A Metia report

B2B marketing trends for 2020

Six essential trends for the curious CMO

metia

In a climate of economic uncertainty, 2020 will provide fresh challenges for the B2B Chief Marketing Officer (CMO).

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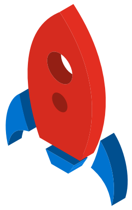


Introduction

In a climate of economic uncertainty, 2020 will provide fresh challenges for the B2B Chief Marketing Officer (CMO).

Marketing budgets are trending downwards as global growth slows. Analyst firm Gartner's annual CMO Spend Survey highlighted that marketers are anticipating budget cuts in 2020, with spend forecast to drop below 11 percent of company revenue for the first time since 2014.[1]

The Institute of Practitioners in Advertising (IPA) Bellwether report is a quarterly barometer for UK marketing spend. It reported a similar trend, with marketing budgets falling during the third quarter of 2019 – the first drop in seven years.[2]

CMOs will be expected to overcome these challenges to deliver profit for their businesses – ensuring effectiveness through proven strategies, while assessing how to deploy new trends and technologies to spark growth.

This report aims to help CMOs as they face these challenges head on. It is born of our experiences in 2019, working in partnership with our clients to generate measurable impact for their organizations.

If these trends spark your interest, make sure to get in touch. We have a host of case studies that illustrate these points and would love to talk you through them.

Peter Morgan
Vice President, Demand
Metia Group

[1] https://www.gartner.com/en/newsroom/press-releases/2019-10-01-gartner-says-marketing-budgets-have-dropped-below-11-

[2] https://ipa.co.uk/knowledge/publications-reports/q3-2019-bellwether-report

1 Ad fraud is out of control, and it's only getting worse

The Association of National Advertisers (ANA) declared success in the war against ad fraud, but intelligent marketers see an industry out of control and are de-risking their paid media campaigns.

Amid a flurry of PR outreach last May, the ANA claimed a significant victory in the battle against ad fraud. Citing a study of 50 companies over a two-month period in 2019, the ANA estimated global ad fraud at $5.8bn – an 11 percent reduction over two years.[3] The ANA claimed that the war on ad fraud was succeeding, and a host of trade publishers took the bait. "Drop Dead, We're Winning"[4] ran the headline on MediaPost.

> "Fraudsters are using more advanced technologies and techniques and are better at hiding from detection. When fraud detection technologies show lower numbers, it may just be that they are able to detect less fraud, not that fraud has actually gone down."
>
> **Dr. Augustine Fou**

It didn't take long for the vultures to circle. Criticism centered on the study's small sample size and its sole focus on bot fraud, which is only a subset of ad fraud – a fast-moving and constantly growing landscape.

Independent ad fraud researcher Dr. Augustine Fou took the ANA to task. "Conclusions about ad fraud based largely on the detection of bots, when bots are no longer the dominant form of ad fraud, is like drawing conclusions about murder rates based on the number of swords sold. It is outdated and irresponsible."[5]

[3] https://www.ana.net/content/show/id/54065
[4] https://www.mediapost.com/publications/article/335276/ana-to-ad-fraud-drop-dead-were-winning.html
[5] http://createsend.com/t/d-70CDD0BA1E48DD3A2540EF23F30FEDED

Fou went on, “Overwhelming evidence published by others and the daily observations of ad ops practitioners show ad fraud is at its highest point ever – in rate, in dollar amount, and in sophistication.”

Ad fraud is dead, long live ad fraud

A few weeks after the ANA’s announcement, a study by the University of Baltimore and cybersecurity vendor CHEQ painted a different picture. The study predicted global ad fraud costing $23bn in 2019 – and rising to $30bn when indirect economic and social costs were included.[6]

The outlook is no less concerning. The same study predicted ad fraud to rise 13 percent in 2020, while the World Federation of Advertisers predicts that marketers could lose as much as $50bn a year by 2025.[7] The Financial Times concluded that ad fraud at this level, “would rank as one of the biggest sources of funds for criminal networks, even approaching the size of the market for some illegal drugs.”

Ad fraud has been allowed to spread thanks to media buying systems that are complex and opaque.

