



JOSH GORDON
— GROUP —

Improving Marketing Effectiveness

A case study

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Introduction

“That which gets measured, improves.”

Peter F. Drucker, the father of modern management

How effective is your marketing and how can it be improved? The findings in this report can help answer both of these questions.

In the past, measuring the marketing function has presented several challenges. First, the evaluation of marketing can be highly subjective. How do we score effectiveness when even several marketing executives often find it hard to agree on the copy of just one ad? To get past this hurdle, we skipped the “middleman” and went straight to the source: the customer. After all, who better to evaluate marketing effectiveness than the very people the marketing is being aimed at? In short, we surveyed potential customers and asked them to score the effectiveness of the marketing that targets them.

Second, a major criterion of a company’s marketing effectiveness is how well it can compete against the marketing of its competitors. To measure this, we felt it would be most effective to focus on just one industry so we could measure the actual competitive forces working within it. We chose to study the top 34 suppliers of the professional television technology industry, a market whose trends are representative of those found in most technology markets today.

Third, to be effective, marketing must be persuasive. Instead of measuring the impact of various marketing or advertising campaigns, we measured the persuasiveness of different forms of content used to build them. We measured the persuasive impact of 14 different forms of promotional content and 8 different forms of educational content to see which ones most motivated customers. Using the same approach described above, we asked potential customers to score the persuasiveness of the different forms of content targeting them.

Marketing, when it works best, improves communications between suppliers and customers. Our goal is to help suppliers better understand their customers. We hope that this report will be a “rising tide that lifts all boats,” benefiting all.



FINDING #1

Customers find new product information and direct product comparisons to be the most persuasive marketing content

To find out what kind of information most motivates customers to buy, we first analyzed ads in recent business magazines and then categorized the results into 14 kinds of content that suppliers were using to motivate customers to buy from them. That list was formatted into this survey question.

Of the 14 different categories of content, the highest rated was “new products,” with two thirds (66.0%) of respondents saying it motivated them to be “more likely to buy” from a company. This came as no surprise. There have been many readership surveys done for business magazines that showed “new product” editorial as highly preferred by readers. What was surprising, however, was the sharp rise in the importance of direct product comparisons, which pushed them ahead of several traditional favorites such as application and user stories. There were four of these “comparative information” categories (shown in light blue) on the chart. After “new products,” the second most frequently chosen option was “tech comparisons to competitors” (55.5%), and a close third was “unique product features” (52.3%). (“Unique product features” is comparative because if one product has a unique feature, by implication, no other product has it.) In addition, the fifth and seventh top

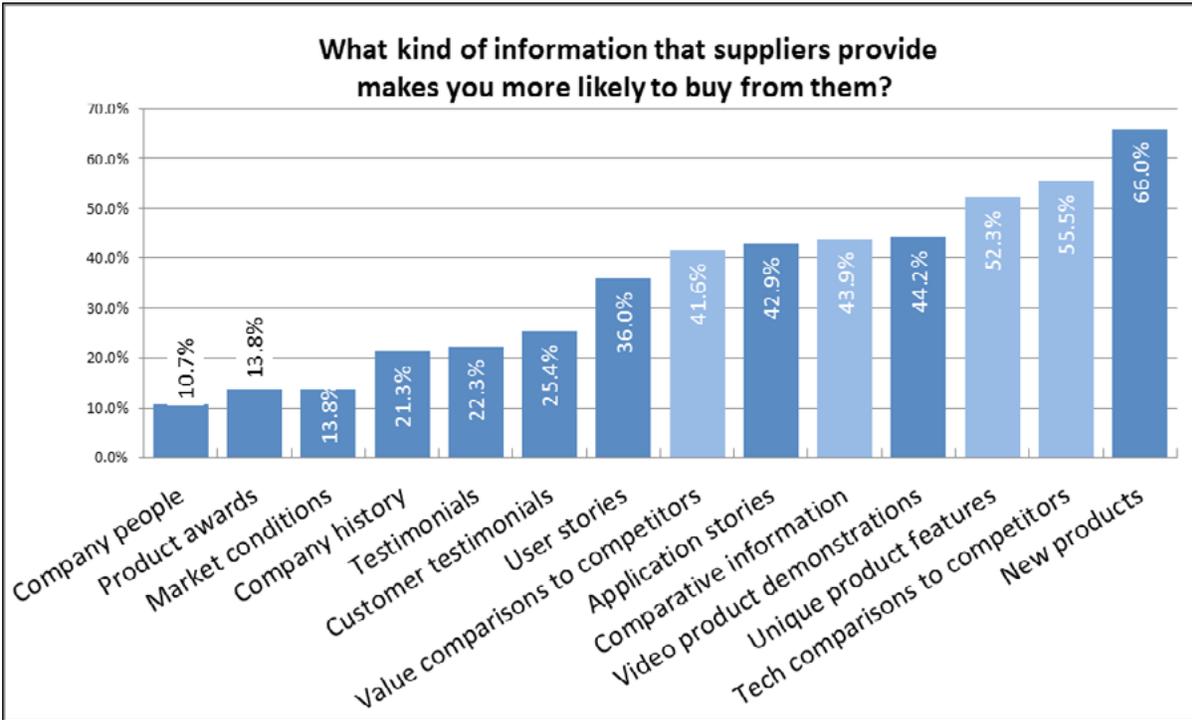
choices were comparative as well: “comparative information” (43.9%), and “value comparisons to competitors” (41.6%), respectively.

As Gordon Castle, Director of Entertainment Media & Communications at PricewaterhouseCoopers, summed it up, “If you want to try to change customer behavior, the two most compelling things you can do are to show something new, and show how it’s different from all of the other products out there.”

Castle, who has overseen many technology purchases, describes his approach: “The first thing I always try to do is access what is the core thing a new product does. I don’t want to hear how it can do everything; I just want to know the core thing. Then, I want to know what products the supplier thinks their product competes with. Who a supplier thinks its product competes with is almost as telling as what they think the product does. The question after that is always, how is your product different from your competition?”

In marketing, addressing the competition runs contrary to the traditional view that it is unwise to mention a competitor to customers who may not have heard of it. But this is an outdated view, according to Tom Canavan, Senior VP, Strategic Development at

“If you want to change customer behavior, the two most compelling things you can do are to show something new, and show how it’s different from all the other products out there.”



Signiant: “The world has shrunk because of the web. Before, if you didn’t see a product at a trade show or in a magazine you might not know it existed. But now if you need a solution, you’re going to do a web search and every product is going to come up.” Canavan adds, “The key to using comparative information is to make the comparisons factually based. People are very jaded in this industry and are turned off by comparisons that bash competitors.”

According to Terry Belanger, Senior Sales Consultant at Advance Pro, comparative information benefits the buyer: “There are so many similar

products available today. Side by side comparisons help to determine the best features and what the real differences are.” John Luff, Media Technology Consultant with HD Consulting, believes comparative information is important for the seller as well as the buyer: “You cannot properly sell your own product if you don’t know the competitors’ products. Without this knowledge, how do you know why the customer should pick your product over others? Besides, companies should be touting the things that make their products genuinely unique. How do you know what is unique if you don’t know what others are offering?”



Customers find new product information and direct product comparisons to be the most persuasive marketing content

Why is this important?

Many marketers underestimate the comparative mindset of today's buyers. Products are now being evaluated in the context of other available products, not as one-of-a-kind technologies. Says John Luff, "Wave the flag' advertising that says 'we have the only product you need to consider' is pretty silly. In this day and age it takes 10 seconds to do a Google search to compare Sony solid state memory with Panasonic solid state memory, and you'll probably come up with 500 hits that can help you understand the differences between them." When customers can turn to the web for immediate side-by-side product comparisons, marketers who want their product's unique benefits considered in the evaluation process should offer content that constructively helps the comparison process along, thus assuring that their own product's story is heard.



