

WITH BILLY HAMILTON-STENT, CSO OCTOPUS GROUP

FORCES *SUPERCHARGING B2B*

THE FORCES SHAPING BUSINESS MARKETING

 THE BRAND TO SALES™ AGENCY

FOREWORD

BY BILLY HAMILTON-STENT, CHIEF STRATEGY OFFICER

In this document, you'll find the megatrends that we believe are shaping the day-to-day of B2B marketing. Thrilling to watch, exciting to live through, these factors pose practical challenges for a sector that is wrestling with how to accommodate the pace of change created by seismic shifts in how businesses do business.

We hope you get the picture and enjoy the ride!

CONTENTS

- | | | | |
|---|-----------------------------|----|----------------------------------|
| 3 | Introduction | 17 | What Does it Mean for Marketing? |
| 6 | Definition of Supercharging | 23 | Conclusion: Time to Supercharge |
| 8 | Tectonic Plates overview | | |



INTRODUCTION

WE ALL KNOW THE REFRAIN.

B2B is the poor cousin to B2C. Lacking in the kind of cutting edge creativity that generates Lions as well as leads. Capable effective marketing. But for the real story you have to look at our friends over the fence.

And the thing is that today the refrain doesn't hold true anymore. The past few years have seen a shift not just in the level, scale and quality of creative marketing by B2B brands and agencies, but in the type of business that sees a need for B2B marketing skills and knowledge, and in the scope of the work we collectively do.

If you're reading this then you've likely either experienced it, or work in one of the industries and markets driving the change. (Assuming you're not downloading B2B marketing literature to pass the time.) And while it might be interesting to talk about how great and interesting it is to be working in B2B right now, it's more interesting to look at the wider business and commercial influences that are changing our work.

- Like the world's four dominant economic centres of finance, energy, connectivity and health each being at a pivotal moment of change.
- Like the need to move and innovate faster than anyone is used to.
- Like the boom in B2B that's built up over nearly two years of lockdowns and health emergencies.
- Like the gaps companies are experiencing across knowledge, culture, ideas and digital capabilities the above has created. And how marketing can close them.



At Octopus Group, we know what it feels like to have our work and our business supercharged. So here's what we make of it, and how we see the next few years of B2B marketing shaking out.

“

B2B digital ad spend will hit \$8.14bn, up 22.6% from 2019. Comparatively, US digital ad spend, as a whole, will only rise 1.7% this year, to \$134.66bn.

EMARKETER



THE DEFINITION OF SUPERCHARGING

SUPERCHARGING. WHAT DO YOU MEAN BY THAT?

A supercharge happens when a high external pressure is applied to an internal system. Kind of like putting a jet engine in a Renault Clio.

For B2B, the external pressure is set of influential trends raising the scale and stakes of what we do, and asking marketers to solve a new and diverse set of business problems. These trends mean we have to think differently, broaden our services, and get creative to help our clients.



And yes, that means we are the Renault Clio.



THE TECTONIC PLATES SUPERCHARGING B2B

THE TECTONIC PLATES SUPERCHARGING B2B

Open any B2B eBook over the past 10 years and you'll read about companies experiencing change. Whether it's digital transformation or decarbonisation, the idea of businesses being subject to a wave they'll struggle to ride has always been used as a sales tool.

But there's manageable evolution and there's the four profound, industry-level supertrends we're seeing today:



Seen independently, each of these is a significant driver of fast, exponential change. But they're also interconnected, forming an ecosystem of dependencies that accelerate change, and impact every industry from media and entertainment to aviation.

We think of them like tectonic plates. When they shift, we do. And their interconnected nature means that a movement in one will always cause tremors in the others.

So, let's take a better look at them.





Energy

WHAT'S HAPPENING IN ENERGY?

You can trace the more profound changes in energy back to net zero targets and the Paris Agreement, which requires transparent reporting around climate change mitigation and adaptation measures by 2024.

And the simple business output of that is greater focus on sustainable alternatives or ways of providing services for the world's established energy providers and consumers.

WHAT THAT MEANS IN PRACTICE?

