



IHS GLOBALSPEC RESEARCH REPORT

# **2013 TRENDS IN INDUSTRIAL MARKETING**

## HOW MANUFACTURERS ARE MARKETING TODAY

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### IHS GlobalSpec Industrial Marketing Trends Survey

In July 2013, IHS GlobalSpec conducted its annual Industrial Marketing Trends Survey of marketing and sales professionals in the industrial sector. The online survey addressed the marketing trends, challenges and expenditures within the engineering, technical, manufacturing and industrial communities. This research report analyzes and presents the results of the survey, and offers recommendations to industrial marketers to help them allocate their budget, develop a sound marketing strategy, and plan effective programs and campaigns.

#### Highlights from the Survey Results

Of the 382 survey respondents, 67 percent hold management positions in marketing or sales, with an additional 14 percent indicating they are a President/CEO. Ninety-one percent work for a manufacturer, service provider or distributor. This group represents a variety of company sizes, and a range of annual marketing budgets.

#### Highlights of the survey responses include:

- Customer acquisition is the primary marketing goal for 43 percent of respondents.
- Measuring the ROI of marketing initiatives is now the biggest challenge for marketers, replacing lead generation.
- Only 35 percent of respondents say they are satisfied or very satisfied with their online marketing efforts.
- Thirty-two percent of companies are spending more on marketing in 2013 than they did in 2012. About half are spending the same as last year.
- Fifty-four percent of companies are increasing their budget for online marketing, while just seven percent are cutting spending in this area.
- Half of industrial marketers will spend 36 percent or more of their 2013 marketing budgets for online marketing.
- E-mail marketing, tradeshow and search engine optimization continue to be the most popular channels used by industrial marketers.
- More than half of respondents will increase their spending on video, SEO and content creation. Direct mail, printed directories and podcasts will see the biggest decreases in budget.
- LinkedIn (72 percent) remains the most-used social media channel.
- Branding (72 percent) and content delivery (65 percent) are the most popular uses of social media.



### Conclusions

- **Marketing budgets and resources are shifting to digital.** While industrial marketers continue to mix both traditional and digital media in their marketing plans, they are shifting more budget and resources to the digital side. Fifty-four percent of industrial marketers are spending more on online marketing in 2013 than they did last year. Fifty percent will spend at least 36 percent of their overall budget on online channels. Five of the top seven marketing channels are digital. And six of the top seven channels that will get the biggest spending increases are digital.
- **Customers are a major focus for industrial companies.** Forty-three percent say that customer acquisition is their primary marketing goal. Customer acquisition, customer satisfaction and customer retention represent three of the top four ways industrial marketers measure success. In addition, focusing on the customer will be the number one area of emphasis over the next five years in marketing departments.
- **Industrial marketers feel pressure to deliver ROI.** The demand continues to demonstrate ROI from marketing efforts. Thirty-one percent say it's the biggest challenge in their profession while 58 percent consider sales attributed to marketing campaigns as a measure of success.
- **Content marketing is taking hold with industrial marketers.** Fifty-one percent of industrial marketers will spend more on content creation this year. Video (58 percent) and webinars (49 percent) will see increases as well. In addition, creating and distributing content will play a major role in marketing plans over the next five years.
- **Social media use is being refined.** After a number of years of experimenting with how to tap the potential of social media, industrial marketers are settling on branding and content delivery as the top goals for these platforms.



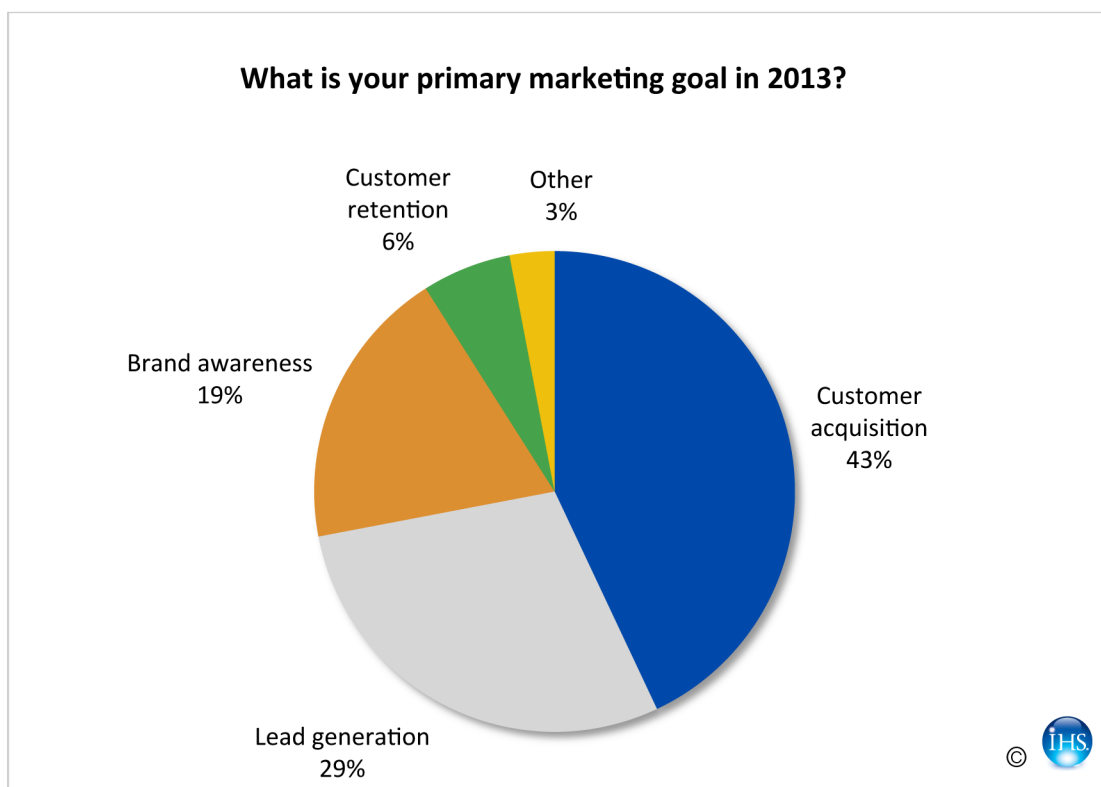
### Recommendations

- **Shift resources to digital to connect with your audience.** For technical and engineering professionals, the shift to using digital resources to find information, products, services and suppliers has already occurred. Most suppliers are adjusting their marketing mix accordingly. But those who haven't shifted to online channels are now forced to play catch up. Industrial marketers need to ask themselves if they're doing enough to reach and connect with their target audience online, visibly promote their brand and generate engagement opportunities with customers and prospects. It's never too late to make the right marketing decisions.
- **Adopt a multi-channel marketing strategy.** Industrial buyers have more digital tools and sources of information than ever to do their jobs better and more efficiently—from e-newsletters, to online events and webinars, online catalogs and more. They also have exposure to more companies to buy from. The result is that your customers have more choices, more individualized preferences and more control of the buying process. In response, industrial marketers are rapidly adopting a multichannel digital marketing strategy. Past research demonstrates the performance benefits of diversifying your marketing spend across multiple digital media channels rather than relying on a single platform.
- **Evaluate your online marketing efforts.** With just 35 percent of companies reporting satisfaction with their online marketing efforts, it's time to evaluate the initiatives you are employing. Are you allocating your marketing resources to those same channels that your target audience of industrial professionals relies on most frequently? Your audience is fragmented online, using multiple platforms. You need to use those same platforms to build awareness and generate engagement opportunities. A good place to start your evaluation efforts is to use IHS GlobalSpec research reports to understand what your customers are doing and how industrial marketers are responding.