According to the University of Baltimore and CHEQ research, a single ad transaction involves as many as 20 or more players whose interests are rarely aligned. Campaign Magazine describes ad fraud as, “low-risk, high-profit, recurring-revenue crime.”[8] It’s hard to detect and harder to prosecute, so it’s a soft target for fraudsters.

Advertisers must ask themselves: Whose side is my agency on?

The problem of ad fraud has been compounded by outdated compensation models, providing little incentive for the market to reform. Commission-based pricing means many media agencies are incentivized to spend money, and fast. Given media agency reporting has traditionally been limited to impressions and clicks, it’s made little difference to them whether traffic was legitimate.

Few media agencies want to unravel this issue. Doing so might raise difficult questions about their behavior and ethics, if not today, then in the recent past. Staying silent is the simplest option for agencies, but it perpetuates the problem.

Advertisers must ask themselves: Whose side is my agency on?

[6] https://www.thedrum.com/news/2019/06/06/cost-global-ad-fraud-could-top-30bn

[7] https://www.ft.com/content/fb66c818-49a4-11e6-b387-64ab0a67014c

[8] https://www.campaignlive.co.uk/article/inside-ad-fraud-takes-dismantle-58bn-enterprise/1663536

The industry is stacked against marketers, who must reduce risk through their own actions

Mitigating the risk of ad fraud starts with channel strategy – namely, selecting a core set of channels you trust. When it comes to fraud – not to mention brand safety – programmatic advertising is inherently risky, as marketers cede much of the control around where ads are shown. Yet programmatic advertising provides easy access to most markets and it is forecast to account for nearly 70 percent of ad spend in 2020.[9] B2B marketers should run a thorough cost-benefit analysis before investing.

Marketers must also reduce risk through data and technology. Benchmarking campaign data – across ad channels and website analytics – helps marketers to identify erroneous results that require further inspection. Technology such as third-party verification helps to identify and block fraudulent advertising requests before ads are served. These approaches can only mitigate risk, however – it cannot be eliminated, and that is important for marketers to understand.

Most importantly, marketers should measure the success of their advertising by the outcomes that matter to their business. If you're a B2B marketer using media to generate sales pipeline, then the number of impressions or clicks your ads generate is of incidental value. What matters to you is leads, and how these leads convert to revenue. Those metrics are far more important, and far less likely to be fraudulent.

The risk of ad fraud cannot be eliminated and that is important for marketers to understand.

[9] https://www.thedrum.com/news/2019/11/25/69-media-be-traded-programmatically-2020-despite-fraud-and-safety-fears

2 Be the boss of your martech stack

The market is overwhelmed by marketing technology (martech) solutions. B2B marketers must avoid distractions and focus on a core set of tools that will help them achieve the outcomes their business needs.

One of the clearest demonstrations of the growth in marketing technology is provided by Chiefmartec.com's annual Marketing Technology Landscape graphic, released every April.

The first edition of the graphic was published in 2011, detailing the 150 marketing technology solutions then available. By 2014, the list had reached 1,000. Five years later we're up to 7,040 – the market awash with tools and surely ripe for consolidation through attrition or acquisition.

According to Gartner's 2019–20 CMO Spend Survey, technology is now the joint-biggest item in CMO budgets – receiving 26 percent of total spend. With overall marketing spend beginning to decrease, increases in recent years have come at the expense of investment elsewhere – including in human capital.[10]

> "Marketers show no signs of disillusionment with technology, [viewing] martech as a tool for driving customer engagement and account growth."
>
> **Gartner CMO Spend Survey**

[10] https://www.gartner.com/en/marketing/insights/articles/4-key-findings-in-the-annual-gartner-cmo-spend-survey-2019-2020

Futurists may point to this trend as marketing's Terminator moment. The replacement of humans with technology, allowing businesses to bin the Nespresso machine and Christmas party, and place artificial intelligence (AI) behind the wheel.

While the role of automation in marketing is undoubtedly growing, AI is many years from maturity. The companies succeeding with marketing technology today are those focused on making their people more effective – not those working to replace them. Leaders who treat technology as a silver bullet for marketing leave themselves exposed.

Your martech stack needs a considered customer strategy developed using insight, data and human capital. Otherwise you risk directing a firehose of ill-considered moments, experiences and journeys at your audiences through your marketing platforms.

