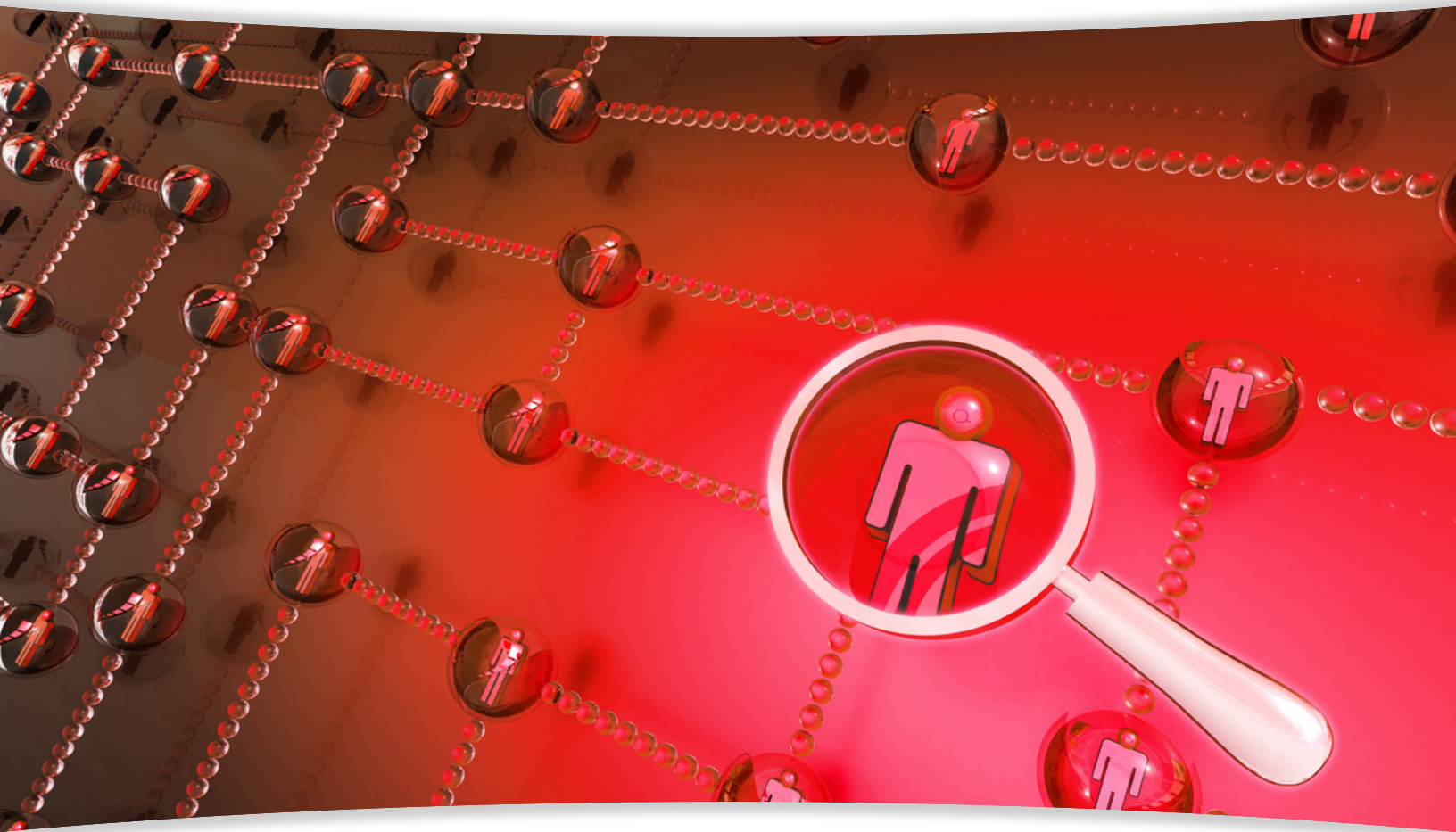
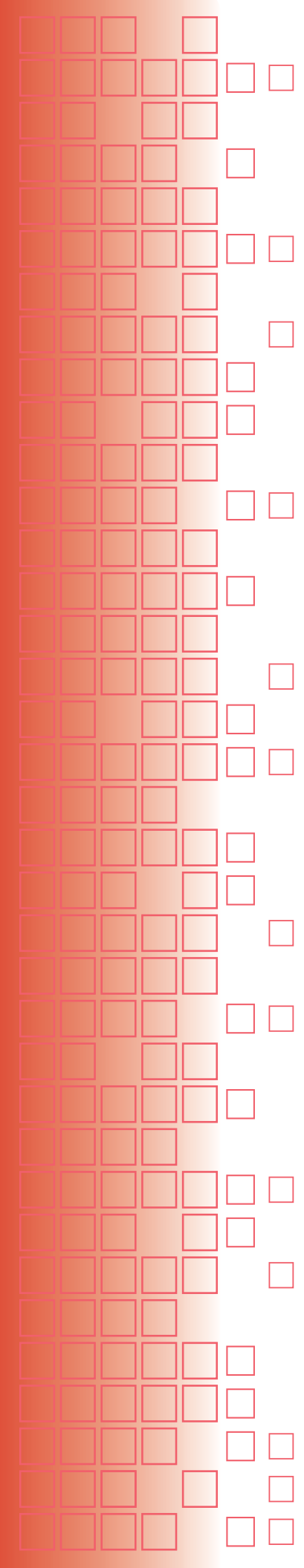


