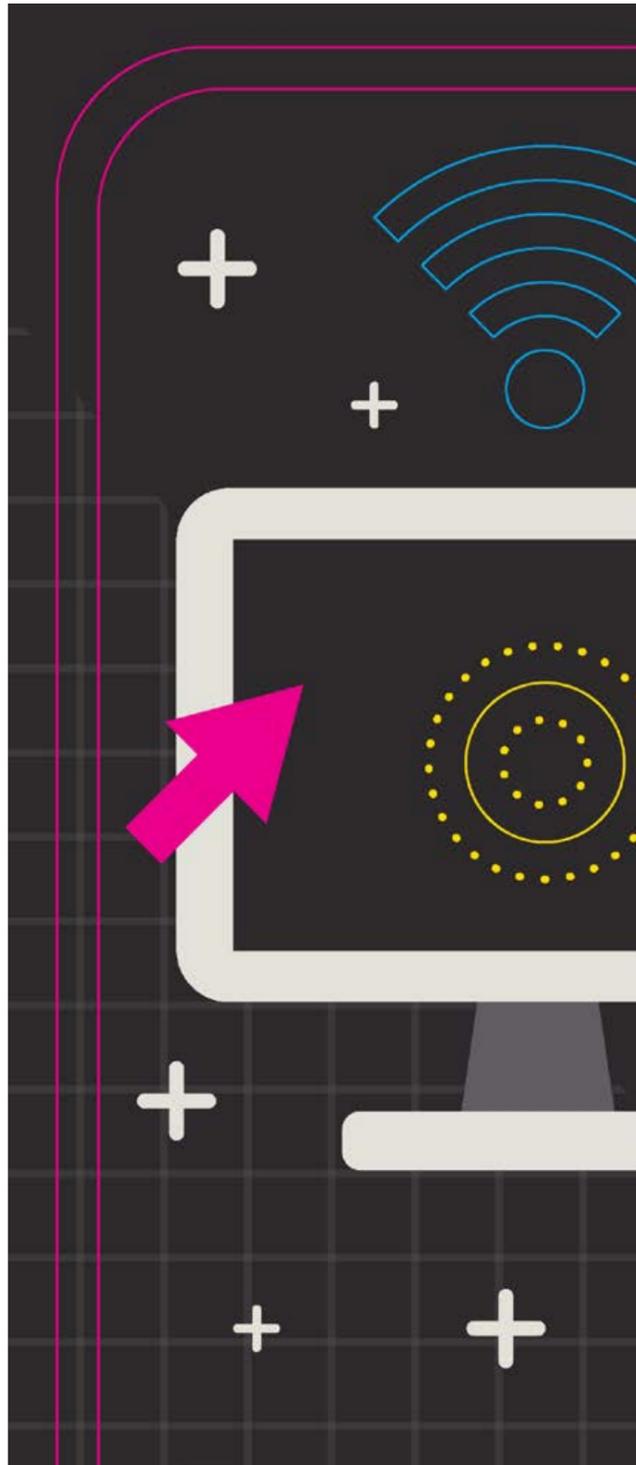


TRICOMB2B INSIGHTS

THE SHIFT FROM EQUIPMENT TO TECHNOLOGY

*B2B marketing considerations for
your evolving business model*

Industrial Edition



IDEA IN BRIEF

Industrial manufacturers are embracing digital technologies and capabilities as an exciting and necessary departure from their product-centric businesses. But as far as many of their customers are concerned, they still see companies that just make products.

Whether a company is just dipping its toes in the digital waters or has gone all-in on transforming, a B2B marketer must take on the challenge to change customer perceptions by defining a notable new market position, targeting new audiences, employing a new vocabulary, and incorporating new channels. Essentially, a B2B marketer must shift their thinking about how to market a new digital reality within their product-oriented industry, answering the question:

Can a traditional product manufacturer evolve into a modern information technology (IT) and services company?

The answer, of course, is yes. But you'll need to be aware of four key challenges:

- » Your target audience may no longer be your target audience.
- » Your competition may no longer be your competition.
- » Not every customer is a customer.
- » Selling digital is not the same as selling equipment.

Once these differences are understood, you'll need to take deliberate steps to create a successful platform for launching and marketing your newly minted digital offering or business. That means:

- » Defining new audience profiles
- » Being clear and standing for something
- » Getting noticed by going big
- » Making it real
- » Changing the channel (and the format)
- » Getting focused
- » Providing more robust sales support

Read this paper for specific ideas, examples and inspiration as you and your team contemplate new marketing approaches for your evolving digital business.

SOMETIMES, THE FUTURE LOOKS DISTANT AND UNATTAINABLE — BUT THEN ARRIVES ALL AT ONCE.

For the past 25 years, analysts have predicted significant business changes as technologies matured. New possibilities and opportunities would open up for companies and their customers. The promises were intriguing: in 2015, [90% of companies anticipated their industries would be significantly disrupted by digital trends](#). Five years later, only 34% of these companies had made the big move to adapt, and just [25% were taking advantage of internet-based business solutions](#). Predictions arrived at a faster pace than the technologies could support. But in many cases, advancements are increasing, with savvy B2B companies re-energizing their industrial businesses with new digital offerings.

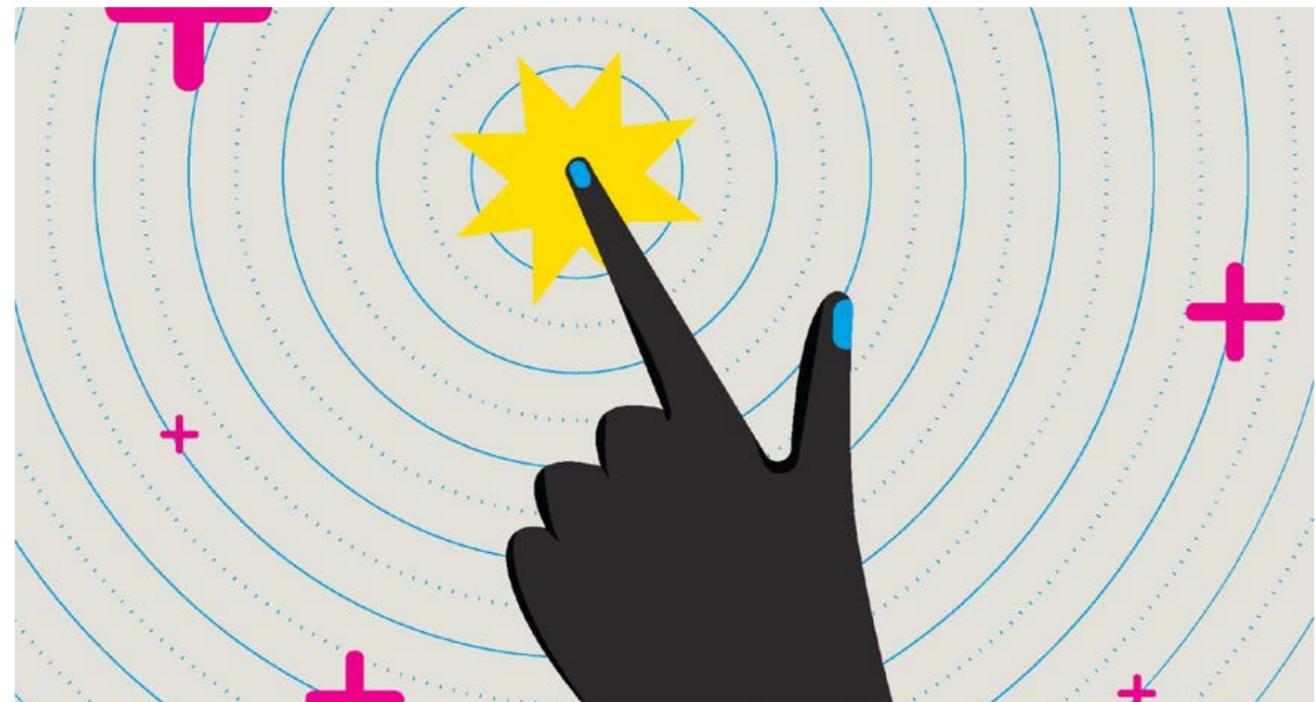
And for good reason. Many companies had to proactively address new realities about their core, product-based business models. Decades of improved quality, increased efficiencies, better-informed operators and intensifying competition have collectively compressed traditional revenue growth models and put pressure on profits. According to McKinsey, digitization, automation and artificial intelligence (AI) will [add \\$13 trillion to the global GDP](#). Much of this will come from new business opportunities. It is no wonder industrial manufacturers are embracing digital offerings and services as an exciting and necessary departure from their product-centric businesses.