Marketers should follow a pragmatic approach to martech procurement

Given the sheer quantity of solutions, it's natural for marketers to feel overwhelmed. We advise marketers to focus investments on a core set of tools that generate value, while respecting customers and the principles on which their brand is built.

- **Investment in tools should be guided by cost-benefit analysis.** Ensure clear objectives for any tools you procure and avoid overlap and redundancy. If you commit to investments based on a tool or technique providing just any benefit, you risk wasting money, damaging customer relationships and impacting the bottom line.

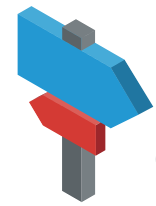
- **Retain some budget for experiments to fuel growth.** Identify speculative opportunities where technology could help you make big leaps forward. Such investments are risky by nature, so treat them as an opportunity to test and learn quickly. Be relentless in your approach. If tools are successful, adopt them into your core stack. If they fail, discard them and move on.

- **Build a regular review cadence for your stack, to ensure tools continue to add value.** The landscape is moving quickly. A best-in-class tool one year may be a laggard the next. Be uncompromising in your approach.

Differentiation still depends on human intelligence

Modern technology has increased efficiency in marketing departments, but a reliance on the same platforms and techniques is leading to bland, undifferentiated customer experiences. Look at your inbox for proof – how many of the automated emails you receive stand out?

In its infancy, marketing technology provided a route for brands to differentiate their marketing – but this technology has fast become table stakes. B2B sales are long and complex. Building and maintaining trust is critical. The role of marketing in this process is to inform, educate and stimulate action. For the time being at least, this requires human intelligence and judgement – empowered through technology and data.



3 Go long, because short-term thinking is hurting your brand

CMOs are relying on short-term tactics to demonstrate impact, but under-investment in long-term strategy is hurting the bottom line.

The English Premier League is the world's leading soccer league in terms of revenue and viewership, and those who follow it will be familiar with the ever-increasing pressure on club managers.

The median tenure for a Premier League manager stands at 16 months[11] – just long enough for a new arrival to update his LinkedIn profile, fall out with the club's star player and be fired. Fans bemoan the culture this creates, with clubs seen to over-invest in short-term fixes to the detriment of long-term prospects.

> "The median tenure of CMOs was only 27.5 months in 2018, down from 31 months in 2017."
>
> **The Wall Street Journal**

It's a familiar story in business

While recent research of Fortune 500 companies logged the median tenure of a Chief Executive Officer (CEO) at five years,[12] the comparative figure for the CMO is just 28 months.[13]

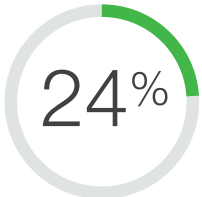
That short tenure is even more pronounced when you consider factors such as where the business is in the annual planning cycle and seasonality in purchasing. Or what strategies are inflight and committed on arrival, the time taken to get in-market with new campaigns, and to measure and assess any material impact. And that sets aside transforming in-house skills, supplier base or technology capability. I'd suggest the average CMO has less than 12 months to imprint their signature on marketing and be judged against it.

[11] https://en.wikipedia.org/wiki/List_of_current_Premier_League_and_English_Football_League_managers

[12] https://corpgov.law.harvard.edu/2018/02/12/ceo-tenure-rates/

[13] https://www.wsj.com/articles/average-tenure-of-cmo-slips-to-43-months-11559767605

Marketing Week study



of B2B marketers run campaigns that last for more than six months

With reduced tenure, it's hardly surprising that CMOs often fall into the same trap as Premier League managers: over-investing in low-hanging fruit and ignoring longer-term plays that will help the business, but maybe not during their time in office. A recent Marketing Week study evidenced this trend, finding that only 24 percent of B2B marketers run campaigns that last for more than six months.[14]

Marketing automation provides one such route for CMOs to quickly demonstrate impact. Generating leads from immediate prospects and existing customers is relatively easy, leading to quick, short-term sales uplifts that can be measured. This approach helps a new CMO demonstrate impact in a language the CEO understands, but it probably doesn't realize the company's full market potential.

