

The Marketing In Manufacturing Survey Report

2020/2021

intergagage[®]
Evolving B2B Marketing

THE MANUFACTURER

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Foreword

Welcome to the 2020-21 first edition of the Annual Marketing in Manufacturing Report, researched and delivered by Intergage in partnership with The Manufacturer.

Following the year we have had in 2020, it would not be a stretch to say that this has been one of the most challenging trading periods of all time. Faced with the uncertain prospect of Brexit for a third year in a row, and coupled with the devastating effects of Covid-19, businesses in all sectors have struggled in one way or another.

However, Britain is a nation of manufacturers and innovators. So while these issues present huge challenges to the industrial sectors, those who continue to reinvest and create brilliant products will always have a market.

Digital marketing has made it easier than ever to find a target audience in any market, anywhere in the world. The wider adoption of virtual tools means salespeople can now attend twice as many meetings as before while attending online exhibitions – without needing to travel at all!

This mixture of new challenges, opportunities to adapt and the ‘new normal’ makes for interesting questions on how business development and marketing are shaping up in the industrial sectors:

- How will budgets change following the challenges in 2020 and early 2021?
- What are industrial businesses investing in when it comes to marketing and business development?
- Are industrial organisations meeting their business objectives with the support of marketing?

These are all questions we look to answer in this report.



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Key Report Findings

63% of manufacturing businesses consider marketing a high priority.

61% of manufacturing businesses rate organic social media promotion as the most successful marketing activity.

80% of manufacturing businesses will invest in content marketing over the next 12 months.

42% of manufacturing businesses will increase their marketing budgets in 2021.

Introduction

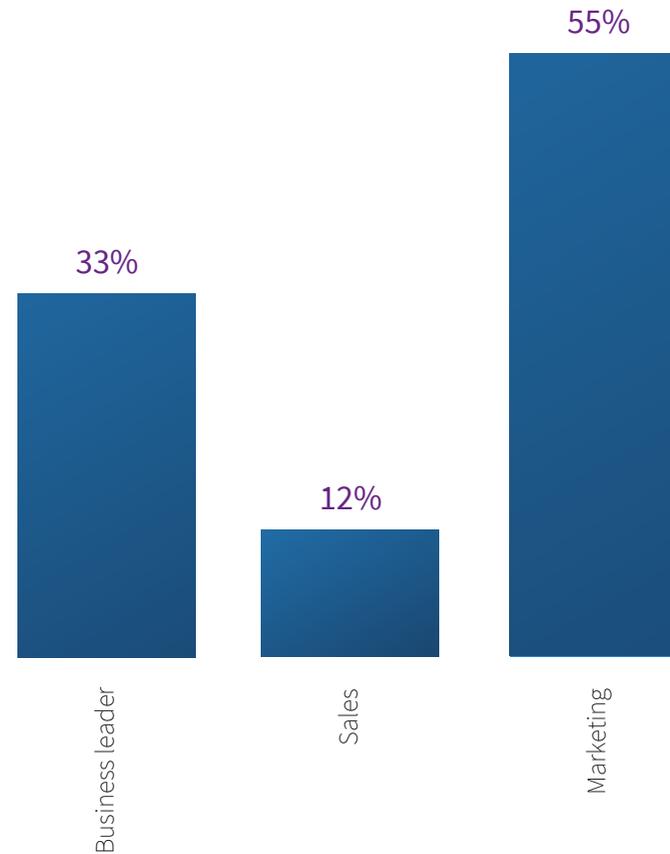
This report is based on a survey of manufacturing and engineering businesses carried out by Intergage and The Manufacturer between September and December 2020. The purpose of the report is to determine how manufacturing and engineering businesses feel about marketing and business development.

Methodology

We asked survey respondents to categorise their job function as business, sales or marketing leaders so we could identify differences in opinions between the three key personas and see how these teams make buying decisions and measure key marketing results.

Due to rounding, not every graph will add up to 100%.

Job Function



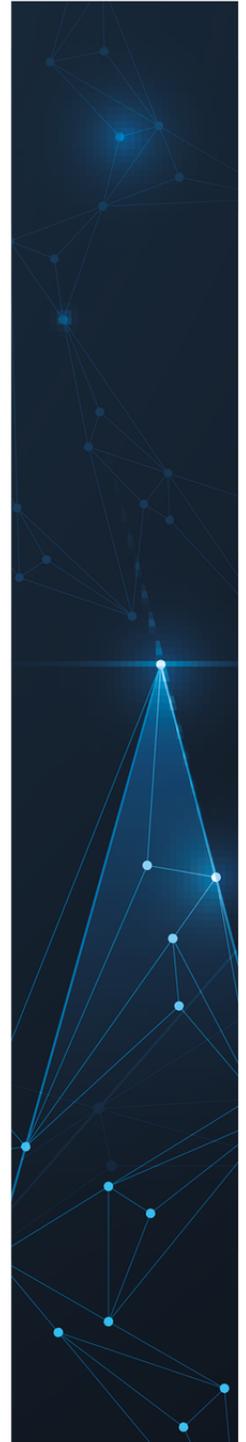
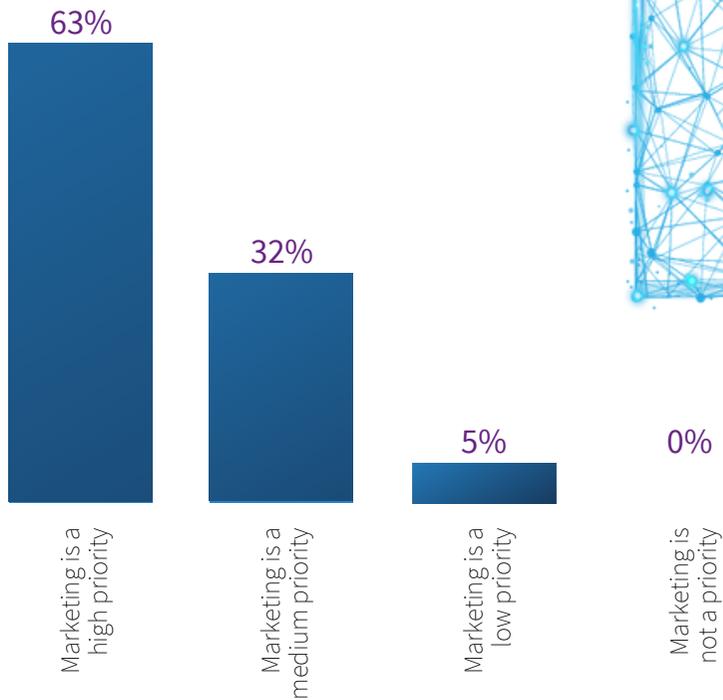


Attitudes Towards Marketing

Attitudes Towards Marketing

The general attitude towards marketing in the industrial sectors is positive with 63% of business citing marketing as a 'high priority' and only 5% considering it a 'low priority'. This correlates with the [Content Marketing Institute's recent report](#), which revealed a 20% rise in the number of manufacturing businesses with documented marketing strategies.

Attitude Towards Marketing

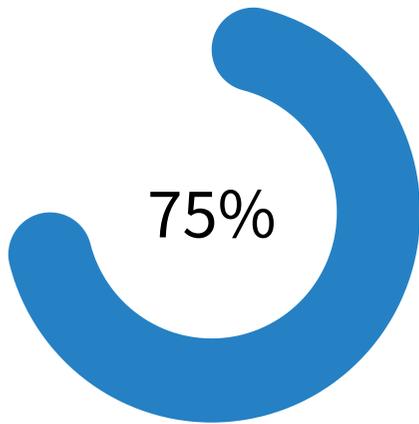


Attitudes Towards Marketing

Naturally, marketers were among the majority vote of those categorising marketing as a 'high priority'. However, 75% of business leaders consider marketing a 'high priority' – meaning the department has the backing of senior leaders in most cases.

However, only 29% of salespeople believe marketing to be a 'high priority' with most (57%) considering it a 'medium' priority. This indicates a potential disconnect between sales and marketing teams in the industrial sectors: a problem we come across all too often when speaking to industrial companies.

