



KOROBERI WHITE PAPER SERIES

# INTEGRATED MEDIA STRATEGIES FOR B2B MARKETERS

Maximizing Traditional and Online Marketing Media ROI  
With an Integrated Media Strategy



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## EXECUTIVE SUMMARY

This paper outlines integrated media strategies that marketers of complex engineered products and services can use to meet three key marketing program objectives: 1. brand building and price support; 2. customer education; and 3. qualified lead generation.

Summarizing current industrial marketing trends in North America, we examine which traditional and new media tools are producing a higher return on investment and highlight those that offer marketers better and more precise control, easier-to-use tracking capabilities and measurable results. We also provide general guidelines for budget allocations that will allow marketers to optimize and track media performance.

Given the exponential rate of adoption of web-based technologies, our recommendations should be viewed as projections for the 2007 calendar year only.

## OVERVIEW

The Internet and its associated digital promotional tools are the fastest-growing presence on today's industrial B2B media grid. A recent B2B study<sup>1</sup> analyzing the effectiveness of marketing strategies in reaching the technical buyer shows that a record number of technical and industrial customers use the Internet as their primary source for accessing trade research and new product information. As a result, B2B advertisers are searching for new ways to exploit these online channels and connect directly with customers.

### Balancing Brand Health and Short-Term Sales Goals

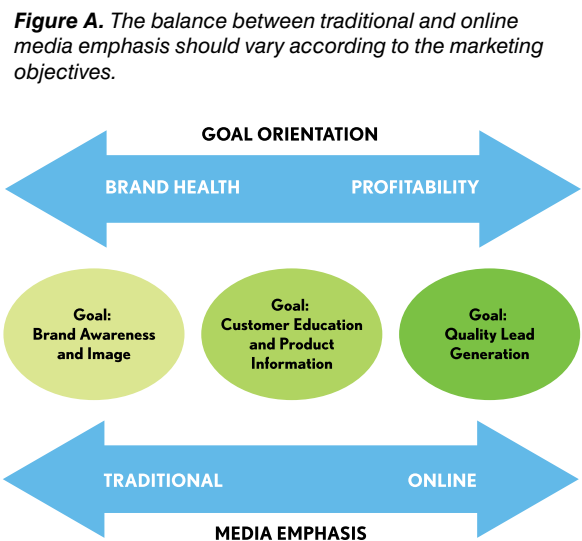
The two factors most important to the success of a B2B brand are brand health and profitability. While print media is still invaluable for maintaining long-term brand health and awareness, online promotional efforts are more efficiently translated into immediate sales. Consequently, a B2B brand marketer must achieve the optimal mix of traditional and online media to maintain a balance between long-term value and short-term capital.

For the purposes of this white paper, traditional media is defined as conventional (and usually tangible), time-established advertising and marketing methods, and includes display ads in target print publications, direct mail, and PR vehicles such as case studies and white papers. Online media is defined as web-based promotional material with which the customer can interact, including rich-media ads, search engine marketing, newsletters, direct e-mail, webcasts, webinars and online PR.

### Defining Objectives

The first step in determining the optimal media mix is to define the primary marketing objectives (Figure A). The dominant aim — such as boosting brand credibility, educating a broader base of potential customers, or generating quality purchase leads within a narrow market — will determine the proportion of traditional to online media placement.

Traditional media (particularly print ads in trade publications) is highly effective in building brand familiarity, top-of-mind customer awareness, and strong brand reputation. It is perhaps surprising to some, that even in this era of interactive ubiquity, traditional media



<sup>1</sup> GlobalSpec®

remains the cornerstone of brand awareness and image campaigns. Increasingly, however, online media advertisements generate higher-quality leads, more timely capitalization on customer aperture, and a more customized B2B purchase experience — thus more efficiently translating advertising efforts into sales.<sup>2</sup>

### **Integrated Media Mix Optimizes ROI**

By incorporating both promotional channels into the media mix, the B2B marketer can best attain the optimal advertising and marketing objectives—including increasing brand awareness and image, providing customer education and service, and generating quality leads.

