**B2B Content Marketing 2010:**

# Computing Software Industry Report

# FOREWORD

In September 2010, Junta42 and MarketingProfs in conjunction with the Business Marketing Association (BMA) and American Business Media (ABM) released the largest study to date, **2010 B2B Content Marketing Benchmarks, Budgets and Trends,** showing how B2B marketers are using content within their marketing mix. This report takes a **more granular look at how computing/software marketers are using content marketing.**

Compared to marketers in other industries, computing/software marketers:

## Have embraced content marketing at higher rates but are not seeing desired results
While 94% of these marketers are using content to market their products and services (versus 88% of all marketers), they report lower levels of effectiveness than their peers across top tactics used.

## Are focused on gaining new customers
The majority of their sales revenue (41%) comes from new customers, which is the highest among all of the industries surveyed. This matches their primary goals for content marketing, which are lead generation and brand awareness.

## Spend more on content marketing
While these marketers are in line with industry averages when it comes to percent of marketing budgets dedicated to content marketing, they spent more overall in the past 12 months than their industry peers. Over the past year, they spent an average of nearly $81,000 on content creation and $363,000 on distributing content (versus an average of $79,000 and $301,000 respectively across industries) This is a bit surprising since the majority of these marketers are in organizations with 249 or fewer employees.

## Must market an expensive product or service over a longer buying cycle
Overall, computing/software marketers are selling higher-priced offerings than those in other industries (at an average of nearly $47,000 compared to almost $34,000). As a result, they must engage prospects over a lengthier period of time. While only 25% of their cross-industry peers report that it takes six to 12 months for a purchase decision, 45% of computing/software marketers find themselves in this range. Likewise, only 10% of all other industries see a purchase decision taking 12 months or more, while 14% of those in the computing/software industry are dealing with this extended time frame for purchase.

## Customize content for their audience but struggle to produce engaging content
The top challenge for these marketers is generating the type of content that engages their audiences. Most of these marketers may feel it's enough to develop content based on company characteristics and profiles of individual decision makers – which they are doing at higher rates than their cross-industry peers. But they could do more. Only 34% of these marketers align content with the buying stages, yet this alignment is especially important for ensuring content is relevant to prospects over a lengthy purchase process.

## Have widely adopted social media
These marketers use Twitter to distribute content more than average (68% versus 55% on average), and are second only to the advertising/marketing industry in their use of LinkedIn (65% versus 68%). While they're just above the industry norm in their use of YouTube (40% versus 38%), they're using blogs at higher rates than any other industry (68% versus 51% on average).

I hope this report helps you better understand how B2B marketers in computing/software are executing on content marketing.


## Stephanie Tilton
B2B Content Marketing Consultant

Ten Ton Marketing

# DETAILED FINDINGS

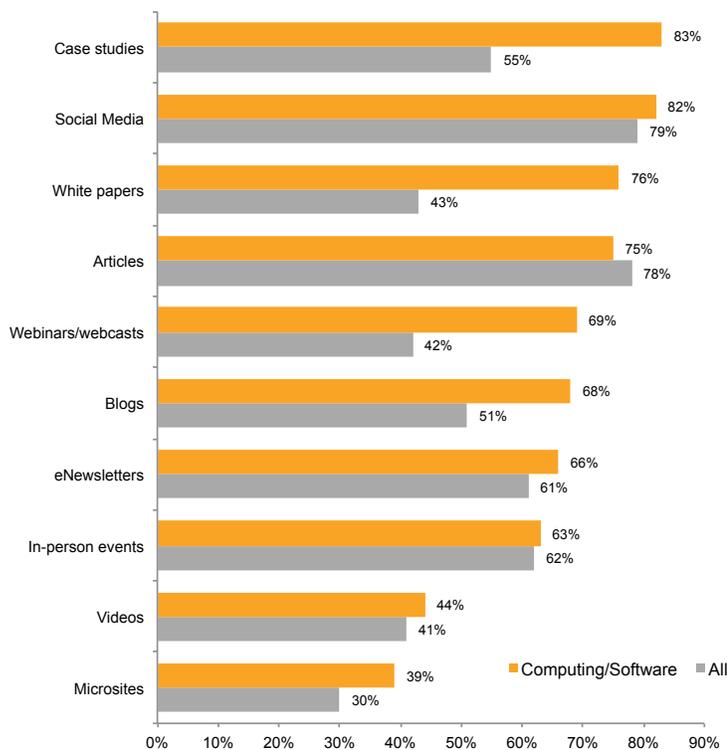## ▶ USAGE AND EFFECTIVENESS

### Content Marketing Tactics Used

Much like other B2B marketers, the vast majority of computing/software marketers draw upon a wide range of content to reach their target audience. **Overall, the majority uses 10 tactics, which is more than the eight used on average across other industries. They also turn to different tactics on the whole.**

