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american business media

The Association of Business Information Companies

2007 Forrester Research Study

FORRESTER®

Forrester Consulting



The Digital Transformation

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FORRESTER®

Agenda

- **Study objectives, methodology, approach, definitions**
- **Executive summary**
- **Analysis**
- **Demographics**

Study objectives

ABM engaged Forrester Consulting to complete an independent analysis of the trends and impact of B2B media on both end-users/decision makers and marketers in light of digital media growth and B2B media's potential for supporting the B2B sales process.

This analysis also examined:

- Which digital tactics business decision makers use -- and why -- and whether B2B marketers are keeping pace with these trends.
- Whether decision-makers are more engaged or become more involved with industry-specific media like magazines, events, and Web sites than general business media.
- Whether decision-makers find industry-specific media valuable for informing their business purchase decisions, helping them do their jobs better, and growing professionally.
- How industry-specific media influences business decision-making when used alone or together.
- How industry-specific media supports the B2B sales process at a time when it is more difficult and expensive to reach decision makers with sales interactions.
- What the future holds for digital media specifically and B2B media in general.

Study methodology

- Developed questions for an online survey jointly with American Business Media to address the current and future state of B2B: media use, attitudes about media, media spending, and media use in purchase decision making.
- Fielded screener questions to a predetermined portion of the Global Market Insight's (GMI) panel to identify qualified respondents.
 - GMI recruits panelists by email and uses a point system to encourage participation. GMI manages over a million active business panelists in the US.
- Fielded survey to qualified GMI panelists; a total of 878 B2B Decision Makers and 816 B2B Marketers completed surveys within 21 industry categories.
- Developed a comparable survey and fielded it to a separate sample to assess the impact of the digital transformation on the Canadian market, but limited to the manufacturing industry category. A total of 30 B2B Decision Makers and 30 B2B marketers completed surveys.

Approach taken to analyze the findings

- Assess which media business decision makers (BDMs) use in their jobs, use to substantiate their purchase decision making, and why.
- Determine if marketers adequately use these same tactics to meet BDM-expressed needs and preferences.
- Highlight gaps and opportunities where B2B marketers can:
 - Use specific media platforms to reach decision makers or help support their product/service decision making.
 - Integrate media choices to increase involvement or engagement of decision makers.
 - Enhance the B2B sales process with specific media choices.
- Determine whether marketers' future plans support the digital media shift and are consistent with the value BDMs receive from B2B media.

Definitions

When the respondents completed the survey, they used the following definitions:

- Industry-specific media: publications and Web sites that focus on news and trends affecting a particular industry or profession (*Aviation Week, Medical Economics, Chief Executive, CIO Magazine*) Survey questions used the term “industry/profession-specific”
- General business media: publications and Web sites that cover broad business issues, trends, and topics (*Fortune, Forbes*)
- Specialized business Web sites: Web sites targeting specific categories of business professionals like IT, design engineers, or medical professionals (*IT Tool Box, Global Spec, SearchMedica*)
- Business decision maker (BDM): Middle managers and upper-level executives significantly involved in approving budgets and evaluating or purchasing products/services.

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Executive summary

- Business decision makers (BDMs) are shifting to digital media use at a faster rate than B2B marketers are adopting these media
- Industry-specific media are *more effective* at reaching BDMs than general business media
- While each of the key industry-specific media demonstrates unique strengths, they are *most effective when used together* in an integrated manner
- Industry-specific media *extend the reach and effectiveness* of the B2B marketer's sales organization
- B2B marketers plan to *underutilize* industry-specific media in their future spending compared to BDM's expected use of these media

Agenda

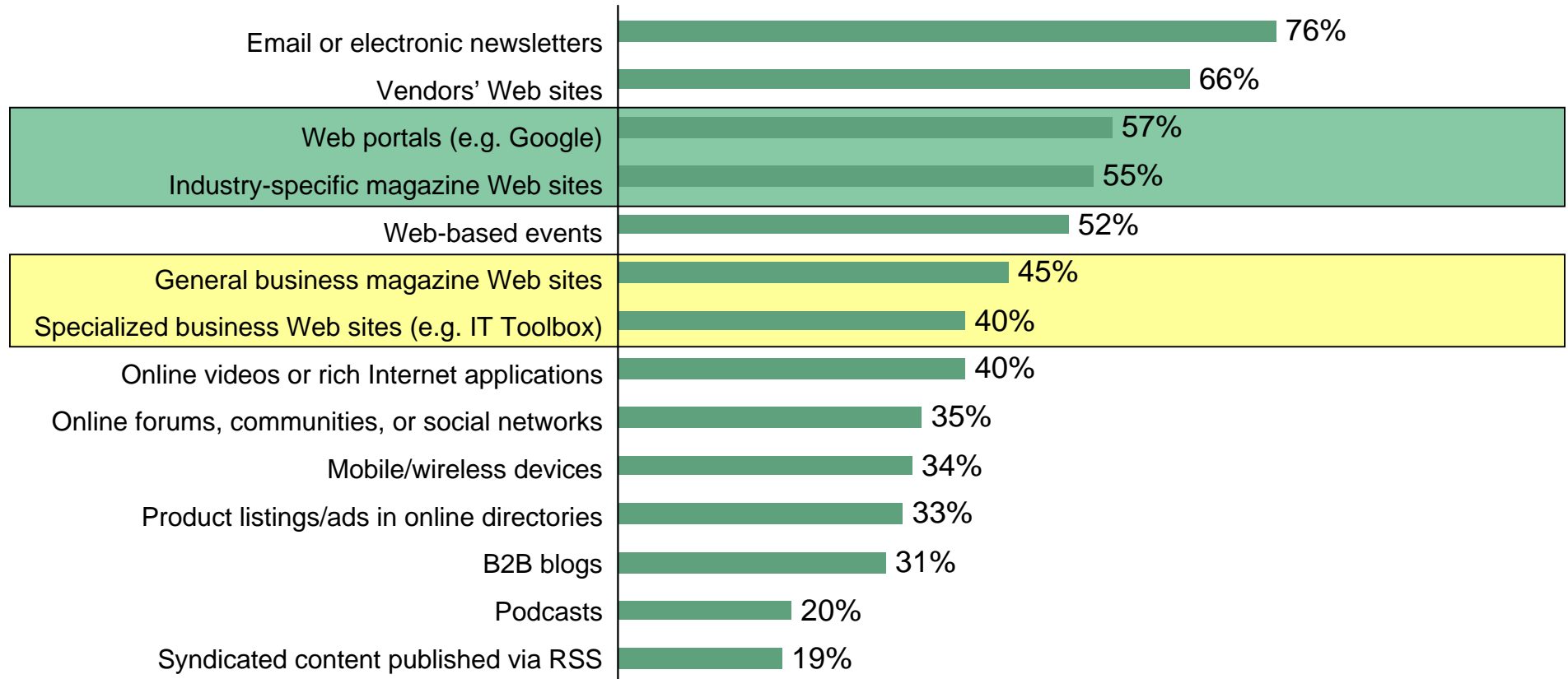
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How is the use – and value placed on – digital media among business decision makers changing?

Are B2B marketers taking full advantage of these trends in digital media use?

BDMs use industry-specific Web sites as much as popular Web portals and more than general business/professional sites

“Which *digital* B2B media do you use to do your job?”



Base: 878 B2B decision makers

S7A: Decision Makers survey: Which of the following types of digital B2B media do you read or interact with to do your job?”

However, BDMs rank industry-specific Web sites one of the top 2 digital resources they rely on at their jobs

“Of the *digital* B2B media that you use on your job, which 3 do you rely on the most?”

		Base
Industry-specific magazine Web sites	70%	485
Email or electronic newsletters	70%	666
Vendors' Web sites	64%	582
Web portals (e.g. Google)	53%	500
Web-based events	45%	458
Specialized business Web sites (e.g. IT Toolbox)	43%	354
General business magazine Web sites	39%	395
B2B blogs	32%	273
Online forums, communities, or social networks	30%	304
Product listings/ads in online directories	29%	291
Online videos or rich Internet applications	24%	348
Mobile/wireless devices	24%	296
Podcasts	19%	174
Syndicated content feeds published via RSS	16%	166