This paper summarizes data from studies conducted by nine leading B2B media research groups and compiles their results into recommendations for an objective-oriented media mix to optimize marketing budget ROI.<sup>3</sup> In addition, this paper analyzes the effectiveness of a media mix through the different stages of the purchasing process:

- Brand awareness
- Customer and product education
- Lead generation
- Finalizing the sale

## **BRAND AWARENESS AND IMAGE**

### **Traditional Media**

A strong promotional foundation provided by traditional media is imperative for maximizing brand awareness, developing a positive image, and establishing a solid reputation.

Methods include:

- Advertisements in print publications
- Display ads in trade publications
- Display ads in business publications
- Custom company magazines
- Direct mail
- Public relations
- Case studies
- White papers
- Corporate and product PR

Although online media is gaining significant ground in generating brand visibility, traditional media (particularly in printed trade publications) should remain the dominant focus. Not only has traditional media long proved to increase the likelihood that the customer will perceive a brand as viable and time-tested, but it typically offers a more cost-efficient reach (with lower CPM) to top-level management.

<sup>2</sup> All recommendations assume that the marketer has a well-organized, functional, and user-friendly web presence to effectively capture leads generated by promotional efforts.

<sup>3</sup> Koroberi, Inc.'s recommendations are based on agency experience and the sources listed in this report.



### Online Advertising

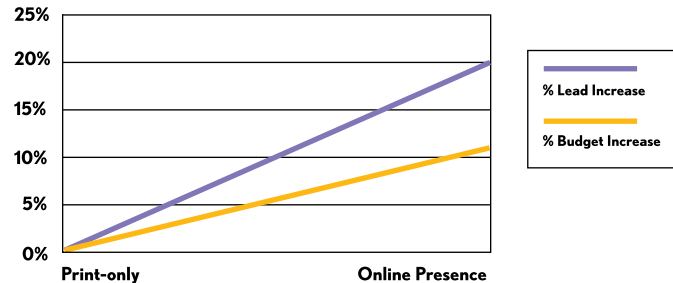
An effective, functional, and user-friendly corporate website is the foundation on which successful online promotion is built. The website must be easily accessible and support downloads of digital information assets such as:

- White papers
- Case studies
- News articles
- Press releases and technical articles

To fully exploit sales opportunities, the website should also provide company contact information and e-commerce options.

Three key elements contributing to the success of online media are immediacy, accessibility, and accountability. An allotment of 11 percent of a B2B advertising budget to online media can increase purchase intent by 20 percent (at 4+ exposures) over a traditional print-only media plan<sup>4</sup> (Figure B).

Figure B. Value of interactive budget increase to ad media mix

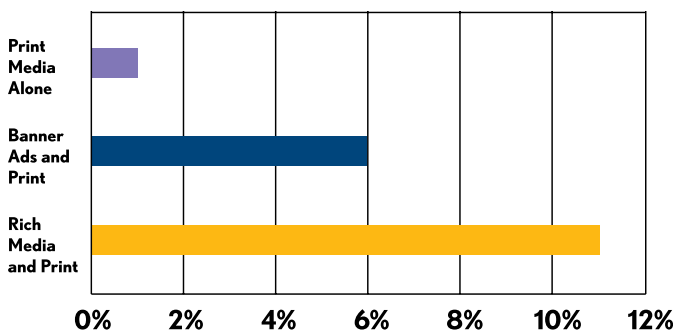


### Online Tactics

The well-stocked online toolbox should include vertical and general search engines and rich-media advertisements (ads featuring digital audio and visual enhancements, e.g., live links, sound, animation, video feed) on trade publication websites. Online ads alone can cost-effectively boost brand awareness by 6 percent, and by 14 percent when integrated into a traditional print media campaign.<sup>5</sup>

Rich-media ads, despite their higher CPM over static banner ads, are significantly more cost-effective in turbocharging a print campaign — rich media ads generate a 5 percent increase of brand message retention over banner ads, and a 10 percent increase over print media alone. (Figure C).