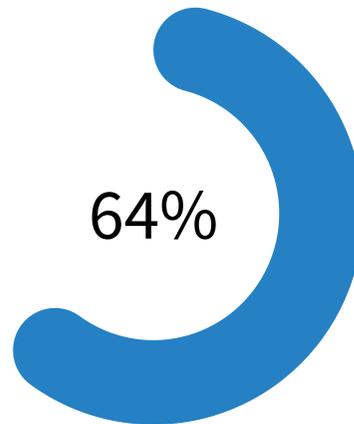
Attitude Towards Marketing By Job Function



of business leaders consider marketing a high priority

HubSpot reveals that more than 50% of the success of a social selling ecosystem starts and ends with marketing. While businesses seem to be progressing with more aligned sales and marketing teams, there are three main reasons that misalignment persists:

- C-suite progress is slow to move downstream. While 82% of senior marketers now have goals that are directly tied to revenue, other team members do not.
- Personality differences – sales and marketing people are very different; often marketers see quota-carrying roles as a risk while salespeople see this as an opportunity.
- A difference in focus – marketers look to engage with buyers on a more conversational,



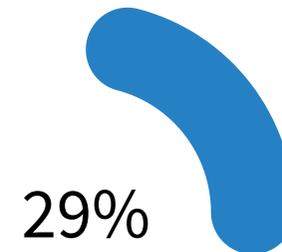
of marketers consider marketing a high priority

strategic level, whereas salespeople tend to be focused on more transactional selling.

These form only a small number of marketing challenges for our engineering and manufacturing businesses.

What is social selling?

Social selling is about leveraging your social network to find the right prospects, build trusted relationships, and ultimately, achieve your sales goals. This sales technique enables better sales lead generation and sales prospecting process and eliminates the need for cold calling. Building and maintaining relationships is easier within the network that you and your customer trust ([LinkedIn](#)).



of salespeople consider marketing a high priority



Attitudes Towards Marketing

When asked what their three most significant marketing challenges were, respondents said the most prominent were:

- targeting the right audience
- creating enough high-quality content (a resources issue)
- measuring success and ROI
- not having the relevant skills or internal resources.

This is common within the industrial sectors, with resources being the root cause of two of the top four challenges. This is likely to be why 64% of industrial marketers outsource at least one content marketing activity ([CMI](#)).

Around 27% of the typical B2B buyer journey is now taken up by researching independently online ([Gartner](#)) so there is more pressure than ever to

ensure industrial businesses have the content ready and waiting for prospects that are researching.

Marketing departments are now overworked (and often under-resourced) as they aim to keep up with the requirement for content from B2B buyers. And yet, sales teams frequently complain about a lack of leads. So it is hardly surprising that creating enough high-quality content and not having the relevant skills or internal resources both appear among the most prominent marketing challenges.

Industrial buyers want to self-serve. They're empowered by 24/7 access to online information. They don't want to speak to salespeople until they have conducted their own research – on their terms.

That puts more pressure on marketing departments to create a continuous stream of content at the right time, in the right tone and for the right audience.

Most Significant Marketing Challenges (Top Three)



Attitudes Towards Marketing

Measuring success and return on investment was also a key challenge for respondents – particularly with marketers and salespeople. This is not the first time we have seen this pattern. A [2018 report by HubSpot](#) revealed that as many as 39% of marketers say attributing ROI to their marketing activities was their top marketing challenge. That same report in 2020 revealed that 35% of marketers felt that understanding the ROI of their campaigns was ‘Very Important’ or ‘Extremely Important’.

Traditional forms of marketing such as events and print are difficult to measure and, in some cases,

even measuring the success of digital marketing presents a challenge. Particularly as many businesses have adopted multiple, disparate digital marketing and measurement technologies that do not talk to one another.

Adopting a more integrated approach is key. The likes of marketing automation systems and linking websites to CRM systems gives industrial businesses a much clearer picture of how their marketing contributes to the bottom line.

These systems also offer remedies to overworked, under-resourced marketing departments,

allowing them to automate tasks and make the sales and marketing production line more effective.

We’ll see how engineers and manufacturers plan to adopt this technology in the next 12 months later in this report.

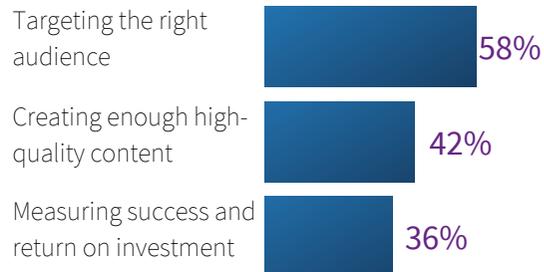
Most Significant Marketing Challenges (Top Three)



Salespeople



Marketers



Business Leaders



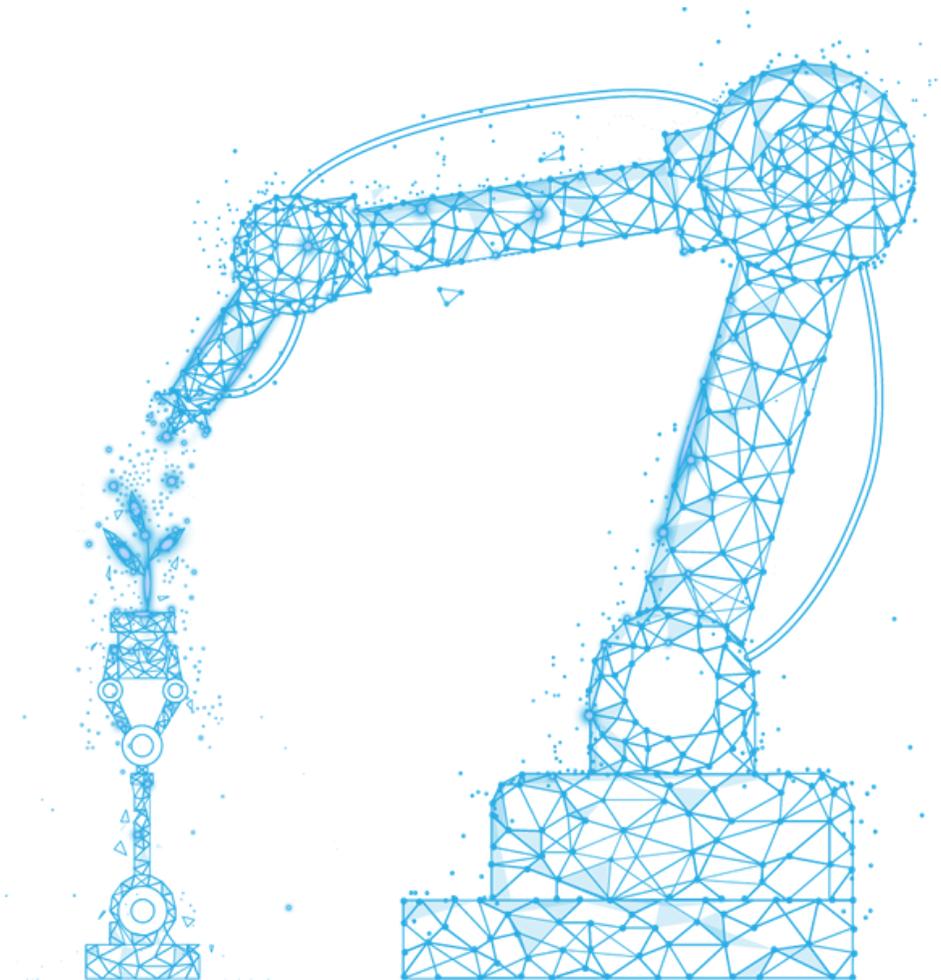
Attitudes Towards Marketing

It is also interesting to note 'a lack of strategy and planning' within the top three marketing challenges that business leaders face.

For long-term success, marketing strategies should be directly informed by the overarching business strategy. However, research shows that 50% of SMB owners do not have a formalised marketing strategy or goals ([Agility PR](#)). On top of this, 86% of executive teams spend less than one hour per month discussing strategy ([OnStrategy](#)). These alarming statistics demonstrate that a lack of input from senior leaders can lead to poorly executed strategies or a complete lack thereof!



