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# Building Capabilities for Marketing Leadership

Insights for Building Product Manufacturers

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# Topics for today's webinar

- Why we conducted the survey on BPMs' marketing priorities and focus for building new capabilities
- Survey overview
- Summary insights
- Implications for BPMs

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# Why we did the survey

- Build on recent Booz & Company research with Association of National Advertisers, Interactive Advertising Bureau and 4A's
- Team with Hanley Wood to develop new insights for BPMs as they invest to build capabilities for marketing leadership
- Develop Booz & Company Marketing Leadership Index to help BPMs in evaluating what capabilities define marketing leadership
- Identify marketing opportunities for BPMs to enhance growth coming out of the current downturn — BPMs are a key B2B client segment for Booz & Company



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# Summary insights

1

## Marketing Objectives

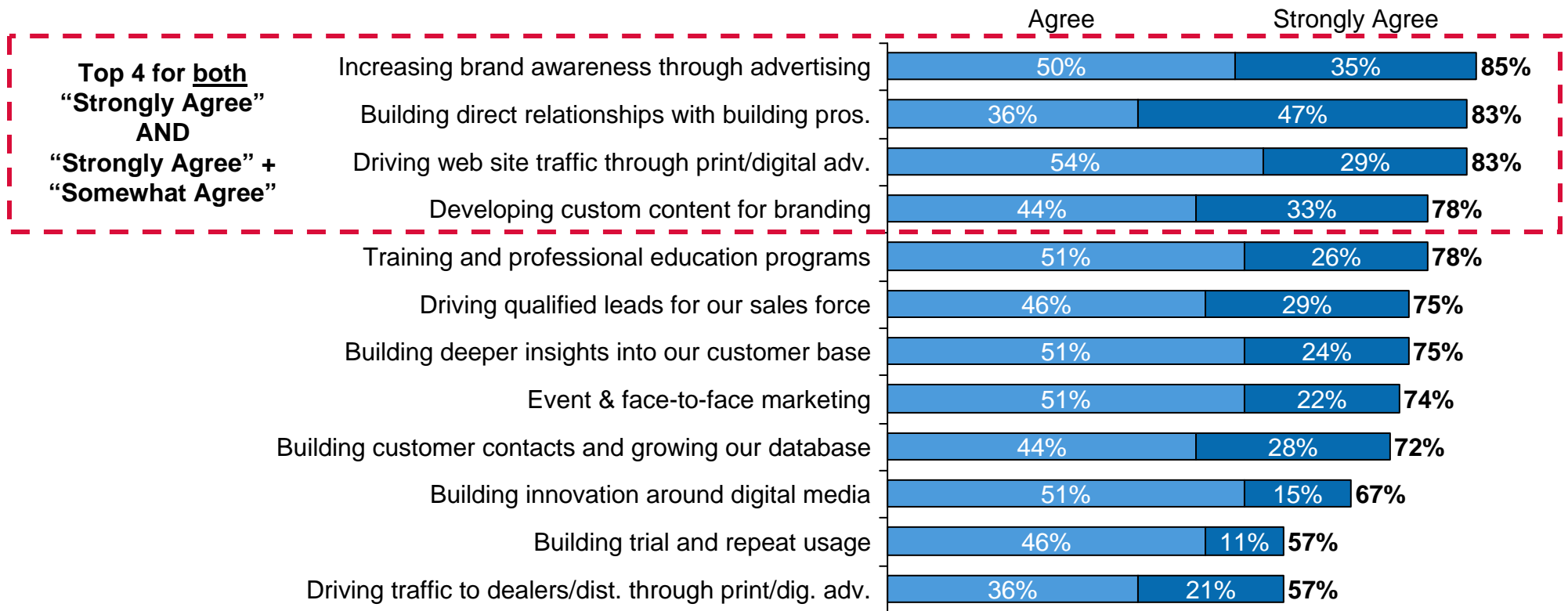


- BPMs' top marketing objectives are branding, driving traffic to their websites, and building direct relationships with customers
- Integrated campaigns key to meeting objectives