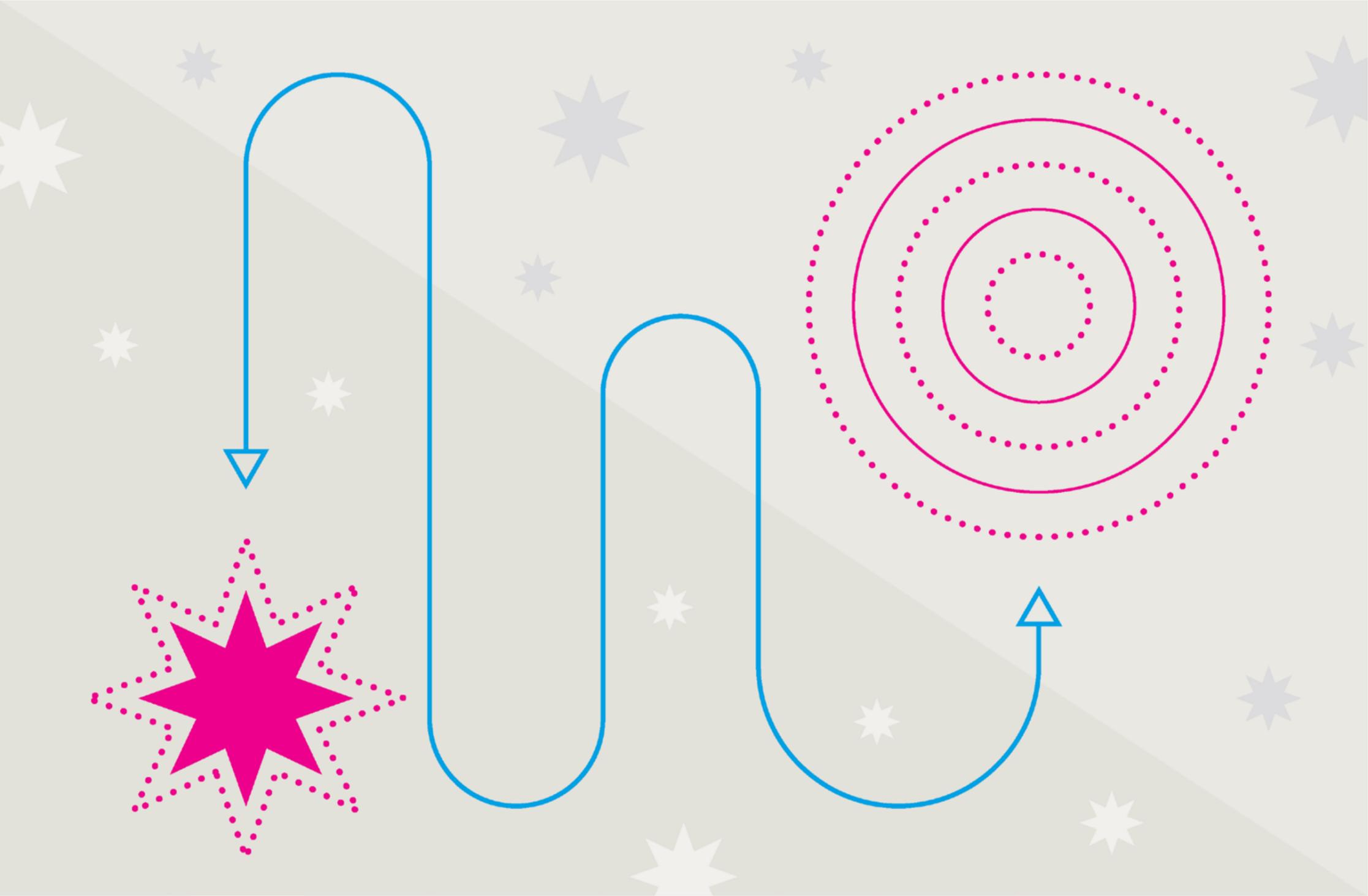
But as far as many of their customers are concerned, they still see companies that just make products. Decades — even centuries of legacy business models — make it hard for traditional B2B industrials to change perceptions and build belief in their digital prowess.

Enter the B2B marketer — with a new set of opportunities and challenges. Whether an industrial company is just dipping its toes in the digital waters or has gone all-in on transforming, marketers must work to change customer perceptions, often radically. B2B marketers need to understand and define their notable new market positions. They must target new audiences, channels or even specific niches within customers' businesses (often using a new vocabulary). Essentially, marketers must answer the question:

HOW CAN A TRADITIONAL PRODUCT MANUFACTURER BREAK ITS OLD HABITS AND EMERGE AS A MODERN IT AND SERVICES COMPANY?

To do so, they must address four significant challenges.





