How B2B companies are adapting customer engagement strategies during COVID

An Edelman-LinkedIn Pulse Study
COVID has changed how B2B companies engage customers. Leading companies can seize the opportunities that lie ahead.

Key findings from the Edelman-LinkedIn B2B COVID Pulse study include:

- B2B customers face pressure to preserve cash – but are still looking for opportunities to strengthen their position.
- Most B2B executives agree that understanding their buyers’ customers has become more critical – but fewer are making investments to do so.
- Marketing functions face increased pressure to impact revenue and help sales teams break through with customers.
- Strategic investments and reorientation around customer insights will drive competitive advantage today and post-COVID.
About the Study

Definitions and Methodology

To help B2B companies understand COVID-19’s impact on marketing and customer engagement, Edelman and LinkedIn surveyed 394 U.S. B2B executives with direct exposure to customers, prospects and their strategic decision-making process. Our respondents cross a wide range of industries and company sizes.

<table>
<thead>
<tr>
<th>Seniority Level</th>
<th>33%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager or Sr. Manager</td>
<td></td>
</tr>
<tr>
<td>Vice President or Director</td>
<td>36%</td>
</tr>
<tr>
<td>CXO, Founder, Owner</td>
<td>31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job Function</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and communications</td>
<td>49%</td>
</tr>
<tr>
<td>Sales, business development, and other</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data collection</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Online, using the LinkedIn platform to survey LinkedIn members</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fielding dates</th>
<th>June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey length</td>
<td>5-10 Minutes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Margin of Error</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sample</td>
<td>+/- 2.8%</td>
</tr>
</tbody>
</table>
COVID’S IMPACT ON THE MINDSET OF B2B CUSTOMERS:

Economic pressures have constrained B2B decision-makers, but many are seeking unexpected opportunities to make strategic moves.
Unsurprisingly, B2B customers’ decisions are constrained by COVID

Nearly 3 in 4 are cash-focused and reverting to what they know

- 61% purchasing familiar/reliable products versus new or more innovative products
- 72% preserving their cash. Not interested in buying non-essentials

63% say their customers are worried about their own job security and company survival

Personal concerns are likely to weigh on corporate decision-making

Q1. Based on what you may have heard from others, your research, or directly from clients, how would you describe the current mindset of your customers?
B2B customers are slower to evaluate and purchase

Customers’ mindset has adapted to prolonged uncertainty and is being reflected in the sales cycle

An extended sales cycle implies more customer touchpoints – and potentially more decision-makers – involved in the buyer journey

Nearly three-quarters of B2B executives say that “Interested in buying but slower to evaluate and decide on specific purchases” describes their customers’ mindset moderately, well, or very well

Q1: Based on what you may have heard from others, your research, or directly from clients, how would you describe the current mindset of your customers?
Yet many customers are still advancing their pre-COVID plans – and even more are looking for unexpected strategic opportunities. 

Q1: Based on what you may have heard from others, your research, or directly from clients, how would you describe the current mindset of your customers?

**And 56% are taking a community-minded approach to pandemic response.**

- **65%** Looking for unexpected opportunities to strengthen their position
- **58%** Eager to advance planned competitive moves while the environment is fluid

More than half of B2B marketers say their customers are focused more on helping their communities, suppliers, and employees weather the pandemic, than on selling.
HOW COVID HAS SHIFTED B2B EXECUTIVES’ PRIORITIES:

B2B executives agree on some key priorities during the pandemic – but there are gaps between beliefs and actions.
B2B executives agree on the importance of a few key actions to succeed in the COVID context

Q2. Given the current circumstances in the marketplace, how important do you think it is that an organization such as yours engage in each of the following strategies?

- **84%**
  - Increasing communications with customers about expertise we have around their own customers, and how we can help protect or grow their sales

- **72%**
  - Strengthening understanding of our buyer’s customers and what value needs to be delivered through research or data gathering

- **62%**
  - Strengthening our position in the market as a trusted thought leader to solve timely customer challenges (i.e., providing knowledge designed to help customers succeed during the pandemic)

- **8%**
  - Not taking new action; on hold and waiting for the situation to resolve itself

And

**52%**

believe in redefining their offerings around COVID

Over half of B2B marketers say they believe in redefining their mission, purpose and offerings to aid clients in emerging from the pandemic as strong as possible.
But there are gaps between what B2B executives believe is important to do and what their companies are actually doing.

The shortfall between belief and action indicates competitive opportunity.