# Focus on branding, traffic and direct relationships

## Key Focus of Firms' Marketing Objectives

% who replied "Agree" or "Strongly Agree" for the following statements

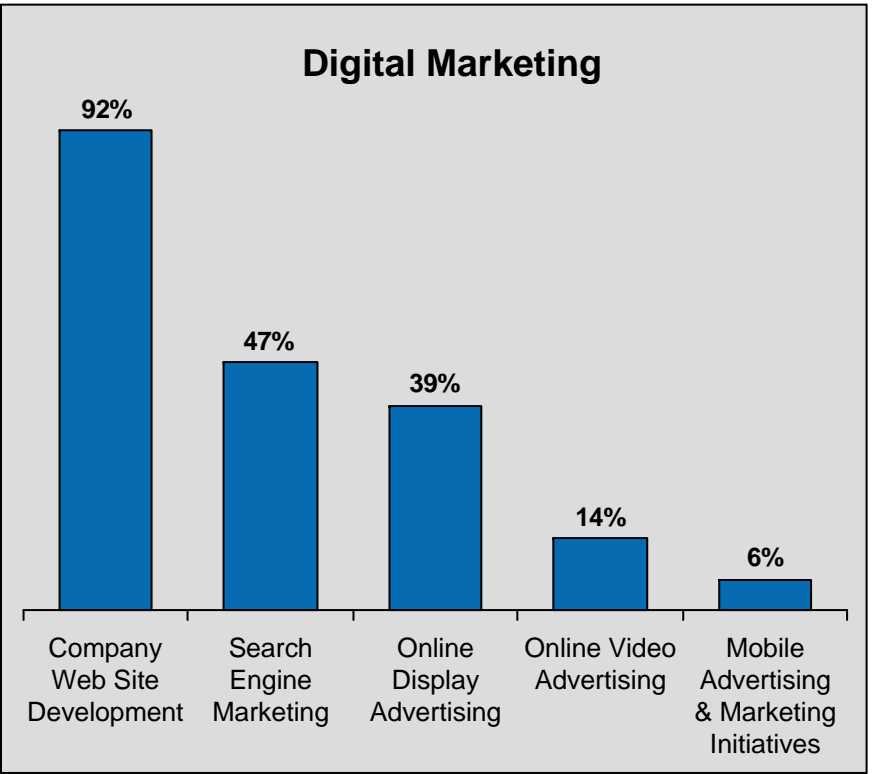
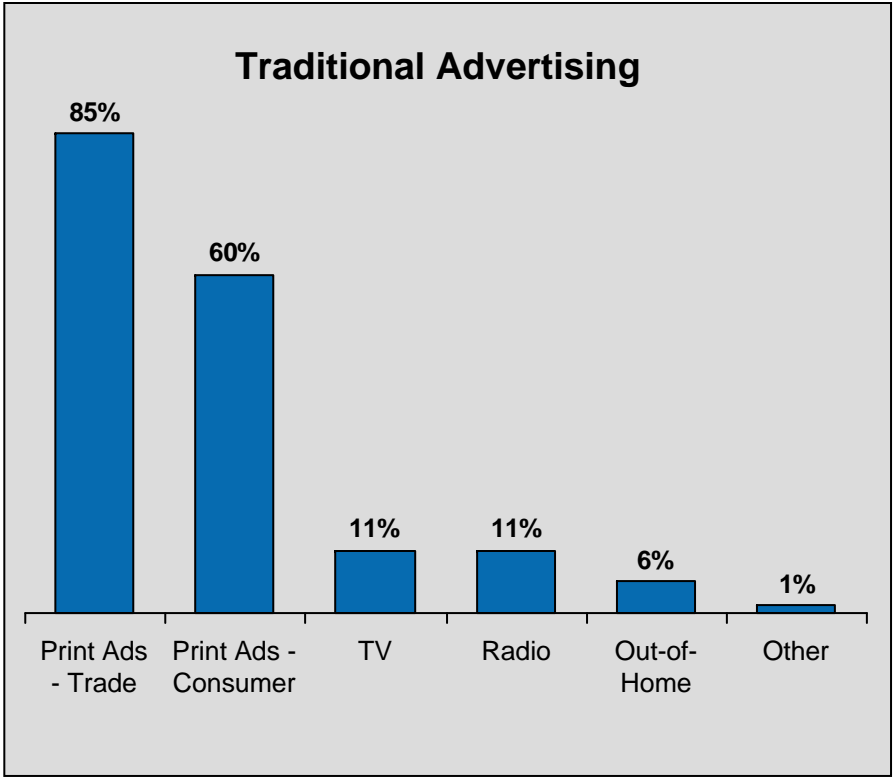


Note: n=72

Source: Booz & Company Survey 2009; Booz & Company analysis

# Integrated campaigns key to meeting objectives

## Expected Top Marketing Priorities, 2012 % Selected among Top-Two Priorities



Source: Booz & Company Survey 2009; Booz & Company analysis

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# Summary insights

1

## Marketing Objectives



- BPMs' top marketing objectives are branding, driving traffic to their websites, and building direct relationships with customers
- Integrated campaigns key to meeting objectives