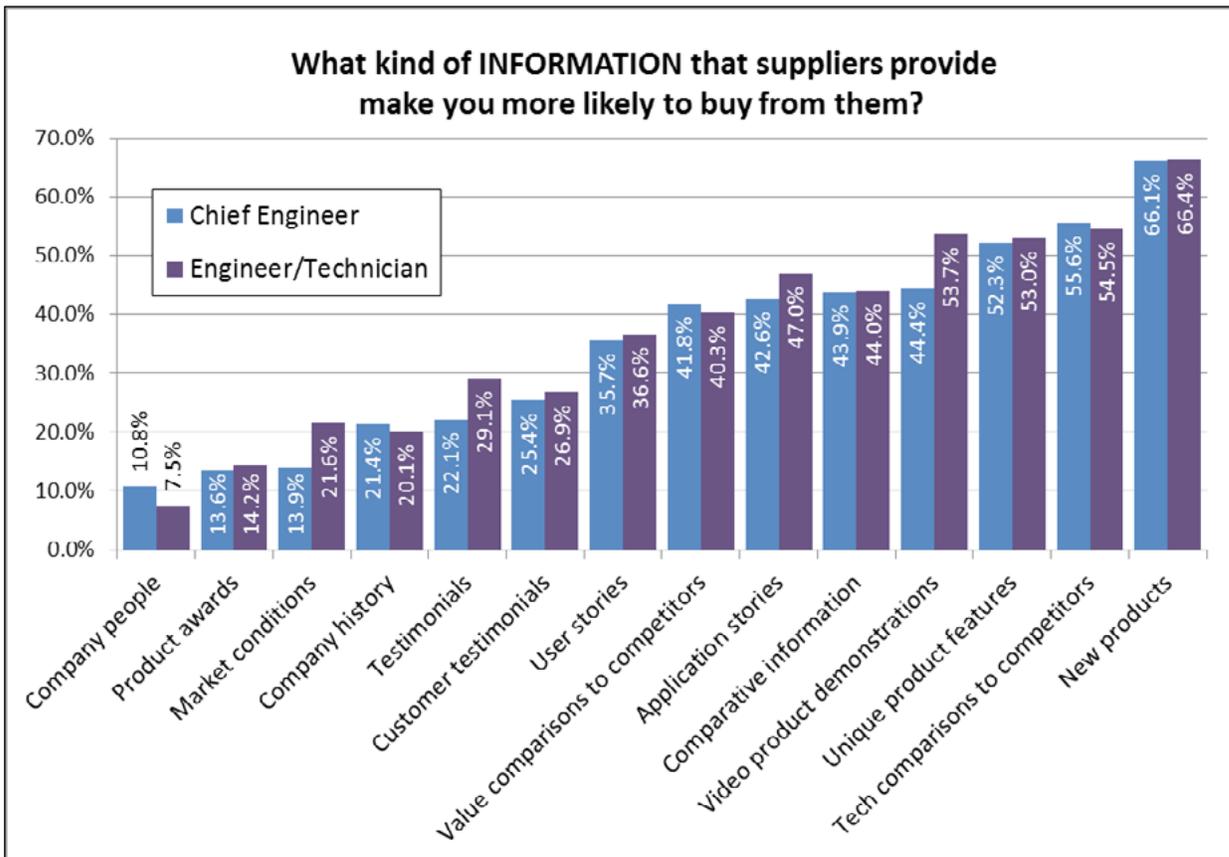
FINDING #2

Chief engineers are motivated by similar promotional content to staff engineers, but less so by online video demonstrations and testimonials

Of prime concern to marketers is that the content they create influences the decision makers -- specifically chief engineers -- and not staff engineers who are less often involved with buying decisions.

When we compared the influence of different forms of persuasive content

from Finding #1 between chief engineers and staff engineers, we found similar responses. However, as can be seen in the accompanying chart, staff engineers are about a third more likely to be influenced by testimonials, and a fifth more likely to be motivated by video product demonstrations.





Chief engineers are motivated by similar promotional content to staff engineers, but less so by online video demonstrations and testimonials

Why is this important?

These results were a little surprising. We were expecting to find more contrast between the responses of chief engineers and staff engineers, especially in the category of “value comparisons to competitors.” While both chief and staff engineers need to keep up with technology, typically only chiefs manage a facility budget. With all the pressure to spend each dollar wisely we expected chiefs to score supplier-provided value comparisons higher. The fact that there was a statistical tie could be an indication of just how much skepticism chief engineers have regarding product comparisons provided by suppliers, or an indication that they do not see big differences between the value propositions that suppliers offer them.



FINDING #3

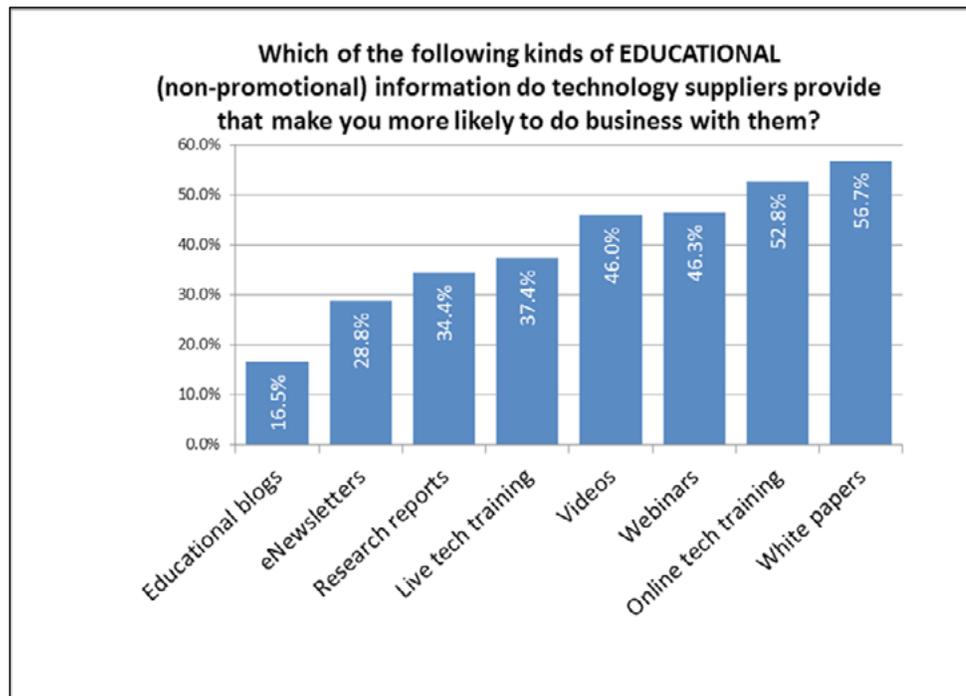
Customers are most motivated by white papers, online technical training, webinars, and educational videos

Is educational content merely useful for building “good will” or can it actually motivate customers to buy? When respondents were asked to select the forms of educational content that would motivate them to want to do business, they rated these about as highly as they did for the promotional content in Finding #1.

According to John Luff, there is a practical reason for this: “At the end of the day, if you don’t understand a technology, it is very hard to make a decision about its use. If you’re not educated

enough to know what it is you’re buying, why are you considering it?” In addition, educational content builds trust in a supplier. Continues Luff, “If you’re looking for a technology partner whose equipment is going to be the basis for your facility, it’s good to know that the company fundamentally understands the broad stroke of technology and designs products that will work for you. Tutorial information builds loyalty because you trust the provider as being knowledgeable and caring enough to be the source of a lot of good information.”

“At the end of the day, if you don’t understand a technology, it is very hard to make a decision about its use.”





Customers are most motivated by white papers, online technical training, webinars, and educational videos

Why is this important?

Many marketers underestimate the importance of educational content as part of their marketing plan. It is not just about goodwill. If you sell a product based on new technology and customers do not understand it, they will not buy it. Also, providing educational content is an invaluable trust builder that sends the message, "Beyond just wanting your business, we are here to help you succeed." When a facility is buying technology that they will need to rely on, that assurance is no small thing.

FINDING #4

Chief engineers prefer white papers, webinars, and research reports, while staff technicians prefer live technical events and educational videos

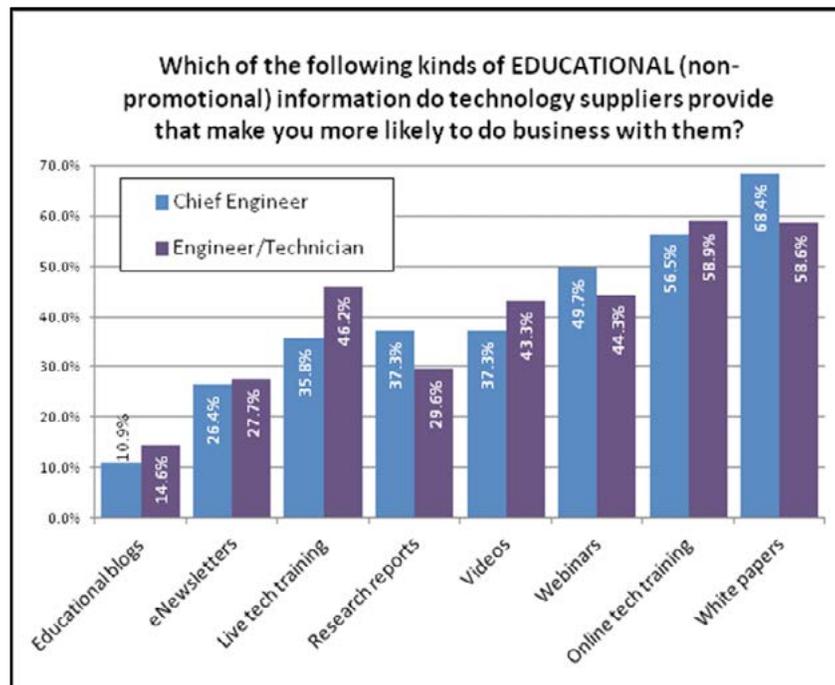
Although chief engineers and staff engineers are mostly in agreement on how persuasive they find promotional content, when it comes to supplier-provided educational content, the differences between the two groups are much more pronounced.

While both groups of engineers clearly value educational content, it appears that they do not value different forms of it to the same degree. Explains Tom Canavan, “The senior guy is going to be more interested in white papers, which tend to be more theoretical and science-related. There

are not too many senior guys who are going to sit through a whole ‘how to’ video, but the junior guys will eat it up. It’s the same with live technical training -- the senior guy is not going to have the available time.”

With greater constraints on their time, chief engineers use webinars more frequently, while staff engineers more often prefer live training events. Reflecting a need for greater information depth, chiefs more often read white papers and research reports, while staff engineers are more likely to learn from online educational videos.

Chief engineers more often read white papers and research reports, while staff engineers are more likely to learn from online educational videos





Chief engineers prefer white papers, webinars and research reports, while staff technicians prefer live technical events and educational videos

Why is this important?

Educational content must be more targeted than promotional content to be effective. In Finding #2 we saw that chief engineers and staff engineers are motivated equally by different kinds of promotional content. However, for educational content we see greater differences between the two groups. When you develop promotional content, you are telling your product's -- or company's -- story, and chief engineers and staff engineers view it through almost the same pair of eyes. But, to be effective, educational content needs to help individuals in different job situations and varying levels of professional development. Therefore, when you invest marketing dollars to develop educational content, it is important to pay attention to the different informational needs of individuals.