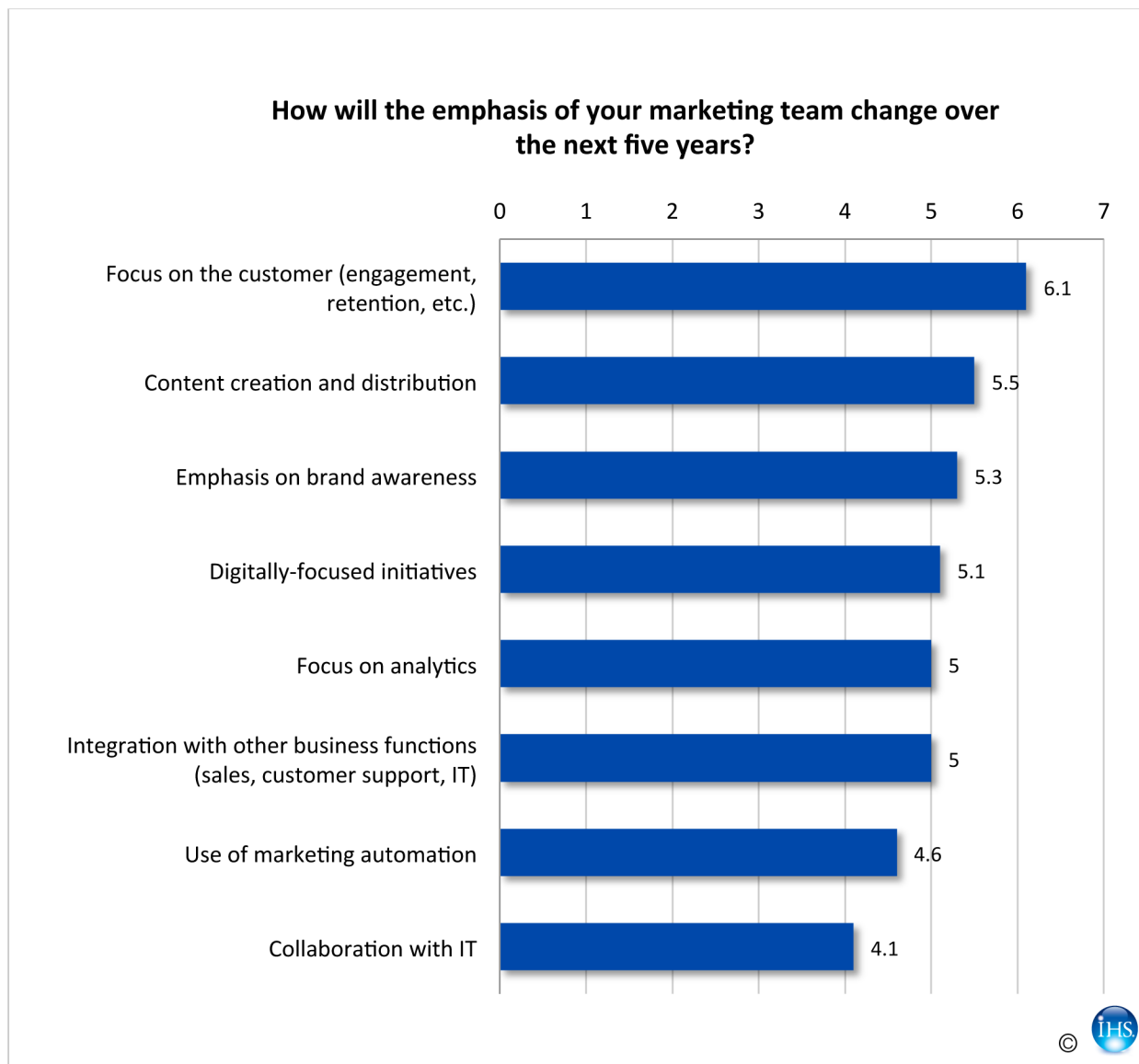
## Marketing Goals and Challenges

Across many industries, including the manufacturing sector, this is the era of focusing on the customer. Forty-three percent of industrial marketers stated that their primary marketing goal is customer acquisition. Lead generation was second, with 29 percent stating it was their top priority.