Difference between reported belief that this action is very or extremely important and report that company is embracing or enabling:

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Reported Importance</th>
<th>Embracing or Enabling</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redefining our mission, purpose and offerings to aid clients emerging from the pandemic as strong as possible</td>
<td>52%</td>
<td>41%</td>
<td>-11%</td>
</tr>
<tr>
<td>Strengthening our position in the market as a trusted thought leader to solve timely customer challenges (i.e., providing knowledge designed to help customers succeed during the pandemic)</td>
<td>84%</td>
<td>75%</td>
<td>-9%</td>
</tr>
<tr>
<td>Increasing communications with customers about expertise we have around their own customers, and how we can help protect or grow their sales</td>
<td>72%</td>
<td>65%</td>
<td>-7%</td>
</tr>
<tr>
<td>Strengthening understanding of our buyer's customers and what value needs to be delivered through research or data gathering</td>
<td>62%</td>
<td>39%</td>
<td>-23%</td>
</tr>
</tbody>
</table>

Q2. Given the current circumstances in the marketplace, how important do you think it is that an organization such as yours engage in each of the following strategies?

Q3. Which of the following strategies would you say your organization is embracing or enabling to the degree necessary to succeed within current marketplace conditions?
Uncertainty around length of pandemic and a lack of internal resources are key barriers to action

Q4: Which of the following, if any, would you say are the greatest barriers to your organization implementing the strategies necessary to succeed within current marketplace conditions?

- Uncertainty around the market and the length of the COVID challenge (59%)
- Decision overload and resulting paralysis – our leaders are fatigued from trying to stay on top of constant adaptation and have limited bandwidth for strategic innovation (17%)
- There have been no significant barriers to implementing the key strategies my organization needs to succeed (16%)
- Lack of consensus among leadership regarding which strategies to pursue (11%)
- Inability to achieve the necessary cross-organizational cooperation and coordination (10%)
- Lack of support from leadership (6%)
- Indecision as a barrier

Decision overload and lack of internal alignment may be holding firms back.
COVID’S IMPACT ON B2B MARKETING:

Marketing is under increased pressure to impact revenue, and sales teams need help breaking through to customers.
B2B executives report increased pressure to tie their spending directly to sales impact

As a result, slightly more than half of companies are leaning into their marketing efforts for existing offerings that drive customer value now.

- **46%** report marketing spending is now being more closely evaluated for direct sales impact.
- **55%** are shifting marketing efforts to focus on existing offerings that are especially valuable to our clients right now, while scaling back on marketing in areas seeing decline.
- **45%** are shifting toward creating and marketing new offerings to help customers adapt to or solve their COVID-related challenges.

Q5. Which of the following best describes your organization’s current product and marketing strategy? Please select only one response.

Q8. How have you seen/experienced the role of B2B marketing evolving in your organization as a result of recent pressures! Choose all that apply.
Marketing is being tasked with a greater role in sales enablement activities

Customer segmentation and new ways to engage buyers have become even more important in the COVID context

36% of B2B Executives say that sales enablement activities, led by marketing, are increasing or changing as a result of COVID.

35% say precise customer segmentation has become more important because the status/health of customers varies greatly across the customer base.

33% say that sales teams are asking marketing to help them deal with new challenges due to customer engagement barriers (i.e., need new door openers, air cover, etc.).

Q5. Which of the following best describes your organization’s current product and marketing strategy? Please select only one response.

Q8. How have you seen/experienced the role of B2B marketing evolving in your organization as a result of recent pressures? Choose all that apply.
B2B companies are relying on sales teams and social media to learn about their buyers’ customers, but may be missing opportunities for deeper insights.

Sales teams and social media are the most called-upon resources for customer insights.

Q6. What specific approaches, if any, has your organization taken or are planning to take to strengthen your understanding of your buyers’ customers through new or intensified research or data gathering? Select all that apply.

- Gather feedback from sales teams
- Social media monitoring
- Primary survey research
- Focus groups (interviews with customers)

Only 1 in 5 reports conducting interviews with customers; and just 1 in 4 reports conducting primary survey research. This is a missed opportunity for organizations that need to evolve.
B2B companies are turning to content publishing and thought leadership to earn trust and strengthen their position in the marketplace.

- Increasing content publishing about how you can help customers solve challenges (59%)
- Thought leadership pieces grounded in our expertise (55%)
- Hosting webinars, virtual panels, etc. (52%)
- Executive communications (i.e., messages published by senior executives) (44%)
- Creating online interactive experiences (29%)
- Earned media coverage (placing the company in news articles) (28%)
- Loyalty marketing around expertise areas (23%)

Q7. What specific approaches, if any, have you taken or do you plan to take to strengthen your position in the marketplace as a trusted provider/vendor that solves customers’ challenges? (In other words, how are you providing consultative knowledge and resources designed to help customers succeed during the pandemic – not just conveying product features/benefits?)
IMPLICATIONS FOR B2B EXECUTIVES TODAY:

5 Strategic opportunities to gain competitive advantage
1. Recognize COVID as an opportunity to reposition your offerings for the long term.

