

White Paper

The Targeting Advantage: Improve Your Marketing Success

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White Paper

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Introduction

The foundation of B2B marketing success is the quality of your list.

What makes or breaks the success of B2B marketing? Is it breakthrough creative? The delivery vehicle? The amazing benefits of the product or service?

It's the list.

How many times a week, a day, or even an hour do you receive an email or direct mail piece, give it a glance, and toss it in the real or e-trash?

Most marketing messages fail because:

- The offer isn't relevant to your specific areas of responsibility.
- You're not the decision maker.
- The offer isn't relevant to your industry, company size, or geography.
- It's not the right time for you to consider the offer.

As good as everything else in the campaign might be, if the offer doesn't resonate with your target, you won't get the outcome you want. Think of your marketing tactics as the bows and arrows aimed at the target. Aim a high quality arrow at an ideal prospect and you're likely to hit it. Aim it at a target it can't hit and you've got a lot of firepower sailing off into the ether.

Your marketing outcomes depend on your ability to aim your messages at the cleanest list of targets that are most likely to buy what you're selling.

Why bother:

- Meeting with someone who won't or can't buy your product or service?
- Spending your time and money trying to generate relationships that go nowhere?
- Wasting your marketing dollars on prospects who can't (or don't want to) use your products and services?

This white paper examines the importance and impact targeting can have on your overall marketing success and provides insight and advice to get you started with your own targeting and list building efforts.

Knowing Your Target Market Is the Foundation of Marketing Success

It seems intuitive: To be successful in marketing and lead generation, you must first know who your best potential clients are.

But what percentage of companies actually know this? And, are the companies with better target profiles and lists more successful in their marketing and lead generation efforts?

Lead Generation and Marketing Excellence Start with Target Prospect Knowledge

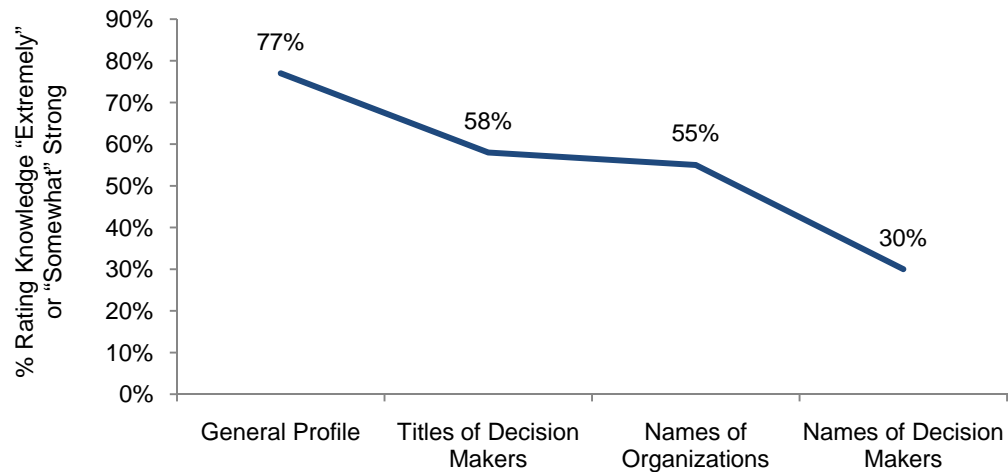
In RainToday.com's research report, *What's Working Lead Generation*¹, 730 B2B marketers were asked:

- How well does your company know whom it should be targeting, in terms of:
 - The **general profile** of your target market (best industry, geography, size, etc.)
 - The **actual titles of decision makers** within the target companies
 - The **specific names of the organizations** that are your best targets
 - The **names of specific decision makers** for your service areas at your best target companies

¹ *What's Working in Lead Generation*, RainToday.com, 2007.