The top five content marketing tactics used by computing/software organizations are:

- Case studies (83%)
- Social media (82%)
- White papers (76%)
- Articles (75%)
- Webinars/webcasts (69%)

**Top 10 Content Marketing Tactics Used**



| Tactic | Computing/Software | All |
|---|---|---|
| Case studies | 83% | 55% |
| Social Media | 82% | 79% |
| White papers | 76% | 43% |
| Articles | 75% | 78% |
| Webinars/webcasts | 69% | 42% |
| Blogs | 68% | 51% |
| eNewsletters | 66% | 61% |
| In-person events | 63% | 62% |
| Videos | 44% | 41% |
| Microsites | 39% | 30% |

*Source: B2B Content Marketing 2010: Computing Software Industry Report*

Computing/software marketers claim the top spot in terms of overall percentage using content marketing tactics.
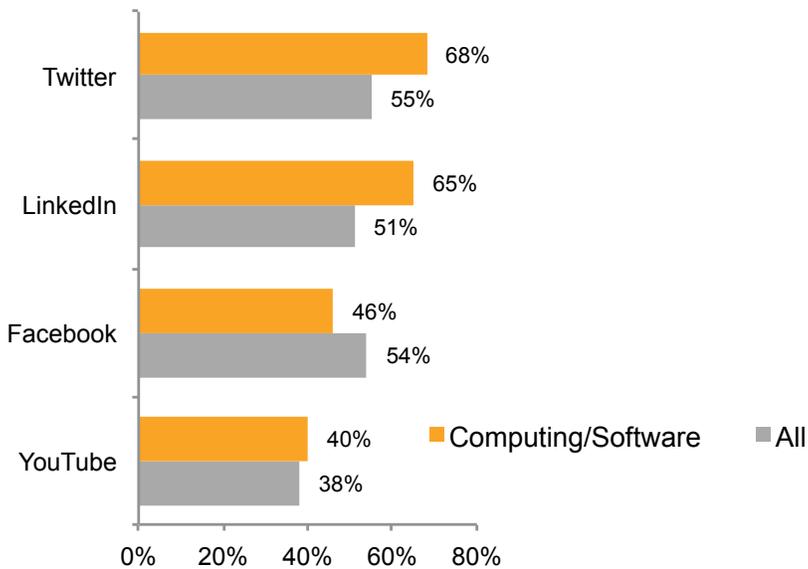
When compared to marketers in other industries, **computing/software marketers claim the top spot in terms of overall percentage using content marketing tactics to market their products or services to prospects or existing customers** (94% versus 88%). In fact, across many categories, they are using content to connect with their audience more than their peers in other industries. **That said, they're on the low end of the spectrum when it comes to use of print magazines, print newsletters and digital magazines.** Also of note is that computing/software marketers:

- Have adopted mobile content tactics at lower rates than other B2B marketers (7% versus 11%)
- Host virtual conferences at higher rates than their peers (16% versus 11%)

## ► SOCIAL MEDIA DISTRIBUTION CHANNELS

As shown in the previous chart, **computing/software marketers have embraced social media at a much higher rate than peers in other industries.** That's why it makes perfect sense that they are distributing content via social media channels more frequently as well. The fact that Facebook is the least used of the four social media channels is no surprise, since many B2B organizations still seem to view Facebook as a consumer-focused platform.

### Percentage of Marketers Who Use Various Social Media Sites to Distribute Content

| Channel | Computing/Software | All |
|---|---|---|
| Twitter | 68% | 55% |
| LinkedIn | 65% | 51% |
| Facebook | 46% | 54% |
| YouTube | 40% | 38% |

■ Computing/Software  ■ All

*Source: B2B Content Marketing 2010: Computing Software Industry Report*

Computing/software marketers have embraced social media at a much higher rate than peers in other industries.