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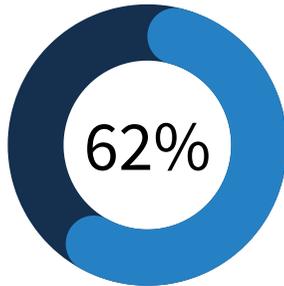
Marketing Activities

Marketing Activities

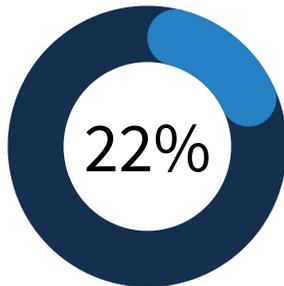
When asked about the split between digital and offline marketing spend, 62% of respondents said they invested in 'majority digital', while 22% said the split was 'equal or similar' between the two.

Only 13% reported the majority of their budget going to offline marketing activities.

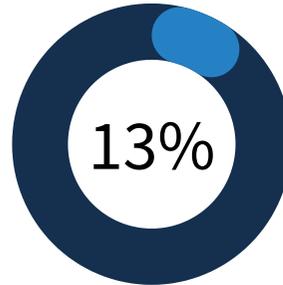
Marketing Budget Split Digital vs. Offline



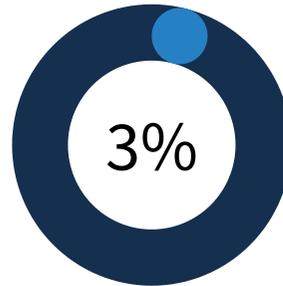
Majority digital



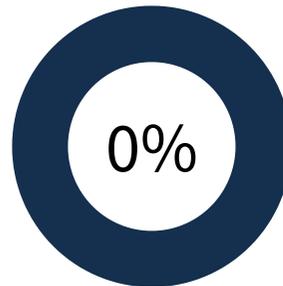
Equal/similar



Majority offline



We don't undertake digital



We don't undertake offline



Marketing Activities

This shows the increasing importance placed on digital practices as the shift towards online spills into industrial B2B activity. In fact, 27% of the B2B buyer's journey is now spent independently researching online, and only 18% is spent researching offline ([Gartner](#)).

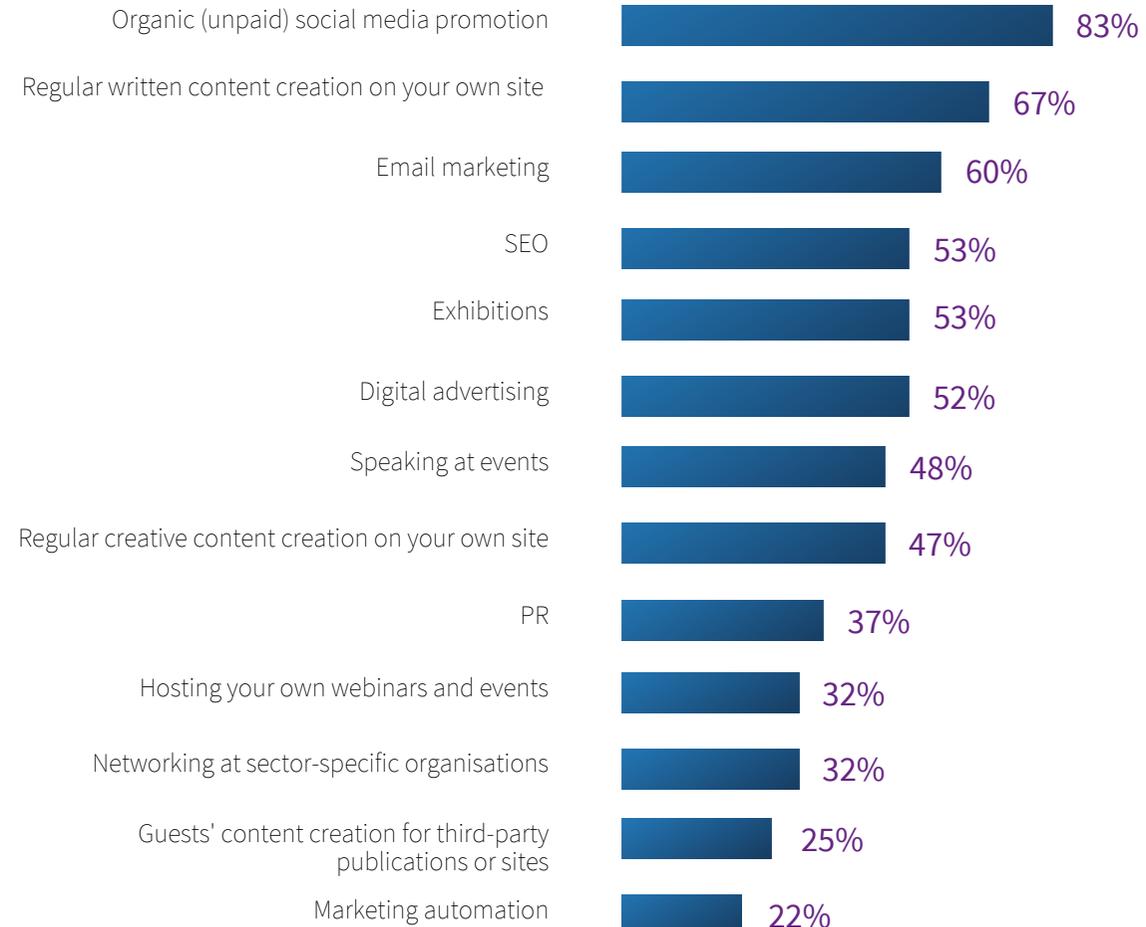
This may well have also been influenced by the Covid-19 pandemic. Industrial businesses which previously invested heavily in attending exhibitions and networking events now have more budget to spare on reaching decision makers in their own homes through digital marketing.

27%

of the B2B buyer's journey is now spent researching independently online.

When it comes to the specific marketing activities carried out by industrial businesses, organic social media promotion was the most popular activity over the last 12 months by a considerable lead: 83% of respondents have been using social media, indicating a competitive traffic channel with most industrial companies having a presence.

Marketing Activities Carried Out In The Last 12 Months



Marketing Activities

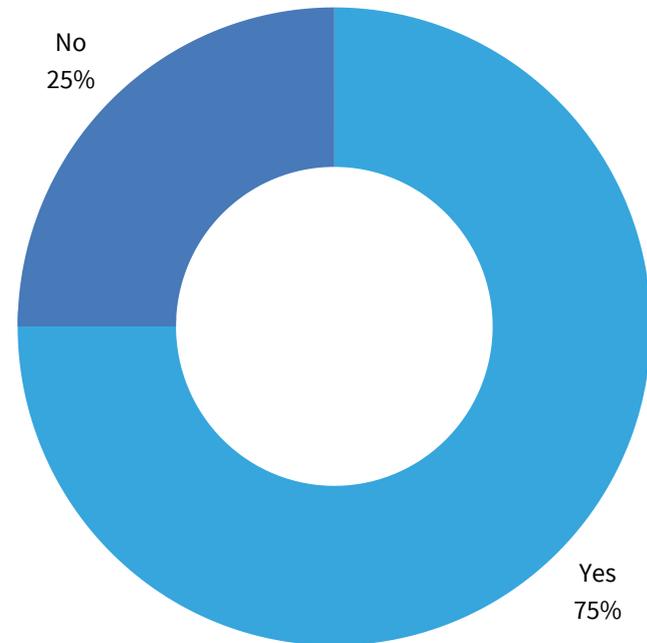
Behind organic social media is regular written content in the form of blogs or white papers with 67% of respondents investing, followed by email marketing (60%). Again, the push on digital marketing is present. However, there are some offline marketing activities – such as speaking at events and exhibitions – which are still popular among respondents.

It is interesting to note that marketing automation received the lowest level of interest: only 22% of respondents invested in marketing automation over the last 12 months.

Could this indicate that the industrial sectors are late to the party? Across the board in B2B business, 75% of respondents to SMT's 'State of Automation' survey had adopted marketing automation, and 66% of those who used it said the tools had been either 'moderate' or 'very' effective ([SMT](#)).