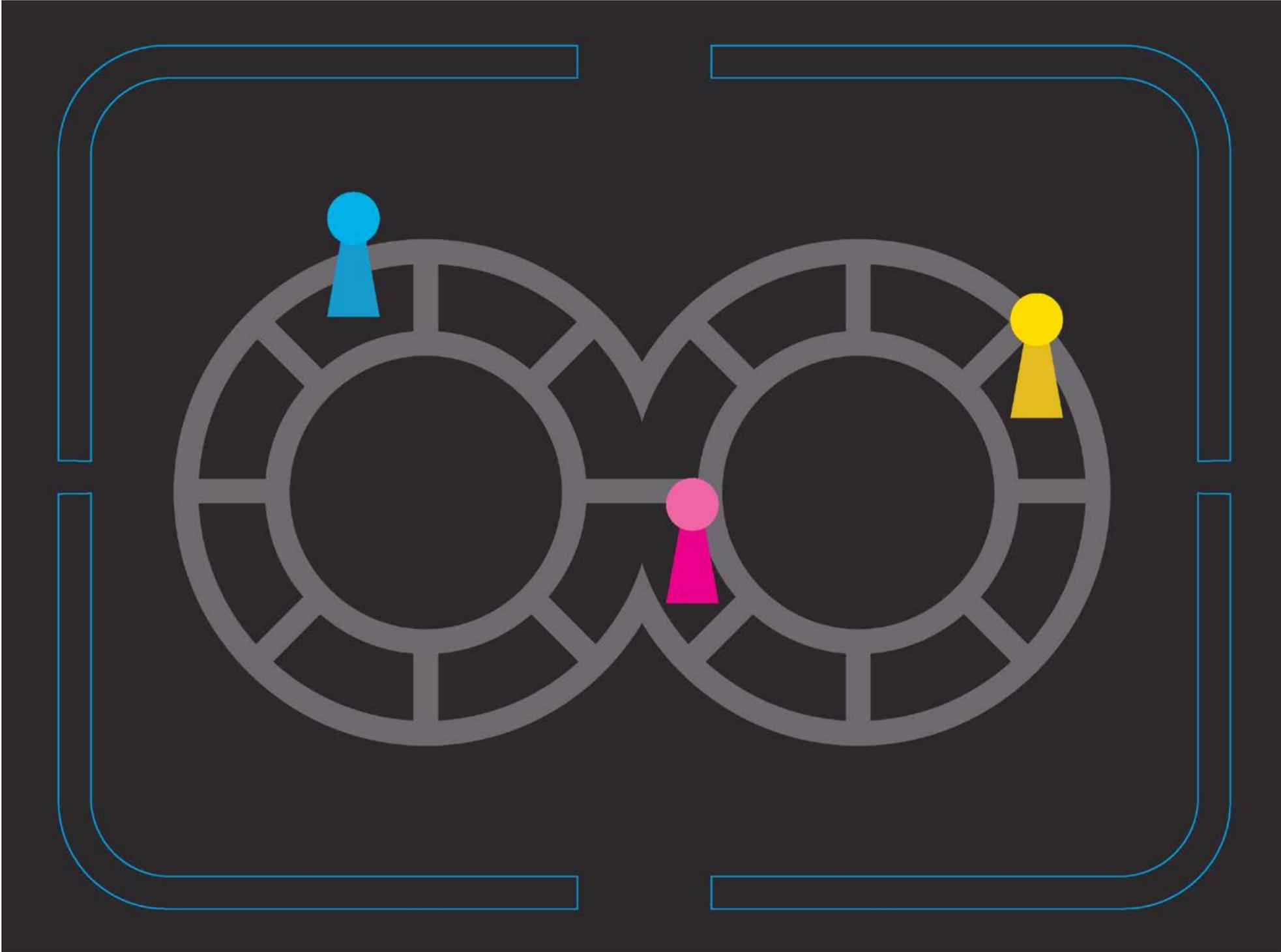
Challenge #1
**YOUR TARGET AUDIENCE
MAY NOT BE YOUR TARGET
AUDIENCE.**

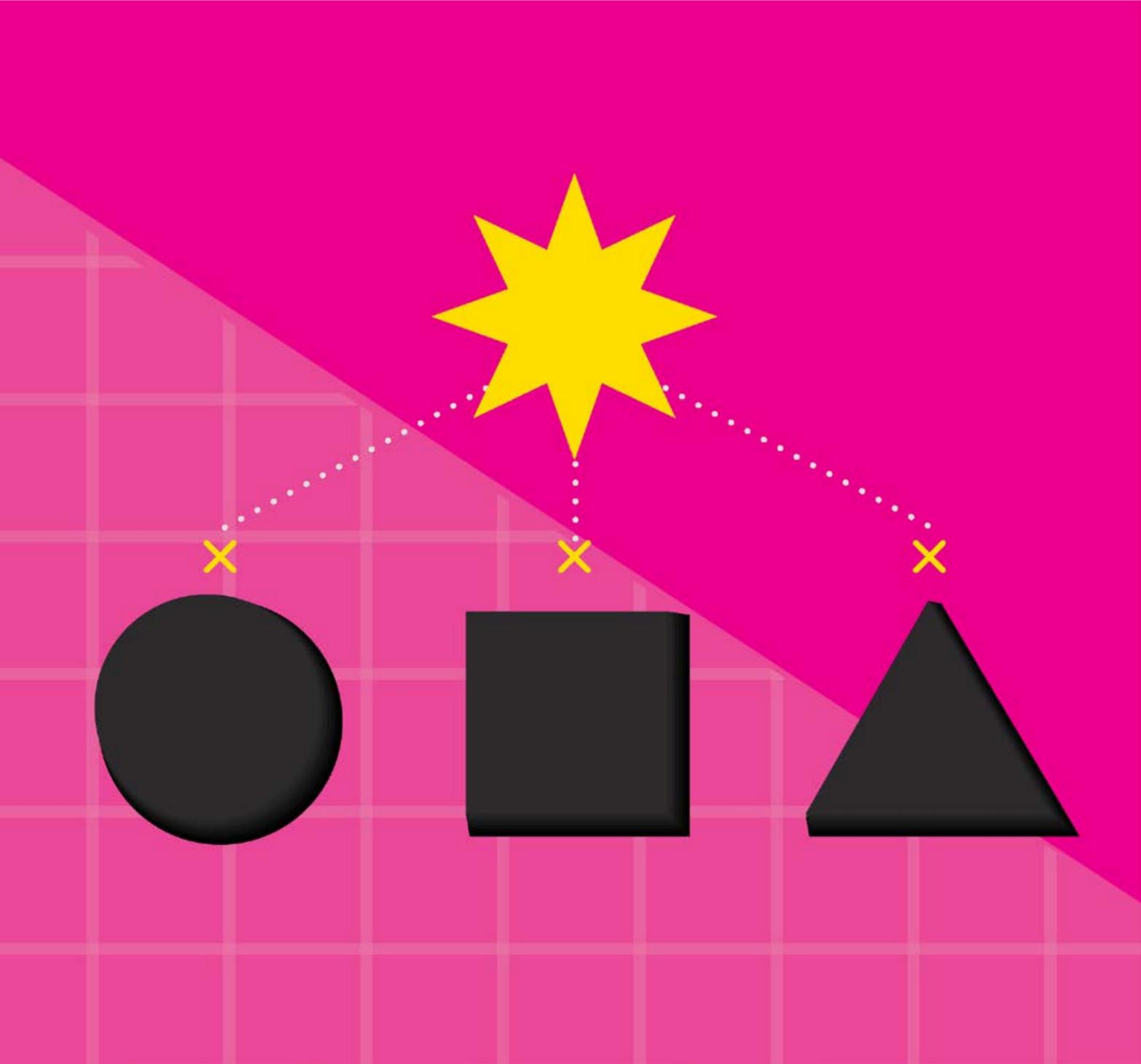
Traditional, product-based industrial manufacturers spend most of their efforts engaging engineers, plant superintendents, facilities managers, supply chain leaders and other conventional decision makers. But when conversations shift from hardware to data, the audience can shift as well. When this happens, new decision makers may emerge, often in the form of IT leaders and their teams — bringing with them a list of concerns many equipment manufacturers have never addressed.

Challenge #2

YOUR COMPETITION MAY NOT BE YOUR COMPETITION.

So you want to help customers manage and monitor their plant assets? Or connect your equipment and its abundant new sensors to the cloud? Dipping your toe in new waters might mean being evaluated against a different set of competitors and criteria — which means your tried-and-true, legacy positioning and points of differentiation may be irrelevant.





Challenge #3

NOT EVERY CUSTOMER IS A CUSTOMER.

Some customers won't be able to fully embrace the technology-focused side of your business, whether due to their size, sophistication or budgetary constraints. And that's okay. For marketers, this is an opportunity to evaluate what an ideal customer profile looks like, help their business build stronger relationships with existing customers, and find new customers looking for different ways to operate.

Challenge #4

SELLING DIGITAL IS NOT THE SAME AS SELLING EQUIPMENT.