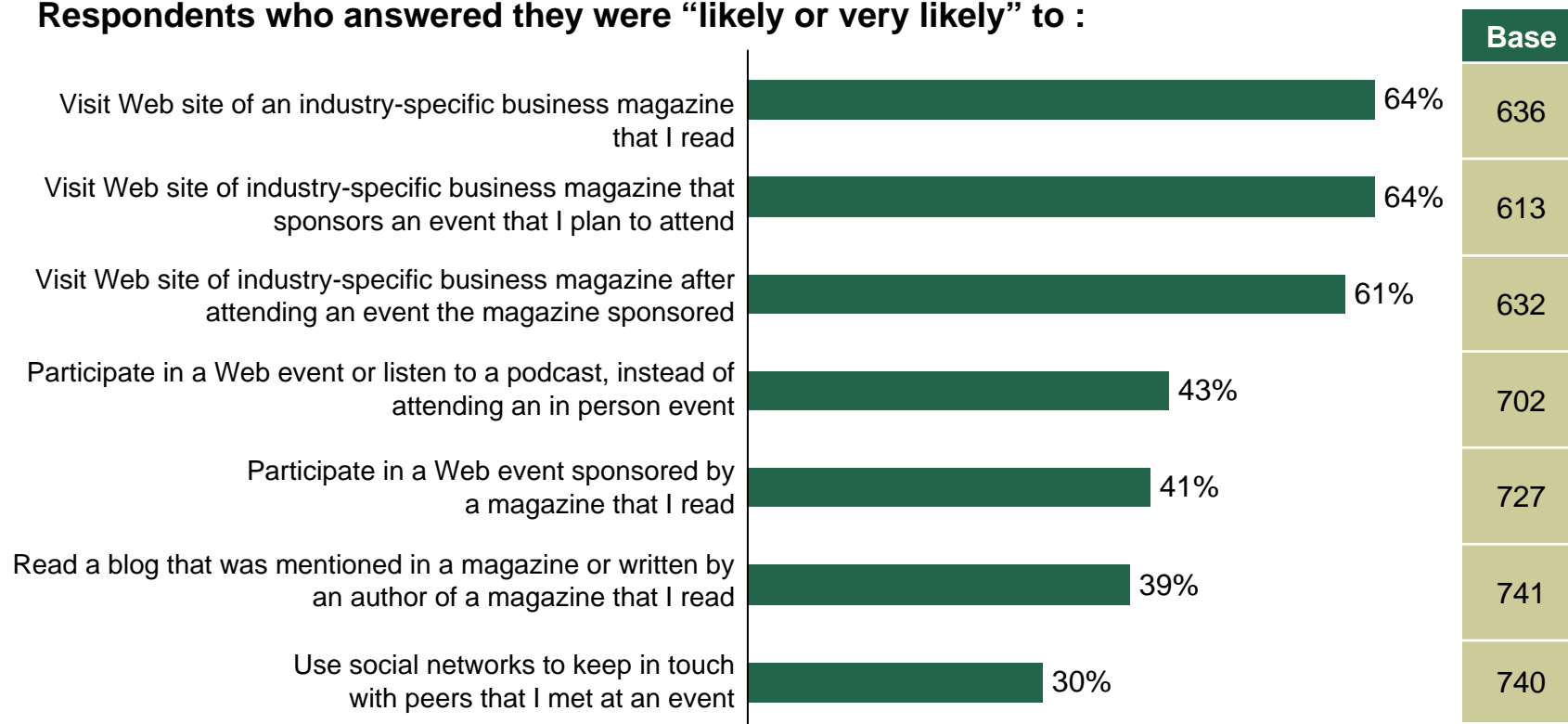
Q1A Decision Makers survey: Of the following digital B2B media that you read or interact with on your job, which 3 do you rely on the most?

For BDMs, industry-specific Web sites play an important role in extending the value of industry-specific magazines and events



29% BDMs turn to industry-specific Web sites FIRST for information.
25% say industry-specific Web sites help them find the best companies to buy from.

Respondents who answered they were “likely or very likely” to :

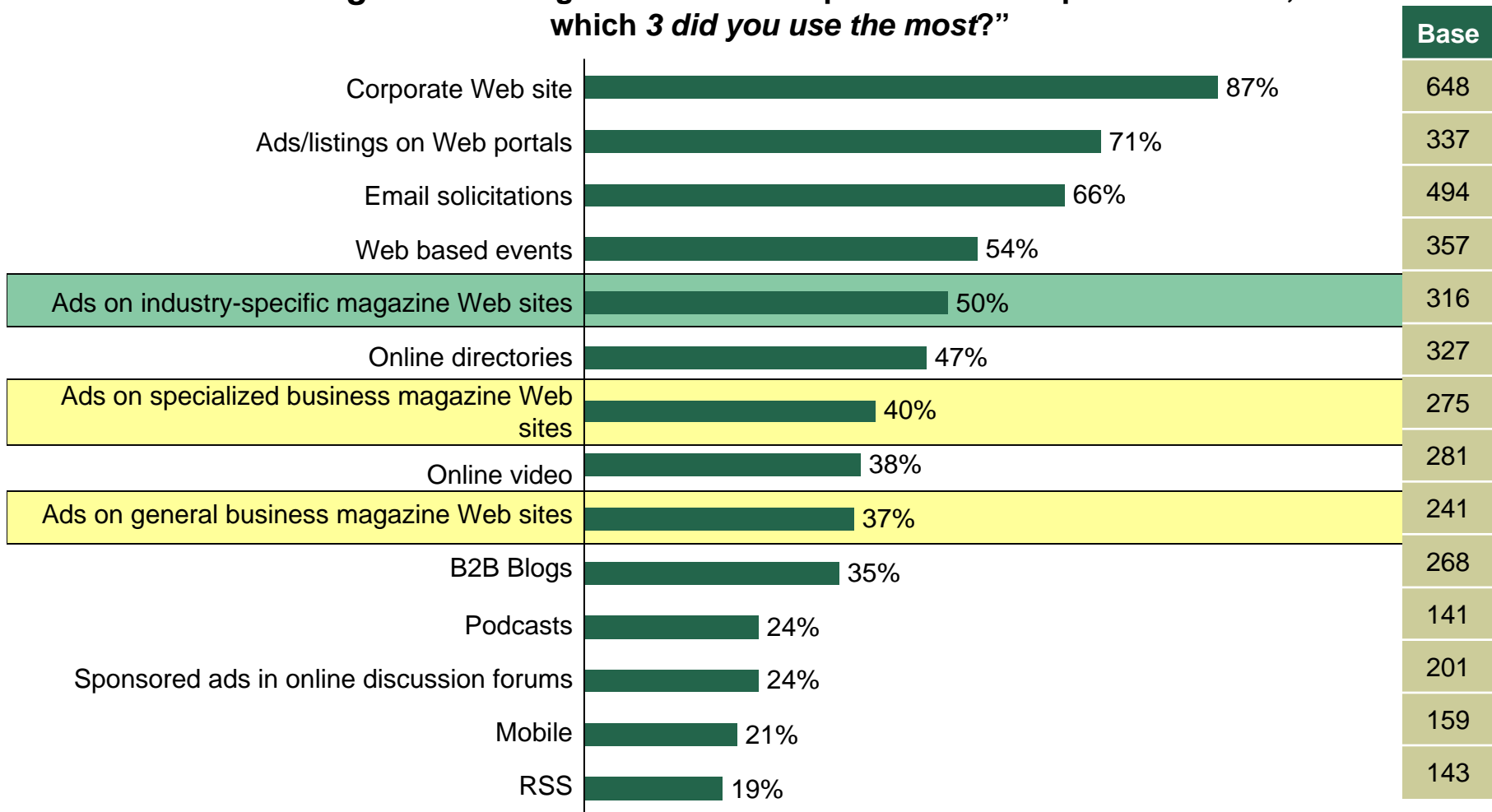


Q11 Decision Maker's survey: Please indicate which of the following media best helps you do the following activities.

Q15 Decision Makers survey: How likely are you to do the following activities?

While BDMs rely on industry-specific Web sites the most, B2B marketers don't recognize the importance of these sites to the same degree

“Of *digital* marketing tactics used or sponsored in the past 12 months, which 3 did you use the most?”



Q2A: Marketers survey: Of the following digital B2B trade marketing tactics that your company used or sponsored in the past 12 months, which 3 did you use the most?”

B2B marketers believe industry-specific Web sites help generate demand

B2B Marketers who say . . .	Percentage	Base
Industry-specific Web sites are effective at reaching decision makers	68%	304
Industry-specific Web sites are effective at generating leads	62%	303
Industry-specific Web sites will be effective or very effective as sales and marketing tactics in 2009	61%	816

However, they don't use or sponsor ads on industry-specific Web sites as much as BDMs use these sites.

	Percentage	Base
BDMs who use industry-specific Web sites on the job	55%	878
B2B marketers who used or sponsored industry-specific Web sites in the past 12 months	39%	816

Q4 Marketers survey: How effective are the following marketing tactics for reaching business decision-makers?

Q6 Marketers survey: How effective are the following marketing tactics for generating qualified leads?

