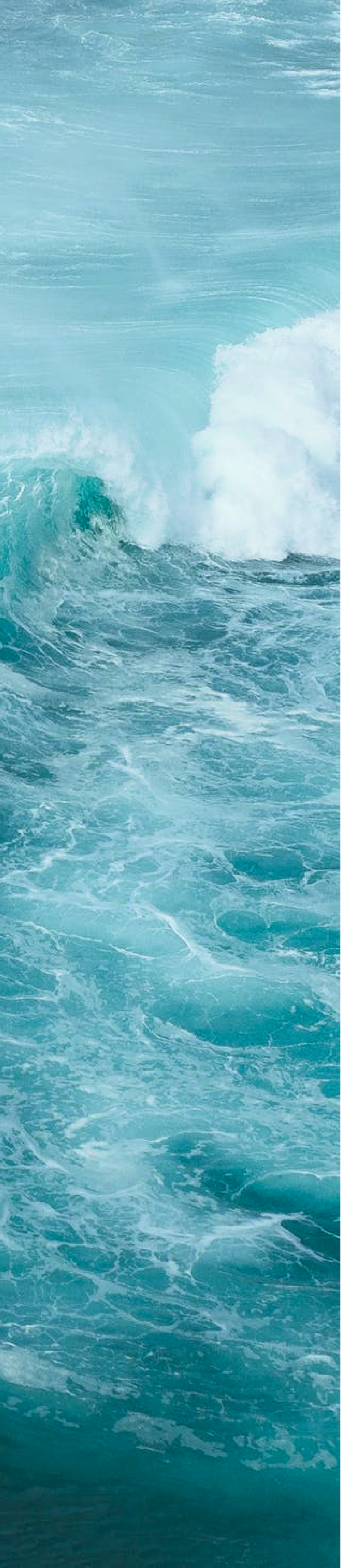
DATA REPORT

The impact of audience connection on B2B brand health and revenue growth

How to go from "business-to-business" to a "brand-to-buyer" relationship



Introduction

The impact of brand on B2B growth is well documented. In the 2021 report “Why B2B Brand Marketing Matters,” Boston Consulting Group found that strong brands hold a 46% larger market share and enjoy 74% higher ROI on marketing investments than weaker brands.

When you consider the nature of B2B purchases, it makes sense that brand strength is an important driver of success. As Marty Neumeier states, “A brand is not a logo. A brand is not an identity. A brand is not a product....A brand is a person’s gut feeling about a product, service, or organization.” In other words, brand is an organization's relationship with its customers. And in the B2B space, this is a complex relationship that is incredibly high-stakes – large price tags, multiple stakeholder involvement, organizational adoption, security and compliance considerations, lengthy contracts, and high expectations for business impact. Yet for many B2B organizations, brand is deprioritized in favor of more “performance marketing” initiatives and short-term goals such as MQL creation.

This report discusses the common pitfalls of B2B marketing, the importance of investing in brand, and recent research that analyzes the impact of meaningful audience connection on brand health and revenue growth.

Table of Contents

Why is there no “brand” in B2B?

Brand has long been the misunderstood, or even outcast, marketing function in many B2B organizations. Nearly half of B2B companies dedicate less than 30% of their marketing budgets to brand (BCG, 2021), and a recent LinkedIn survey shows that only 16% of B2B marketers list building brand awareness as a marketing objective. So why is brand so hard to embrace?

Innovation arms race

The pace of innovation has led B2B marketing to focus on the “speeds and feeds” of the product or service the organization offers, and less on the value and emotional benefits they deliver. This is not sustainable - what was innovative and breakthrough yesterday quickly becomes table stakes today. Furthermore, this approach ignores what motivates, or doesn’t motivate, B2B buyers. When differentiation exists, only 14% of B2B buyers are willing to pay a premium (Google, CEB).

Tyranny of the MQL

With the explosion of digital channels, combined with mounting pressure on marketing ROI, tools to measure clicks and lead generation have outpaced tools to measure brand. Performance marketing has emerged as a discipline in the B2B space, a separate function from other kinds of implied “non-performance” marketing. This has led to an overwhelming focus on short-term, easy-to-measure goals such as MQL creation as the predominant indicator of marketing’s success. And so marketers find themselves in the “MQL Trap,” tasked with generating more and more MQLs to meet growth goals, even as MQL conversion to sales drops over time.