2

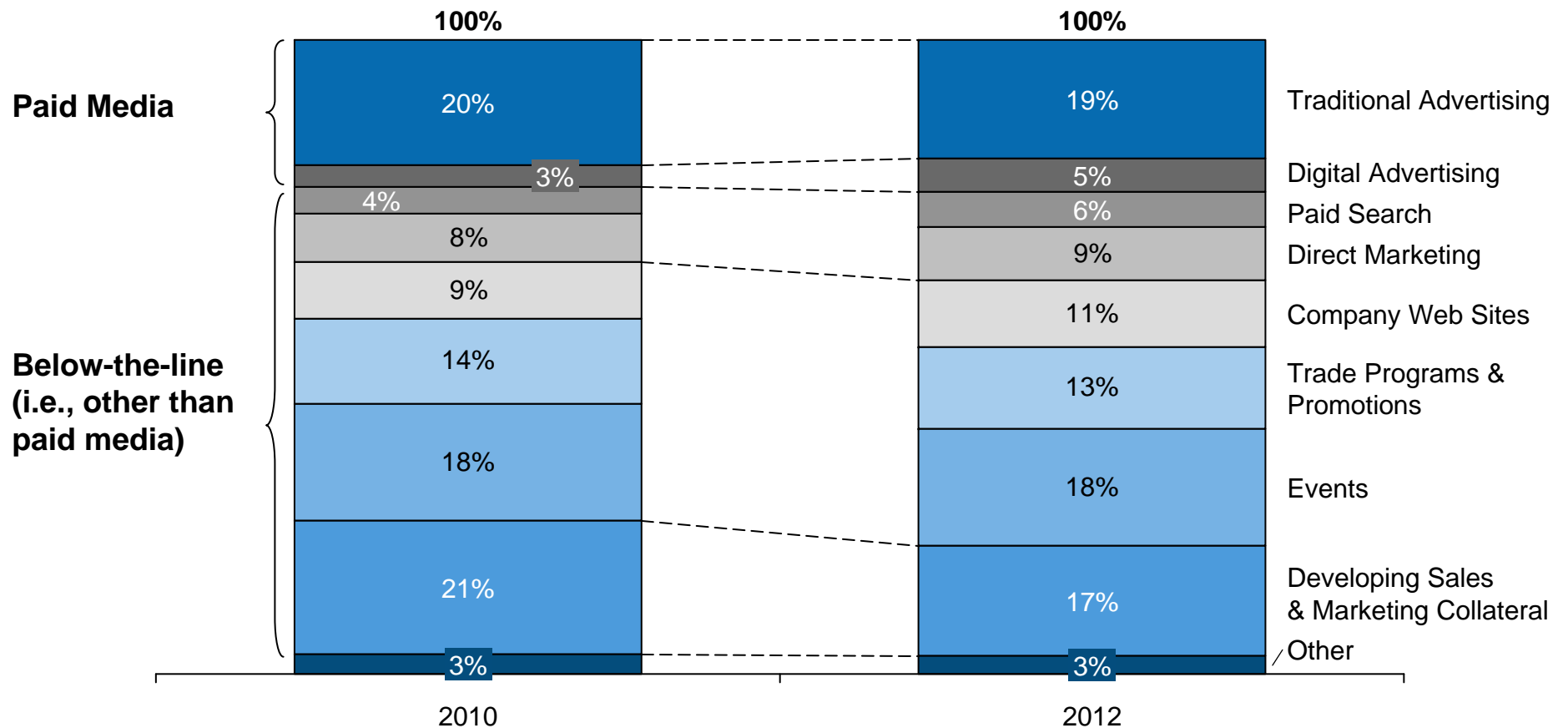
## Marketing Mix Shifts



- BPMs investing in broad set of marketing programs to support these objectives — three-quarters of spending is outside paid media
- Investments in digital gaining share of marketing mix, spanning both digital ads and company websites and other custom content

# Digital a priority, including ads plus own assets

**BPMs' Marketing Budgets - 2010 vs. 2012**  
Estimated % Allocation of Total Marketing Budget



Source: Booz & Company Survey 2009; Booz & Company analysis

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# Summary insights

1

## Marketing Objectives



- BPMs' top marketing objectives are branding, driving traffic to their websites, and building direct relationships with customers
- Integrated campaigns key to meeting objectives

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## Marketing Mix Shifts



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3

## Marketing Leadership



- Leadership defined by greater sophistication in capabilities
- Even leaders have room for improvement
- Leaders spend more on marketing as % of sales...
- ...and are relatively more focused on driving web traffic and relationship marketing
- Marketing leaders are more likely to play a strategic business role in driving their company's growth

# Marketing leadership defined by capabilities

## Key Capabilities to Address Marketing Objectives

### Top BPM Marketing Objectives

- Increasing brand awareness through advertising
- Building direct relationships with building professionals
- Driving web site traffic through print/digital advertising
- Developing custom content for branding

