe in the cost-effectiveness of in-house hiring, but also look to those agencies for new ideas or fire them for lack of innovative thinking.

We also believe that organizations are falling into the common trap of considering their staffing costs and marketing expenses as different buckets. There seems to always be budget to hire a person, which is costly, but not budget for products and services which cost a fraction of the price.

We'll dig into these observations more in our conclusions. For the time being, as you read through our key findings, consider how these core assumptions may or may not align with the actions taken by our attitudinal segments.



### Key Findings

Our survey covered a range of questions and the data yielded more insights than we will summarize here. If you are interested in exploring our data for yourself, it is available <u>here.</u>

We chose to focus on eleven findings that stood out to us as the most crucial and relevant for decision makers in the manufacturing industry.

- 1. Demographics do not determine segments.
- 2. Time in business does not determine marketing skepticism.
- 3. Believers struggle more with staffing issues.
- 4. Most organizations rely on internal marketing expertise.
- 5. It's an uphill battle to convert customers.
- 6. Nearly 40% of organizations do not have a functional sales/marketing relationship.
- 7. Organization websites appear to yield the most qualified leads.
- 8. Organizations want fresh ideas and insights from marketing agencies.
- 9. Achievers have decoded marketing metrics.
- 10. Event marketing is on the rise.
- 11. Organizations need to improve their long-form content.

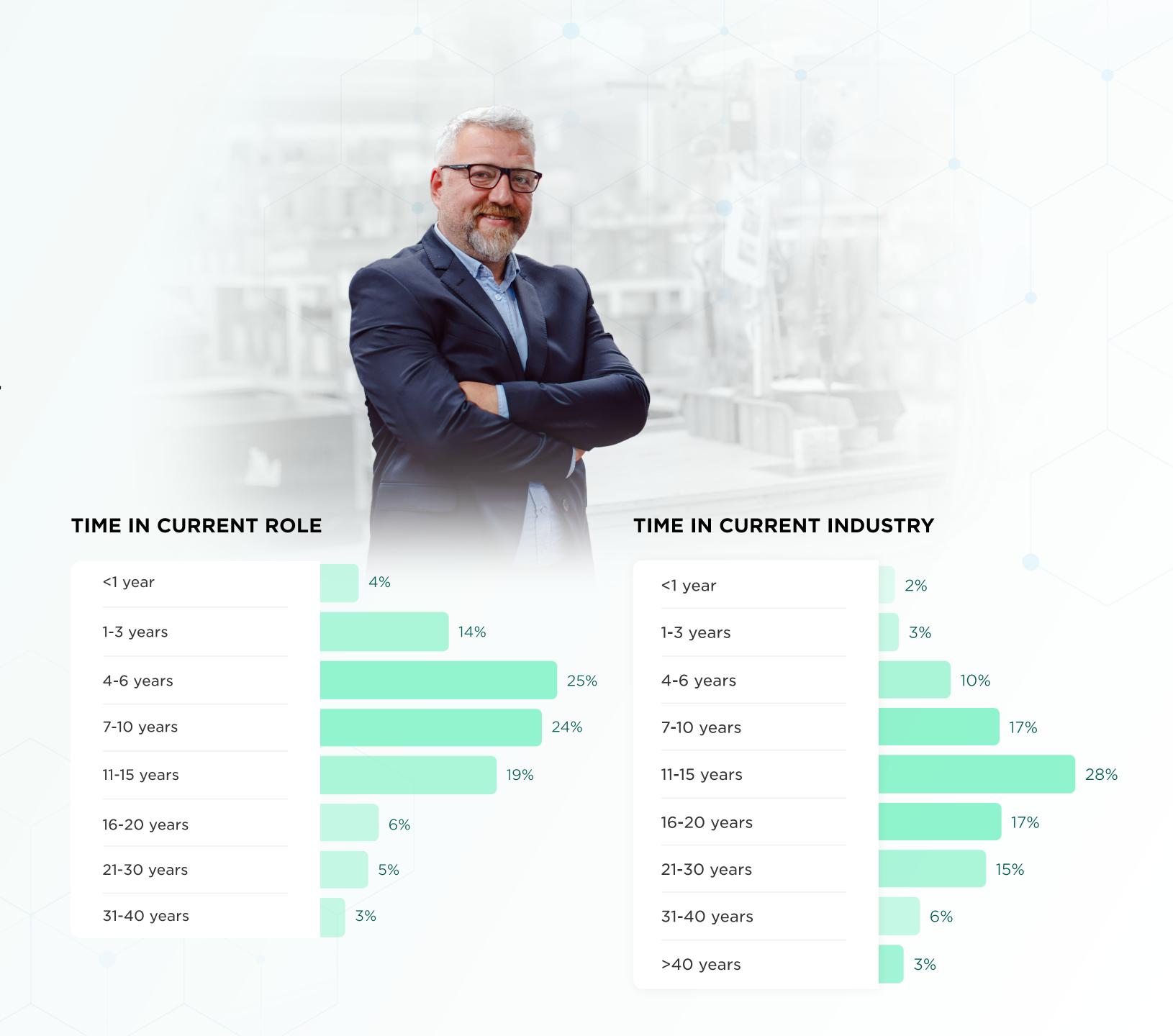
# Demographics do not determine segments.

The segments are truly defined by their mindsets, not by easily stereotyped demographic factors such as age, gender, education level, job level, how long they've worked in their industry, or the extent to which they're involved in making decisions at work.

Our respondents are generally very experienced professionals. Over two in three decision-makers have been in their industry for 11 or more years, and over three in four (86%) have been in their current role for 11 or more years.

The prevailing narrative in manufacturing tech marketing departments is that older employees are friction points, saying, "I don't need this to do my job," or "I've always done it this way."

Our research suggests the reality is far more nuanced. Achievers can be fresh faces or industry veterans. We may see positive mindsets in experienced leaders because their tenure in the industry means they've learned what works.



### Decision-makers' areas of responsibility

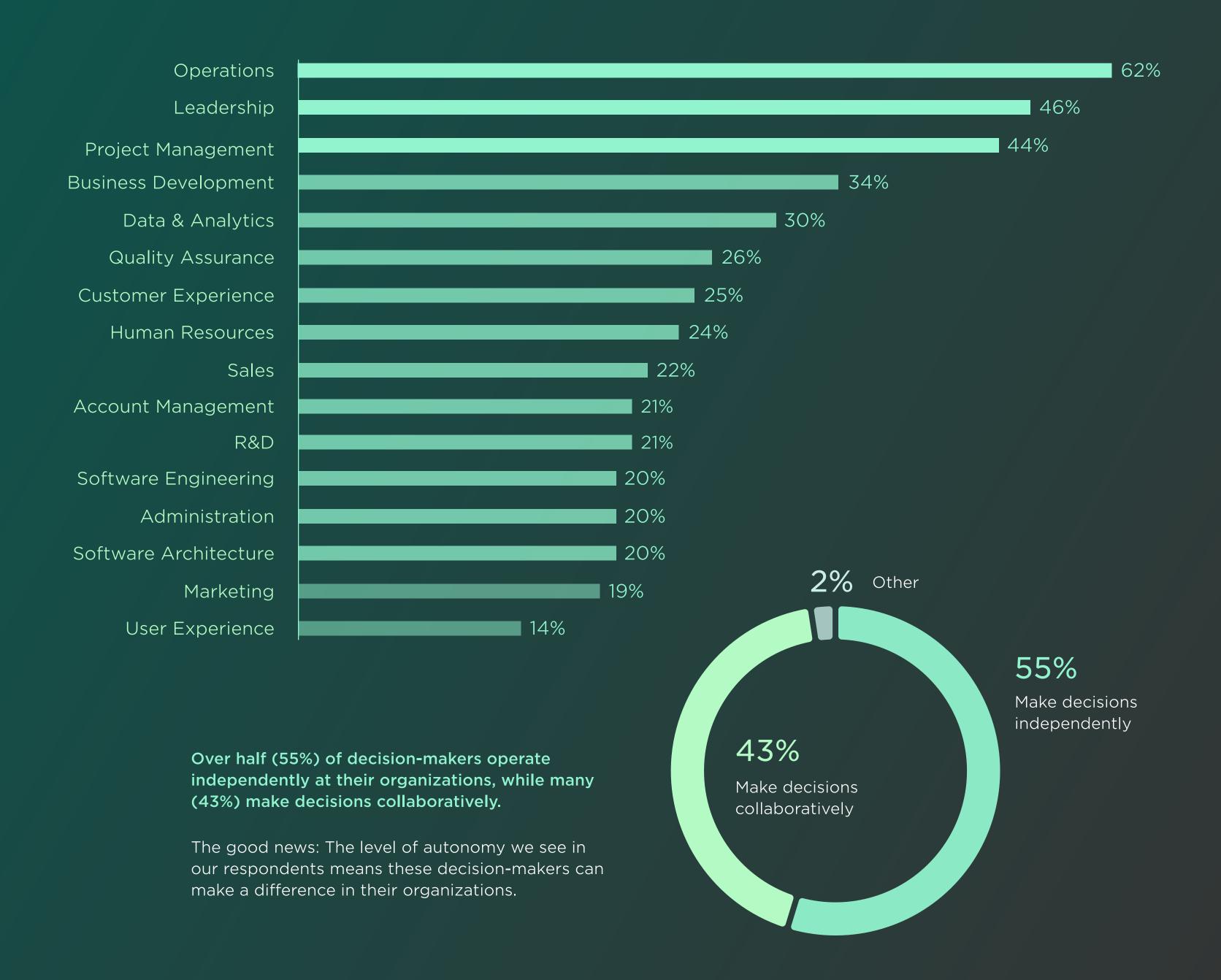
Many decision-makers work in operations (62%), leadership (46%), and project management (44%). Few (19%) are responsible for marketing.

While a lack of understanding of their colleagues' responsibilities can, in part, explain Cynics' mistrust of marketing, it certainly doesn't explain the significant percentages who still see its benefits.

For the Achievers, who work for organizations where marketing is aligned with overall business objectives, it's easier to see the value.

# Organizations need to reject any narrative that starts with "we're too small" or "we'll be able to do this once we're larger."

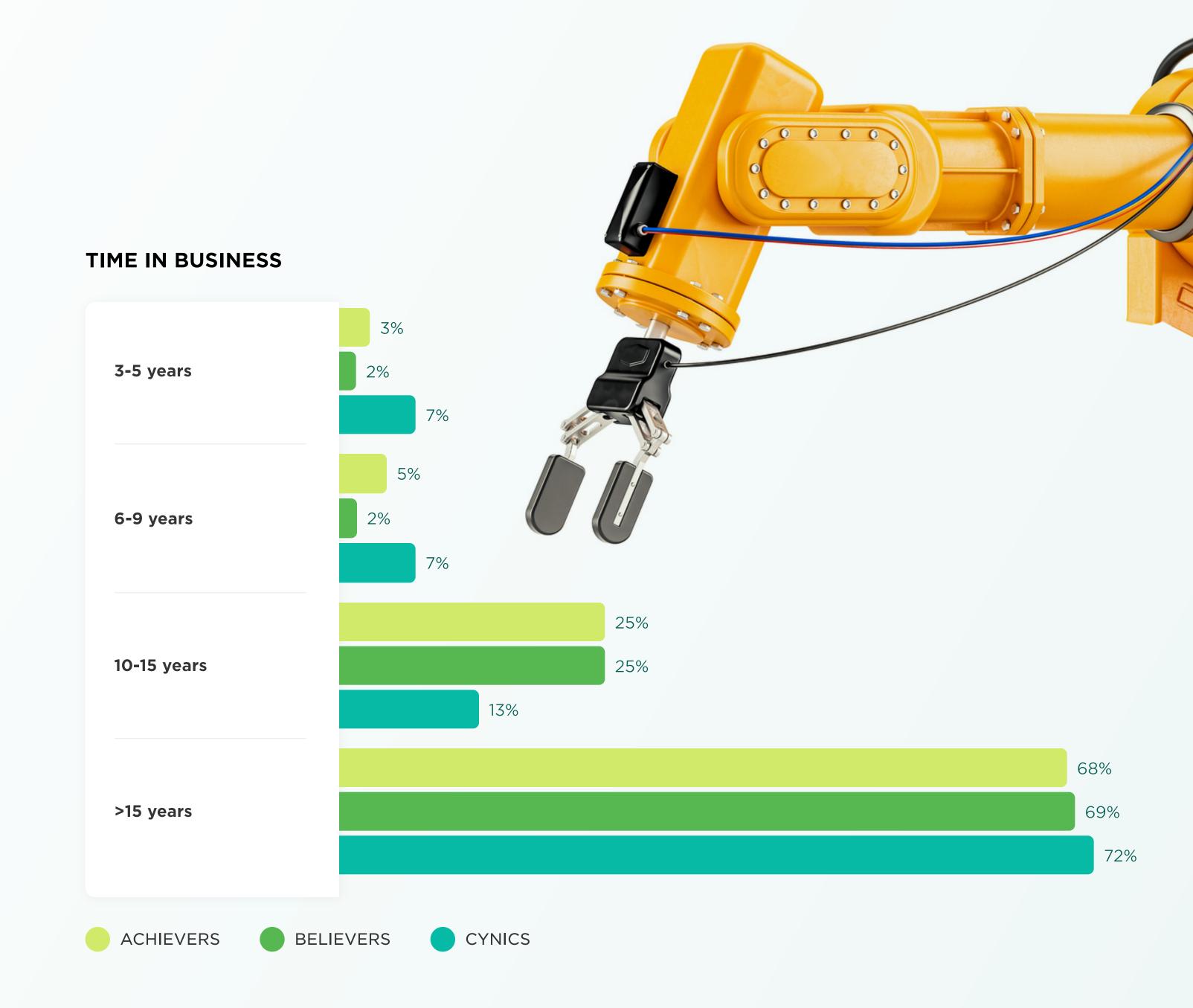
The lack of differentiation around company size stands out as particularly noteworthy. It would be easy to spin narratives around larger companies using more efficient budgets or smaller companies responding more nimbly to markets. Instead, the advantages or disadvantages that come with company size—if they exist—are offsetting one another.



# Time in business does not determine marketing skepticism.

Most (70%) organizations have been in business for more than 15 years. We expected to see some divergence in attitude here—perhaps long-term businesses would have more experience making marketing work for them while young, start-up companies were still operating on shoe-string budgets. Or maybe the older companies would feel burned by bad experiences, while the younger companies were eager to broadcast what made them new and different.

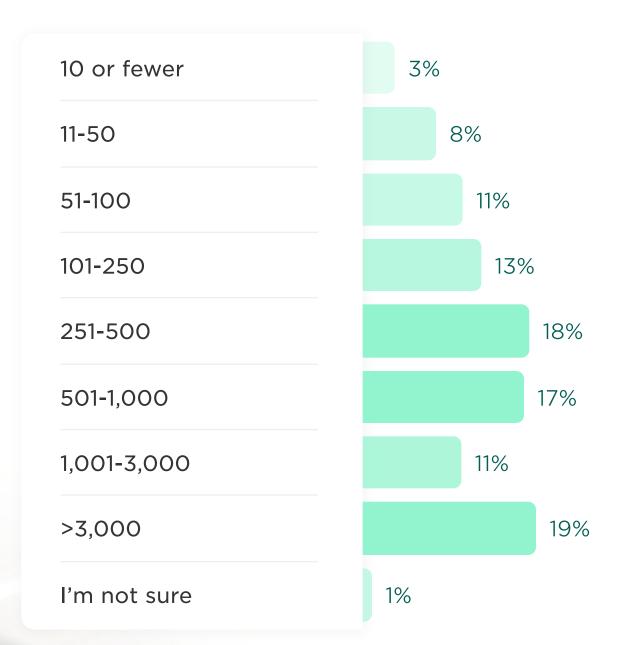
Our research shows that's not the case. We see Achievers from organizations that have been in business for 3-5 years and more than 15. Cynics also appear in every time-in-business category. Newer organizations can distrust marketing, and long-time organizations can buy into it fully.

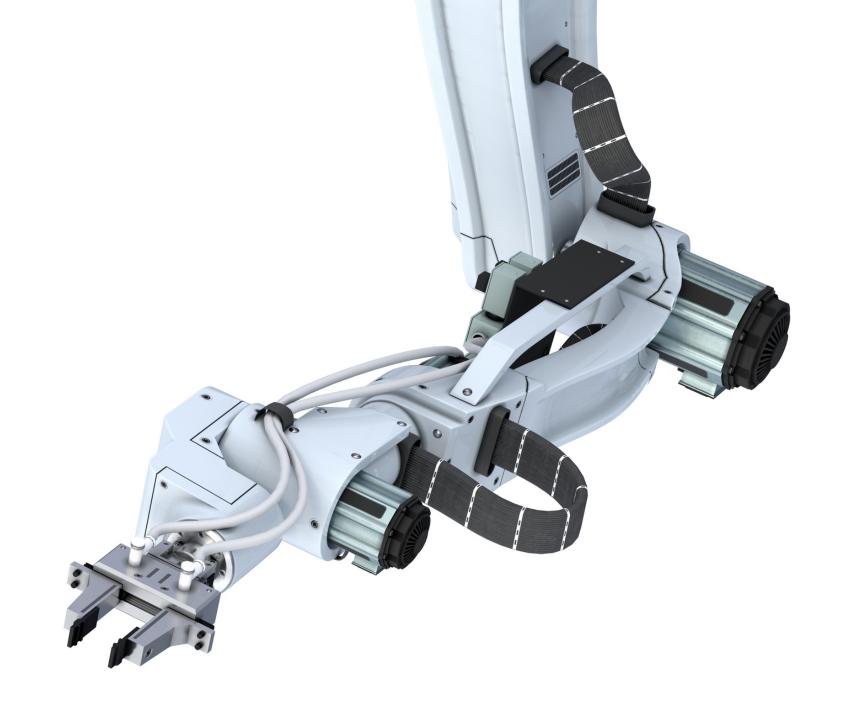


#### Just under half of respondents work for organizations with more than 500 employees.

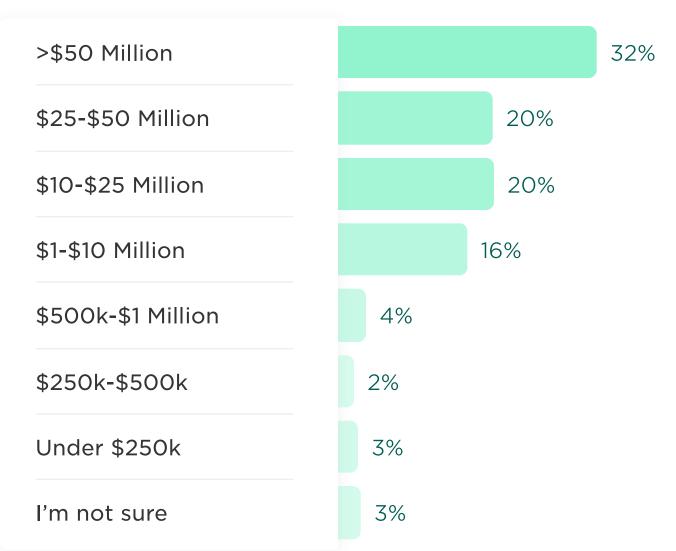
Before we designed our study, we believed we would see more small organizations represented in our data. Comparing our respondent group to the industry as a whole, more decision-makers work for large organizations than they do small ones. This bucks <u>overall employment trends in the U.S.</u>, where most firms are small businesses.

