

Reaching Prospects Through the Digital Noise



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Executive Summary

For a marketer there's no better feeling than truly connecting with a target audience. It's a spark that creates an infectious sense of accomplishment and gratitude; yet despite billions of dollars spent on new media and technology, a feeling that has become harder and harder to realize.

Scale is not a substitute for intimacy. Over the last decade marketers have found audience engagement hard, demonstrated by waning response metrics via traditional digital channels. Since when was it OK that fewer than 2% of marketing investments generates any target account response?

Reacting to this waning response, marketers have shown that they'll make up for the missing numbers simply by sending more of the same messages that are already being ignored. Over the last decade the average number of marketing impressions a typical buyer sees has doubled, increasing from 5,000 to 10,000 per day.

Everyone expects an email, display ad, or call from you. That's why the industry of buyers have constructed SPAM filters, ad blockers and do not call lists. Automating these options, to make them cheaper and more prolific misses the point... they're being avoided, ignored and resented.

This report will help you unpack the rationale for why this connection gap occurs and offers a clear path forward, to rise above the noise of distraction and truly engage your target accounts.



The only thing that is constant is change

You heard this in a Dreamforce presentation, right? The entire B2B and digital marketing landscape seems to be changing daily. Would it surprise you to know this quote came from a Greek philosopher in the 5th century BC?

Face it, change is a fact of life. While today's connected environment spins off new changes with breakneck intensity, we've been struggling with change for all of human existence. As marketers, the pace of change, and resulting adaptation, has fundamentally upheaved the way you approach life, and work.

Adapt to Win

Your outside sales reps know their audience better than anyone else. Their daily interactions with prospects and customers gives them unique insight into consumer's needs, wishes and preferences. Reps know what content will work best and when.

If you want to thrive in today's shifting markets, you must embrace change. With each wave of change, chances are you first use a process of accommodation. You add the innovation to your processes or technology. Consider how your organization added, say, social advertising to your display advertising program.



Today, B2B marketing organizations who fall behind slower than the pack seem to be the ones who win.

However, at some point, a series of changes present the need to adapt your processes and technology. Marketing Automation is a great example of how new technologies were fit together in a connected way, providing greater value when viewed as an all-in-one suite, rather than separate “pieces of a puzzle.”

You’ve seen your entire landscape change over the last couple of decades. And, the pace of that change is spinning faster and faster - both technology and audiences.

Change in Technology

Marketing automation, lead management, social media marketing, content marketing, account-based marketing... what’s next? For a generation, B2B marketers were taught that these new technologies could keep marketing results moving “up and to the right”. The vendor community, happy to oblige this approach, churned out thousands of new platforms, data sources and channels for marketers to consider. During 2017, the number of B2B marketing platforms grew 40%, and now boast nearly 5,400 options for you to consider². A two-edged sword, marketing has increasingly become focused on technology purchase decisions and operational management of “tech stacks.”

Buying Group Decisions

This concept made it to the news recently with the launch of the SiriusDecisions Demand Unit Waterfall. The most interesting point in this news had nothing to do with their waterfall concept, rather, it brought a new focus on the concept of insight into target accounts. To find and engage buyers at target accounts, no longer are anonymous leads or linear purchase decisions by individuals seen as the primary target of marketing organizations.

Change in Audiences

Audiences have changed too, and a generation of digital innovation has made buyers harder to find and even harder to engage.

Almost like folklore, marketers share the tale of the “dog and pony show demo” from 20 years ago. It used to be that an economic buyer would call their trade association or a few peers to ask about vendors in a space and then invite the top dozen into their office for an hour-long demo.

The dog and pony show didn’t survive the digital era. Now, economic buyers have instant access to collective opinions of their peers and unfettered access to reviews. The new normal is that economic buyers more or less know if they want to buy you before they ever meet your sales team.

At the same time, these self-reliant buyers mitigate personal and financial risk in their decision-making. Instead of sourcing and fielding the all-important demo, they now hide behind teams of lieutenants who do the research and assist in solution approach and vendor selection.

Technology is amazing, the issue at hand is the collective response to it. For too many, the balance of marketing decision-making shifted from identifying audiences, driving sales and revenue, to the internal focused discussions of wiring platforms and delivering messages.

Scale is not a substitute for intimacy

Over the last 15 years, marketers have benefited greatly from new technologies, much of which has increased capabilities for marketers while reducing the cost of sending messages and advertising to audiences. With these economics, most have focused on cost efficiencies and scale at the expense of intimacy with their audiences. Not purposefully, but perhaps intimacy waned as an objective as the incremental cost of sending another message dropped to near zero.