The implications of new target audiences go beyond marketing messages and channels. The hard reality many equipment manufacturers face as they shift their businesses is that their sales force — direct and channel — may not be ready for the challenge. They may lack connections to new audiences or the skill sets to tell a complex IT story. Marketers need to help them.

SEVEN THINGS A B2B MARKETER MUST DO

The transformation of your company to a digitally capable enterprise with exciting new business models is an invigorating marketing opportunity. It's a chance for B2B marketers to look at their landscape through a different lens and depart from the predictable approaches equipment companies have depended upon for decades. To set you on the right path, we've outlined seven key recommendations to help you navigate the product-to-digital journey.

The infographic consists of seven numbered cards arranged in two rows. Each card features a unique icon and a specific recommendation. The cards are: 01. Define your new audience profiles (person with glasses and tech icons); 02. Be clear and stand for something (blue starburst); 03. Get noticed. Go big. (yellow starburst); 04. Make it real. (computer monitor); 05. Change the channel (and the format). (three stylized people icons); 06. Get focused. (pink plus sign in a circle); 07. Take sales support to the next level. (stacked colorful blocks).

- 01.**
Define your new audience profiles.
- 02.**
Be clear and stand for something.
- 03.**
*Get noticed.
Go big.*
- 04.**
Make it real.
- 05.**
*Change the channel
(and the format).*
- 06.**
Get focused.
- 07.**
*Take sales support
to the next level.*

1. Define your new audience profiles.

We're not big on overdone, complex persona development (we've seen many persona projects collecting dust), but having a sound mental picture of your new audiences is always a good idea. At a minimum, understand the major problems they must solve and the things that keep them up at night. Building this audience foundation gives you a North Star to guide messaging and channel selection for future campaigns. This work can be incorporated into training materials and playbooks that focus selling efforts.

Below is a generic audience profile for a technology executive to illustrate one approach. Don't overwork this. Just make sure you identify their biggest responsibilities in the context of your offering so you can create relevant connections with your marketing.

Technology executive profile

Problems to Solve

Integration

Everything must work together: host systems, automation controls, other third-party systems

Security

Protecting proprietary customer and operational data is becoming more difficult in connected, cloud-enabled environments

Scalability

Operations grow. New functions need to snap in, without clunky customizations and interruptions. It would be nice to see what the future looks like before we invest. System availability and maintenance requirements are important to minimize downtime.

Drivers

- Technology as a means to enabling business models
- Aligning technology to changing customer requirements
- Lockstep support of critical business functions
- New trends, tools and processes for modernizing infrastructure
- Efficient deployment of human and financial capital

Inhibitors

- Difficulty integrating into existing IT infrastructure
- System and data security concerns
- Introduction of new potential failure points
- Perceived threats to system stability
- Unclear upgrade paths
- Inability to adapt and scale future business needs
- Unsupportable, inflexible or proprietary

2. Be clear and stand for something.

In less than 10 minutes, we pulled these messaging gems from some of the biggest and most influential players in the digital transformation and industrial internet of things (IIoT) space.

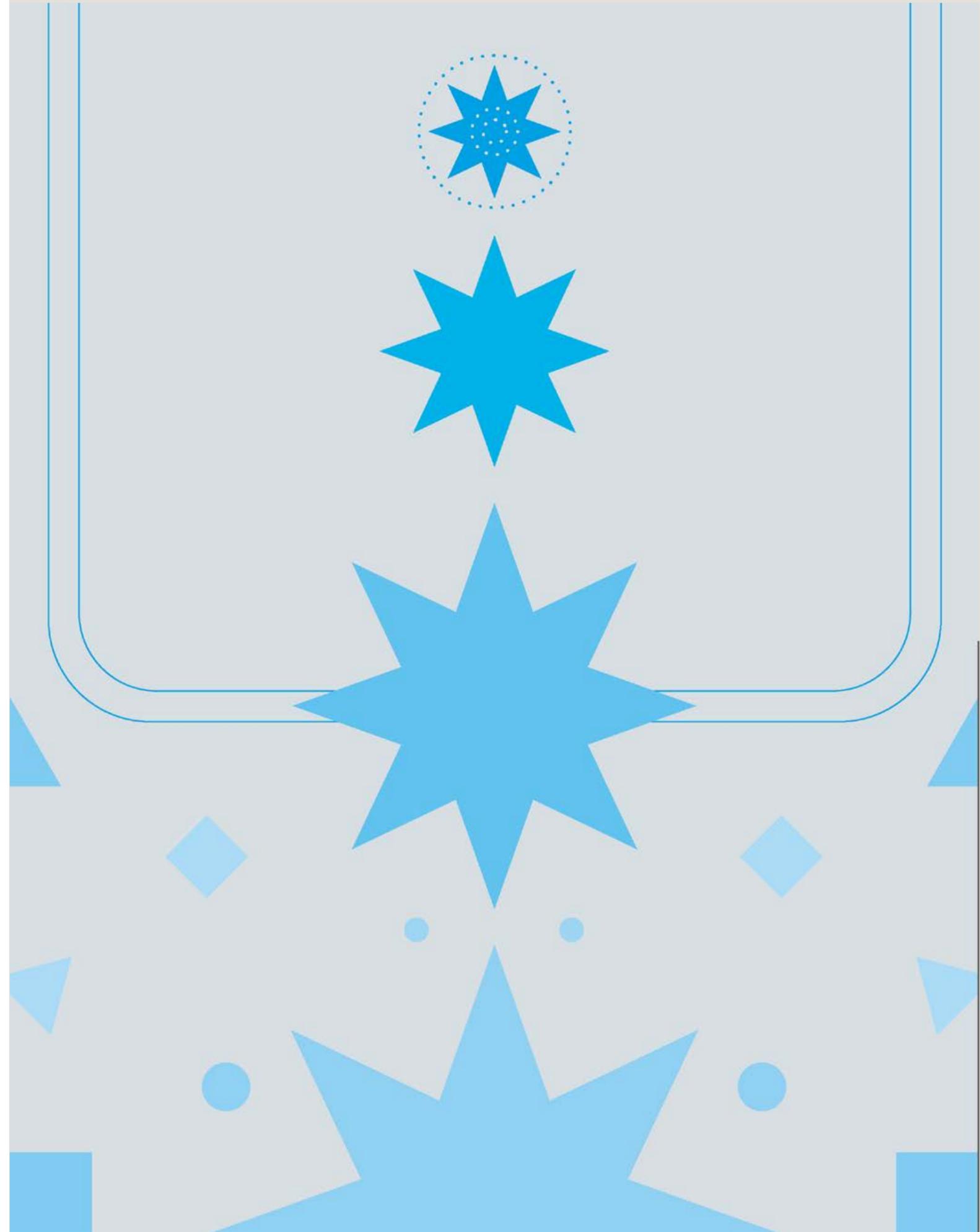
Your digital evolution should NOT sound like this.

- Drive unconventional growth
- Creating new business models
- Transform your workforce
- (Improve) operational efficiency
- Digital transformation
- Disrupting the industry
- Future ready
- Transforming data into insights
- Business disruption and transformation
- Transformation outcomes
- Reveal hidden insights
- Unprecedented efficiency and production
- Transformative operational and financial benefits
- Manage assets and operations more efficiently
- Provide valuable insights
- Greater efficiency and optimization
- Deliver new business opportunities
- Increasing profitability and productivity
- Seize strategic and transformational opportunities
- Make customers more productive and efficient
- Make informed decisions
- Enable breakthrough results
- In real time
- Smarter, faster business decisions
- Driving powerful business outcomes
- Solve the biggest challenges
- Increase throughput
- Reduce operating expenses
- Optimize assets
- Improve accuracy and speed of decision-making
- Customer intimacy
- Future-proof investments

It's like a game of corporate Mad Libs®. "Transform data into insights so you can seize strategic and transformational opportunities in real time."