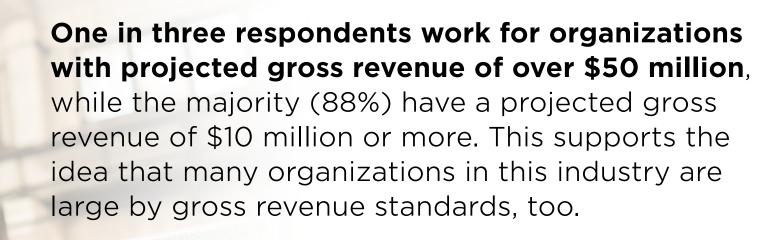
#### # OF EMPLOYEES





**2023 GROSS REVENUE IN USD** 







# Believers struggle more with staffing issues.

Across industries in 2023, <u>the voluntary turnover rate was 14.7%</u>, significantly lower than what we discovered in our research.

If your organization has lost staff in the last year, you're not alone. Half (53%) of organizations have seen turnover, and it was worse for some.



Achievers, who excel at marketing, have seen less impact from employment fluctuations. While we cannot demonstrate causation in our research, these results suggest there may be a connection between superior marketing and recruiting/retention efforts.

Marketing may not help you directly reach prospective employees, but it's easier to recruit and retain when your organization is growing and successful. Quality marketing helps organizations stand out from others in the industry. It's both a contributing factor to—and reflection of—that success.

#### LOST STAFF IN THE LAST YEAR





## Staffing challenges across the mindsets.

So, what is causing such steep employee turnover in the manufacturing technology industry? According to respondents, organizations struggle to:

- Q Find qualified applicants (48%)
- © Retain talent (29%)
- Overcome labor shortages (25%)

Believers appear more likely to work for organizations that struggle with various staffing challenges. These challenges may explain why these organizations have trouble getting traction with their marketing. Marketing might be the first to go when resources need to be diverted to stem the flow of dissatisfied employees.

If you relate to the Believers, consider that marketing may be part of the solution to staffing woes rather than something that needs to be eliminated when times get tough.

ACHIEVERS







# What are decision-makers looking for in prospective employees?

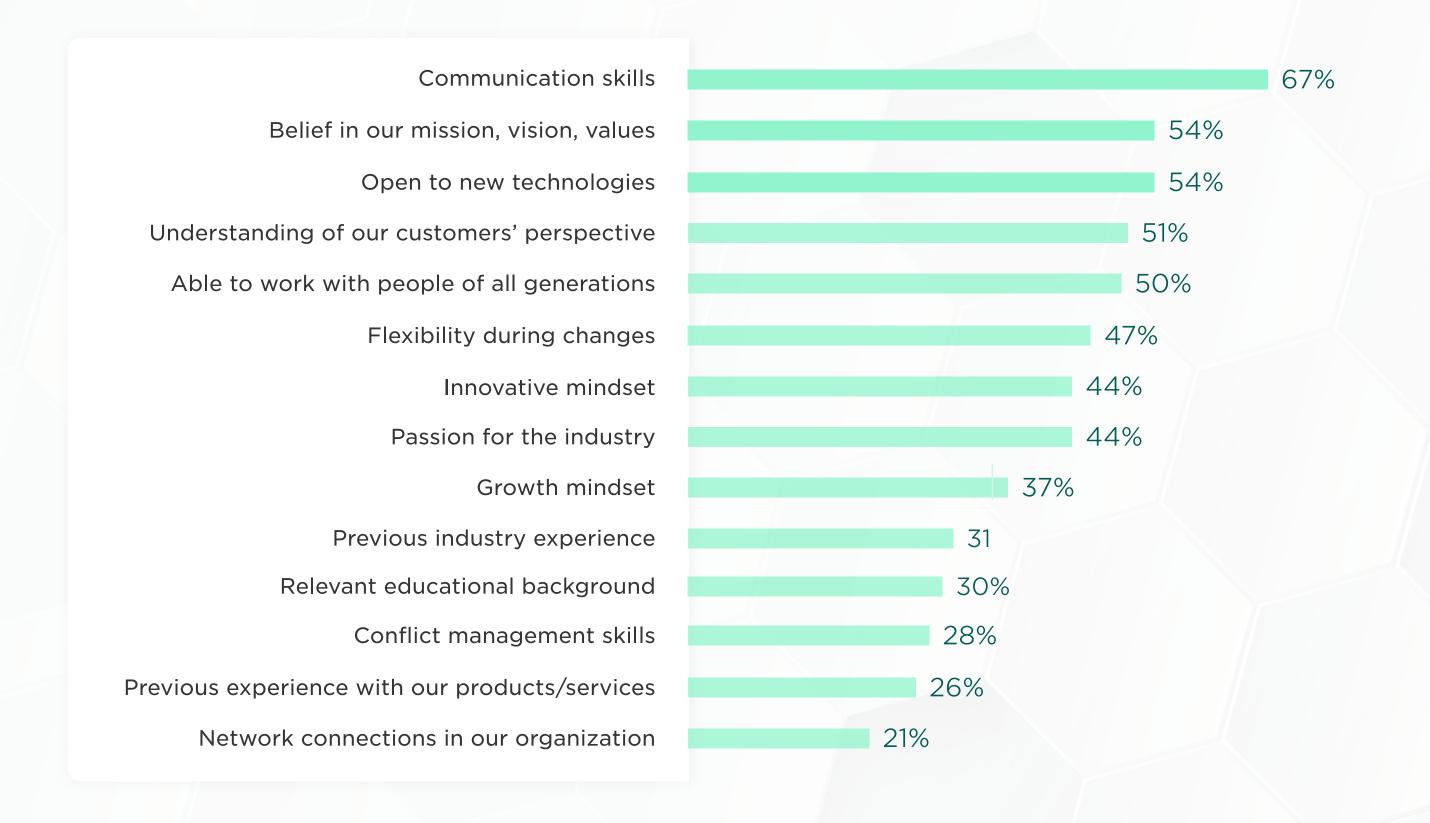
Believers also know where they want to grow, and if the organization does not support their vision, the churn rate will be high. Cynics may be in a slightly better position with employee turnover because they have lower expectations; they don't have as far to fall, or at least that's what they tell themselves.

On the other hand, Achievers appear to have stronger organizational cultures that prioritize positive regard, buy into marketing initiatives, and seek to understand their customers on a deeper level. It's no wonder they're less likely to lose employees.

As far as how prospective employees can best integrate into these organizations, decision-makers say employees need the following to be successful:

- Communication skills (67%)
- Openness to new technology (54%)
- Belief in the organization's mission, vision, and values (54%)

Core transferable skills top the list compared to industry experience, relevant educational experience, network connections, and experience with the organization's products/ services; perhaps organizations see these skills as teachable, while something like communication skills are less so.



### Given the perceived transferability of industry experience, organizations may want to reconsider some of their hesitations around working with outside agencies.

If industry experience can be learned, then the qualities businesses should be looking for in their external relationships are about mindset—willingness to understand the customer's perspective, openness to new technologies, and an ability to integrate well with a diverse team. The cost of onboarding an agency with industry knowledge pales when compared to the advantages brought to the table by that fundamental curiosity.

## Challenges faced in their role.

Organizations that foster core soft skills through learning and development, culture-building, and smart hiring practices will be set up for more success. Looking to Achievers as an example can be beneficial to organizations of all sizes.

Achievers set the highest bar for the qualities employees need to be successful at their organizations, and Believers follow closely behind. These organizations are actively creating an experience, not just a place where you clock in and out.

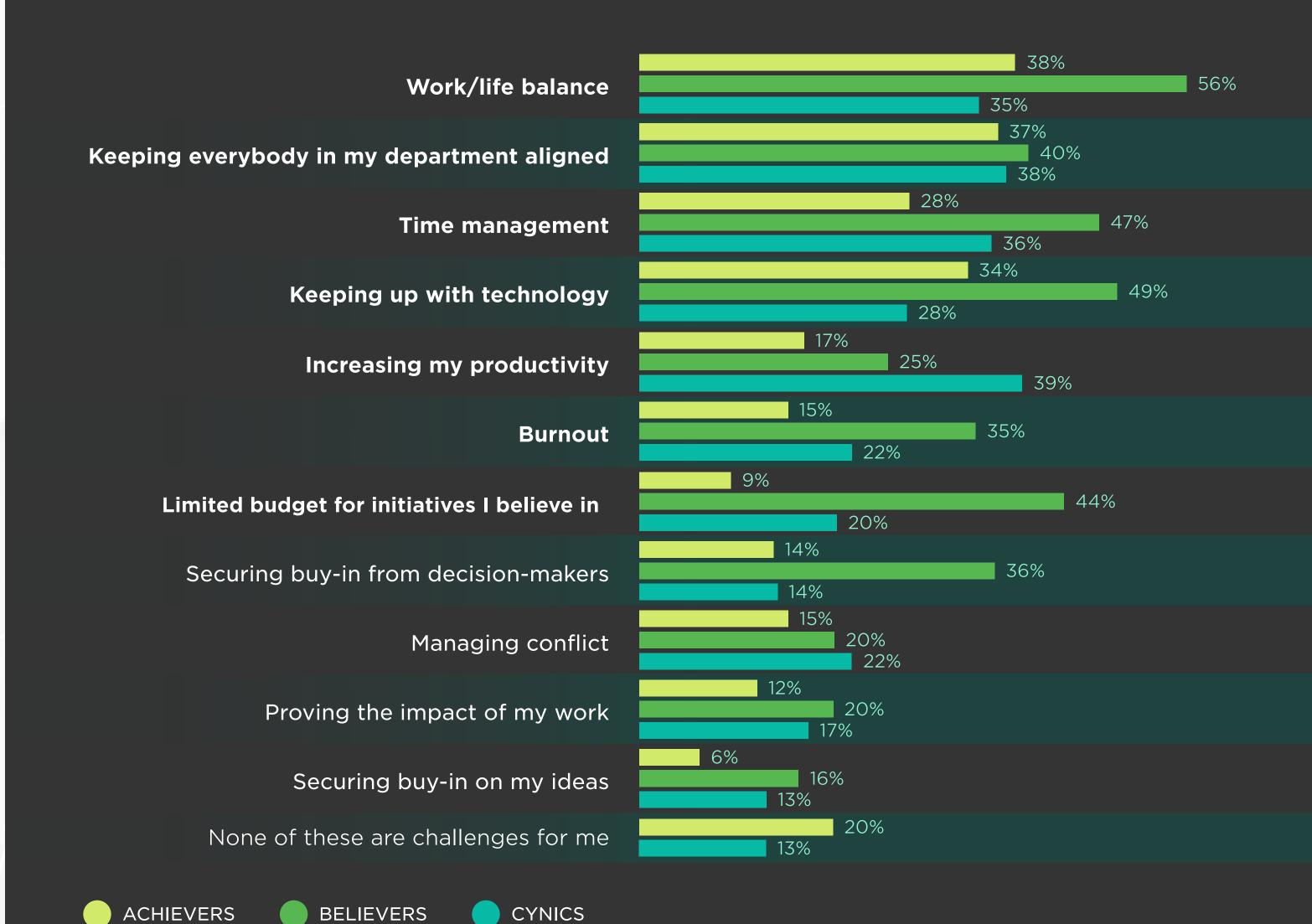
The top challenges decision-makers face in their roles are work/life balance (42%), keeping everyone in their department aligned (38%), time management (37%), and keeping up with technology (36%).

Believers cite more challenges than the other two segments. Their most prominent challenges—work/life balance, time management, securing buy-in—all revolve around putting in the hours and struggling to create meaningful change.

Cynics' top response—increasing productivity—reflects their limited perspective. They need to think more expansively.

This may be an area where agencies provide a stabilizing force. Agencies may be expensive, but they have motivations to stick with an organization for as long as the relationship stays productive. They also have strong incentives to work collaboratively with the current in-house staff. Rather than contributing to internal conflict that can arise from employees each competing to secure buy-in and recognition for their ideas, it is in an agency's best interest to mitigate conflict and support the team, increase their productive capacity, and take over tasks that contribute to burnout.

The three segments show some alignment on what they find challenging in their roles, specifically keeping their department aligned, managing conflict, proving the impact of their work, and securing buy-in on their ideas. These are industry-wide challenges.

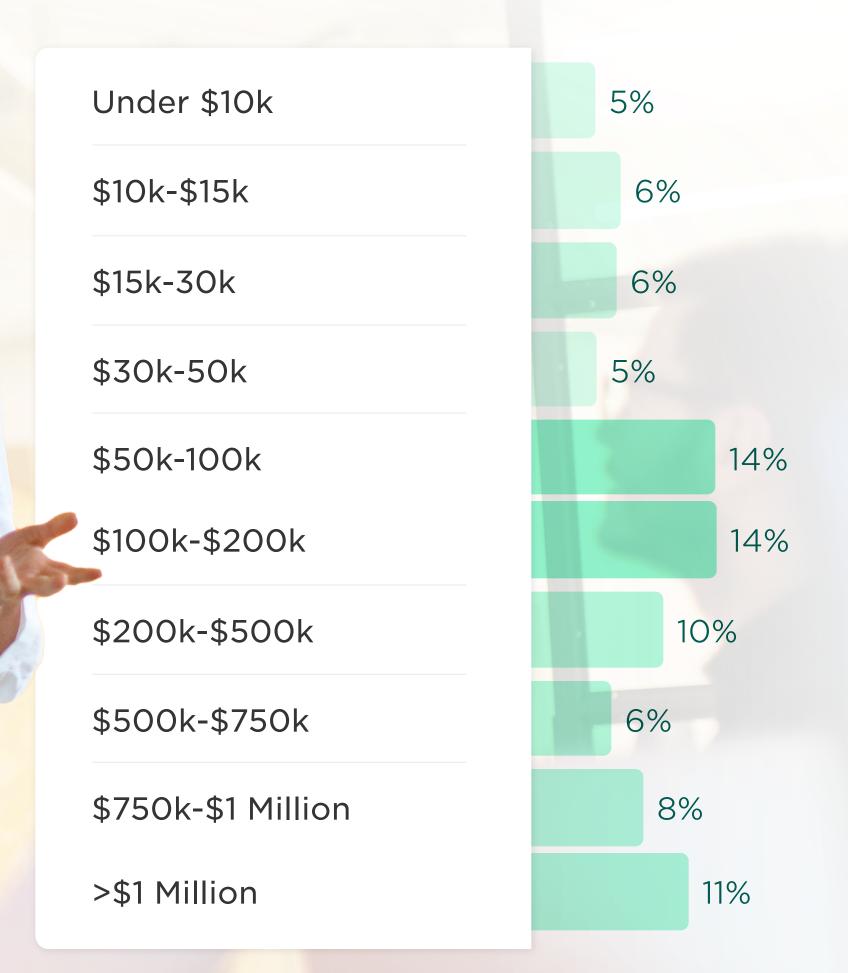


There's no one-size-fitsall for marketing budgets.

Marketing budgets range from under \$10K to over \$1 million annually, with no differences between the segments.

While larger organizations appear to have higher budgets, we're a bit surprised at how low the budgets trend overall. Especially considering that one in three decision-makers says they struggle to do everything they can within their budget, organizations may need to up the ante.

#### **2023 MARKETING BUDGET IN USD**



# Most organizations rely on internal marketing expertise.

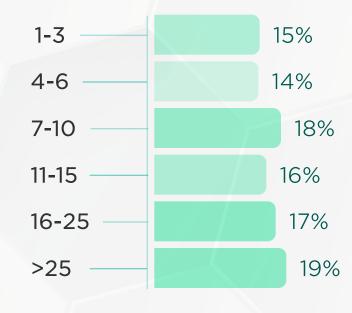
Most organizations (77%) have an in-house marketing department. Amongst those that do, there's a range of employees on that team—from one to more than 25.

Given that we typically see teams of five or fewer, those reporting large in-house marketing teams could have employees with multiple responsibilities or employees that also contribute to marketing on top of a role in operations.

All three segments generally believe their internal expertise is better than hiring a marketing partner. The industry is highly specialized and technical, and hesitation is understandable when at the end of the day companies have marketing budgets to justify. However, this preference contradicts earlier, stated hiring priorities, where communication skills were more than twice as likely to be listed as a desirable hiring trait than previous industry experience (67% to 31%).