Figure C. Comparative effectiveness of rich media in message retention and brand awareness



<sup>4</sup> Marketing Evolution™

<sup>5</sup> Forrester Research®



Research has shown that a branding advertising program should be geared to reach approximately 75 percent of a target audience through traditional media and approximately 25 percent through online rich media ads.<sup>6</sup> (Figure D).

Figure D. Optimal branding advertising market reach

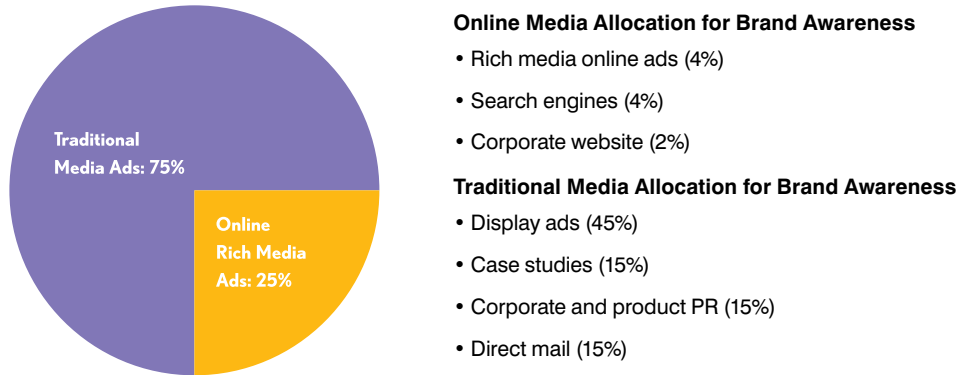
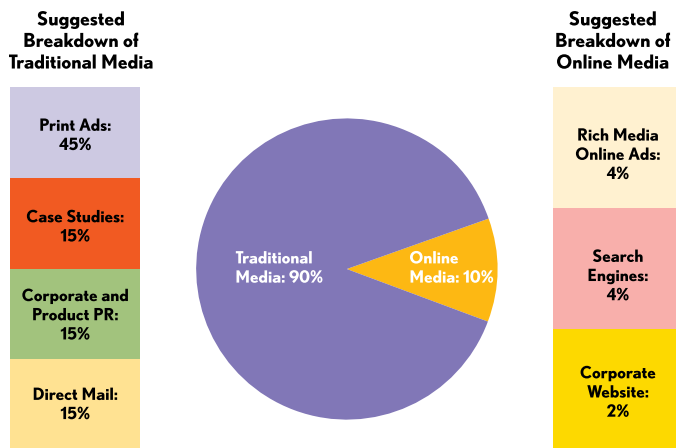


Figure E illustrates media allocation guidelines for increasing brand awareness and image. Traditional media is the dominant player here, accounting for 90 percent of the total.

Figure E. Suggested media allocation to increase brand awareness and image



See Appendix, page 10, for sample integrated media budget for customer education.

<sup>6</sup> Interactive Advertising Bureau®

## CUSTOMER EDUCATION AND PRODUCT INFORMATION

Workers now allot a staggering 62 percent of their daily “media minutes” to the Internet, devoting only 6 percent to traditional print media<sup>7</sup>. When industrial professionals search for information about new products, 57 percent choose the Internet as their primary research vehicle and 31 percent choose magazines.

Although it’s important to maintain a strong advertising presence in both traditional and online formats, these statistics indicate that the at-work Internet trend is growing exponentially. Strategic solutions for capitalizing on this trend include the following traditional and online promotional tools:

- PR news and editorial programs
- Custom magazines mailed to a list generated from online registration
- White papers available for online download
- Case studies available for online download
- Digitized customer newsletters
- Self-promotion on well-developed corporate website
- Webcasts and webinars — these tools, both relatively inexpensive, deliver maximum exposure in a highly informative editorial environment and provide in-depth demographic details of qualified leads.<sup>8</sup>

Developing comprehensive customer education programs and producing product information materials are valuable marketing objectives that require slight shifts in media programming from traditionally oriented brand-building and support strategies. These objectives operate at a midpoint between brand health and profitability, and should be focused on information-heavy, highly interactive promotional formats that cover both traditional and new media.