The Spock-ifying of B2B

B2B marketers often view their customers as rational and logical organizations only - B2B is “business to business” after all, right? They tend to forget that there are real people behind these decisions. Real people who are putting their reputations on the line to advocate internally and justify a big purchase. Real people who are feeling the stress of trying to do their jobs well and achieve desired outcomes, and hoping this product can help. There is a lot on the line during these purchase decisions, both personally and professionally. In fact, according to Google and CEB, 50%+ of customers cite emotional connections with B2B brands, compared to the 10-40% that emotionally connect with B2C brands.

How can B2B become “Brand to Buyer”?

When you are in a personal relationship, you care about what the other party thinks and feels. You know what’s important to them, and you communicate with them about those things. You speak to them in a way that they understand and you work to improve your communication and how it is received. You spend time with the other person, and you care about their basic needs as well as their emotional well-being. The relationship between your organization and your buyer should be treated the same way.

So what steps can B2B brands take to go beyond “business to business” and focus more on building a “brand to buyer” relationship?

01 To know you is to love (and purchase) you

Research shows that people usually use mental shortcuts that behavioral economists have called ‘heuristics’ rather than applying logic and analysis when deciding what to purchase. According to Jenni Romaniuk, Research Professor at Ehrenberg-Bass Institute, for the “vast majority of buying situations, consumers want to finish as quickly as possible, and mental availability is about making your brand known and easily thought of in those situations.” This remains true with buyers in B2B. In fact, according to Romaniuk’s research, lack of mental availability is a bigger blocker in B2B purchasing than outright rejection of a brand. Staying top of mind with customers is a top priority.

02 Create budget zen between brand and sales

A recent LinkedIn B2B Institute found that B2B budget allocation skews more heavily toward sales activation (54%) than brand (45%), whereas in B2C this is flipped (38% and 62% respectively). In the same report, it was found that “brands that set their share of voice (SOV) above their share of the market (SOM) tend to grow, all other factors being equal, and those that set their SOV below SOM tend to shrink.” Brands are well-served to shift more investment towards being in market consistently, engaging with their audiences, creating dialogue, increasing mental availability, and building connection.

03 Get ‘em right in the feels

The majority of B2B brands continue to drive rational conversations leading with the facts. The reality is that most purchase decisions are rooted in our instincts and gut. By not allowing time and space for an emotional connection, enterprises are missing a significant ability to influence and persuade current and prospective buyers.

THE RESEARCH

The impact of audience connection on B2B health and revenue growth

The BlueOcean team set out to learn more about how B2B brands can effectively build relationships with their audiences. Since messaging and content are foundational to all marketing touch points, the team focused on how B2B brands aligned their messaging and content with their audiences, and what was the impact when done successfully. The dataset included over 3,200 key terms referenced over 2 million times between audiences and B2B brands since May of 2021 - each instance with its unique sentiment score.

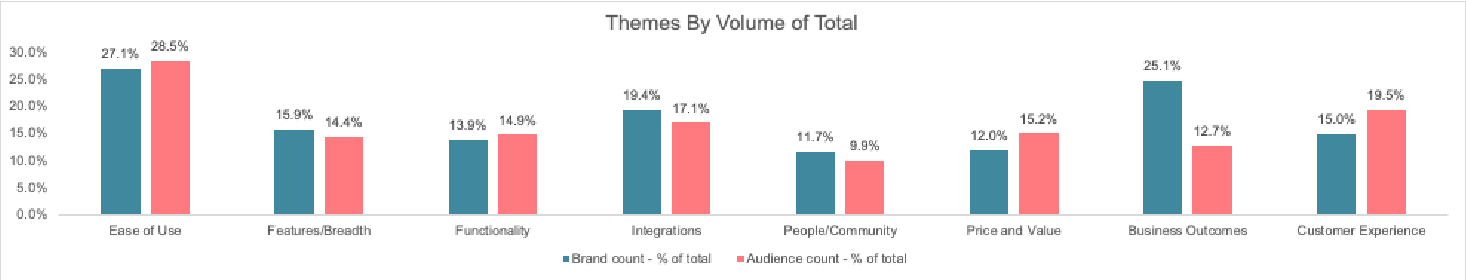
The team found that B2B brands, not too surprisingly, struggle to achieve this alignment. But when they do, they experience **improved brand health, stronger SOV, and higher estimated revenue growth compared to their competitors**.

How do brands compare to audiences in terms of the volume of content aligned to specific themes?