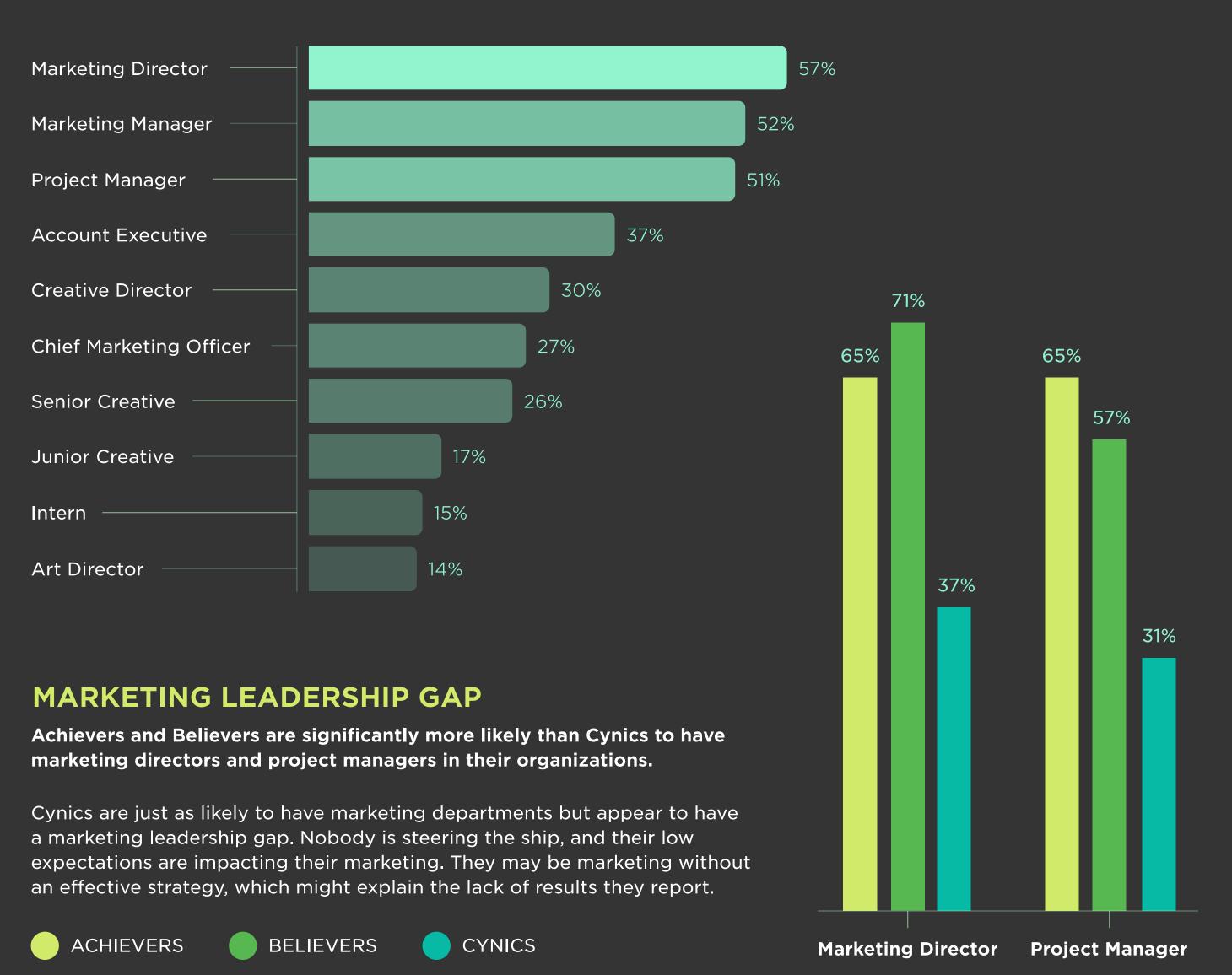
#### **MARKETING EMPLOYEES**

Believers are *more likely* to have smaller in-house marketing teams of six or fewer.



#### MARKETING ROLES

These organizations' most common marketing roles are marketing director, marketing manager, and project manager.



## It's an uphill battle to convert customers.

The top three marketing objectives decision-makers' organizations have are:

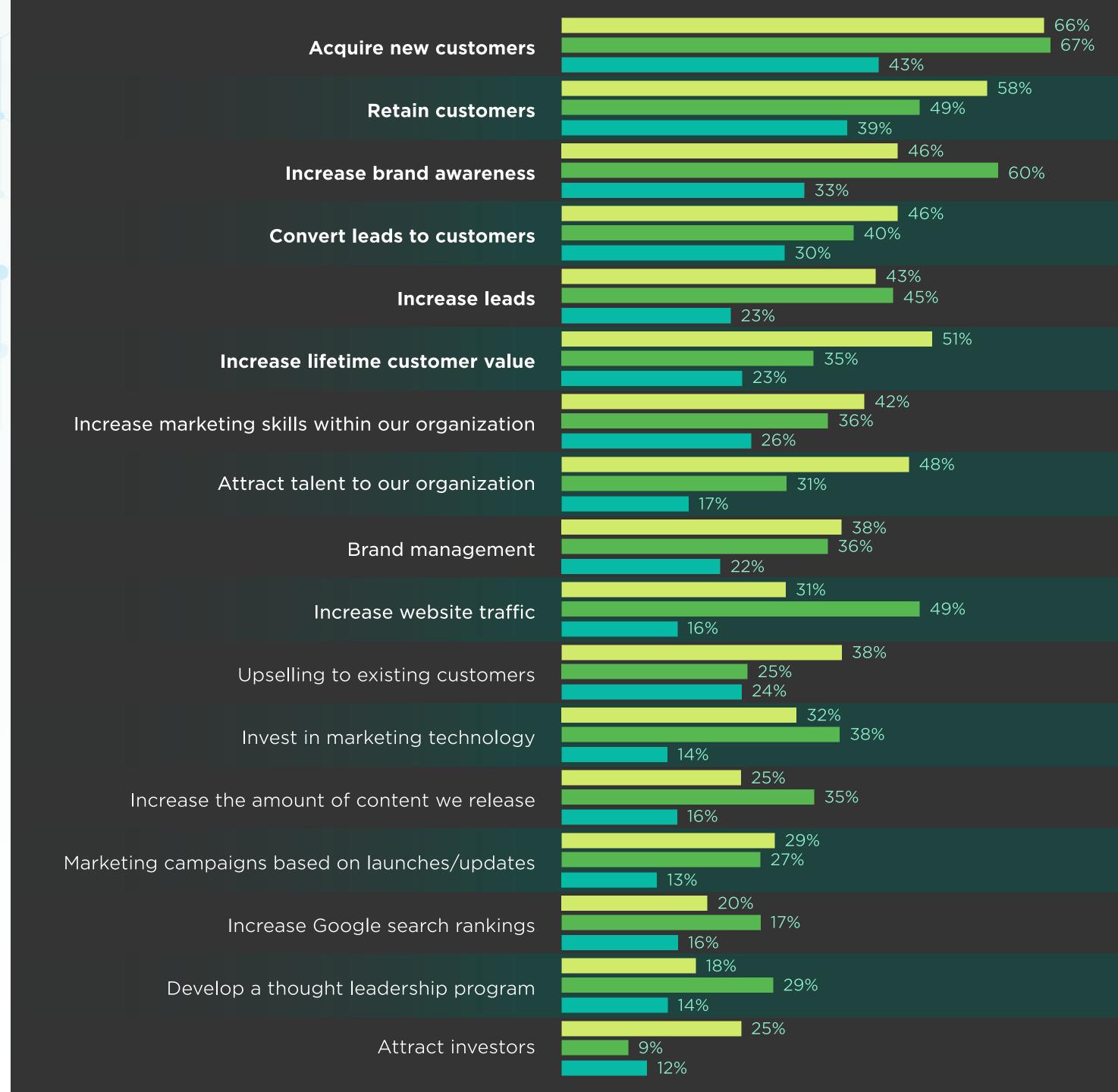
- U Acquire new customers (58%)
- Retain customers (49%)
- Increase brand awareness (46%)

Achievers and Believers align fairly closely on their marketing objectives. The latter are on the pathway to becoming Achievers; they just need a little help to get there.



Cynics are least likely to cite almost any marketing objectives, including customer acquisition and increasing leads. These decision-makers seem like they're aiming for the ground.





### Challenges faced by marketing departments

So, how are the segments doing on these objectives? Organizations struggle with:



Measuring metrics and applying them to their marketing efforts (39%)

Coming up with fresh ideas for marketing collateral (36%)

Soing everything they want to do within their marketing budget (36%)

Generating a return on investment from marketing efforts (36%)



Believers are significantly more likely to cite many marketing challenges, including converting prospects, generating an ROI on marketing efforts, and proving results to internal stakeholders.

We're surprised securing leadership buy-in for their marketing initiatives isn't higher on this list since we have many clients who report this as an issue.

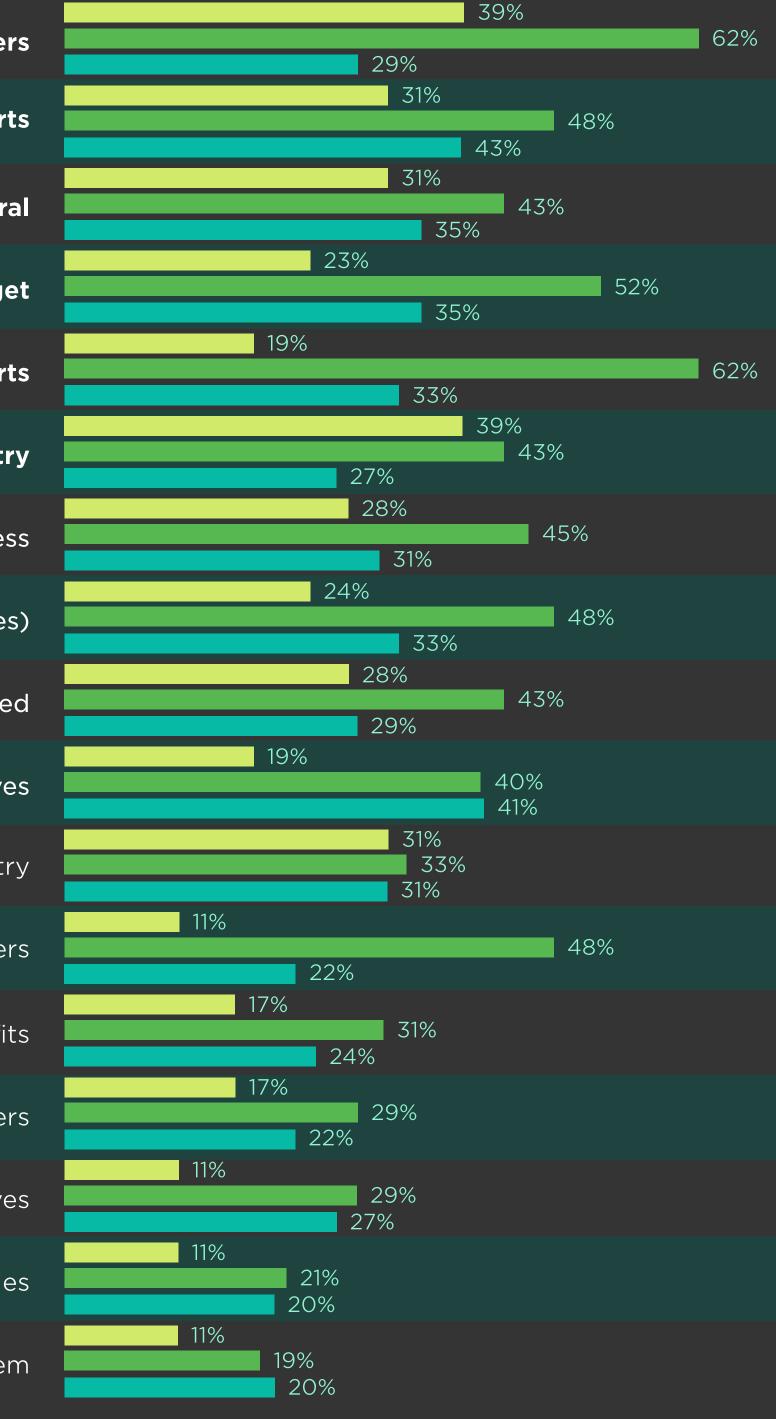
Generating an ROI on marketing is notoriously difficult in an industry where it takes years to close deals (and unpack the data from a lengthy buyer journey). If you're in a similar position, there are ways to get the ROI you need.











### What should we improve or start doing?

When it comes to specific actions that decision makers believe their organizations should be taking, the top responses were:

- U Attracting new customers (35%)
- Retaining customers (31%)
- Converting prospects to customers (31%)

It is unsurprising that the top three actions are all revenue driven. Beyond this, many of the other "goals" listed are ways that organizations would go about achieving the revenue gains represented by the items at the top of the list.



Believers appear more likely to cite a range of improvements, which aligns with their mindset that their organization has a lot of work to do.

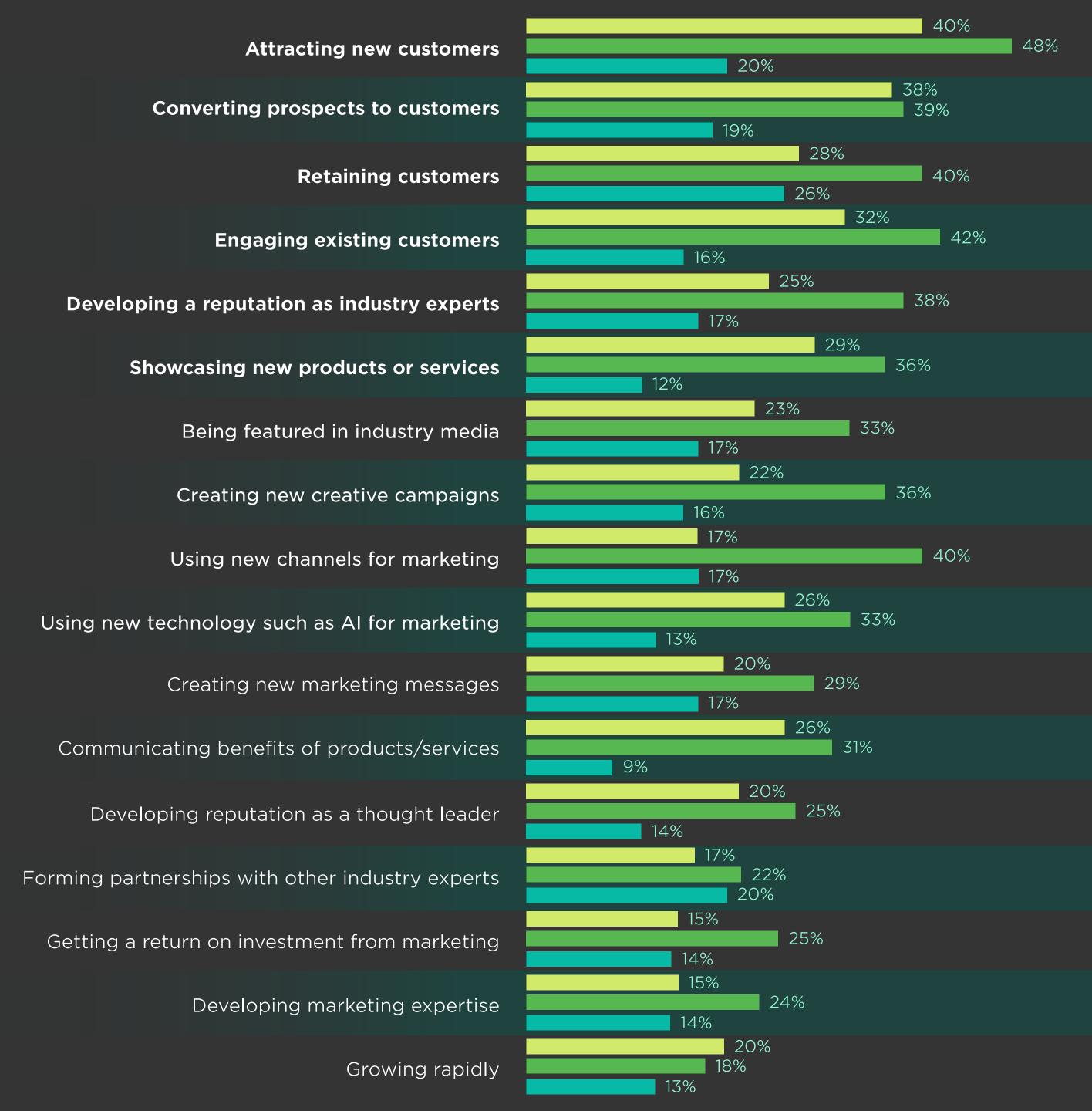
"Developing a reputation as industry experts" also tops the charts, which shows a healthy respect for some of the other values and tactics we've discussed throughout the survey—namely establishing yourself as a trusted authority, with long-form content being one of the most important ways in which you do so.

It's also refreshing to see "Receiving Awards" at the bottom of the list. Rewards may seem impressive to outside or inexperienced audiences, but most industry insiders know that awards are fairly hollow, often existing on a pay-to-play basis.









# Nearly 40% of organizations do not have a functional sales/marketing relationship.

Most (61%) decision-makers say the relationship between sales and marketing at their organizations is frictionless, so the cause of their marketing strife is not interdepartmental collaboration. However, this leaves roughly four out of every ten marketers with some level of discord between these two crucial departments—either fractured communication, open hostility, or simple apathy.

Unsurprisingly, Achievers are better at aligning their sales and marketing departments and are significantly more likely (85% strongly agree) to say this relationship is frictionless at their organizations.

Believers and Cynics trail far behind at 44% and 54% respectively. It is notable that Believers fare worse than Cynics in achieving this collaboration.

ACHIEVERS BELIEVERS CYNICS

61%

The relationship between sales and marketing is frictionless. These departments share technology and work together towards common goals. Each department is receptive to the others' influence.

8%

The relationship between sales and marketing is adversarial. These departments seem to be in competition with each other, seldom working together, and often getting into disagreements.

19%

The relationship between sales and marketing is fractured. These departments work together sometimes, but communication is lacking, and they don't always use the same tools or share data with each other.

8%

The relationship between sales and marketing is nonexistent. These two departments are completely siloed, communicate very little if at all, and do not utilize each other's expertise or resources.

<sup>&</sup>quot;The relationship between sales and marketing is frictionless."