Successful marketing requires both short- and long-term thinking

When considering how marketing investments should be prioritized, the work of Les Binet and Peter Field is a good starting point. In their book "The Long and the Short of It," Binet and Field position short-term tactics such as sales activation as vital for efficiency, with long-term tactics such as brand building required to drive growth and profit.[15]

Short-term tactics such as lead generation tend to generate a direct behavioral response from immediate prospects and existing customers. These activities aim to drive short-term sales uplifts, helping marketers make an impact more quickly compared to brand building – but with narrower and smaller paybacks that decay quickly once the activity itself has finished. Binet and Field have demonstrated that these tactics have little impact on price elasticity – the relationship between the price of a product and demand in the market. However much short-term activity you run, demand will likely fall if you raise the price of your product.

Longer-term tactics attack the problem from a different angle, aiming to generate brand preference from a wider pool of prospects – often by building an emotional connection to the brand. These attempts at emotional priming aim to make a brand famous, generating broader but slower effects, and with bigger paybacks. Binet and Field have demonstrated how these tactics have a measurable impact on price elasticity, reducing customer sensitivity to price. Famous brands can charge more for the same product than less famous brands – and this effect tends to decay slowly.

[14] https://www.marketingweek.com/long-short-b2b-marketing/

[15] https://ipa.co.uk/media/5811/long_and_short_of_it_presentation_final.pdf

A balanced strategy provides a win-win for CMOs

Binet and Field's research also shows that running short- and long-term tactics together has a positive effect, the sum being greater than the parts. Successful brand building focused on establishing an emotional connection increases the effectiveness of short-term tactics using rational messaging. CMOs that run both simultaneously see a rachet-like improvement on effectiveness. It is far better to balance your budget than to double-down on one approach.

Binet and Field's research suggests a win-win is possible for CMOs who are new in their role – allowing them to demonstrate quick impact while also building a legacy that will outlast their time in office. In the words of IPA Director General Paul Bainsfair, "companies that hold their nerve consistently, and that invest in the 60:40 ratio of longer-term brand building to shorter-term sales activation, outperform the market."[17]

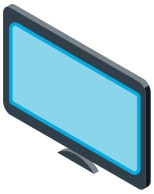
"B2B brands identified as outperforming their competitors over the last two years were twice as likely to allocate 60 percent or more of their budget to achieving long-term marketing goals."

Marketing Week

This is supported by a recent Marketing Week study, in which B2B brands identified as outperforming their competitors were twice as likely to allocate 60 percent or more of their budget to achieving long-term marketing goals.[16]

[16] https://www.marketingweek.com/long-short-b2b-marketing/

[17] https://ipa.co.uk/knowledge/publications-reports/q3-2019-bellwether-report



4 TV isn't dead. It's a living, breathing opportunity for B2B brands

Human behavior is remarkably persistent. While new technologies come and go, the factors that made the TV set a cornerstone of video consumption will remain for years to come – and offer a route for B2B marketers to differentiate in a digitally dominated world.

I've met several senior marketers this past year who have stated that TV is dead and therefore not worth considering for marketing strategy. These opinions could not be further from the truth.

In August 2019, the British media regulator Ofcom offered a detailed and thorough rebuttal of that argument, via its annual Media Nations report.[18] While the report focused on the UK, it's unlikely the underlying behavior is unique to citizens of the British Isles.

The inputs may change, but TV lives on

The report confirmed that while broadcast TV viewership is decreasing, it is doing so slowly. Broadcast TV is still by far the most common way to watch TV and video content in the UK, accounting for more than two-thirds (69 percent) of TV and video viewing in 2018. And while video streaming is growing fast, 95 percent of UK households still have a TV set receiving broadcast programs. That represents a decrease of only 1 percentage point in the past 6 years.

[18]https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/media-nations-2019

Smart TV ownership has also risen quickly as functionality has improved. Forty-seven percent of households now own a smart TV, compared to just 5 percent of households in 2012. An outcome being that non-broadcast video content (for example, YouTube) is no longer limited to laptops, tablets and smartphones. Fifty-one percent of total non-broadcast video content is now viewed on a TV set.

"The fact that new and old delivery systems keep playing whack-a-mole with audience shares may be interesting to us, but is of no concern to real people. Distribution methodologies mean nothing to consumers. They want it simple, cheap, and entertaining. How the signal gets to their TV set is of no interest to them."