The team first looked at the volume of content generated by brands and audiences since May 2021, aligned to themes identified as broadly applicable to the B2B technology industry.

In a number of cases, there was a statistically significant disconnect between what the brand thinks is important, and what the audience thinks.

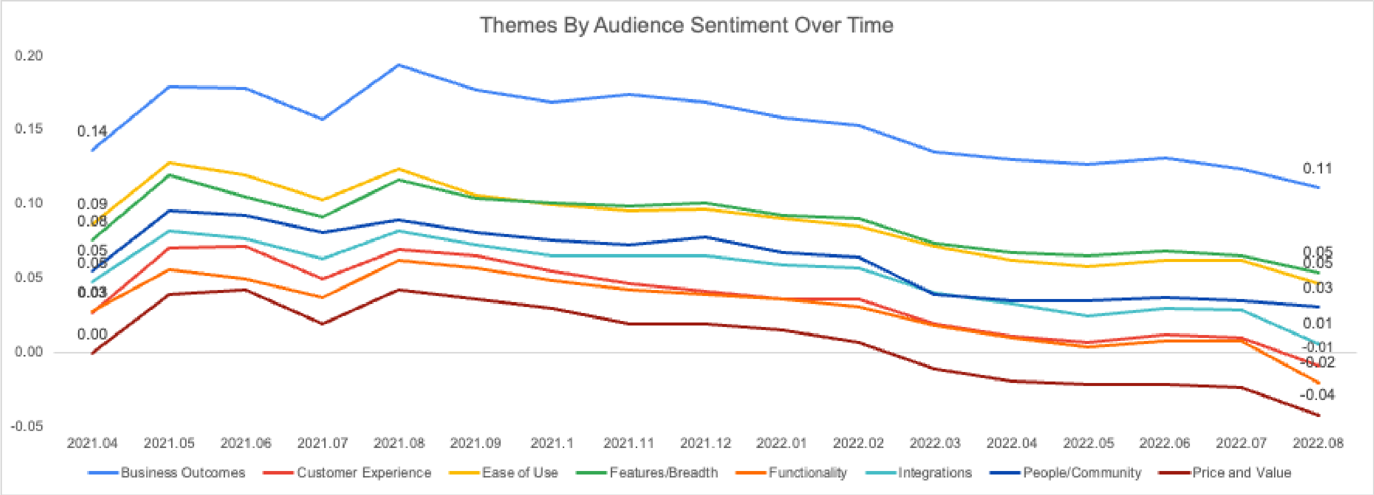
The top three disconnects occurred in Business Outcomes, where brands are over-indexing on this theme compared to audiences, and Customer Experience and Price and Value, where brands are under-indexing. While these three themes are all considered “emotional” vs. “rational,” it is interesting to note that the latter two, where the brand has under-indexed compared to the audience, are deeply connected to individual experience and perception. This supports the common perception that B2B brands focus more on the rational and logical “organization” vs. the individual buyer and user.