Considering the lack of resources issue highlighted earlier in this report, it is surprising that more industrial businesses are not automating some of their marketing. It would free up resources and be more effective – just like a production line.

Does Your Business Currently Use Automation Tools?



[SMT](#)



Marketing Activities

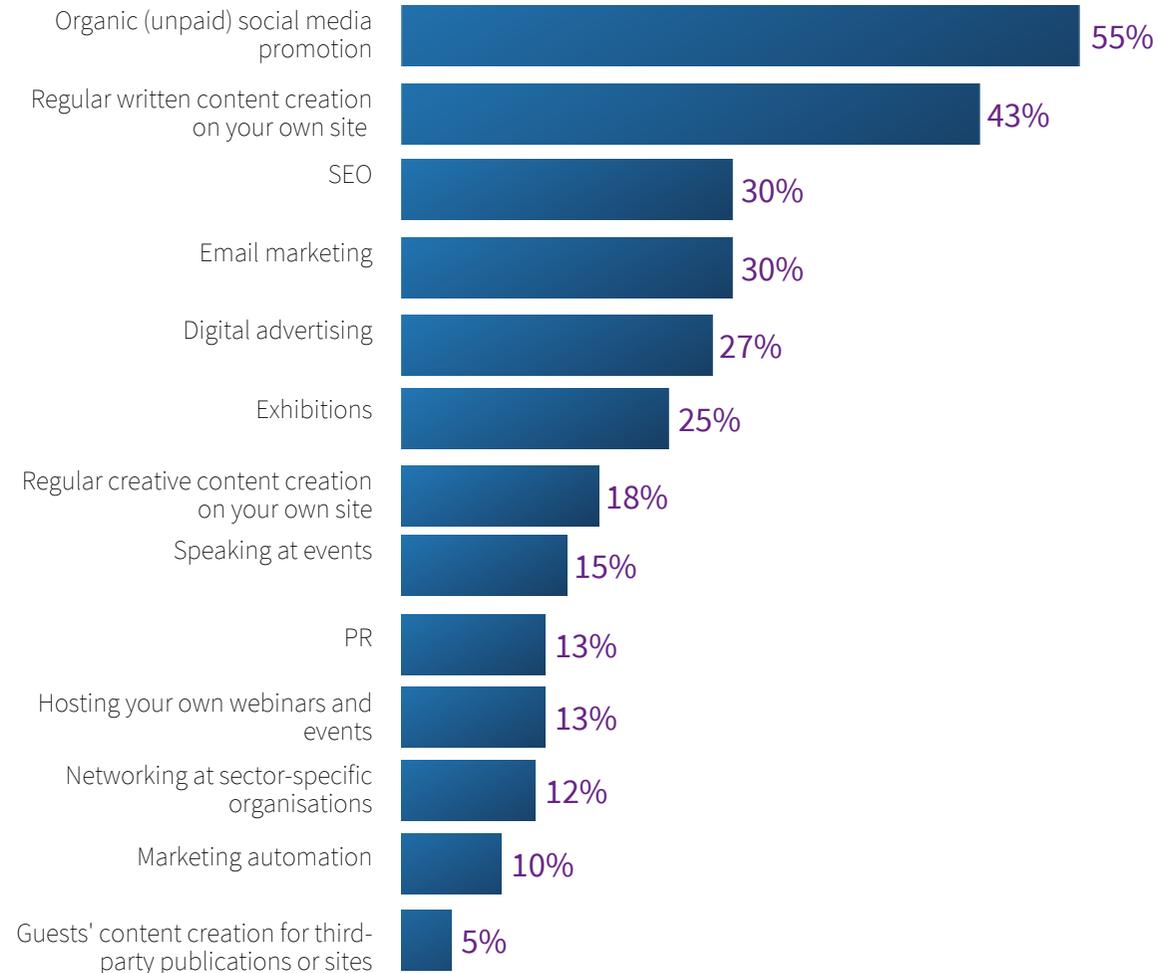
It's all very well looking at what industrial businesses are investing in – but what is generating real results?

It appears that companies within the industrial sectors are getting the most results from organic social posts, with 55% of all respondents stating this as their most successful activity over the last 12 months.

This correlates with the CMI's 2020 marketing in manufacturing report, where a massive 92% of respondents said their most used content type was social content (anything from a tweet to Instagram Stories). This is usually top-of-funnel marketing activity which allows companies to gain interest and build brand awareness. Unsurprisingly then, the same report states that 50% of all marketing activity is aimed at this part of the funnel, with additional stages receiving far less focus.

However, adopting social media promotion requires a thorough understanding of one's personas, the types of content they want to be exposed to and which channels they are present on. All too often businesses spread themselves too thinly across every social platform they can. In reality, investing in one platform and doing it well yields much better results.

Most Successful Marketing Activities Carried Out In The Last 12 Months



Marketing Activities

The second most successful marketing activity was regular written content uploaded directly to the site, in the form of blogs or white papers. Incidentally, content creation is the largest outsourced activity, according to the [CMI's report](#). It found that nine-in-10 of companies which do outsource, outsource content creation.

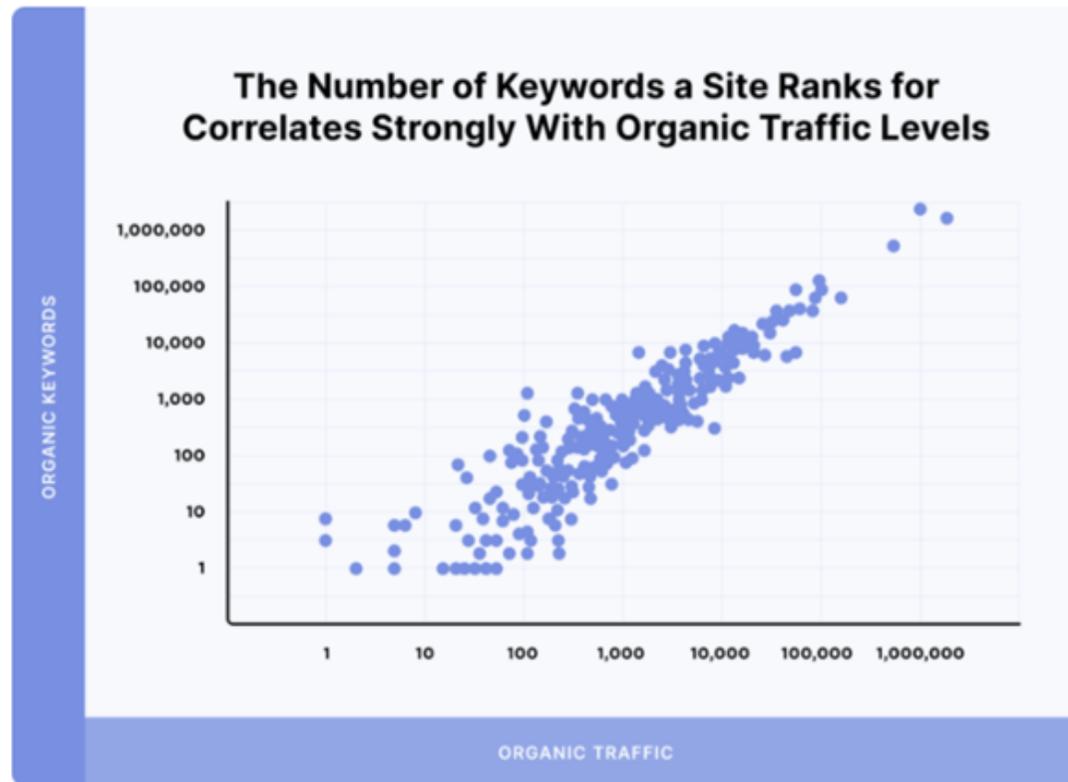
It's easy to understand why when you take into consideration [HubSpot's finding](#) that B2B companies that blogged more than 11 times a month had almost three times more traffic than those which blogged 0-1 times a month. In fact, [Backlinko](#) found a direct correlation between the number of keywords a site ranks for and the level of organic traffic, making this kind of activity an integral part of any industrial marketing strategy.