### Optimizing Customer Education Strategies

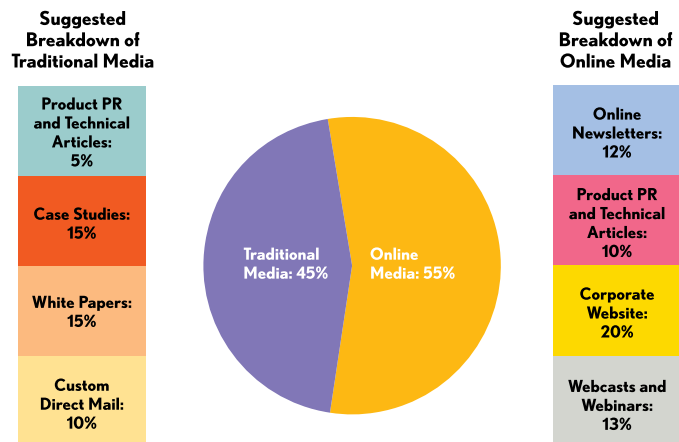
Traditional vs. online media allocation guidelines for optimizing customer education and product information strategies are illustrated in Figure F.

#### Online Media Allocation for Customer Education

The suggested online media allocation, which accounts for 55 percent of the total, is weighted toward the corporate website (20 percent), with the balance split about equally between online:

- PR media centers and newsletters (12%)
- Product PR and technical articles (10%)
- Webcasts and webinars (13%)

**Figure F.** Suggested media allocation to provide customer education and product information



See Appendix, page 10, for sample integrated media budget for customer education.

<sup>7</sup> GlobalSpec

<sup>8</sup> Reed Research™

### **Traditional Media Allocation for Customer Education**

On the traditional media side, the remaining 45 percent of the suggested media allocation for customer education and product information might be weighted as follows:

- Case studies (15%)
- White papers (15%)
- Direct mail (10%)
- Product PR and technical articles (5%)

### **QUALITY LEAD GENERATION**

Lead generation is a comparatively short-term marketing objective, and one which, when executed effectively, can move significant product volume and generate opportunities for near-term profits. In addition to an easy-to-navigate, appealing corporate web presence, qualified lead generation depends heavily on a solid phone-based customer service system backed by a highly efficient and responsive sales force. Promotional efforts should be intensely focused on building an online presence that supports traditional promotions by enabling immediate access to existing materials (e.g., white papers, case studies, press releases, news articles) and updates to evolving materials (e.g., products).

#### **Enhancing Online Effectiveness**

Ideally, online promotions should offer real-time access to the customer through registration, and enable real-time accountability for the marketer. Registration-required online communication provides more than the basic click-through information (i.e., IP address of visitor's path to site) afforded by general search engines. However, such processes should be as simplified and as user-friendly as possible.

Landing sites should feature lead capture mechanisms that obtain each prospect's company name, contact information, preferred communication method, specific area of interest, timeframe for purchase decision, and timeliness of lead. Highly customizable promotional tools leveraged predominantly through online media are most appropriate for lead generation, supplemented by traditional media that maintains a foundation of brand quality.

#### **Online Media Allocation for Lead Generation**

The media allocation guidelines for generating quality sales leads are illustrated in Figure G. Here, online media dominates, accounting for 65 percent of the suggested allocation. The importance of establishing and maintaining corporate visibility to search engines is reflected in the suggestion that 25 percent of online media be devoted to search engine optimization and paid placements (see additional discussion in "Top 10 Media Tools" section below). Online ads account for the next largest portion in the suggested breakdown followed by an equal split between the corporate website and custom e-mails and webcasts and webinars:

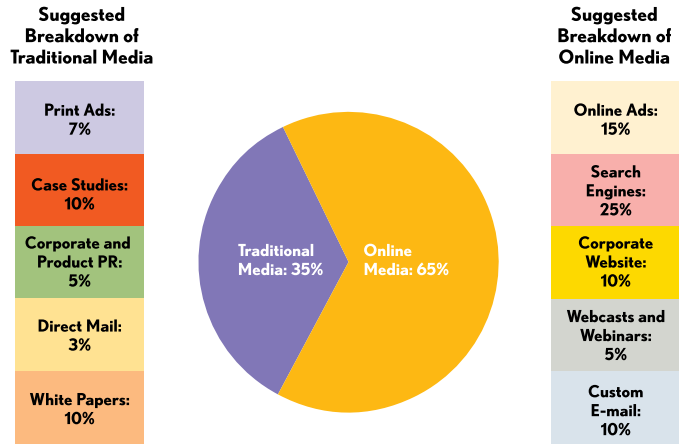
- Online ads (15%)
- Search engines (25%)
- Corporate website (10%)
- Webcasts and webinars (5%)
- Custom e-mail (10%)

### Traditional Media Allocation for Lead Generation

As is the case with the suggested allocation for customer education and product information (Figure F), case studies and white papers once again account for the lion’s share of the suggested traditional media breakdown for generating quality sales leads:

- Print ads (7%)
- Case studies (10%)
- Corporate and product PR (5%)
- Direct mail (3%)
- White papers (10%)

Figure G. Suggested media allocation to generate quality sales leads



See Appendix, page 10, for sample integrated media budget for customer education.

### TOP 10 MEDIA TOOLS FOR OPTIMIZING ROI

An effective lead-generating mix should include the following tools:

- 1. Print advertisements.** Print display advertising remains a cornerstone of successful industrial marketing, and offers more value in today’s media mix than ever before. Traditional print media delivers a perception of value and brand quality to a highly qualified audience. Additionally, the expansion of online advertising has sparked an increase in print advertising ROI — as the ratio of print advertising pages to editorial content shrinks, print ads compete with less clutter to reach their audience. Finally, print advertisements are more permanent and accessible than online advertisements, allowing brand messages to benefit from a longer lifecycle.
- 2. Vertical and general search engines.** More than 90 percent of engineers and technical buyers use search engines to research and find products and services from suppliers.<sup>9</sup> Among B2B users, 82.9 percent use Google® over any other general or vertical search engine. Employing Google Adwords® provides the added advantage of decreasing cost-per-lead while improving the click-through rate.<sup>10</sup>

Business vertical and subvertical search engines such as Business.com®, GlobalSpec, and ThomasNet® are historically exceptional at generating strong B2B customer alliances and highly specialized leads.<sup>11</sup> Search engine marketing is expected to dominate the advertising scope with 40.6 percent of buyer-influencing power in the next five years.<sup>12</sup>

When incorporating search engine marketing into an online media plan, a one-position decline in rank translates roughly into a 1 percent decline in click-through rate. Paid placement or search engine optimization is vital to search engine visibility and automatic impressions. If the top three ranks are unattainable, the brand’s link should appear on the first search page.

<sup>9</sup> GlobalSpec  
<sup>10</sup> Atlas Institute™  
<sup>11</sup> DigitalGrit®  
<sup>12</sup> Penton Media™