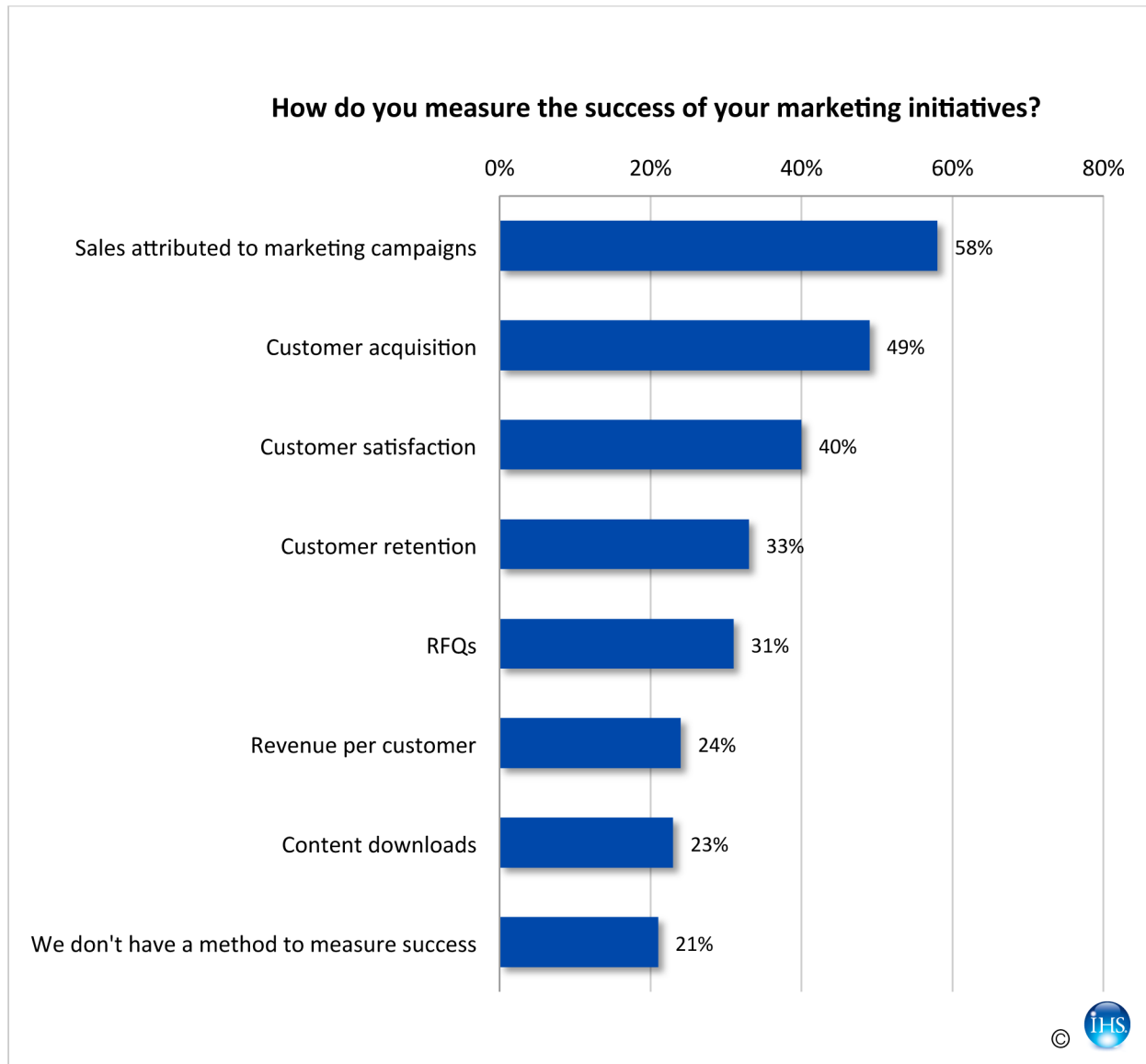
## 2013 TRENDS IN INDUSTRIAL MARKETING

Customers will continue to be front and center for industrial marketers over the next five years as marketing teams change to focus more on the customer. More emphasis will also be placed on content creation and distribution.



## 2013 TRENDS IN INDUSTRIAL MARKETING

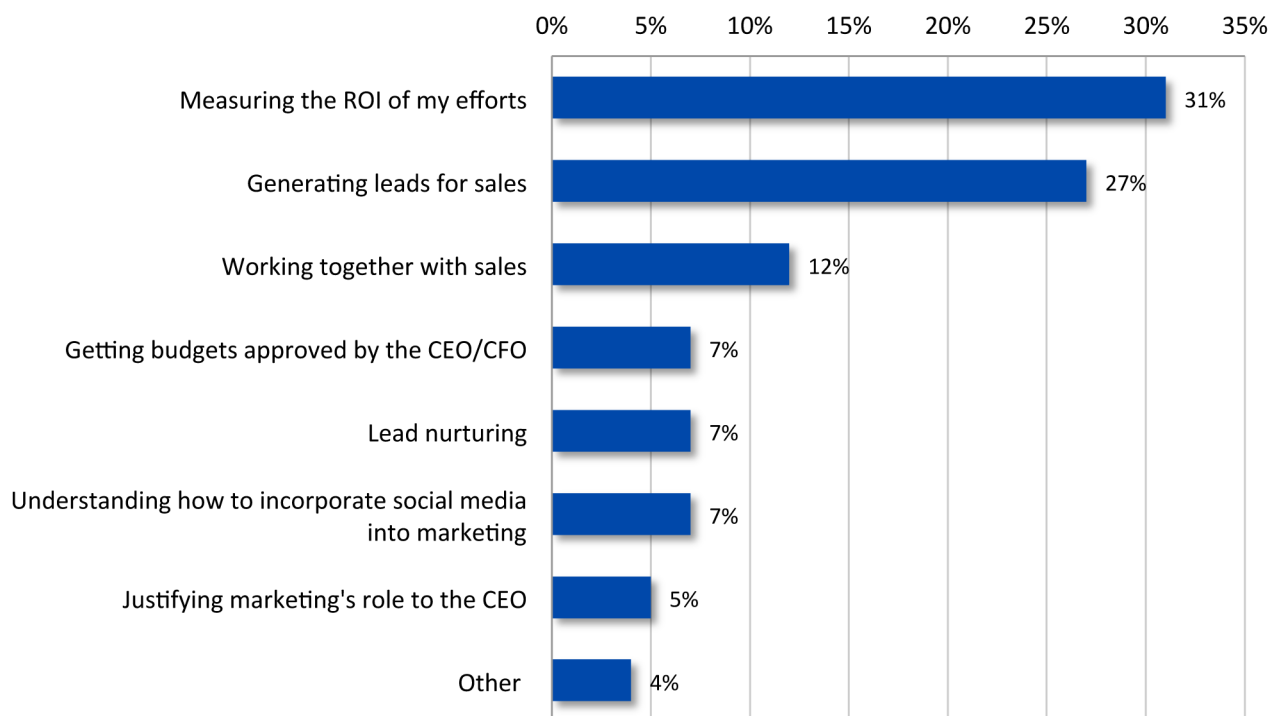
Customers also play a big role in how industrial marketers define the success of their marketing initiatives. While the leading way to measure success is sales attributed to marketing campaigns (58 percent), the next three measures of success are customer acquisition, customer satisfaction and customer retention.



## 2013 TRENDS IN INDUSTRIAL MARKETING

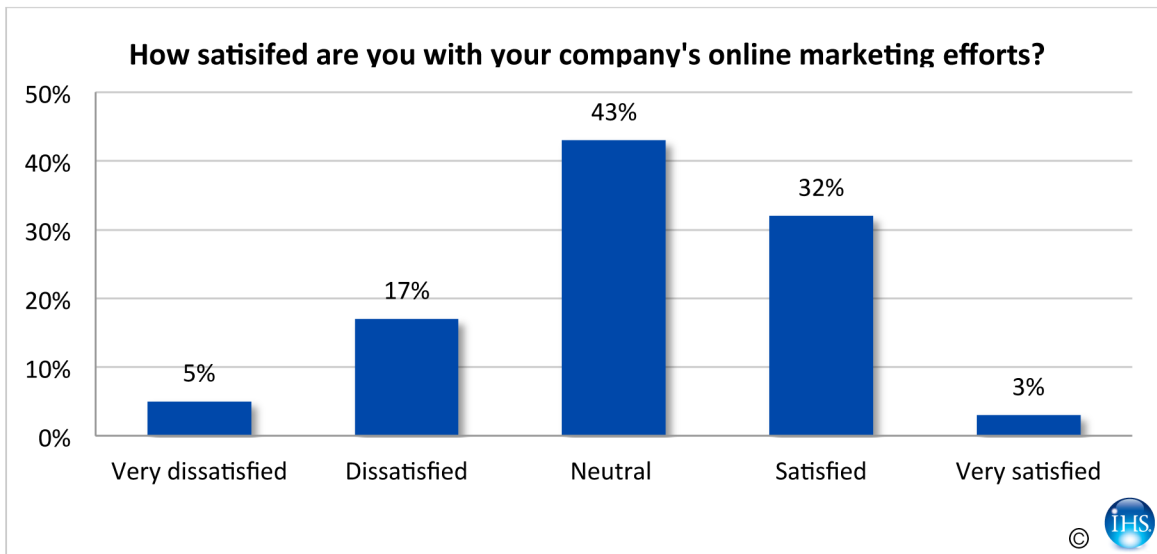
There are always marketing challenges. Thirty-one percent of industrial marketing professionals stated that measuring ROI is the biggest challenge in their profession; 27 percent said it was generating leads for sales. No other challenge came close to these two.