The least successful marketing activity was guests' content creation for third-party publications or sites, with only 5% of all industry professionals stating they saw success through this type of content. This could be down to:

- not partnering with the right sites for the target audience
- a lack of promotion for the content created.

Once again, organic social media promotion seems to be bringing the most success (as reported by marketing professionals in the industry) with regular organic content being a close second.

Unsurprisingly, marketers hold their SEO efforts in high esteem, with 45% of respondents agreeing that this was the most successful activity for them.



Graph: [Backlinko](#)

Interestingly, salespeople thought SEO was one of the least successful marketing activities, alongside digital advertising and PR. All these marketing strategies received 0% from this job function. Instead, guests' content creation for third-party publications and exhibitions were where the salespeople found the most success from marketing activity. Overall, this activity was in last place.

Salespeople attribute a lot more success of the marketing to in-person activities such as networking and hosting events.



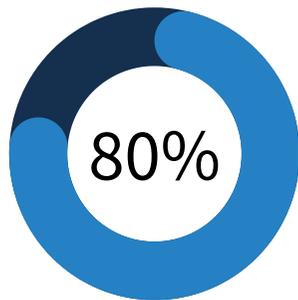
Marketing Activities

This goes some way to highlight the discord between the sales and marketing departments in the industrial sectors.

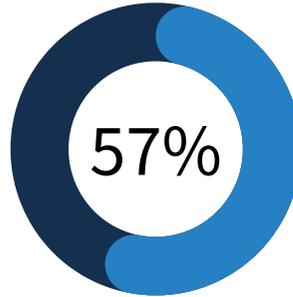
Just over half of business leaders believed once again that social media promotion was the most successful marketing activity. Regular written content was the second most successful activity in business leaders' eyes.

Far lower on the list of successful marketing activities for the business leaders was infographic and video content creation and marketing automation, both receiving only 5% of votes.

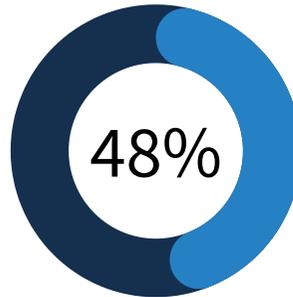
Methodologies and Technologies To Be Invested In Over Next 12 Months



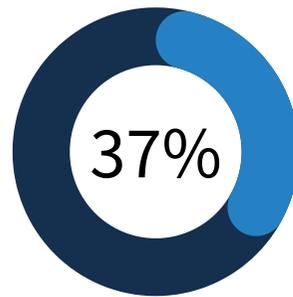
Content marketing



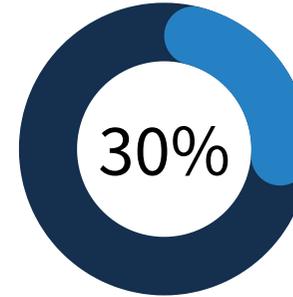
Website design



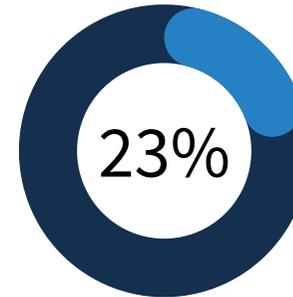
CRM



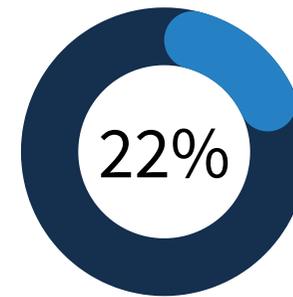
Marketing automation



Virtual events



Ecommerce platform



Account-based marketing



Marketing Activities

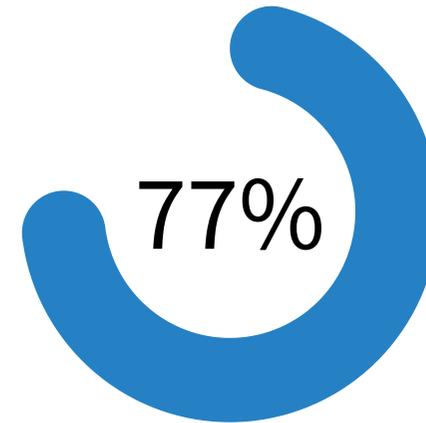


The clear winner, and running theme within these responses, was content marketing. A huge 80% of respondents said they would invest mostly in content marketing for the next 12 months. This suggests that content creation may again be the most outsourced marketing activity this year.

According to the CMI's marketing report, only 40% of respondents take into consideration the buyer's journey when creating content for the site, but those that do spend 50% of all content creation on the first stage of the buyer's journey (the awareness stage). This suggests a lack of content for prospects who are closer to the later stages, and indeed users who have become customers.

Web design was the second most popular activity that will be invested in over the next 12 months, showing a desire to improve the overall user experience for site visitors. [A Gartner study](#) shows that 77% of respondents stated their last B2B purchase was 'very complex or difficult'. Improving user experience online will help the buyer's journey since online research has become such an important factor.

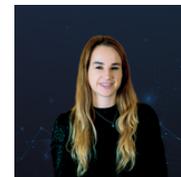
Account-based marketing and e-commerce platforms will be receiving the least investment over the next 12 months, and 13% of respondents will be investing in 'other' marketing activities.



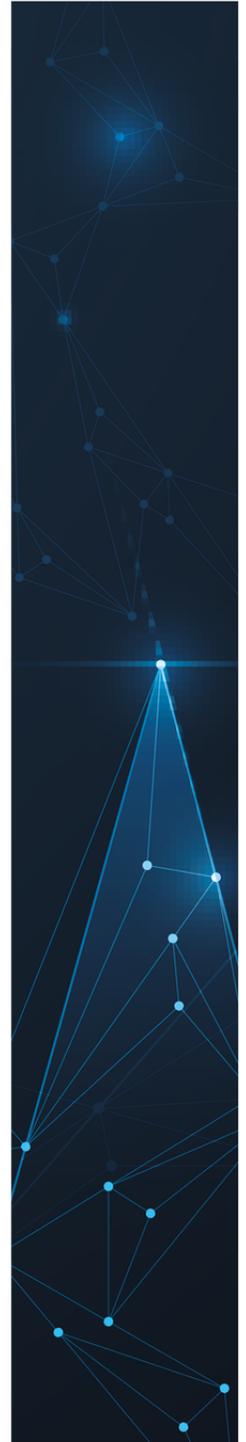
of B2B buyers stated that their latest purchase was very complex or difficult ([Gartner](#)).

Considering the bottlenecks caused by a lack of internal resources, it is surprising that only 37% of respondents said they would be investing in marketing automation over the next 12 months.

There is clearly a huge opportunity for industrial businesses to make their marketing more effective and efficient. Companies that choose to invest will gain a big advantage over competitors that are slow to exploit the new technology.



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Marketing Budgets

Marketing Budgets

We asked respondents to give us an indication of the value of their marketing budget as a percentage of turnover. Most (73%) engineering and manufacturing businesses invest 5% (or less) of their annual turnover while only 3% invest more than 20% of their turnover.

Subsectors, profit margins and market size all influence how marketing budgets are distributed. But one thing all these industrial businesses have in common is the need to make the marketing budget affordable to the business. In turn, forecasts and business plans need to be in line with the amount of money set aside for marketing.

This is where we often see the disconnect. If a business doesn't know how much it costs to obtain an ideal customer, how can a marketing budget be set to acquire more in the future?