Bob Hoffman[19]

TV offers an effective route for B2B brand building

B2B marketers can be forgiven for asking how this is relevant to them. As we've seen from our previous trend, B2B marketing has become obsessed with short-term thinking – at the expense of the long-term strategy required to generate growth and profit.

TV offers B2B marketers an effective channel for such long-term strategy, to build their brand through storytelling and emotional priming – and to differentiate against competitors that are over-indexing in short-term digital tactics.

Two such brands pursuing this strategy are Microsoft and SAP, both balancing short-term sales metrics with long-term brand building. Both have invested heavily in brand advertising through TV, telling their B2B story to the widest possible pool of prospects – seeing broad public recognition as an essential foundation to long-term market domination.[20]

This contrasts with a host of competitors that have reduced or abandoned TV brand advertising in favor of more direct solutions advertising through digital channels. These tactics undoubtedly drive short-term sales, but with questionable long-term impact.

Differentiation is the name of the game

Back in the 1980s, Wayne Gretzky became the greatest ice hockey player of all-time based on a simple strategy: finding open ice. Deemed too small and too slow[21] when he entered the National Hockey League, he bucked the trend in a physical sport where strongest and quickest traditionally meant best – by identifying the space where no-one else would be.

[19] https://typeagroup.cmail19.com/t/ViewEmail/d/10D19696E9074E932540EF23F30FEDED/83BEB7D2228CB91CF039C523302FD418

[20] https://www.marketingweek.com/b2b-marketing-inspire-consumer-marketing/

[21] https://www.upi.com/Archives/1984/12/20/They-said-he-was-too-small-and-too-slow/3479472366800/

The shift of advertising budgets from traditional to digital channels has created such space for marketers. eMarketer estimates US digital ad spending grew 19 percent in 2019,[22] compared to a 1 percent fall in TV advertising.[23]

And the digital juggernaut shows no signs of stopping, with 45 percent growth forecast over the next three years. The ability to differentiate through digital advertising is declining every year – and open ice is emerging via traditional channels, including TV.

While a traditional broadcast TV campaign may be unrealistic for all but the largest B2B brands, programmatic and addressable advertising offer new routes for B2B marketers to build brand through TV. These avenues give marketers the ability to target specific audiences, in contrast to traditional content-based targeting. They also have the advantage of reaching both traditional broadcast and digital viewers – with the latter set to increase significantly with the development of 5G connectivity.[24]

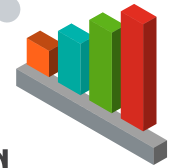
In the words of the acerbic advertising veteran Bob Hoffman, "We'll all be dead long before TV is."[25] There's a big opportunity for savvy B2B marketers while others fail to grasp this point. Well executed campaigns that run as part of a balanced strategy will stand out for a long time to come.

[22] https://www.emarketer.com/content/us-digital-ad-spending-2019

[23] https://www.emarketer.com/content/television-update-fall-2019

[24] https://www.ericsson.com/en/blog/2019/5/5g-consumer-potential-study

[25] https://typeagroup.cmail19.com/t/ViewEmail/d/10D19696E9074E932540EF23F30FEDED/83BEB7D2228CB91CF039C523302FD418

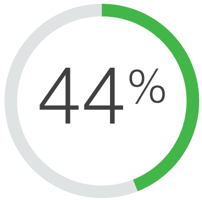


5 B2B influencer marketing is growing – but it's a micro, not a macro, game

B2B buyers are better informed than ever before, and sellers have fewer opportunities to influence their decisions. While influencer marketing has long been a priority for marketers, a disciplined focus on quality over quantity is required for success.

The typical B2B buyer and sales cycle has changed in recent years, with buyers taking more of a lead in defining solutions to their problems – with much of this done online. A recent study by CSO Insights found that more than 70 percent of B2B buyers fully define their needs before engaging a vendor, while almost half (44 percent) have identified their chosen solution before talking to a sales rep.[26]

CSO Insights Buyer Preferences Study



of B2B buyers identify their required solution before engaging a sales person

This shift means sellers have fewer opportunities to influence purchasing decisions. A recent Gartner study found that B2B buyers considering a purchase now spend only 17 percent of their time meeting with potential suppliers. When comparing multiple suppliers, the amount of time spent with any one vendor can decrease to just 5 percent.[27]

This has upped the ante for B2B marketers. With fewer opportunities to directly influence purchasing decisions, the value of positive word-of-mouth has increased – and investments in influencer marketing have risen with it.