### Selected B2B Marketing Capabilities

Sales & Marketing Collateral

Multi-Platform Media Campaigns

Direct Marketing

Dealer/Distributor Programs

Customer Insights

Data/Lead Management

Customer Training & Development

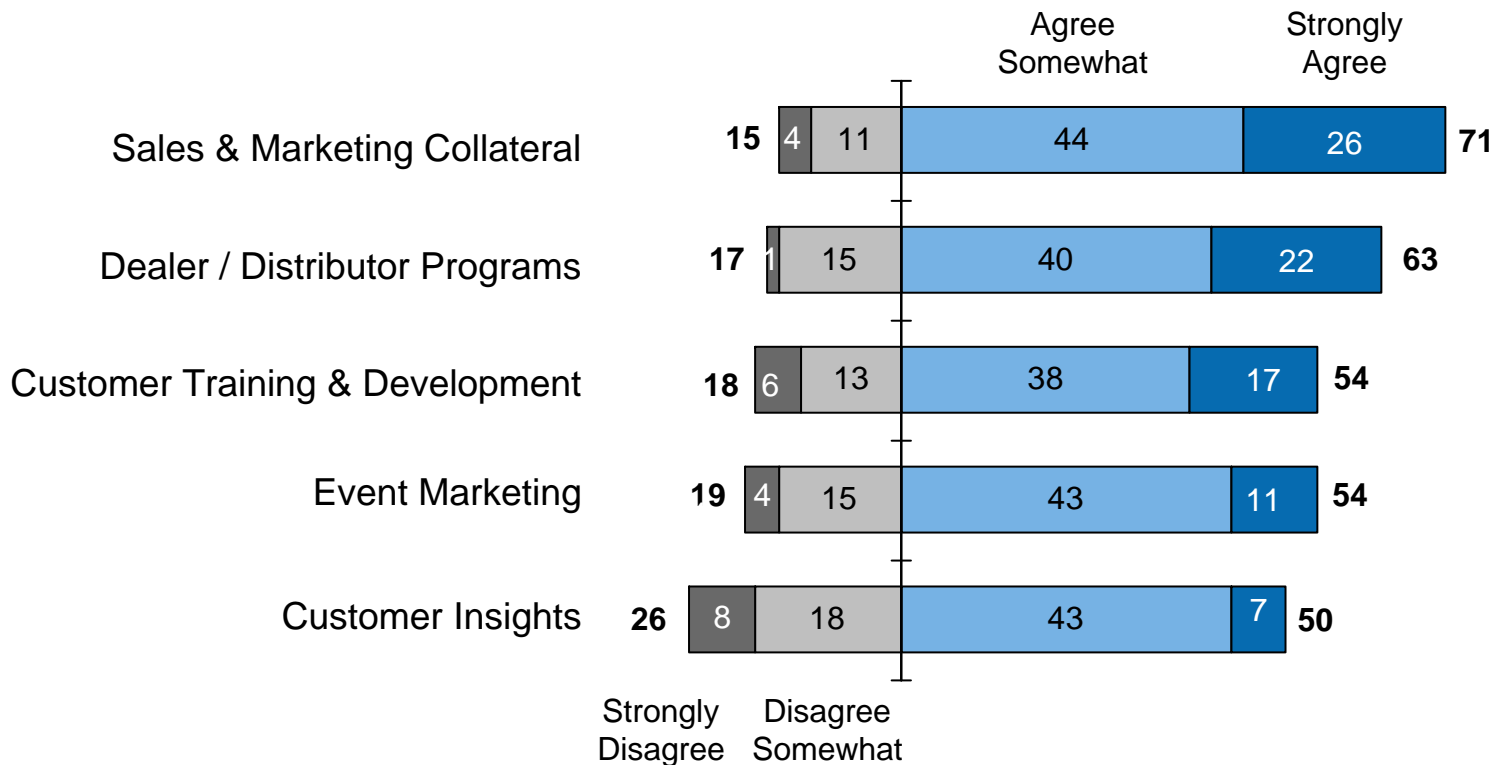
Event Marketing

Search Engine Optimization/Management

# Some capabilities table stakes to be in the game

## Satisfaction with Existing Marketing Capabilities<sup>1</sup>

% agreement / disagreement with the following capabilities



### Foundational Capabilities

- More basic (i.e., “table stakes”)
- Average score across all respondents is “Agree Somewhat”

1) Neutral responses are not included. Totals may not add due to rounding

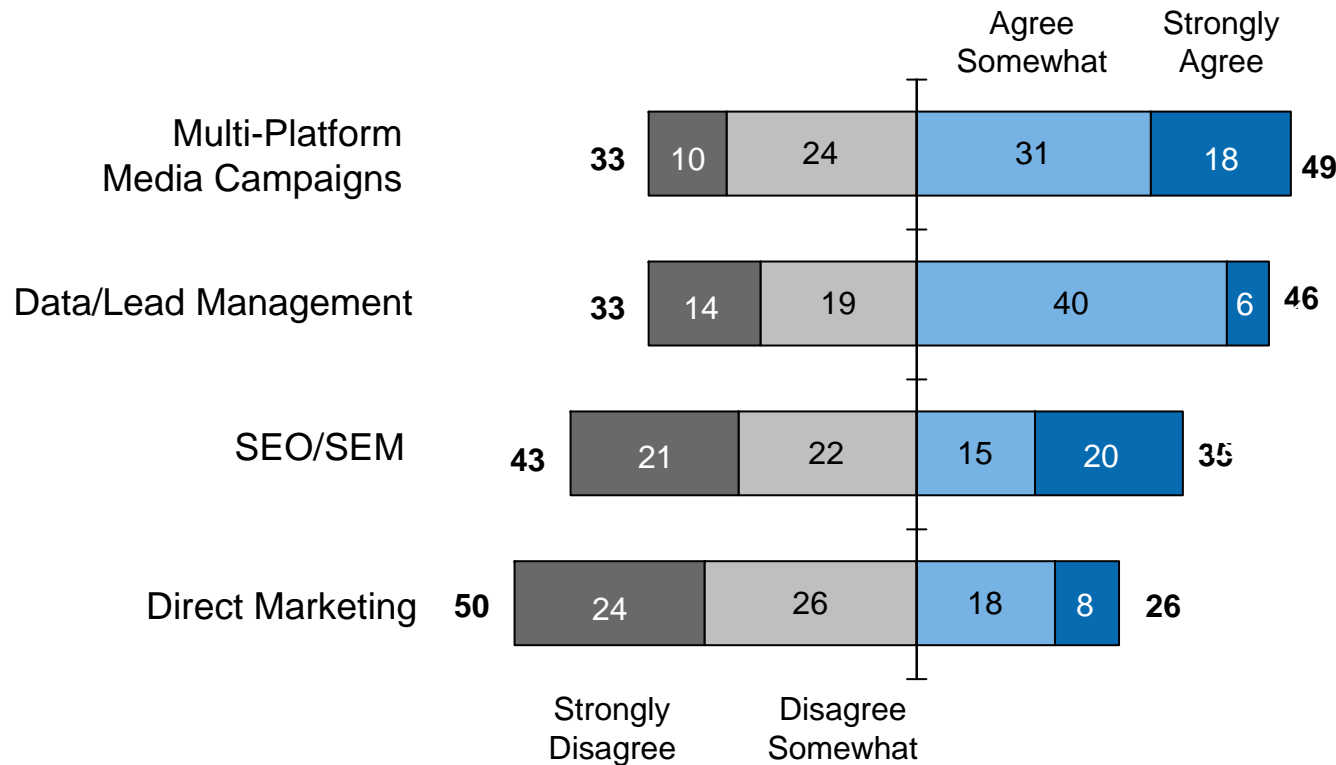
Note: n=72

Source: Booz & Company Survey 2009; Booz & Company analysis

# Others provide greater competitive differentiation

## Satisfaction with Existing Marketing Capabilities<sup>1</sup>

% agreement / disagreement with the following capabilities



### Exceptional Capabilities

- More leading edge / analytical
- Average score across all respondents is “Disagree Somewhat”