Ultimately, there are five things that should inform an organisation's marketing budget:

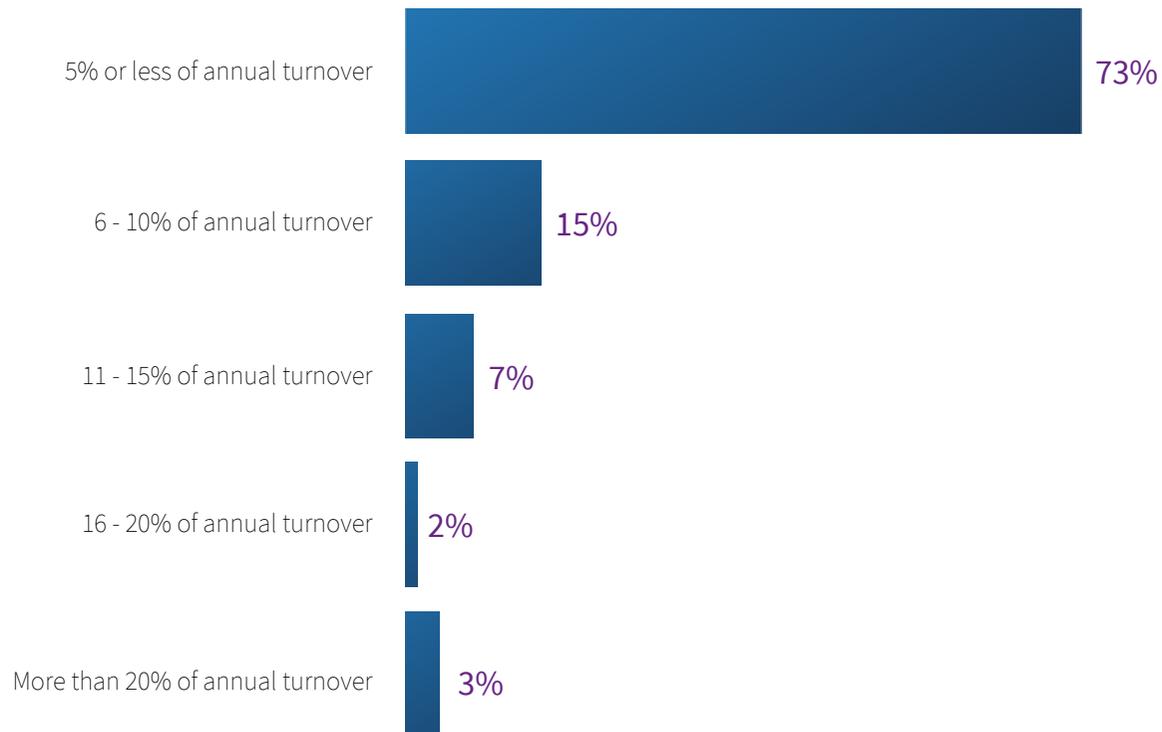
- average number of monthly leads
- leads-to-opportunity conversion rate
- opportunity-to-customer conversion rate
- average sale value
- average customer lifetime value.

Once these metrics are identified, it becomes the marketing department's job to improve them by driving the cost of customer acquisition down and lifetime value up.

All too often, the marketing budget line is added to the business plan in isolation – without considering the true needs of the business. Marketing is considered a cost or an overhead that can be reduced at the first sign of stormy weather.

But what will that cost industrial businesses?

Split Of Marketing Budgets



Marketing Budgets

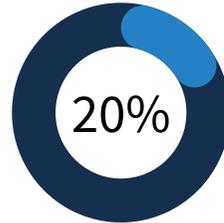
When it comes to how organisations feel about their marketing budget, 45% said they were investing enough in marketing. However, 20% said they were unsure of their returns.

Taking the previous points into consideration, if a business is not sure of its returns, it cannot be sure it is spending enough (or too much) on marketing.

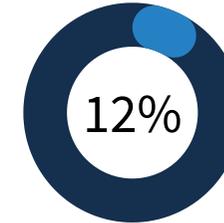
Significantly, 50% of industrial businesses felt they should be spending more on marketing. This links well with 42% of respondents planning to increase marketing budgets in the next 12 months. This is positive, considering the barriers the industrial sectors have been up against in the form of Brexit and Covid-19.



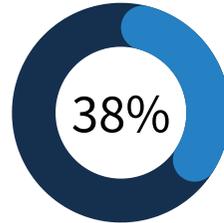
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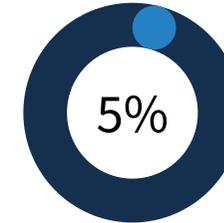
We invest a lot in marketing, but we are unsure of our returns



We suspect that we should be doing more marketing but are unsure how to invest



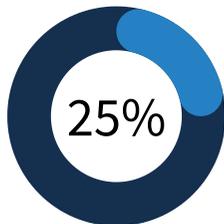
We know we should be investing more in marketing



We invest too much in marketing and should reallocate that spend

Outlook On Marketing Budget For 2021 Compared With 2020

Attitude Towards Marketing Budget



We invest a lot in marketing, and we know it works





Measuring Results

Measuring Results

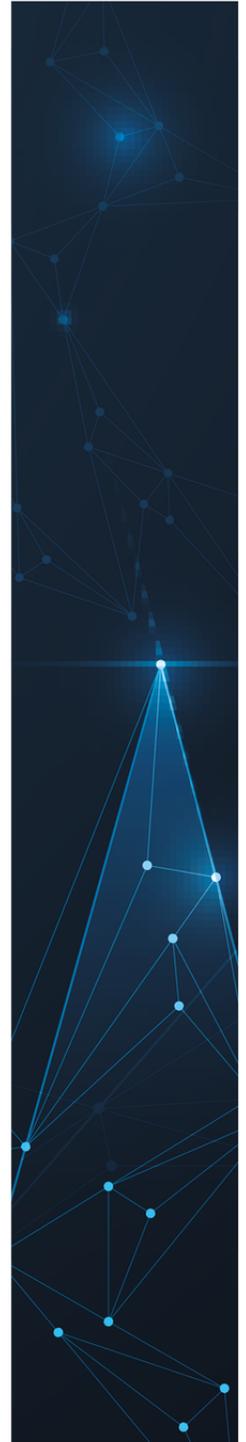
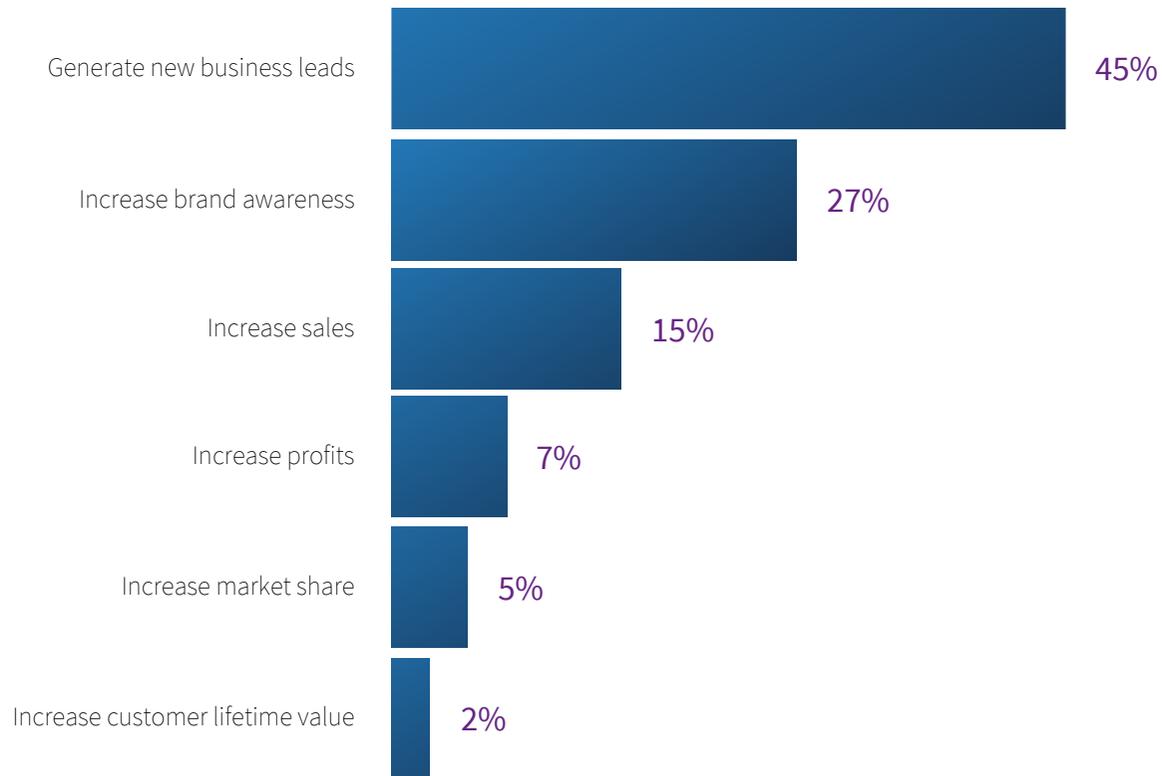
When it comes to production lines, measurement is everything – from the speed at which an item goes through production to the data behind efficiency improvements. The marketing production line is no different, which is why we wanted to understand how industrial businesses measure their marketing efforts.