[26] https://www.millerheimangroup.com/resources/news/study-half-of-b2b-buyers-make-up-their-minds-before-talking-to-sales-reps/

[27] https://www.gartner.com/en/sales-service/insights/b2b-buying-journey

"The ready availability of quality information through digital channels has made it far easier for buyers to gather information independently, meaning sellers have less access and fewer opportunities to influence customer decisions."

Gartner

The Internet has democratized influence

Before the Internet, it was easier to understand who influenced purchasing decisions in an industry. Most influencers came pre-qualified by association: you didn't write a column for Computer Weekly or a report for Forrester unless you were a genuine expert.

The emergence of blogs and social media provided a soap box for anyone to share their opinions – and the breadth and depth of content on any given subject multiplied. Brands struggled to gauge influence in the brave new world where popularity was claimed through follower counts and online engagement.

Many brands have stumbled by thinking that bigger means better when it comes to influence, but in business it is usually defined at a micro – not a macro – level. IBM's CMO Michelle Peluso puts it simply, "It's not necessarily about how many followers someone has, but rather what makes them valuable and interesting to their audience."[28]

IT Managers, for example, are unlikely to consult a self-declared influencer with several hundred thousand Twitter followers when evaluating new software. They are far more likely to trust the opinions of a small group of experts, who have built their reputations over many years within a specific field and who are part of modest but highly engaged online communities.

Engaging the wrong influencers can be costly, in lost time, money, and most of all credibility. Back the wrong horse and you'll erode trust, rather than build it. Knowing how to separate the wheat from the chaff is a critical skill.

Influence depends on the human touch

B2B marketers should approach influencer identification with diligence and healthy skepticism. While a growing list of tech solutions claim to identify and measure influence, the reality is that influence is still a very human trait. For the time being, technology lacks the nuance and sophistication to provide a silver bullet.

Lists of influencers created from social outputs and evidenced with numbers can look like a seductively quick fix. But find one in a market you know well in order to assess their provenance. I'd suggest you may find legitimate influencers diluted by self-promoters, amplifiers and agenda-driven opinions (the PR team run the account).

[28] https://www.forbes.com/sites/katetalbot/2019/04/16/ibm-cmo-michelle-peluso-shares-her-top-3-trends-in-b2b-influencer-marketing/#160095c61679

To find the genuine influencers, you must immerse yourself in your target community. Start with your customers and prospects, and build a picture of whose opinions matter to them. Technology can play a supporting role from this point, helping you to plot connections between contributors – analyzing their conversations and surfacing new individuals to feed into the process.

Be wary of scale and volume. Sending 50 tweets a day to 50,000 followers is a barrage of news, not a source of considered opinion. Also, genuine influencers don't just broadcast – they engage. Can you see a genuine connection with the audience?

When it comes to engaging influencers, ensure you offer a fair exchange of value. But be aware that the most valuable influencers are typically those motivated by opportunities to learn and contribute, rather than by monetary compensation. In the words of IBM's Michelle Peluso, "whoever you choose to associate with your brand – they have to have that authentic connection. It simply can't be manufactured or bought."

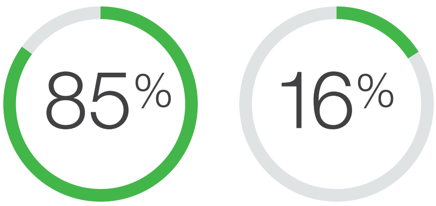
6 Iterate, don't transform, your customer experience

The rewards from major transformation projects can be significant, but the chances of success are slim. Taking an iterative approach to customer experience is a more reliable way for marketers to increase returns.

In a recent survey of global businesses, management consultancy McKinsey found that 85 percent of organizations have embarked on digital transformation projects in the past five years.

