DIGITAL STRATEGY

How to Move Forward with Marketing Trends in 2021
The collision of coronavirus, digital transformation, machine learning, and performance-based marketing has set the stage for an environment where marketers can better prove return on marketing investment (ROMI).

Technology continues to alter how we live and transact, and it will ultimately drive decisions on how we make money in the future. Management teams have to recalibrate, or they’ll be left behind.

Here’s a look at the marketing trends of 2020, how businesses can participate in the digital transformation, and ways they can adapt their plans and strategies.


In our annual evaluation of marketing trends, we turn to the bellwether of marketing spending—the CMO Study (COVID Special Edition), published by Duke University, The American Marketing Association and Deloitte.

This year, 58% of respondents were of companies with less than $500 million in revenue, suggesting a high level of relevance to private companies. There was a profound change to the marketing landscape as a result of the pandemic, and the learnings from the CMO Study were illuminating.

Marketing Spend %
The rapid adoption of digital was evident, especially in B2B. Facing a void in traditional sales and marketing approaches such as trade shows and face-to-face meetings, B2B marketers were forced to adapt.

We note that CMO Study participants are likely to spend more on marketing (as they have Chief Marketing Officers) than perhaps the average company, but the study provides a valid benchmark from year to year.

In a period of declining sales, marketing investment as a percentage of revenue increased from 8% pre-pandemic to more than 11% during the height of it. In part, companies wanted to maintain a connection between their brand and their customers.

Shifts in Investment
Given the realities of social distancing, certain sales activities will give way to marketing. Bill Gates recently estimated that upwards of 50% of business travel will be curtailed.
This leads to perhaps the key insight we can take from the study. All indications point to a continued shift from traditional sales and marketing approaches to performance marketing—which is becoming increasingly more measurable and reliable.

Unsurprisingly, it is B2B marketers who are forecasting higher spend headed into 2021. It should also be noted that services typically attract higher marketing investment because companies selling subscriptions are incented to acquire new customers who have a higher lifetime value.

It is not uncommon for SaaS (software as a service) companies to spend upwards of 40-50% of their revenue on marketing early in their life-cycle. As a larger proportion of our economy shifts to the cloud, marketing as a percent of revenue is likely to grow.

Tracking Customers
Similar to last year, customer relationship management is also growing at a healthy clip given the rise of marketing automation. Today, the marketer has the luxury of tracking the movements of a visitor through their website, picking up snippets of data about them along the way. By the time a prospect engages with a salesperson, they are armed with significant information about the customer’s preferences.

Based on a prospect’s behavior, messaging can be tailored to the customer’s needs throughout their customer journey. Specific statistics aimed at boosting conversion and customer lifetime value can be measured to improve performance. The trend toward targeting will only magnify shifts toward specialized product offerings.

Thus, the promise of performance marketing is to create sustainable predictable revenue. Our best clients can predict their revenue months in advance.

Testing Tactics
Testing can be used to unlock value by isolating the tactics that get the greatest return. The next frontier will be machine learning and artificial intelligence, capable of interpreting customer movements and changing everything from photographs, descriptions, placement, and promotions based on real-time data.

Shockingly, only about one in three marketers today is taking part in A/B testing. Once a marketer has identified an ideal market, customer, and product, they can disproportionately deploy resources to optimize the results.

For example, the marketer can get a greater return on a search string such as “school construction California” than “construction.” They could also isolate spend on trade shows, testimonial videos, and white papers about that
niche and amplify positioning as an expert in that specialty.

**Changes in Focus**

Marketer focus is also shifting toward client-facing technologies. In some cases, the pandemic completely altered how companies go-to-market, often shifting away from activities that require human interaction. Technologies such as chatbots that drive self-service are gaining momentum. Whenever possible, companies are replacing people with machines.

Marketers are also utilizing multiple modalities to influence prospects and customers. While B2C companies are gravitating to Instagram and Facebook, B2B companies are focusing on blogs and LinkedIn for influencer marketing. LinkedIn has emerged as a favorite for B2B marketers who can build online events, target based on specific search terms, start online user groups, and build their database en masse.

Consumers are searching for brands they can trust; 79% of them acknowledged marketers’ attempt to “do good.” While many big brands took a stand in 2020 on various issues, only one in five marketers think they should be taking positions on sensitive political issues.

**Digital Transformation: Ways for Businesses to Participate**

One lesson we learned from the pandemic is the need for a new construct and mental model for technology.

Here are eight ways for businesses to participate in the digital transformation.

**Build the Necessary Resources**

The IT departments of tomorrow need to have the capabilities to build custom applications, including those used by marketing to manage customer interactions and conversion. Marketing departments will have to be digitally savvy and capable of managing SEO, influencer marketing, video, and mobile.

**Map the Customer Journey**

Every sales and marketing team should map each step of the customer journey and understand what information should be delivered at every touchpoint. Further, sales and marketing should agree on which roles shepherd which responsibility every step of the way.

**Publish Performance Statistics**

Sales and marketing key performance indicators (KPIs) should be published as a predictive indicator of demand. By building a culture of transparency, you bring your employees along for the ride. If you don’t share financial information, find shareable measures that will give employees a sense of the pulse of your business.

**Be Targeted With Content**

Today’s drip campaigns should be organized by specific targets based on what the marketer has learned about them. Put yourself into your
target users’ shoes to know their needs and wants. Make sure that people will gain insights and answers through the content that you will provide them.

**Test & Measure Effectiveness**

Know thy numbers. Every company should know its cost of acquisition, conversion rates, and lifetime value. Use A/B testing to evaluate what works. The more times you test something, the greater your chances of accuracy. Learn which levers you can pull with precision.