More than a benign trend, research shows that this search for scale is out of control: growing tenfold from the 1970's to 2006, from 500 to 5,000 impressions per day³. The AMA now estimates that people receive as many as 10,000 marketing or advertising impressions per day and switch screens and devices up to 21 times per hour⁴.



Impressions per day³

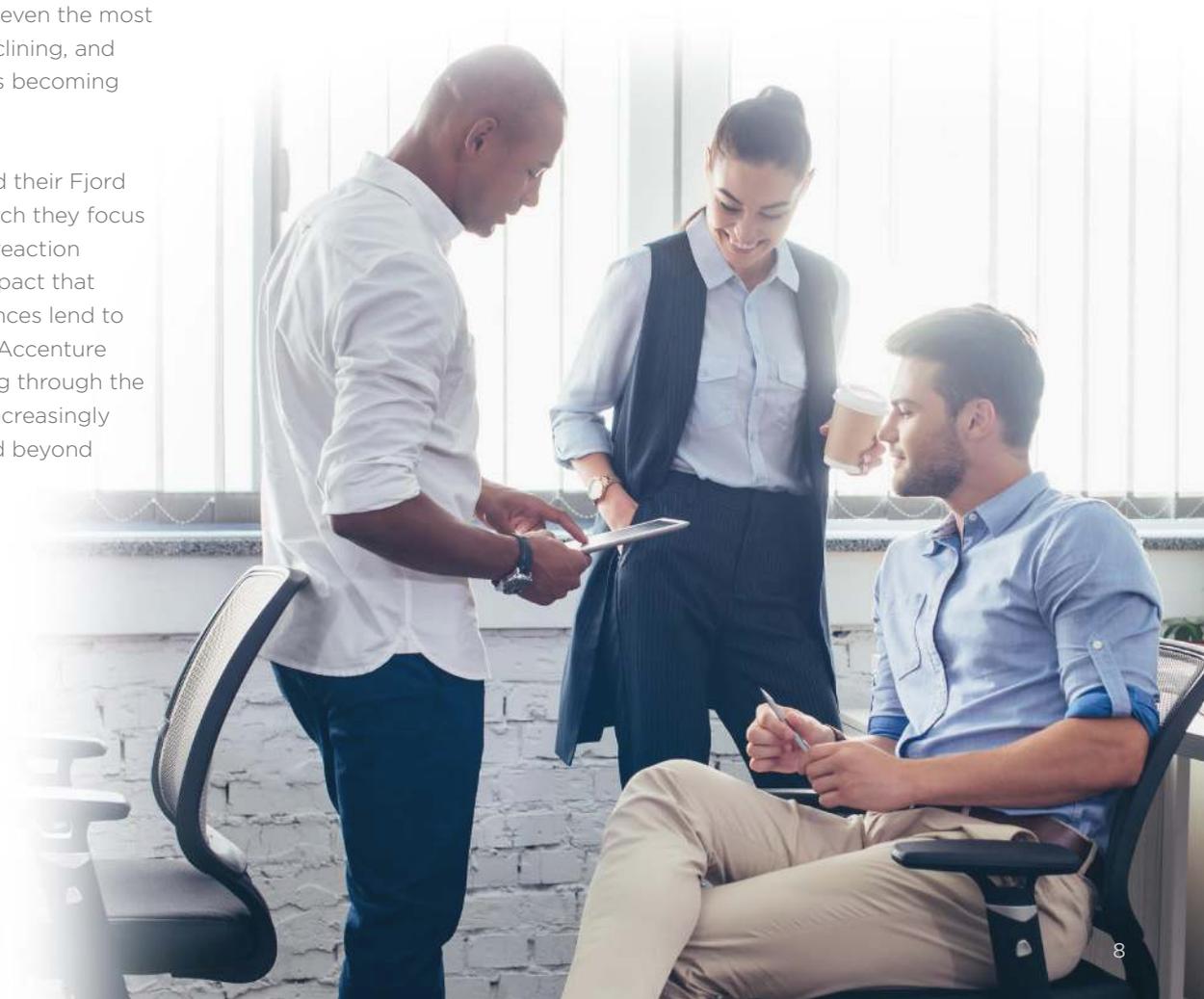
- **500** in the 1970's
- **5,000** in 2006
- **10,000** in 2017

People switch screens and devices up to **21X** per hour⁴.

Tried and true is no longer true

As a collective industry, buyer patience and attention have been stretched beyond repair. More messages are adding to the conundrum. As a result, effectiveness through even the most traditional digital channels are declining, and engagement with critical buyers is becoming harder by the day.