# Organization websites appear to yield the most qualified leads.

The top marketing channels overall (by a significant margin) are:

- ⟨ Email marketing (61%)
- Social media (50%)

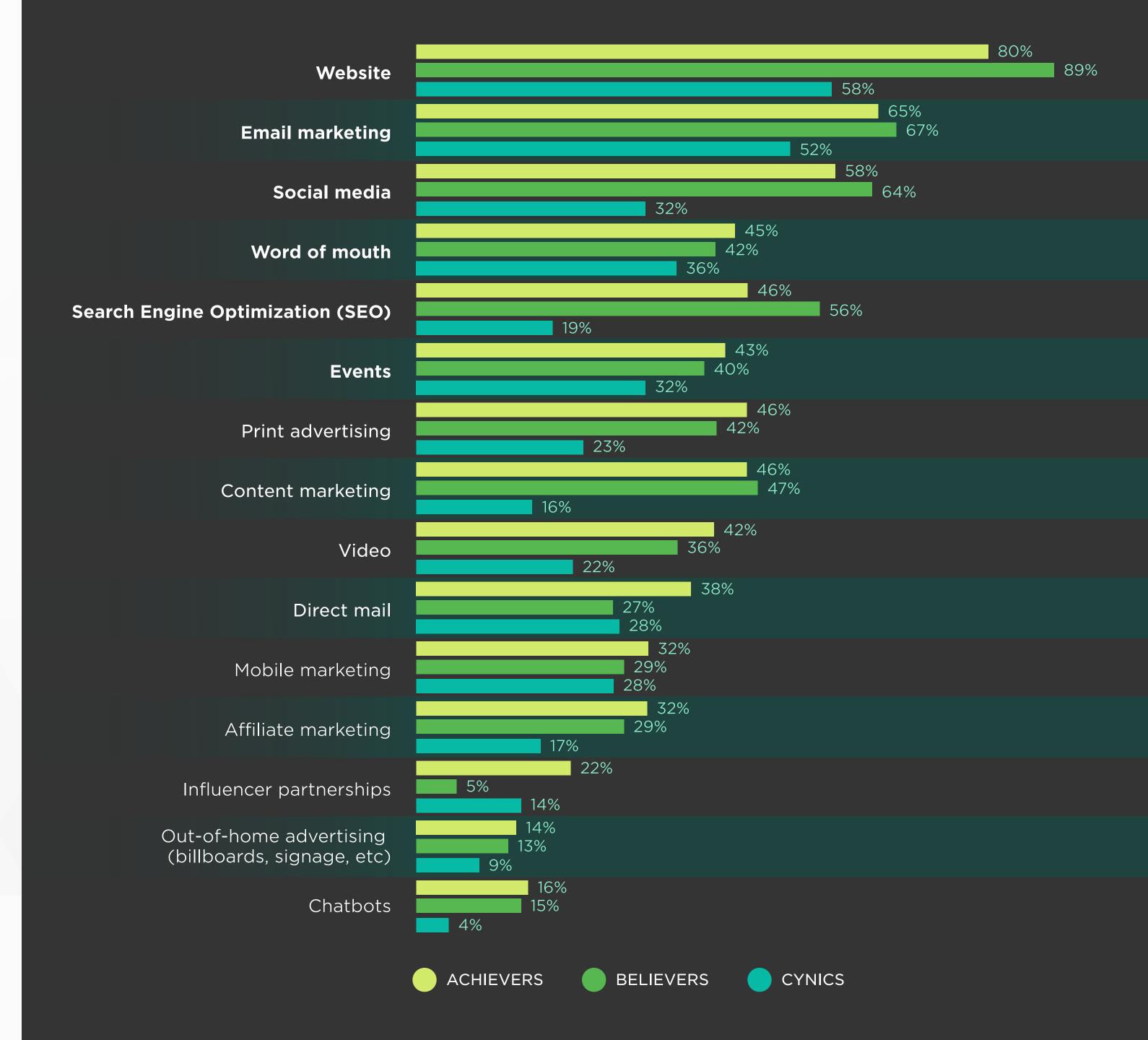
Broken down by segment, the results begin to illustrate the differences between our marketing mindsets.



Cynics generally use fewer channels and are significantly less likely to use a website, social media, SEO, or content marketing than the other two segments.

Considering websites are the number one most trusted source of information for engineers looking for helpful information on products/services, it is crucial that businesses in this industry do not neglect this resource.

For the 25% of businesses who do not have a website, or whose website is woefully out of date, it's time to start investing in this as a primary marketing channel. That means building out the content to support the intense amount of preliminary research today's customers are accustomed to when performing due diligence into a new product, service, or business relationship.



# Marketing channel spend vs lead generation

This graph compares which marketing channels respondents spend the most on versus which they reported as generating the most leads.

This isn't an indicator of actual ROI—rather, what respondents prioritize in their budget, as compared to the channels they perceive as generating the most new leads.

Channels organizations spend the most of their marketing budget on:

- → Events (44%)
- → Website (51%)
- → SEO (39%)
- → Content marketing (39%)

Channels that yield the most qualified leads for these organizations:

- → Website (51%)
- → Events (49%)
- → SEO (47%)
- $\rightarrow$  Social media (47%)

Generally, the channels organizations use and spend the most on match the channels that generate the most leads for them.

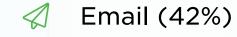
However, in marketing, it's often an all-roads-lead-to-the-website type of situation—event materials, social posts, and email campaigns all direct contacts back to the website. Additionally, the website can often serve as a catchall for leads for which attribution is difficult to determine.

#### CHANNEL SPEND VS LEAD GENERATION



## Top marketing elements

Beyond the website, the top four elements organizations use for their marketing are:



Product or service demos (40%)

Social media posts (39%)

Exhibiting at events (39%)

Elements like blog articles, case studies, and whitepapers are far too low on this list. These content assets provide high value and have a significant potential for engagement —when done well. These assets should answer customers' burning questions and give them helpful information that builds your organization's credibility, ultimately leading to increases in conversion rates.



Cynics are less likely to say their organizations are using any of these elements.



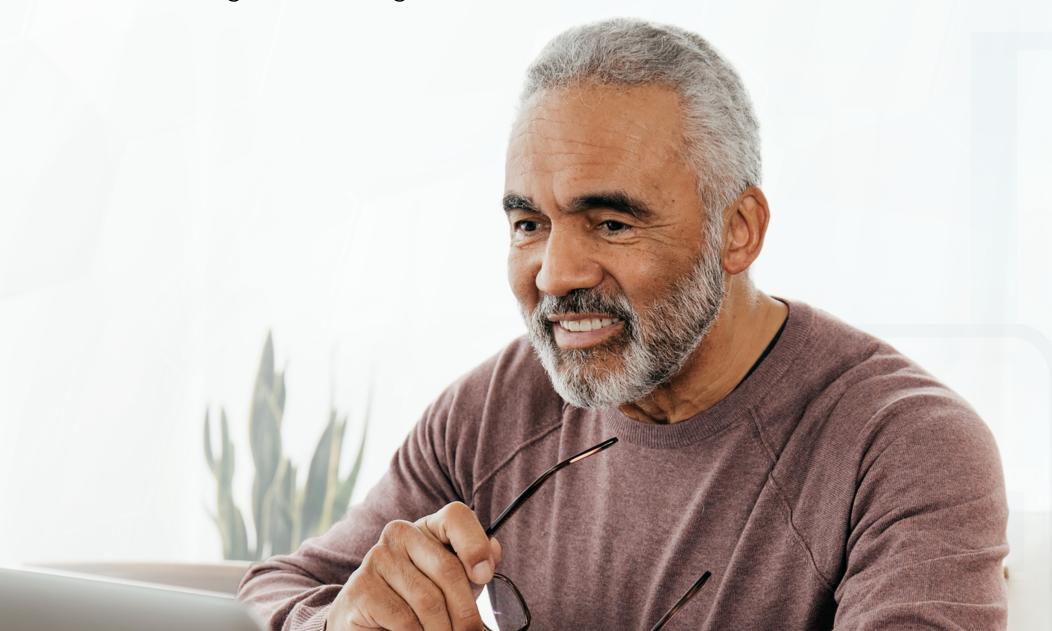
### Most effective marketing elements

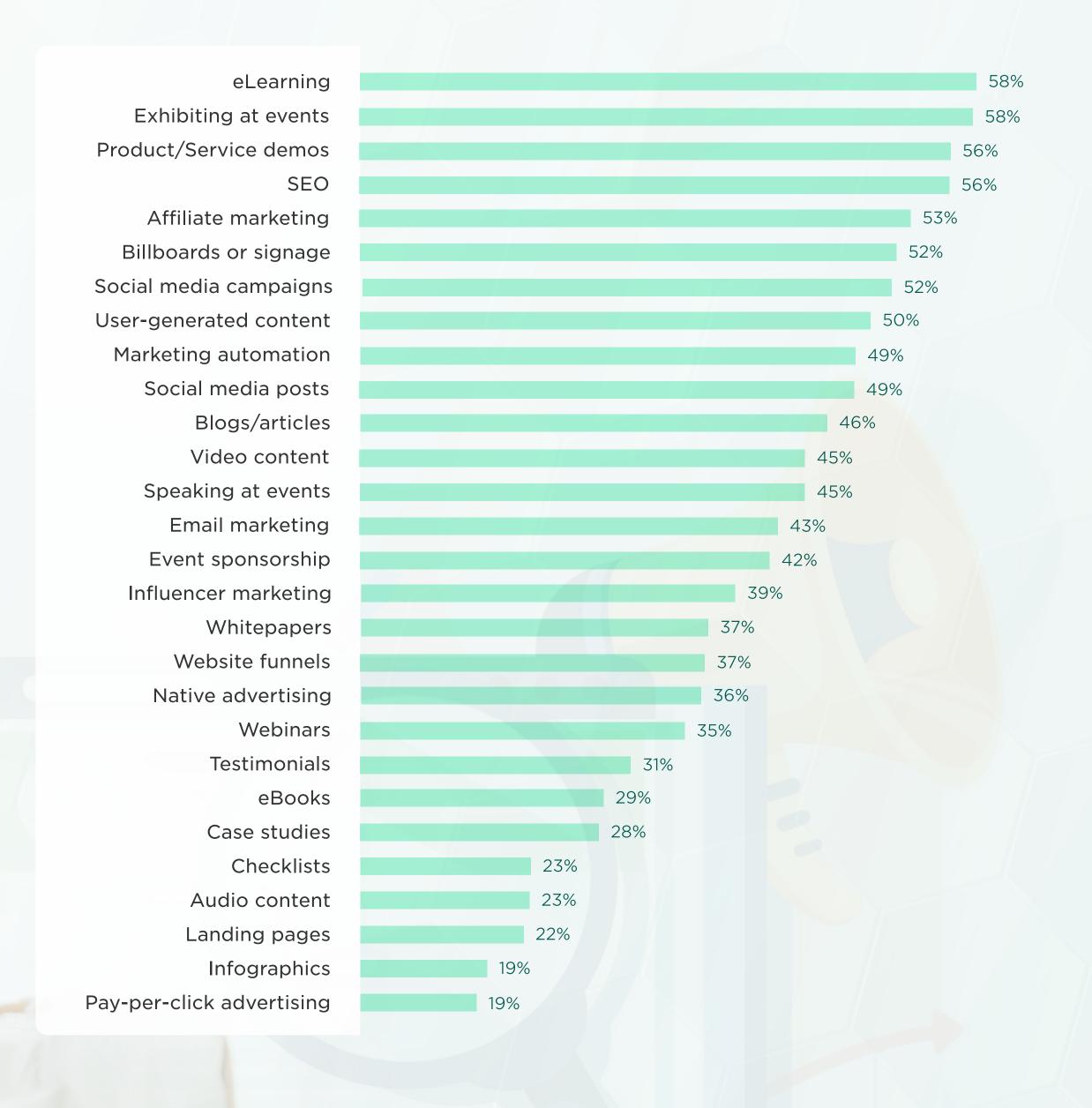
According to decision-makers, their most effective elements for engaging ideal prospects are:

- eLearning (58%)
- Exhibiting at events (58%)
- Product or service demos (56%)

—generally options that offer a level of personalization and interactivity.

We believe this self-assessment warrants deeper probing. As we'll discuss further, organizations may be misattributing some of their data points, and being swayed too much by actions that are easy to see rather than long-term strategies that are more difficult to trace.

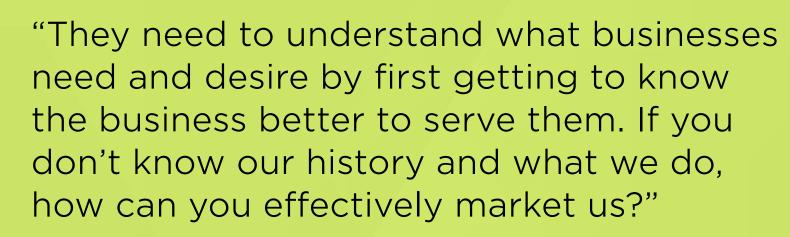




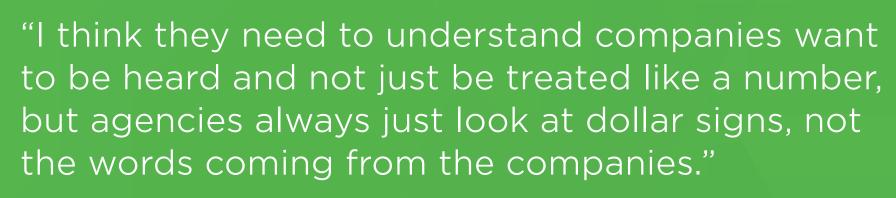
# Organizations want fresh ideas and expertise from marketing agencies.

Regardless of segment, decision-makers in this industry want agencies to seek to understand their organizations. Here's what decision-makers say they need to be seen and heard on:

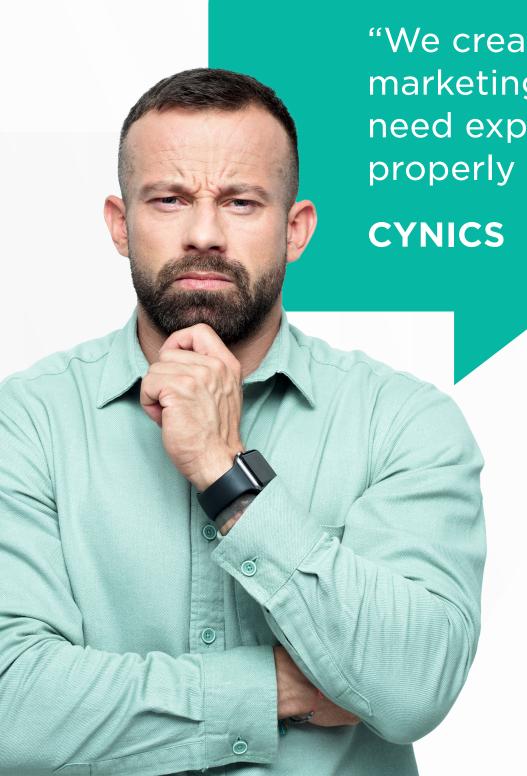
"We create a unique product for marketing to advertise. Agencies need expertise in what we do to properly sell it."



**ACHIEVERS** 



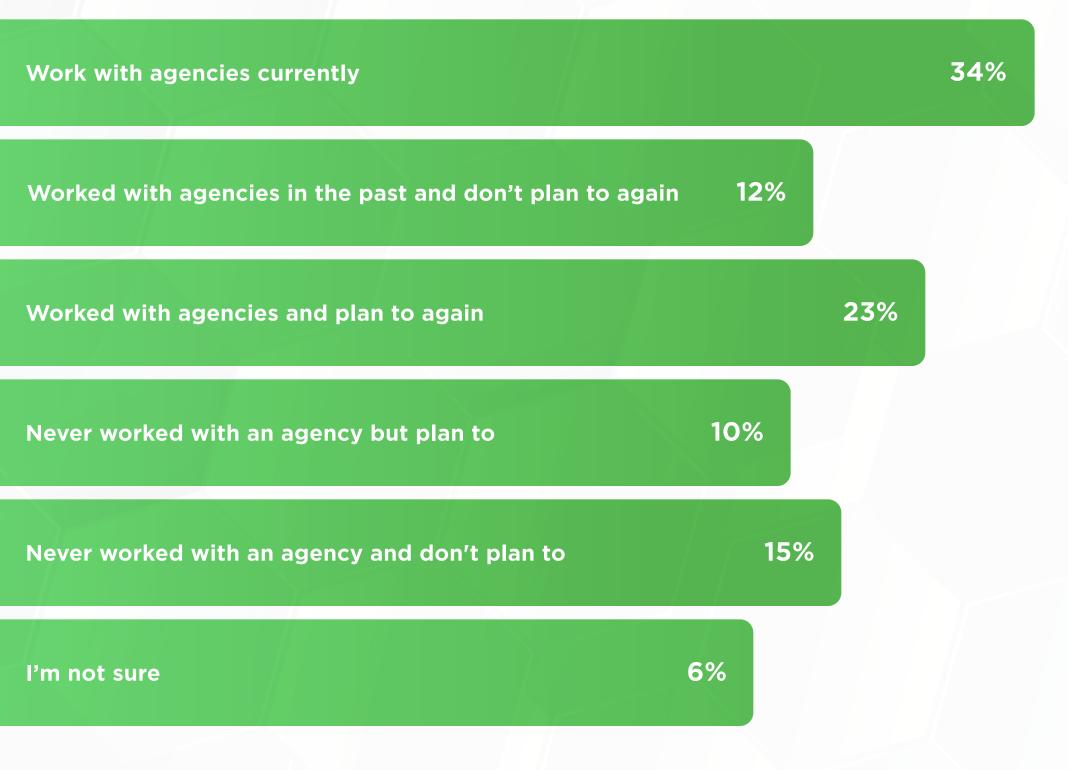
**BELIEVERS** 



### Agency relationships

Over half of the organizations represented in our study either work with agencies currently or have in the past. A small percentage (10%) have never worked with an agency but plan to sometime soon.

There are no differences between the segments in terms of their engagement with agencies.



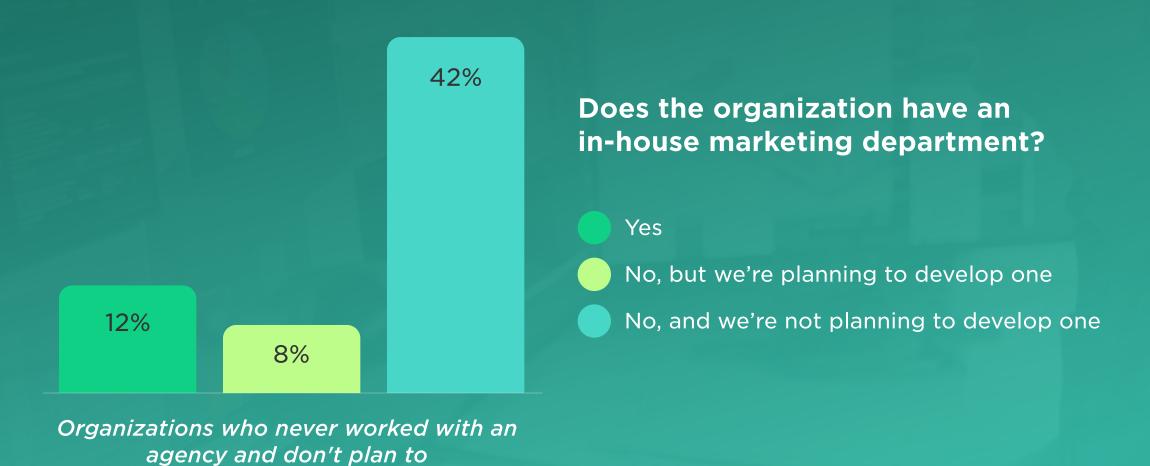
### Works with agencies currently

One in four Cynics work with agencies currently, but they've divested from the benefits of marketing and a well-functioning tech stack.