### As a marketer, what do you consider the biggest challenge in your profession?



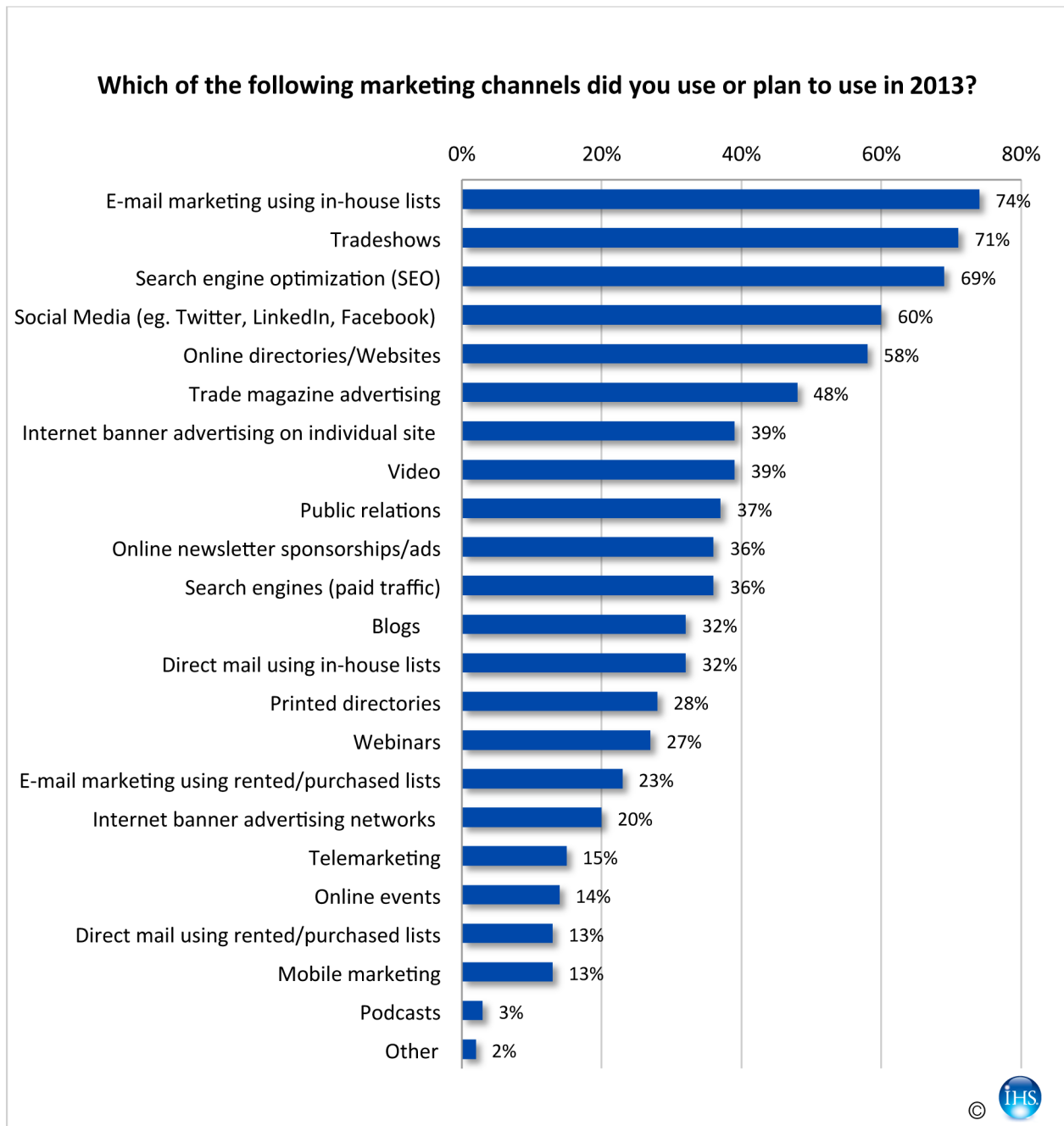
## 2013 TRENDS IN INDUSTRIAL MARKETING

An area of dissatisfaction for industrial marketers is their online marketing efforts. Only 35 percent are satisfied or very satisfied with these initiatives. This indicates that marketers need to evaluate their strategies and programs to better connect with their target audience, who use many digital resources to find information, products, services and suppliers.



