

# B2B marketing misconceptions, exclusive interview w/ Tom Stein

 By [Jessica Tennant](#)

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Recently inducted into the ANA Business Marketing Hall of Fame, Tom Stein has been at the forefront of B2B marketing for more than three decades. As the chairman and CCO of global B2B marketing agency Stein IAS, he works closely with marketers across many B2B sectors, including technology, financial, industrial, healthcare, telecommunications and professional services.

Stein is going to be presenting a keynote at B2B Marketing Africa, the first B2B-focused conference of its kind in Africa, taking place in Johannesburg on Tuesday, 19 June.

During his session, he will provide his perspective on the current state and future directions of B2B marketing, as well as the challenges and opportunities as digital acceleration drives the industry.



Tom Stein, chairman and CCO of Stein IAS.

I interviewed Stein to find out what delegates can expect from his talk and his view of the B2B marketing landscape from his global perspective and over 30 years' experience navigating the space.

### ❏ **Firstly, how do you define B2B marketing?**

It's the discipline of marketing products, services and solutions from one business to other businesses (and individuals and teams) for use in their own operations.

### ❏ **What are some of the most notable differences between B2C and B2B, and why do you believe marketers need to specialise in this regard?**

Let me start with a data point from a survey on the state of B2B marketing in South Africa that Stein IAS just completed for the upcoming B2B Marketing Africa conference.

*“ More than 70% of respondents, all of whom are South African B2B marketers, believe that a lack of understanding of the difference between B2B and B2C marketing is one of the greatest barriers they face. ”*

With that as fairly dramatic context, the almost universally held view around the world is that B2B marketing is very different than B2C marketing. In B2B, we are typically marketing very complex products and services to highly informed buying audiences. Purchasing decisions, as such, are often not transactional in nature. They are considered – the period and intensity of consideration can be considerable.

Further, bigger-ticket buying decisions of this nature are typically made by committees as opposed to individuals. Needless to say, these decisions are fraught – a misstep could cause severe damage to a company (and to the decision makers), and conversely create opportunity and competitive advantage. These dynamics are entirely different than consumer purchasing dynamics. Thus B2B marketing is quite different to B2C marketing in most regards.

B2B marketers need to specialise for the reasons I just articulated. Consumer agencies are wired to understand consumer behaviour, snap purchasing and how to influence it. B2B agencies are wired to understand companies' and individuals' needs and wants, and how to reflect those across the multi-stage buyer journey.

*“ B2B buyers are more and more influenced by their experiences as consumers. They expect their customer experiences as consumers – which are getting better and better by virtue of digital technology – to be mirrored in their B2B worlds. This actually makes the B2B marketer's job even more challenging: we have to be able to deliver consumer-like customer experiences, but must also deeply understand the complex nature of B2B products, buyers and buying processes. ”*

### ❏ **How has B2B marketing changed over the years, since you entered the industry?**

Given I entered the industry 30+ years ago, B2B marketing has changed fundamentally. Earlier on, B2B marketers were, for the most part, tactical communications professionals focused on supporting sales organisations. Trade events, direct mail, collateral materials, trade ads, customer newsletters, sales presentation and such were our stock and trade. The successive information age, internet age, social-mobile age and modern marketing age changed all of that! Through these respective ages and eras, B2B marketers' role has evolved continually and changed immensely.

We are charged today with being our companies' keepers of consumer insights – their needs and wants, sensibilities, aspirations and mindsets. We are the stewards of customer experience – which Forrester projects will be the primary differentiator for B2B brands by 2021. We are also brand stewards – from purpose to value proposition to messaging at every buyer journey stage.

Perhaps most importantly, we are the strategists, tacticians and technologists who must connect brand to demand to business results. Marketers today are responsible for top-line business results in partnership with the c-suite leaders of product, sales, technology and finance.

I would be remiss not to mention another huge responsibility: internal culture and engagement.

“ Way back when, B2B marketers were with some disdain referred to as the 'balloons and brochures' people. No longer. B2B CMOs and their teams are essential to the success of their companies, and fast-tracked to be the CEOs of the near future. ”

### ■ **What impact is digital having on B2B marketing?**

In our state of B2B marketing in South Africa study, one question I was very interested in was, "How mature do you consider digital marketing to be in South African B2B?" Respondents' answers were very interesting and mixed. About a third responded that digital is "in its infancy" and "plays a minor role but a growing role." About a third responded that digital is "another tool on a level with traditional approaches."

About a quarter responded that digital has recently emerged as "the most effective way to conduct B2B marketing." Clearly, digital is having a growing impact on B2B marketing here. Just as clearly, B2B marketers are at very different stages in their digital marketing maturity.

In contrast, in considering Stein IAS' major markets (North America, EMEA and APAC), I'm almost reluctant to use the word "digital" in front of "marketing" because digital and marketing are virtual synonyms!