Many (42%) organizations without an in-house marketing department say they don't work with agencies and don't plan on it going forward, significantly more than those who have a marketing department.

So those who forgo agency relationships opt out of marketing internally, too.

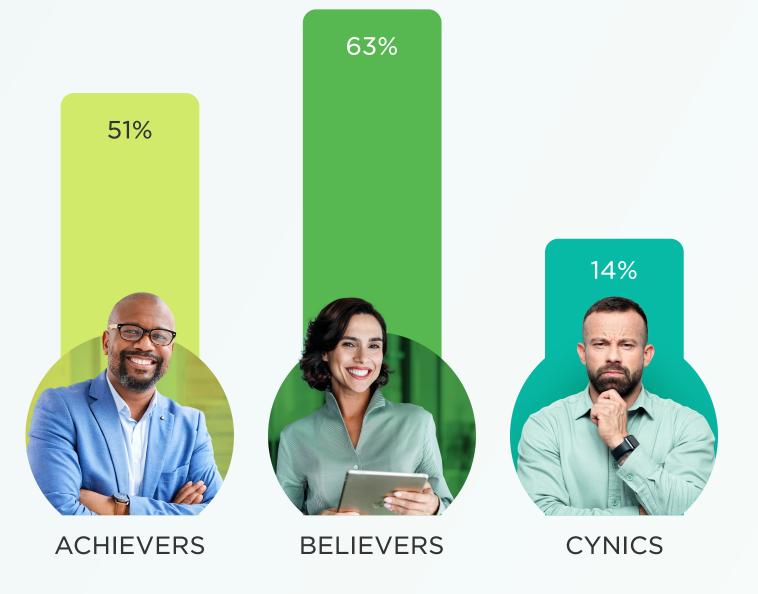


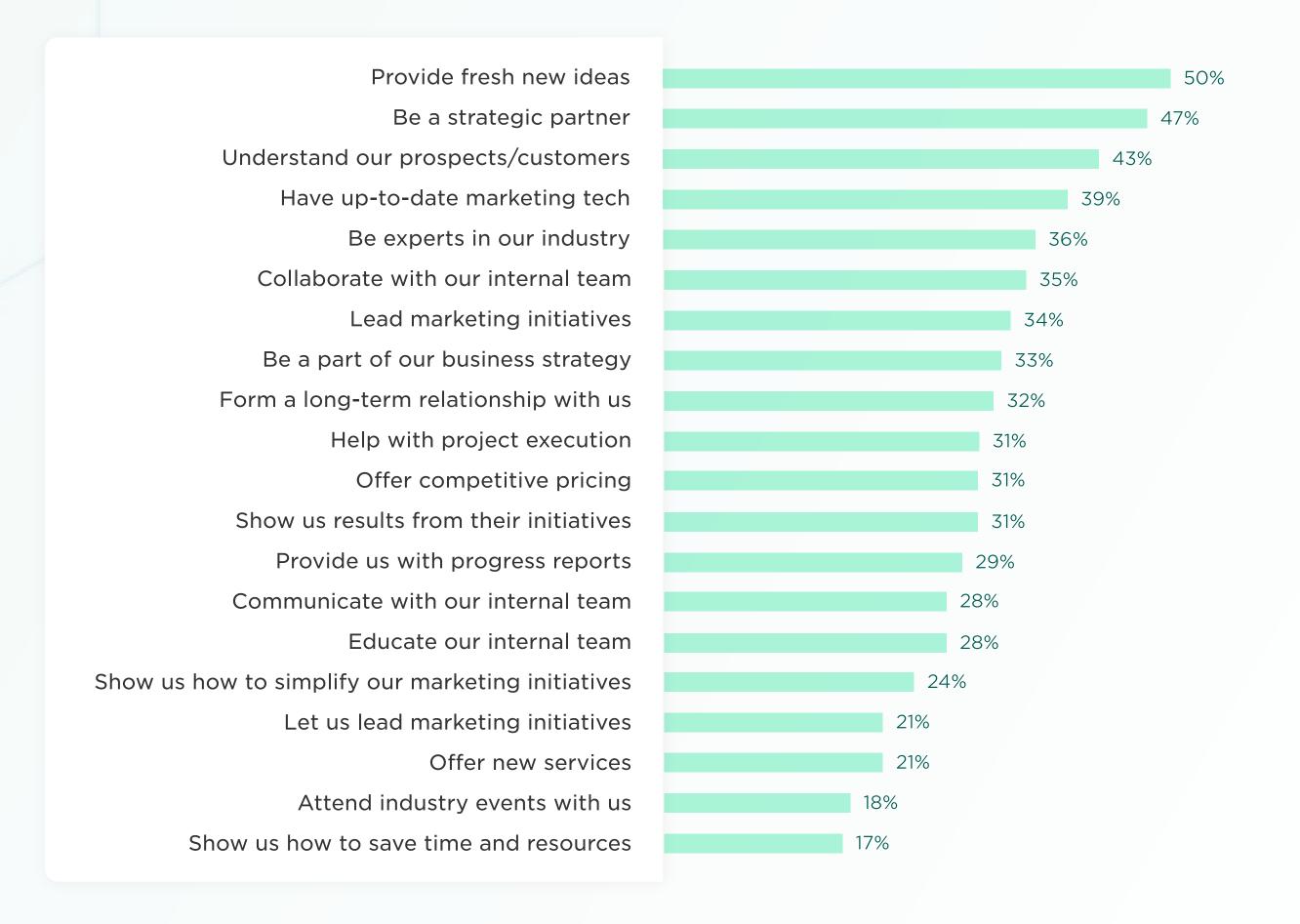
### What do decision-makers want from their agencies?

Decision-makers say their organizations want marketing agencies to:

- ₱ Provide fresh ideas (50%)
- $\stackrel{\bullet}{\mathbb{Z}}$  Be strategic partners (47%)
- $\stackrel{>}{\sim}$  Understand their prospects/customers (43%)

Our research mirrors the results from the recent Agency Edge study, which reiterates the role agencies can play as providers of creative thinking and novel ideas—just the kind of ideas that differentiate these organizations from their competitors.





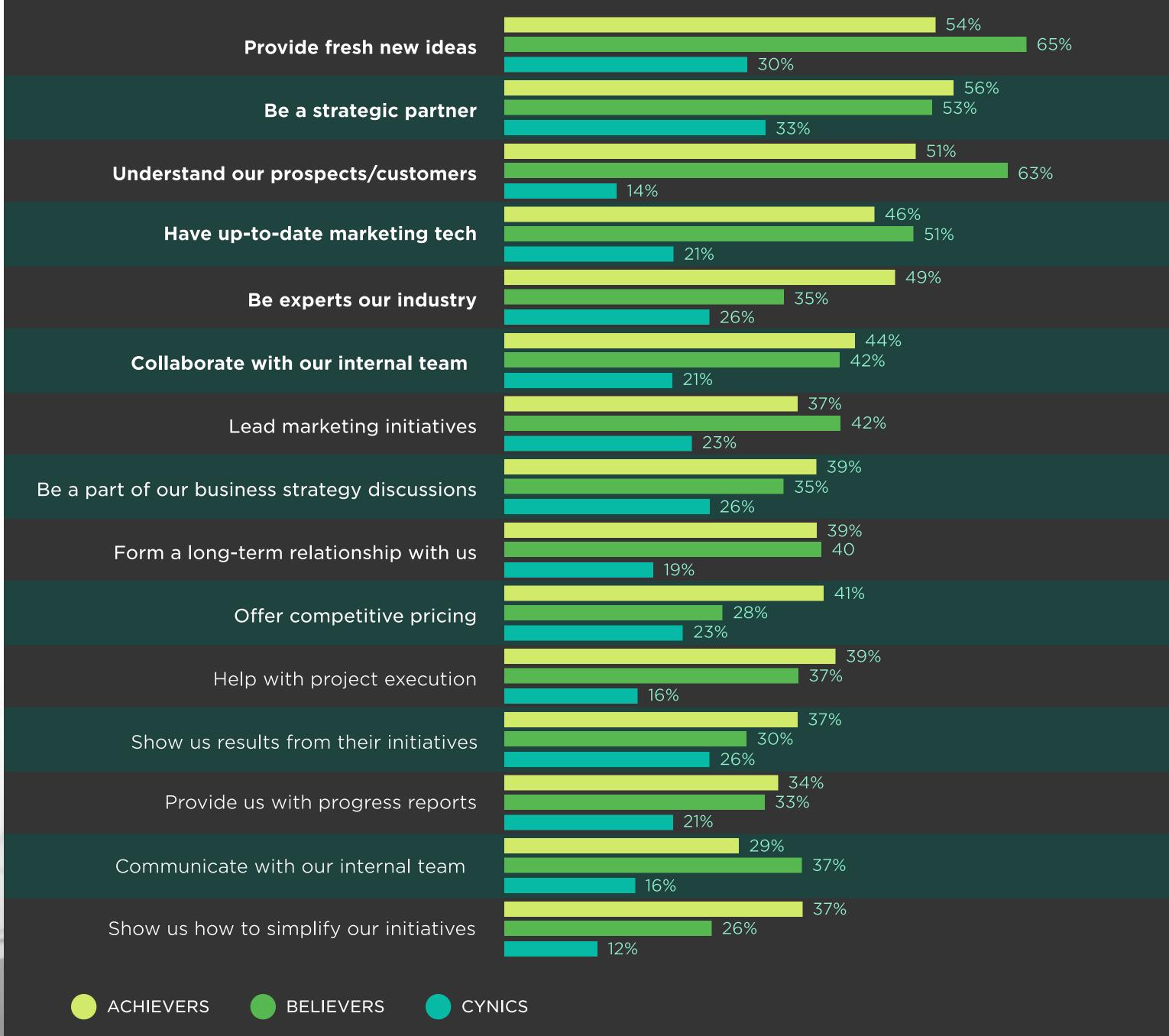
#### "Agencies need to understand our prospects/customers"

Cynics appear significantly less likely to care about understanding their prospects, which is a blind spot they need to reconcile if they want to get anything out of a relationship with the agencies they hire.

# A closer look at what each mindset expects from their agencies.

Achievers and Believers have significantly higher expectations of agencies than Cynics, who need to ask more of themselves and their partners.





#### What benefits do decisionmakers expect from working with agencies?

Decision-makers say the benefits of working with an agency include:

- Access to expertise they don't have internally (45%)
- More efficient marketing process (43%)
- Access to marketing technology (38%)

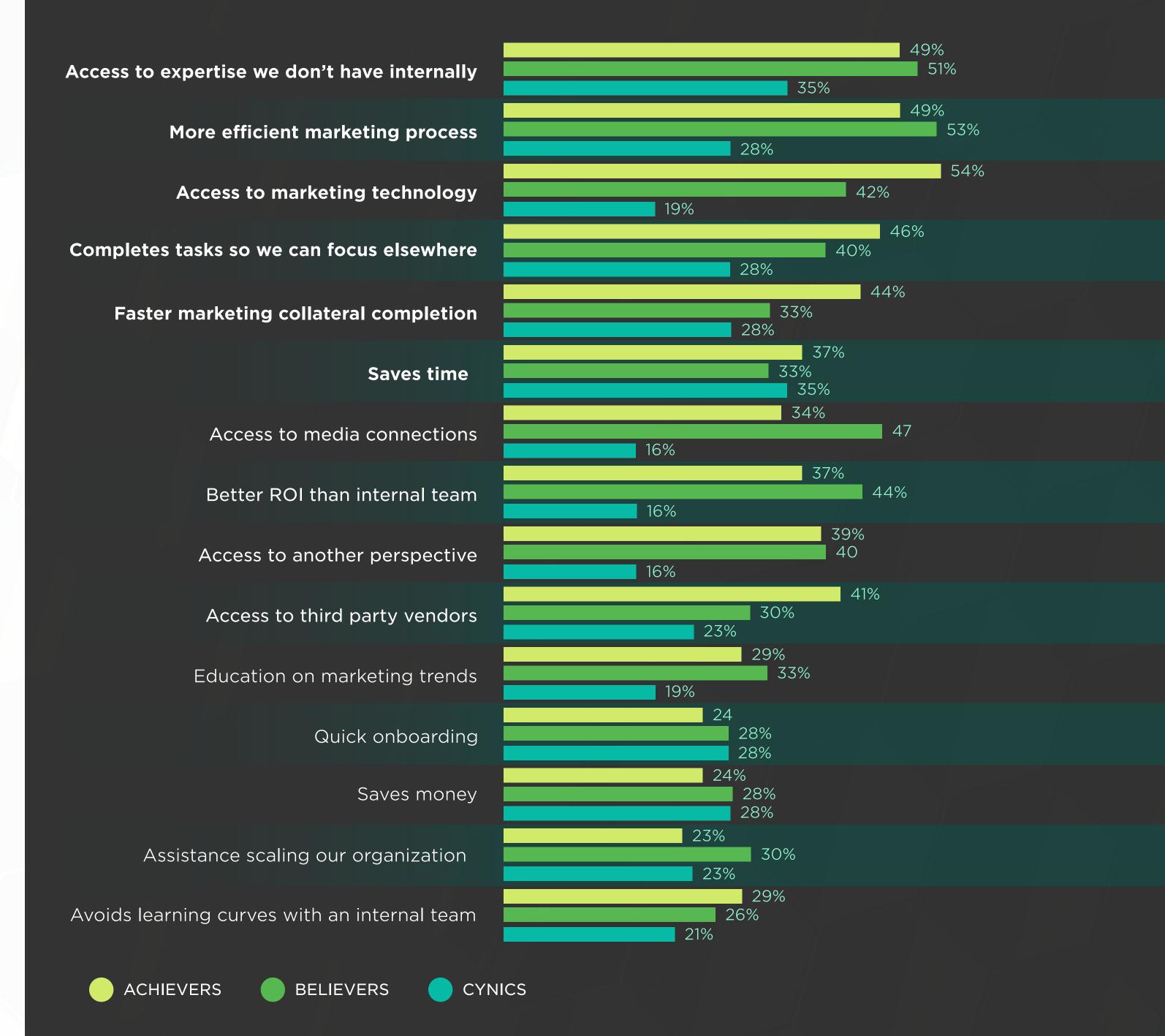
One in four say it's cheaper to work with an agency.

Organizations should reconsider how they are thinking about their budgets. A dollar is a dollar. This is not true only of spending for marketing line items—a bigger, splashier booth at an event, a new piece of software to add to your marketing tech stack, or your paid media budget—but also in terms of staff vs. agency costs.



Cynics are much less likely to associate agencies with a range of benefits. They may just not see the point or have never had a positive relationship with an agency. Many (44%) have fired an agency.

One in three respondents also say their agencies offer a better ROI than their internal team, which means about half of organizations who have an in-house team get better results by working with agencies to supplement their teams' efforts.





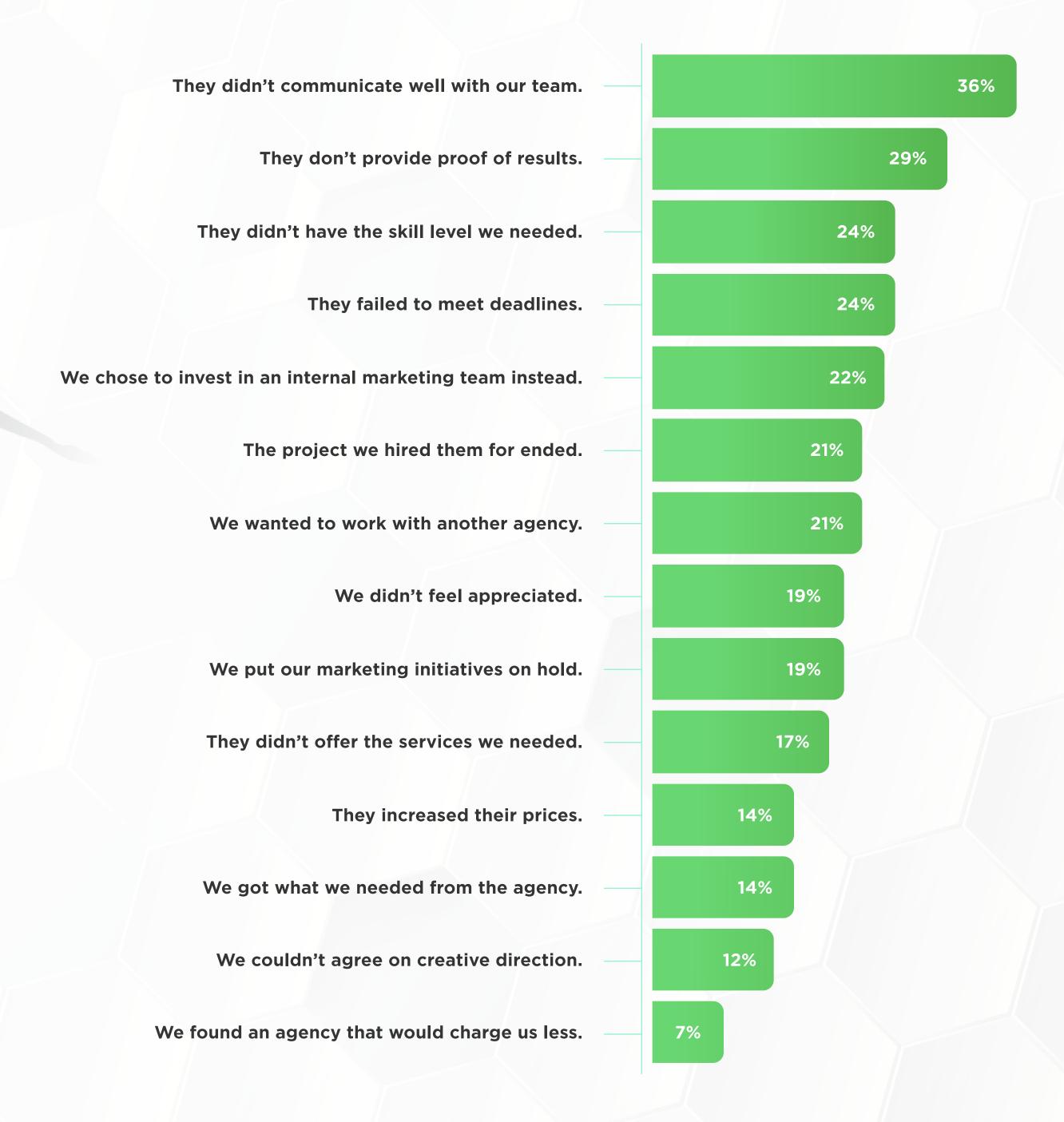
# Ending an agency relationship

The top reason respondents' organizations fired an agency was that it didn't communicate well with their team (once again highlighting the primacy of soft communication skills and the need for a robust discovery process), followed by a lack of proof of its work and the skills needed to market for it effectively.