Our POV

COVID has generated new pain points for B2B buyers – scrutinized budgets, the need to prove ROI faster, the challenge of evaluating solutions without the benefit of in-person engagement – which are likely to continue for the foreseeable future. Some may even become cemented for the long run.

Action

Take steps to understand your customers’ new reality – as well as their end customers – to find opportunities to reposition what you do and what value you can deliver in the current environment. Whether it’s new offerings, or existing capabilities packaged in new ways, look for opportunities to demonstrate deep knowledge of your customers’ challenges.

Benefit

Companies that recast their capabilities through the COVID lens may be better able to protect against customer erosion as the pandemic continues to drive change and uncertainty. Positioning around customers’ current pain points will drive long-term value by engendering deeper loyalty and trust among your buyers.
2. Refocus on knowing your customers – and their customers. It’s more important than ever.

Our POV

B2B buyers are not a monolith, and their end customers are being affected by COVID in numerous ways.

Action

Achieve precise customer segmentation that accounts for the unique intricacies of your customers’ current environment. Knowing the nuances across customer segments is especially vital for companies with a diverse customer portfolio. While gathering sales feedback and social monitoring can help, the companies that conduct deeper customer research are likely to gain an edge over those that do not.

Benefit

Nuanced segmentation – achieved most effectively with sufficient primary research – will enable precise allocation of marketing efforts towards those areas with the greatest revenue potential. Deep customer insights will inform timely and meaningful positioning of your offerings that help your brand stand apart from competitors. In an environment where current customer loss can have outsized impact – especially in industries where longer-term customer/provider relationships are the norm – this will drive material value for both the short- and long-term.
3. Overcome new customer engagement barriers through stronger collaboration between sales and marketing.

Our POV

As marketing is asked to play a greater role in sales, there is a clear imperative to forge greater alignment between the two functions.

Action

Marketing teams should source insights and inspiration from their sales counterparts to acquire understanding of the critical pipeline KPIs, customer journey stages and touchpoints where key challenges are occurring. Sales teams can provide vital in-the-trenches details that may inspire new customer experiences and forms of engagement.

Benefit

More than ever, sales teams need door openers and air cover, especially with the accelerated shift to all things digital and no large physical events for the foreseeable future. Marketers might improve nurture efforts, generate late-stage materials to prove value to reticent buyers, or create customized journeys for the top leads from sales, to maximize the full value of an account-based marketing strategy.
4. Enhance the overall customer journey by moving B2B marketing beyond basic lead generation duties.

Our POV

The longer sales cycle and increased purchase scrutiny in the COVID environment means there are more ways that marketing can contribute to effective customer engagement and drive value in the absence or sudden reduction of face-to-face engagement.

Action

Corporate marketers will need to shift their mindset from narrowly lead-focused to supporting the full buyer journey where it pays greatest dividends. Marketing teams can pursue content creation aimed at:

• reducing barriers to prospective customer engagement
• increasing customer retention, and
• improving customer satisfaction.

Benefit

This also positions marketing teams to attribute additional business value to their activities beyond high funnel awareness or rudimentary lead generation.
5. Aspire to earn thought leadership and customer trust in this period of disruption.

Our POV
Unprecedented challenges borne from COVID are creating opportunities for intrepid brands to earn trust and thought leadership with customers. Brands that shrink away or hunker down until the pandemic eases may be missing a significant window of opportunity to distinguish themselves from competitors.

Action
Armed with deep customer insights and powerful positioning to meet the current moment, B2B brands should increase their communications with customers and prospects to both build and protect a reputation rooted in trust. Demonstrate your unmatched understanding of the customer and bring your value proposition to life in the context of their current reality.

Benefit
Brands that invest in deepening existing customer relationships -- and sow the seeds for new ones during this time of disruption -- can turn industry thought leadership and mindshare into market share.
Contact information

Joe Kingsbury
U.S. Managing Director
Edelman Business Marketing
joe.kingsbury@edelman.com

David Bersoff, Ph.D.
Head of Global Thought Leadership Research
Edelman Intelligence
david.bersoff@edelmanintelligence.com

Turn thought leadership into market leadership.
Stay informed on the latest insights and strategies for using thought leadership to drive B2B marketing impact.

Subscribe: b2b.edelman.com/b2b-thought-leadership-signup
Thank You