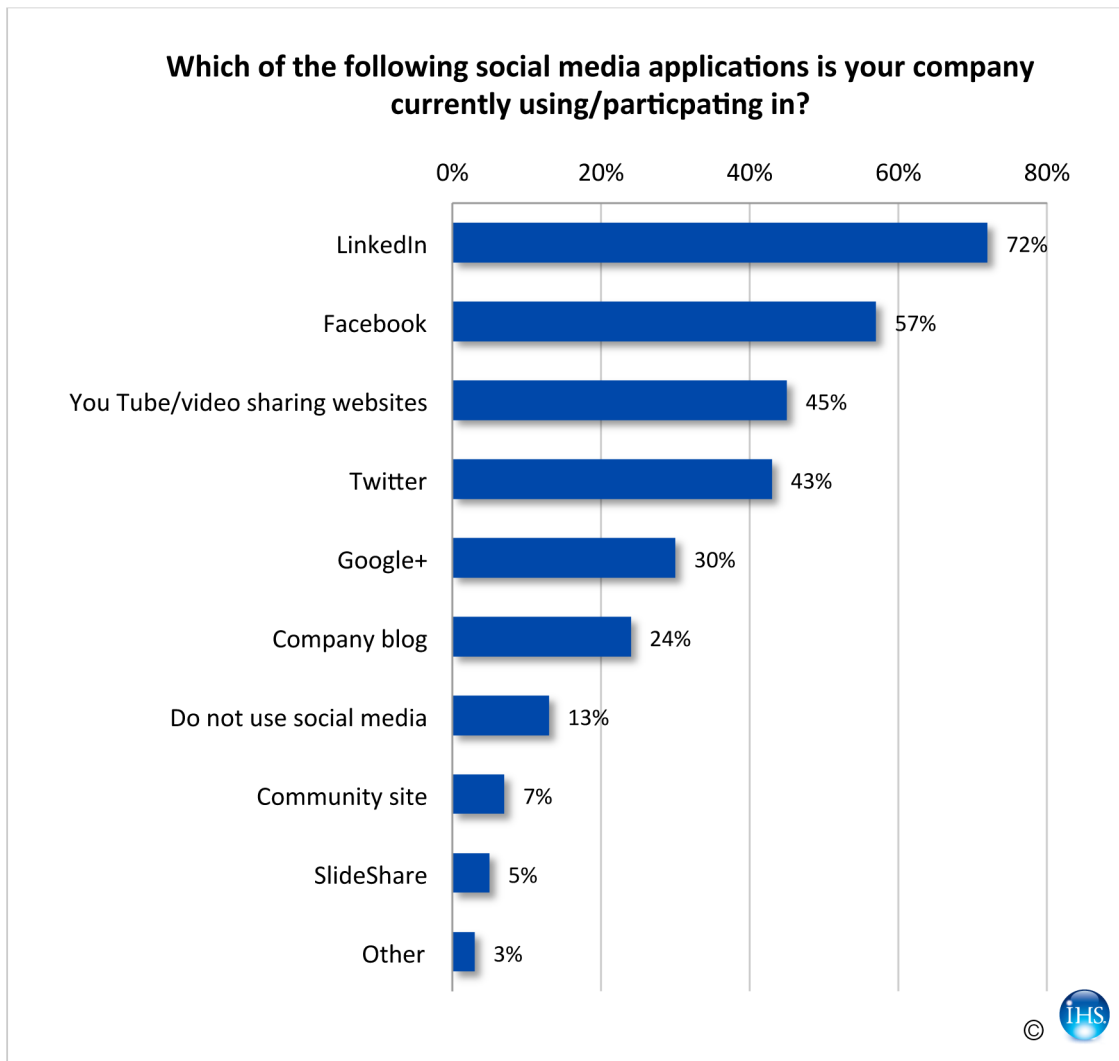
## Marketing Channels and Programs

E-mail marketing, tradeshow and search engine optimization continue to be the most popular marketing channels in the industrial sector. Direct mail using purchased lists, mobile marketing and podcasts are at the bottom of the list. Four of the top five channels used and seven of the top ten are digital channels, indicating that many marketers understand the importance of devoting resources to a mix of digital channels.



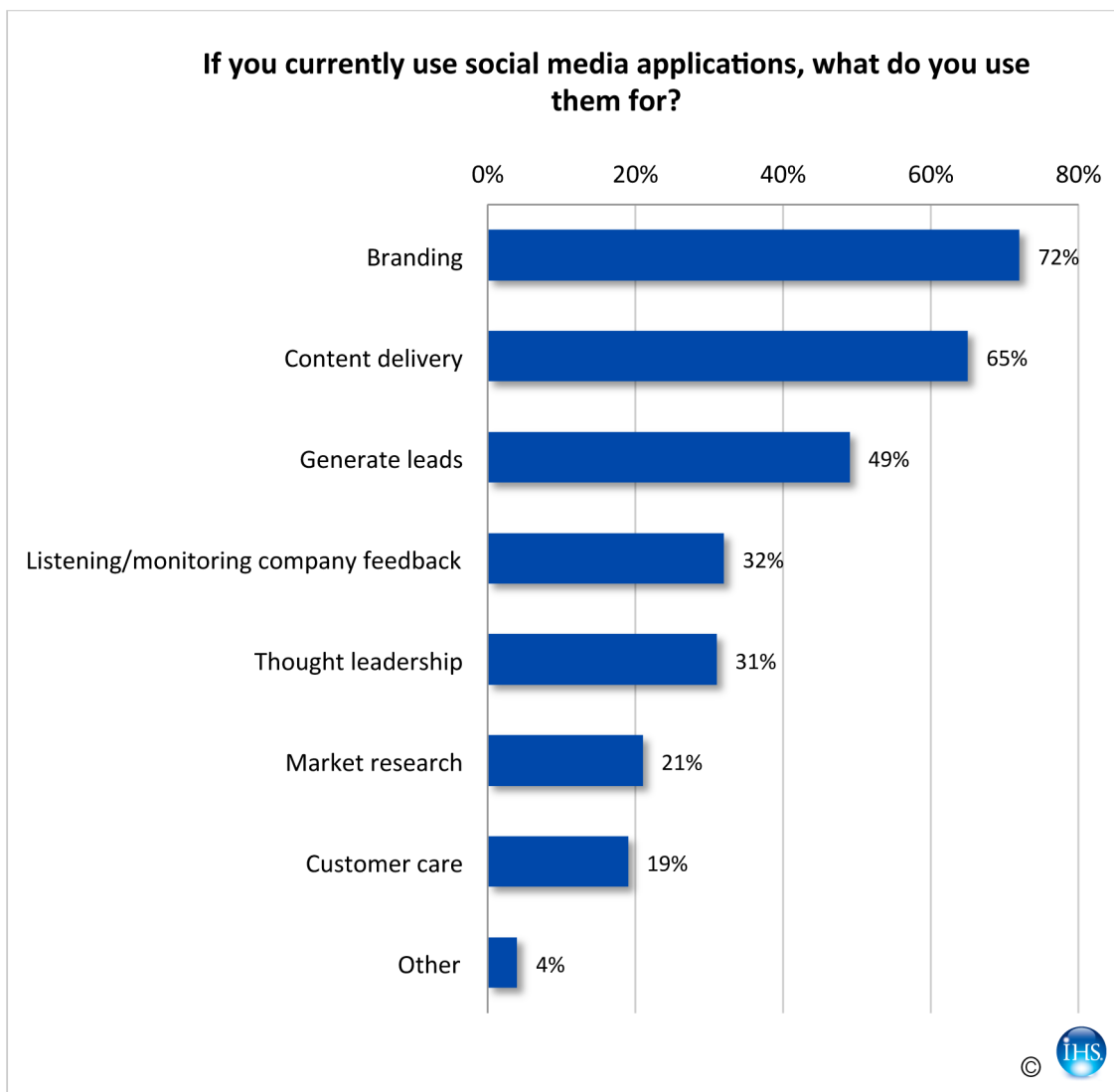
## 2013 TRENDS IN INDUSTRIAL MARKETING

LinkedIn continues to be the most popular social media application among industrial companies, with 72 percent using it. Fifty-seven percent use Facebook, 45 percent use YouTube or other video sharing sites and 43 percent use Twitter—all effective platforms for distributing content.