1) Neutral responses are not included. Totals may not add due to rounding

Note: n=72

Source: Booz & Company Survey 2009; Booz & Company analysis

# Leaders strong at both sets of capabilities

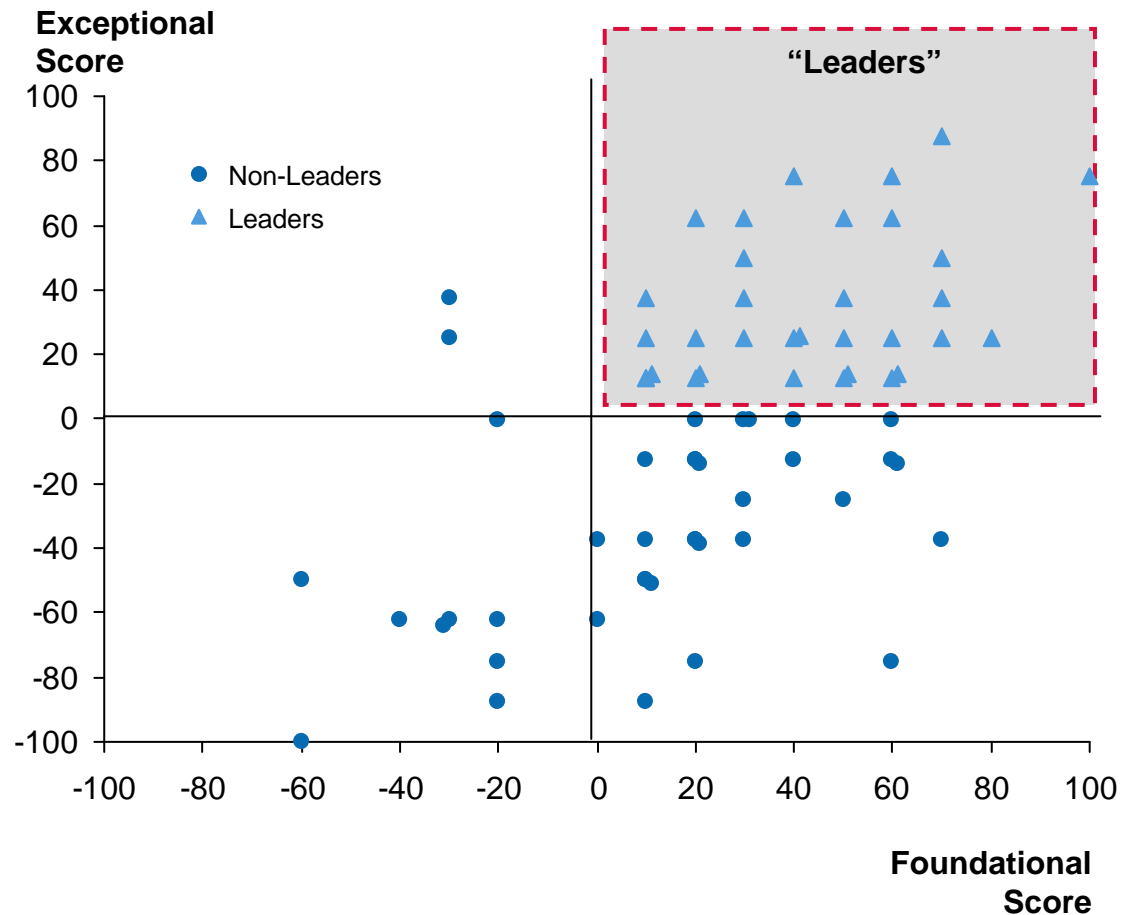
## Foundational Capabilities

- More basic / essential (i.e., “table stakes”)
- Sales & Marketing Collateral
- Dealer/Distributor Programs
- Customer Training & Development
- Events
- Customer Insights

## Exceptional Capabilities

- More leading edge / analytical
- Multi-Platform Media Campaigns
- Data/Lead Management
- SEO/SEM
- Direct Marketing