**Help Hire People Who Will Contribute to Success**

Employer branding was hot before the pandemic and will be hot again. Carve out a part of your marketing team to support HR in employer branding. Each of your employees is a brand ambassador. With each employee, you have the opportunity to improve your ability to retain talent and acquire new talent.

**Use Marketing to Influence the Customers You Already Have**

Increasingly, marketers are looking to create a level of connectedness to their existing customers. The need for the comfort of known brands was magnified during a time when people were motivated by fear. Use facts to reassure your audience that your brand is the one to be trusted during times of chaos.

**Be Prepared for the Dip & the Rebound**

As COVID-19 persists, companies will have to provide digital solutions. But those who are successful should see a rebound effect in the spring, as they experience double-digit increases against a soft quarter last year. Best-in-breed companies will continue to invest so they can isolate opportunities and be prepared for the upswing.

**Digital Adaptation: Ways to Alter Your Marketing Strategies**

The good news is that many companies are finding innovative ways to not just survive, but thrive, in the current business landscape.

These positive changes seem to be here to stay: In a recent survey of marketers, 96% reported that their organization’s marketing and service innovations will continue after the crisis subsides.

Companies that can effectively strategize, innovate, pivot, and execute can more easily position their businesses for success in an ever-changing outlook.

Here are three areas of your marketing strategy you can adapt to make the most of turbulent times.

**Strategy 1: Shift or Expand Your Offering to Work With the Market**

New or different products, services, and offerings may be more appealing in the current landscape.

While you may think of marketing as strictly dependent on the product and service offering, the two are interlaced: the market, buyers, and messaging inform and shape the offering, especially in times of change.
While online-only experiences have quickly become the norm, savvy business leaders are further reworking, refining, or reimagining their product and service offers to fully embrace the realities of the market shifts.

Many companies have had success by pivoting or extending to a new offering altogether. This isn’t to say they started from scratch, but they were able to use the foundations of their existing offerings to build something new and valuable to address new customers or current customers facing new challenges.

For example, a newly launched startup with an AI-powered crowd control solution launched just before the pandemic. The absence of large in-person events might have been devastating for the company’s growth. But instead, they were able to quickly pivot the product and positioning to assist with reopening plans for universities, sporting events, and more.

Whether it’s a new use for your core capabilities, a changed or added feature that helps support your customer, or a new offering altogether, a company that can meet a need now with an eye towards the future has a unique opportunity to position itself at the core of the new normal.

Keep in mind this direction needs to be carefully thought out: what’s the level of investment to develop something new to address a market need that may not be the same a few years into the future?

Questions to Ask Yourself

• What problems does my target audience (or a new audience) have that my company can solve?

• What technologies, processes, products, or skills does my company have that could be repurposed to meet a need?

• What are the levels of effort, investment, and timing that will affect this shift?

Strategy 2: Reposition Your Messaging
Changes in messaging can help companies resonate better with their new or existing target audience.

While many companies ran crisis-focused campaigns at the start of the pandemic, successful companies are refining or changing their overall messaging strategy more permanently.

About 45% of marketers surveyed report that they have changed their overall messaging to be more customer-centric. This value-based messaging is always best practice, but it’s proving to be even more critical right now in the complex, uncertain market.

Companies that previously could get away with straightforward “features and functions” sales and marketing messaging now have little choice but to focus on the business value of their product: how does your offering fill a void that your target audience has right now?
Going through a messaging exercise helps you nail down who your target audience is, what they want and need to hear, and how your company talks about itself to meet that need. This is especially critical if your company has already implemented Strategy 1. Most changes or additions to your offering or your target audience will require a shift in messaging.

Questions to Ask Yourself
- Have I clearly articulated what void my current and prospective customers are facing, and how my solutions meet that need?
- What do my current and prospective customers want to hear from me right now?
- How can I talk about my company in a way that resonates and helps to solve real business issues, given the current climate?

Strategy 3: Review & Select Your Key Marketing Channels

New or changed tactics can help build traction in times of uncertainty.

Marketing channels, tactics, and best practices change frequently even in the most stable of situations, so it comes as no surprise that many companies are trying—and benefitting from—new techniques. What has worked before may not be as effective now, especially if you're pursuing a new target audience.

A great example of this is the shift to digital lead generation for those that previously relied heavily on events and in-person selling. Webinars on many topics are flourishing. One platform recently reported a 330% increase in the number of webinars and double the average number of attendees over 2019 numbers.

This year, we've seen in-person national events either canceled or held virtually, and events may continue to be virtual for some time. However, you don't always have to make a hard sales pitch to attract leads.

People are looking for connections right now, and business leaders can meet that need with thought leadership and participatory events such as LinkedIn Live, virtual town hall forums, and Twitter Chats.

Since most people are spending more time on social media and online than they did previously, creating engaging, evergreen content and advertising on social media can help you reach your audience quickly and maintain an ongoing following.

Frequent-flyer executives are now firmly planted at their desks, so now might be a great time to send a targeted email campaign to customers or prospects or give them a call to connect. Then, stay in front of them regularly as their world returns to normal.

Having your marketing team refocus digital efforts in some of these ways can help you to capitalize on your customer’s changed behavior.
Frame a strategy that works now and sets you up to successfully attract new prospects and keep current customers on board.

Questions to Ask Yourself
- Where is my new or existing target audience getting their information right now?
- What information can I provide that my audience will find useful?
- Are there new approaches I haven’t tried yet?

Digital Strategy: Moving Forward With Marketing in 2021
While no one knows for sure what the business landscape will look like going forward, the importance of a marketing strategy is one thing that isn’t going away.

With a focus on innovation and a little creativity, businesses can create a real opportunity for themselves in the next new normal by embracing digital trends.

It’s time to focus on the future—now that the year we’d like to forget is behind us.

To a better year ahead.

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