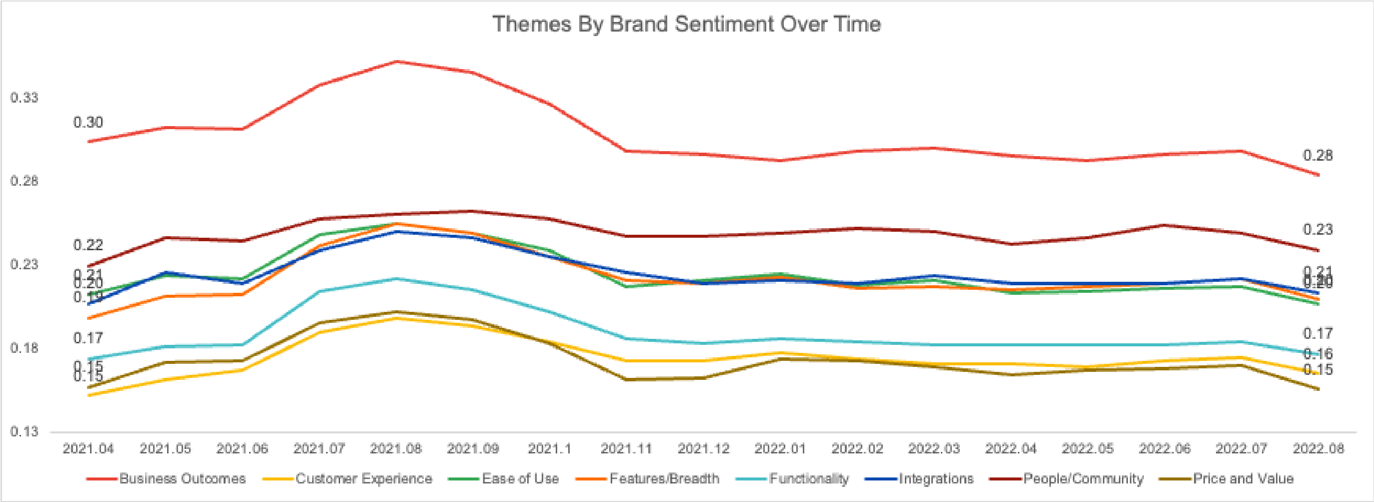


How do brands compare to audiences in terms of the sentiment of content aligned to specific themes?

Next, the team took a look at the average sentiment during this same timeframe of both the brand and the audiences surrounding this messaging and content. Sentiment was scored on a range of -1 (completely negative sentiment) to 1 (completely positive sentiment).

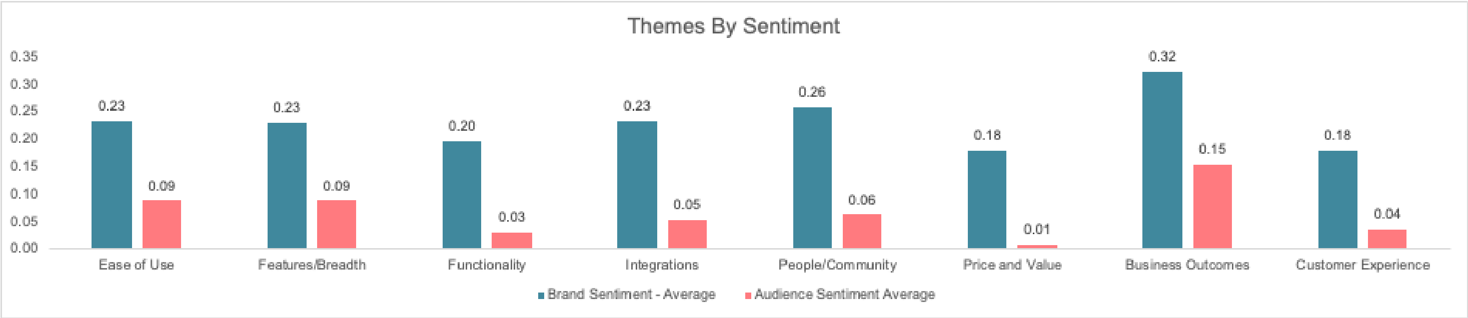
First, overall audience sentiment has been in decline since May of 2021, regardless of the theme. This is not terribly surprising, given the socioeconomic climate and other challenges of the last two years or so. Additionally, no theme had overwhelmingly positive sentiments from the audience. They were either slightly above neutral (Business Outcomes) to even trending slightly negative (Customer Service and Price and Value). Interestingly, brand sentiment has largely remained flat during this same time period. There has been little done by brands to reflect or even acknowledge the audience's negative sentiment, much less raise it.





Second, across all themes, audience sentiment lagged brand sentiment significantly - as high as an 87% to 125% difference. The themes where brands have under-indexed on volume were also particularly problematic sentiment-wise.

- **People/Community**: This theme had the greatest disconnect in sentiment. Brands are the most positive about this theme, perhaps in an effort to counter the Great Resignation and Return-to-Office challenges, and yet it is the least discussed among audiences.
- **Business Outcomes:** Audience sentiment was the highest for Business Outcomes, but is still 72% lower compared to brands. This gap is further extenuated because brands mentioned this theme more than double of audiences.
- **Price and Value:** Not only is this theme under-indexed by brands in terms of volume, but it also scored the lowest in audience sentiment and had one of the biggest gaps compared to brand sentiment. The majority of this theme's decline in audience sentiment can be directly traced to rising inflation in the economy. Clearly, this is a challenging topic for brands to address in a way that resonates with individuals. But it also presents an opportunity for the brands who figure out how to communicate value successfully.
- **Customer Experience:** Another under-indexed theme, Customer Experience scored the third lowest in audience sentiment. As an emotional theme deeply connected with how a customer ultimately feels about a product or service, this is an area that B2B brands are well-served to improve both the experiences themselves and how the brand communicates them.