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## ▶ CONTENT MARKETING EFFECTIVENESS

It appears computing/software organizations either need to rethink the top tactics used or analyze why they're not seeing the intended results from their efforts. **Marketers in these firms are generally expressing dissatisfaction when it comes to the effectiveness of the top 10 tactics used:**

- Case studies: 52% effectiveness (83% usage)
- Social media (other than blogs): 20% effectiveness (82% usage)
- White papers: 48% effectiveness (76% usage)
- Articles: 34% effectiveness (75% usage)
- Webinars/webcasts: 58% effectiveness (69% usage)
- Blogs: 29% effectiveness (68% usage)
- eNewsletters: 43% effectiveness (66% usage)
- In-person events: 58% effectiveness (63% usage)
- Videos: 49% effectiveness (44% usage)
- Microsites: 45% effectiveness (39% usage)

This is especially true in comparison to how marketers in other industries rate the effectiveness of the tactics they're using. Specifically, computing/software marketers are unhappy with the results relative to their cross-industry peers in seven out of the 10 categories of the top tactics they use.

Yet they're experiencing high rates of effectiveness for some of the lesser-used tactics, such as research reports, podcasts and print newsletters.
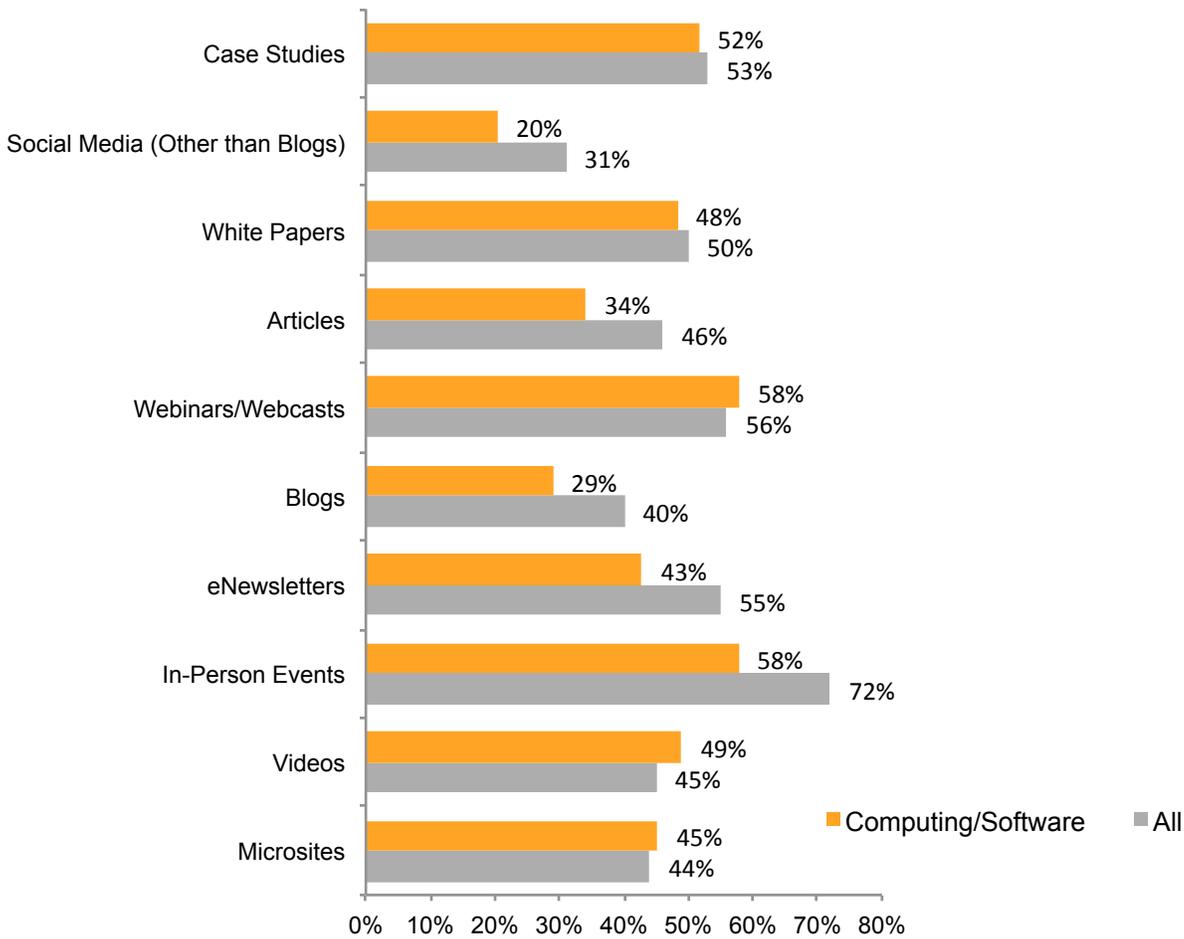
- Research reports: 58% effectiveness (24% usage)
- Podcasts: 60% effectiveness (18% usage)
- Print newsletters: 56% effectiveness (14% usage)