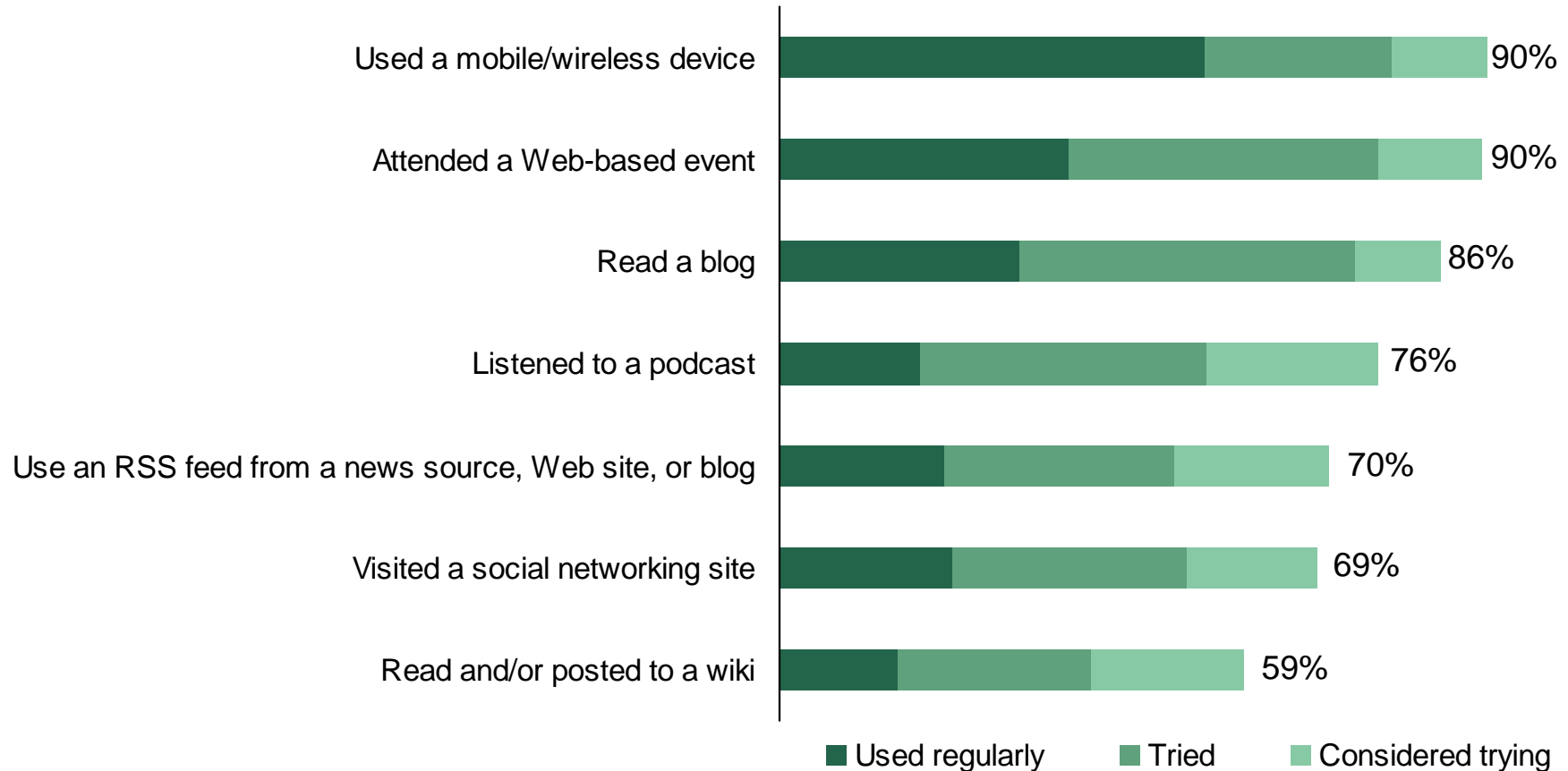
Q9 Marketers survey: Compared with today, how effective do you think each of the following sales and marketing tactics will be in 2009?

S7A Decision Makers survey: Which of the following types of digital B2B media do you read or interact with to do your job?

Q1B Marketers survey: Which of the following digital B2B/trade marketing tactics did your company use or sponsor in the past 12 months?

Most BDMs use or intend to use Web 2.0, emerging media today

“Which of the following activities *relevant to your job or industry* have you tried or considered trying?”



Base: 878 B2B decision makers

Q16 Business decision makers survey: “During the past 12 months which of the following activities relevant to your job or industry have you tried or considered trying?”

Consistent with prior Forrester findings, B2B marketers are turning to emerging media at a rate consistent with BDM's growing interest

“Of the following digital media, which did you *rely on/use the most*?”

Media/tactic used most	B2B Decision Makers		B2B Marketers		Forrester Marketers Data (Q4 2006)
	Base	%	Base	%	%
Syndicated content feeds published via RSS	166	16%	138	19%	27%
Podcasts	174	19%	137	24%	23%
Business-to-business blogs	273	32%	254	35%	33%
Online forums, communities, or social networks	304	30%	200	24%	14%*
Mobile/wireless devices	296	24%	156	21%	NA

Forrester Data:

Base: 159 to 160 B2B marketers

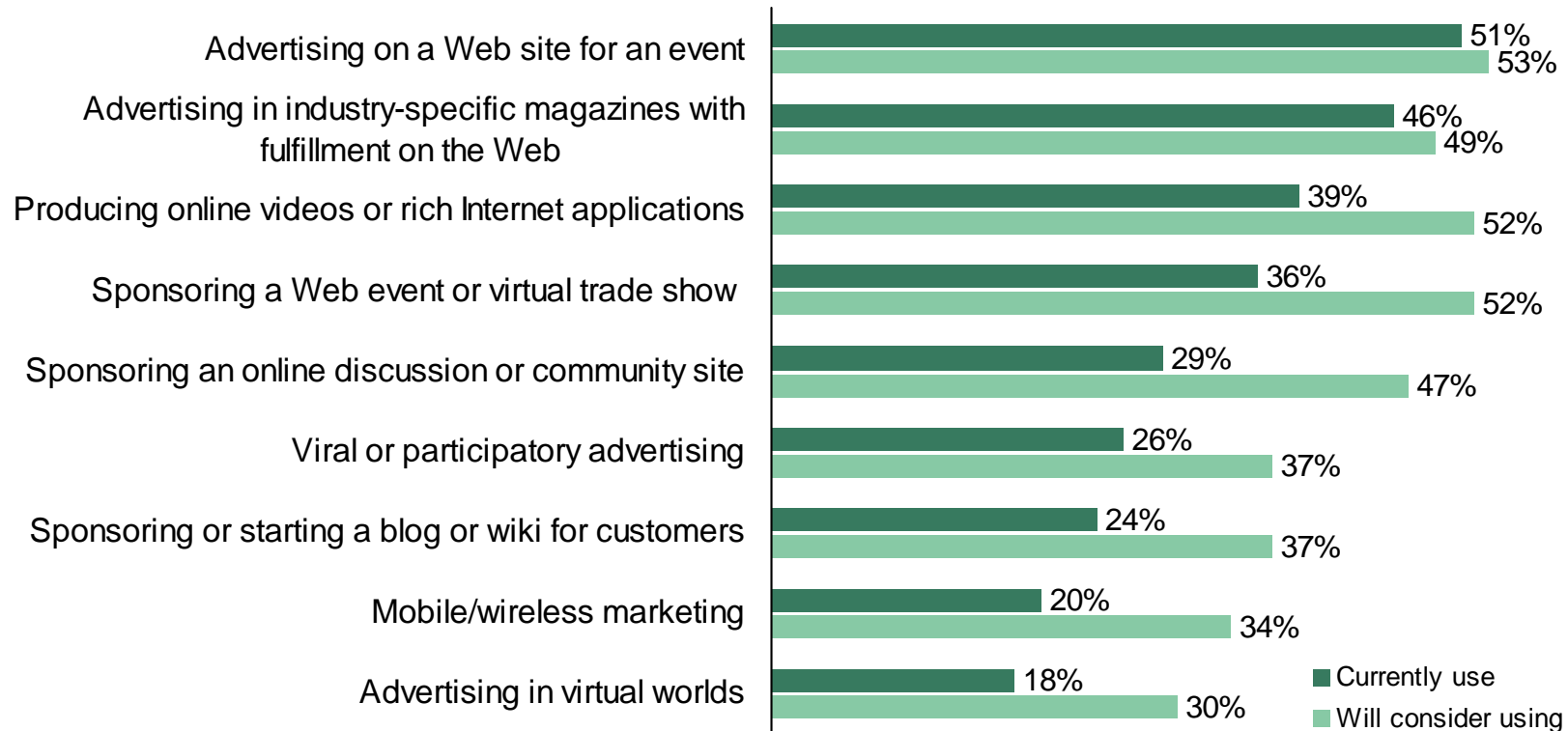
Source: Forrester's Q4 2006 Marketing Benchmark Online Survey

*Responses include social networks only.

Q2A Marketers survey: Of the following **digital** B2B trade marketing tactics that used or sponsored in the past 12 months, which 3 did you use the most?
 Q1A Decision Makers survey: Of the following **digital** B2B media that you read or interact with on your job, which three did you rely on the most?

In 2009, B2B marketers plan to use more digital media, including emerging tactics like videos, Web based events, or online community pages

“Which emerging digital marketing tactics have you used in the past 12 months?
Which you likely to *consider* using in the next two years (through 2009)?”



Base: 816 Marketers



However, these numbers are still **BELOW** the 70% or more of BDMs who use or plan to use emerging digital media **TODAY**.

Q11 Marketers survey: “Which of the following emerging digital marketing tactics have you used in the past 12 months?”

Q12 Marketers survey: “Which of the following emerging digital marketing tactics are you likely to consider using in the next two years (through 2009)?”