Achievers are more likely to say they fired an agency because they wanted to invest in an internal marketing team.

Believers cite a lack of the skills their organizations need.

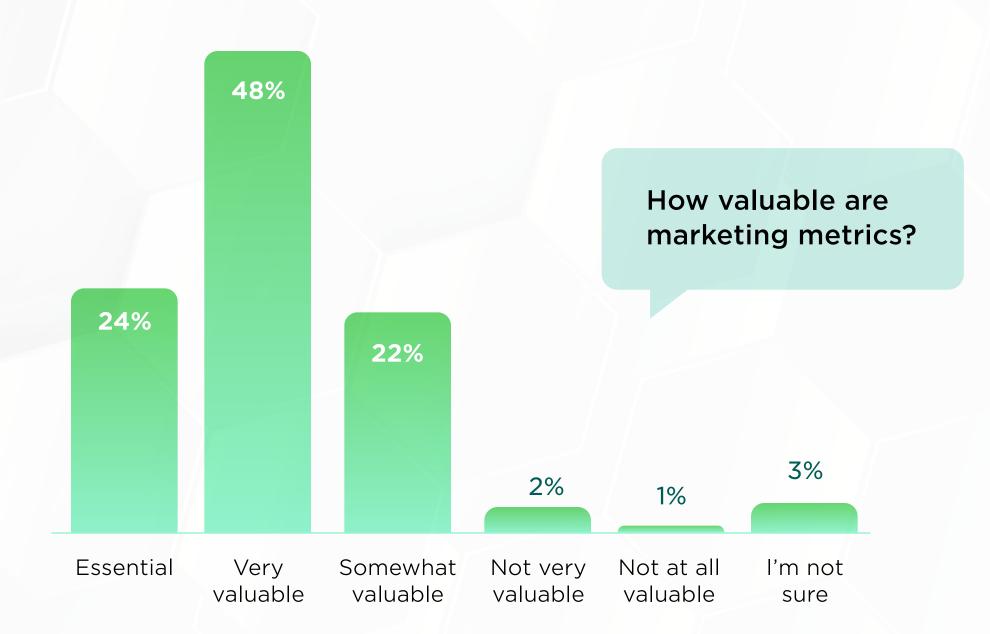


# Achievers have decoded marketing metrics.

Most (72%) decision-makers say tracking metrics has been essential or very valuable to their organizations.

Even though it can be a pain to track metrics, overwhelmingly, organizations do find it valuable.

One of the challenges our research has revealed is that most decision-makers, including two-thirds of Achievers, are struggling with their metrics. Believers, who are trying to close a success gap, are struggling to secure buy-in from leadership on marketing initiatives, something all organizations must overcome.



#### **CHALLENGES WITH MARKETING METRICS**





# What marketing metrics are decision-makers tracking?

Decision makers say their organizations track:

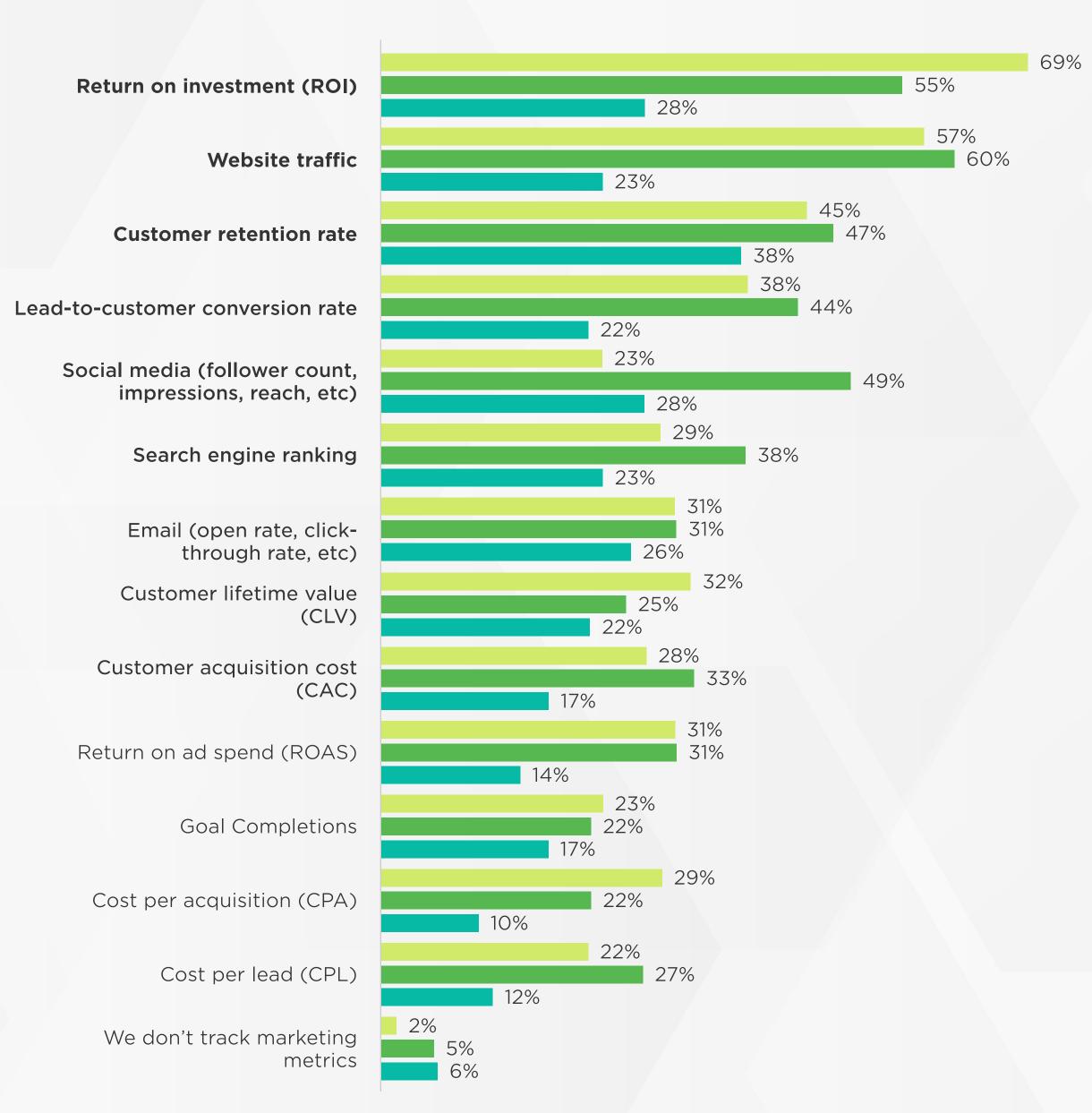
- **ROI** (49%)
- Website metrics (46%)
- Customer retention rate (43%)



Achievers and Believers are more likely to track most of the metrics we asked about. Cynics might have their mindsets because they have very little information to assess the efficacy of their marketing efforts.

#### MARKETING METRICS TRACKED

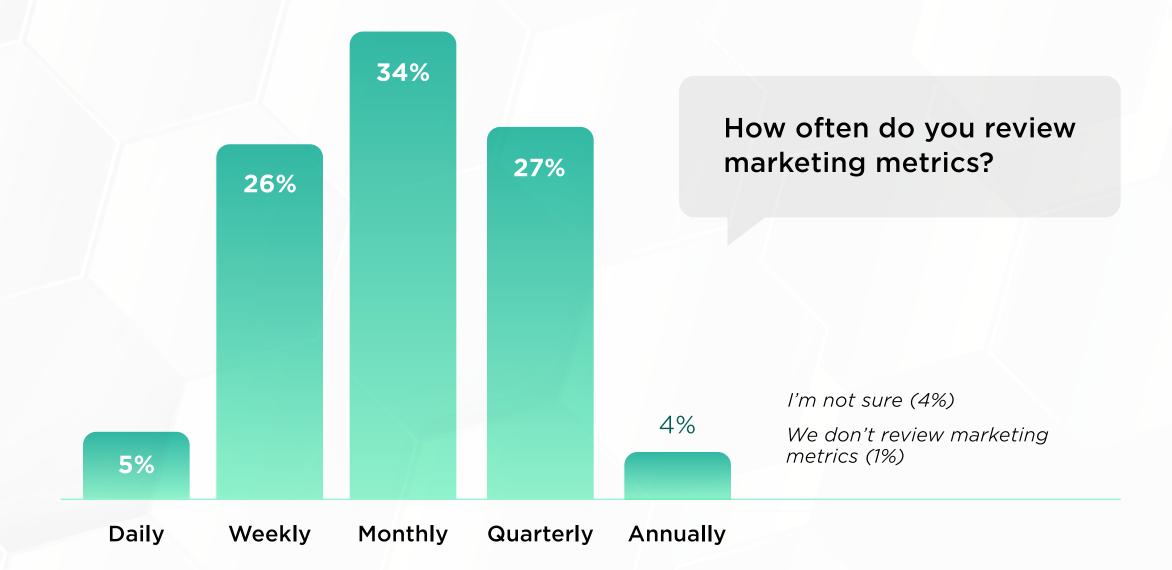




### How are decision-makers using their marketing metrics?

Organizations use metrics for:

- Q Data analysis (59%)
- Targeting areas for improvement (49%)
- Tracking year-over-year data (44%)



The right cadence for checking your metrics depends on your activity level and expectations. For example, monthly is better for assessing strategy for channels like social or website traffic. Yet, monthly is too short to measure something like closed sales because the buying cycle in this industry is lengthy. Quarterly works best for conversions and other close-rate stats. The bottom line: Your metrics tracking needs to be consistent and effective.





Cynics appear less likely to say their organizations track metrics for any of the reasons we listed.

### What are decisionmakers using for lead attribution?

Salesforce is by far the most used (56%) lead attribution software, which makes sense to us because it is a tool that unites marketing and sales metrics—in other words, a CRM (Customer Relationship Manager).

Salesforce is the most robust tool on the market, which is why it is the most popular choice if you have experts on staff who know how to get the most out of it.

Which CRM you're using is far less crucial than simply having a CRM. It's possible to have marketing metrics without a CRM through tools like Google Analytics or metrics tools native to your tech stack.

It's not realistically possible to get accurate sales information without a CRM.



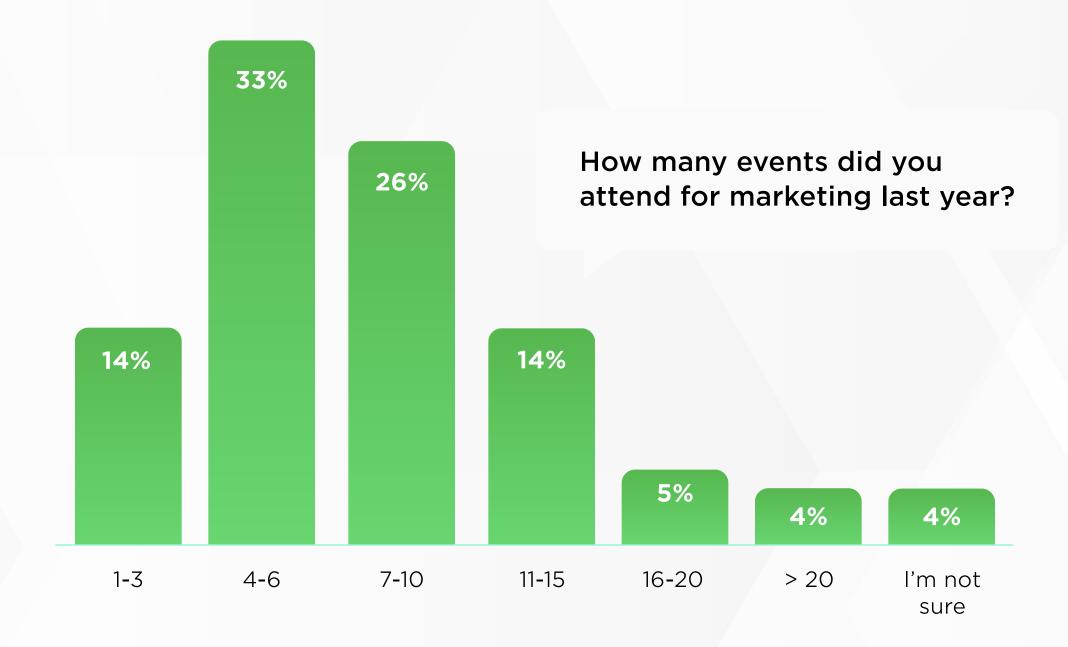
**KEY FINDING #10** 

### Event marketing is on the rise.

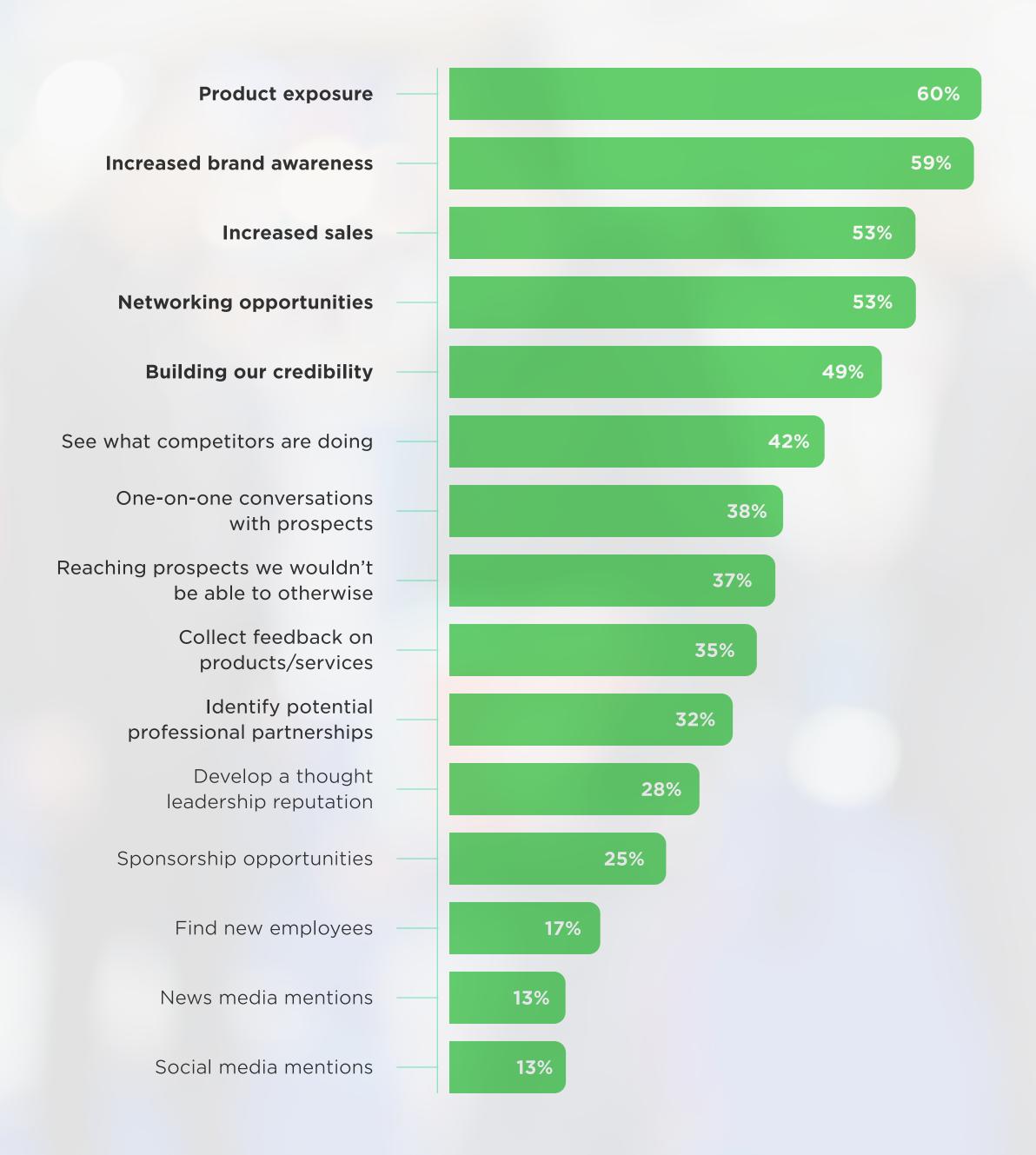
Decision-makers say their organizations participate in event marketing for:

- Product exposure (60%)
- Increased brand awareness (59%)
- ✓ Increased sales (53%)

Most (73%) decision-makers say their organizations participated in 10 or fewer events last year.



#### WHAT DO YOU GAIN FROM EVENT MARKETING?



# How will your organization attend events in the next year?

Of those whose organizations participated in events last year, most (60%) say they'll attend about the same number this year, and about one-third will increase the number of events they attend.

#### The investment organizations put into events still begs the question: To what extent do events drive sales?

A single event booth can often require a five-figure investment that will be the face of the company for a few days of the year to anyone at an event who happens to pass by. Events are worthwhile opportunities to gain facetime with prospects and establish brand presence, but attributing leads directly to an event is difficult—even if they did in fact originate from that event!