Shifting the B2B Marketing Paradigm *from Contacts to People:* **4 Steps For Getting Ready**





E-marketing tools and tactics have made B2B marketers much more effective at generating leads and building their contact database, but the bar continues to be raised as buying behavior evolves and social media channels become mainstream.

In order to connect with B2B buyers in 2012, marketing has to expand beyond thinking about contacts. Gathering email IDs may help to track behaviors such as white paper downloads and webinar registrations, but that approach is missing the vital link of integrating social intelligence into the demand generation strategy.

To keep pace with the new paradigm, industry experts recommend B2B organizations start by taking the following steps:

1. **Shift the mindset from a contact to a person** — Contacts are simply records that get passed around from marketing to sales based on their activity or lead score. Those companies that view prospects as people factor in social profiles and social intelligence around tweets, posts and conversations to increase the relevance of messaging.
2. **Integrate the “people approach” across the organization** — This new paradigm is not just about marketing changing its focus, sales also needs to develop more 1-to-1 conversations. Buyers are turning to social media for feedback and answers to business

challenges, and those sales executives that are using their connections effectively and adding value will win more deals.

3. **Avoid social silos** — Many B2B firms are mistaking the individual activity of their employees for a social strategy. In order to realize the full potential of a 360° view of prospects, companies need to develop a cohesive strategy that factors in a company’s entire social graph. This enables sales and marketing to tap into relationships across the organization, rather than solely at an individual level. By focusing on the company social graph, sales and marketing can tap into exponentially more relationships, become more effective and increase conversion rates across the revenue cycle.
4. **Reach the right people at the right time** — B2B buying cycles are much more agile than they were just a few years ago, with budgets shifting from one line item to another based on changing needs. Therefore, it is critical that as companies focus on people rather than contacts. This strategy also adds deeper intelligence capabilities and alerts to connect with people after a major event, such as an acquisition, promotion or relocation. Relevancy is key with today’s buyer and delivering the right message to the right person at the right time is a great way to build relationships.

The following white paper will present insights from industry experts, as well as case study examples from companies that have successfully made the switch from focusing on contacts to delivering a personalized message to the right person at the right time.

Changing Buyer Behavior Dictates Shift From Contacts To People

The traditional approach of demand generation had sales driving leads by placing cold calls and marketing sending out batch and blast email campaigns to find new hand-raisers. However, industry experts point out that this model is backfiring on multiple levels, as buyers have begun to filter out much of the messages they receive as they try to manage overcrowded email and voicemail inboxes.