Consider the opportunities this jargon-filled environment creates. There's a good chance your competitors will be just as vanilla, because if the big boys talk like this, that must be what customers want to hear, right?

Our advice? If your new digital capabilities are specific to an application or core expertise, then make it clear that's the case. Own a particular space and avoid vague assertions and value propositions that blend in.



3. Get noticed. Go big.

Swinging the pendulum from product-focused to digitally driven is no small ambition. The marketing that communicates this transition should be equally ambitious so customers take notice. If your business is committed to a digital future, don't settle for a few pieces of new collateral. Be bold and make it clear this is a BIG DEAL with important implications.

Not sure what bold looks like? Consider how Flowserve, a global process equipment manufacturer, launched its IIoT-based plant asset management capability, the underpinning for an ambitious services business model.

Turning Heavy Metal Into Heavy Data

Process equipment is heavy industry, and Flowserve's business has historically been all about manufactured products for critical infrastructure industries. Competition is intense and global. But Flowserve saw emerging opportunities. Customers faced workforce gaps and other factors that made them inclined to depend more on third parties for what used to be core competencies: equipment monitoring, troubleshooting and maintenance services among them.

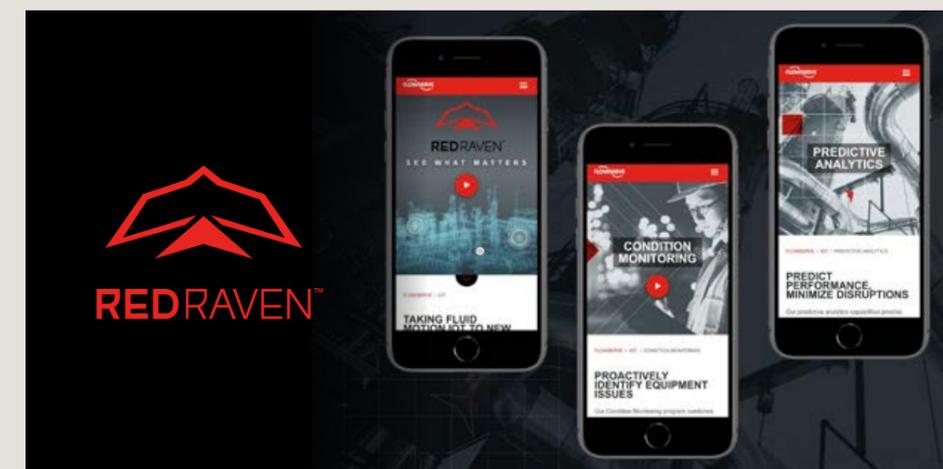
Years of research and development into sensors, algorithms, software and data analysis converged on the opportunity, putting Flowserve in a position to help customers monitor plant equipment, aggregate data, diagnose and predict failures, and provide third party remote monitoring and analysis: a new, digital business model.

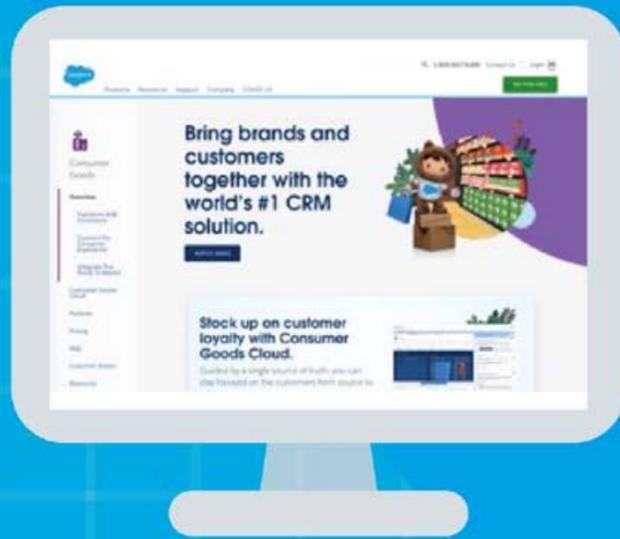
Flowserve had built something at a completely different level than its competitors. And they needed to make sure the market saw that distinction — something that made it clear there's nothing else similar.

This [new platform was launched as RedRaven](#): a technology and services platform capable of telling stories and predicting what's going on in an otherwise invisible world.

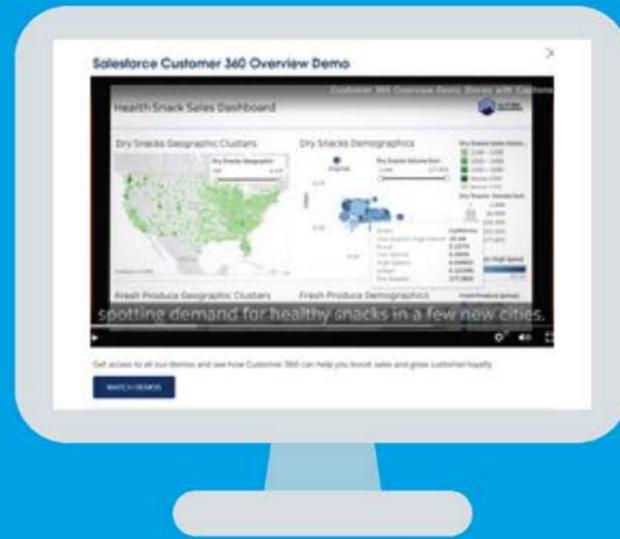
Not only was the platform brand a big, bold idea, it was supported by clear positioning, simplified messaging for new audiences (C-suite and IT), and content and communication strategies appropriate for a technology-driven business model.

If you've wrapped your legacy business with digital technologies and the IIoT, you're not a pumps, valves and seal company anymore. You are a technology company, unlike any other in your industry. Bold thinking and notable brand expression ensure customers will take notice.

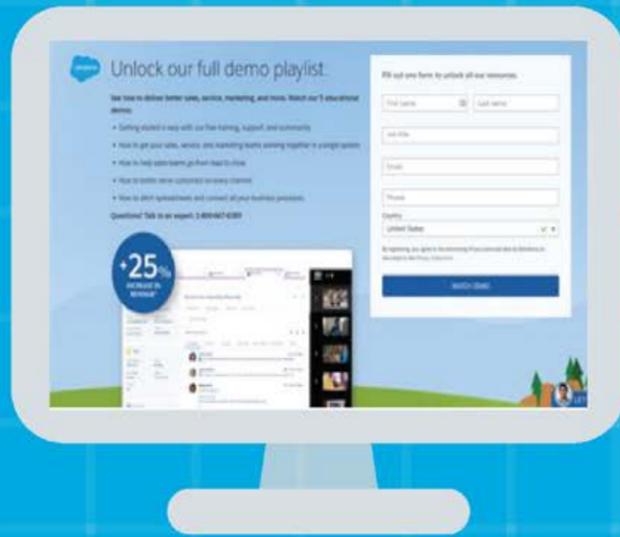




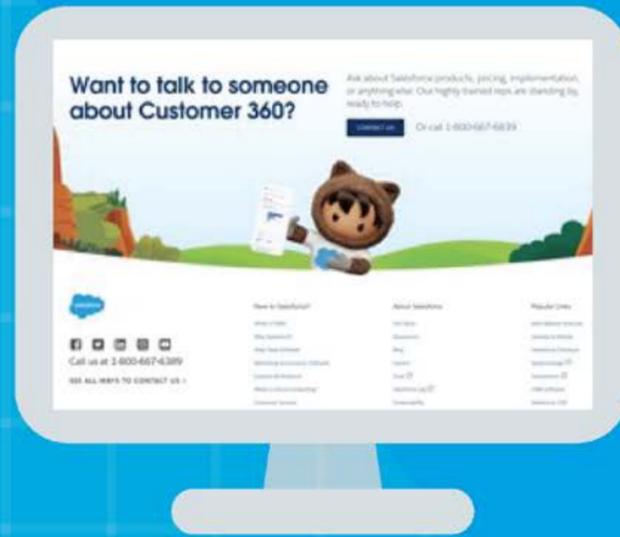
A.
Segment- or audience-specific content