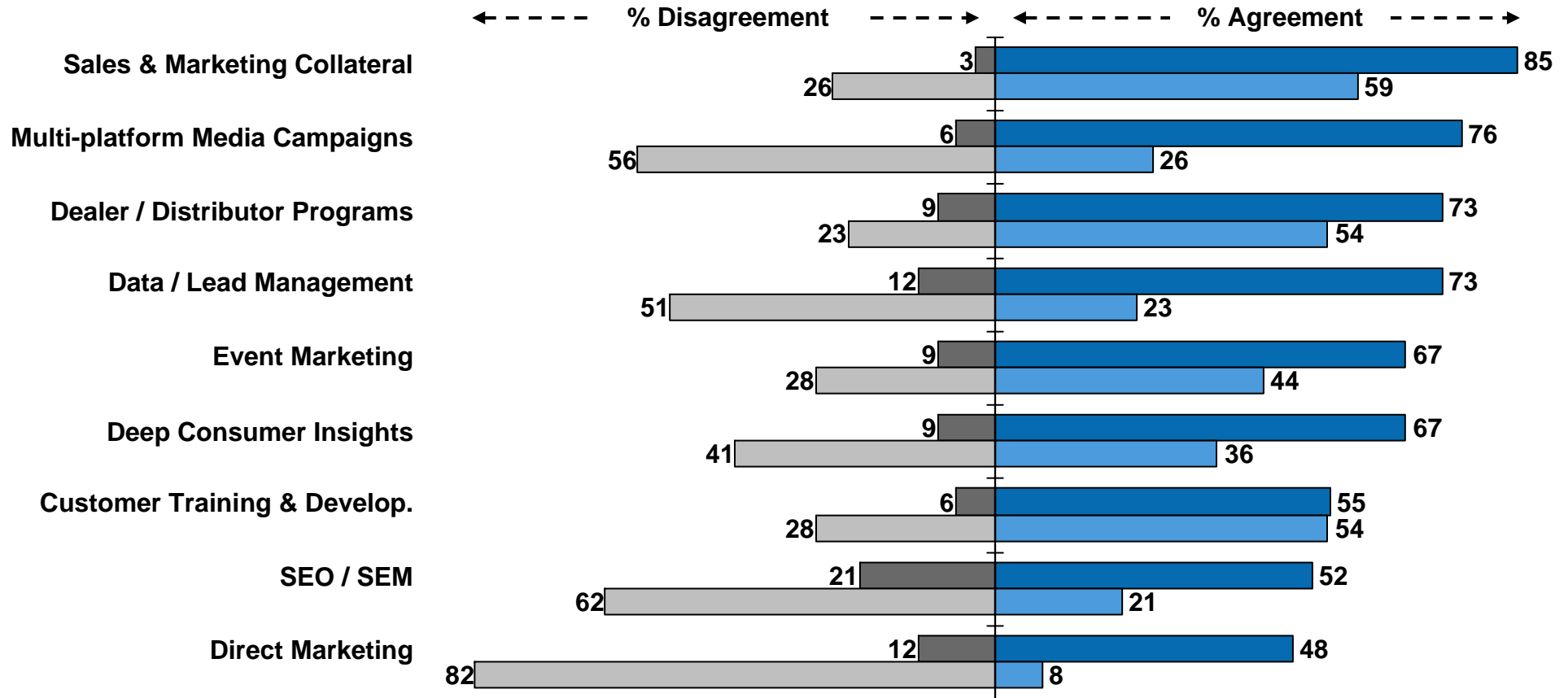
**Booz Marketing Leadership Index**  
Indexed Sum of Individual Scores  
(Strongly Agree = +2, Agree +1, Disagree -1, Strongly Disagree -2)



# Even leaders have room for improvement

## Satisfaction with Existing Marketing Capabilities<sup>1</sup>

% agreement / disagreement with the following capabilities



1) Neutral responses are not included. Totals may not add due to rounding

Note: BPM Leaders n=33, BPM Non-Leaders n=39

Source: Booz & Company Survey 2009; Booz & Company analysis

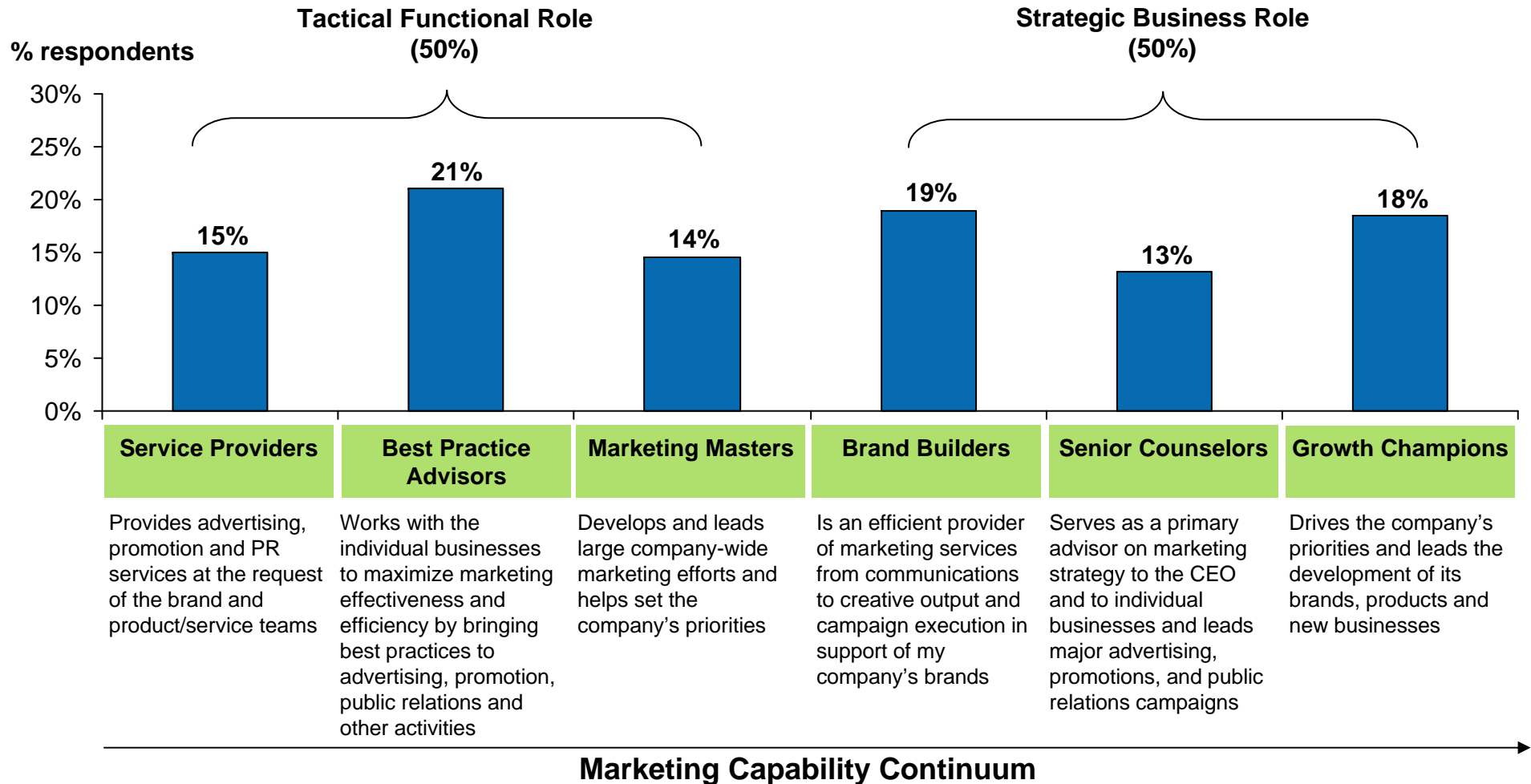
Leaders  
 Leaders  
 Non-Leaders  
 Non-Leaders