For some it's launching new service lines like electric vehicle charging stations sitting next to the knackered flowers and barbecue charcoal on petrol station forecourts. For others, it's exploring digitisation at scale, harnessing data to improve maintenance and efficiency in oil fields.

The common challenge these businesses have is telling their customers about it, and supporting a sales operation that's changing what they sell. All of which naturally creates demand for B2B services as they begin to communicate a new mission and vision, with the environment at its heart.



But focusing on energy, oil and natural resources companies maybe negates the wider influence of net zero, green credentials and environmentalism in the wider business community.

ESG (Environmental and Social Governance) now informs investment decisions for major corporations. So they're reporting on their environmental impact and corporate responsibility in the same way they do their financials. When the likes of Blackrock and Invesco are focusing on ESG, the Excel sheets of old aren't going to cut it, creating another pivotal change point.

BP today set a new ambition to become a net zero company by 2050 or sooner, and to help the world get to net zero.

BERNARD LOONEY, BP





Finance

WHAT'S HAPPENING IN FINANCE?

Here's a good fact:

BACK IN 2012 METRO BANK WAS THE FIRST BUSINESS IN THE UK TO RECEIVE A BANKING LICENCE IN OVER 100 YEARS.

Together they tell a story about a lot of change in a short while, for an industry that didn't see much in a long while. Digitisation of finance that's a huge factor in supercharging B2B.

And another:

FINANCE API VOLUME HAS INCREASED FROM \$66.8 MILLION IN 2018 TO \$6 BILLION IN 2021.



WHY? HERE'S FIVE REASONS:

01

It's super competitive. 300 fintechs and innovation providers have joined the UK banking ecosystem. Each needs a viable proposition, space in the market and the ability to get their message across.

02

Only a few really make it. While the 'getting the message across' bit is valuable, what matters is creating commercial opportunities between the fintech and either the tech giants of today, or finance giants of yore who still hold significant power.

03

It's fragmented. Fintechs tend to work in one sub sector of finance. Like Open Banking, payments, compliance. So developing a credible brand is vital when only one business may truly 'win' in each niche.

04

Finance has a lot of change left to do. Covid accelerated cashlessness. But it's nowhere near an established way of paying (still today 6% of US households are unbanked, that rises to approximately 20% in India). So while it feels like a lot has changed, all those fintechs still have a heck of a lot to do.

05

The rewards are there. Stripe was valued at \$95 billion. And sure, very few fintechs will achieve that kind of scale, but those who crack it in their chosen niche (be it Open Banking, payments or security) will thrive.

For B2B marketers, this is our sweet spot. Developing and nurturing brands, creating differentiation in complex and busy marketplaces, accelerating change journeys, and – crucially – helping businesses sell themselves when the stakes are high.

The ground has shifted in finance. And we're still feeling the tremors. It's why back in February 2021, the *Financial Times* said 'the foundation of the internet economy is shifting from advertising to commerce'.





Health

WHAT'S HAPPENING IN HEALTH?

After a year and a half (or longer, depending on when you're reading this) defined by a pandemic, it's no surprise that health is a huge driver of growth in demand for B2B services.

But it's not just the pandemic era that's supercharging our lives.

Mental health is an equal if not bigger influence, and will continue to be so. Particularly as 12.7% of all sick days in the UK can be attributed to our minds instead of our bodies. And one in six of us experience mental health problems in the workplace.

Now, health, healthcare and healthtech have all been growth areas for Octopus Group. Between January 2020 and January 2021, the average share price for European and US biotechs increased at more than twice the rate of the *S&P 500 [Mckinsey 2021].

Closer to home in the UK, the acquisition of UK-based Kymab by Sanofi for \$1.45b is the largest private purchase of an indie biotech on record. Kymab develops innovative solutions for human antibody-based drugs. Did someone say virus? The pandemic sees employers looking at employee wellbeing and changing work patterns like never before at one end of the spectrum and investors driving unprecedented growth in healthtech innovation at the other.

At the intersection between people, health and connectivity, telehealth – the treatment of patients through virtual channels – is set to grow by 32.1% CAGR to 2028 [Fortune Business Insights 2021].





Connectivity

WHAT'S HAPPENING IN CONNECTIVITY?