This breakdown is especially problematic in 2012 because today's connected buyers are less tolerant of unsolicited outreach, and increasingly reliant on web research, deeper relationships and feedback from their peer networks when making purchasing decisions.

The reality is today's buyers expect to have an ongoing dialogue with solution providers, and they are demanding that companies add value with relevant

While the digital model has been a big improvement over more manual analog methods, industry insiders argue changing buyer behavior and the emergence of new media channels dictate both marketing and sales teams need to rethink their demand generation models.

messaging and information at every point in their buying cycle.

Illustrating these changing rules of engagement, the 2010 B2B Buyer Transformation Survey conducted by DemandGen Report found:

- **Only 10% of buyers** who had purchased a solution **were contacted cold** by the provider. The remaining **90% reached out directly** to the solution provider or requested to be contacted after visiting their site.
- **Nurturing and ongoing dialogue** is now a necessity, as 95% of recent purchasers said the solution provider they chose provided them with ample content to help navigate through each stage of the buying process.
- **Social media is now a critical part** of the sales and marketing engagement model, as 59% of buyers said they engaged with peers who addressed a similar challenge before making a purchase decision, and 48% followed industry conversations on the topic they were researching via social media.





Adding Social Intelligence To Demand Generation: Moving From Contacts To Social Profiles & Ultimately Connections

While many B2B organizations have begun to test the waters with social media, most have not truly made it part of their overall engagement strategy. A common scenario is that company individuals are active on LinkedIn and marketing may be trying some ads on social sites, but these efforts are often disjointed.

New research has shown that the failure to truly integrate social into broader marketing and demand generation strategies is a missed opportunity. A recent study of more than 700 marketers, conducted by Wildfire Interactive, found that those companies that have included social media as part of their overall strategy have seen the following payoffs:

- 88% said social has helped grow brand awareness;
- 85% said it helps to engage in dialogue; and
- 58% said it increases sales and partnerships.

In the new demand generation paradigm, B2B organizations are focusing on building out a 360° profile of their prospects that includes social profiles and intelligence on work history, professional affiliations and social media conversations.

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Another key component to building a personalized demand generation strategy is connecting with prospects across all relevant channels. For many companies that have traditionally focused on contact databases with email addresses and telephone numbers, the next goal is adding a social profile for their key prospects and engaging with them through social channels.

According to MarketingSherpa's 2011 Social Marketing Benchmark Report, marketers are making a significant push to measure the impact of social media on areas such as:

- Web site visitors (85%);
- Conversion rate (54%);
- Leads generated (51%); and
- Sales revenue generated (35%).

In addition to communicating with their target audience through social media, smart companies also are using tools that identify mutual connections to get warm introductions to people or insights into target companies via social networks.



By building deeper intelligence into their demand generation efforts companies following the new model are able to identify mutual connections within their own networks, and across companies. With a strategic approach that incorporates social intelligence, these organizations are able to maximize connections between companies and prospects and move beyond individuals and contacts.

The New Model For Marketing: Migrating From Contacts To Conversions

The adoption of automated systems and demand generation strategies has brought tremendous efficiencies and measurement capabilities to marketing. However, one of the traps some companies have fallen victim to is using these powerful systems only for email purposes.

In their early quest to show results from automation platforms, marketers often become enamored with metrics such as open rates and click-throughs, and subsequently treat all prospects as email IDs, rather than individuals with specific needs.

As users have gained experience in marketing automation and demand generation, they are realizing that quality is more important than quantity. Therefore, their metrics often graduate from generating leads and simply building up their contact database, to targeting qualified leads and accelerating those leads into relationships and real buyers.