Unsurprisingly, most respondents stated that the main objective of their marketing strategy was to generate new business leads. However, the percentage of those who used this as their goal was not as high as expected: only 45% were focused primarily on generating new business through their marketing.

Some 27% were focused on ‘increasing brand awareness’ while 15% were focused on ‘increasing sales’. The primary goal with the lowest percentage was ‘increase customer lifetime value’ at only 2%. This indicates a huge missed opportunity within the industrial sectors. Companies are concentrating on attracting new leads at the top of the funnel – as opposed to upselling and cross-selling to those who already like, trust and know them as providers.

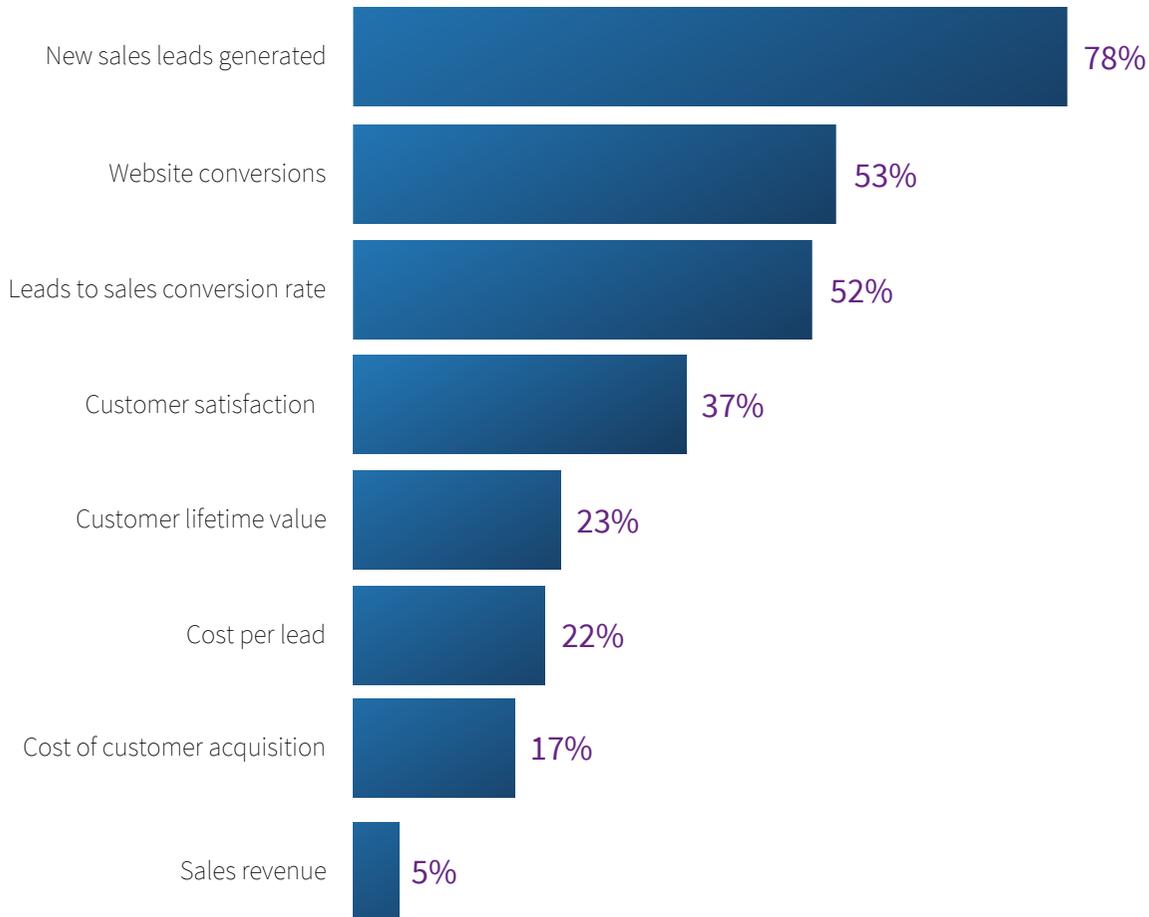
Just 5% of those surveyed listed ‘increase market share’ as their main marketing goal. This is much lower than expected when we take into consideration the knock-on effect market share has on other goals – such as generating new sales leads or increasing brand awareness.

Primary Goal Of Marketing Strategy



Measuring Results

KPIs Used To Measure The Success Of Marketing



Primary goals give us a great indication of why businesses invest in marketing – and insight into how industrial businesses use KPIs to measure success is just as interesting.

The biggest indication of success for most respondents was 'new sales leads generated', with 78% of people selecting this as their KPI.

Next in line was 'website conversions' at 53%, then 'leads to sales conversions' at 52%.

The lowest chosen indicator for the success of marketing activities was 'sales revenue'.

Important budgeting metrics such as cost per lead and cost per customer acquisition were given less weight in the measuring of marketing activity. Once again it appears that ROI may be slightly overlooked here – despite it being a very important metric for the overall understanding of the marketing activities.

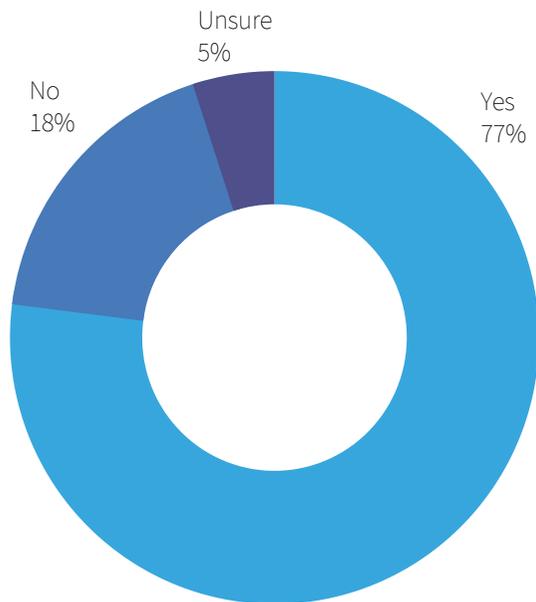
This is where we often see a disconnect between marketing budget and results generated. Businesses often focus heavily on pouring leads in at the top of the funnel and much less time focusing on how much it costs to acquire a lead and what the return on each lead is.



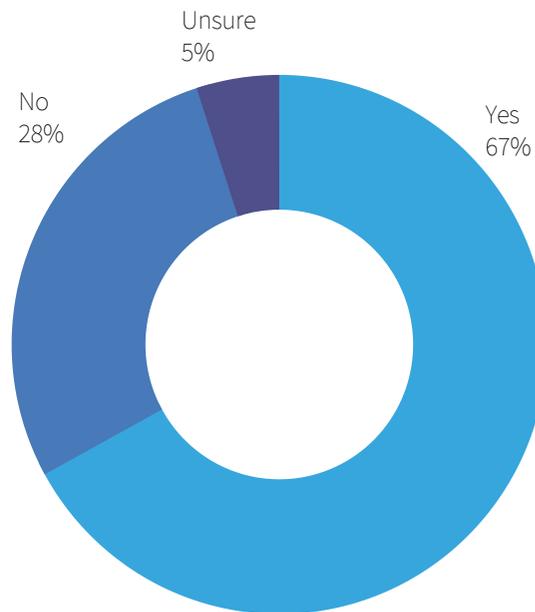
Measuring Results

Interestingly, the [CMI](#) found that only 46% of respondents to their Manufacturing Content Marketing 2020 survey were measuring content marketing success by ROI. Perhaps even more worryingly, 18% of respondents weren't using any success measurement metrics for their content marketing at all!