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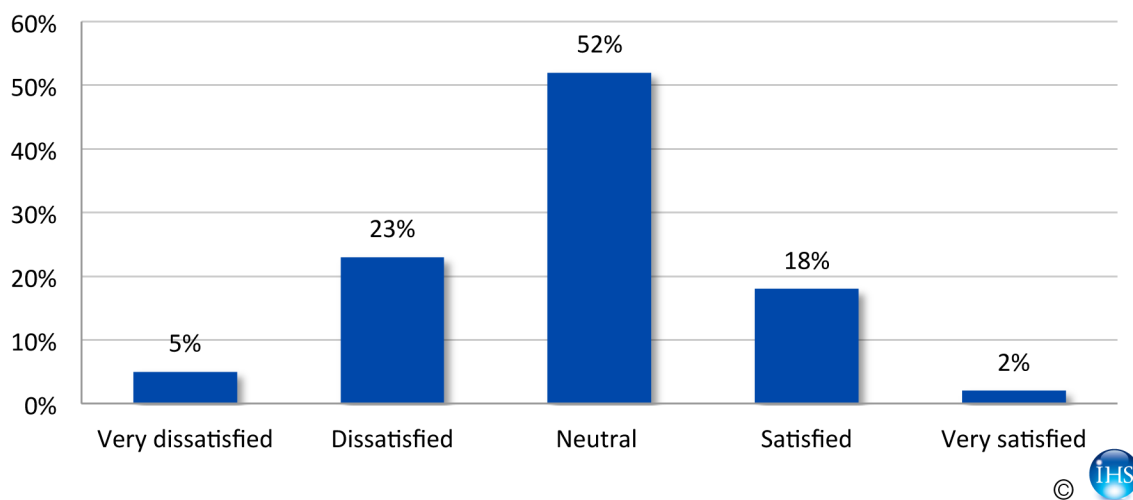
Branding (72 percent) and content delivery (65 percent) are the primary ways industrial marketers use social media. Less than half (49 percent) use social media to generate leads. Only thirty-two percent use social media for listening/monitoring company feedback, yet this listening aspect is often the best way to get started with social media for industrial companies.



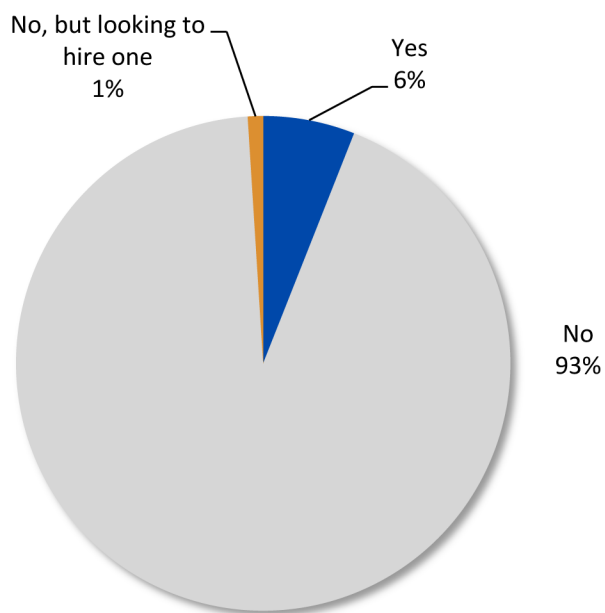
## 2013 TRENDS IN INDUSTRIAL MARKETING

Overall, only 20 percent of marketers are satisfied with their company's social media efforts. The majority (52 percent) are neutral on the matter. Ninety-three percent do not have a full-time employee dedicated solely to social media.