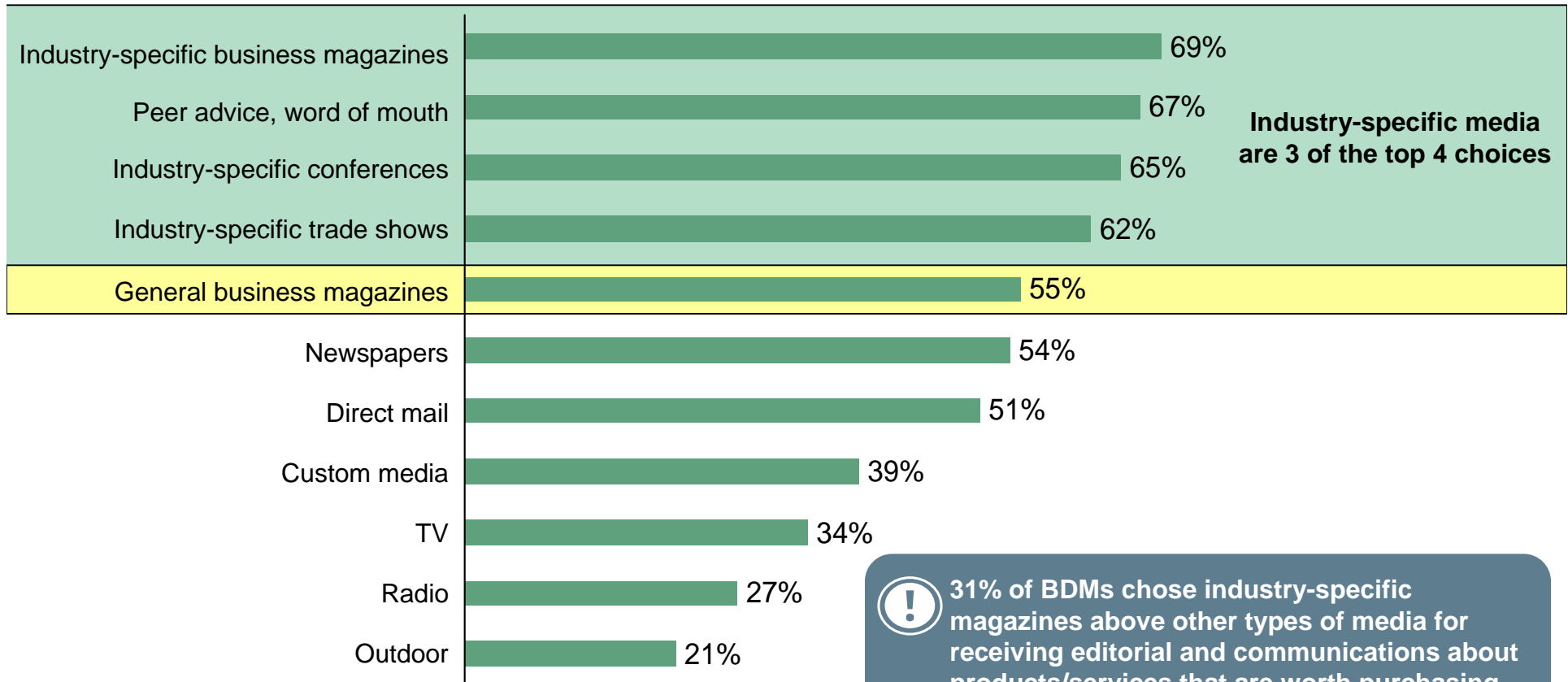
With growing use of digital media, how engaged or involved are decision makers in traditional industry-specific media?

What value do traditional industry-specific media platforms offer to B2B decision makers?

Do marketers recognize these strengths?

Industry-specific magazines rank #1 among traditional media used by BDMs while at work

“Which *traditional* B2B media do you use to do your job?”



Base: 878 B2B decision makers

S7: Decision Makers survey: Which of the following types of traditional B2B media do you read or interact with to do your job?

Q11 Decision Makers survey: Please indicate which of the following media best helps you do the following activities.

BDMs are highly-involved with all industry-specific media

Media involved with	Frequency	Time spent
Industry-specific business magazines	64% read 3 magazines or more last month	44% spent 3 hours or more reading per week
Industry-specific conference or trade show	51% attended 3 conferences or trade shows or more during the past 12 months	58% spent 5 days or more at conferences or trade shows during the past 12 months
Industry-specific Web sites	54% visited 5 Web sites or more last month	47% spent 3 hours or more on Web sites per week
Web-based events	75% attended 3 Web-based events or more during the past 12 months	N/A

Q1C BDM survey: In the past month, approximately how many different industry/profession-specific business magazine titles did you read?

Q2 BDM survey: In the past week, approximately how much time have you spent reading industry/profession-specific business magazines?

Q3 BDM survey: In the past month, approx. how many different industry/profession-specific Web sites did you visit, including online editions of B2B magazines?

Q4 BDM survey: In the past week, approximately how much time have you spent visiting industry/profession-specific Web sites?

Q5 BDM survey: During the past 12 months, how many times did you attend an industry/profession-specific conference or trade show?

Q6 BDM survey: During the past 12 months, approx. how many days in total did you spend attending industry/profession-specific conferences/trade shows?

Q7 BDM survey: During the past 12 months, how many times did you attend a Web-based event (e.g., Webinars, WebEx product demos, virtual conferences)?

The majority of BDMs find industry-specific *content and advertising* more engaging than general business media

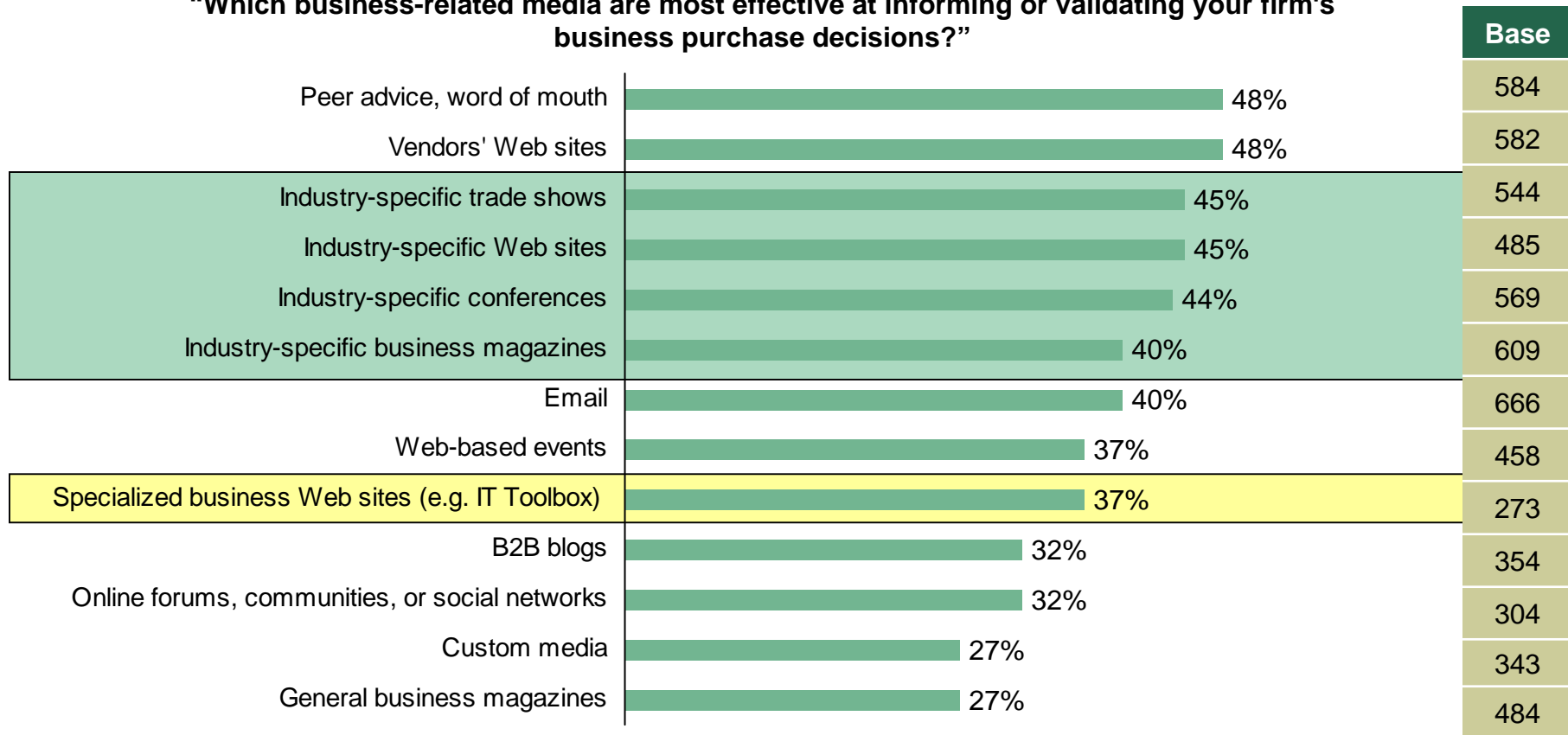
Statements about engagement	Agree
When visiting an industry/profession-specific Web site, I find that I spend more time reading and thinking about the content than with other more general Web sites or portals	83%
When reading or interacting with industry/profession-specific business magazines, I find that I spend more time reading or thinking about the editorial content and product/service messages than with other general business media	80%

Base: 878 B2B decision makers

Q14 Decision Makers survey: Please rate your level of agreement with the following statements.

When making purchase decisions, BDMs rely on industry-specific media to inform and validate their choices

“Which business-related media are most effective at informing or validating your firm's business purchase decisions?”



26% or fewer of BDMs surveyed selected 11 other marketing tactics including Web portals, online directories, direct mail, online video, podcasts, RSS, TV, radio, newspaper, mobile ads, and outdoor.

Q9 BDM survey: For each business related media that you read or interact with, which are most effective at informing or validating your firm's business purchase decisions?”