B.
Short videos and demos that show real functionalities



C.
In-depth, self-guided demos with opt-in



D.
Easy access to technical reps for questions and inquiries (with a phone number!)

4. Make it real.

One obstacle many budding digital businesses face is either the inability or reluctance to show their offering. Because in many cases, businesses entering this arena often have solutions that reside somewhere between reality and hypothetical.

Remember, your audiences navigate the decision-making progress mostly on their own — 70 to 80% of the way — without your help or knowledge. For software and digital offerings, that means you must ensure two things. Decision makers must be able to:

- » **See themselves and their environment in your offering.** Consider how your website and other marketing assets can be segmented by audience. Create specific paths and custom value propositions that address their individual concerns. Don't settle for generic, overarching messages in hopes something will resonate.
- » **See that it's real.** Invest in the tools that make it clear you're ready to show how your digital offering operates. Let them see it in action — no gates — and then ask them to engage in a deeper conversation that dives into full capabilities.

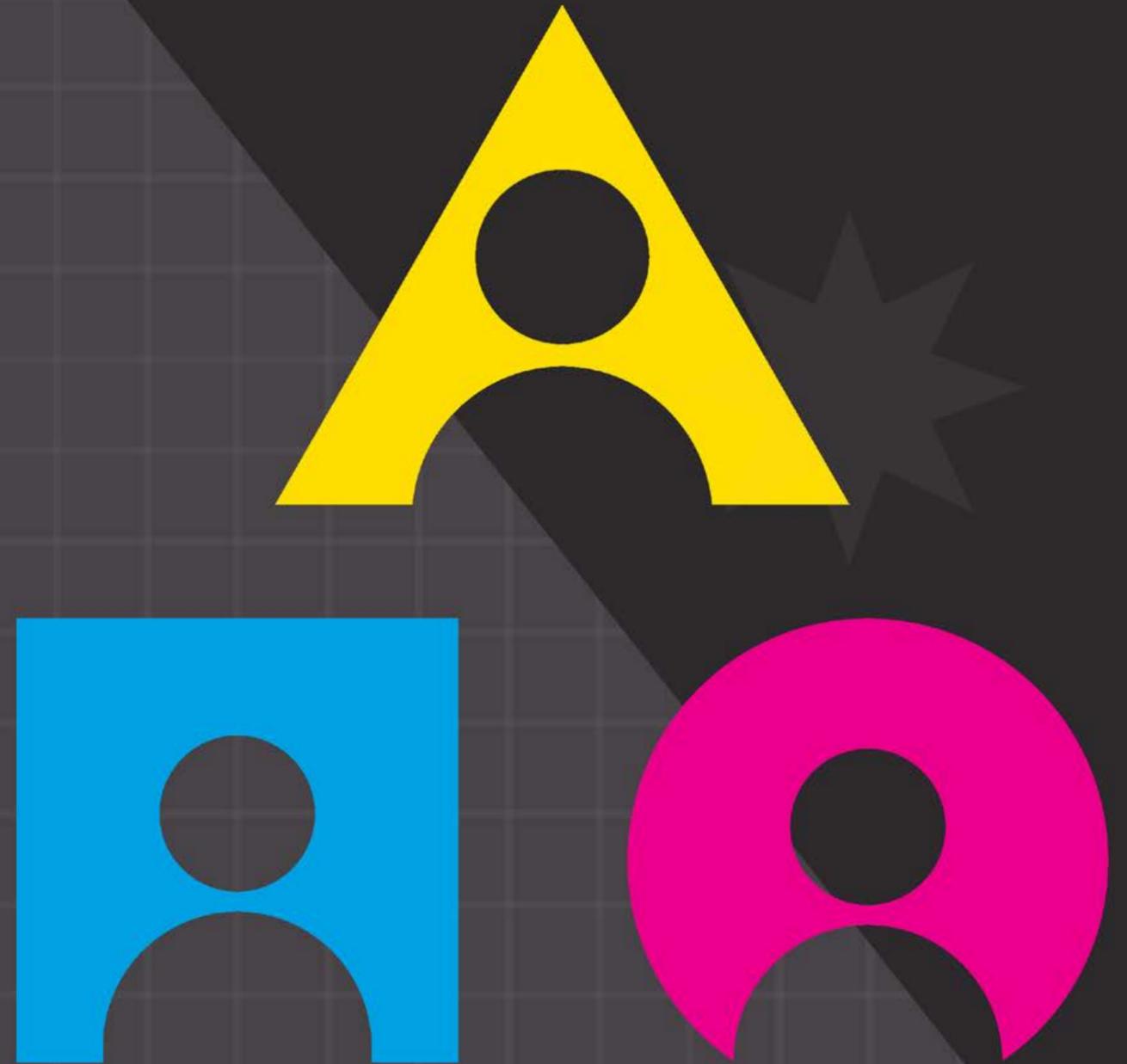
What does audience-specific content and making it real look like in B2B? Follow the leads of major software companies like Salesforce. They provide a road map that's as easy as A-B-C-D.

5. Change the channel (and the format).

Companies launching digitally enabled capabilities and software platforms must get closer to technology decision makers and even the C-suite. With new audiences come new ways of communicating. These decision makers have preferences and nuances which differ from plant superintendents, facilities managers and engineers who typically comprise the audience for product marketing. B2B marketers must remember:

Time is of the essence. While every audience is time-strapped, executives have even less time. Studies by [Demand Gen](#) and [Quartz](#) tell us much of what we need to know about these fast-moving execs, citing their preferences for **brief, visually dynamic formats**. Think short videos, executive summary teasers and data visualizations that work well on mobile devices.

Peers matter. Technology and executive audiences cite information from or about their peers, usually in the form of **case studies**, as the most important content they use in decision-making. And they demand relevancy, so you'll need to work extra hard to secure stories from a range of company types and industries. IT audiences are also more inclined to look at **reviews** and online **discussion forums**. You'll need strategies that proactively activate your customer advocates. At some point, you may consider building your own user forums to encourage discussion and interaction among customers and with your own subject matter experts. These types of environments harness valuable input and create an aura of transparency that builds trust. Speaking of trust ...





Trustworthiness rules. As a legacy product business entering the digital realm, you'll face some skepticism. Building trust with customers is imperative, and we think it's so important we helped to write an e-book about it ([Trust Me, B2B](#)). Often, it's what others say about you that matters most, so consider these two ideas for building trust in your new digital business:

- » **Engaging analysts** — Digital technologies and software are the focal point of numerous analysts, such as Gartner, Forrester, IDC and Digital Clarity. Getting on their radar and being included in one of their numerous industry or category reports can be an important step toward digital legitimacy.
- » **Publishing with a known third party** — While you may be well-known for your legacy products, you're likely a lesser-known entity when it comes to software, wireless communications, telemetry and the cloud. Chances are you've partnered with more than a few technology providers to develop your solution. Foster relationships with them that lead to co-published papers, webinars or conference presentations to add credibility to your digital story.