Digital technology is driving customer experience. It is driving inbound and outbound go-to-market strategies. It is driving marketing and sales alignment. It is driving the creation of more powerful creative and content experiences. It is enabling the use of first and third party data for more intelligent media activations. It is enabling more granular, real-time measurability that extends far beyond vanity metrics.

“ The impact of digital has been profound, is ubiquitous and will be even greater in years and decades to come as artificial intelligence, the internet of things, wearables and immersive experiences come further to the fore. ”

The obvious challenge, of course, is developing the expertise of our people to utilise the power of digital technology fully and to adapt as digital technology evolves. The other existential challenge has to do with data: the damage wrought by Facebook; the fears over misuse of data by companies and governments; the very real security concerns; lack of media supply chain transparency... These could all have a chilling effect on digital. Marketers need to stay on the right side of this and be a vocal and active force for good.



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### ■ **Where are B2B marketers placing their bets today, and why?**

Gartner reports that among enterprise marketers in the US and UK, 22% of budgets are being allocated to marketing technology. The [Chiefmartec.com](https://chiefmartec.com) marketing technology landscape includes 6,829 marketing technology solutions. It's safe to say that, broadly, that B2B marketers are placing their bets on digital technology. From my perspective, and a little more precisely, I'd say B2B marketers are placing their bets on the following:

- Developing deeper and richer customer insights, including emotional and anthropological;
- Better leveraging marketing automation as the core of their martech stacks;
- Getting control of data (first/third party) to define their Total Addressable Markets;
- With this data, using DMPs and DSPs to drive more precise and effective digital advertising;
- Adopting predictive analytics and predictive lead generation;
- Bucketing KPIs/metrics into operational, engagement, pipeline and revenue subsets.

But wait, there's more! Account-based marketing for sure. Virtual reality and augmented reality for sure. Initial AI pilots.

To the long but incomplete list above, I'd add the most important thing of all. Better, braver, more emotionally powerful creative and content experiences, super-charged by technology and pulled into market by the super-collider of digital-social-mobile.

🔸 ***Are modern marketing techniques giving way to post-modern marketing approaches, as customer experience increasingly becomes the key to differentiation, and if so why?***

Apple's App Store generated more revenue in 2017 than Apple did in entirety in 2007. That's astonishing!

“ Think about the experiences that delight you as a consumer in today's digital-mobile-social-app-happy world.

*People (and especially millennials) are more interested in experiences than in tangible things. Experience thus becomes the key brand differentiator. It is no different in B2B. The experience that prospects and customers have with your brand – from first touch (or click) all the way through in-life experience – is what determines success. ”*

Post-modern marketing is all about creating differentiated, technology-enhanced experiences, and making them what we call 'intelligent experiences' in that they use digital technology to reach the right people at the right times with the right messages.

Here's an example: We have a client named Key Technology. Key is a global leader in food processing technology. Key introduced a new digital sorting platform called Veryx – a real industry game-changer. To launch Veryx, we created a VR experience in which the user experienced the platform literally as if she or he were a green bean going through the platform to be sorted. It was an extraordinary experience developed to introduce an extraordinary new technology platform, and it was extraordinarily effective.

🔸 ***Why are you looking forward to presenting a keynote at B2B Marketing Africa?***

Stein IAS is a strategic partner to Warren Moss's agency, [Demographica](#). We have gotten to know quite a few B2B marketers in South Africa as a result, and I have been extremely impressed by their knowledge and passion.



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Leigh Andrews 29 May 2017



In my conversations with these marketers – and as validated by the study we recently conducted – B2B marketing in South Africa is at an inflection point. On the one hand, there is still a considerable lack of awareness among many companies in the region of the differences between B2B and consumer marketing and the power of B2B digital marketing.

There is a need for education, a need to make the case that B2B marketing is a strategic imperative. Even at a tactical level, there is massive opportunity to evolve. On the other hand, enormous evolution has already taken place and is ongoing. Social media marketing and content-driven digital marketing have increased in usage by 750% and 267%, respectively, from three years ago to now.

As growth slows in other global markets, growth in Africa will continue to rise. And so will B2B marketing. I'm thrilled to impart what I have learned over my career; I hope to be an agent who in some small way hastens the dynamic changes in B2B marketing that are occurring. Just as much, I want to learn about a part of the world of which I know too little. I suspect the vibrancy and diversity I will encounter will make a difference in my professional life and, more importantly, my personal life.

*A lot to digest, but that's just a taste of what you can expect from the event next week. If you haven't already, do make*

sure to attend the inaugural B2B Marketing Africa taking place on Tuesday, 19 June. [Click here](#) for more info on the event. Follow [@Tom\\_Stein](#) on Twitter and [@Biz\\_Marketing](#) for live updates throughout the conference. Find out more about Stein IAS [here](#).

## ABOUT JESSICA TENNANT

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