By contrast, websites are a less ambiguous investment. Not only will they represent your organization 24/7/365, but they'll also be a primary touchpoint for any of the leads you make in person at events. For us, the key is alignment: you may struggle to differentiate web leads through SEO from web leads generated through a link on a business card that you passed out at a conference. But of the three, your prospects will likely spend the most time on your website.



**KEY FINDING #11** 

### Organizations need to improve their long-form content.

Across all three segments, ratings for their organization's long-form content (white papers, blogs/articles, etc.) are underwhelming on parameters like educating their customers, positioning their brand, reinforcing their organization's mission, vision, and values, and more.

#### There is clear room for improvement.

Unsurprisingly, most (over 80%) Achievers give their organizations top-two box ratings across these parameters, around 40 percentage points more than Believers. What is surprising is that organizations across segments are writing surprisingly short content. About one in three decision-makers believe blogs should be 300-499 words to engage their customers best.

This is striking to us because it is well over a decade behind industry best practices, where long-form content (1,000 words at minimum) has consistently outperformed short content across metrics including search engine rankings, engagement, and shares.

We all know the well-worn aphorism that content should be as long as it needs to be, but it seems that too many organizations are interpreting that to mean "as short as possible." While we recommend people avoid chasing word counts, we also caution against fixating on "brevity" at the expense of providing useful insight.

Any content you don't want to read is too long, and any content you do want to read is too short. It's about making the content *valuable*.

#### How long should blog content be?

21% **Under 300 words** 28% 300-499 words 21% 500-999 words 13% 1,000-1,499 words **DATA ANALYTICS** How Integrated DNC Systems Boost Manufacturing Efficiency 4% 1,500-1,999 words 2,000 words or more **DATA ANALYTICS** 10% It depends on the article 5 top things to look for in a scheduling and analytics system 3% I'm not sure

## How are organizations using email marketing?

Organizations also have a gap when it comes to their email strategy. Most emails that organizations send customers focus on:

- i Product/service updates (63%)
- Sales promotions (56%)
- New content announcements (41%)

—in other words, primarily self-serving promotional content.

Missing from the picture are broader informational pieces that engage customers by providing value without expecting an immediate transaction. These include surveys, lead nurturing content, and drip campaigns. Organizations that want to increase their email engagement should focus on the types of emails that provide upfront value.

You risk losing potential customers if your balance between selling and serving is off.



### Becoming an Achiever

PUTTING RESEARCH INTO ACTION



### The strength of our Achiever segment offers unambiguous guidance for Believers and Cynics.

Achievers not only recognize the importance of understanding their customers they put in the legwork to make it happen.



They've built a functional relationship between their sales and marketing teams, and they've dialed in their key success metrics and connected them to a CRM.



They've stabilized staffing challenges and struggle less with employee churn.



They recognize the value of their brand, and they take time to present themselves properly with their marketing.

By contrast, Believers and Cynics have a spotty record across these fronts. They are either succeeding only partially, or failing altogether in achieving at least some of these milestones. Their path forward is clear—all that is left is the difficult work of putting it into practice.

Despite the Achievers' strong showing, we believe there are gaps in their performance as well—and fair warning, we believe a lot of it has to do with a miscalculation organizations are making about working with outside agencies.

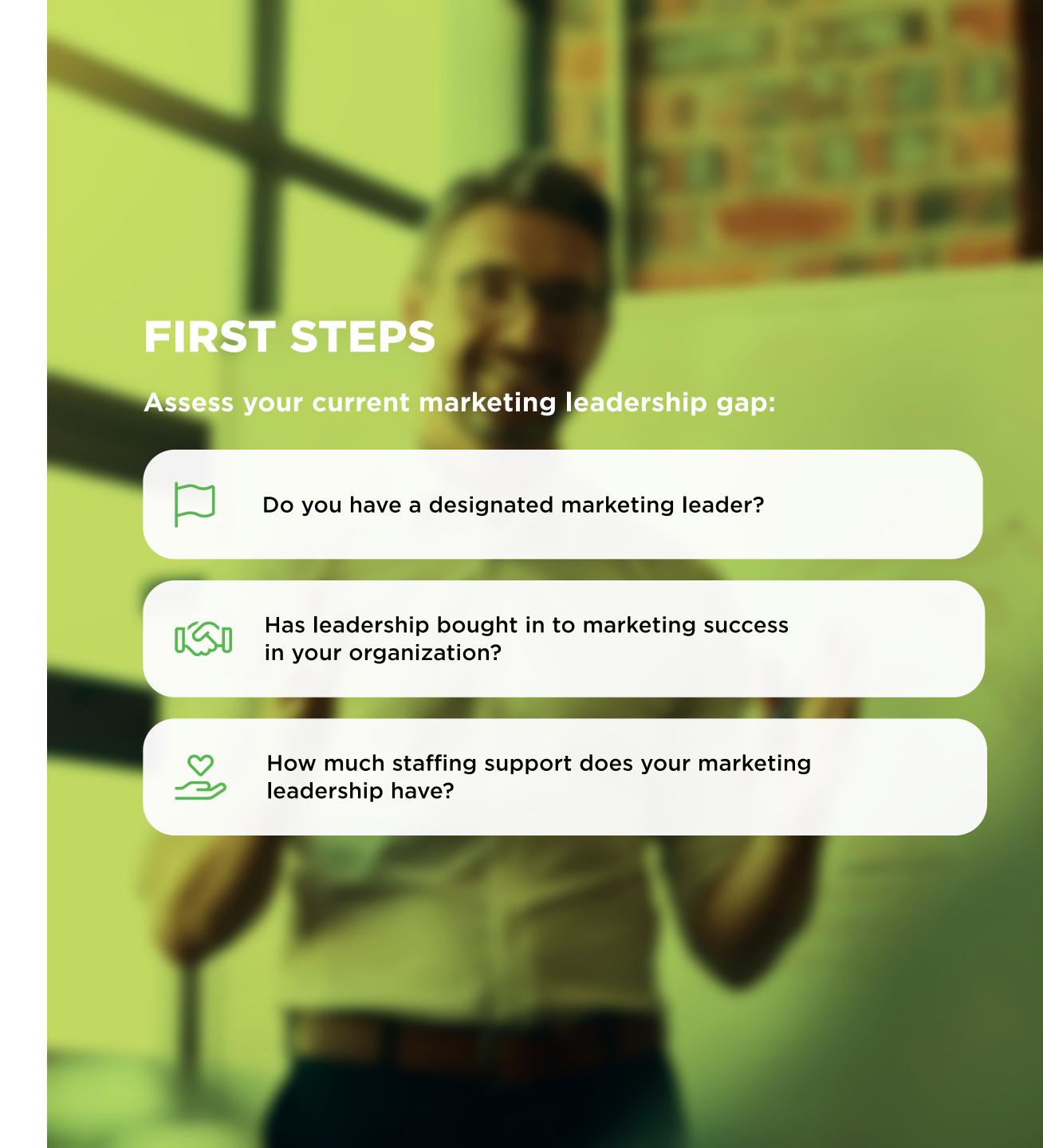
Now we're going to outline actions based on our research which we believe organizations can take to shift their outlook from believing to achieving—and beyond.

## Close your marketing leadership gap.

The lack of a designated individual taking charge of the marketing department was one of the most striking gaps between Achievers and the other segments. Filling your marketing leadership gap is the foundational step toward shifting your organization's trajectory. If you do not have someone on your team whose core responsibility is to manage your marketing efforts, you will struggle to achieve success through any other action.

It's crucial here to distinguish between having full-time marketing staff and an actual marketing leader. We often see small organizations with a handful of people jointly taking on marketing responsibilities—but often as a task on top of their actual job position. There may be a designated marketing person on staff, but they report to one of the operational managers. Any updates to the website go through IT, and budget requests have to get run up the flagpole to the CFO who has little time to pay attention.

Someone on your team should have the Marketing Director role, and they should be empowered to seek the most effective strategy toward meeting your business goals. You may still benefit from hiring outside expertise to do the research needed to develop that strategy. That's fine. But someone within your organization needs the responsibility to sign off on the strategy and own its implementation.



# Eliminate friction between marketing and sales.

All too often, when business slows, the blame game between marketing and sales begins. Sales is upset because they don't have the resources they want, the lead quality is poor, or there simply aren't enough leads. Marketing feels their hands are tied because sales is withholding important customer information, isn't using the new resources they've been given, or isn't reporting back key metrics.

Obviously getting these departments to operate frictionlessly requires communication. The sales team are the firsthand experts about what messaging will and won't resonate with your target audience. While marketing often laments not getting direct access to customers, this is not the case for sales. Often the job of a good salesperson is to build a detailed mental model of the customers' mindset so that they can predict and respond to objections that inevitably arise. This makes the knowledge inside salespeople's heads essential to marketing.

Sales is also the gatekeeper of many of the marketing metrics that ultimately determine ROI, specifically: direct revenue. Marketing and sales need to share data on what happens to leads after they're handed off to sales. Did they close? How long was the closing window? How much was the sale for? What products or services were purchased?

Because sales holds the keys, it's marketing's job to convince sales that they can make the sales team's job easier. This means that marketing needs to build an end-to-end mental model of what the sale looked like to the sales person from the point of first contact to close so they can deliver leads that are more qualified and provide the materials to close them faster.

The fastest way to demonstrate good faith effort on this front is through improved lead qualification. The higher quality the leads, the less time sales wastes chasing down bad prospects and the more time they are able to spend focusing on deals that are actually going to close, which often has a direct impact on their incentives.

Better materials can also impact close rates and save time if all the customers' questions have been answered already. It's hard to overstate the subtle psychological impact prepared materials can have for closing a client. They show that the client's questions were anticipated and the answer thoughtfully considered—not just made up on the spot.

#### FIRST STEPS



Interview your sales team about their closing experience. Document the mental models they've built of their sales prospects.



Identify the top missing resources sales would want from marketing.



Establish a regular check-in time between the teams. Include a member of Sales in key Marketing meetings, and vice versa.

## Rethink the agency cost calculation.

We wanted to talk about the marketing leadership gap first, because it's very hard for an agency to fill this role. Even if as the owner of your company you decide it will be your responsibility to fill this space, then you must take ownership of the relationship with your marketing agency.

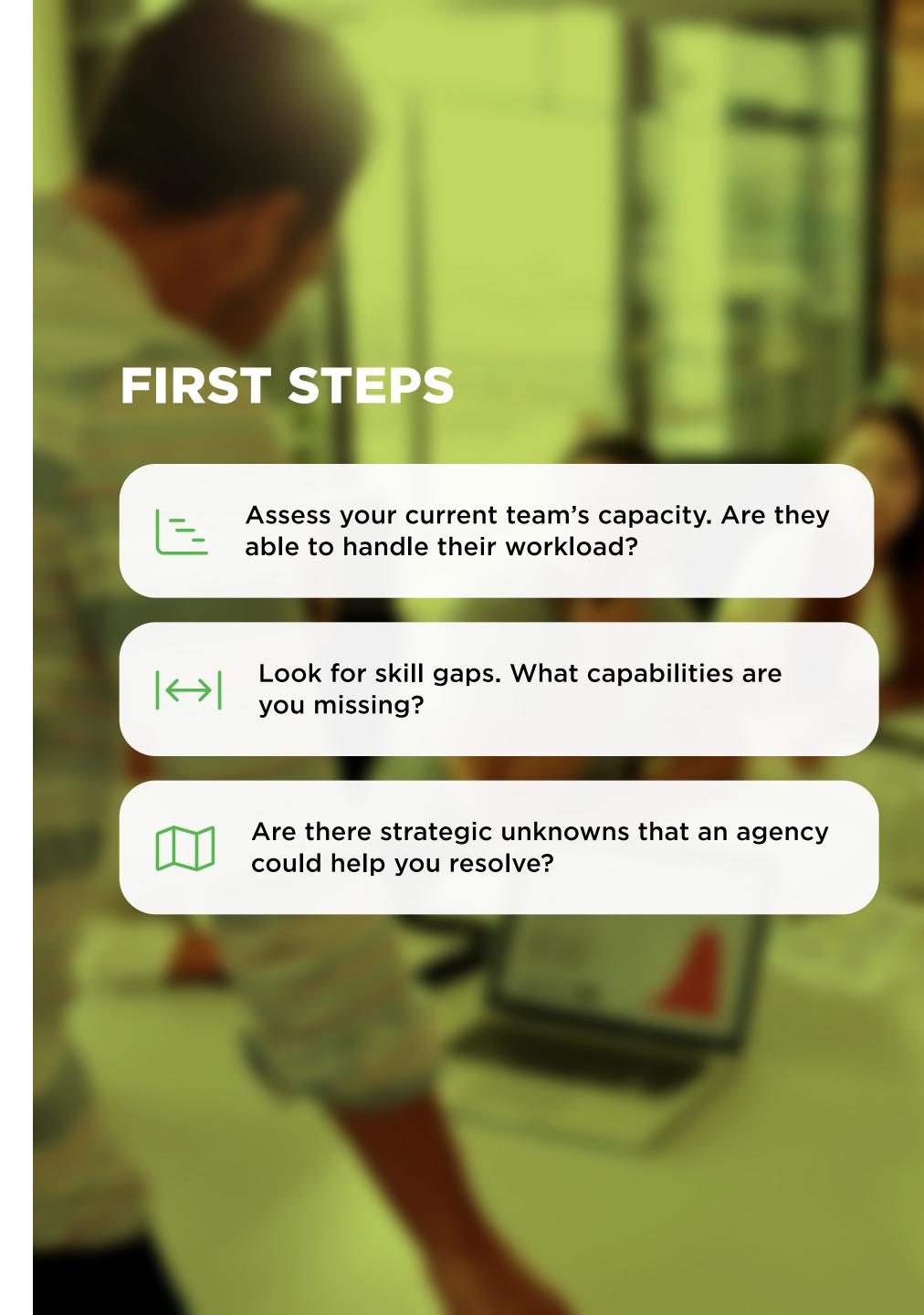
Ideally, your organization has put enough thought into your marketing efforts to have more than one person dedicated to marketing. However, with your core team in place, we'd like to caution organizations from falling into the trap of believing they can hire their way out of all remaining talent gaps. Bringing on an agency may seem like a pricey option, but it offers a highly efficient way to increase access to a broader range of expert skillsets than you could easily hire.

It's possible that, for an overwhelmed internal marketer, the prospect of investing in a new relationship that will then be theirs to manage is less appealing compared to hiring on a new team member to help them manage their load. However, this mindset underestimates the burden of recruiting, training, and managing an employee who could churn or move on to a different position within a year.

An agency can cost as much as an entry-level employee—but brings access to a full skill set of a group of highly experienced employees. That's an option worth considering before you expand your department again.

Whether you're spending it on in-house employees or hiring a marketing agency, a dollar is a dollar. Given the size of these budgets, it seems clear that many businesses are undervaluing agencies. While they are expensive, they offset their cost premium by ensuring that the most qualified person is available to handle each portion of a project. For the cost of a single employee, an agency provides a diverse set of team members with experts that can focus on each of your needs. Organizations need to be more creative in how they approach marketing budgets.

(Don't take our word for it: We love Rand Fishkin's article on the benefits of hiring agencies for support whenever you can.)



# Resist apathy regarding your ability to understand clients.

#### ...or an agency's ability to understand you!

When it comes to recognizing the importance of understanding the customer, the gap between Cynics and the other survey groups may be the most telling of any in our survey, and—to our mind—the best explanation for why Cynics are seeing such different outcomes from their marketing efforts. Cynics simply don't want to invest the time and effort into properly learning about their customers, and that naturally extends to the effort they expend in bringing their agencies up to speed.

In undervaluing the importance of customer knowledge, Cynics could also be overstating the difficulty of accomplishing it in the first place. This is especially true if Cynics don't know how to learn about their clients.

This is an area where outside support can be an unexpected win for your organization. A good agency not only knows how to learn about their clients' customers, they've also done it enough times to have developed an efficient process. As a result, Cynics might discover that learning about their customers is not only possible, but far more *attainable* than they'd assumed.



# Invest in onboarding your agency properly.

...and don't work with an agency that doesn't put that work in up front.

It is striking to us that so many Cynics continue to work with agencies despite having doubts about their efficacy. Perhaps this indicates that they're still holding out hope that something will click into place one day.

If so, their tentative optimism is not unfounded. As we hope we've made clear by now, there can be significant white noise in marketing data. The chaos and misdirection can make it difficult to identify what works and what doesn't, and fatigue and despondency are a reasonable response to this confusion.

However, the gaps between segments also demonstrate that traction is possible. Instead of dismissing out of hand the possibility that an agency could understand their organization, Cynics should instead have higher standards. If they expected to work with an agency that took the time to learn the nuances of their business and their customers, perhaps they'd start seeing the results they're looking for.

Earlier in this report, we showed that businesses value soft skills over industry knowledge. In an ideal agency relationship, those soft skills are what allow agencies to onboard successfully, augment the in-house roles, and collaborate with the team for maximum impact. This has practical implications for both the Believers and Cynics looking to right the ship and resolve their lack of direction.

It also has implications for the long-term stability of internal knowledge. Employees churn, and there are significant investments made to onboard employees that are lost when the employees leave. Agencies will have their own internal churn, but the entity itself will have staying power for as long as you want them around. Take the time to teach them about the workings of your organization as well as your industry, and they will eventually be as embedded as any internal position.

After all, who knows more about a company? The "outside" agency that's been working with a client for three years, or the 'internal' employee that just started two months ago?

### FIRST STEPS Talk to your prospective agency about how they handle onboarding. Do they have a process? Identify and gather key brand materials and marketing documents into an onboarding folder. Discuss onboarding with your team. What key information would they most want an agency to know?

# Achieve sales, marketing, and leadership buy-in around metrics.

Marketing must effectively tie its work to tangible business outcomes to convince leadership of its value. Yet many organizations refrain from tracking defined marketing metrics against business outcomes like revenue because they're afraid the numbers won't show positive ROI.

We understand the concern, particularly given how difficult ROI can be to measure. Some forms of ROI are real but immeasurable, especially in terms of brand impact. Even if you could measure ROI in these instances, it might take years to see results with meaningful year-over comparisons.

The truth is, metrics frequently fail organizations because they underestimate the effort it takes to gather meaningful data. Instead of doing the work to identify the right numbers, track and record the data, and analyze the results, many businesses default toward general numbers that their tech stack generates for them by default without questioning whether those numbers are truly important. This feels good at first, but is self-defeating in the long term. After all, nothing is worse than spinning wheels about metrics that are of no use.

