



A report from Point to Point

TRANSLATING CONSUMER SUCCESS *into b-to-b success*

**THE SIX BIG MISTAKES
CONSUMER BRANDS MAKE
IN THE COMMERCIAL
MARKETS**

As someone who's spent the good part of his career entrenched in business-to-business marketing, I find it amazing that so many highly successful consumer brands – brands with incredible resources and marketing minds – often struggle trying to reach their commercial customers.

Brands that are big on the consumer side – with national, even global name recognition – are often upstaged by “lesser” names in the commercial sector.

And why is this?

One obvious answer might be that the products themselves don't translate so purely from the home to the workplace. And for a handful of brands, I imagine that's true. But for the vast majority of products, the lack of success on the commercial side has more to do with how these companies approach the market itself. Here are some of the common, and completely avoidable, mistakes I've seen companies make.

1. FAILURE TO PROVIDE THEIR COMMERCIAL COUNTERPARTS WITH THE NECESSARY RESOURCES TO SUCCEED. Many companies don't take their commercial divisions as seriously as they should. Often, the commercial side of the business is understaffed and underfunded. So, from the start, they don't have the tools they need to gain the market share they are

capable of achieving. Sure, budgets for the commercial programs will probably never equal to that of the consumer division (the cost of consumer media alone dictates that imbalance). But when the ratio is 50:1 or sometimes even worse, the chance for underperformance is almost assured.

WHEN A PROFESSIONAL
MAKES A PURCHASE
DECISION, ALL OF HIS
CONSUMER PERCEPTIONS
COME INTO PLAY

2. FAILURE TO REALIZE THAT BUSINESS PEOPLE ARE STILL CONSUMERS AT HEART. Many companies, it seems, think that their professional audience doesn't watch TV or shop or have a favorite brand of car or clothes or beer. So when they enter the b-to-b arena they don't embrace their own brand. In fact, some even try to run away from it, believing that business people will dismiss it as something less than reliable or trustworthy or capable. What these companies fail to realize is that when a professional goes to make a purchase decision, all of his or her consumer perceptions and preferences come into play. And on the job, business people tend to gravitate toward the brands they trust in their personal lives.

General Electric is one company that understands the power of its consumer brand and leverages it quite well in the commercial sector. A maker of light bulbs and home appliances, GE might have abandoned their brand when entering markets such as medical technology and jet engines. After all, who would buy a million-dollar MRI machine from a company that made 75-watt bulbs? But understanding the name recognition they enjoyed, GE developed strategies that built on its brand of innovation and demonstrated how it applied to its varied b-to-b audiences.

3. FAILURE TO UNDERSTAND HOW THE BRAND TRANSLATES TO BUSINESS NEEDS. A feature that compels a homeowner to embrace a product might be completely meaningless to a professional. Yet, many consumer brands try to force feed the same messaging to their commercial target audience, in hopes that it will also resonate. Rarely, does it work.

The failure in the message, of course, is a result of the failure of the company to truly understand the needs of its audience.

This lack of understanding stems largely from the company's lack of research in the b-to-b segment. Big consumer brands rely heavily on consumer research and often spend thousands, if not millions, learning about their customers' perceptions, buying habits and lifestyles.

Yet few apply this same discipline and commitment to their b-to-b ventures. Understanding customers who purchase for a business is just as important – if not more important – than understanding consumers. For starters, the per capita purchasing volume of a business customer is far greater and the profit margins are better. So the investment makes sense. And given the fact that in the business-to-business world the decision making process is often more complicated and the buying cycle is longer, the need for research is amplified.

4. FAILURE TO UNDERSTAND THE UNIQUE MEDIA REQUIREMENTS OF THE COMMERCIAL SECTOR.

Many consumer brands tend to dive into the commercial segment armed with their tried and true consumer strategies, only to find that they aren't applicable. Suddenly, mass media buys and consumer promotions have to be replaced with things like vertical publication buys and multi-segmented audience strategies. It's a long, difficult learning curve for consumer-minded marketers. One that many companies aren't always eager to invest in.