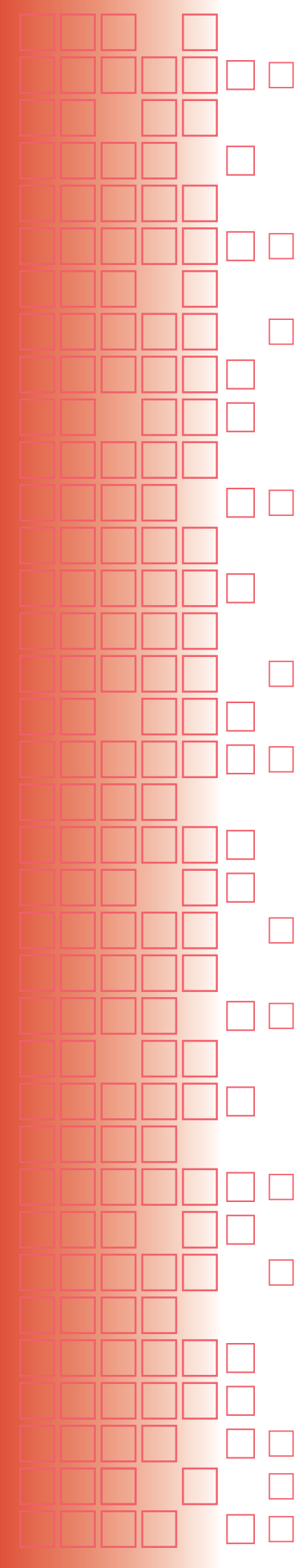
“B2B marketing boils down to one all-important fact: It’s all about creating relationships. Today’s demand generation has created a long cycle in online lead nurturing. From first click to sealing the deal, trust and rapport are critical to the sales process.”

*- Maria Pergolino
Senior Director of Marketing
Marketo*

Maria Pergolino, Senior Director of Demand Generation at Marketo, recently wrote about the shifting focus of demand generation in a post on the company’s Modern B2B blog. “B2B marketing boils down to one all-important fact: It’s all about creating relationships,” Pergolino said. “Today’s demand generation has created a long cycle in online lead nurturing. From first click to sealing the deal, trust and rapport are critical to the sales process.”

Pergolino points out that practices such as lead nurturing and lead scoring help to create a more personal approach to demand generation, which is becoming critical as B2B sales and marketing executives realize it takes a series of conversations, or “touches,” across multiple channels to move a prospect to an opportunity and ultimately, a closed deal.

Rather than using high-powered marketing automation systems to blitz their contact databases with static email campaigns, progressive companies are integrating deeper insights and intelligence about their prospects into these systems.



With an integrated approach that factors in social intelligence, progressive companies are able to not only track the digital behavior of prospects on their web site, but also supplement that with social intelligence about the business challenges that prospects may be tweeting about, or who from the prospect organization may be connected to their company.

This personalized approach allows companies to enhance the relationships they've spent time building and use their marketing automation systems to measure and monitor connections and conversations.

In these scenarios, sales and marketing teams utilize the intelligence gathered and connect the dots on the trigger points of buyers to connect with relevant information, delivered at the right time. By delivering the right messages to prospects, these companies have been able to strengthen relationships with key stakeholders and in turn, improve conversion rates.

Aligning Sales With Marketing In The New Demand Model

While marketing departments have been playing a more active role in demand generation, most sales organizations are still responsible for generating between 20% and 30% of their pipeline opportunities. Therefore, it is still critical that sales organizations engage with people instead of contacts for outbound lead generation and pipeline acceleration.

For example, the old model called for a sales representative to follow up with attendees from a webinar to see if they would like to schedule a demo. However, in the new paradigm, a rep would integrate social intelligence for a 360° view of that prospect to identify relevant connections, pain points or other potential buying triggers.