Only 30% of B2B Marketers Know the Actual Names of Decision Makers They Are Targeting

% of overall B2B marketers rating their target market knowledge as *extremely* or *somewhat strong*:



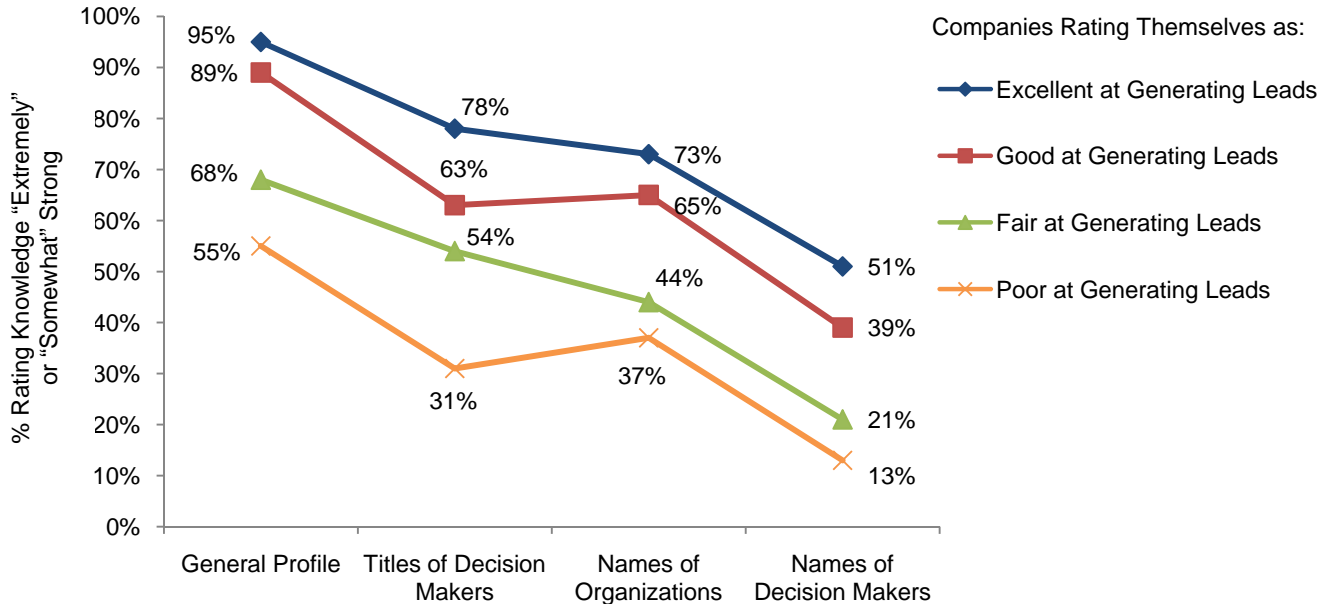
In the chart above, surveyed companies reflect little actual knowledge about their target markets. While the majority (77%) have a sense of the general profile of their target market, on average only 30% of companies indicate that they know the actual names of the decision makers in the companies they are targeting.

For the remaining 70% of companies, marketing without the contact names of key decision makers is like flying a plane without instrumentation: Dangerous, potentially costly, and you never know where you're going to land.

To understand the impact that target prospect knowledge has on your marketing success (and failure), in the research, respondents were also asked, "Do you consider your company's overall ability to generate leads to be excellent, good, fair, or poor?" The chart below looks at target prospect knowledge by the respondents' self-reported ability to generate leads. This underscores the importance of target marketing.

Better Prospect Target Knowledge Results in Lead Generation Excellence

% of B2B marketers rating their target market knowledge as *extremely* or *somewhat strong* by overall ability to generate leads:



The companies that have better knowledge and data about their targets are better at generating leads.

The better your targeting, list, and database are, the more successful your marketing and lead generation activities will be.

Targeting and segmentation are the foundation of any lead generation or marketing effort and must be done with utmost thought and rigor. Yet, on average only 30% of companies indicate that they know the actual names of the decision makers in the companies they are targeting.

When we look through the lens of respondents' ability to generate leads, we see a marked difference in target market knowledge between "poor" or "fair" lead generators (those who have difficulty generating new leads) and "good" or "excellent" lead generators. In the "excellent" category, 51% of companies know the actual names of the decision makers they are trying to sell to, while only 13% of those in the "poor" category know.