Of all the areas we've explored in this, connectivity is probably the most familiar to us.

We all remember the days of endless eBooks about digital transformation. And if nothing else, the cloud, connectivity and communications has been faithful to us as marketers for a long while.

But, as with the other drivers of supercharging, something's happening.

5G.

Speak to anyone in telco and they'll tell you something along the lines of this.

When 3G happened, photo sharing came along and gave it a consumer use case.

When 4G happened, video sharing did the same. But that consumer, every day use case that makes 5G profitable through phone contracts and data packages ain't never gonna happen.

Instead, the use case that will drive the 5G powered growth in GDP from \$1.2 trillion to \$2 trillion is business focused. And it's connected to everything else we've spoken about in this eBook.

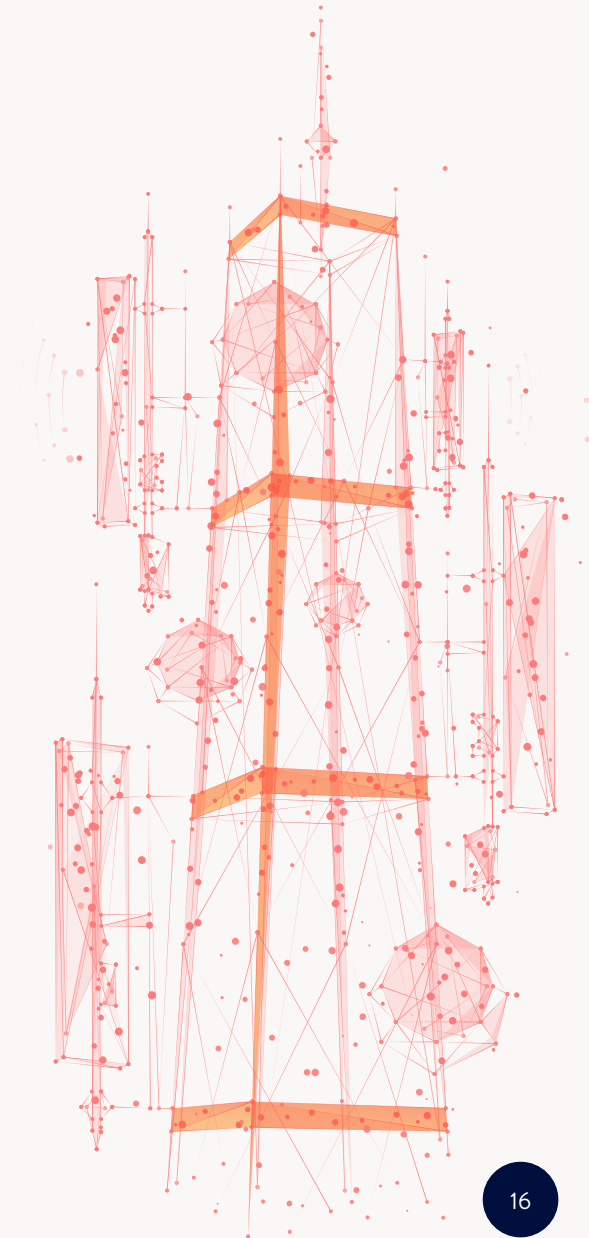


Like health, where 5G will do the whole robot surgery thing (terrifying, yes). But it'll also enable things like remote sonography for patients on the way into hospitals, so their treatment is better informed when they arrive, the roll out of smarter app-based preventative care, and boost collaboration between doctors.

In finance, where the high performance technologies developers are promising rely on low latency, high capacity data management at unprecedented scale. Particularly as digital banking evolves.

And in energy where smart grid systems rely on 5G to power smarter networks, enable the roll out of self driving vehicles, and power the roll out of an exponentially growing number of IoT devices that will be used everywhere from an oil well to a wind turbine.

What we have here is an ecosystem of interconnected industries, frameworks and economic and commercial drivers. Something we'll explore in the next section.



WHAT DOES IT MEAN FOR MARKETING?

WHAT DOES IT MEAN FOR MARKETING?