Look at events differently. Trade shows and conferences can be important channels for launching and communicating your digital prowess, but you might need to take a fresh look at the landscape. Your technology audiences are likely spending time at another conference type. For example, Flowserve developed a different, supplementary list of potential conferences as they entered more prominently into the digital technologies space.

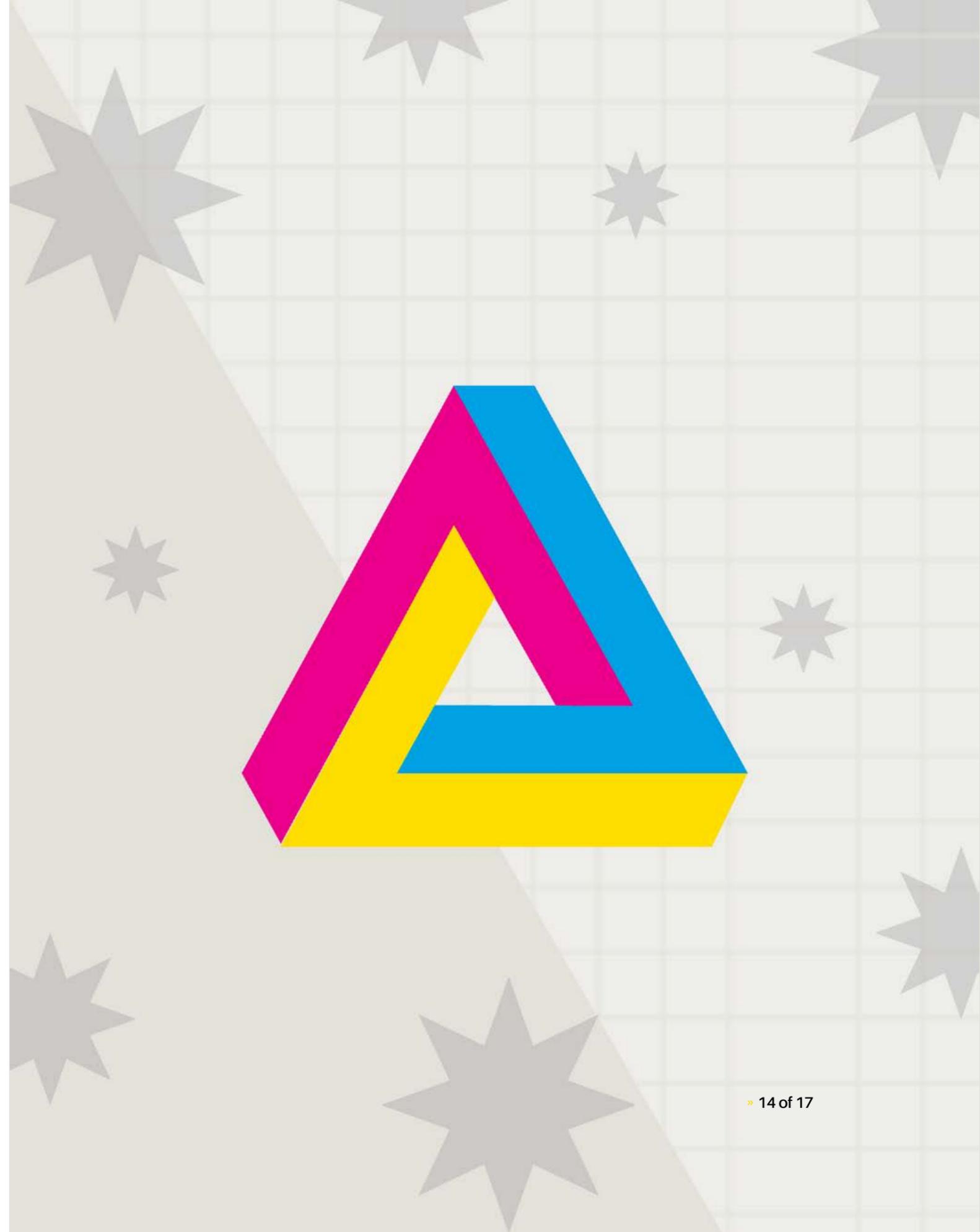
Product-focused:

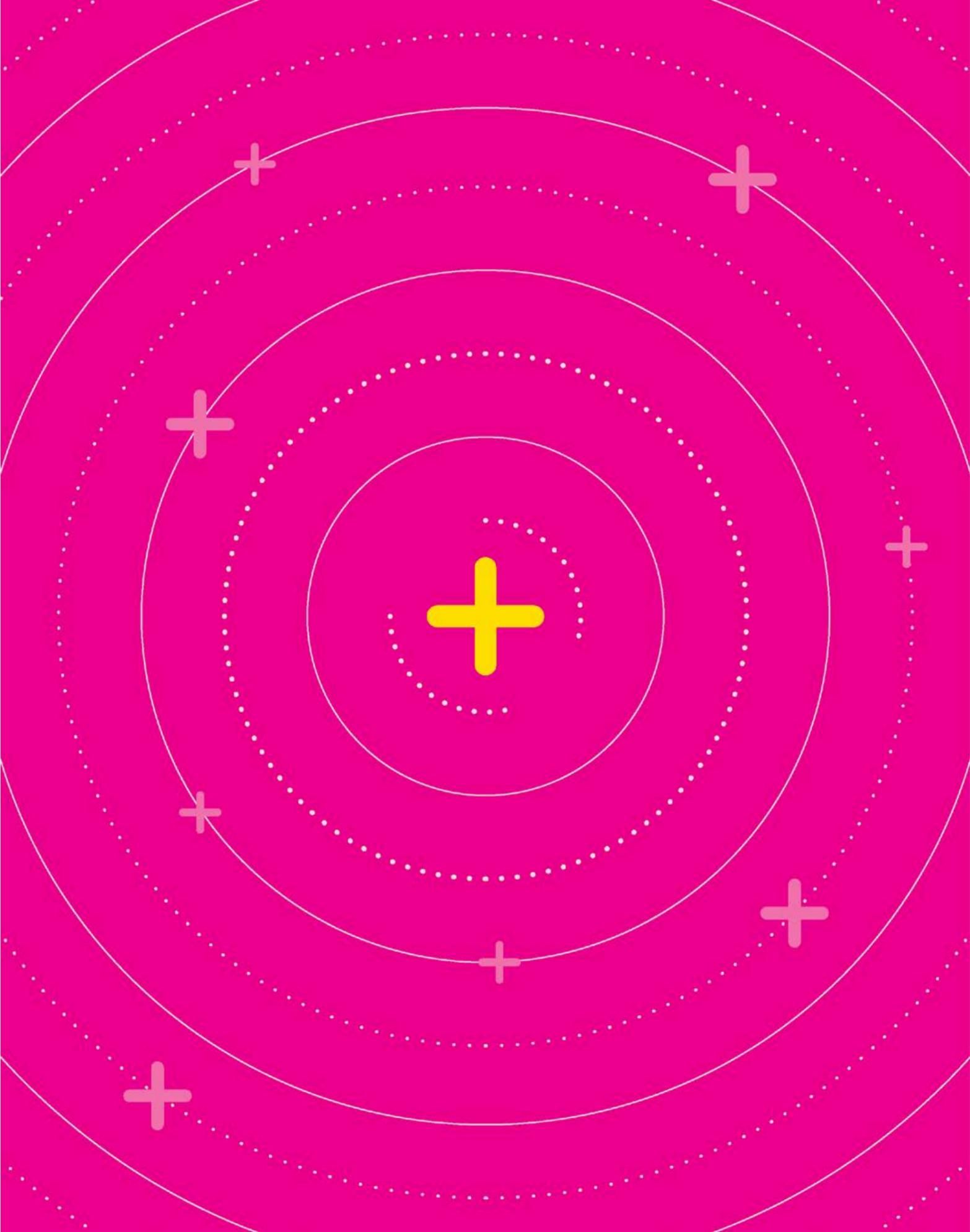
- » ACHEMA
- » World Nuclear Exhibition
- » Turbomachinery and Pump Symposia
- » Valve World Americas
- » Flow Control Exchange