FINDING #5

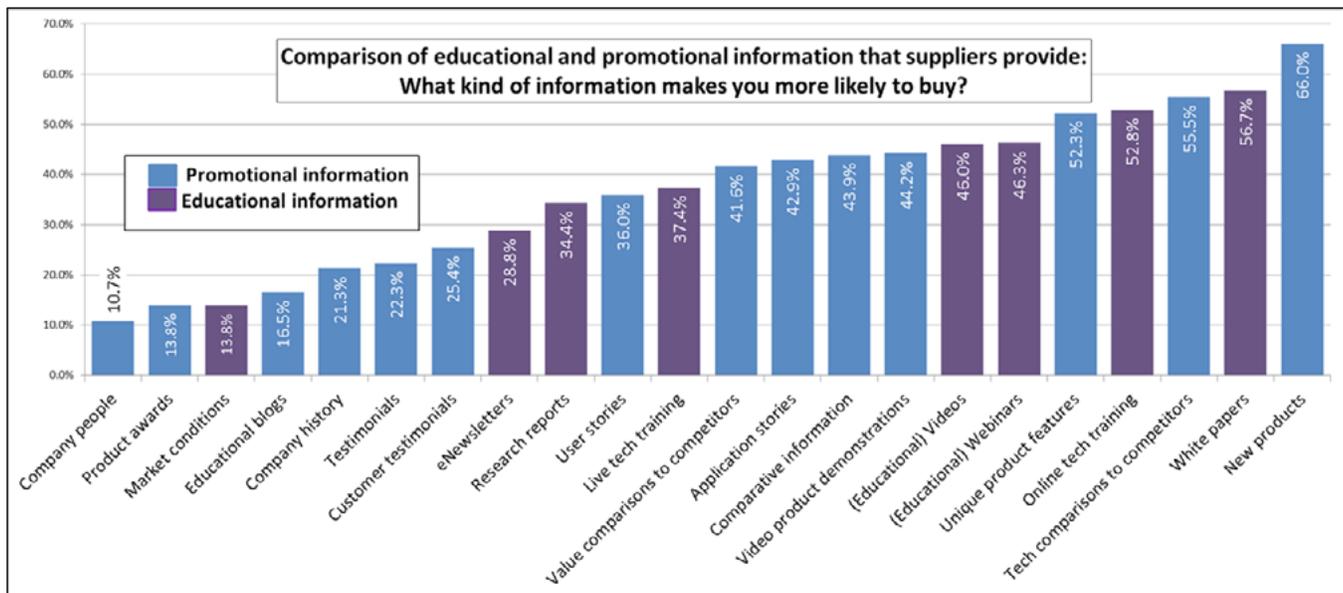
Customers find educational content as influential as promotional content in motivating them to buy

There is a perception among many marketers that promotional content is better than educational content at motivating customers to buy. But is this in fact true? Not really, according to the results of this finding. In a side by side comparison, we charted the preference scores for the 14 different kinds of promotional information (as measured in Finding #1) along with the 8 kinds of educational information (as measured in Finding #3). As can be seen in the chart, promotional content and educational content are actually about equal in their abilities to motivate customers to buy.

The top choice is a promotional form of content (“new products,” 66.0%),

which is followed by an educational form of content (“white papers,” 56.7%). After those two, the next four choices alternate between promotional and educational content.

It makes good sense that educational content ranks high on the list, according to Stephan Hadl, Director of Engineering and Broadcast Operations at KCRA/KQCA-TV: “Our industry is changing quite a bit and my guys are constantly looking for ways to expand their knowledge. When we are considering a product and do not understand all the nuances of its technology, educational information becomes a very important part of the evaluation process.”





Customers find educational content as influential as promotional content in motivating them to buy

Why is this important?

In many marketing budgets, educational content struggles for funding. But from the buyer's point of view, educational content is as motivational as promotional content. Today's technology buyers evaluate a wide variety of products and no one can be an expert on them all. Before they can buy, customers often need non-product-specific educational information on the technology or product category under consideration. Those who better understand your product will be more likely to consider it for purchase, while customers who understand the technology or background of a competitor's product may buy from them instead.



FINDING #6

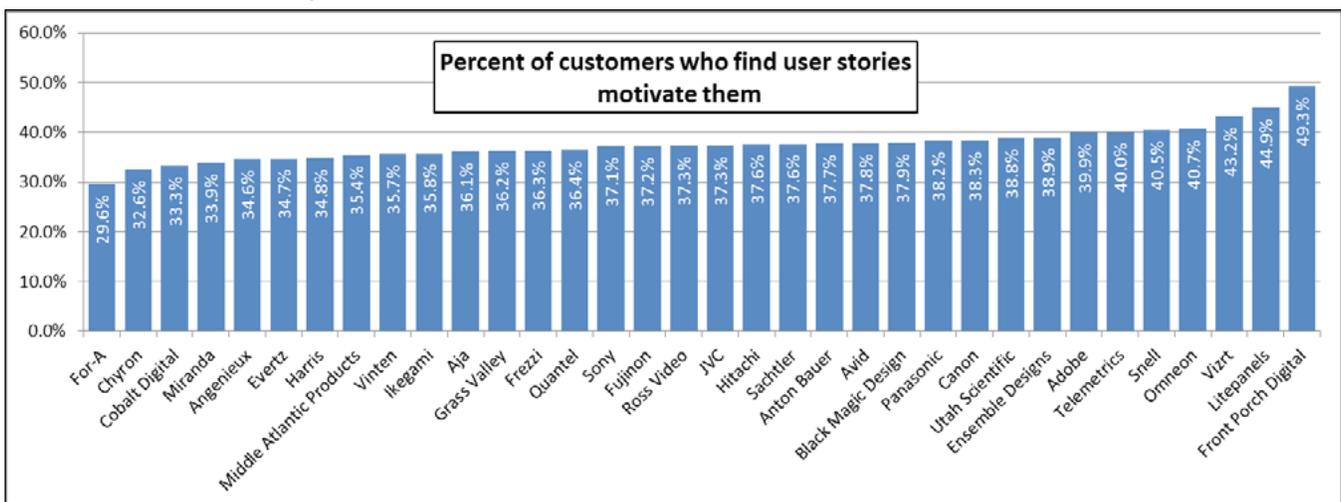
The influence of 'user stories' varies by customer and supplier

Application stories featuring customers using a supplier's product may be very popular with marketers, but survey respondents find them only moderately persuasive. In fact, in the previous finding (#5), we saw that only 36% of respondents feel user stories make them more likely to buy, ranking user stories only 13th on the list of 22 different forms of supplier-generated content.

However, like all forms of content, the persuasive power of user stories varies greatly among customers of different suppliers. When we tabulated the responses of customers of each of the 34 individual suppliers separately, we found significant differences in the degree to which they feel persuaded. For example, fewer than one third (29.6%) of survey respondents who are For-A customers report they are motivated by user stories, yet about half (49.3%)

of survey respondents who are Front Porch Digital customers are motivated -- almost 20% more respondents. Please note that these company-specific percentages are a measurement of how persuasive the customers of a company say they find user stories are in general. These numbers should not be seen as an evaluation of specific user stories released by any company.

User stories typically get mixed reviews from customers. Says broadcast consultant Sterling Davis, "I think user reports are useful. I wouldn't say they are the leading cause of purchasing, but it's another way look at a product based on someone else's eyes, without necessarily 100% trusting what you read. It may be someone else's favorable view, but the story usually includes how it was used, what it was used for, and how it was installed."





The influence of 'user stories' varies by customer and supplier

Why is this important?

From a marketing point of view, user stories are helpful as sales tools. A story about a successful facility with a similar situation to a potential customer can help close a sale. But while customers in similar situations may find these stories interesting, customers in dissimilar situations often do not. Readership studies typically show user stories as having a narrow appeal. They may work well for targeted sales efforts, but are less effective when the goal of content is to attract and engage as many customers as possible.