Success can have a material impact on the bottom line, with McKinsey reporting that companies which master digitization are generating "8 percent more shareholder returns and a revenue compound annual growth rate (CAGR) that is five times greater than the rest of the field."[29]

McKinsey Digital Quotient Survey



of organizations have started a digital transformation project in the past five years

of digital transformations have improved performance and equipped organizations to sustain changes in the long term

[29] https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-b2b-digital-leaders-drive-five-times-more-revenue-growth-than-their-peers

The reality, however, is that all digital transformations are hard, and most are (as yet) relatively unsuccessful. Only 16 percent of respondents to McKinsey's survey said their digital transformations had improved performance and equipped their organization to sustain changes in the long term. Even in digitally savvy industries such as high tech, media and telecoms, the success rate did not exceed 26 percent. In more traditional industries such as oil and gas, automotive, infrastructure and pharmaceuticals, success rates fell by between 4 and 11 percent.

Digital transformation projects will only deliver in the long term when they benefit both an organization and its customers.

Organizations must resist the temptation to look inward

One of the most striking pieces of insight from McKinsey's research was how organizations tend to look inward when attempting to transform, rather than focusing on customers. While 68 percent of respondents cited digitizing their operating model as the primary objective, less than half claimed their objective was to launch new products or services, or to interact with external partners.

It's speculation to suggest that brands see internal projects as low-hanging fruit, but it's obvious that digital transformation projects will only deliver in the long term when they benefit both an organization and its customers. Running a project with an insular objective is unlikely to generate long-term value.

One notable failure on this point was the UK government's Driver and Vehicle Licensing Agency (DVLA), which saw a significant increase in untaxed vehicles after digitizing vehicle licensing. Instead of generating an anticipated £7m annual saving in administration, the DVLA took an estimated £94m hit to its annual revenue.[30] In chasing efficiency savings through digitization, the DVLA made tax easier to administrate – but undermined its commercial objectives as fewer customers went on to tax their vehicle.

Customer data provides a route to iteratively improve the buying experience

Rapid increases in the data consumers generate presents opportunity and risk for brands, particularly given recent privacy regulation such as the General Data Protection Regulation (GDPR) in the European Union and California Consumer Privacy Act (CCPA) in the United States.

[30] https://www.thisismoney.co.uk/money/cars/article-7710599/Car-tax-evasion-remains-record-levels-paper-discs-scrapped-2014.html

McKinsey estimates that B2B buyers now use six channels over the course of the average purchase. Orchestrating data to create a consistent customer experience is difficult. Get it right and there is a significant upside for brands and consumers. Get it wrong and there is a substantial risk to reputation and customer relationships – not to mention the prospect of heavy fines.

Standing still is not an option, however. Brands that ignore the growing pool of behavioral data risk falling into obscurity. In a study by consulting firm Accenture, 79 percent of executives surveyed believed ignoring big data would result in their company losing its competitive position and possibly even facing extinction.[31]

Smart marketers are improving customer experiences iteratively. Successful ideas are quickly scaled across the business – but only when value is proven to both business and consumer.

A measured approach is often best, particularly in B2B where an organization's audience pool is often limited in size, and building and maintaining an emotional connection with customers is critical to a sale. Attempting wholesale change in these scenarios is risky and often unpalatable for the business – and this aligns with our knowledge that most large-scale transformation projects fail.

Instead, smart marketers are improving customer experiences iteratively, using analysis of behavioral data to create ideas to test on small samples of their audience. Successful ideas are quickly scaled across the business – but only when value is proven to both business and consumer.

[31] https://www.accenture.com/us-en/_acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/industries_14/accenture-big-data-pov.pdf

Are you ready for 2020?

We hope this report has been informative and has given you practical insight for your marketing strategy in 2020.

The pace of change in marketing is relentless. Understanding key platforms, tools and techniques is key to generating measurable outcomes for your brand, so make sure you have the appetite and resource required. If you’re a little worried, slightly confused – or simply too busy – seek outside help from experts dedicated to this sector.

If you’d like to discuss these trends in more detail, please get in touch. And if you’re curious to learn more, you’ll find a host of additional content at **www.metia.com**.

About Metia

Metia Group is a global marketing agency with offices in London, Seattle, Austin and Singapore. Employing over 100 highly skilled strategy, insight, digital and marketing professionals, the company provides integrated marketing programs for global brands and businesses.

Metia's clients include many of the world's leading corporations and largest business-to-business brands. During the past two years, the company has executed marketing activities in 88 countries and in 39 languages.

To learn more about our capabilities and discuss how we could help you reach and engage your target audiences with focused, measurable campaigns, please contact us at info@metia.com.

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