Technology-focused:

- » Industry of Things World, USA
- » Smart Industry
- » Industrial IoT World
- » Connected Plant
- » IoT Solutions World Congress

You'll encounter other changes and recommendations as you penetrate the digital arena, like even more extensive use of [LinkedIn to build connections](#) with executives. Keep an open mind, try new media, and constantly measure channel efficacy so you can refine your approach.





6. Get focused.

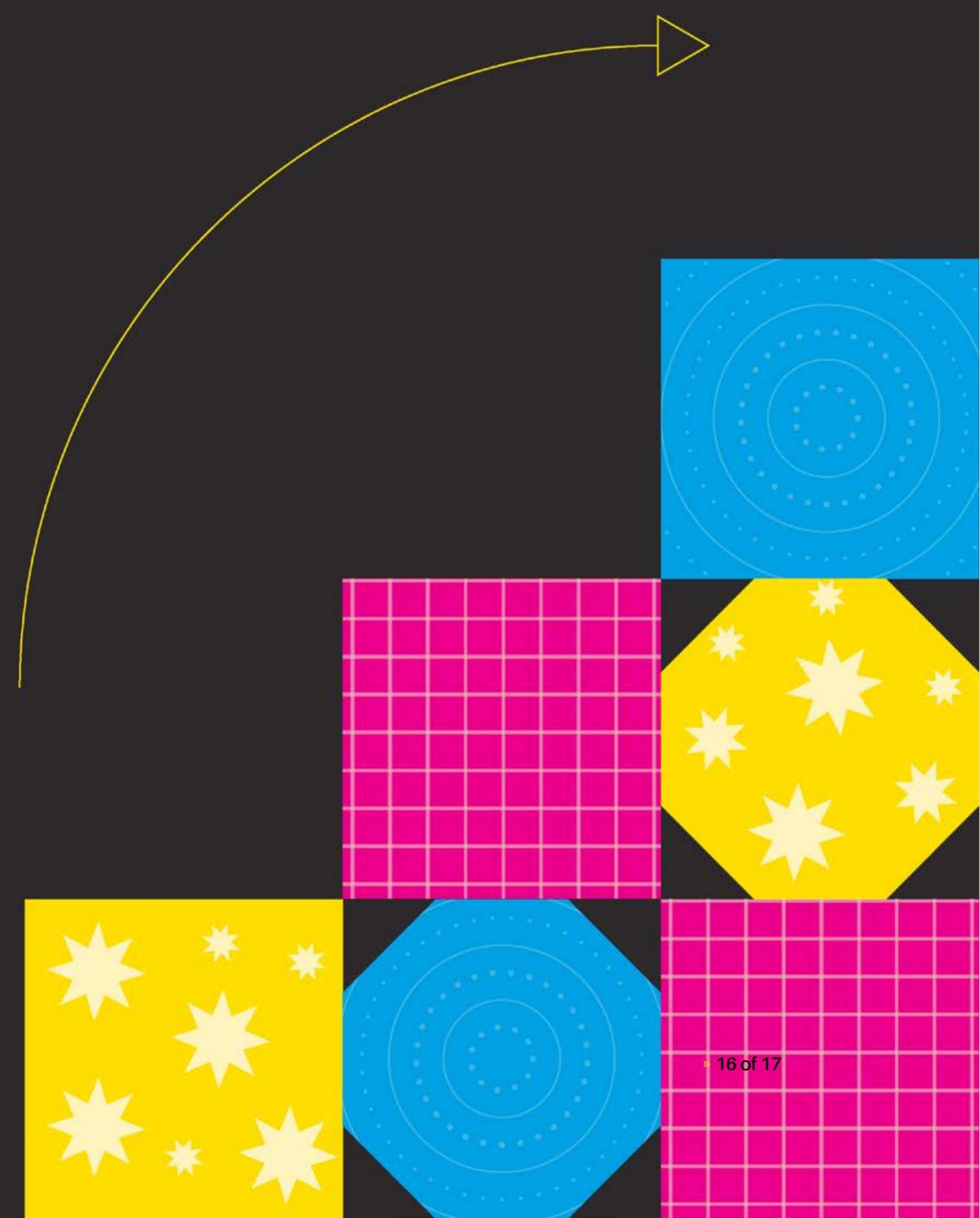
When talk turns to digital, you'll find not every customer is a customer. It's possible a smaller, more strategic group of customers might have the highest probability of adopting your new offer. Or it may be that only a few types of operations have the critical applications that are a fit for your value proposition. Account-based marketing (ABM), anyone?

ABM is the application of sound B2B marketing and content strategies applied to specific, target companies with characteristics that make them a high-probability revenue candidate. ABM incorporates personalized content and different types of marketing technologies to help identify, target and engage decision makers within those customers. It's too big a topic for this paper, but we've published an [ABM primer](#) if you want to evaluate its merits for your business.

7. Take sales support to the next level.

We noted previously that as your business transitions to digital capabilities, you'll need to be aware of the many sales challenges this creates, such as forging relationships with new audiences and making sure the sales force — direct or channel — has the requisite comfort level to engage in conversations about IT. Marketing can play a role in making this happen by being creative with its arsenal of sales support. Consider these three must-do's:

- » **Playbooks** — Product playbooks, selling guides or battlecards that describe to your sales force the selling scenarios they'll encounter can be a huge help. Put a lot of emphasis here. The best launch in the world will get zero traction if the sales channels can't communicate its value or worse, are viewed as ignorant of their new selling environment.
- » **Internal webinars** — Routinely connect internal subject matter experts with salespersons. Set a schedule for sales engineers, distributors and representatives to attend ongoing training and receive updates on the new launch. Ask successful salespersons to share wins, and discuss the ins and outs of their winning sales process so others have a clearer picture of what it takes.
- » **Publish the wins as case studies** — Your sales force needs them; your customers require them. These are what ultimately will show your viability as a digital business.





CONCLUSION

Most B2B marketers — and B2B agencies — cut their teeth on marketing for product-oriented businesses, often leaning on familiar methods for messaging, content and media strategies. For newly tooled, digitally powered businesses, B2B marketers must adopt a new paradigm: built on big, impactful concepts that invite customers to imagine a new relationship with your business, supported by novel communication channels appropriate for the digitally fluent audiences they need to impress. It's a different way of thinking; it's a different kind of marketing: the type of challenge that puts B2B marketers in the spotlight as difference-making, revenue-generating resources their businesses can count on.

And that's what it's all about.