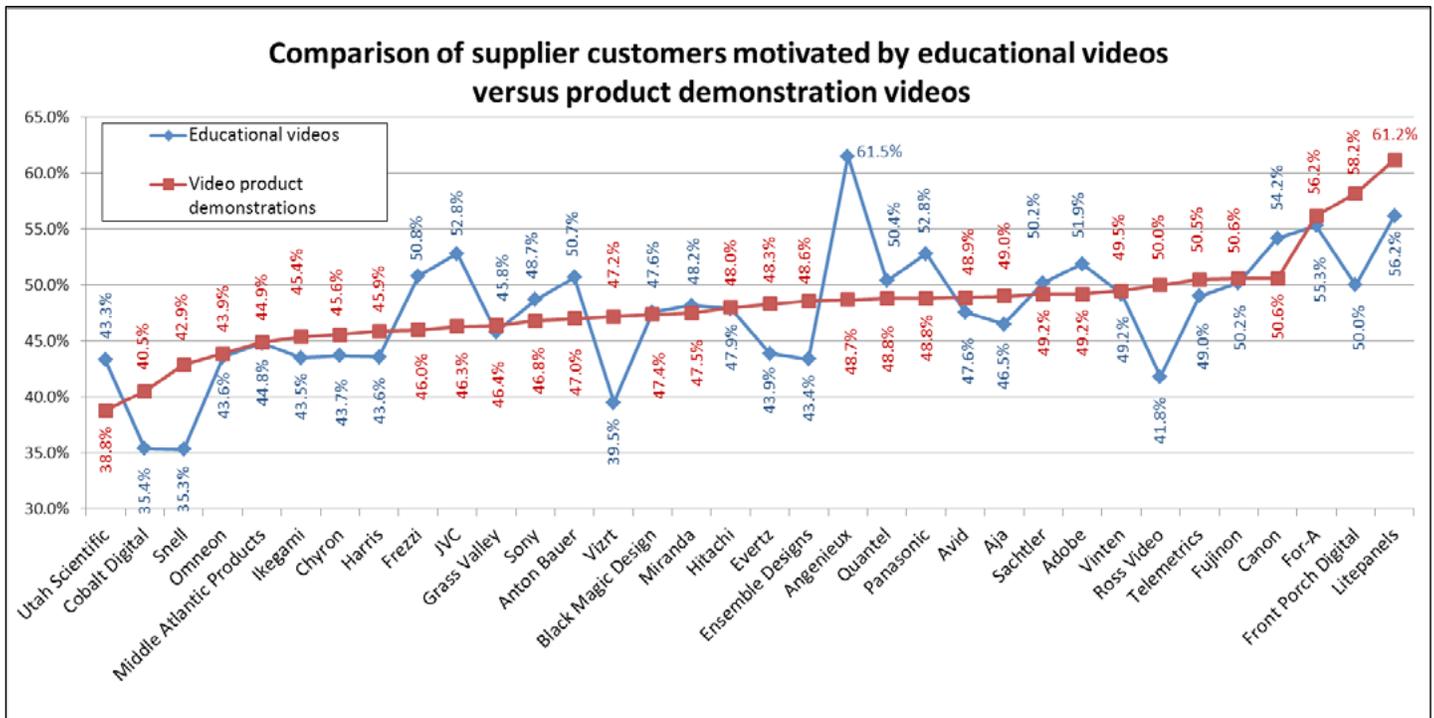
FINDING #7

The persuasiveness of 'educational videos' versus 'product demonstration videos' varies significantly among the customers of different suppliers

Which kind of video will most motivate customers to buy? On average, educational and product demonstration videos scored about the same, with 45.1% of all survey respondents reporting they were motivated by product demonstration videos and 47.1% by educational videos.

However, those are just the overall averages. When the customers of

individual suppliers were tabulated separately, significant differences emerged: 61.5% of Angenieux customers say they find educational videos motivational while only 35.4% of Cobalt Digital customers do. And 61.2% of Litepanels customers find video product demonstrations motivational while only 38.8% of Utah Scientific customers do.





The persuasiveness of 'educational videos' versus 'product demonstration videos' varies significantly among the customers of different suppliers

Why is this important?

Marketers who assume that all video content is the same will miss opportunity. But the bigger take-away here is that the informational needs of every group of potential customers varies. Now that content has become the most important part of your marketing, a deeper understanding of what kinds of content will attract the interest of your customers, engage them, and motivate them to buy, is critical.

Just how important is developing and deploying the right content? In the aftermath of Google's Panda algorithm changes of 2011, the vitality of your content is now the top factor in determining whether search will direct potential customers to your website – or not. Consider that:

- The Internet has significantly changed how customers buy products these days. So much information is available online now that customers rely far less on supplier salespeople for help during the early stages of product buying. In fact, Forrester Research estimates that a full 70% of the buying cycle for business-to-business products is completed before a vendor is even engaged! This means that your publically posted content acts as your primary sales agent during the 70% of the customer buying cycle that occurs before a salesperson is called. During this critical time, your content must guide customers through the majority of their buying experience – without you.
- Content is also the traffic driver for your organization's social media. There are no channel advantages in social media because every company has the same access to Facebook, Twitter, YouTube, etc. The only difference between one company's YouTube presence over another is the content posted on it.

While the Internet may have taken power away from companies and put it in the hands of the customers, it has also created new opportunities if you know where to look. The first step in taking advantage of this new marketing landscape is a more detailed understanding of the specific content needs of your customers.



FINDING #8

While trade magazines are still the most frequently used medium, digital magazines and apps show significant gains

Digital magazines and magazine apps, and supplier websites, tied for third place with 50% each. This is a meteoric rise for digital magazines which, only two years ago, were not taken seriously in this market.

Despite all the focus on digital media these days, print trade magazines are still the most frequently utilized medium in this market, with 81.1% of respondents reading them at least once a month. This is no surprise to Stephan Hadl: "We read trade magazines all the time to see what is new. At my TV station everyone subscribes to them and reads them any chance they get. Sometimes you come across a new product that makes you want to reach out to a supplier and start a conversation." Dirk B. Freeman, President of Blear Media, Inc., adds, "Print offers the opportunity to carry it with you. Time is too stressed in the office, so using airplane or travel time to develop information is much more conducive to retaining what we read."

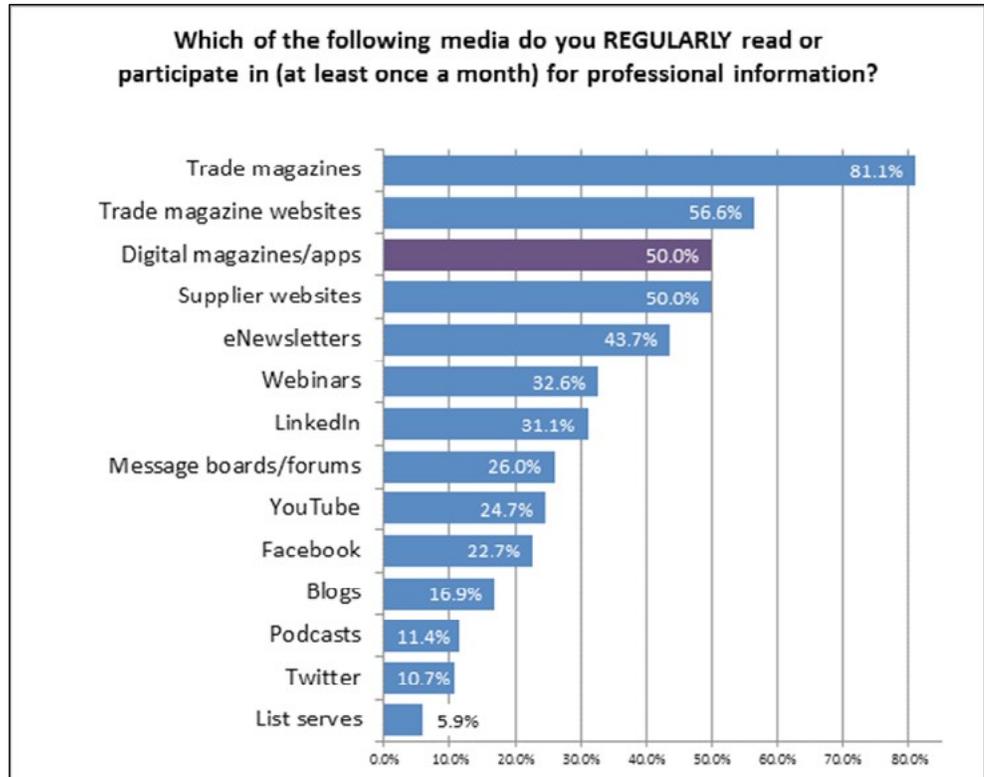
Trade magazine websites came in second, with 56.5% of respondents saying they read them regularly. In fact, in some cases they even read them instead of print, reports Jonathan Barbato, President of Apricot Corporation: "Most of the sources I get my information from started as print trade magazines, but I don't read the print versions (ever) anymore. I go online and read the online daily newsletters. I don't even consider them print sources since I gather info and read them online."

Digital magazines and magazine

apps, and supplier websites, tied for third place with 50% each. This is a meteoric rise for digital magazines which, only two years ago, were not taken seriously in this market. But better digital magazine technology and the arrival of the iPad in 2010 has dramatically increased acceptance of this medium. According to Joe Balkan, Director of Engineering, Western Region, at Hearst Television, iPads and tablets have a special place in this market: "A lot of our people have them because we are deploying them in news environments and doing additional things with second screen applications. I think if all of the tech publications would make themselves available in iPad, iPhone, and Android environments, more engineers would read them whenever they have time, instead of listening to music."

Sterling Davis agrees: "I think eventually engineers will read their magazines as digital apps for iPads or other tablets. Most engineers have iPads, and all their bosses do. The magazines that are going to survive are the ones that are going to make this transition quickly and throw a bunch of money in it."

For now, print magazines remain the top choice but, Tom Canavan cautions, "As the industry turns more and more to IT technology and we get a differ-



ent breed of technology people, this could change. Just because this year social media is low, a year from now it

could be much higher, and this could be the same for other media. It could be a quickly changing landscape.”

Why is this important?

When I do media evaluations for suppliers, most are surprised at how quickly their target audiences change their preferences for different media, especially digital media. In the accompanying chart, we see that right now, digital magazines are very viable, tied for the third most frequently used medium. However, only a year or two ago, they had little impact. Today, social media has minimal impact; next year, that could be different too.

