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BUSINES-TO-BUSINESS MARKETING AND NEW MEDIA: SPECIFICS, CHALLENGES AND PERSPECTIVES

Annotation. The B2B sector has been discussed and its specificity has been emphasized. This article highlights the importance of using new media, discusses the problems and shows the potential benefits due to which developing the social media strategy makes sense.

Анотація. Розглянуто відносини типу "бізнес для бізнесу" та підкреслено їх специфіку. Доведено важливість використання нових засобів масової інформації. Описано проблеми і можливі вигоди, заради яких варто розробляти стратегію для соціальних медіа.

Аннотация. Рассмотрены отношения типа "бизнес для бизнеса" и подчеркнута их специфика. Доказана важность использования новых средств массовой информации. Описаны проблемы и возможные выгоды, ради которых стоит разрабатывать стратегию для социальных медиа.

Keywords: B2B, New Media, social networks, Marketing 2.0, Inbound Marketing.

New media is a matter of digital Darwinism affecting any and all forms of marketing and service. In the world of democratized influence, businesses must endure a perpetual survival of the fittest. Engage or die!

Brain Solis, American industry analyst [1]

New technologies are coming and changing the society and business in an extraordinary way. However, usually, it takes a long time for people to realize what the new technology can handle and how to use it. The Internet has changed our lives, information structure and purchasing products. Today we use Internet and its possibilities in completely other way than we did it 10 years ago.

Many marketers today are still trying to apply their old way of outbound one-way shouting marketing to the new media, and they are failing. Web 2.0 era new media, with its unique opportunity to engage consumers, doesn't work together with Web 1.0 classics and traditions. Success can be achieved today by using inbound marketing strategies and principles, attracting customers without distracting or interrupting them, being in dialog and motivating customers to meet you in advance. These inbound marketers are getting higher return on investment. This new paradigm of inbound marketing is what Marketing 2.0 is about representing two pillars: content marketing and relationship-building (on the web). So, it's important to be able to see the bigger picture instead of focusing on only one discipline, recognize that all areas are becoming ever more connected and also to recognize the need for better understanding of all departments today.

The question arises if new media suits only B2C sector and if not, how much B2B can gain using it. Businesses that sell to businesses has completely different conditions and use different principles. It is relationship driven and the value of the relationship is maximized by creating brand identity and reputation. It has small, focused target market. Buying process and sales cycle are long and multi-step due to far more complex and sophisticated products. Customers are smart market players who make rational buying decision based on business value. Services play a dominant role.

A new media strategy primary purpose is to enable a company to engage in conversation with it a community so it can improve its ability to attract and serve its customers [2]. But are business tech buyers using social media? Is there a target community to engage in conversation with B2B companies? The simple answer is "yes".

Bernie Borges is strongly convinced that most businesses should have a social media strategy: "The reason I feel strongly about this is because, at a minimum, most businesses should be listening to their customers' and potential customers' online conversations. I am not suggesting that all businesses should be actively rolling out an aggressive social media campaign strategy. The bare minimum, no-brainer decision is to find out where people have formed communities in your market and spend time listening to those conversations" [2]. According to him, no matter what the industry may be, there is online content that meets the Web 2.0 mantra.

Technology purchasers and other business executives don't use all forms of social media equally, but they do. It can be confirmed by recent study from IDG Research (based on the answers of 3.568 tech



buyers worldwide), we see that the buyers worldwide are definitely using different forms of social media, but are using them at different degrees (Fig. 1).

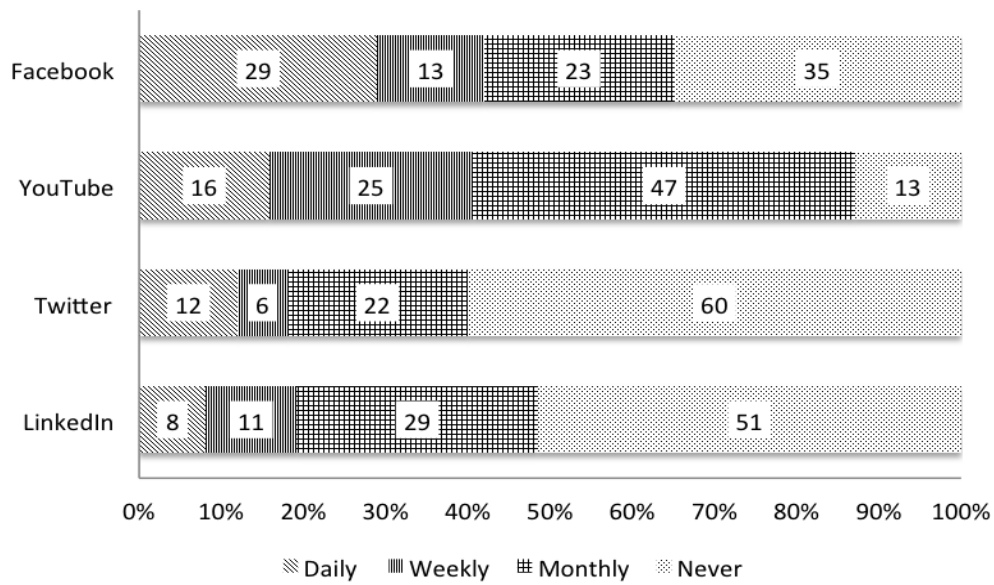


Fig. 1. **Frequency of social media use by tech buyers** [3]

According to 2012 Social Media Marketing Industry Report (based on the answers of more than 1900 B2B marketers) 93 % of B2B marketers are using social media for marketing purposes (slightly behind B2C marketers). Probably, such high rate can be explained by the interested in the topic of the survey participants. However, some new media tools are more likely used by B2B companies (Fig. 2).