**One explanation for this confidence gap may be the lack of alignment between the type of content marketers are producing and the information prospects are seeking.** Only 34% of computing/software marketers vary content by stages in the buying cycle. And only 56% produce content geared toward the profile of individual decision makers (such as title or persona). This indicates that these marketers are churning out content that is more generic in nature and not likely to answer the distinct needs of buyers throughout the buying cycle. Marketers should also evaluate how well they understand the content form that their target audiences prefer.

**Another factor may be lack of resources to accurately assess the effectiveness of content marketing efforts.**
The majority of respondents (71%) were from computing/software firms with 249 or fewer employees.

## Effectiveness Ratings: Top 10 Content Marketing Tactics Used in Computing/Software

| Tactic | Computing/Software | All |
|--------|-------------------|-----|
| Case Studies | 52% | 53% |
| Social Media (Other than Blogs) | 20% | 31% |
| White Papers | 48% | 50% |
| Articles | 34% | 46% |
| Webinars/Webcasts | 58% | 56% |
| Blogs | 29% | 40% |
| eNewsletters | 43% | 55% |
| In-Person Events | 58% | 72% |
| Videos | 49% | 45% |
| Microsites | 45% | 44% |

■ Computing/Software  ■ All

*Source: B2B Content Marketing 2010: Computing Software Industry Report*

Better understanding what computing/software marketers hope to achieve with content marketing and how they measure the results may shed further light on the low effectiveness ratings for top tactics used.

Another factor for this confidence gap may be lack of resources to accurately assess the effectiveness of content marketing efforts.

*Note: Effectiveness is the percentage of marketers who use the tactic who rate the effectiveness of it as a 4 or a 5 (on a 5-point scale).*
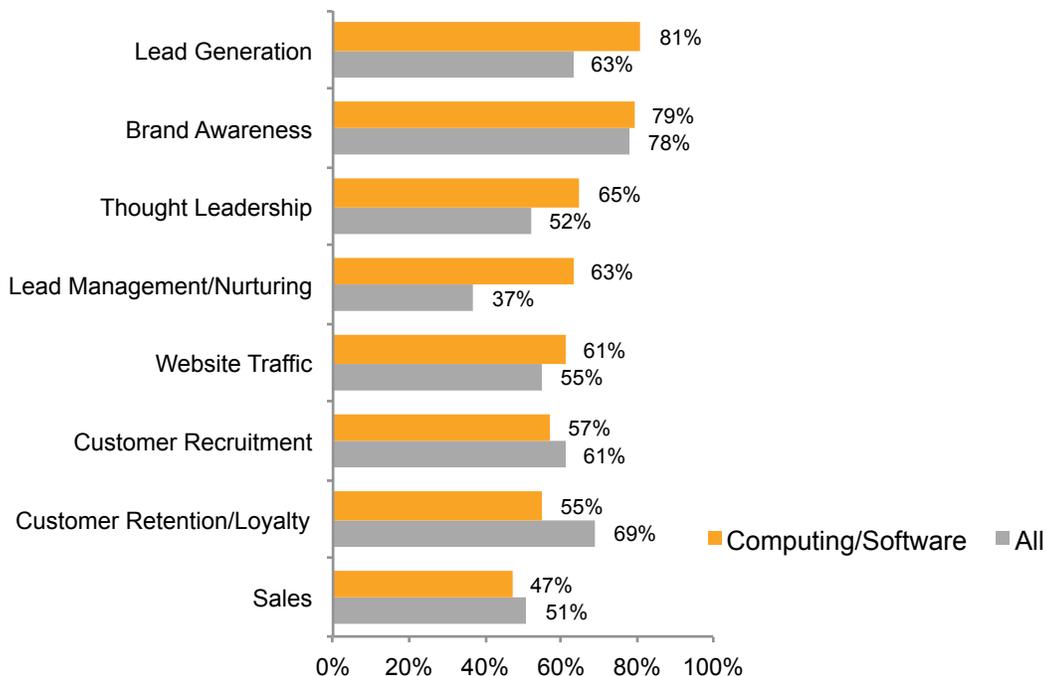
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# GOALS AND MEASUREMENT

## ► ORGANIZATIONAL GOALS

The following are the top goals for computing/software marketers when it comes to content marketing:

- Lead generation (81%)
- Brand awareness (79%)
- Thought leadership (65%)
- Lead management/nurturing (63%)
- Website traffic (61%)

## Organizational Goals for Content Marketing

| Goal | Computing/Software | All |
|---|---|---|
| Lead Generation | 81% | 63% |
| Brand Awareness | 79% | 78% |
| Thought Leadership | 65% | 52% |
| Lead Management/Nurturing | 63% | 37% |
| Website Traffic | 61% | 55% |
| Customer Recruitment | 57% | 61% |
| Customer Retention/Loyalty | 55% | 69% |
| Sales | 47% | 51% |

*Source: B2B Content Marketing 2010: Computing Software Industry Report*

**The need to generate leads, raise brand awareness, promote thought leadership, nurture leads and drive website traffic are all in line with the fact that 65% of computing/software firms realize 25% to 100% of annual sales from new customers.**
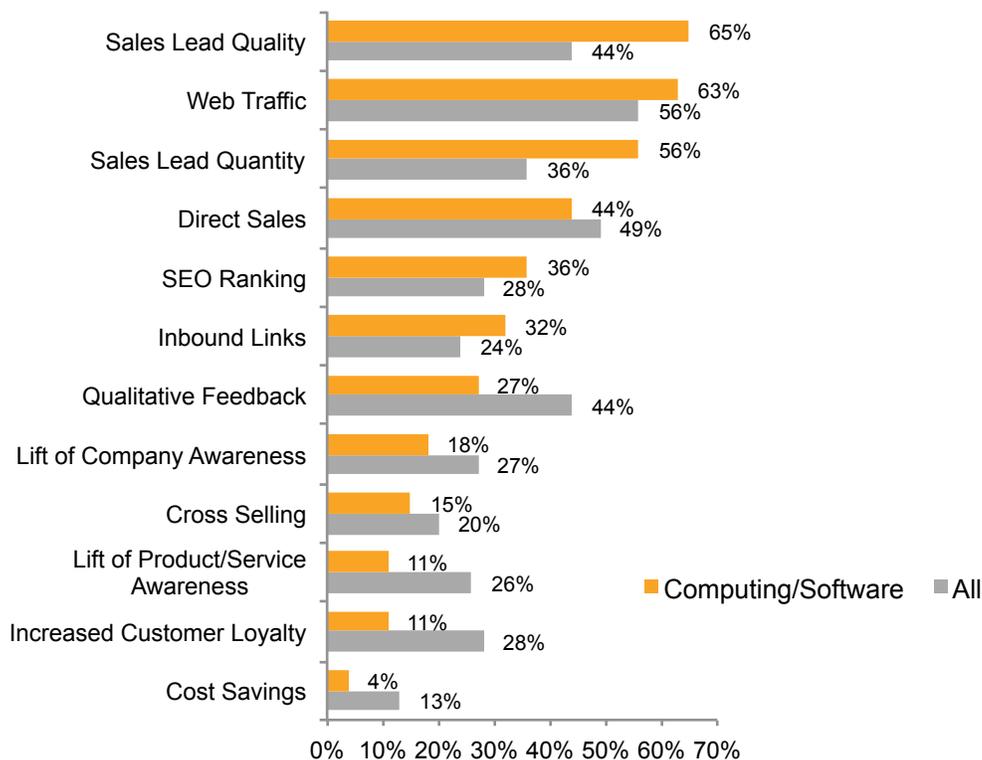
Moreover, i**t's not surprising that generating sales is lower on the list of goals. After all, the majority of these marketers must engage prospects anywhere from six to 12 months or more,** and they're typically selling products and services with a hefty price tag. In other words, they don't expect their content to convince a prospect to buy, but instead use content to lead prospects down the path until they're ready to talk to a sales rep.

On the flip side, the goals cited by computing/software marketers are not completely in line with how they measure the success of their content marketing efforts. Here are the top five measurement criteria:

- Sales lead quality (65%)
- Web traffic (63%)
- Sales lead quantity (56%)
- Direct sales (44%)
- SEO ranking (36%)

## Measurement Criteria for Content Marketing Success

| Criteria | Computing/Software | All |
|---|---|---|
| Sales Lead Quality | 65% | 44% |
| Web Traffic | 63% | 56% |
| Sales Lead Quantity | 56% | 36% |
| Direct Sales | 44% | 49% |
| SEO Ranking | 36% | 28% |
| Inbound Links | 32% | 24% |
| Qualitative Feedback | 27% | 44% |
| Lift of Company Awareness | 18% | 27% |
| Cross Selling | 15% | 20% |
| Lift of Product/Service Awareness | 11% | 26% |
| Increased Customer Loyalty | 11% | 28% |
| Cost Savings | 4% | 13% |