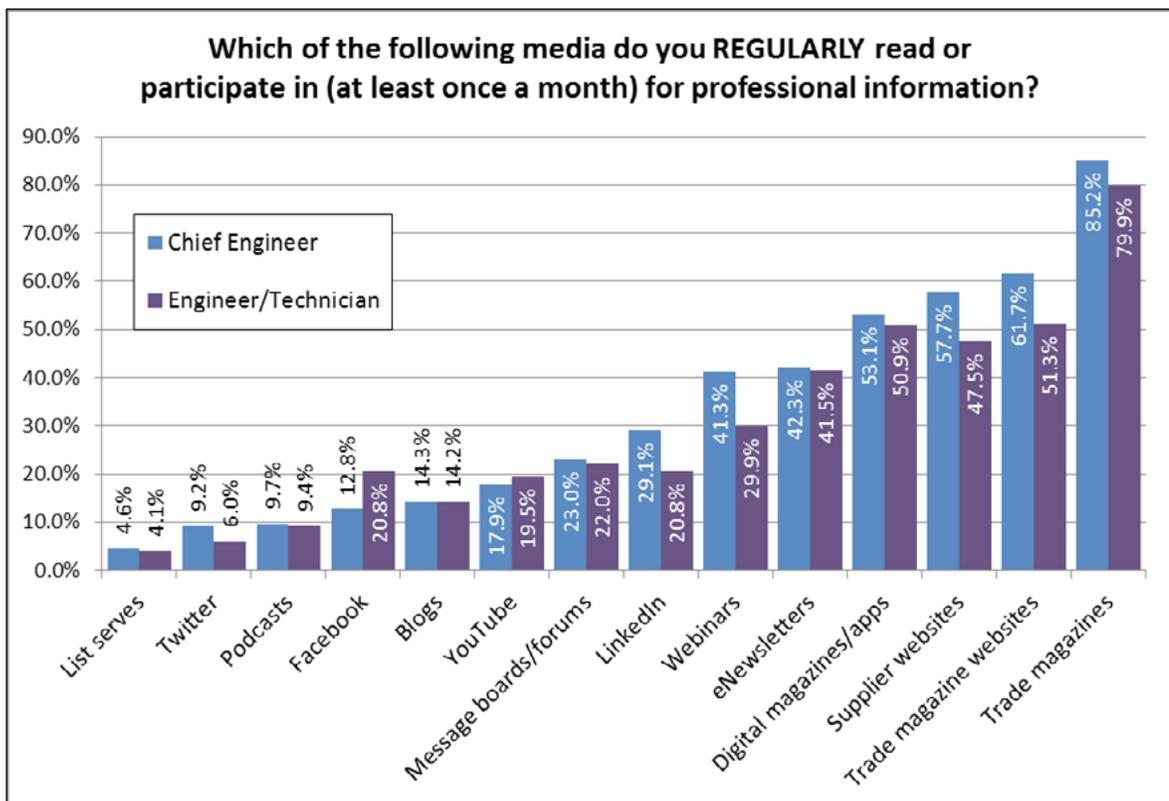


FINDING #9

Chief engineers have more engagement with media than staff engineers

When we contrast the media engagement of chief engineers and staff engineers, while both groups are involved with the full range of professional media, we see that chief engineers are engaged with greater frequency. Chief engineers are 5.3% more frequently reading trade magazines, 10.4% more frequently visiting trade magazine websites, 10.2% more frequently visiting supplier websites, and 11.4% more frequently using

webinars than staff engineers. The only medium in which staff engineers are significantly more engaged than chief engineers is social media, with almost twice as many staff engineers on Facebook as chiefs. On the other hand, about a third more chiefs are on LinkedIn than staff engineers. In general however, chief engineers, who have greater responsibility, are more involved in media.





Chief engineers have more engagement with media than staff engineers

Why is this important?

When we shared a preliminary version of this finding, several suppliers asked us to tabulate separately the media habits of the purchasing “decision makers.” In television facilities, the chief engineer is typically involved in most technology purchases, while staff engineers and technicians are not. If the results had showed that these two groups used different media than each other, marketers might have wanted to make adjustments. However, from this finding we can see a similar media usage pattern between chief and staff engineers, although with a somewhat higher engagement for the average chief than the average staff engineer.

FINDING #10

The recession is not affecting all suppliers to the same degree

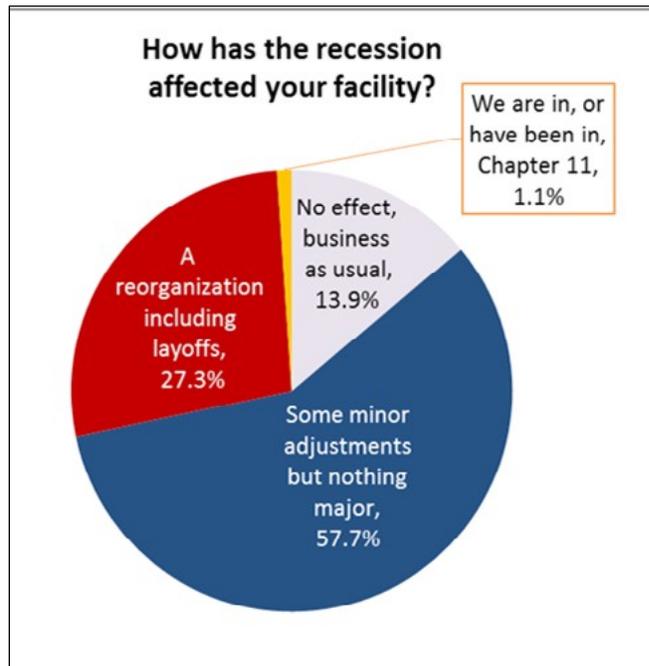
Although very few facilities were actually in Chapter 11, a little more than a quarter of them did experience some serious upheaval.

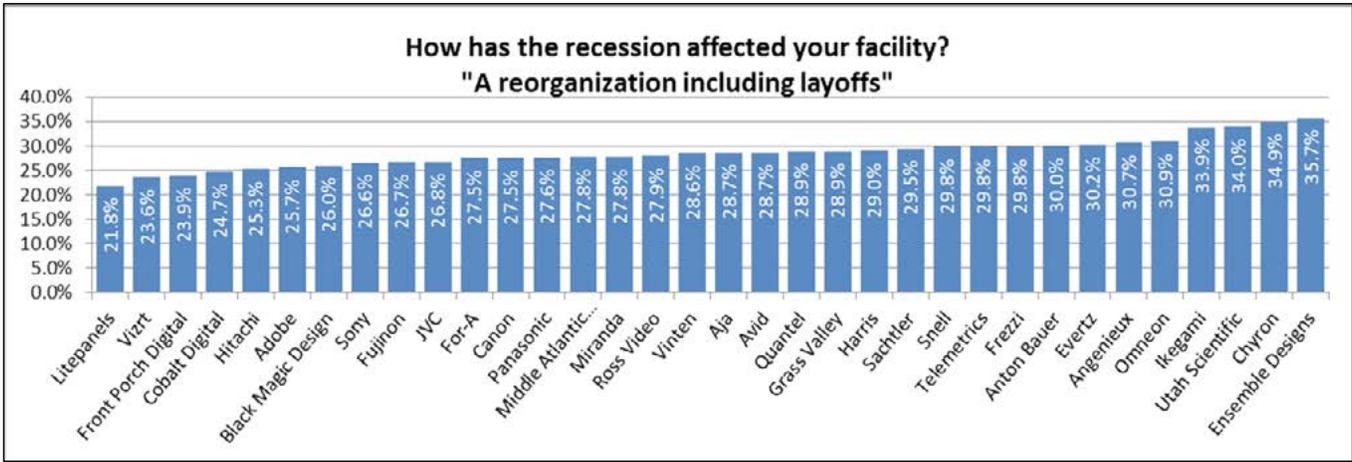
We asked respondents to rate the impact of the recession on their facilities using a four-point scale, from “the recession has had no effect,” at the most positive end, to “we are in, or have been in, Chapter 11,” at the most negative end. Although very few facilities were actually in Chapter 11 (only 1.1%), a little more than a quarter of them did experience some serious upheaval, as in “a reorganization, including layoffs” (27.3%). The majority (57.7%) fared a lot better, reporting only minor adjustments, while a lucky 13.9% said that the recession has had “no effect, business as usual.”

Comments Tom Canavan, “I was surprised by the high percentage of people who said their facility had only minor adjustments or no impact from the recession. Added together, these two groups are just over 70%, which seems a lot better than what I have seen. But the question that was not asked was, “Has your facility had its capital budget put on hold?” From the point of view of station personnel, that might translate to, ‘We’re not going to implement HD this year, but we’ll do it next year.’ To a station engineer that might be a minor

adjustment, but from the viewpoint of a technology supplier, it is major.”

To determine which manufacturer’s customers were impacted most, we cross-tabulated the 27.3% of respondents who had experienced “a reorganization including layoffs” by the percentage of respondents who owned products from each manufacturer. The supplier whose customers were least affected was Lightpanels, with only 21.8% of its customers reporting “a reorganization including layoffs.” The company most affected was Ensemble Designs, with 35.7% of their customers experiencing significant upheaval due to the recession. Here are the results for all 34 suppliers.





Why is this important?

Because the recession is not affecting the customers of each supplier equally, to accurately evaluate marketing effectiveness it is important to factor in how hard the recession has hit each supplier's customer base. Keep in mind, however, that these percentages are a measurement of how much impact the recession is having on a supplier's customer base, and not a measurement of how that supplier is responding to the recession.