There's a direct correlation, in our data and in our experience, between companies who know more about their targets, and how successful they are at generating leads.

Empirical research data proves what your gut instinct has told you all along: If you don't know to whom you're marketing, you are wasting precious time, money, and business resources.

Prospect Targeting Saves You Time, Money, and Resources

In addition to strengthening your ability to generate new leads, good prospect targeting can help in a number of ways. All of our research and experience point to four ways good prospect targeting can improve your marketing.

The 4 Advantages of Good Prospect Targeting

1. **Good prospect targeting improves the efficiency of your business development time.** If you know exactly who is a good potential target for your products or services, you don't have to waste your precious business development time on the wrong people.
2. **Good prospect targeting lets you establish relationships with the prospects who matter most.** When you know the name of the decision maker, you can spend your time building your brand and creating a conversation with them.
3. **Good prospect targeting focuses your business development efforts for business growth.** Not all of your targets are equal in their profit potential. Therefore, not all of your targets should be treated equally in terms of your marketing efforts and budget. The first step in knowing where to spend your money is knowing who you want to spend it on.
4. **Good prospect targeting saves money.** Let's assume you're going to launch a direct mail campaign. If it goes to 20,000 people at \$3 per piece, that's \$60,000. Now assume the list is better targeted to those 5,000 people on the list that are *most* likely to buy your services. That's \$45,000 in savings. You're still reaching the most likely buyers, and if you're thinking, "But those additional 15,000 people could also buy," then you might be right. But if the targets are, indeed, not as strong as the first 5,000, your results are likely to suffer significantly.

By investing the time to target, you eliminate the marketing waste and focus your efforts where you can get the biggest payoff.

How Good Prospect Targeting Eliminates Marketing Waste

Every marketing tactic, revenue growth plan, and branding campaign starts with targeting. Much success and failure is a direct result of the effort (or lack of it) put into this area.

Consider these two marketing campaigns with a similar budget and timeline as examples:

- **Campaign A:** Company ABC purchased a one-page ad in the local business journal with a circulation of 25,000 readers. They hired a first-rate designer and copywriter to craft the advertisement. They spent months going back and forth to get the words and images just right to portray their high-end brand. They placed the ad in a number of consecutive issues to gain awareness and “get our name out there.” Creative cost: \$5,000. Advertising insertion cost: \$22,000. Total cost: \$27,000.
- **Campaign B:** Company XYZ built a target list uncovering the 1,600 companies that would be the right fit for their offerings. Then, they researched and acquired the names of the decision makers within each of these target companies. They developed a direct mail campaign, including an introductory letter and offer to download a white paper from their site, and followed up with prospects via the phone and email. Creative cost: \$5,000. Cost per piece for the mail: \$5. Total mail cost: \$8,000. Total campaign cost: \$13,000.

Campaign A is targeted towards the 25,000 readers who may (or may not) be targets for the company’s product or service offerings. Campaign B focused efforts on reaching out to a much smaller, more targeted pool of prospects who the company knows would be good prospects for their offerings. In essence, they marketed only to the best companies...the companies most likely to buy.

Campaign B, with \$15,000 lower cost, has a much higher chance of success and will make more of an impact than the ad could. While Campaign A will “get your name out there” more broadly than campaign B, if there are truly only 1,600 targets for the product or service, Campaign A is wasting impressions on, at a minimum, 23,400 people.

Getting Started with Prospect Targeting

Building or sourcing your target list requires that you first have a clear definition of whom you are targeting.

A target profile puts parameters around who is likely to be a good buyer for your services. It identifies the characteristics of the individual you want to speak with.