**How satisfied are you with your company's social media efforts?**

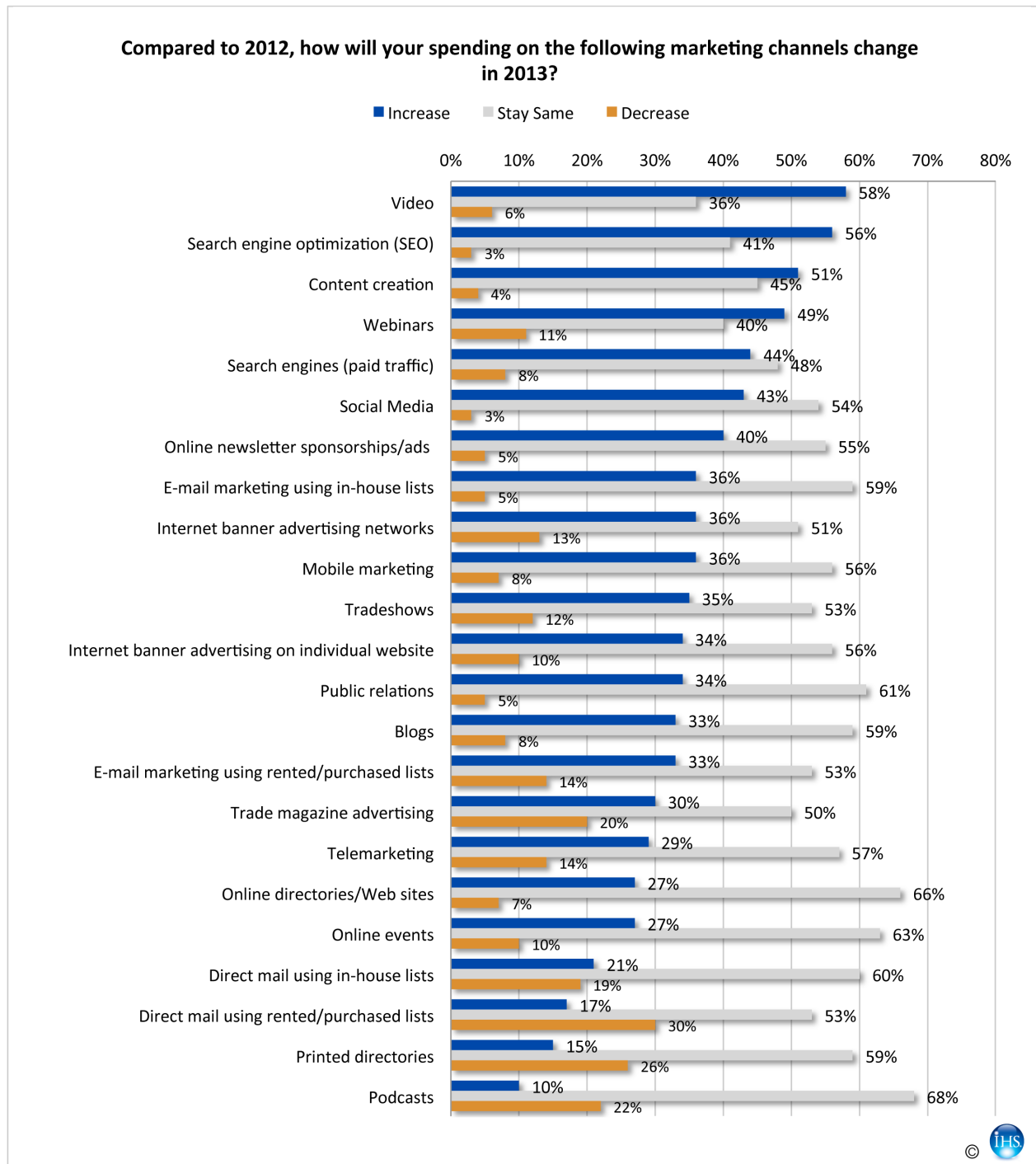


**Do you have a full-time employee dedicated solely to social media?**



## 2013 TRENDS IN INDUSTRIAL MARKETING

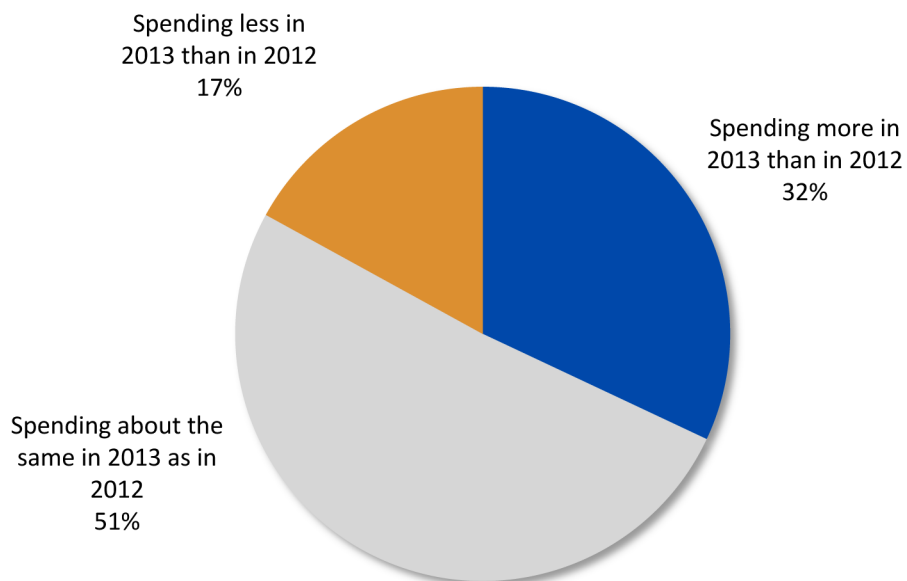
In terms of spending on marketing channels, industrial companies are increasing investments in videos, search engine optimization and content creation. The largest decreases are coming from direct mail, printed directories, podcasts and trade magazine advertising. These results further indicate a shift toward digital channels for industrial marketers.



## Marketing Budgets

In terms of overall marketing spending, 32 percent of industrial companies are spending more in 2013 than they did in 2012; only 17 percent are spending less. About half are spending the same. These findings are in keeping with a recovering economy.

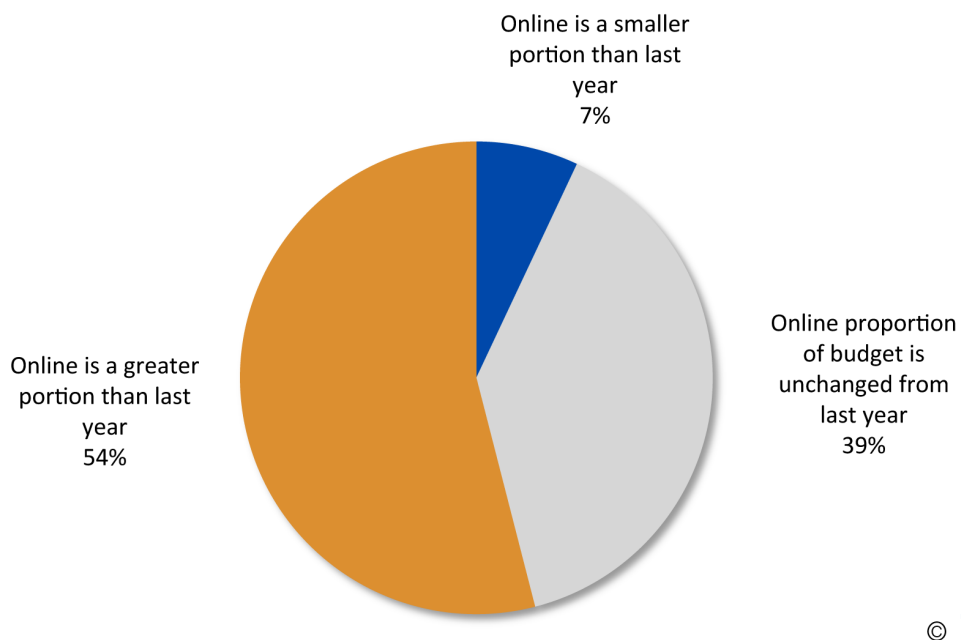
**How does your 2013 marketing budget compare to 2012?**



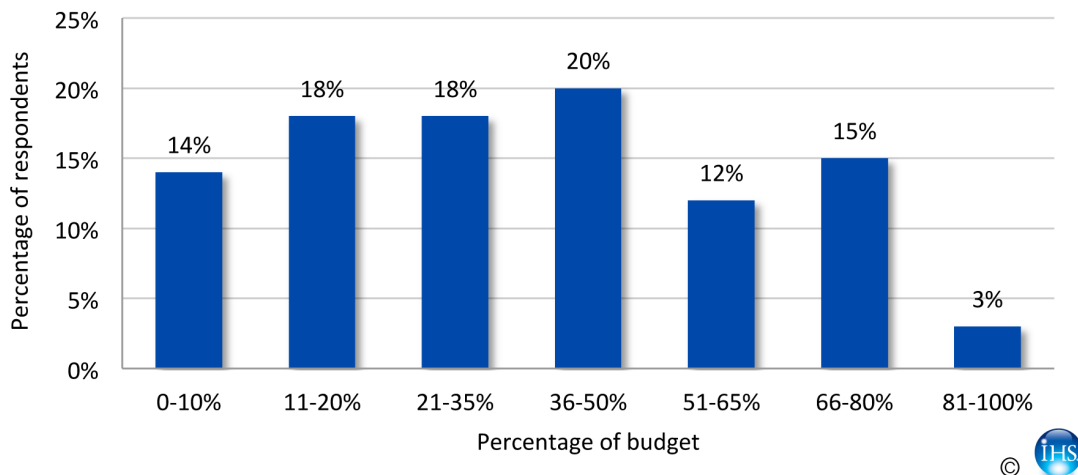
## 2013 TRENDS IN INDUSTRIAL MARKETING

The majority of marketers continue to devote more resources to online marketing. Fifty-four percent report they are spending more online in 2013 than in 2012. Half of companies are devoting at least 36 percent of their overall marketing budget online, and 30 percent are devoting the majority of their marketing budget to online efforts.