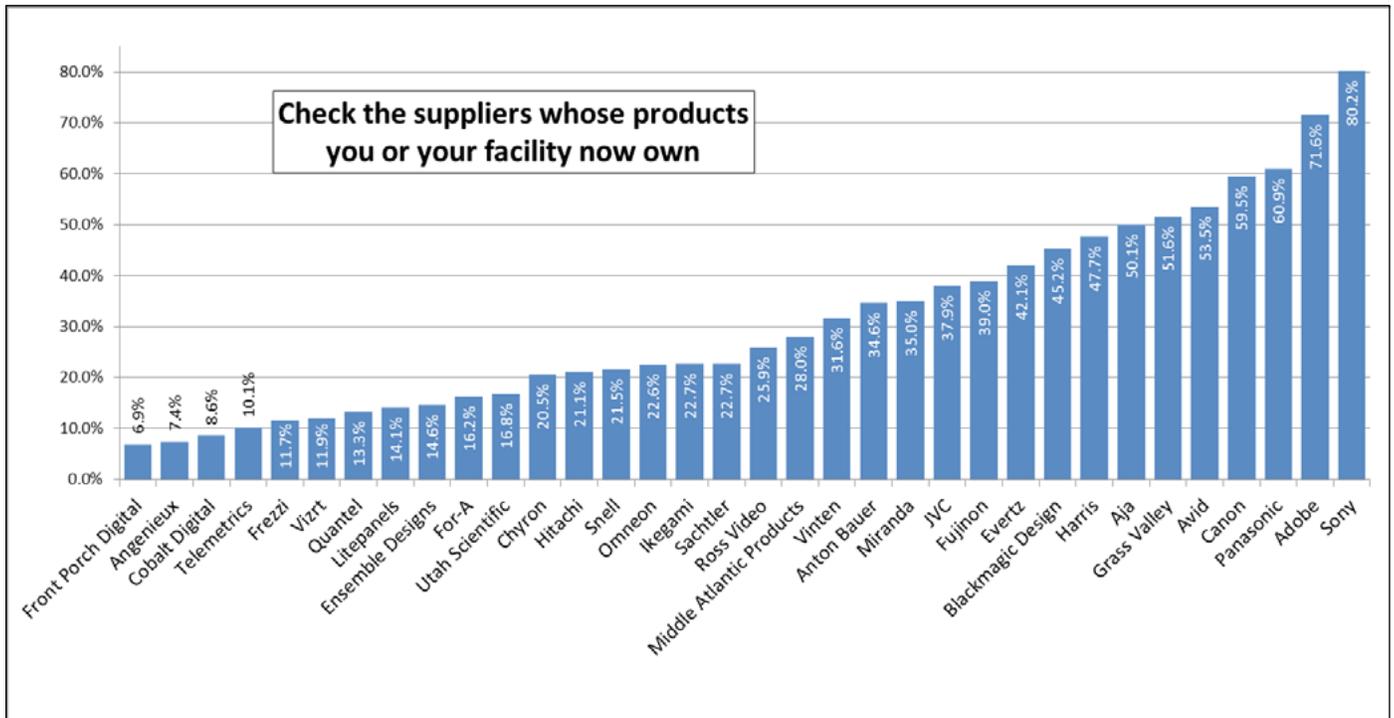
FINDING #11

There is significant competitive brand overlap in facility product ownership, with the average facility owning 9 of the 34 brands studied

With the average facility owning 9 of the 34 brands measured here, chances are good that they will own multiple products made by direct competitors. For example, let's look at the three lens makers in this study. . .

- Among Canon customers: 50% also own Fujinon products, and 11% also own Angenieux products

- Among Fujinon customers: 77% also own Canon products, and 14% also own Angenieux products
- Among Angenieux customers: 86% also own Canon products, and 72% also own Fujinon products





There is significant competitive brand overlap in facility product ownership, with the average facility owning 9 of the 34 brands studied

Why is this important?

To create marketing communications that are effective, it is important to understand the side-by-side comparative world of technology customers. Not only can they make instantaneous product comparisons on the Internet, but they may have already had side-by-side experience between competing products right at their own facilities.



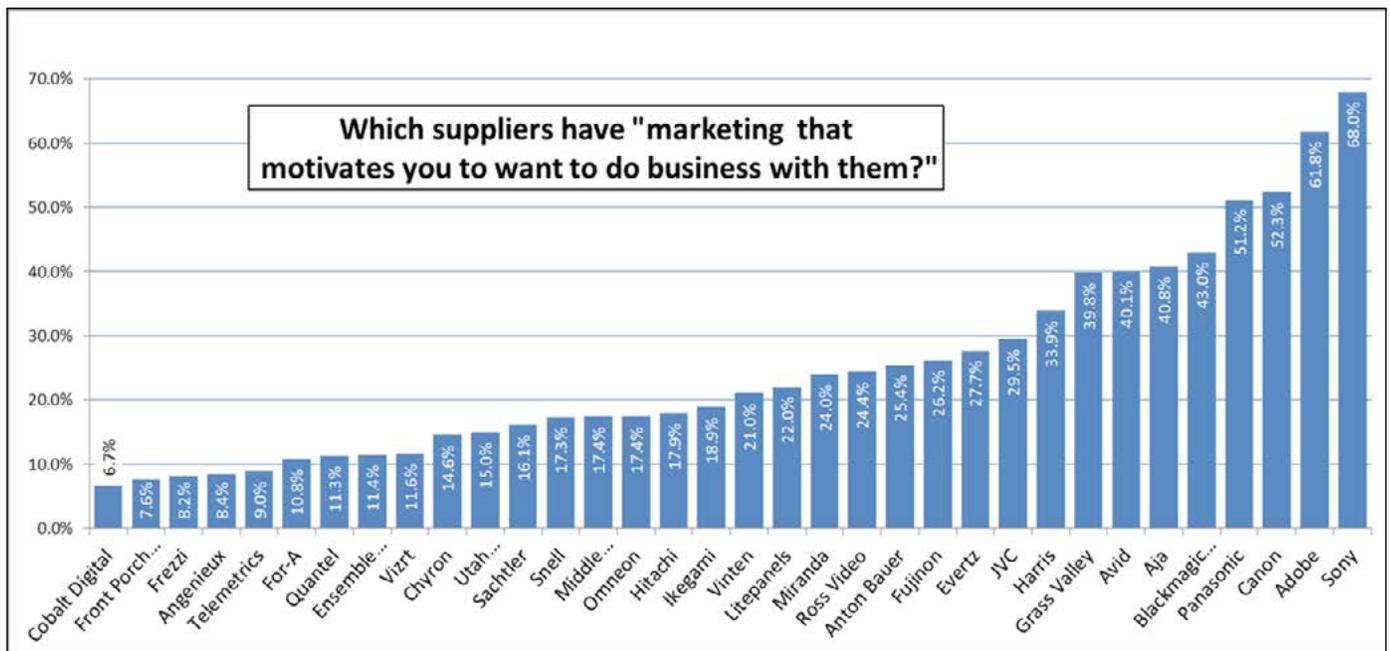
FINDING #12

The percentage of respondents who say they are motivated by each company's marketing shows the marketing advantage of larger companies

The results of this question show just how hard marketing really is. When respondents were asked to pick only the companies whose marketing motivates them to buy, a significant number of companies did not make the cut. The company chosen by the highest percentage of respondents was Sony, at 68%. Only 6.7% of respondents chose the company with the lowest score. The average respondent picked just 8

companies out of the 34, meaning that the average percentage of respondents reporting that they were motivated by any company's marketing was just 23.5%.

The responses to this question also demonstrate that size offers a big advantage, with the larger companies winning the highest scores. In a market where many companies compete for attention, a bigger marketing budget is clearly an advantage.





The percentage of respondents who say they are motivated by each company's marketing shows the marketing advantage of larger companies

Why is this important?

The rationale used to justify many marketing budgets is that every message has impact. But, according to this chart, many well-intentioned messages actually achieve little persuasive impact. This chart also highlights just how much competition all marketers face for the attention of customers. For smaller companies, these results can be read as a wake-up call when competing against companies with bigger marketing budgets: Without a compelling message, your story may not be heard.



FINDING #13

Ownership of a company’s product heavily biases its current customers’ perception of the company’s marketing effectiveness

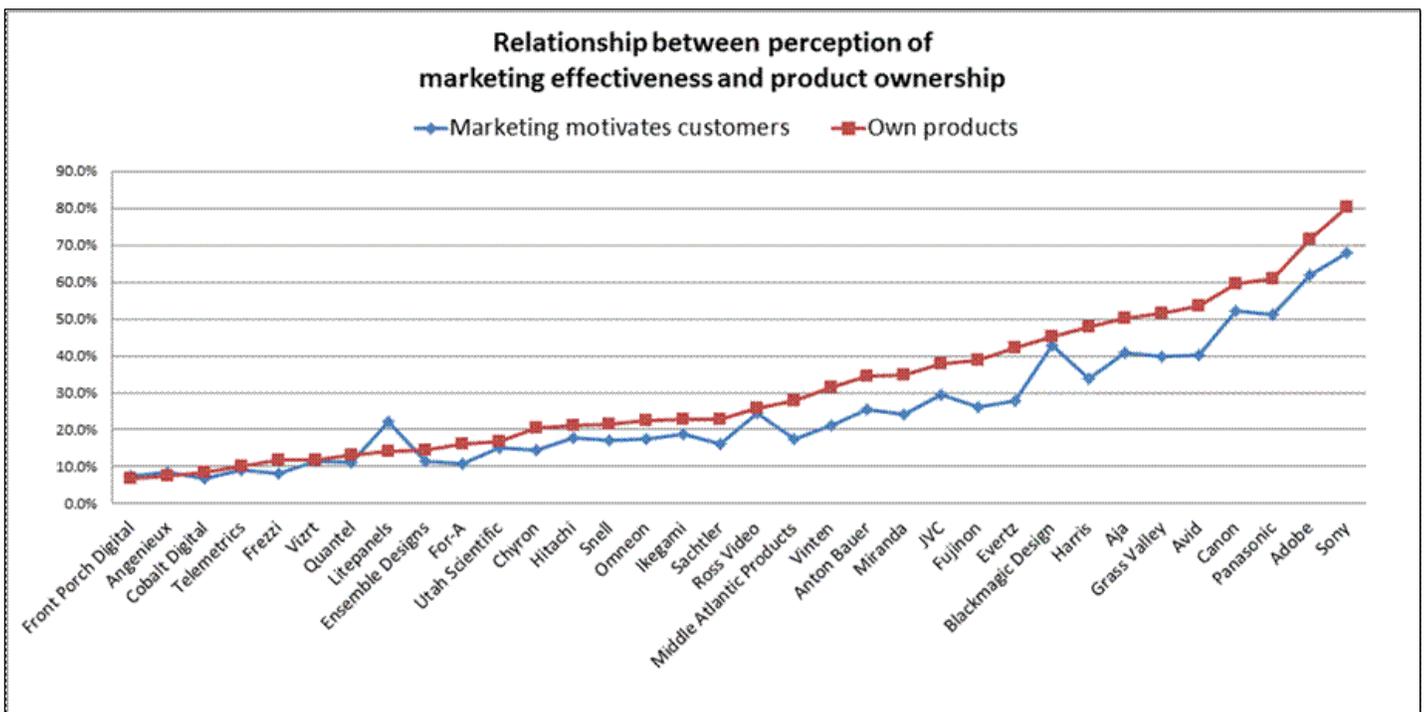
When we compared the percentage of respondents who own products from each company (plotted on the chart in red), against the percentage of respondents who find marketing from that company motivational (plotted on the chart in blue), we see a strong correlation between the two. With only a few variations, the red and blue lines tracked side-by-side.