3. **E-mail.** E-mail cannibalized 13 percent of traditional direct mail revenues between 1999 and 2005, and shows no sign of slowing.<sup>13</sup> E-mail professionals can ensure that e-mails are targeted to the right audience and can optimize the legitimacy and delivery of bulk e-mails.
4. **Webcasts and webinars.** Webcasts and webinars provide high brand visibility to a targeted audience. To avoid potential compatibility issues, make sure you know what systems your audience members will be using, and have live technical support available. Tailor your webcasts to the needs of your audience. Keep it simple and on topic. For additional ROI, archive webcasts or webinars and make them available to an expanded audience 24/7.
5. **Rich-media online advertisements on trade websites with links to company website.** Online ads alone can increase customer conversions by 10 percent, and by significantly more when combined with traditional media campaigns.<sup>14</sup>
6. **Corporate website.** The most effective websites capture lead information, provide feedback within 24 hours, and offer downloads of white papers, articles, event invitations, relevant links, etc.
7. **White paper programs supported by online promotions.** Online advertising dramatically outpaces traditional print media in generating direct-action information-seeking. Print display ads featuring a call-to-action that targets upper-management decision makers generate less than 1 percent of white paper downloads; the other 99 percent is from online ads.<sup>15</sup>
8. **Case studies available for online download.** Creating PDFs of your printed case studies and posting them to your website is a simple, low-cost way to increase the visibility of your successes to a potentially vast audience. Custom publishing can also be effective as a customer direct marketing tool.
9. **Strong product PR presence in print and online.** The synergistic effect of maintaining a strong product PR presence in print as well as online will produce better results than a single-media strategy.
10. **Custom magazines mailed to registration-generated in-house list.** Although traditional direct mail advertisements have been gradually dwarfed by e-mail, custom-published magazines, newsletters, and white papers are projected to show an increase in buyer influence in the next five years, accounting for 34.0 percent of aggregate advertising influence.<sup>16</sup>

## SUMMARY

The effectiveness of integrated media strategies is now well-documented. What was once a pioneering strategy is emerging from its infancy and establishing itself as a pro forma element of mainstream industrial marketing. As a growing number of businesses adopt integrated media strategies and allocate more of their budgets to web sites, e-mail, search, webcasting and video, marketers may find it helpful to consider the lessons learned by those who have been employing these promotional tools the longest. Following is a summary of the findings and suggestions covered in this paper.

### Brand Awareness and Image

To jump-start brand awareness and image, and set the purchase process in motion, the focus should be on traditional media (90 percent), supported by a complementary online presence (10 percent).

<sup>13</sup> JupiterDirect®

<sup>14</sup> Atlas Institute

<sup>15</sup> Interactive Advertising Bureau

<sup>16</sup> Penton Media



**Customer Education and Product Information**

Because customer education and product information require content-heavy promotional formats, maximize impact by combining online media (55 percent) and traditional media (45 percent) into a single promotional structure.

**Quality Lead Generation**

At this point in the sales process, user-friendly online promotions that provide real-time accountability should assume media dominance (65 percent), supported by traditional media (35 percent). As with education- and information-based objectives, the impact of traditional media is maximized through continued online support and accessibility.

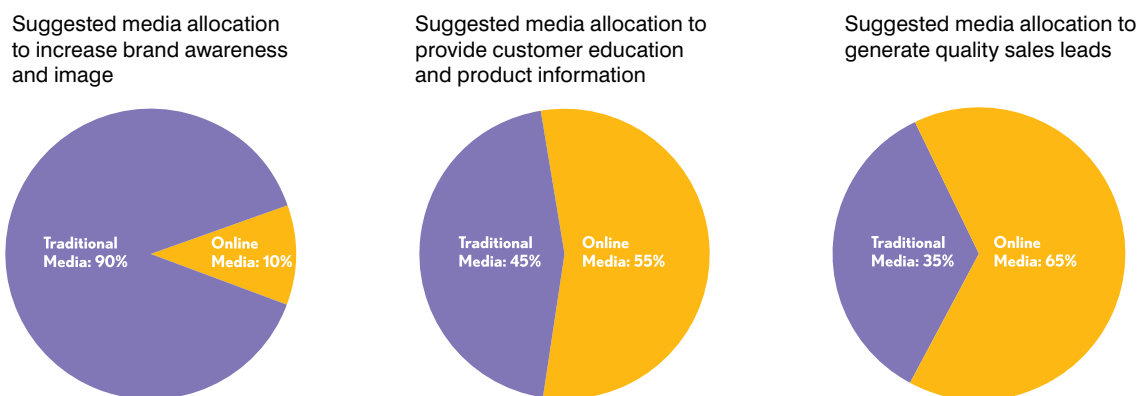
**Fine-Tune Media Mix to Meet Objectives Efficiently**

Studies show that the most effective way to market complex products and services is by employing an appropriately proportioned combination of online and traditional media. Begin by assessing your marketing needs in relation to each step in the sales process — from long-term awareness generation and brand-building, to customer education and product information delivery, to quality lead generation, to purchase and follow-up.