Accenture Interactive just released their Fjord Trends Report 2018⁵. In this research they focus on the change in perception and reaction to digital technologies and the impact that blended digital / physical experiences lend to those who know how to execute. Accenture Interactive highlights that breaking through the noise and reaching audiences is increasingly difficult and increasingly extended beyond digital only experiences.



Doing more of the same isn't working!

Display advertising

- While fewer than 9% of ad impressions get merely one second of attention from your audience, it's estimated that up to 50% of ad impressions never happen - they're bots.
- 72% of display ad advertisers are concerned about brand integrity and controlling ad placement for their media investments. However, even the world's largest advertising networks, like Google, find it hard to assuage advertiser concerns over contextual setting of their ads. Startups have no control. Are your ads on a porn site or next to an ad with extremist political or social views? Right, you don't know but you are paying for all of this.

Mobile advertising

As much as 60% of all mobile ad clicks are a mistake. With the small real-estate of a mobile screen and the whole range of possible disruptions that can occur while someone is on the phone, this is more than a \$10B per year problem for advertisers!

Email

- Click thru rates have declined all but one year since 2010 and now it's nearly half of what it was at that time.
- Soon, any message without confirmed and documented double-opt in that you send to Canada or any country in the EU are subject to enormous penalties. To be clear, your liability for missing compliance can result in millions of dollars in fines for a first offense. It doesn't matter how you send these messages. It's just as illegal to send a commercial solicitation message from Outlook or Gmail as it is from a marketing automation or email platform.

- **50%** of ad impressions never happen
- **72%** of marketers worry about ad placement and brand integrity
- **Email CTR is half** of what it was in 2010
- **60%** of mobile ad clicks are mistakes



Is it time to shift from scale to intimacy, to shift from cost to outcomes?

Given these facts, it appears a lot of marketing decisions have been focused on an outdated paradigm, emphasizing cost efficiency to form scale. If the path to good marketing decisions rests on ROI, perhaps you should reconsider options for how you use this calculation. While there are a whole range of debates regarding selection of “return” or revenue impact or financial margin generated, let’s take a fresh swing at the concept of how cost is calculated.

You’re most likely very familiar with cost per impression: How much you paid for the message or impression. Commonly used for media buying decisions, calculations like CPM seem to be dropping each year. Baked into platform costs for messaging systems like email, here the effective CPM drops as more messages are sent because the platform cost is often held constant over a large range of messages sent.



“People are already starting to reject intrusive digital technologies and kick against digital saturation.”

Accenture Interactive
Fjord Trends Report 2018



Without external concerns, the cost per message is a very logical KPI. It drives focus on efficiency, lowering the cost of media. Driving down cost per message from existing channels and selecting lower cost or scalable new channels becomes a focus, and objective.

Having said that, there are external concerns. You've experienced how different sources, channels and platforms produce varied response metrics and quality of leads. Managing marketing from a perspective of cost and activity isn't producing the right decisions and outcomes any longer.

An alternate approach is to gauge cost from the perspective of outcomes. Response. Action. Chances are, you've considered how your role contributes to revenue. You're a revenue marketer, right? If your primary KPIs are focused on cost, how do you connect the dots to revenue? Response, outcomes, are the initial ligaments between impression and revenue. Consider if you were to evaluate marketing decisions based upon a measure like cost per opportunity or cost per marketing qualified account rather than cost per impression. How would that change your marketing decisions and media preferences?

If your primary KPIs are focused on cost, how do you connect the dots to revenue? Response, outcomes, are the initial ligaments between impression and revenue.



Optimizing marketing decisions based upon outcomes creates focus in your media mix on options that evoke response from those who are influential to your sales pipeline.

Problem is, much of marketing history points to the fact it's amazingly hard to get to the decision-makers, and even harder to evoke a response from them.

Perhaps it's time to expand your vision of your marketing mix. If you were able to both reduce cost for your outcomes and reach a more senior decision-maker, would you be willing to spend more for that impression? In a world based upon cost per impression, you wouldn't.



Perhaps it's time
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Change the game, rise above the noise

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From scale to intimacy

When did it become OK that only 0.05%⁶ of ads served or 1.5%⁷ of emails delivered get a click? Is it right that marketing be ignored by 99 and a half out of every 100 target account buyers? Is that good marketing? These results do more to prove irrelevance to your audience than earn attention. Scaling this effort does more to scale irrelevance than drive revenue.

When did it become OK that:

- Only 0.05% of ads are clicked⁶
- 1.5% of emails are clicked⁷
- Good marketing = being ignored by 99 out of 100 people

The value of audience intimacy:

Needs and insight drive results

- Needs-based triggered email drives open rates up by 150% and CTR by 473%.
- Display ads that reflect user needs and interests produce 2X CTR.