*Source: B2B Content Marketing 2010: Computing Software Industry Report*

In light of the fact that brand awareness and thought leadership were top goals cited by computing/software marketers, it's interesting that lift in company awareness is fairly low on the list of measurement criteria. At the same time, it's counterintuitive that these marketers are using direct sales as a means to assess their content marketing success. As mentioned above, they are marketing big-ticket items over a long period of time; it's not likely that many prospects will decide to buy just based on the information they receive via case studies, social media, white papers and other content.

# BUDGETS AND PRODUCTION

### ▶ CONTENT MARKETING SPENDING

On average, **computing/software marketers spend nearly 26% of their marketing budgets on content marketing, which is on par with the average across industries.** Specifically, **they spent nearly $81,000 on content creation and $363,000 on distributing content** in the past 12 months. **This is higher than the average among all marketers, which is notable considering that the majority of computing/software marketers surveyed are from companies with 249 employees or fewer.** Yet it makes perfect sense when considering that these marketers are producing a greater variety of content than their peers in other industries. And it appears that they're staying the course.

In the coming year, **54% of computing/software marketers plan to increase their budgets for content marketing,** while 41% expect their investment to remain unchanged. Only 2% of marketers reported their content marketing budgets would decrease over the coming 12 months.

### ▶ CONTENT MARKETING OUTSOURCING

**The majority (54%) of marketers within computing/software firms use a blend of outside consultants/agencies and in-house resources to develop content.** Forty-four percent handle all content creation in-house, which is close to the 45% average among all B2B marketers surveyed.  A mere 2% outsource all of their content development.

# CHALLENGES IN CONTENT MARKETING

When asked to cite their biggest content marketing challenge, computing/software marketers responded as follows:

- Producing engaging content (41%)
- Producing enough content (25%)
- Budget to produce content (16%)
- Lack of executive buy-in (9%)
- Producing a variety of content (6%)

Similar to their peers in other industries, software/computing marketers struggle most with producing the kind of content that engages prospects and customers. However, unlike their cross-industry counterparts, computing/software marketers don't seem to associate this challenge as much with not having enough budget to produce content (16% versus 19% for all marketers). Instead, **it seems that the ability to produce enough content may be a larger barrier to successfully engaging their audiences** (25% versus 21%). In addition to the fact that 44% of these marketers handle the time-consuming process of content creation in-house, a few other factors may illuminate their challenge.

Computing/software marketers are trying to sell higher-priced products and services when compared to their industry peers (averaging nearly $47,000 versus $34,000). As noted earlier, they must engage their prospects over a sometimes lengthy buying cycle: 45% of computing/software marketers need to engage prospects anywhere from six to 12 months before a purchase decision is made, and another 14% must engage them for 12 or more months. Yet only 34% of computing/software marketers align their content with stages of the buying cycle (or sales funnel). It's no wonder they are finding it difficult to produce engaging content that ultimately encourages a purchase – their prospects and customers likely feel the content doesn't answer their information requirements throughout the decision-making process.

# RESEARCH DETAIL

Of the 1,124 respondents to the **2010 B2B Content Marketing Benchmarks, Budgets and Trends** survey, 121 were from computing/software firms. These respondents were more heavily weighted to small- and mid-size businesses, as indicated below.

**Number of Employees**

Fewer than 10 .................................................11%
10 – 99....................................................................43%
100 - 999................................................................26%
More than 1,000.............................................20%

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## About Stephanie Tilton

Stephanie Tilton is a content-marketing consultant who helps B2B companies craft content that engages prospects and custom-ers, nurtures leads and advances the buying cycle. She has produced over 150 white papers, case studies and eBooks for a range of organizations, including some of the world's leading technology companies. She is the author of two eBooks: 5 Steps to a White Paper that Pulls in the Perfect Prospect and Gear Up for Success: 8 Steps to Get Sales and Marketing Cranking in Unison. Stepha-nie is also a founding member of and regular contributor to the Savvy B2B Marketing blog (http://www.savvyb2bmarketing.com/blog), and contributes to the Content Marketing Institute blog (http://www.contentmarketinginstitute.com/blog/) and the Focus.com (http://www.focus.com/) community.

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