Your target profile should include:

- Buyers
- Influencers
- Company size
- Geography
- Industries
- Business specific factors

Targeting Profile Sample	
Buyers	<ul style="list-style-type: none">• Chief Marketing Officer• Vice President of Marketing
Influencers	<ul style="list-style-type: none">• Chief Operating Officer• Director of Marketing• President
Size	<ul style="list-style-type: none">• \$500 million to \$1 billion in revenue for most verticals• \$250 million to \$1 billion for pharmaceutical vertical
Geography	<ul style="list-style-type: none">• North America
Industries	<ul style="list-style-type: none">• Pharmaceutical• Biotech• Technology• Industrial B2B
Business specific	<ul style="list-style-type: none">• Organizations must be launching new products or services with an overall revenue value of \$50 million per area

To come up with your target profile, start by thinking of the very best clients you have (or ones you want). In the Target Profile, fill in the specifics about whom you want to target. This will help you reach out to companies with whom you are not working, and will help you find cross-sell and up-sell opportunities.

Once you have identified the profile of your targets, you need to start compiling names, addresses, phone numbers, and email addresses of the target companies that match your profile and the actual decision makers within these companies. This is the most difficult part. It never seems like it's going to be, but it always is.

Prospect Targeting Is Everybody's Top Priority

How clearly you define your targets from the beginning will determine the success—or failure—of your marketing and business development efforts.

Creating your target profile is an essential step and should be given a significant amount of thought and time. The targeted prospect list you eventually build is the foundation for all your marketing and business development efforts. And the foundation for your list is your target profile. How clearly you define your targets from the beginning will have a huge impact on your ultimate success.

As you work to build your target profile, involve the following constituencies:

- **Leadership:** Your company leadership is essential to define the strategy and vision for your firm. They will know what markets the company is looking to penetrate and will have a good sense of the company size and level that you need to sell to.
- **Marketing:** Your marketing department is often responsible for generating initial connections and conversations with targets. They need to know what constitutes a good lead so they hand over only the best ones to sales and continue to nurture the ones that might not be ready just yet.
- **Sales:** Your salespeople are the ones on the front lines and have valuable experience working and talking directly with prospects. They're also often charged with prospecting and breaking into target accounts at the right level and with the right targets. They will have the best sense of what types of offers prospects are likely to respond to, what level of contact you must reach out to, and what job function has the purchasing power to buy products and services such as yours.

Bring together all of the firm's leaders to work and rework as necessary—it's worth it.

It is essential that all three groups be involved in the targeting process. You need to have a clear, shared definition for what constitutes a sales-ready lead so there is no misunderstanding or finger pointing later on.

By sharing a clear definition, marketing will be able to generate more qualified leads, and sales will not waste their time on leads that are not worth pursuing.

Conclusion

The best marketing ROI comes from knowing the specific names of specific targets at the specific companies in your marketing sights.

Getting your target list in top shape will enable you to:

- Meet with prospects who are *interested in buying* your product or service
- Spend your time and money generating *relationships that lead to new business*
- *Get the best ROI on your marketing spend* by focusing only on prospects who can (and need to) use your products and services

As indicated by the data in this white paper, clarifying your target profile is just the beginning. Over half (55%) of the companies that were poor at generating leads have a good handle on the “general profile” of their target market. Knowing your target market is necessary, but not sufficient, for marketing success.

If you want to tip the odds in your favor for joining the companies that are excellent at generating leads, you have to make sure you know the specific names of the specific targets at the specific companies that are in your marketing sights. This is the platform upon which great marketing results are built.

About The List

The List is an online subscription-based, business intelligence resource. It provides businesses direct access to over 105,000 marketing and advertising decision-makers from more than 30,000 of the largest brands in North America, as well as ad agencies, media companies, and marketing services vendors. The List is also used by recruiters to source top marketing talent; other organizations use The List to initiate strategic partnerships and secure corporate sponsorships.

The List is renowned for the accuracy and quality of its contact information. A continuous 120-day, revolving quality assurance process ensures The List's efficacy. Subscribers to The List save time and money because they can contact the right people, right away. Because The List subscribers access higher quality contacts, they also experience shorter sales cycle times, higher deal-closure rates and generally positive marketing ROI.

To take The List for a [Free Test Drive, click here.](#)



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