Multi-channel approach

- Tactile marketing produces a cost per acquisition more than 50% lower than display ads because it can evoke an audience response 184X greater than display ads and 36X greater than either email or paid search.



So, how do you apply this learning? How do you change the game, rise above the noise? Intimacy requires two key ingredients:

Deliver on the needs of your audience. Marketing messages that trigger based upon audience need generate nearly 5X⁸ the response via email and 2X⁹ the response via display ads. When a message has the alignment of topic and timing, audiences react with urgency. Why? It's based upon their needs... it flips the equation of marketing from a mass campaign to a scalable personalized moment, memorable to your audience.

Make it to the attention of the audience. You've heard the term "banner blindness", but have you ever stopped to consider the issue? In response to the collective strategy of message scale, nearly 90%¹⁰ of people have subconsciously trained themselves to focus on their task at hand, and ignore

marketing messages while browsing the web. More than an argument for or against an ad format, this buyer calculation increasingly extends across all the core sales and marketing tactics and shifts the need for you to focus on the key question... did the message make it to a point of consideration for the audience?

Viewing your decision-making from the perspective of outcomes, you need new tools to penetrate the attention span of your buyers and evoke a response from them.

Triggered marketing works:

- Triggered email marketing has **5X CTR**⁸
- Triggered display ads have **2X CTR**⁹



Do you really have the attention of your audience?

This concept of intimacy and response is self-evident in your life. Which leaves a bigger impact? An email congratulating you on your birthday or an actual birthday card? What about condolences for a serious event?

Buyers are human, too. Presenting them with a new set of options gains their attention. New options that break preconceived and subconscious barriers, like banner blindness, shock their psyche back to reality.

As Accenture Interactive highlights, your buyers perceive the division of digital and physical worlds as becoming greyed. Their expectations have changed and “traditional” digital only experiences have become passé. No longer unique and indeed they have overwhelmed those you hope to engage.



Tactile Marketing responses:

- **184X** better than display ads
- **36X** better than email¹¹

Tactile Marketing, the newest digital marketing channel

Tactile Marketing is the next evolution of digital marketing. It integrates with your existing Marketing Automation and CRM technologies to provide a purposeful blend of digital and physical environments. Applying data to trigger physical experiences for your audience, Tactile Marketing delivers a multichannel marketing capability within nurturing flows, is addressable to specific personas, and is as measurable as a display ad or email.

What's new here is the ability for your messages to rise above the noise. Breaking through the cacophony of digital only experiences, Tactile Marketing gives you a new competitive advantage at reaching the attention and consideration of the target account buyers. Competition for their attention is racing out of control; demonstrate your desire for engagement, differentiate your approach.

Research proves Tactile Marketing generates response metrics 184X greater than display ads and 36X greater than either email or paid search¹¹. How can that be? Using the strategy of intimacy, marketers track patterns of engagement in their nurturing flows to identify audience needs and then use fresh, high-value marketing tactics to ensure they influence key buyer personas. Tactile Marketing changes the calculus of buyer aversion to messages, reaches them through a medium they've not learned to avoid, and leaves an impression of uniqueness.

Conclusion

Game changing – Tactile Marketing Automation

PFL is leading the charge in Tactile Marketing Automation, the next evolution of digital marketing. Tactile Marketing bridges the digital and physical world for your audiences, allowing you to span the gap between impression and response for your performance KPIs.

PFL allows you use data drive insight to send high-impact direct mail pieces only when they are needed. PFL makes it easy for sales reps to follow up immediately when your delivery lands on a prospect's desk and the solutions track buyer response and program impact for you.

Tactile marketing isn't a replacement for struggling digital channels, it's rocket fuel.

In a world where people are subject to as much as 10,000 impressions per day, PFL clients see 40% response rates, rising effectiveness across all channels, and higher quality deals filling their pipelines.

To learn more about Tactile Marketing Automation and what it can do for your organization, contact PFL at 800.930.5088 or inquire@pfl.com

Endnotes

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About PFL

PFL is a marketing technology company that provides sales enablement and marketing automation solutions, as well as printing, mailing and fulfillment services. Personal Marketing Center® is a single source that empowers sales reps to communicate more effectively with their customers with personalized content while maintaining brand compliance.

About ABM Consortium

We believe in a fact-based, vendor agnostic approach to ABM. We're unique in that we tap proprietary research into more than 500 programs across five continents to deliver against a singular focus: "high-performance ABM." We deliver the content, benchmarking and consulting services that instill confidence to those who seek to buck the odds and outperform competitors in this new account-centric sales and marketing world.