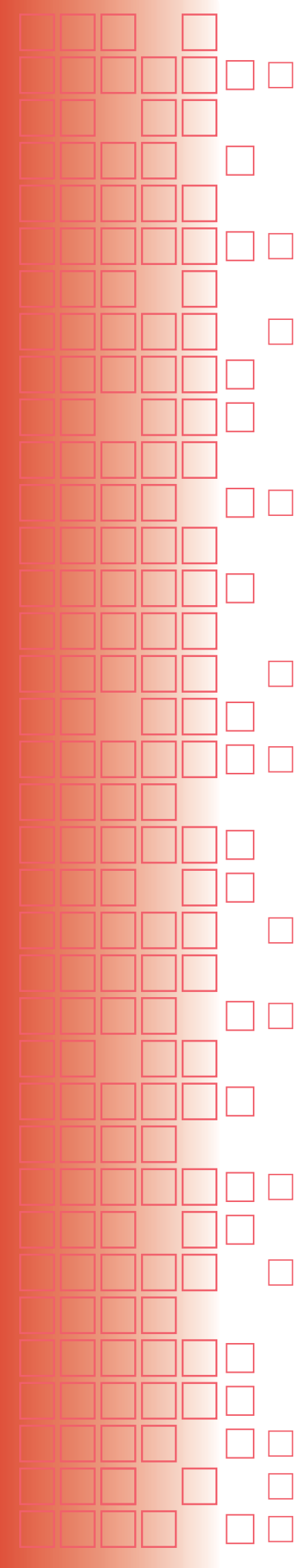
This deeper intelligence not only helps to ensure that both sales and marketing are aligned in their approach to demand generation, it greatly increases the likelihood that a buyer will receive the relevant follow up they now expect.

Because timely and relevant follow up is critical to engage today's B2B buyer, this holistic approach to demand generation also avoids leads getting "parked," or going stale, when sales reps miss out on key triggers or opportunities. By incorporating intelligence from connections, as well as insights from tweets and posts, sales and marketing can key on all relevant intelligence and demand signals.

In today's B2B climate, prospects are conducting a tremendous amount of their research online. According to DemandGen Report's 2010 B2B Buyer Study:

- 70% of buyers said they started the buying process with an online search; and
- 70% said they started by visiting a vendor web site directly.

This self-navigation and anonymous education has changed the role of salespeople, as they are now being brought into the buying cycle later and



therefore, have more pressure to provide value and insight into a buyer's unique challenges. Illustrating this trend, the 2011 DemandGen Report Buyer Study found:

- 41% of buyers engaged with a sales rep after internal research was conducted on options; and
- 24% engaged with sales after a preferred list of vendors was established.

Conversely, the study also underscored the opportunity for sales to differentiate themselves by adding value, as:

- 63% of buyers cited the “expertise/helpfulness of the sales team” as a key factor in the vendor selection process; and
- 46% cited references from existing clients as a key influence.

“Selling has always been about trust and relationships,” said Greg Brush, VP of Sales at InsideView, a leading provider of sales and marketing intelligence solutions. “A key outcome of social media is how relevant and well-informed sales people need to be about their prospects and customers. With the right tools in place, sales and marketing teams should know a prospect’s unique business challenges, business events and how they are connected with them. This intelligence allows them to become a trusted advisor and build trust with prospects.”

Marketo’s Pergolino added that forging deeper into social intelligence can help both sales and marketing teams build relationships with executives at key

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*Greg Brush
VP Sales & Customer Success
InsideView*

accounts. “Remember that trust and credibility are key to lead generation. Nothing improves a sales pitch more than incorporating commonalities and shared experiences,” Pergolino said. “By leveraging the notion of relationships and credibility, you can boost your marketing efforts in ways that will generate solid results. A connection can vouch for your expertise, and share confidence in the quality of your product or service.”

Industry experts point out this relationship-based approach is vital to sales as well as marketing. “Executives don’t need to bait each other with ridiculous gimmicks to connect,” said Mari Anne Vanella, author and CEO of Silicon Valley-based business development consultancy The Vanella Group. “They depend on relationships, and those relationships convert to revenue.”



CASE IN POINT: Xactly Adds Fuel To Growth With Targeted Demand Generation Tools

In looking at Concur, Xactly, Zuora and some of the other fastest-growing companies in the B2B sector, some common approaches begin to emerge:

- They are expanding their demand generation strategies beyond contacts to connect with prospects as people
- They are integrating social profiles and social intelligence for a 360° view of prospects
- Sales and marketing teams are aligned around this new integrated demand generation model
- The timing of buying cycles is addressed by tracking and responding to triggers and buying signals across digital behavior and social activity.