It is conventional wisdom that product ownership makes customers more receptive to a company’s marketing messages. For example, if you own a Sony camera, you will more likely read a Sony camera ad, white paper, or

website page. But this finding also demonstrates that if you do not own a product from a company, you will have less interest in marketing from that company.

Says Sterling Davis, “It’s a way of sorting. There’s too much out there to figure out, so the way you sort it is you don’t look at Ikegami ads anymore if you’re a Sony company. You glance at them, but it’s not like you’re going to buy from them.”

But innovative marketing can beat these odds. For example, the marketing “motivation” scores of Litepanels, Ross Video and Blackmagic Design tracked higher than their ownership scores alone would predict.





Ownership of a company's product heavily biases its current customers' perception of the company's marketing effectiveness

Why is this important?

This finding shows just how hard it is to unseat a current supplier. Because respondents whose facilities own products from a given manufacturer are much more likely to be motivated by that manufacturer's marketing, it is harder for a new supplier to break in. But while it is more difficult, it is possible to break through with marketing that delivers impact, as several manufacturers in this survey have done.



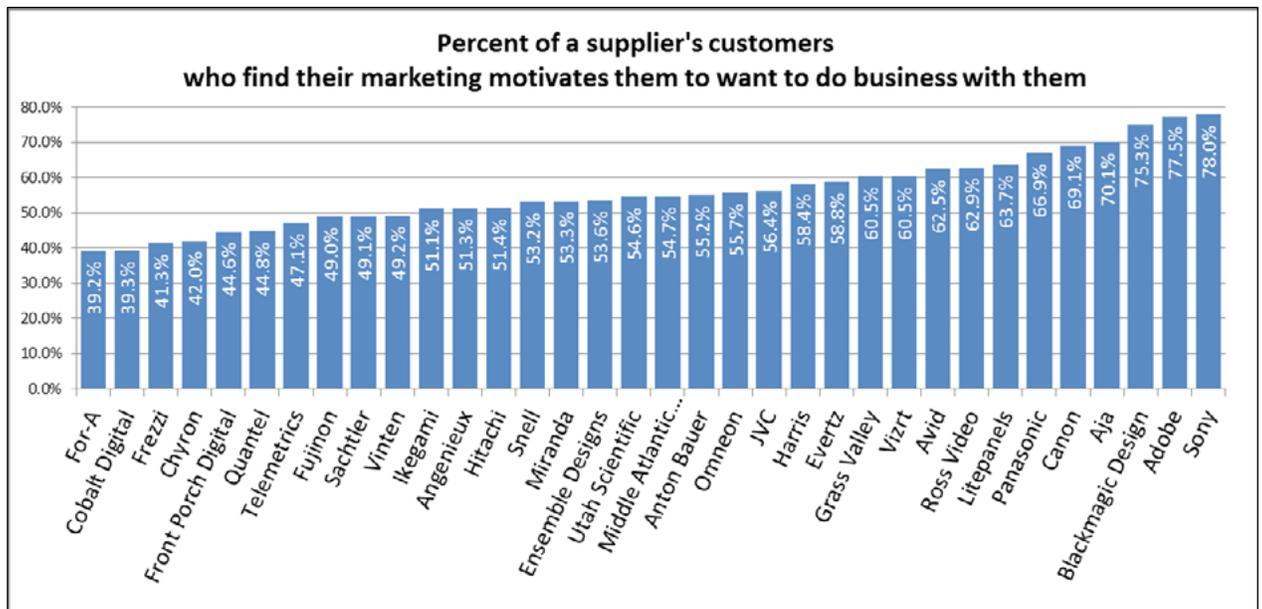
FINDING #14

The percentage of a company’s current customers who say that the company’s marketing motivates them shows a truer picture of the effectiveness of the marketing message

In Finding # 13 we saw how owning a company’s products can make a respondent much more likely to pay attention to that company’s marketing. The danger here is that this “product ownership bias” can turn the evaluation of marketing effectiveness into a popularity contest, where the supplier with the most customers almost always wins. To get a truer measure of how effective a company’s marketing message is, we needed to eliminate ownership bias. We accomplished this by limiting the evaluation of each company’s marketing to only its current customers.

Here is why this works: Of the 1127 respondents in this survey, for ex-

ample, 211 identified themselves as current customers of Snell, while 346 identified themselves as current customers of Miranda. This means that 135 more Miranda customers responded to this survey than Snell customers, or 60% more. Therefore, if we ask all survey respondents to select which companies’ marketing motivates them (as we did in Finding #12) over 60% more will have voted for Miranda instead of Snell due to ownership bias. But, if we compare only the percentage of Snell customers who say that Snell’s marketing motivates them to only the percentage of Miranda customers who feel that Miranda’s marketing motivates them, then the playing field will be level and we can make fair comparisons.





The percentage of a company's current customers who say that the company's marketing motivates them shows a truer picture of the effectiveness of the marketing message

Why is this important?

In evaluating the effectiveness of new marketing campaigns, ownership bias can radically skew the results. For example, let's look at Snell and Miranda again. When all survey respondents were asked which companies have marketing that motivates them, 24% picked Miranda, while only 17.3% chose Snell. As a whole, more of the sample preferred Miranda's marketing. But take out the ownership bias, and things look different. When we compare only the percentage of Miranda customers motivated by Miranda's marketing (53.3%), to only the percentage of Snell customers motivated by Snell's marketing (53.2%), we see that there is actually a tie.



FINDING #15

Most company marketing is ineffective at motivating non-customers to buy

A major goal of marketing is to bring in new customers. But when we asked respondents who were non-customers about which of these companies' marketing motivated them to become customers, their responses were very low: they rated over half of the companies only in the single digits! In fact, when the scores of all 34 companies were averaged, we found that only 10.7% of non-customers felt they are motivated by companies' marketing. This is in sharp contrast to the current customers, of whom 55.9% --- or five times as many -- felt they are motivated.

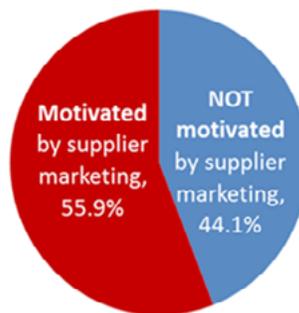
This does not come as a surprise to Gordon Castle: "Many marketing studies show that marketing does best to reinforce the behavior of existing customers, but changing their behavior is very hard. That is the same for selling professional cameras as it is for selling deodorant."

According to John Luff, lack of time plays a role too: "The motivation might be there to learn about products from new companies, but the time is not. With the time crunch, it is inevitable that you look to the people who are spending the most time with you already, and not chase

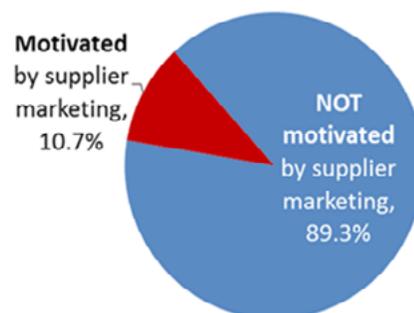
Marketing that wins new customers is best based on feedback from non-customers, with whom most companies have far less interaction.

Current customers are 5 times more motivated by company marketing than non-customers

Current customers:



Non-customers:





other suppliers. There isn't time to devote to the sales process and build new relationships."

Tom Canavan believes that the suppliers themselves contribute to the disparity: "If you are an important customer, you often get more information on new products, more tutorials, and more access to key people in a supplier's organization. These are all

motivating factors that keep existing customers loyal, and non-customers never receive these. As only current customers gain access to these interactions, continuing to be a customer can be a self-fulfilling prophecy. But if you are a supplier going after customers who do not own your products, these are the kinds of things you have to do for them, and it is going to take a while for them to have an effect."

Why is this important?

It is easy for marketers to fall into the trap of preaching to the choir. Well-run companies always listen to their customers for feedback when developing marketing messages. However, marketing messages created in this way may have more appeal to existing customers than to potential new ones. Marketing that wins new customers is best based on feedback from non-customers, with whom most companies have far fewer interaction. To reach beyond current customers often requires a completely different sales and marketing approach.