# Leaders more focused on traffic and lead generation



Note: BPM Leaders n=33, BPM Non-Leaders n=39  
 Source: Booz & Company Survey 2009; Booz & Company analysis

# ANA research: marketing can play more strategic role

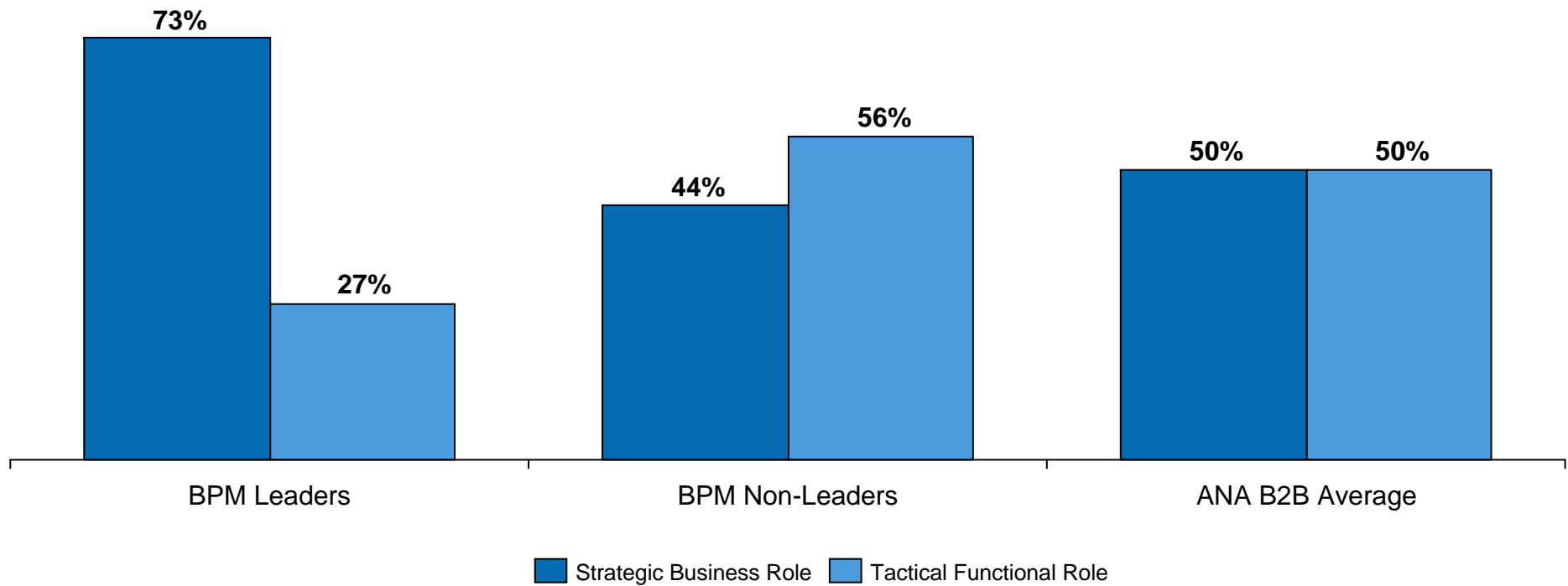


Note: n=130

Source: Booz & Company' ANA B2B Survey of B2B marketers, 2009

# BPM leaders more likely to play strategic role

**Role that Marketing Organization plays within the BPM**  
% of "Leader" or "Non-leader" — Respondents could only select one option