FOUR GAPS TO FILL

Our tectonic plates are each complex in their own right. As they move against each other, that complexity magnifies. For us marketers, that means both an increased requirement for our existing services, as well as new services.

Making sure you supercharge your B2B strategy.

Against the backdrop of our mega trends we see four gaps that can get in the way of your own supercharged journey.



01. The Knowledge Gap



02. The Culture Gap



03. The Ideas Gap



04. The Digital Gap





01. The Knowledge Gap

Businesses in our focus sectors share a common challenge: they want to move faster.

For some, that's in response to changing customer expectations. For others, it's because the rug beneath their industry is being slowly pulled away – perhaps most keenly felt in energy, where the pressure and pace is on to radically transform the product and how it's delivered.

The trouble is, moving fast doesn't work unless you're also moving smart. Businesses get tripped up when they try to change quickly without the insight to inform their zigs and zags.

So, the need for planning, strategy and insight from agencies grows. Businesses want more certainty about who their customer is, how they're changing, how to reach them and what kind of marketing will cut through. In many cases, the service clients need even goes beyond what we'd recognise as marketing, looking a little more like consultancy in a thin disguise.





02. The Culture Gap

We all know that one of the most impactful changes the pandemic brought about has been remote working. But behind all those faces on Zoom sits a bigger story about the re-evaluation of the employee/employer relationship.

Oh, and it's about more than a pandemic and the right to work from wherever we want, too.

Workers everywhere (particularly knowledge workers) have significantly different expectations of their employer than they did as little as two or three years ago. This notably impacts health, where people expect a much more holistic level of care and support, including mental health. As well as technology and work policies, where decentralisation is a growing theme.

But it also includes purpose. Employees expect their businesses to demonstrate certain values, and have a positive (or at least not overly negative) impact on the world – particularly on the environment.

Remote working is a flashpoint of this. The most obvious signifier of how a business interacts with its people, how much it trusts them, how it views its own culture, and how much autonomy around time and location it's willing to hand over.

But beyond it exists an important re-alignment of the dynamic between a business and its people.





03. The Ideas Gap

This is the one that us B2B marketers have been talking about for a while, and it ladders up to creativity.

We've always wanted the brands we work with to be braver, bolder and bigger in their thinking. In essence, to sanction some of the creative ideas we know we have, but don't always make it through the haze of business word soup, and sanitised creative for a serious, conservative audience.

No more.

The scale of change around business is now being met by an appetite for change within business. And that leads to a need to be different in business marketing. To do that, businesses across the tectonic plates will look to marketers for ideas that will help them stand out.

For us, it also likely means increased demand for creative marketing from sectors we've otherwise not heard much from, like aviation, natural resources and FMCG.





04. The Digital Gap

I doubt there's a B2B marketer among us who's not used the 'five years of transformation in two months' riff over the past year. For all it's become a bit of a trope, there's a general truth behind it.

Life comes at us pretty fast – and our technology hasn't always kept pace with need.

With a lot of businesses going into 2022 with 2018 digital capabilities there's a simultaneous desire to modernise quickly, and to meet different expectations (some of which are tied to that culture gap). Marketing comes into its own here, as an enabler of digital sprints that solve challenges and deliver fast, effective outcomes.



CONCLUSION

TIME TO SUPERCHARGE

With trends this big and dependencies this deep, the supercharging of the B2B world is inevitable. B2B is an engine, one that has been defined historically as reliable rather than radical. If nothing else, the C-suite issues in this content give marketers permission to think bigger and also a warning to hold on tight for what's ahead.

For anyone building a business case for change within their own organisation, we hope as agency partners that the lights go green. Like all good races, a decent map and some considered preparation – closing any gaps you might find before heading off – are the best way to guarantee a good journey.



B2B IS OUR BIG PASSION AT OCTOPUS GROUP.

We take a different approach to B2B marketing, built on the understanding that brands thrive when awareness and sales work together. Our guiding Brand to Sales™ philosophy helps our clients link brand reputation to commercial sales success quickly. Now as part of Publicis Groupe, we bring together multiple expert-led disciplines – strategy, creative, content, PR, media and tech – to help B2B brands solve their biggest marketing challenges.