Let's look at the results Xactly has achieved through a new paradigm for demand generation as one example.

As a leading solution provider in the fast growing incentive compensation market, the sales and marketing team at Xactly were not just interested in filling their database with contacts. In order to fuel its growth, the company instead focused on building relationships with a filtered list of targeted people.

To help build a 360° view of its prospects, Xactly began working with InsideView more than three years ago and has expanded its relationship with the solution

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*Steve De Marco
VP Worldwide Sales
Xactly*

provider to help its marketing department discover connections to the right people at target accounts, and make sure its sales team is reaching out with the right message at the right time.

The company's focus on relevance and relationship building starts with lead qualification at the top of the funnel, where Xactly's lead generation team uses InsideView to find all the right intelligence to engage prospects with meaningful messages.

As a lead converts into an opportunity in Xactly's funnel, Xactly's reps use InsideView to build rapport and trust with their potential customer. They can follow an executive's Twitter feed in InsideView, as well as how social media connects him or her to Xactly's team.

“Because of InsideView, our sales reps never bombard prospects with cold-calls or email blasts,” said Steve De Marco, Vice President Worldwide Sales, Xactly. “Using InsideView, our sales reps are substantially better prepared for meetings than competitors, because they understand their prospects’ unique business challenges and how to position our product as solutions for those challenges.”

De Marco added that the intelligent approach has paid off in terms of opportunity conversion rates where Xactly's sales reps research InsideView's detailed company and contact profiles before they communicate with a lead. They use InsideView to uncover prospects' relevant business challenges and position their products as optimal solutions.

The results from Xactly's personalized approach to demand generation have been impressive, including:

- **3x Increase in Lead Volume within their pipeline**
- **3x Increase in Conversion of leads into opportunities**
- **10% Increase in Win Rates with a higher quantity of qualified leads**





Preparing For The New Paradigm: 4 Steps To Move From Focusing On Contacts To Marketing To People

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CONCLUSION:

Because buyers are increasingly resistant toward scripted sales pitches and boilerplate marketing messages, progressive companies are kicking off 2012 by shifting to the new paradigm of demand generation.

These companies are finding B2B buyers to be much more receptive when they are treated as people as opposed to contacts or leads. By providing these high value individuals with targeted and timely content and messaging, these organizations are seeing significant improvements in core metrics such as:

- Campaign response rates;
- Qualified leads;
- Conversion rates; and
- Opportunity win rates.

By moving to a more mature demand generation model, these companies have realized that engagement is now about connecting with people rather than communicating with contacts.

These companies have built on the digital insights they've garnered from white paper downloads and webinar registrations, and combined that with social intelligence from tweets, blog posts and LinkedIn connections to convert email IDs and contacts into people with real business issues.

In a climate where investments in new business models are expected to deliver nearly instantaneous results, it's not surprising that many companies have defaulted to "batch and blast" and "dialing for dollars" demand generation strategies.

These progressive companies are realizing that these cold calling approaches bring diminishing returns and often actually turns off prospective clients.

As an alternative, progressive sales and marketing teams are kicking the cold contact habit and instead focusing on fostering real relationships with the right people at target accounts.



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About InsideView

InsideView, the leading provider of social selling and sales intelligence, increases productivity and revenue by delivering relevant business and social insights to the point of need. Our award-winning technology gathers and analyzes information from the most relevant social media, user-contributed and traditional/proprietary editorial sources to provide compelling insights about companies and contacts directly within your CRM, browser, or mobile device. InsideView's products are used by more than 75,000 sales professionals, and over 1,000 market-leading companies including Adobe, AIG, BMC, Cap Gemini, Experian, and SuccessFactors. For more information, visit www.insideview.com.

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About DemandGen Report

DemandGen Report is a targeted e-media publication spotlighting the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of our coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.