What is the impact when brands align content to audience themes and drive higher sentiment?

When brands are more aligned with the themes their audiences care about, and have higher sentiment, the team found three highly correlated outcomes:

01 An improvement in brand health, specifically in support of driving consideration

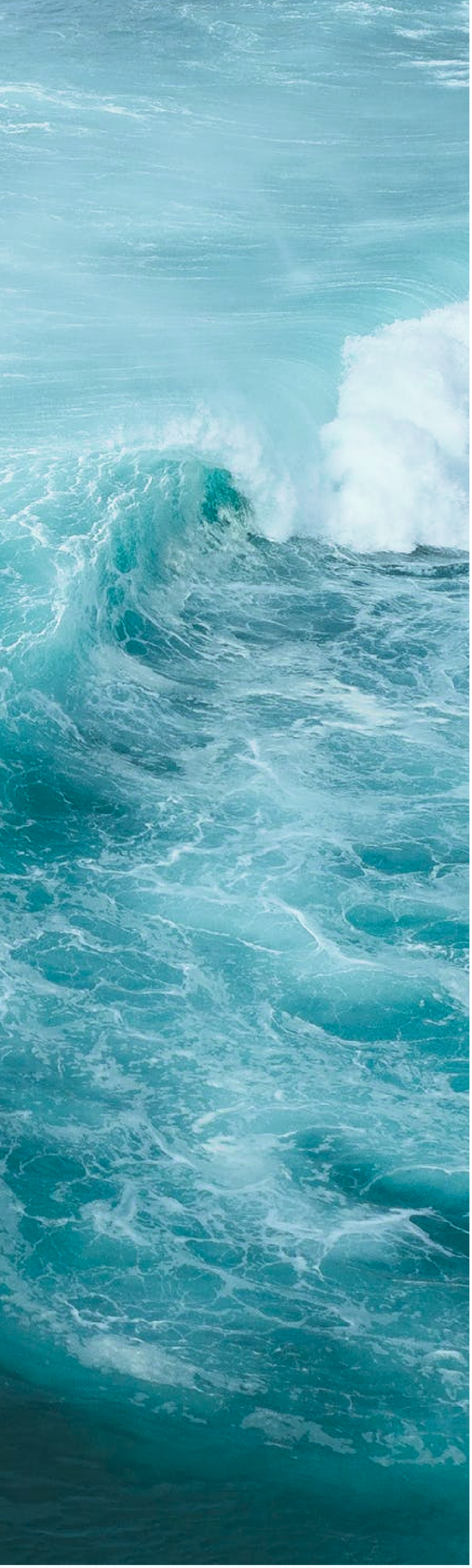
In the BlueOcean brand health framework, the factor “Relevant” is aligned with driving consideration with buyers. Within “Relevant” the subfactors “Valued” and “Influential” are positively impacted when brands align their messaging and content to what their audiences care about. In other words, brands that talk with audiences on their level, rather than at them, are more likely to be perceived as important and powerful leaders in their field.

02 Stronger social mentions, shares, and reposts to accelerate share of voice

Brands can impact their share of voice more efficiently when they have strong content alignment and sentiment. Intuitively, this makes sense: when social media audiences see a brand discussing the themes they’re interested in and acknowledging their sentiments, they are more compelled to engage with and amplify that content. In an era where many marketing budgets can be in flux, a shift in content themes is a no-cost solution that can improve your ROI on social media investment.

03 Higher “estimated future revenue growth” vs. competitors

BlueOcean calculates an estimated future growth metric as part of its brand framework. Brands that aligned more closely with audiences and focused on improving resonance saw a higher score for this metric, compared to their competitors. This relationship is so powerful that it nearly drew a 1:1 correlation - **even more than overall advertising spend.** By focusing on this alignment and improving sentiment, brands can build durable differentiation and growth.



Conclusion

The evidence is clear. A strong brand drives financial outcomes for B2B organizations. And in order to build a strong brand, marketers are well served to focus on increasing mental availability, rebalancing brand, and sales activation investment, and building a strong connection with audiences based on what is most important to them.

When marketers go beyond optimizing for funnel metrics and short-term tactical goals and return to their roots of understanding, engaging, and inspiring customers, they can build lasting relationships that drive growth.

Are you ready to start building a brand relationship with customers that drives growth?

Schedule a demo to learn more, or visit our resource center for more helpful research, insights and reports.

Schedule a Demo