Industry-specific media platforms top other media for delivering objective information and helping BDMs perform in their jobs

Percentage of business decision makers who chose the following media as *the best medium* for the following statements:

Response	Industry-specific Web sites	Industry-specific magazines	Industry-Specific Tradeshow	Other media
Provides objective information	27% (1)	25% (2)	9% (4)	General business magazine = 11% (3)
Provides information that I can trust	25% (2)	26% (1)	10% (4)	Vendor Web site = 12% (3)
Keeps me ahead of the competition	24% (1)	20% (2)	14% (3)	Gen'l business magazine Web site = 9% (4)
Helps me do my job better	22% (1)	20% (2)	11% (3)	Web portals = 10% (4)
Helps me advance my career	22% (1)	19% (2)	14% (3)	General business magazine = 10% (3)
Helps me grow my business	21% (1)	18% (2)	15% (3)	Gen'l business magazine Web site = 8% (4)
Helps me become aware of new products or services	17%(3)	19% (2)	22% (1)	Vendor Web site = 16% (4)

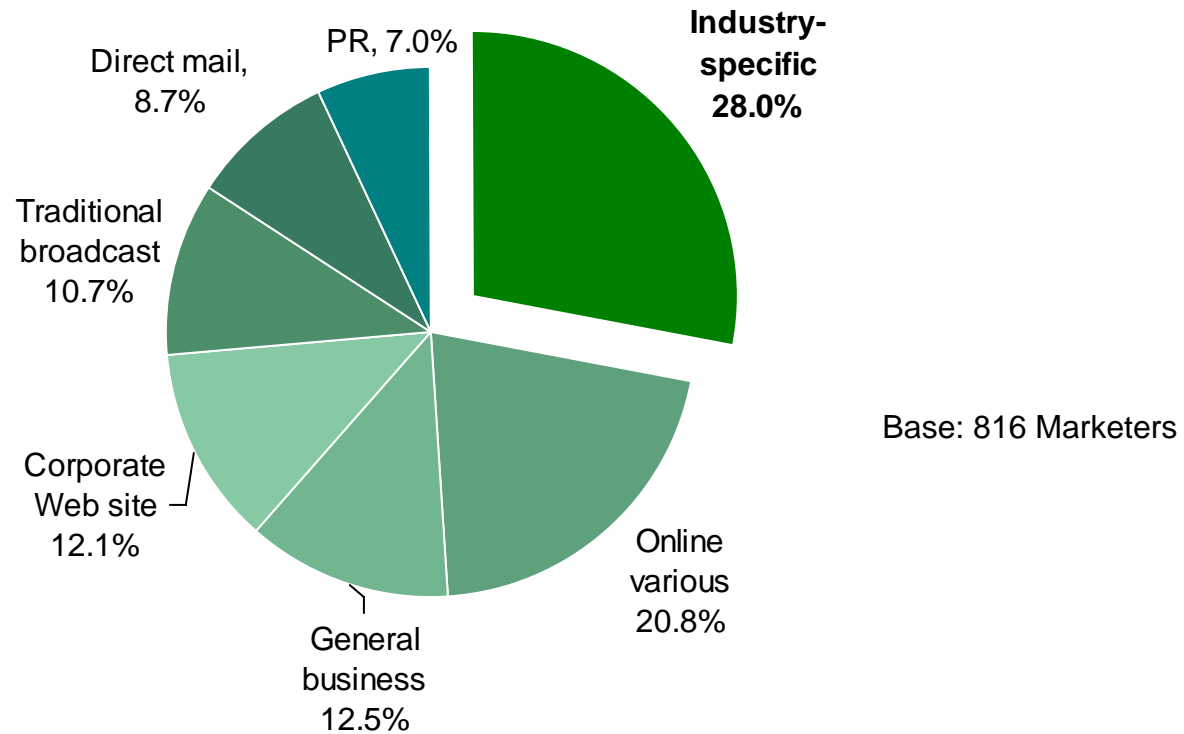
Base: 878 Business decision makers

Key: Percentage of respondents selecting each medium (Overall rank in parentheses)

Q11 Decision Makers survey: Please indicate which of the following media best helps you do the following activities.

Yet B2B marketers spend a significant percentage of their budgets on media that BDMs use or rely on less

Reported % trade marketing budget spent on each marketing tactic in 2007



While industry-specific media rank highly on B2B media spending list, *marketers* spend a significant percentage of their budgets on media that BDMs use or rely on less.

Q2 Marketers survey: Estimate the percent of your B2B trade marketing budget to be spent on each marketing tactic in your company's fiscal 2007

When integrated together, do industry-specific media influence decision makers more than when used alone? Do marketers agree?

How important are B2B digital and traditional media to B2B marketers' sales process?

When used together, B2B media help BDMs recognize brands. B2B media also help marketers to reach buyers and stay top-of-mind.

“Please indicate your level of agreement with the following statements”

B2B Decision Makers	Agree
It is easier for me to recognize or remember a company’s brand or products/services when I see messages about it in multiple media such as magazines, online, or at events	91%

Base: 878 Business decision makers

B2B Marketers	Agree
Integrating our marketing messages and advertising across multiple industry-specific business-to-business media allows us to reach buyers that we might not have engaged using one medium alone.	93%
Our company or brands become/s more top of mind when buyers see our messages in more than one industry-specific B2B medium	91%
Buyers and customers are more likely to consider our company’s products or services when they see messages for our company in more than one industry-specific B2B medium	91%
Prospects get more information about our company or brands when they see messages in more than one industry-specific business-to-business medium	90%
Our firm gets more qualified buyers when we integrate industry-specific B2B media like print and events with online media like Web ads and sponsored links.	85%

Base: 816 B2B marketers

Q14 Decision Makers survey; Please rate your level of agreement with the following statements:

Q9: Marketers survey; Please indicate your level of agreement with the following statements

Industry-specific media help open doors for B2B sales

Statement	Agree
BDMs who say seeing a message in industry-specific media makes them more receptive to a salesperson.	82%

B2B media reach is very important because B2B sales reps can't reach all decision makers...

Statement	Percentage
BDMs who see sales reps less than once per month	69%
BDMs who say the amount of time they spend with sales reps has decreased or stayed the same during the past 12 months	78%

Base: 878 Business decision makers

Q12 Decision Makers survey: During the past 12 months, how often did sales reps from product or service companies contact you?

Q13 Decision Makers survey: How has the amount of time you spend with sales representatives changed over the past 12 months?

Q14 Decision Makers survey: Please rate your level of agreement with the following statements.

B2B marketers overwhelmingly believe industry-specific events and media increase sales effectiveness

“Please indicate your level of agreement with the following statements”

Statement	Agree
Face-to-face events help our salespeople engage buyers more effectively	96%
Our salespeople feel that messages in industry/profession specific B2B media help to build their credibility	91%
Buyers who visit our Web site are more likely to take a call from our salespeople	89%
Messages in industry-specific B2B media make it easier for our salespeople to call on prospects	88%
Web-based seminars help our salespeople engage buyers more effectively	75%

Base: 816 B2B marketers

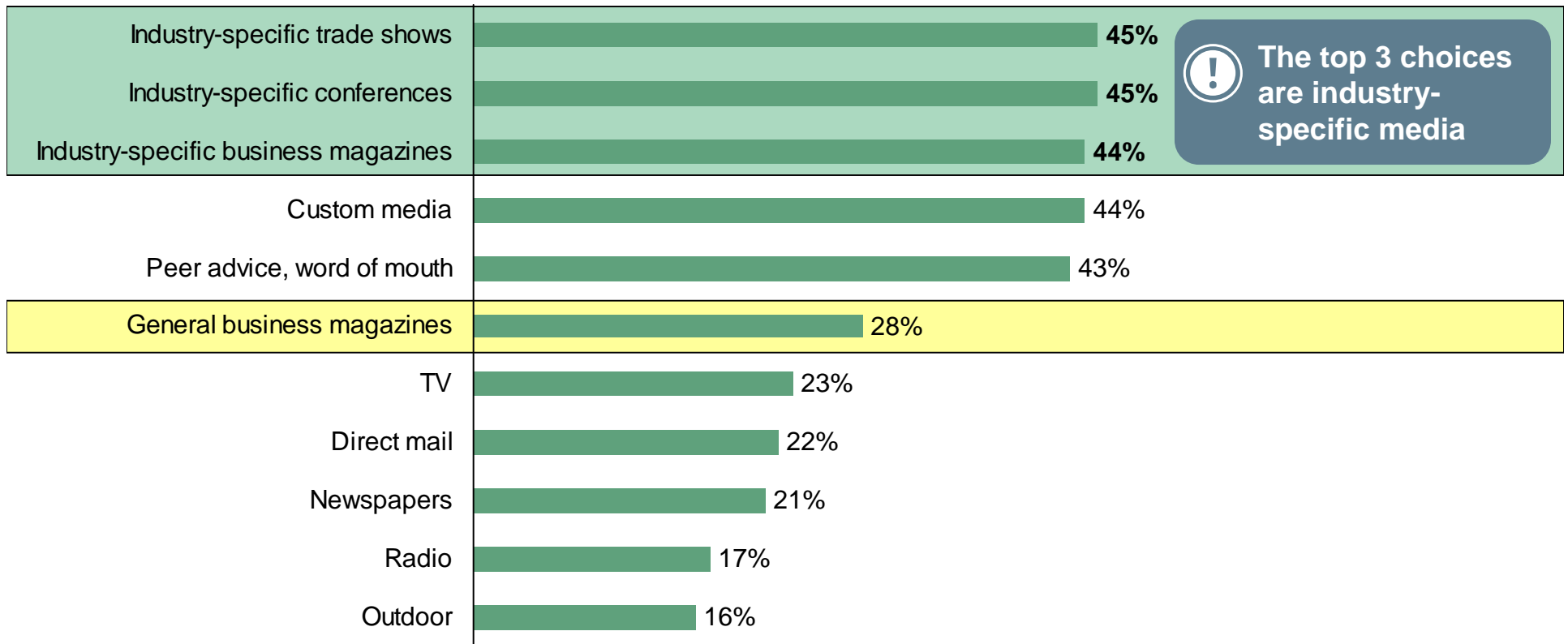
Q10 Marketers survey: Please indicate your level of agreement with the following statements

Which trends in media use by B2B decision makers and marketers are most important?