However, investing in the process (metrics tracking) and the tools (a well-functioning, integrated tech stack) does not guarantee results. A thermometer tells you the temperature; it doesn't change it. Don't be the client asking your agency to report on metrics and then not giving them the bandwidth to do anything to affect those metrics.

#### Our advice is:

- Paid Media: Maybe as often as daily while you get it dialed in, then weekly once you're in maintenance mode.
- Marketing Metrics (engagement and conversion): Monthly
- $\rightarrow$  Sales Metrics (close rates, amounts): Quarterly

Adjust as needed depending on the level of activity. The less you're doing, the less frequently you should be reporting on it.

#### FIRST STEPS



Assess the metrics you're currently tracking. How valuable are they?



Do you know the rate at which leads are turning into sales? Are you able to filter by attribution or campaign so that you know what activities are getting credit?

000

Are you tracking sales in your CRM? Does your sales team enter data reliably, and are they reporting that data back to marketing?

# Avoid becoming myopic about lead generation.

Many organizations fixate on lead generation—and it's a trap. While lead generation is one way in which marketing performs, increasing the perceived value of your brand touches many others, including:

- Converting leads. It's not just about getting more—
  it's about doing more with what you get.
  Companies can waste a lot of resources sifting
  through low-value leads. A strong brand can do a
  lot of the pre-qualification work for you.
- Retaining customers. A penny saved really is a penny earned. Growing your bottom line starts with stopping the churn.
- Attracting talent. Recruiting and retention are more important in today's marketplace than ever. Get the best people and keep them. Give them a reason to care.
- Increasing engagement. Get more visitors, higher time on page, more opens and clicks, and more followers. Every new lead starts somewhere.

- Increasing sale amounts. People can't buy more of what you have if they don't know about it. Learn how to cross-sell and upsell more of what you do.
- Shortening time to close. A long sale timeline not only delays when you get to begin business, it also means investing more time into the sales process more hours spent by each member of your sales team, and fewer accounts each team member can take on due to the investment.
- Building your brand. You never know who's looking. Impress from the first glance because your audiences include not just customers, but team members, new recruits, and even potential buyers. Numerous clients we've worked with have been acquired shortly after overhauling their websites and brand messaging.

Our job as a marketing partner is to help companies increase revenue—not just leads, which are only one path toward revenue. Reducing churn can be just as powerful as adding new clients, and closing sales is as crucial as driving more leads. It's misguided to focus too much on variables over outcome. Focus less on the individual data points and more on how you reach your goals.

#### FIRST STEPS



Assess your goals. What are areas other than lead gen where your business could improve?



Review your current ROI metrics. Are they overly focused on lead gen, or do they include a healthy spread of other metrics?



How would you measure progress toward goals that aren't specifically lead gen?

## Nurture healthy skepticism about lead attribution.

Related to the fixation on lead generation, we also suspect decision-makers may be over-confident in assigning traffic to any particular channel. Traffic can come from that particular channel, but the why may have nothing to do with the channel and everything to do with the organization's reputation or digital footprint.

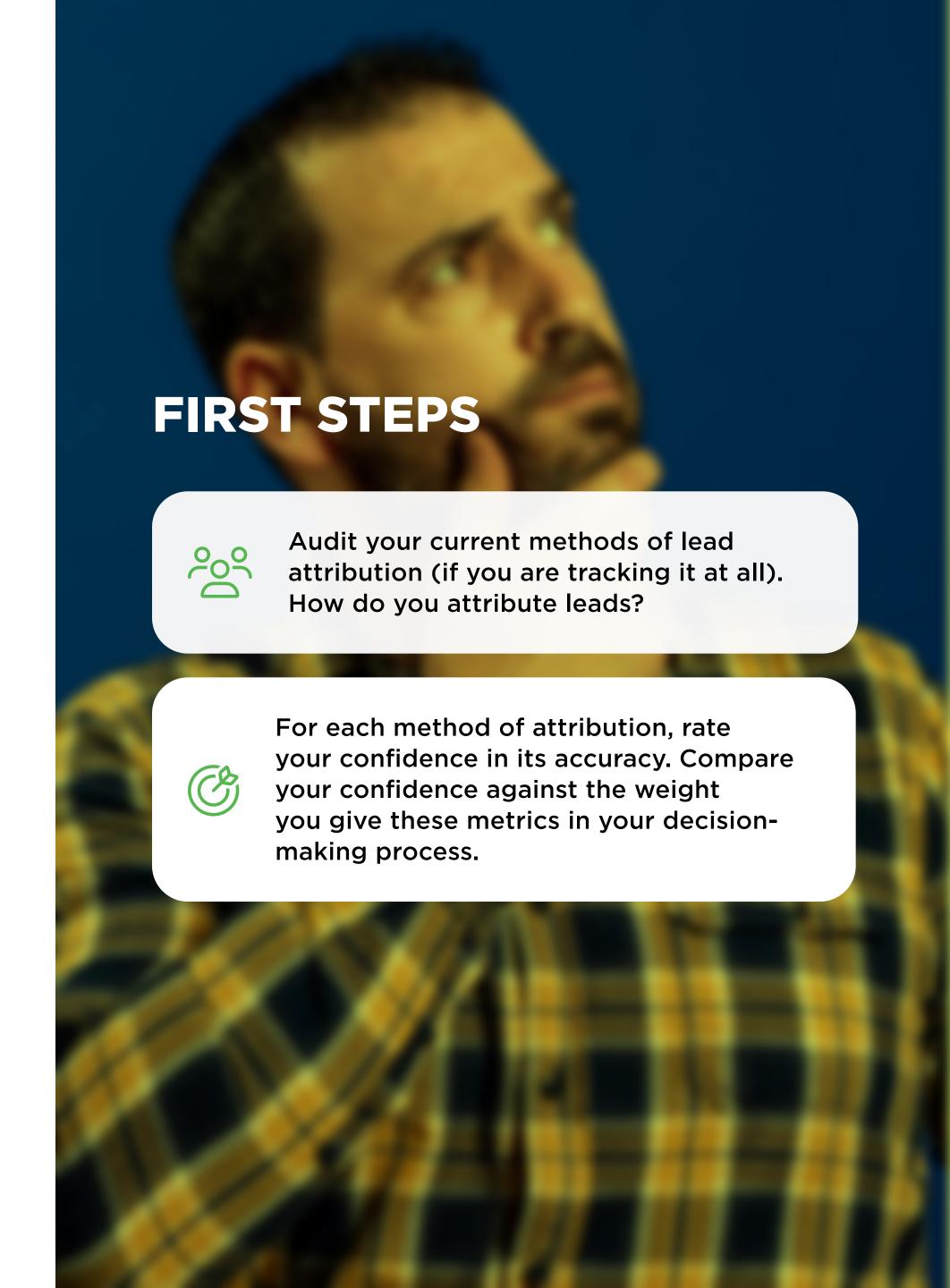
We have frequently discovered that for some organizations, "search traffic" is primarily misattributed direct traffic. If you look at the queries recorded in Google Search Console, over 90% of the actual clicks for these organizations come from branded keywords like the organization's name or the organization's core product names.

Misleading data like this can cause businesses to undervalue other channels. For example, video is lower on the list of lead generation channels, yet we know that video is one of the fastest-growing and most effective channels for engineers, who spend hours every week watching work-related YouTube videos. Organizations that leverage video and do it right will reach more engineers than those who ignore this channel.

We often hear marketing professionals at organizations express frustration that events garner the most buy-in and budget from leadership while other strategies collect dust. Events rank high on the list of effectiveness, in large part, because they feel like an easy channel for measuring lead attribution. If you meet a lead at an event and it converts to sale you can say with confidence that the channel worked.

But in doing so you could be undervaluing how other paths helped you close that sale, like the website that reinforced their good impression of you once they looked you up online. Or it could have gone the other way: your lead may have read several of your engineering articles online, then recognized your brand at the event and come up to say hello based on the strength of your content marketing.

While events can be trust-building opportunities, organizations that singularly focus on them are missing other channels where prospects are likely to be.



### Love your content.

By far the greatest oversight in many organizations seems to be a fixation on all the mechanisms around marketing—bringing on more staff, measuring ROI, tracking metrics—while barely giving any thought to the content of their content. It's like opening a restaurant and obsessing over the décor, the staffing, the plates and table linens... and forgetting to serve good food.

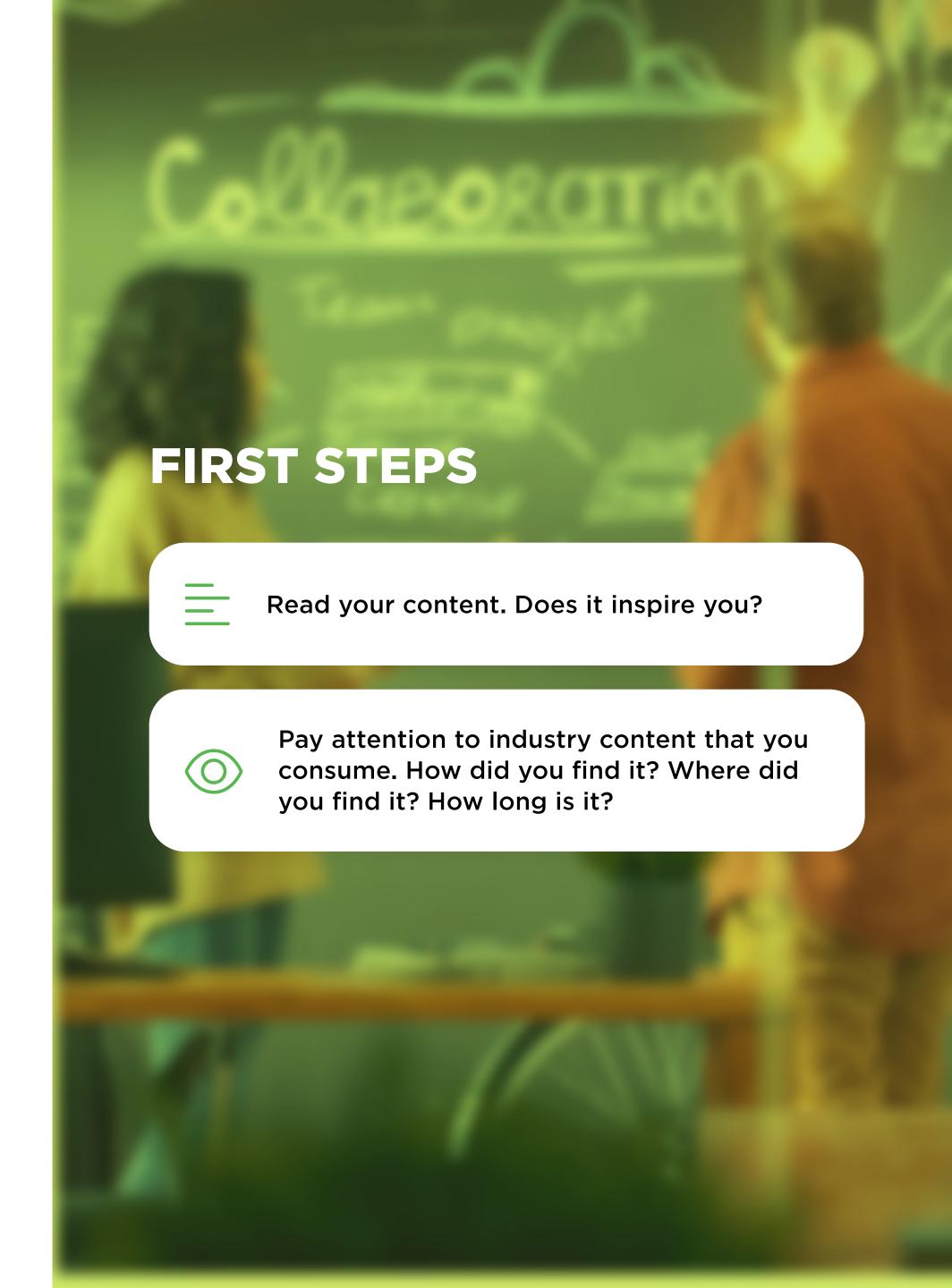
A large part of this dates back to the inception of content marketing as a business strategy. From the onset, too many organizations viewed content only as a means of improving SEO—and that led to a proliferation of keyword fodder to try to outrank the competition on Google. Never mind if all that fluff represented your brand well or inspired confidence in the reader in your professional expertise so long as you're up in the rankings!

These days, the trap is repeating itself with AI. Companies are turning to ChatGPT and similar tools to generate materials for their blog, and it's leading to an influx of poor-quality content that leaves readers in a fog. (You know the one I'm talking about.)

Here's the thing: If you can't stand your content, no one else will be able to stand it, either. If all you're doing is checking a box, you could be inadvertently damaging your brand perception by producing bland, rote pieces that make you look as dull as the Al bot who wrote it.

The remedy is to think more creatively about your content. Rather than pump out another vapid word salad to cast into the digital void, invest in longer pieces that deliver real value—and diversify your content types as well. Consider publishing a 3K thought leadership piece. Make a video. Don't be afraid to get extremely technical. Don't be afraid to go on a rant!

Above all, create content that matters—even in a very limited way. Give your customers the respect of writing something they might actually want to read.





# We all start out as Believers. The steps you take determine whether you end up as a Cynic or Achiever.

Mindsets don't change overnight. No amount of believing will shift the trajectory of your organization without specific actions to back it. Expecting to see results with minimal effort will inevitably lead to disillusionment.

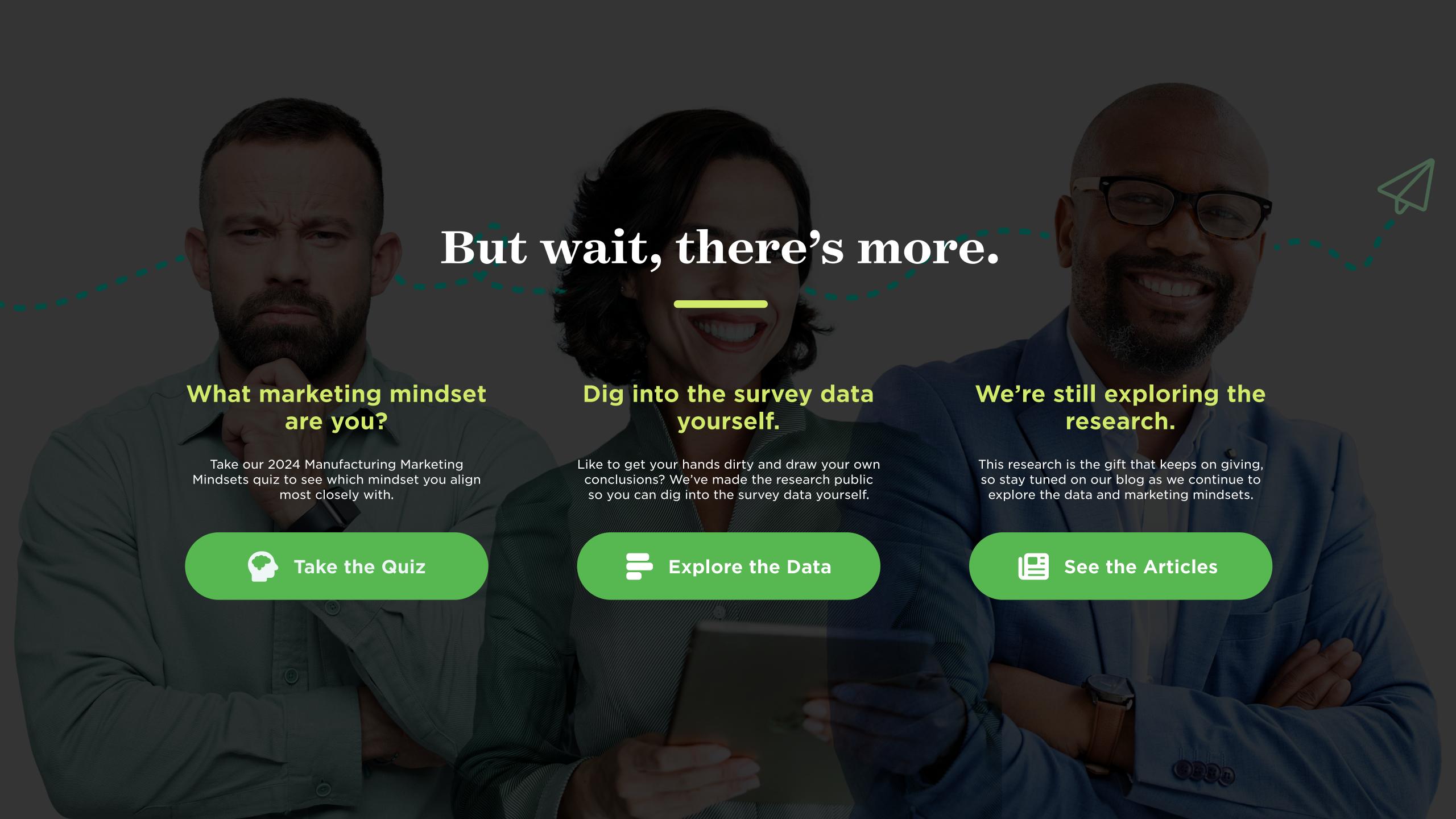
However, the story is a work in progress. While hard knocks and unfortunate setbacks may have jaded some decision-makers, their path is not set in stone. Leaders who have made a dedicated investment in their marketing also see organization-wide transformation.

This is a correlation, not a causation. Even we don't believe that a business can market its way to higher sales and lower turnover. That's because **marketing is only as effective as it is true.** 

Achievers succeed because they have the cultural buy-in that breaks down barriers, facilitates collaboration, and cultivates trust among departments. That's why our insights focus so heavily on actions that lay a long-term foundation for success: appointing a marketing leader, strengthening the handshake between marketing and sales, gaining clarity around metrics, and giving the appropriate time and attention to your clients, your agencies, and your own content.

To break the Believer-Cynic cycle, businesses must reject quick fixes or the mindset that a siloed team left to fend for themselves without resources, backing from leadership, or input from sales will be able to show meaningful improvement by next quarter.

Businesses have to take a longer view. Implement the broad organizational changes necessary to shift your culture, and marketing success will follow.



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