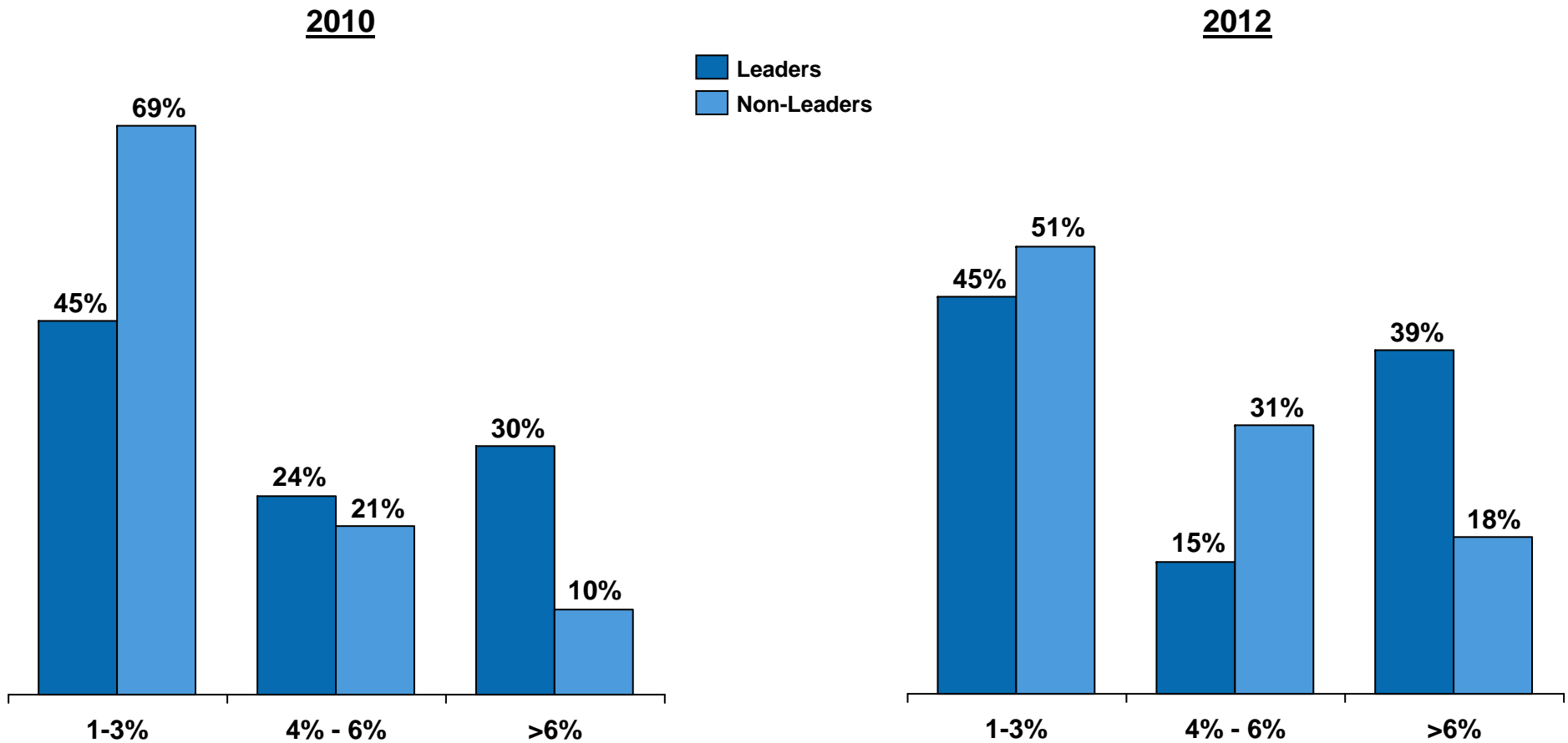


Note: BPM Leaders n=33, BPM Non-Leaders n=39, ANA B2B Average n=130

Source: Booz & Company' ANA B2B Survey of B2B marketers, 2009; Booz & Company Survey 2009; Booz & Company analysis

# Leaders spend more on marketing as a % of sales

2010 and 2012 Marketing Budget as a Percentage of Sales  
% of Leaders vs. % of Non-Leaders



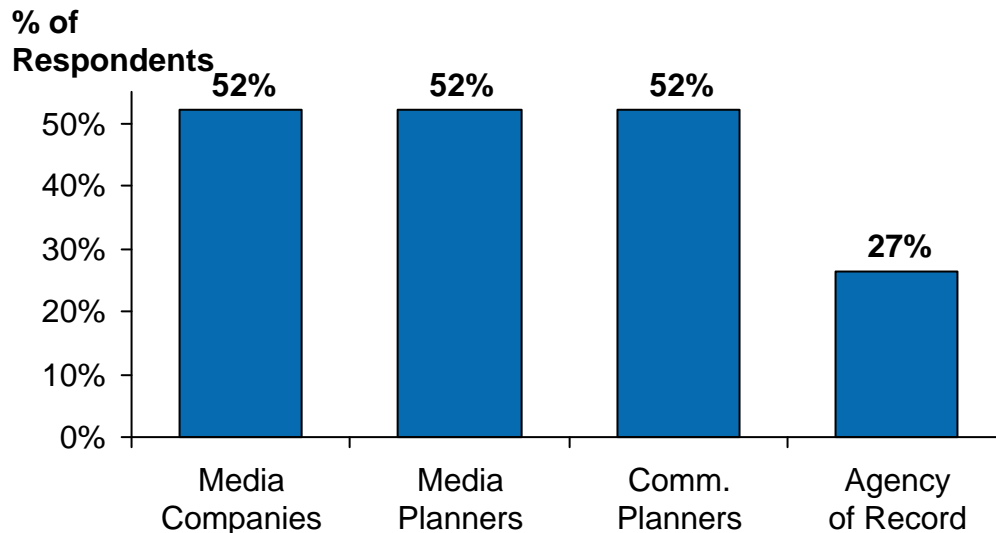
Note: BPM Leaders n=33, BMP Non-Leaders n=39  
Source: Booz & Company Survey 2009; Booz & Company analysis

# Media companies can be valuable partners

Marketing  
& Media  
Ecosystem



Marketers' answer to:  
"Which Direct Partnerships Will  
Be More Important In The Future?"



## Example Marketing Solutions Provided by Media Partners

- Integrated campaign development
- Custom/exclusive content
- Consumer insights
- Behavioral targeting
- Database marketing
- Lead generation
- Word of mouth
- Event marketing
- Training & education programs

Note: ANA Marketing & Media Ecosystem Study, n=450 (250 Marketers, 100 Agencies, 100 Media Companies)  
Source: ANA Marketing & Media Ecosystem 2010 survey, February, 2008; Booz & Company analysis

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# Implications for BPMs

- Define priorities for marketing innovation to drive next wave of growth
- Build plans for investing in key capabilities to address these priorities
- Determine what you can best tackle in-house vs. through key partnerships



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