Among BDMs, industry-specific media will continue to be more important than general business media in 2009

“How will your use of *traditional* media change in the next two years (2009)?”

% who say their use of **traditional tactics** will “increase” or “increase significantly” in 2009.



The top 3 choices are industry-specific media

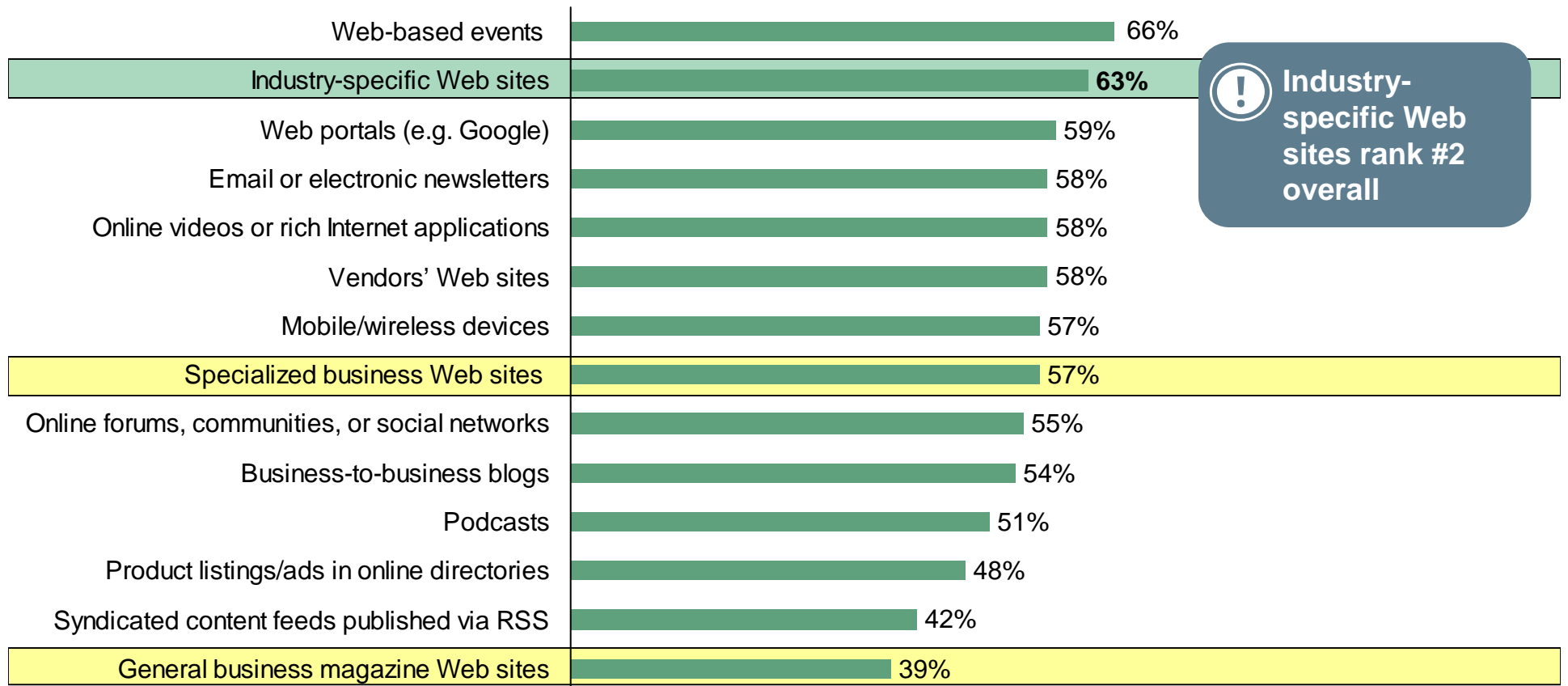
Base: 878 business decision makers,

Q10 Decision Makers survey: How will your use of traditional media change in the next two years (2009)?

BDMs use of industry-specific Web sites and Web events will increase even more in the future

“How will your use of *digital* media change in the next two years (2009)?”

% who say their use of **digital tactics** will “increase” or “increase significantly” in 2009.



Base: 878 business decision makers

Q10: Decision Makers survey

Marketers' budget plans will underutilize industry-specific media in 2009

“In 2009, how will your spending on the following marketing tactics change compared with 2007?”

% who say their use of these tactics will “increase” or “increase significantly” in 2009

Media/tactic	B2B Decision Makers	B2B Marketers
Web based events	66%	50%
Industry specific web sites	63%	45%
Corporate web site	59%	62%*
Web portals	59%	47%
Email	58%	47%
Industry specific trade shows OR conferences	58%	40%
Custom media	44%	41%
Industry specific business magazines	44%	35%
General business magazine web sites	39%	36%
Direct mail	22%	32%*

Q3: Marketers survey
Q10: BDM survey

Base: 816 B2B marketers, 878 business decision makers

* = over-utilized

Summary

- In 2007, it is clear business decision makers rely heavily on digital media
 - 70% rely on industry-specific Web sites for their jobs. (#1 rank)
 - Over 60% visit industry-specific Web sites to enhance their B2B media experience. (#1 rank)
 - Over 75% have used or plan to use emerging media at work.
- BDMs' use of digital media will increase further in 2009.
- Yet, traditional industry-specific media remain highly relevant and valuable to BDMs – especially when compared to general media.
 - Over 60% use industry-specific media on the job – more than any other option.
 - Over 50% spend significant time with industry-specific B2B media. (3 hours or more with magazines, 5 days or more at tradeshow/conferences, 3 hours or more online)
 - Over 80% find industry-specific content and advertising highly engaging
- BDMs find industry-specific media invaluable for informing and validating their business purchase decisions and helping them do their jobs better.
 - 40% to 45% rely on traditional industry-specific media to validate purchase decisions – again, more than other options.
 - Industry-specific media (digital, magazines, events) rank in the top 4 for providing objective information BDMs trust
 - And they are the top 3 choices for helping them grow their businesses and excel at their jobs

Summary, continued

- Over 85% of BDMs and marketers agree that B2B media are more effective when integrated together.
- Because they involve and engage BDMs, industry-specific media open doors for B2B sales and extend the reach of the sales organization.
 - Over 80% agree that product messages in B2B media make them more receptive to salespeople.
- Despite this, B2B marketers underutilize industry-specific media in their current media mix.
 - B2B media command less than 30% of the overall marketing program budget.
- They also plan to underutilize industry-specific media in their future spending compared to how to BDMs will use it. They will underutilize:
 - Industry-specific Web sites by 8% (refer to slide 38)
 - Industry-specific tradeshows and conferences by 18%
 - Industry-specific magazines by 9%

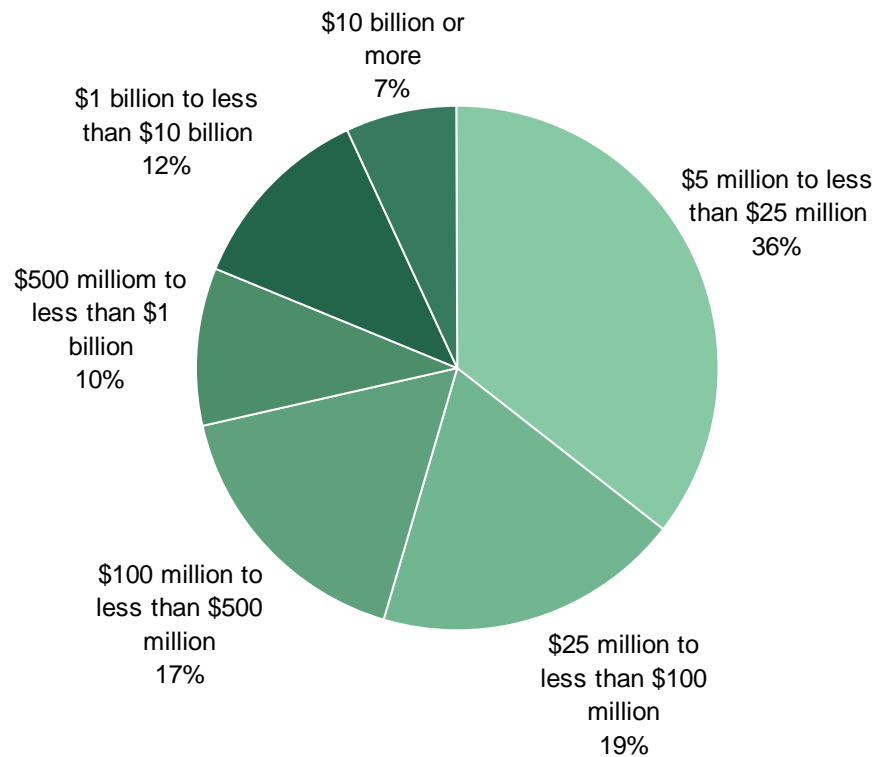
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Demographics: Corporate revenues