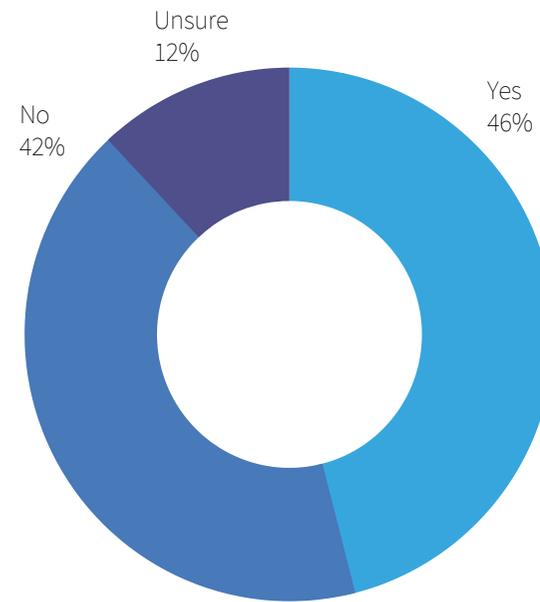
Does Your Organisation Use Metrics To Measure Content Performance?



Did Your Organisation Establish KPIs To Measure Content Marketing Initiatives In The Last 12 Months?



Does Your Organisation Measure Content Marketing ROI?



Charts: [CMI](#)



Measuring Results

When it came to how businesses were meeting objectives, we asked respondents to rate on a scale of 1 (not meeting objectives) to 10 (meeting or exceeding objectives consistently) how well they felt their marketing was performing.

The largest proportion (22%) of respondents chose 5, stating their business was sitting directly between 'not meeting objectives at all' and 'meeting or exceeding objectives consistently'.

Collectively, 44% of respondents chose 5 or below – suggesting that, on the whole, marketing in the industrial sectors was returning lower results than expected. This points to a lack of strong marketing strategies returning tangible results within the industry.

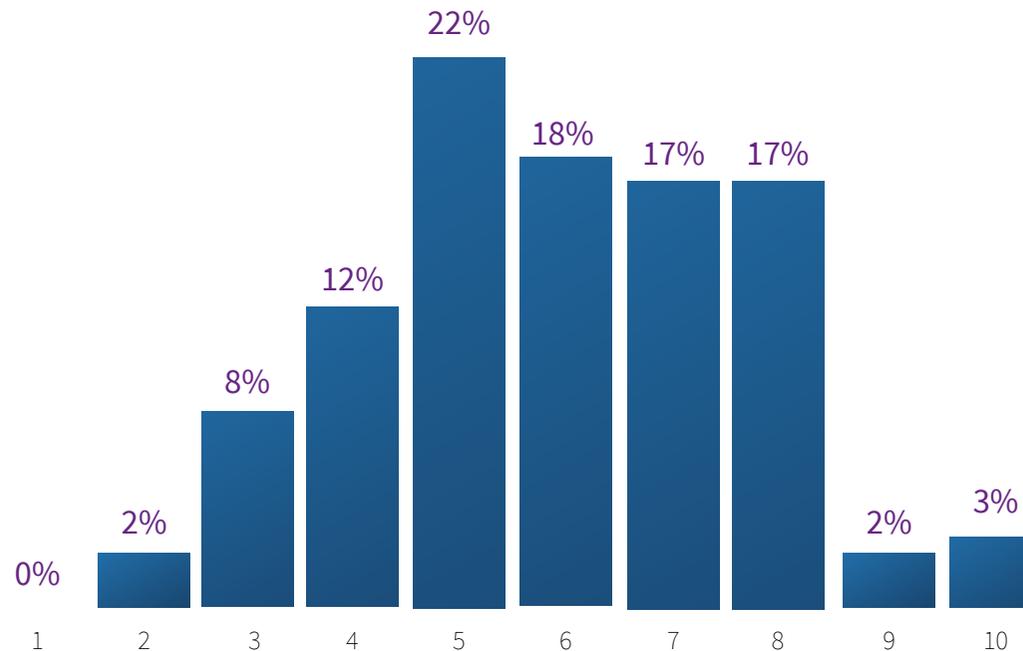
Only 3% said they felt their business was meeting or exceeding their set objectives. This, alongside only 2% choosing 9/10, is troubling as it suggests one (or both) of two things:

- industrial businesses are not able to deliver when it comes to their marketing activities
- creating the right KPIs and/or measuring marketing efforts is difficult for the industrial sectors.

Despite this, marketing strategies within the industrial sector are on the rise: 41% of manufacturing sectors marketers reported a documented

content marketing strategy, up from 21% last year (CMI). It appears that the engineering and manufacturing industry is getting wise to the new ways of marketing. So if you are like the 21% that reported not having a content strategy, then you are in real danger of being outmanoeuvred.

On a scale of 1-10, how do you feel your marketing is meeting your business objectives? (1= not meeting objectives at all, 10= meeting or exceeding objectives consistently)



Measuring Results

Breaking this down even further, we can see marketing departments are naturally the most optimistic when it comes to their marketing meeting business objectives. Within the marketing job function, most respondents (60%) placed their response at 7 or higher. This could indicate:

- a better understanding of the business objectives they set for their marketing activities
- a disconnect between what each job role understands as their own business objectives.

Interestingly, salespeople were far less confident in marketing's ability to meet business objectives, with 72% of respondents choosing 5 or lower! This again highlights the misalignment between sales and marketing teams – and the importance of agreeing how best to measure the success of marketing.

Business leaders tended to sit on the fence more when it came to rating marketing's ability to meet business objectives: 80% rated marketing success at 4, 5 or 6 – suggesting few strong feelings about the effect of marketing.

No business leaders felt the marketing wasn't meeting business objectives at all (no-one chose 1 or 2) or that the marketing was meeting or exceeding objectives consistently (no-one chose 9 or 10).

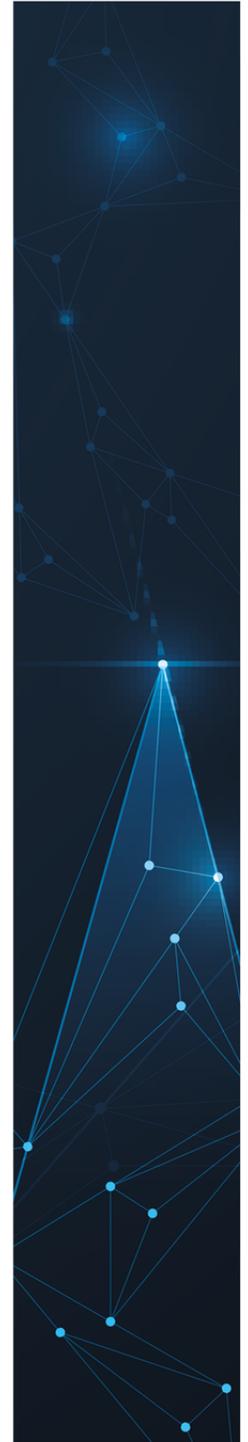
Again, this question brings to light the discord between departments when it comes to marketing, the results it produces and how it is measured. This is something Intergage is keen to explore with engineering and manufacturing firms. Those

already experiencing growth despite a discord between departments, lack of resources or lack of reporting could have a real opportunity to boost that growth further. The likes of sales and marketing alignment, marketing automation and digital marketing all present huge opportunities to the industrial sectors.

British manufacturing firms must innovate and invest in business development despite the challenges presented in this report. They need to build their brands as much as their production lines in order to compete. Those who do not disrupt the market will be displaced.



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About Intergage

Intergage has been engineering marketing solutions and manufacturing sales opportunities for more than 20 years – specialising in digital marketing, website design and marketing automation for engineers and manufacturers.

As a B2B marketing agency, Intergage works with industrial businesses to generate a predictable pipeline of sales leads with a focus on return on investment and data-led decisions.

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Evolving B2B Marketing

About The Manufacturer

The Manufacturer is the premier industry publication providing manufacturing news, articles and insights while promoting industry best practice.

Covering all manufacturing sectors The Manufacturer, is an essential resource for every manufacturing boardroom and for senior management.

THE MANUFACTURER

Want to take part in the next Marketing in Manufacturing survey?

We have now opened the survey for 2021/22. If you would like to take part, [you can do so here.](#)