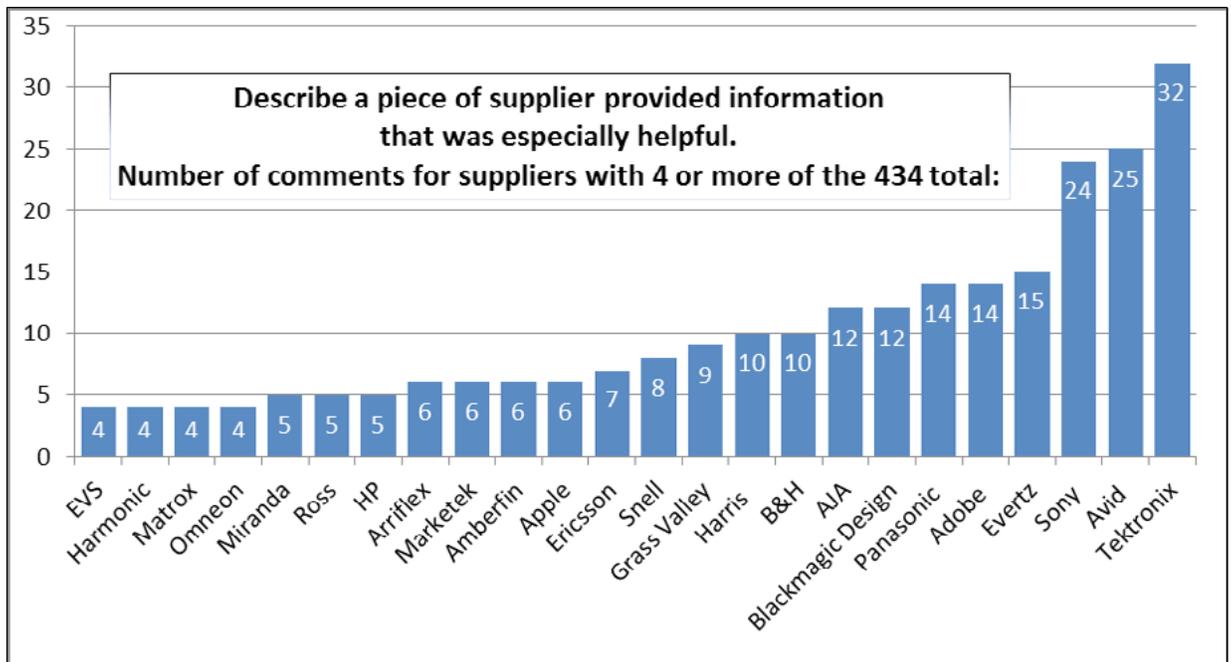


FINDING #16

A small number of suppliers develop a majority of the content that respondents describe as ‘especially helpful’

All suppliers develop content to serve customers. But when customers use their own words to describe the content that most impresses them, what do they say? To find out, we asked respondents to describe supplier-provided information they found especially helpful, including the name of the company that provided it and their product. We received 434 descriptions of “especially helpful” information, provided by 177 different suppliers.

Their comments included many creative uses of content not covered in this study, including product roadmaps, online block diagrams, educational road shows, forums, and newsletters. Out of these 177 companies, 24 collectively accounted for more than half (56.9%) of all the content that respondents described as “especially helpful,” with each company averaging four or more mentions, as seen in the accompanying chart.





A small number of suppliers develop a majority of the content that respondents describe as 'especially helpful'

Why is this important?

The most frequent descriptions of “especially helpful” content were not about unusual or hugely expensive projects, they were most often about content that marketers commonly produce. Respondents mentioned videos and white papers more than most. The most frequent topics were products, technology, and dealing with what is new. But while the forms and topics are routine, execution is harder. When customers describe the kind of content they find most valuable in their own words, it becomes clear that they are much more sensitive to the subtle differences in supplier- provided information than most marketers are aware of. There is a huge difference between being “on target” and “just a little off.” When marketers sit down to create “break out” content that sets their company apart, the focus should be on targeting customer needs with high quality information.



FINDING #17

Despite the odds, exceptional marketing messages break through

Marketing messages have a tough life. Almost half (44.1%) will be ignored by current customers, while most of the rest (89.3%) will be ignored by non-customers. But while most marketing just reinforces existing customer values, some messages do break through the competitive clutter. While larger companies may have a marketing advantage, smaller companies can be highly effective marketers too. For example, let's look at Litepanels: In Finding #11, "All survey respondents who are a supplier's current customers," we see that relatively few survey respondents own Litepanels products as compared to the other companies in this survey, ranking the company #27 out of 34 suppliers. But when we look at their score in Finding #12, "All survey respondents who are motivated by a supplier's marketing," Litepanels moves up to #16 out of the 34 suppliers. This is significant because it means that a fair number of respondents

other than its current customers are motivated by its marketing. Finally, as we look at Litepanels' score in Finding #14, "Only current customers of a supplier who are motivated by that supplier's marketing," the company is #7, indicating that its current customers are especially responsive to its marketing. Considering all three scores together, we see that despite the relatively small size of its installed base, which can limit the impact of a company's marketing, Litepanels has reached beyond its own customer base to become a much more motivational marketer than its product ownership ranking alone would predict. And they are not alone. Several other companies' marketing are performing above expectations as well, as seen in the chart in Finding #13: Ross Video, Black Magic Design, and Canon. The right kind of content can make this possible.

Marketing messages have a tough life. Almost half will be ignored by current customers, while most of the rest will be ignored by non-customers.



In conclusion

Five key questions to ask your marketing team

We hope that this study increases awareness of just how sensitive customers are to the content that marketers create for them. Of all the findings, five stand out as being especially fertile ground for finding new opportunities. Here are five questions to consider:

1. Do you have a marketing strategy for non-customers?

In Finding #15 we saw a big difference between how marketing impacts a company's existing customers compared with its non-customers. On average, just over half (55.9%) of existing customers are motivated by a company's marketing, but only 10.7% of non-customers are. If most marketing just reinforces the behavior of existing customers, how do you use marketing to help bring in new ones? It is hard to win new customers with marketing alone. Many successful programs combine three elements: a marketing campaign focused on new customers, integration with the sales force for follow-up, and a sales lead generation system to provide an ongoing flow of new sales prospects.

2. Do you know what makes your customers unique?

All marketers strive to understand their customers. But a key to improving marketing effectiveness is to understand how your customers are uniquely different from other companies' customers. In Finding #7 we saw just how differently the customers of 34 companies were motivated by educational videos versus product demonstration videos. When we research the customers and non-customers of companies, we often find little difference in demographics such as age, education, or gender. The more significant differences are most often found deeper below the surface -- in the values, perceptions, and content needs of individuals.

3. What is your educational content strategy?

In Finding #5 we saw how persuasive educational information can be in motivating customers to buy. The growing number of new products and technologies being introduced, combined with increasingly fewer hours that buyers have to evaluate them, has resulted in fewer buyers being experts in all the areas needed. More and more often, the supplier who wins the sale is the one that best educates customers on their solution or technology -- not the supplier who best sells their product's features and specs.



4. What is your comparative content strategy?

In Finding #1 we saw just how persuasive direct product comparisons can be. The Internet has given customers the power to make instantaneous, side-by-side product comparisons. The challenge is for marketers to create comparative content that is truly helpful to the evaluation process. Manipulative comparisons are a big customer turn-off, but today's web savvy buyers appreciate honest comparative information that helps their evaluation process.

5. Are your media buys driven by conventional wisdom or customer knowledge?

When we measured how frequently customers in this market are using different media (in Finding #8) we saw social media taking a back seat to print trade magazines. Given the buzz about social media, one might expect the opposite. Also, in several findings we saw how customers of different suppliers vary significantly in the kinds of content that motivates them. Every company's target customers are different, and media recommendations that are right for one group of may be wrong for others. Until you reach out to your customers and find out where they really are engaged, you cannot be sure your media buys are reaching them.

The survey sample

Our survey was designed to measure the point of view of technology buyers. The publishers of four leading publications in the professional television technology market cooperated by providing us with their mailing lists. These four publications are:

- Broadcast Engineering
- TV Technology
- B&C (Broadcasting & Cable)
- Broadcast Buyers Guide (online only)

We are grateful to the publishers who contributed to this project, and we hope it will improve customer understanding and marketing communications for all suppliers.

Facility types

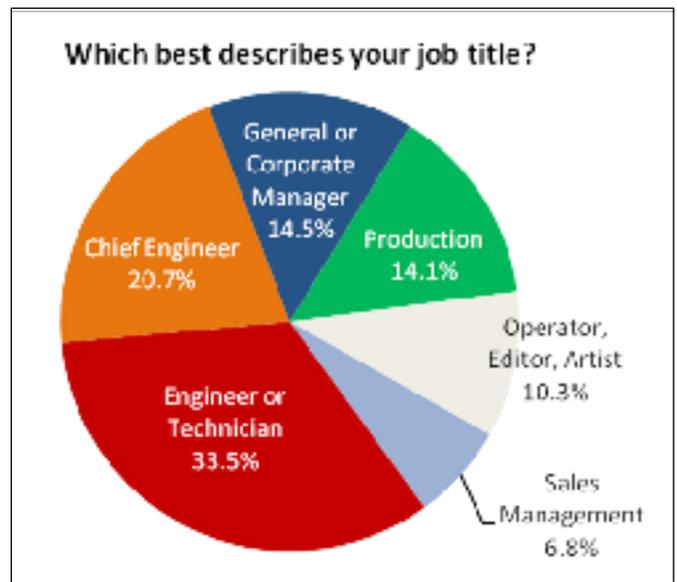
More than half of respondents were from television broadcast and cable facilities. When we added up respondents from TV, Radio and TV, and Cable, they accounted for 58.2% of the sample. About a quarter (25.4%) came from TV production facilities, while 13.1% were from educational and business television, and 3.5% from telcos.

Job Titles

As seen in the chart below, the sample was engineering oriented, with 54.2% of respondents affirming that they are either a chief engineer or an engineer/technician.

Methodology

With the databases of four publications used, surveying was spread out over a four month period. The first blast was deployed August 10, 2011, while the last one was sent out December 12, 2011. Results are based on a total of 1,128 completed surveys. More details on the survey methodology are available upon request.





JOSH GORDON
— GROUP —