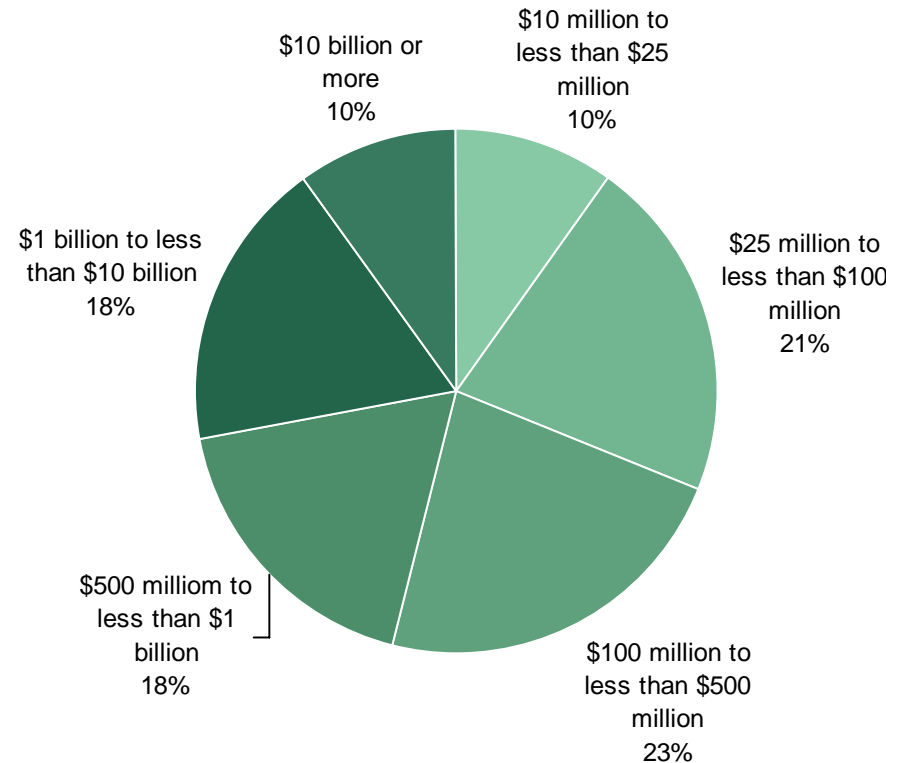
“Using your best estimate, what are the total annual revenues of your company?”

Decision Makers



Base: 878 business decision-makers

Marketers



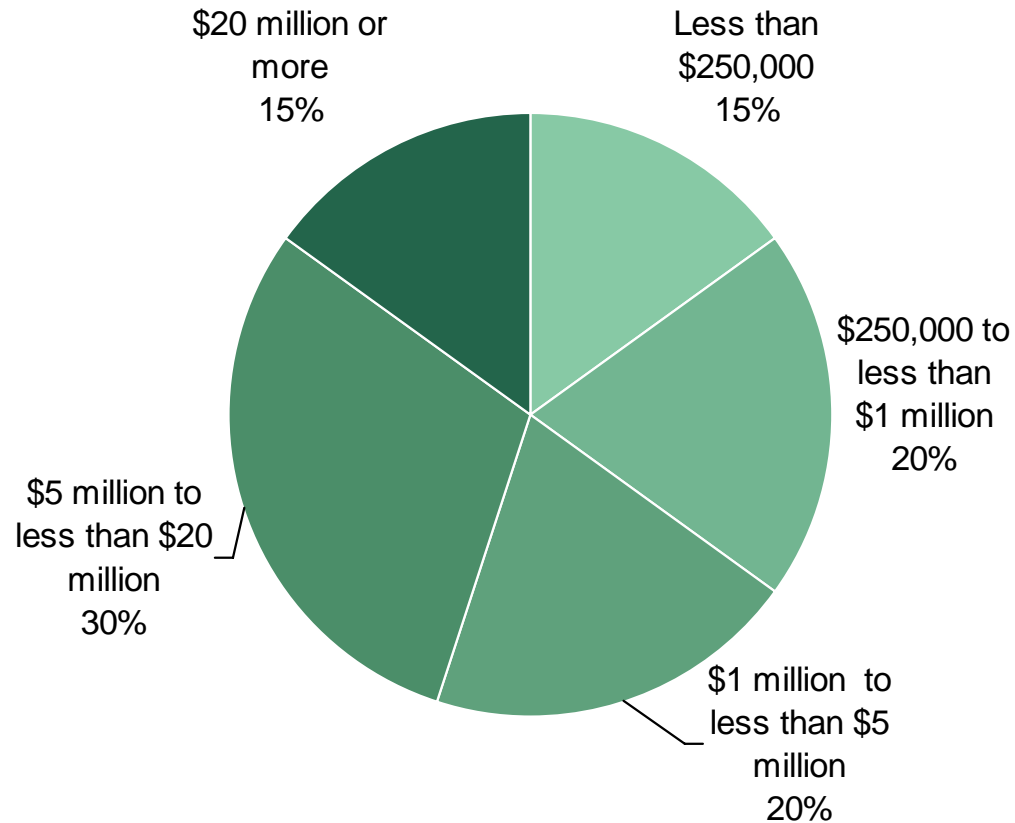
Base: 816 B2B marketers

S1 Decision Makers survey: Using your best estimate, what are the total annual revenues of your company?

S1 Marketers survey: Using your best estimate, what are the total annual revenues of your company?”

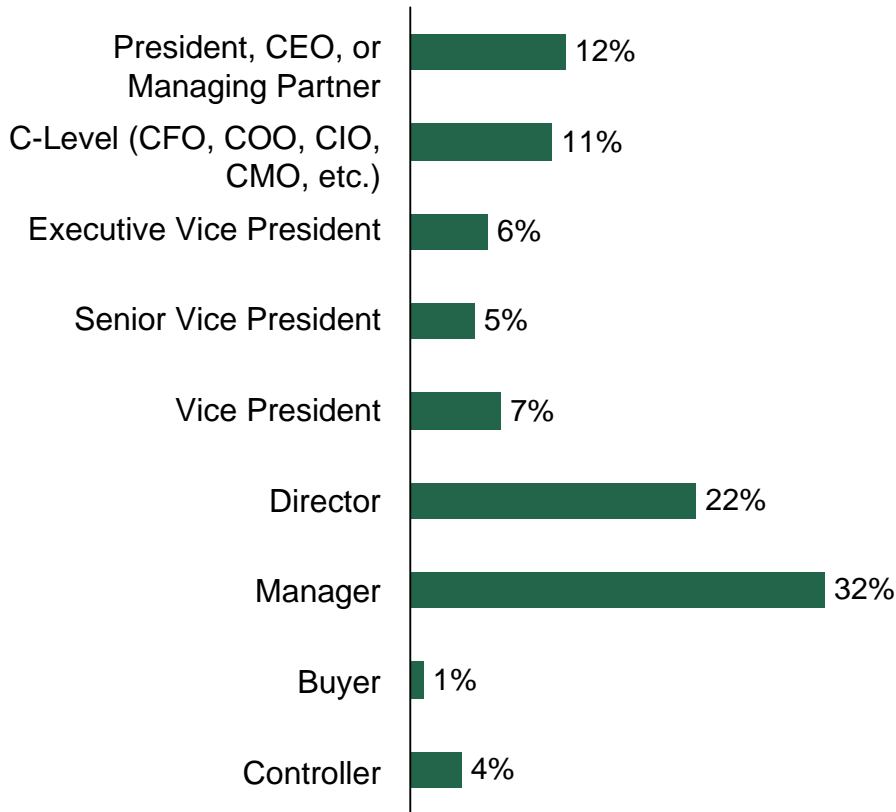
Demographics: Marketing budgets of respondents

“Using your best estimate, what is your company’s total annual US B2B/trade marketing budget for fiscal year 2007 ?”