IN THE COMMERCIAL SECTOR
MARKETERS USUALLY TRY TO MEET
THE NEEDS OF THE SALES TEAM,
NOT THE BRAND

5. FAILURE TO EMBRACE PROVEN MARKETING STRATEGIES, AND INSTEAD TAKE ON A “SALES” MENTALITY. Many consumer marketers mistakenly assume that because the commercial audience can’t be reached the same way, they don’t think and act the same way when it pertains to brand loyalty. So instead of building on the strong brand name they already enjoy (and commercial-only competitors could never achieve), many tend to take on a “sales guy” mentality. Instead of leveraging the brand loyalty and name recognition, they are content to simply create sales tools like sell sheets, direct mail pieces and catalogs. By taking this approach, marketers meet the needs of the sales teams, but not the needs of the brand. The result: a brand disconnect from the consumer to commercial markets and brand confusion within the audience itself.

One company that does a terrific job of b-to-b branding is Apple. Mac users in the business world are some of the most brand loyal folks you’ll ever find (I have a whole department of them in my own company). They are passionate advocates for the brand. So passionate in fact, they view PC’s as the “enemy.” This kind of loyalty didn’t come from reading a sell sheet or a brochure. It didn’t come from a sales call from some local rep. The loyalty came from Apple’s astute approach to b-to-b marketing and branding in which they built an expectation of “full creative expression” and then delivered on it at every point of contact – from products to packaging to customer service. What Apple has done so brilliantly is aligned a business strategy and a branding strategy to build a movement in the commercial sector.

6. FAILURE TO EMBRACE THE EMOTIONAL BENEFITS OF THEIR BRAND IN THE COMMERCIAL MARKETS. With their newfound “sales” mentality, many brand marketers resort to a “feature and benefit” approach to marketing, forgetting (or ignoring) the tremendous emotional equity they’ve built in the marketplace. What these companies fail to realize is that professionals have emotional reasons for choosing their products, too (“It relieves stress on the job,” “It makes me a star at work”). And those consumer brands that are able to leverage that deeper bond are likely to be more successful.

IBM, back in the day, expressed its brand promise of reliability on the notion that “Nobody ever got fired for buying IBM.” Product specs were not the motivation for the purchase, security and peace of mind were.

**CONSUMER BRANDS
CAN ALMOST INSTANTLY
BECOME THE ESTABLISHED,
LOW-RISK B-TO-B CHOICE**

If you're a consumer brand marketer willing to look at the commercial segment as a unique entity, with unique opportunities, challenges and demands, a growing new market awaits you. And the good news is, as a consumer brand, you can enter that market with strong inherent advantages over your b-to-b-only counterparts.

For starters, you can achieve almost instantaneous name recognition and credibility, without a lot of costly "awareness building." As mentioned earlier, professionals have lives outside of their professions. So chances are, they've heard of you and have an opinion of your products. Some might even be loyal to your product already.

As a result, the buying cycle of Awareness, Interest, Preference, Sale and Loyalty is a shortcut. Which means when you enter the commercial market, you're not looked at as the "new guy," but as a reliable, established low-risk choice.

Beyond the end-users, your brand will also carry a lot of clout in the sales channel. In the professional sector, where there is an overwhelming majority of brandless b-to-b products, suppliers are looking for anything that can help them differentiate one product from another, increase sales and improve margins. Your brand can help them do all three. Which will make these suppliers more inclined to recommend your products.

You'll also have the advantage of scale. As a large consumer brand, you can leverage your existing resources, such as R&D and customer service, for support. Smaller competitors could never hope to have these resources.

Finally, as a larger brand with greater resources, you'll also be able to respond to the changing needs of your customers much faster and more effectively. Which will not only make you a player in the commercial field, but a leader.

In conclusion, the success you enjoyed as a consumer brand can be duplicated in the commercial market. But your approach to marketing cannot be. You must look at your new audience as one with unique needs, unique media consumption habits, unique emotional drivers. And you must be willing to invest the resources – both in budget and in personnel – to create a marcom plan that talks to this audience in a way that is consistent with your consumer brand.

P O I N T O P O I N T

23240 Chagrin Blvd, Suite 200
Cleveland, Ohio 44122
216 831-4421
pointtopoint.com

Point to Point is an integrated strategic marketing firm that helps our clients identify, bring into focus and overcome complex marketing challenges. Our expertise in branding, interactive marketing, social media, SEO and media planning allows us to solve each client's unique problems in ways that maximize results. Our goal is always to be a catalyst of change for our clients by moving them from where they are to where they want to be.

To find out how we can help you build a more prosperous future, contact us:

Mark Goren
216 364-0456
mgoren@pointtopoint.com