### How does your 2013 online marketing budget compare to 2012?

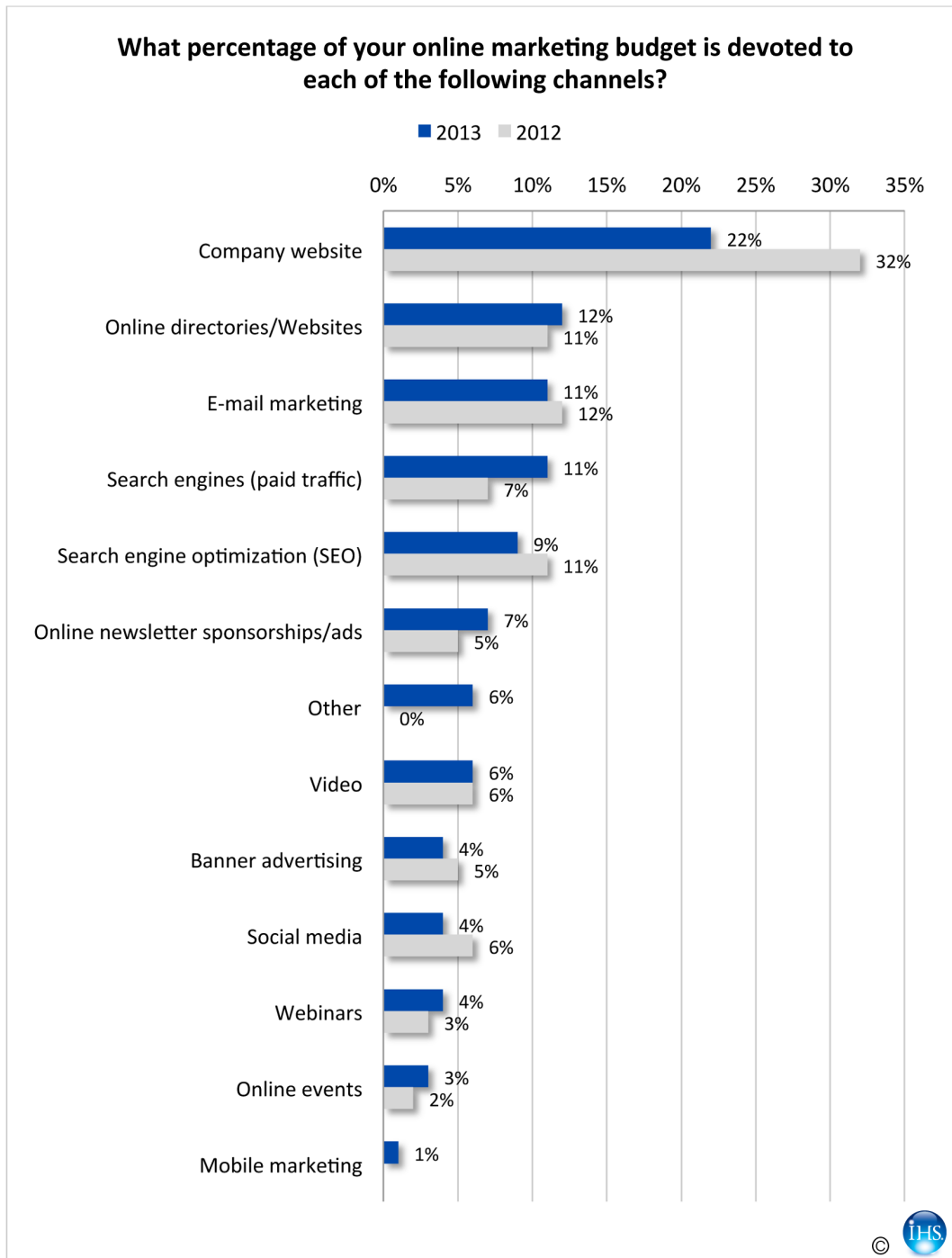


### What portion of your 2013 marketing budget will be spent online?



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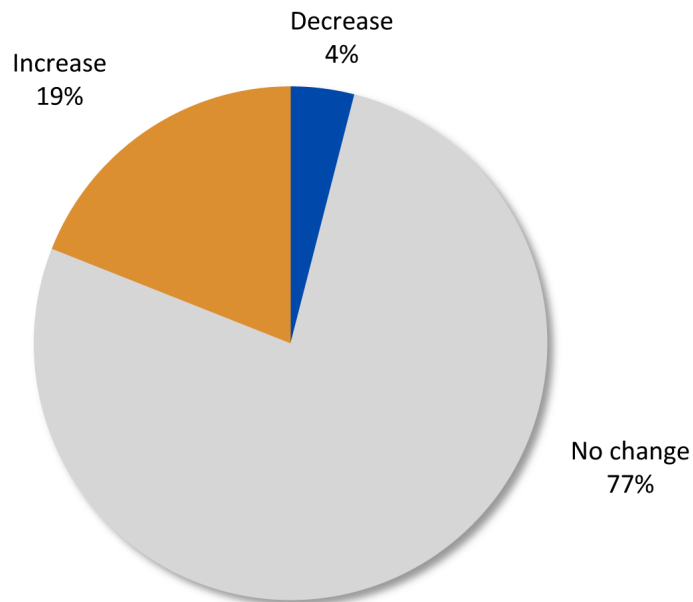
Marketers devote 22 percent of their online budget to their company website, which is down from 32 percent a year ago. This may be attributable to the rise of other effective digital channels for connecting with customers and prospects. Other popular digital channels include online directories/websites (12 percent of online budget), search engines [paid traffic] (11 percent) and e-mail marketing (11 percent).



## 2013 TRENDS IN INDUSTRIAL MARKETING

There has been a slight rise in headcounts in marketing departments in the industrial sector. While 77 percent of marketing departments remain stable, 19 percent are increasing headcount. Only four percent are decreasing.

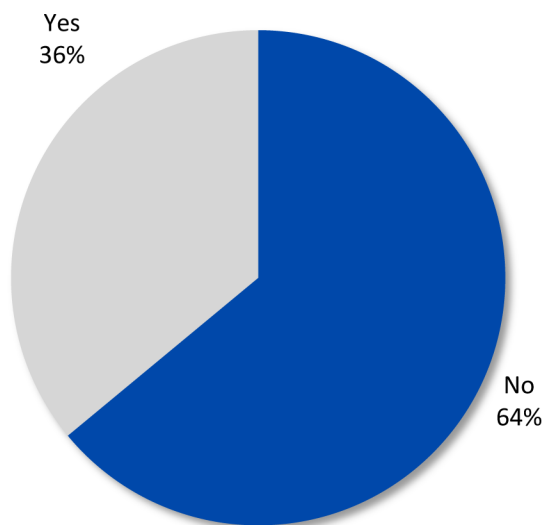
### How do you anticipate headcounts in your marketing department to change in 2013?



## 2013 TRENDS IN INDUSTRIAL MARKETING

Thirty-six percent of companies are using a marketing automation program. This number is likely to increase over the next few years as affordable, cloud-based solutions are adopted and marketers require good tools to manage multi-channel marketing programs and track ROI.

### Do you use a marketing automation program?



### About IHS GlobalSpec

GlobalSpec, recently acquired by IHS Inc. (NYSE: IHS), is the leading provider of digital media solutions designed to connect industrial marketers with their target audience of engineering, technical, industrial, scientific and manufacturing sector professionals. IHS GlobalSpec provides its registered users with a domain expert search engine to search more than 50,000 supplier catalogs by specification, a broad range of proprietary and aggregated Web-based content, over 15 annual online events, and more than 70 e-newsletters - helping them search for and locate products and services, learn about suppliers and access comprehensive technical content. For suppliers, IHS GlobalSpec helps generate awareness, demand and engagement opportunities among the professionals they are looking to reach – from inbox to desktop, through networks and via real-time engagement.

### About IHS ([www.ihs.com](http://www.ihs.com))

IHS (NYSE: IHS) is the leading source of information, insight and analytics in critical areas that shape today's business landscape. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS is committed to sustainable, profitable growth and employs 6,700 people in 31 countries around the world.





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Download additional resources at <http://bit.ly/IHSGSresources> and our media kit at <http://bit.ly/IHSGSmediakit>.

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