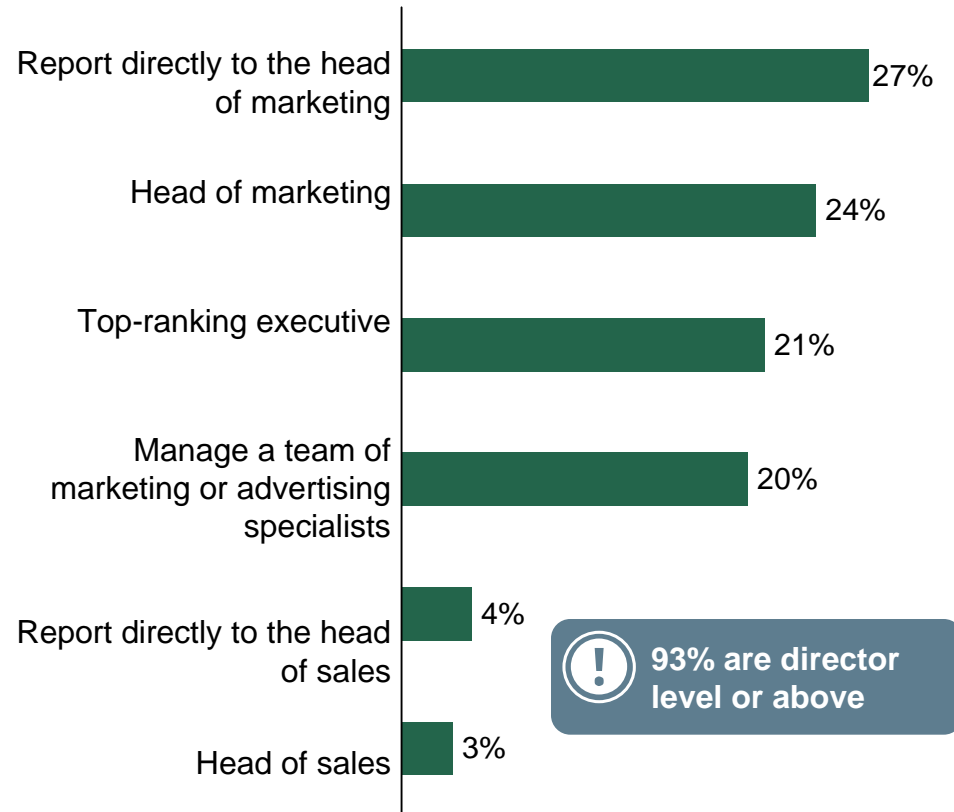


The majority of respondents occupy management positions

“Which of the following best describes your title or level of responsibility?”



Base: 878 business decision-makers



Base: 816 B2B marketers

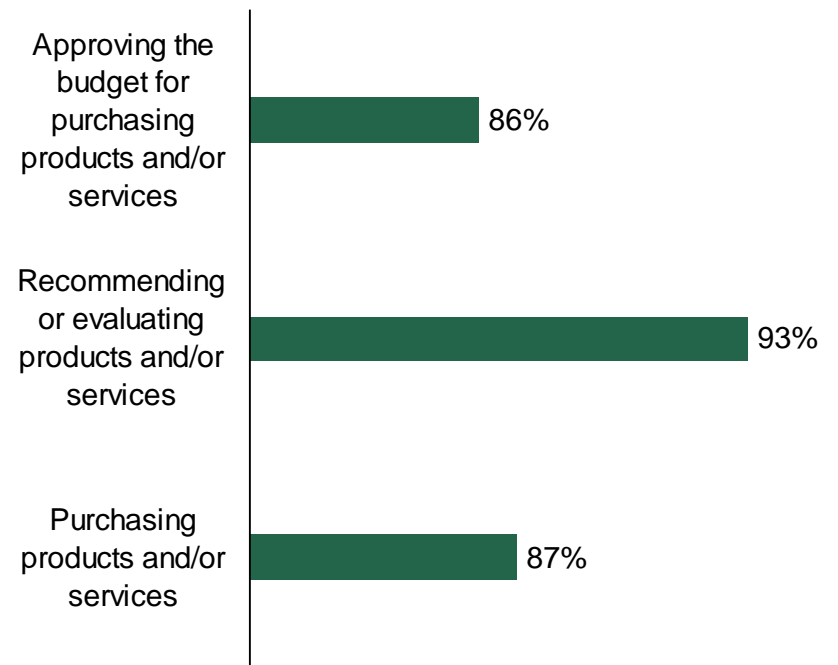
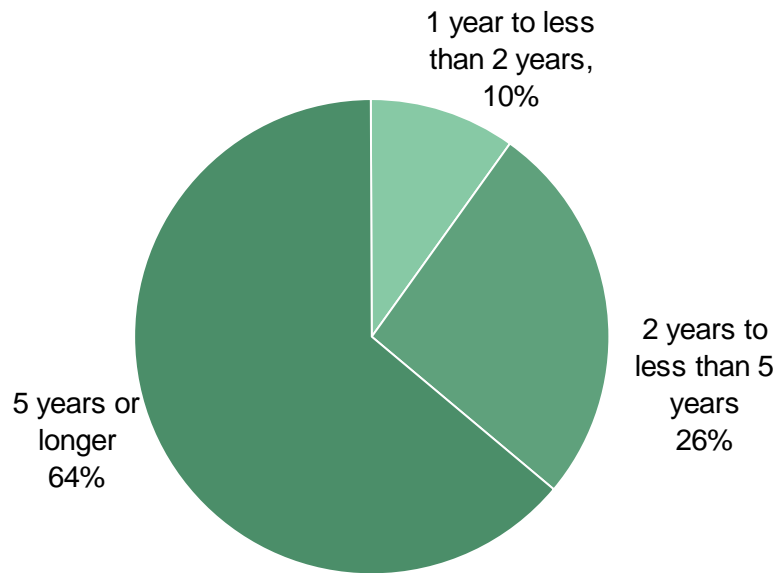
! 93% are director level or above

S6 Decision Makers survey: Which of the following best describes your title or level of responsibility?
 S6 Marketers survey: Which of the following best describes your primary responsibility?

BDMs surveyed have long tenures and are actively involved in product purchasing

“Please rate your level of involvement in the following activities.”

“How long have you worked at your company?”



(percentages represent respondents who answered with a 4 or 5 on a 5-point: influence or significantly influence)

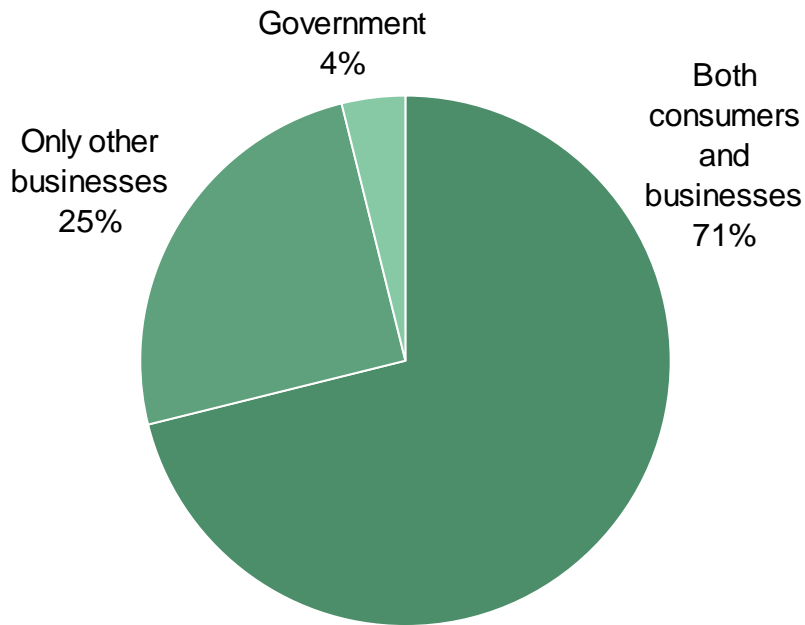
Base: 878 business decision-makers

S2 Decision Makers survey: How long have you worked at your company?

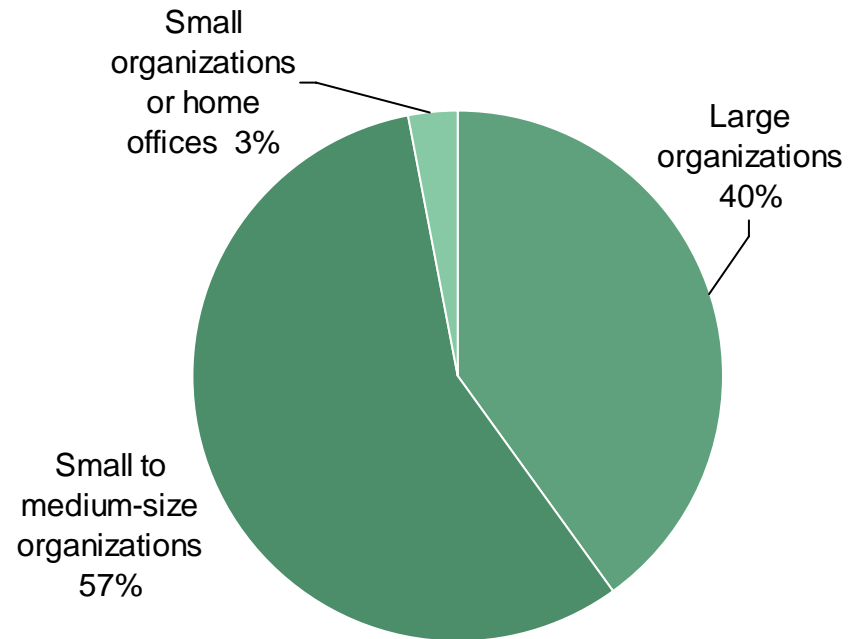
S4 Decision Makers survey: Please rate your level of involvement in the following activities?

B2B marketer's primary customer bases and target audiences

“Which of the following best describes the types of customers that your company sells to? (Select one)”



“For the types of marketing programs that you are involved with, who is your primary target audience?”



Note: The survey directed respondents to reply to all questions based on their B2B practices only.

Base: 816 B2B marketers

S3/S4: Marketers survey

Thank you

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The logo features the word "FORRESTER" in a white, serif, all-caps font, centered within a dark green oval. The oval is set against a background of light gray, curved, overlapping shapes that create a sense of depth and movement.

FORRESTER®