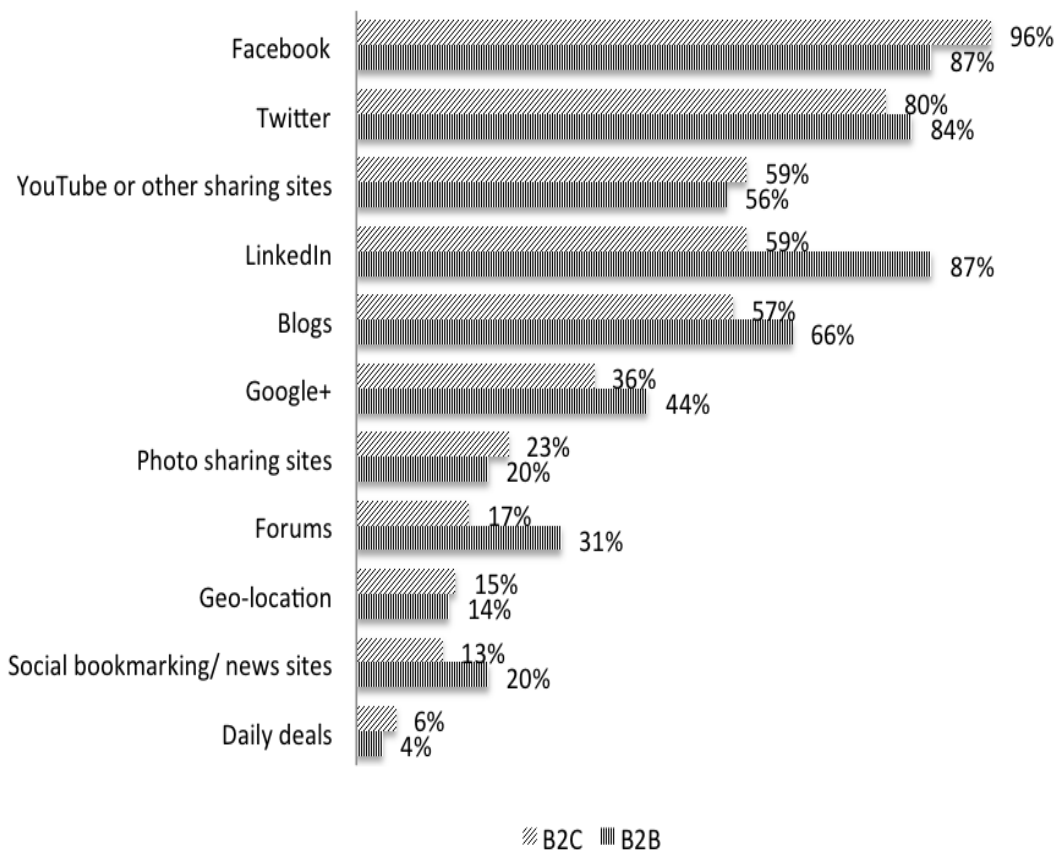


Fig. 2. B2B and B2C social media tools usage [4]

The interesting thing about these figures is that it shows that tech purchasers are more likely to use Facebook and YouTube than Twitter and LinkedIn, which are considered to be more professional (84 % vs. 80 % and 86.6 % vs. 59 % correspondingly). So, it does not mean that those ones are necessarily the best channels for technology marketers. However, a good portion of their Facebook use is more personal. Thus, it makes sense to develop different strategies for different channels because they are not used in the same way.

As one can see, tech purchasers indeed use social media and the result of ignoring it as a channel can be a missed opportunity. The IDG study went on to show that 23 % of technology purchasers not only use social media, but consider themselves to be active contributors of social media content. So it is reasonable enough to develop a good social media strategy.

Using social media B2B marketers pursue goals directed on increasing the awareness of product or service, showing its particular features and benefits, generating sales and opportunities, connected with key decision-makers, demonstrating knowledge and expertise within the industry sector, launching new products, providing customer support, giving recommendations, etc. Generally speaking, B2B companies as well as B2C companies are trying to gain 3 main benefits: competitive differentiation, market share growth and brand expansion [2].

In 2012 Social Media Industry Report B2B marketers noted the following benefits. Over 56 % of B2B marketers acquired new business partnerships through social media (compared to 45 % of B2C marketers). Nearly 60 % of B2B marketers saw improved search rankings from their social efforts (compared to 50 % of B2C marketers). B2B marketers have more opportunities to get marketplace insights from their social efforts (nearly 69 % vs. 60 % of B2C marketers). The only area where B2B marketers significantly lag behind their B2C counterparts is developing a loyal fan base. 63 % of B2C marketers found that social media helped them to develop loyal fans, compared to only 53 % of B2B marketers [4].

Top challenges applying new social media strategy are content and content management, which always is difficult in terms of marketing; dealing with information coming through the network (complaint management, conversation, etc.); key performance indicators and measurement; converting activities to sales; discovering the best social media tactics; not understanding social media tools by the older generation of the company and negative flows from them. According to Sherpa B2B Marketing Survey



B2B marketers also struggle with generating high quality leads, dealing with lengthening sales cycle and growing number of people involved in the buying process [5].

It is necessary to keep in mind that the fundamental purpose of developing a social media strategy is to benefit from the power of communities. B2B marketers are finding ways to connect with their audiences developing social media strategy for different channels. Despite all challenges potential benefits make sense. But no one denies that social media strategy as any other strategy requires deep understanding and planning starting with defining objective, costs, staffing requirements, risks, opportunities and finishing with estimation of competitors and measuring results.

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