The proportion of a total marketing budget allocated toward meeting specific objectives will vary according to the maturity of the brand, the number of new product launches planned, product sales objectives, etc. For example, marketers whose companies or products already enjoy strong brand recognition and awareness may consider allocating more resources toward meeting product information and lead generating objectives. Companies with little or no brand recognition, on the other hand, may consider deploying a greater percentage of available resources toward brand building and awareness strategies.

The sample budgets shown in the Appendix illustrate hypothetical media allocations based on the guidelines discussed previously and summarized in Figure H below. They are included to provide a comparative view of how the objective-specific strategies detailed in this paper translate into marketing expenditures. Since the relative importance of specific marketing objectives varies considerably across companies and markets, they are not to be construed as recommendations.

**Figure H. Matching the media mix to the marketing objectives optimizes ROI**





APPENDIX

SAMPLE \$500,000 INTEGRATED MEDIABUDGET FOR BRAND AWARENESS

<b>Traditional Media</b> . . . . . <b>\$450,000</b>	<b>Online Media</b> . . . . . <b>\$50,000</b>
Print Ads . . . . . \$225,000	Rich Media Online Ads . . . . . \$20,000
Case Studies . . . . . \$75,000	Search Engines . . . . . \$20,000
Corporate and Product PR . . . . . \$75,000	Corporate Website . . . . . \$10,000
Direct Mail . . . . . \$75,000	

SAMPLE \$500,000 INTEGRATED MEDIA BUDGET FOR CUSTOMER EDUCATION/PRODUCT INFORMATION

<b>Traditional Media</b> . . . . . <b>\$225,000</b>	<b>Online Media</b> . . . . . <b>\$275,000</b>
Product PR and Technical Articles . . . . . \$25,000	Online Newsletters . . . . . \$60,000
Case Studies . . . . . \$75,000	Product PR and Technical Articles . . . . . \$50,000
White Papers . . . . . \$75,000	Corporate Website . . . . . \$100,000
Direct Mail . . . . . \$50,000	Webcasts and Webinars . . . . . \$65,000

SAMPLE \$500,000 INTEGRATED MEDIA BUDGET FOR QUALITY LEAD GENERATION

<b>Traditional Media</b> . . . . . <b>\$175,000</b>	<b>Online Media</b> . . . . . <b>\$325,000</b>
Print Ads . . . . . \$35,000	Online Ads . . . . . \$75,000
Case Studies . . . . . \$50,000	Search Engines . . . . . \$125,000
Corporate and Product PR . . . . . \$25,000	Corporate Website . . . . . \$50,000
Direct Mail . . . . . \$15,000	Webcasts and Webinars . . . . . \$25,000
White Papers . . . . . \$50,000	Custom E-mail . . . . . \$50,000

SOURCES

<b>Atlas</b>	<b>www.atlassolutions.com</b>	<b>JupiterResearch</b>	<b>www.jupiterresearch.com</b>
<b>DigitalGrit</b>	<b>www.digitalgrit.com</b>	<b>Marketing Evolution</b>	<b>www.marketingevolution.com</b>
<b>Forrester Research</b>	<b>www.forrester.com</b>	<b>Penton Media</b>	<b>www.penton.com</b>
<b>GlobalSpec</b>	<b>www.globalspec.com</b>	<b>Reed Business</b>	<b>www.reedbusiness.com</b>
<b>Interactive Advertising Bureau</b>	<b>www.iab.net</b>		

About Koroberi

Koroberi, Inc. ([www.koroberi.com](http://www.koroberi.com)) is a full-service marketing firm serving the strategic, creative and tactical marketing needs of a diverse list of business-to-business clients. In addition to its marketing services, Koroberi also provides research and technical communications services to a range of global business-to-business industrial firms. The agency is based in Chapel Hill, North Carolina, adjacent to the state's Research Triangle Park area, with offices in Brooklyn, NY and Dexter, MI.